

Junior Achievement of South Florida, Inc.
and Junior Achievement of South Florida
Charitable Foundation, Inc.

Combined Financial Statements
For the Year Ended June 30, 2021



**Junior Achievement of South Florida, Inc. and
Junior Achievement of South Florida Charitable Foundation, Inc.**

Table of Contents

Independent Auditor's Report	1-2
Financial Statements	
Combined Statement of Financial Position	3
Combined Statement of Activities	4
Combined Statement of Functional Expenses	5
Combined Statement of Cash Flows	6
Notes to Combined Financial Statements	7-20
Supplemental Information	
Independent Auditor's Report on Supplemental Information	21
Schedule of Combining Statements of Financial Position	22
Schedule of Combining Statements of Activities	23-24
Schedule of Combining Statements of Cash Flows	25

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Junior Achievement of South Florida, Inc. and
Junior Achievement of South Florida Charitable Foundation, Inc.

We have audited the accompanying combined financial statements of Junior Achievement of South Florida, Inc. (the "Organization") and Junior Achievement of South Florida Charitable Foundation, Inc. (the "Foundation") (both nonprofit organizations), which comprise the combined statement of financial position as of June 30, 2021, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements based on our audit. We conducted our audit 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

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

CPA's + Trusted Advisors

Junior Achievement of South Florida, Inc. and
Junior Achievement of South Florida Charitable Foundation, Inc.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Organization and the Foundation as of June 30, 2021, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization and Foundation's 2020 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated November 3, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

KEEFE McCULLOUGH

Fort Lauderdale, Florida
December 14, 2021

FINANCIAL STATEMENTS



**Junior Achievement of South Florida, Inc. and
Junior Achievement of South Florida Charitable Foundation, Inc.
Combined Statement of Financial Position
June 30, 2021
(with comparative totals for June 30, 2020)**

	<u>2021</u>	<u>2020</u>
Assets:		
Current assets:		
Cash	\$ 2,786,613	\$ 2,718,711
Restricted cash	874,134	634,134
Investments	-	19,989
Accounts receivable - other	1,047,372	266,835
Accounts receivable - sponsorships, net	483,200	465,700
Promises to give, net	692,655	975,063
Land lease receivable	80,000	80,000
Prepaid expenses and other current assets	60,608	54,734
Total current assets	<u>6,024,582</u>	<u>5,215,166</u>
Long-term assets:		
Accounts receivable - sponsorships, net	445,000	410,000
Promise to give, net	2,326,811	2,754,949
Land lease receivable	798,856	845,056
Property and equipment, less accumulated depreciation	8,923,349	9,414,638
Total long-term assets	<u>12,494,016</u>	<u>13,424,643</u>
Total assets	<u>\$ 18,518,598</u>	<u>\$ 18,639,809</u>
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses	\$ 434,134	\$ 370,052
Deferred revenue - sponsorships	415,000	387,000
Deferred revenue - special events and other	96,330	182,525
Refundable advances - Paycheck Protection Program	944,490	472,245
Debt	306,667	284,167
Obligation under interest rate swap	4,487	9,137
Total current liabilities	<u>2,201,108</u>	<u>1,705,126</u>
Long-term liabilities:		
Deferred revenue - sponsorships	445,000	410,000
Debt, net of current portion and unamortized bond issue costs	2,775,854	3,286,364
Total long-term liabilities	<u>3,220,854</u>	<u>3,696,364</u>
Total liabilities	<u>5,421,962</u>	<u>5,401,490</u>
Net Assets:		
Without donor restrictions:		
Undesignated	6,968,094	6,282,309
Designated by the Board of Directors for operating reserves	1,800,000	1,800,000
	<u>8,768,094</u>	<u>8,082,309</u>
With donor restrictions:		
Purpose and time restrictions	4,328,542	5,156,010
Total net assets	<u>13,096,636</u>	<u>13,238,319</u>
Total liabilities and net assets	<u>\$ 18,518,598</u>	<u>\$ 18,639,809</u>

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

**Junior Achievement of South Florida, Inc. and
Junior Achievement of South Florida Charitable Foundation, Inc.
Combined Statement of Activities
For the Year Ended June 30, 2021
(with comparative totals for June 30, 2020)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>	<u>2020 Total</u>
Change in Net Assets:				
Public support and revenue:				
Contributions:				
Corporate	\$ 400,598	\$ 106,800	\$ 507,398	\$ 344,113
Individual	204,271	27,412	231,683	335,762
Foundations	<u>1,028,676</u>	<u>68,835</u>	<u>1,097,511</u>	<u>981,219</u>
Total contributions	1,633,545	203,047	1,836,592	1,661,094
In-kind contributions	395,891	-	395,891	878,354
Special events				
(net of expenses of \$ 32,163)	153,636	13,110	166,746	380,863
Governmental revenue	1,196,178	4,020	1,200,198	1,437,821
Other income - storefront sponsorships	668,000	-	668,000	780,851
Investment income (loss), net	<u>3,607</u>	<u>-</u>	<u>3,607</u>	<u>19,481</u>
Total public support and revenue	<u>4,050,857</u>	<u>220,177</u>	<u>4,271,034</u>	<u>5,158,464</u>
Net assets released from restrictions:				
Expiration of purpose and time restrictions	<u>1,047,645</u>	<u>(1,047,645)</u>	<u>-</u>	<u>-</u>
Total public support, revenue and net assets released from restrictions	<u>5,098,502</u>	<u>(827,468)</u>	<u>4,271,034</u>	<u>5,158,464</u>
Expenses:				
Program services	3,739,268	-	3,739,268	4,462,310
Supporting services:				
Fundraising	586,866	-	586,866	696,233
Administration	<u>91,233</u>	<u>-</u>	<u>91,233</u>	<u>117,056</u>
Total expenses	<u>4,417,367</u>	<u>-</u>	<u>4,417,367</u>	<u>5,275,599</u>
Total change in net assets before change in fair value of interest rate swap	<u>681,135</u>	<u>(827,468)</u>	<u>(146,333)</u>	<u>(117,135)</u>
Change in fair value of interest rate swap	<u>4,650</u>	<u>-</u>	<u>4,650</u>	<u>(19,007)</u>
Change in net assets	685,785	(827,468)	(141,683)	(136,142)
Net Assets, Beginning of Year	<u>8,082,309</u>	<u>5,156,010</u>	<u>13,238,319</u>	<u>13,374,461</u>
Net Assets, End of Year	<u>\$ 8,768,094</u>	<u>\$ 4,328,542</u>	<u>\$ 13,096,636</u>	<u>\$ 13,238,319</u>

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

**Junior Achievement of South Florida, Inc. and
Junior Achievement of South Florida Charitable Foundation, Inc.
Combined Statement of Functional Expenses
For the Year Ended June 30, 2021
(with comparative totals for June 30, 2020)**

	Program Services	Supporting Services		2021 Total	2020 Total
		Fundraising	Administration		
Personnel Costs:					
Salaries	\$ 1,393,131	\$ 269,716	\$ 50,722	\$ 1,713,569	\$ 1,979,069
Employee benefits	154,875	29,985	5,639	190,499	320,147
Payroll taxes	109,939	21,285	4,003	135,227	148,182
Total personnel costs	<u>1,657,945</u>	<u>320,986</u>	<u>60,364</u>	<u>2,039,295</u>	<u>2,447,398</u>
Other Expenses:					
Program expenses (including \$ 388,113 of in-kind donations)	394,133	-	-	394,133	875,424
Professional fees	134,987	34,946	4,315	174,248	257,310
Repairs and maintenance (including \$ 6,455 of in-kind donations)	131,201	5,828	960	131,534	152,405
Unfulfilled promises to give and sponsorships	-	63,204	-	63,204	37,542
Utilities	110,537	6,238	1,040	117,815	126,857
Fees and charges	53,549	13,996	1,912	69,457	92,553
Rent (including \$ 80,000 of in-kind donations)	65,040	12,592	2,368	80,000	80,000
Office supplies (including \$ 1,323 of in-kind donations)	52,986	3,349	270	63,060	129,301
Fundraising and public relations	30,209	22,030	13	52,252	107,676
Printing and stationary	16,259	1,908	3	18,170	51,188
Insurance	59,791	2,907	485	63,183	53,694
JA USA - Program and Support Fees	303,247	-	-	303,247	161,431
Training and recruitment	17,387	2,865	332	20,584	26,379
Rentals	16,143	831	110	17,084	41,366
Dues and subscriptions	18,307	18,098	459	36,864	22,757
Telephone	38,570	2,488	415	41,473	31,513
Travel	136	98	1	235	16,160
Contract labor	137,881	5,269	10	143,160	31,287
Business development	1,500	4,059	-	5,559	3,544
Postage	1,401	911	43	2,355	2,789
Total expenses before provision for depreciation and interest	<u>3,241,209</u>	<u>522,603</u>	<u>73,100</u>	<u>3,836,912</u>	<u>4,748,574</u>
Provision for depreciation	468,228	90,651	17,047	575,926	589,521
Interest (including \$ 16,157 amortization of bond issuance costs)	29,831	5,775	1,086	36,692	78,642
Total expenses by function	<u>3,739,268</u>	<u>619,029</u>	<u>91,233</u>	<u>4,449,530</u>	<u>5,416,737</u>
Less expenses included with public support and revenue on the combined statement of activities:					
Special events expenses	<u>-</u>	<u>(32,163)</u>	<u>-</u>	<u>(32,163)</u>	<u>(141,138)</u>
Total expenses	<u>\$ 3,739,268</u>	<u>\$ 586,866</u>	<u>\$ 91,233</u>	<u>\$ 4,417,367</u>	<u>\$ 5,275,599</u>

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

**Junior Achievement of South Florida, Inc. and
Junior Achievement of South Florida Charitable Foundation, Inc.
Combined Statement of Cash Flows
For the Year Ended June 30, 2021
(with comparative totals for June 30, 2020)**

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ (141,683)	\$ (136,142)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Provision for depreciation	575,926	589,521
Land lease receivable, net	46,200	44,424
Unfulfilled promises to give and sponsorships	63,204	37,542
Change in fair value of interest rate swap	(4,650)	19,007
Amortization of bond issuance costs	16,157	16,157
Unrealized (gain) loss on investments	(1,205)	5,011
Contributed assets (investments/property and equipment)	(3,371)	(25,000)
Changes in assets and liabilities:		
(Increase) decrease in assets:		
Promises to give, net	647,342	507,000
Accounts receivable - other	(780,537)	268,165
Accounts receivable - sponsorships, net	(52,500)	(60,500)
Prepaid expenses and other current assets	(5,874)	(2,580)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	64,082	81,125
Deferred revenue - sponsorships	63,000	116,753
Deferred revenue - special events and other	(86,195)	143,486
Refundable advances - Paycheck Protection Program	472,245	472,245
Net cash provided by (used in) operating activities	<u>872,141</u>	<u>2,076,214</u>
Cash Flows From Investing Activities:		
Proceeds from sale of investments	24,813	-
Purchases of investments	(248)	-
Purchases of property and equipment	(84,637)	(445,052)
Net cash provided by (used in) investing activities	<u>(60,072)</u>	<u>(445,052)</u>
Cash Flows From Financing Activities:		
Proceeds from debt	-	50,000
Change in restricted cash, net	(240,000)	(494,000)
Principal payments on debt	(504,167)	(500,000)
Net cash provided by (used in) financing activities	<u>(744,167)</u>	<u>(944,000)</u>
Net increase (decrease) in cash	67,902	687,162
Cash, Beginning of Year	<u>2,718,711</u>	<u>2,031,549</u>
Cash, End of Year	<u>\$ 2,786,613</u>	<u>\$ 2,718,711</u>

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

**Junior Achievement of South Florida, Inc. and
Junior Achievement of South Florida Charitable Foundation, Inc.
Notes to Combined Financial Statements
June 30, 2021
(with comparative totals for June 30, 2020)**

Note 1 - Organization and Operations

Junior Achievement of South Florida, Inc. (the "Organization") is a not-for-profit corporation whose purpose is to administer the programs of Junior Achievement USA, Inc., an international not-for-profit corporation, in Broward and South Palm Beach Counties, Florida. The Organization is inspiring the next generation of business leaders, employees and consumers by educating students at the elementary, middle and high school levels about financial literacy, entrepreneurship and work readiness. With the help of over 2,300 trained corporate and community volunteers and mentors, the Organization delivers over 25 unique programs to approximately 44,000 students throughout Broward and South Palm Beach counties and at JA World Huizenga Center at the Lillian S. Wells Pavilion on the Broward College - North Campus, a 60,000 square foot first-class facility housing two JA BizTowns and a JA Finance Park. In response to Covid-19, the Organization pivoted to an online platform to provide its educational services to students for the 2021 fiscal year.

Junior Achievement of South Florida Charitable Foundation, Inc. (the "Foundation") is a not-for-profit corporation whose purpose is to support and extend the program services and continued viability of the Organization, for the benefit of all the audiences for those services, through fundraising activities which generate support from individuals, corporations, and foundations; creation and/or participation in activities and enterprises which generate revenues to be used to support the primary purpose of the Foundation; and informational and educational activities which promote the understanding, appreciation, and support for the Foundation and its activities among the general public and private and public agencies.

Note 2 - Summary of Significant Accounting Policies

Principles of combination: The accompanying combined financial statements include the accounts of the Organization and the Foundation, which are under common control. Significant intercompany transactions and balances have been eliminated.

Basis of presentation: The financial statement presentation follows the guidance of the Financial Accounting Standards Board in its Accounting Standards Update (FASB ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Under FASB ASU No. 2016-14, the Organization and the Foundation are required to report information regarding their financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets: Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for operating reserves.
- *Net Assets With Donor Restrictions* - Net assets subject to donor (or certain grantor) imposed restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or grantor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts restricted for the acquisitions of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service.

**Junior Achievement of South Florida, Inc. and
Junior Achievement of South Florida Charitable Foundation, Inc.
Notes to Combined Financial Statements
June 30, 2021
(with comparative totals for June 30, 2020)**

Note 2 - Summary of Significant Accounting Policies (continued)

Generally, contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities as net assets released from restrictions. All contributions are considered available for general use, unless specifically restricted by the donor or subject to other legal restrictions.

Cash, cash equivalents and restricted cash: The Organization and the Foundation consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents that the Organization and Foundation intend to use for long-term purposes are classified as investments in the accompanying combined statement of financial position.

At June 30, 2021 and 2020, restricted cash for debt service amounted to approximately \$ 874,000 and \$ 634,000, respectively.

Investments: Investment purchases are recorded at cost, or if donated, at estimated fair value on the date of donation. Thereafter, investments are reported at their estimated fair values in the combined statement of financial position. Net investment income (loss) is reported in the combined statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses, as applicable.

Accounts receivable - other: Accounts receivable - other consist primarily of amounts due from Broward County for educational and training services, and the federal government under the Employee Retention Credit of the CARES Act. Management periodically reviews and provides an allowance for accounts which may be uncollectible. Accounts receivable are written off when deemed uncollectible. As of June 30, 2021 and 2020, management believes that no allowance for doubtful accounts was deemed necessary.

Accounts receivable and deferred revenue - sponsorships: Accounts receivable and deferred revenue - sponsorships consist primarily of storefront sponsorship contract agreements. Management periodically reviews and provides an allowance for accounts which may be uncollectible. Accounts receivable are written off when deemed uncollectible. As of June 30, 2021 and 2020, the allowance for doubtful accounts for storefront sponsorships was approximately \$ 5,000 and \$ 5,000, respectively.

Receivables from contracts with customers are reported as accounts receivable, net, in the accompanying combined statement of financial position. Contract liabilities are reported as deferred revenue in the accompanying combined statement of financial position.

Promises to give: Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques using a discount rate in effect at the time the pledge is received. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Management periodically reviews and provides an allowance for accounts which may be uncollectible. Promises to give are written off when deemed uncollectible. As of June 30, 2021 and 2020, the allowance for doubtful promises to give was approximately \$ 70,000 and \$ 73,000, respectively.

**Junior Achievement of South Florida, Inc. and
Junior Achievement of South Florida Charitable Foundation, Inc.
Notes to Combined Financial Statements
June 30, 2021
(with comparative totals for June 30, 2020)**

Note 2 - Summary of Significant Accounting Policies (continued)

Property and equipment: Property and equipment are carried at cost if purchased or, if donated, at estimated fair value on the date of donation, less accumulated depreciation. The Organization's policy is to provide for depreciation using the straight-line method over the estimated useful life of the asset. Estimated useful lives for assets are as follows:

Building and improvements	10-40 years
Equipment	3-10 years
Furniture and fixtures	3-10 years

Maintenance and repairs to property and equipment are charged to expense when incurred. Additions and major renewals are capitalized.

Derivative financial instruments: The Organization makes limited use of derivative instruments for the purpose of managing interest rate risks. An interest rate swap agreement is used to partially convert the Organization's variable rate long-term debt to fixed.

Revenue and revenue recognition: Contract revenue from educational and training services, and storefront sponsorships are recognized when the performance obligations of providing such services are met. Generally, payments are required at the time the agreement is signed or start of service period; amounts received in advance, and other contract liabilities, are deferred to the applicable period. Revenues from special events that are considered exchange transactions are not recognized until the special event takes place. With the exception of services provided in connection with storefront sponsorships, which are transferred over the contract period, all services are transferred at a point in time.

Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met or explicitly waived.

At June 30, 2021 and 2020, conditional contributions of approximately \$ 118,000 and \$ 140,000, respectively, have not been recognized in the accompanying combined statement of activities because the condition on which they depend, providing educational services to certain students, has not been met.

Grant revenue, including governmental contracts, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses are recognized when the allowable costs as defined by the individual grant are incurred and/or the unit of service has been provided in compliance with specific contract or grant provisions. Amounts received prior to incurring qualified expenditures are reported as refundable advances in the combined statement of financial position.

Paycheck Protection Program: In accordance with the guidance of the AICPA in Q&A section 3200, the Organization has the option to report the proceeds of this forgivable loan program under FASB *Accounting Standards Codification (ASC) 470, Debt* or by analogy to the guidance under FASB ASC 958-605, *Revenue Recognition*, and account for the funds as a conditional government grant. The Organization has elected to follow the provisions of ASC 470 in which the loan proceeds remain recorded as a liability until the loan is forgiven, in full or in part, or the loan is paid off to the creditor.

Employee Retention Credit: The Employee Retention Credit (ERC) 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) as a credit against certain payroll taxes allowed to an eligible employer for qualifying wages. The Organization recorded approximately \$ 316,000 in governmental revenue pertaining to ERC during the year ending June 30, 2021.

**Junior Achievement of South Florida, Inc. and
Junior Achievement of South Florida Charitable Foundation, Inc.
Notes to Combined Financial Statements
June 30, 2021
(with comparative totals for June 30, 2020)**

Note 2 - Summary of Significant Accounting Policies (continued)

Functional expenses: The costs of providing the various programs and supporting services have been summarized on a functional basis in the combined statement of activities. The combined statement of functional expenses presents the natural classification detail of expenses by functions. Expenses that can be directly identified with a program or supporting service are charged accordingly. The combined financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Personnel costs, and most other expenses, are allocated on the basis of time and effort; unless specifically determined by management on an account by account basis. Certain occupancy expenses are allocated on the basis of square footage.

Joint costs of fundraising appeals: The Organization and the Foundation utilize various pamphlets, brochures and informational methods to inform the general public of their activities and to solicit funds. These costs are charged to fundraising.

Income taxes: The Organization and the Foundation qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code and as such, are only subject to federal income taxes on unrelated business income. Per management, there were no income taxes resulting from unrelated business income during the years ended June 30, 2021 and 2020.

Use of estimates: The preparation of the combined financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of credit risk: Financial instruments that potentially subject the Organization and the Foundation to concentrations of credit risk consist principally of cash, and receivables. Although cash balances may exceed federally insured limits at times during the year, the Organization has not experienced and does not expect to incur any losses in such accounts. At June 30, 2021 and 2020, the Organization and Foundation had an aggregate bank balance of approximately \$ 3,165,000 and \$ 2,897,000, respectively, held in excess of the FDIC limits. Cash is maintained, with what management believes to be high quality financial institutions, to limit its risk.

Credit risk with respect to accounts receivable is considered limited, by management, due to the number and credit worthiness of the entities and individuals who comprise the contributor/customer base. Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Organization establishes an allowance for doubtful accounts based upon factors surrounding the credit risk of specific donors/customers, historical trends and other information. Receivable balances are unsecured.

Related parties: The Organization receives direct and indirect support in the form of cash and in-kind donations from various Board Members or their affiliated organizations.

Summarized prior year information: The combined financial statements include summarized comparative information from the prior year, which is not presented by net asset type and functional expense classification and does not include sufficient detail to conform with GAAP. This information should be read in conjunction with the Organization and Foundation combined audited financial statements for the year ended June 30, 2020, from which the comparative information was derived.

**Junior Achievement of South Florida, Inc. and
Junior Achievement of South Florida Charitable Foundation, Inc.
Notes to Combined Financial Statements
June 30, 2021
(with comparative totals for June 30, 2020)**

Note 2 - Summary of Significant Accounting Policies (continued)

Reclassifications: Certain accounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements.

Date of management's review: Subsequent events have been evaluated by management through December 14, 2021, which is the date the combined financial combined statements were issued.

Note 3 - Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the combined statement of financial position date ending June 30, 2021, comprise the following:

Financial Assets:	
Cash	\$ 2,786,613
Promises to give, net	3,019,466
Accounts receivable - other	1,047,372
Accounts receivable - sponsorships, net	<u>928,200</u>
Financial assets, at year-end	<u>7,781,651</u>
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions	(430,220)
Promises to give, current, purpose restrictions	(500,000)
Promises to give - beyond one year, net	(2,326,811)
Accounts receivable - sponsorships, beyond one year, net	(445,000)
	<u>(3,702,031)</u>
Board designations:	
Amounts set aside for operating reserves	<u>(1,800,000)</u>
	<u>(5,502,031)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,279,620</u>

In the event of an unanticipated liquidity need, the Organization could draw upon \$ 500,000 of available line of credit (Note 8).

Note 4 - Investments

The Organization follows the Financial Accounting Standards Board in its Accounting Standards Codification (FASB ASC) No. 820, *Fair Value Measurements and Disclosures* for fair value measurements of investments that are recognized and disclosed at fair value in the financial statements on a recurring basis. FASB ASC No. 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

**Junior Achievement of South Florida, Inc. and
Junior Achievement of South Florida Charitable Foundation, Inc.
Notes to Combined Financial Statements
June 30, 2021
(with comparative totals for June 30, 2020)**

Note 4 - Investments (continued)

The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical investments that the Organization has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the investments, either directly or indirectly (e.g. quoted prices in active markets for similar securities, valuations based on commonly quoted benchmarks, interest rates and yield curves, and/or securities indices).
- Level 3 inputs are unobservable inputs for the investments (e.g. information about assumptions, including risk, market participants would use in pricing a security).

The level in the fair value hierarchy within which a fair measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The input or methodology used for valuing securities is not necessarily an indicator of risk associated with investing in those securities.

The following table presents the investments as held by the Organization at June 30, 2020:

	<u>Level 1</u>
Investments, measured at fair value:	
Equities*	\$ <u>19,257</u>
Investments, measured at amortized cost:	
Cash and equivalents	<u>732</u>
Total investments	\$ <u><u>19,989</u></u>

*Level 1 based on the hierarchy descriptions above.

Note 5 - Promises to Give and Land Lease Receivable

The composition of unconditional promises to give and land lease receivable (Note 10) at June 30, are as follows:

	<u>2021</u>	<u>2020</u>
Receivable in one year or less	\$ 842,664	\$ 1,128,143
Receivable in two to five years	2,323,623	2,320,853
Receivable in greater than five years	<u>1,220,256</u>	<u>1,800,000</u>
Total unconditional promises to give	4,386,543	5,248,996
Less: discount to net present value	418,212	520,847
Less: allowance for uncollectible promises	<u>70,009</u>	<u>73,081</u>
Net unconditional promises to give	\$ <u><u>3,898,322</u></u>	\$ <u><u>4,655,068</u></u>

**Junior Achievement of South Florida, Inc. and
Junior Achievement of South Florida Charitable Foundation, Inc.
Notes to Combined Financial Statements
June 30, 2021
(with comparative totals for June 30, 2020)**

Note 5 - Promises to Give and Land Lease Receivable (continued)

Promises to give are presented net of an allowance for uncollectable promises and a discount to net present value. The Organization provides its allowance for uncollectible promises equal to management's estimate of uncollectible amounts. It is reasonably possible that the Organization's estimate of the allowance for uncollectible promises will change. Promises to give are reflected at the present value of estimated future cash flows using discount rates ranging from 0.25% to 4.00%.

These amounts are included in the accompanying combined statement of financial position under the following captions:

	<u>2021</u>	<u>2020</u>
Current assets:		
Promises to give, net	\$ 692,655	\$ 975,063
Land lease receivable	80,000	80,000
Long-term assets:		
Promises to give, net	2,326,811	2,754,949
Land lease receivable	<u>798,856</u>	<u>845,056</u>
Net unconditional promises to give	\$ <u><u>3,898,322</u></u>	\$ <u><u>4,655,068</u></u>

Note 6 - Property and Equipment

Property and equipment consisted of the following at June 30:

	<u>2021</u>	<u>2020</u>
Building and improvements	\$ 12,361,142	\$ 12,276,506
Equipment	1,936,033	1,936,032
Furniture and fixtures	338,257	338,257
	<u>14,635,432</u>	<u>14,550,795</u>
Less accumulated depreciation	<u>5,712,083</u>	<u>5,136,157</u>
Total	\$ <u><u>8,923,349</u></u>	\$ <u><u>9,414,638</u></u>

Note 7 - Refundable Advances – Paycheck Protection Program

On April 13, 2020, the Organization executed a promissory note for \$ 472,245 under the Paycheck Protection Program ("PPP") authorized by the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). The loan bears interest rate at 1.00% per annum. Under the PPP, loan funds are eligible for forgiveness to the extent that they are used to cover certain payroll, rent, and utility costs; and if the Organization maintains certain employment levels during a specified period of time. If the Small Business Administration ("SBA") confirms full forgiveness of the unpaid balance of the note, the Organization's obligation under this arrangement is deemed fully satisfied. The Organization remains obligated to repay to the lender any amount not forgiven, which matures on the 2nd anniversary of the note. Principal and interest payments are deferred until the lender receives a forgiveness determination from SBA.

**Junior Achievement of South Florida, Inc. and
Junior Achievement of South Florida Charitable Foundation, Inc.
Notes to Combined Financial Statements
June 30, 2021
(with comparative totals for June 30, 2020)**

Note 7 - Refundable Advances – Paycheck Protection Program (continued)

On February 8, 2021, the Organization executed a promissory note for \$ 472,245 under the second round of the PPP (“PPP2”). Under the second round of the PPP, the allowable uses of the funds to be eligible for forgiveness was expanded to include payments such as software or cloud computing services, expenditures and personal protective equipment. The interest rate remains at 1.00% per annum. Repayment terms remain similar to the first round of the PPP, except the maturity date is on the 5th anniversary of the note and the repayment terms for any amount not forgiven will be based on a five-year amortization table.

June 30, 2021 and 2020, the outstanding principal amount of the notes payable was \$ 944,490 and \$ 472,245, respectively. In July 2021, the Organization received full forgiveness for the loan obtained under the first round of the PPP.

Note 8 - Debt

Debt at June 30, is summarized as follows:

	<u>2021</u>	<u>2020</u>
\$ 7,000,000 Variable Rate Demand Revenue Bonds, Series 2007; net of unamortized debt issuance costs of \$ 273,312 and \$ 289,469, respectively; due in monthly interest installments (at a weekly rate of 0.09% at June 30, 2021); and annual principal installments until December 2032.	\$ 3,036,688	\$ 3,520,531
Note payable to an organization in the original principal amount of \$ 50,000. The note is non-interest bearing. In the event of default, interest will be charged at the variable rate of Prime plus 2.00% from the date of default. Quarterly principal payments of \$ 4,167 are due commencing June 2021 through maturity, March 2024.	<u>45,833</u> 3,082,521	<u>50,000</u> 3,570,531
Less current portion	<u>306,667</u>	<u>284,167</u>
Long-term debt, net	\$ <u><u>2,775,854</u></u>	\$ <u><u>3,286,364</u></u>

Debt issuance costs are reported on the combined statement of financial position as a direct reduction from the face amount of the related debt. The Organization reflects amortization of debt issuance costs as a component of interest expense.

**Junior Achievement of South Florida, Inc. and
Junior Achievement of South Florida Charitable Foundation, Inc.
Notes to Combined Financial Statements
June 30, 2021
(with comparative totals for June 30, 2020)**

Note 8 – Debt (continued)

The annual principal payment requirements for the debt are approximately as follows:

Year Ending June 30,	
2022	\$ 306,700
2023	321,700
2024	332,500
2025	335,000
2026	350,000
2027-2031	<u>1,710,000</u>
	<u>\$ 3,355,900</u>

Bonds payable: In December 2007, the Organization entered into an agreement with the City of Coconut Creek, Florida and a financial institution to finance the construction and equipping of certain facilities located in an approximately 60,000 square foot facility, on the North Campus of Broward College. The transaction was financed principally through the issuance of 2007 Series, Variable Rate Demand Revenue Bonds. The Organization is required to make monthly interest payments. In addition, the Organization is required to make principal installments on a monthly basis into a sinking fund account established for the required annual debt service until its expiration in December 2032. The bonds are secured by a letter of credit held by a financial institution, which is collateralized by a mortgage on the subject property.

During 2018 the Organization received a \$ 5,000,000 pledge, to be collected in \$ 500,000 annual installments, restricted for debt service payments. As of June 30, 2021 and 2020, \$ 3,000,000 and \$ 3,500,000, respectively, was outstanding on the pledge receivable.

Swap agreement obligations: Previously, the Organization entered into an interest rate swap agreement with a bank that expired in December 2020. The agreement effectively converted \$ 2,895,000 of the variable interest rate debt to fixed interest rate debt to the extent of the notional amount. For the outstanding notional principal amounts of \$ 2,395,000 as of June 30, 2020 the fixed rate being paid to the bank was 0.95%, while the payment received from the bank was 0.1193% (USD - SIFMA Municipal Swap Index).

In January 2021, the Organization entered into an interest rate swap agreement with a bank that expires in December 2025. The agreement effectively converts \$ 1,905,000 of the variable interest rate debt to fixed interest rate debt to the extent of the notional amount. For the outstanding notional principal amount of \$ 1,655,000 as of June 30, 2021 the fixed rate being paid to the bank was 0.5390%, while the payment received from the bank was 0.0313% (USD - SIFMA Municipal Swap Index).

The fair value asset (obligation) of the swap agreements are based on quotes obtained from the primary financial lender, which was quoted at approximately (\$ 4,000) and (\$ 9,000) as of June 30, 2021 and 2020, respectively; and is included in the combined statement of financial position under the long-term liabilities section. The net change of approximately \$ 5,000 and (\$ 19,000) is reflected in the June 30, 2021 and 2020 combined statement of activities, respectively.

Line of credit: The Organization has available a \$ 500,000 revolving line of credit from a bank which bears interest at the Wall Street Journal's prime rate, but at a minimum rate of 3.75%, expiring in November 2022. The line of credit is collateralized by substantially all of the Organization's assets. Additionally, the line of credit is guaranteed by the Foundation, along with all other indebtedness with the lender including the letter of credit previously discussed. Further, this credit facility is cross-collateralized and cross-defaulted with all other indebtedness with the lender. The Organization also has available an uncommitted facility for \$ 250,000 that is available for the purchase of equipment. The facility matures in November 2022. As of June 30, 2021 and 2020, no funds were outstanding on the line of credit or equipment facility.

**Junior Achievement of South Florida, Inc. and
Junior Achievement of South Florida Charitable Foundation, Inc.
Notes to Combined Financial Statements
June 30, 2021
(with comparative totals for June 30, 2020)**

Note 8 – Debt (continued)

The bonds, letter of credit and line of credit require a minimum unencumbered, unrestricted liquidity of \$ 400,000 to be maintained on a combined basis by the Organization and the Foundation, as guarantor. As of June 30, 2021, the Organization and the Foundation were in compliance with this required financial covenant.

Note 9 - Net Assets With Donor Restrictions

As of June 30, net assets with donor restrictions consisted of:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Capital improvements	\$ 399,362	\$ 483,998
Scholarships	30,858	16,944
Promises to give, the proceeds from which have been restricted by donors for:		
Debt service payments	2,822,932	3,254,097
Educational facilities and programs (Note 11)	878,856	925,056
Subject to the passage of time:		
Promises to give, net, that are not restricted by donors, but which are unavailable for expenditure until due	<u>196,534</u>	<u>475,915</u>
	<u>\$ 4,328,542</u>	<u>\$ 5,156,010</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors, as follows, for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Expiration of time restrictions	\$ 383,009	\$ 382,956
Satisfaction of purpose restrictions:		
Debt service payments	500,000	500,000
Capital improvements	84,636	425,137
Educational facilities and programs	80,000	80,000
Scholarships	-	6,500
	<u>\$ 1,047,645</u>	<u>\$ 1,394,593</u>

Note 10 - Donated Goods, Services and Facility Use

The Organization receives donated goods and services, paying for most services requiring specific expertise. A number of volunteers have donated substantial amounts of their time in certain of the Organization's program service areas. When the value of the donated services is susceptible to accrual, it is reflected in the combined financial statements as a revenue and expense. For the years ended June 30, 2021 and 2020, the Organization recorded approximately \$ 338,000 and \$ 707,000, respectively, in donated services at estimated fair value and approximately \$ 58,000 and \$ 171,000, respectively, in donated goods at estimated fair value.

**Junior Achievement of South Florida, Inc. and
Junior Achievement of South Florida Charitable Foundation, Inc.
Notes to Combined Financial Statements
June 30, 2021
(with comparative totals for June 30, 2020)**

Note 10 - Donated Goods, Services and Facility Use (continued)

For the year ended June 30, 2021 and 2020, the Organization received and recorded at fair value an additional \$ 80,000 (Note 11), respectively, related to the use of a donated facility.

Note 11 - Commitments

Leases: Previously, the Organization received a donation of a 30-year land lease from Broward College, with the option to renew for an additional 30 years. A land lease receivable was recorded based on the estimated market value of the agreement at the time of the donation (Notes 5 and 16). A donated facility amount of \$ 80,000 is expensed annually (Note 10). As of June 30, 2021 and 2020, the land lease receivable, net of discount to present value, totaled approximately \$ 879,000 and \$ 925,000, respectively.

The Organization also leases certain equipment and software under non-cancelable and month-to-month operating lease arrangements. Lease expense under all operating leases was approximately \$ 17,000 and \$ 16,000 during the years ended June 30, 2021 and 2020, respectively.

The following are approximate base future minimum lease payments:

Year Ending June 30,	Amount
2022	\$ 15,700
2023	15,700
2024	12,000
2025	900
2026	200
	\$ 44,500

Storefront sponsorship agreements: The Organization has entered into agreements for the reservation of space at the JA World Huizenga Center (Note 16). Agreements stipulate that sponsors are to be provided space to simulate the sponsor’s corporate business through the display of signage, corporate image promotions and activities. In general, contract lengths vary from one to five years and include options to renew under similar terms. The Organization entered into new agreements in cash and in-kind from certain sponsors totaling approximately \$ 781,000 and \$ 987,000 during the years ended June 30, 2021 and 2020, respectively.

Note 12 - Payments to Junior Achievement USA, Inc.

Participation fees are assessed annually by Junior Achievement USA, Inc. (“JA USA”), based on revenue type, using a sliding fee scale based on the preceding year’s audited revenues less any allowed waivers. These fees totaled approximately \$ 303,000 and \$ 161,000 for the years ended June 30, 2021 and 2020, respectively, and are included in program expenses on the combined statement of functional expenses.

Effective for the year ending June 30, 2020, JA USA restructured the sliding fee scale for participation fees. The restructured fees include the use of its “capstone program” which was previously charged based on the number of children served. To assist local areas with the new fee structure JA USA provided a phase-in period for fiscal year 2020.

**Junior Achievement of South Florida, Inc. and
Junior Achievement of South Florida Charitable Foundation, Inc.
Notes to Combined Financial Statements
June 30, 2021
(with comparative totals for June 30, 2020)**

Note 13 - Revenue from Contracts with Customers

The following table provides information about significant changes in deferred revenue for the year ended June 30,:

	<u>2021</u>	<u>2020</u>
Deferred revenue, beginning of year	\$ 979,525	\$ 719,286
Revenue recognized during the year	(569,525)	(608,186)
Cash and in-kind goods and services received, including contract liabilities entered into during the year	<u>546,330</u>	<u>868,425</u>
Deferred revenue, end of year	<u>\$ 956,330</u>	<u>\$ 979,525</u>

Note 14 - Employee Benefit Plans

Multi-Employer Defined Benefit 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 JA USA and generally covered all full-time employees of JA USA, JA Worldwide, Inc. and employees of participating Junior Achievement Areas in the United States. Benefits were determined based on years of service and salary history. The Plan's assets were invested in various investment funds until 2019, when a substantial portion of the portfolio was placed into fixed income mutual funds, and 2020, when Plan assets were converted to cash and cash equivalents. Prior to June 30, 2019, in accordance with the plan documents, the Organization made contributions equal to 13.25% of plan participants' eligible compensation. Accordingly, 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 combined financial statements of the Organization.

Effective June 30, 2019, the Board of Directors of the JA USA 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, JA USA, JA Worldwide, Inc. and participating Junior Achievement Areas continued to make contributions equal to 13.25% of participants' eligible compensation.

During 2020, Plan participants elected the mode of their distribution (whether lump sum or annuity) and the Plan liquidated and distributed benefit payments accordingly. The Plan engaged an insurance company to assume the annuity portfolio, and as of June 30, 2020, substantially all benefit obligations of the Plan had either been paid (lump sum elections) or transferred (annuity elections). The remaining assets in the Plan are restricted for additional, future termination, and other required administrative expenses. Upon the conclusion of any necessary administrative proceedings and the final review by the Pension Benefit Guarantee Corporation ("PBGC"), any remaining Plan assets will first be used to pay any final administrative costs, next will be used to repay advances from JA USA for collateral transferred to fund and close the revolving line of credit necessary to terminate the plan, 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 and 2020.

**Junior Achievement of South Florida, Inc. and
Junior Achievement of South Florida Charitable Foundation, Inc.
Notes to Combined Financial Statements
June 30, 2021
(with comparative totals for June 30, 2020)**

Note 14 - Employee Benefit Plans (continued)

During the year ended June 30, 2020, the Organization contributed approximately \$ 120,000. The Organization was listed in the Plan's Form 5500 as providing more than 5% of the total contributions for the June 30, 2020 plan year. There were no employer contributions in 2021.

401(k) Plan: The Organization offers its employees a defined contribution pension plan, Junior Achievement of South Florida, Inc. 401(k) Plan. The plan is available to all employees over the age of 21, after thirty days of service. Contributions to the plan by the Organization are discretionary. Employees have the option to contribute to the plan via salary deferrals and are limited only by certain provisions of the Internal Revenue Code. There were no employer contributions for the years ended June 30, 2021 and 2020.

457(b) Plan: The Organization established a 457(b) plan for certain highly compensated employees, over the age of 21, upon completion of one year of service. Contributions to the plan by the Organization are discretionary. Participants have the option to contribute to the plan via salary deferrals and are limited only by certain provisions of the Internal Revenue Code. There were no employer contributions for the years ended June 30, 2021 and 2020.

Note 15 - Health and Welfare Benefits Trust and Postretirement Benefits Plan

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 multiemployer plan. Premiums are paid into the Health and Welfare Plan for each participant by the participating employers. Employees of JA USA and employees of Junior Achievement Areas 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 combined financial statements of the Organization.

Postretirement Benefits Plan: The Organization also offers health and welfare care benefits to retired personnel of the Organization. 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 multiemployer plan. Accordingly, no balances or transactions of the Postretirement Benefits Plan are recorded in the combined financial statements of the Organization.

The Organization's premium expense for the years ended June 30, 2021 and 2020 was approximately \$ 176,000 and \$ 190,000, respectively.

Note 16 - Junior Achievement World Huizenga Center at Broward College

The Organization previously adopted two programs that require a special use building for their operation. The building is known as the JA World Huizenga Center at the Lillian S. Wells Pavilion, housing JA BizTown and JA Finance Park, along with the JA staff and other training rooms. The purpose of the programs is to provide education to young people on aspects of personal finance and free enterprise economics. The Organization previously received a donation, from Broward College, for the 30-year land lease, with an option to renew for an additional 30 years, which was valued, at the time of the donation, at \$ 2,400,000 (Note 11).

**Junior Achievement of South Florida, Inc. and
Junior Achievement of South Florida Charitable Foundation, Inc.
Notes to Combined Financial Statements
June 30, 2021
(with comparative totals for June 30, 2020)**

Note 17 - Permanent Endowment

The Organization has an agreement with an unrelated foundation for a designated fund, The Institute of Free Enterprise Education Fund (the "Fund"), to serve as a permanent endowment on behalf of the Organization. Distributions from the Fund will only be made with the approval and authorization of the Board of Directors of the foundation along with the stipulations that the funds remain the property of the foundation. As such, they are not carried as an asset of the Organization. It is the general policy of the foundation to make distributions to the Organization from the endowment at least annually. The ending asset value of the endowment at June 30, 2021 and 2020 is approximately \$ 294,000 and \$ 231,000, respectively.

Note 18 - Supplemental Cash Flow Information

	<u>2021</u>	<u>2020</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for -		
Interest expense	\$ <u>20,535</u>	\$ <u>62,485</u>
Cash received during the year for -		
Interest income	\$ <u>3,652</u>	\$ <u>24,492</u>

Note 19 - Risks and Uncertainties

The coronavirus (COVID-19) outbreak has caused disruption in international and U.S. economies and markets. The coronavirus and fear of further spread has caused quarantines, cancellation of events, and overall reduction in business and economic activity. On March 11, 2020, the *World Health Organization* designated the coronavirus outbreak a pandemic. Management and the Board of Directors continue to evaluate and monitor the potential adverse effect that this event may have on the Organization's and Foundation's combined financial position, operations and cash flows. The full impact of COVID-19 is unknown at this time and cannot be reasonably estimated as these events are still developing.

SUPPLEMENTAL INFORMATION



INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTAL INFORMATION

To the Board of Directors
Junior Achievement of South Florida, Inc. and
Junior Achievement of South Florida Charitable Foundation, Inc.

We have audited the combined financial statements of Junior Achievement of South Florida, Inc. and Junior Achievement of South Florida Charitable Foundation, Inc. as of and for the year ended June 30, 2021, and have issued our report thereon dated December 14, 2021, which contained an unmodified opinion on those combined financial statements. Our audit was performed for the purpose of forming an opinion on the combined financial statements as a whole.

The schedules of combining statements on pages 22 through 25 are presented for the purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

KEEFE McCULLOUGH

Fort Lauderdale, Florida
December 14, 2021

CPA's + Trusted Advisors

**Junior Achievement of South Florida, Inc. and
Junior Achievement of South Florida Charitable Foundation, Inc.
Schedule of Combining Statements of Financial Position
June 30, 2021**

	Junior Achievement of South Florida, Inc.	Junior Achievement of South Florida Charitable Foundation, Inc.	Eliminating Entries	Combined Total
Assets:				
Current assets:				
Cash	\$ 2,427,019	\$ 359,594	\$ -	\$ 2,786,613
Restricted cash	874,134	-	-	874,134
Accounts receivable - other	1,047,372	-	-	1,047,372
Accounts receivable - sponsorships, net	483,200	-	-	483,200
Promises to give, net	692,655	-	-	692,655
Land lease receivable	80,000	-	-	80,000
Prepaid expenses and other current assets	60,608	-	-	60,608
Total current assets	<u>5,664,988</u>	<u>359,594</u>	<u>-</u>	<u>6,024,582</u>
Long-term assets:				
Accounts receivable - sponsorships, net	445,000	-	-	445,000
Promise to give, net	2,326,811	-	-	2,326,811
Land lease receivable	798,856	-	-	798,856
Property and equipment, net	8,923,349	-	-	8,923,349
Total long-term assets	<u>12,494,016</u>	<u>-</u>	<u>-</u>	<u>12,494,016</u>
Total assets	<u>\$ 18,159,004</u>	<u>\$ 359,594</u>	<u>\$ -</u>	<u>\$ 18,518,598</u>
Liabilities:				
Current liabilities:				
Accounts payable and accrued expenses	\$ 434,134	\$ -	\$ -	\$ 434,134
Deferred revenue - sponsorships	415,000	-	-	415,000
Deferred revenue - special events and other	96,330	-	-	96,330
Refundable advances - Paycheck Protection Program	944,490	-	-	944,490
Debt	306,667	-	-	306,667
Obligation under interest rate swap	4,487	-	-	4,487
Total current liabilities	<u>2,201,108</u>	<u>-</u>	<u>-</u>	<u>2,201,108</u>
Long-term liabilities:				
Deferred revenue - sponsorships	445,000	-	-	445,000
Debt, net of current portion and unamortized bond issue costs	2,775,854	-	-	2,775,854
Total long-term liabilities	<u>3,220,854</u>	<u>-</u>	<u>-</u>	<u>3,220,854</u>
Total liabilities	<u>5,421,962</u>	<u>-</u>	<u>-</u>	<u>5,421,962</u>
Net Assets:				
Without donor restrictions:				
Undesignated	6,608,500	359,594	-	6,968,094
Designated by the Board of Directors for operating reserves	1,800,000	-	-	1,800,000
Total	<u>8,408,500</u>	<u>359,594</u>	<u>-</u>	<u>8,768,094</u>
With donor restrictions:				
Purpose and time restrictions	4,328,542	-	-	4,328,542
Total net assets	<u>12,737,042</u>	<u>359,594</u>	<u>-</u>	<u>13,096,636</u>
Total liabilities and net assets	<u>\$ 18,159,004</u>	<u>\$ 359,594</u>	<u>\$ -</u>	<u>\$ 18,518,598</u>

Subject to the accompanying independent auditor's report on supplemental information.

**Junior Achievement of South Florida, Inc. and
Junior Achievement of South Florida Charitable Foundation, Inc.
Schedule of Combining Statements of Activities
For the Year Ended June 30, 2021**

	Junior Achievement of South Florida, Inc.		
	Without Donor Restrictions	With Donor Restrictions	Total
Change in Net Assets:			
Public support and revenue:			
Contributions:			
Corporate	\$ 400,598	\$ 106,800	\$ 507,398
Individual	204,250	27,412	231,662
Foundations	<u>1,028,676</u>	<u>68,835</u>	<u>1,097,511</u>
Total contributions	1,633,524	203,047	1,836,571
In-kind contributions	395,891	-	395,891
Special events (net of expenses of \$ 32,163)	153,636	13,110	166,746
Governmental revenue	1,196,178	4,020	1,200,198
Other income - storefront sponsorships	668,000	-	668,000
Investment income (loss), net	<u>2,741</u>	<u>-</u>	<u>2,741</u>
Total public support and revenue	<u>4,049,970</u>	<u>220,177</u>	<u>4,270,147</u>
Net assets released from restrictions:			
Expiration of purpose and time restrictions	<u>1,027,645</u>	<u>(1,027,645)</u>	<u>-</u>
Total public support, revenue and net assets released from restrictions	<u>5,077,615</u>	<u>(807,468)</u>	<u>4,270,147</u>
Expenses:			
Program services	3,739,268	-	3,739,268
Supporting services:			
Fundraising	566,866	-	566,866
Administration	<u>89,732</u>	<u>-</u>	<u>89,732</u>
Total expenses	<u>4,395,866</u>	<u>-</u>	<u>4,395,866</u>
Total change in net assets before change in fair value of interest rate swap	<u>681,749</u>	<u>(807,468)</u>	<u>(125,719)</u>
Change in fair value of interest rate swap	<u>4,650</u>	<u>-</u>	<u>4,650</u>
Change in net assets	686,399	(807,468)	(121,069)
Net Assets, July 1, 2020	<u>7,722,101</u>	<u>5,136,010</u>	<u>12,858,111</u>
Net Assets, June 30, 2021	<u>\$ 8,408,500</u>	<u>\$ 4,328,542</u>	<u>\$ 12,737,042</u>

Junior Achievement of South Florida Charitable Foundation, Inc.			Combined Without Donor Restrictions	Combined With Donor Restrictions	Eliminating Entries	Combined Total
Without Donor Restrictions	With Donor Restrictions	Total				
\$ -	\$ -	\$ -	\$ 400,598	\$ 106,800	\$ -	\$ 507,398
21	-	21	204,271	27,412	-	231,683
-	-	-	1,028,676	68,835	-	1,097,511
21	-	21	1,633,545	203,047	-	1,836,592
-	-	-	395,891	-	-	395,891
-	-	-	153,636	13,110	-	166,746
-	-	-	1,196,178	4,020	-	1,200,198
-	-	-	668,000	-	-	668,000
866	-	866	3,607	-	-	3,607
887	-	887	4,050,857	220,177	-	4,271,034
20,000	(20,000)	-	1,047,645	(1,047,645)	-	-
20,887	(20,000)	887	5,098,502	(827,468)	-	4,271,034
-	-	-	3,739,268	-	-	3,739,268
20,000	-	20,000	586,866	-	-	586,866
1,501	-	1,501	91,233	-	-	91,233
21,501	-	21,501	4,417,367	-	-	4,417,367
(614)	(20,000)	(20,614)	681,135	(827,468)	-	(146,333)
-	-	-	4,650	-	-	4,650
(614)	(20,000)	(20,614)	685,785	(827,468)	-	(141,683)
360,208	20,000	380,208	8,082,309	5,156,010	-	13,238,319
\$ 359,594	\$ -	\$ 359,594	\$ 8,768,094	\$ 4,328,542	\$ -	\$ 13,096,636

Subject to the accompanying independent auditor's report on supplemental information.

**Junior Achievement of South Florida, Inc. and
Junior Achievement of South Florida Charitable Foundation, Inc.
Schedule of Combining Statements of Cash Flows
For the Year Ended June 30, 2021**

	Junior Achievement of South Florida, Inc.	Junior Achievement of South Florida Charitable Foundation, Inc.	Eliminating Entries	Combined Total
Cash Flows From Operating Activities:				
Change in net assets	\$ (121,069)	\$ (20,614)	\$ -	\$ (141,683)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:				
Provision for depreciation	575,926	-	-	575,926
Land lease receivable, net	46,200	-	-	46,200
Unfulfilled promises to give and sponsorships	43,204	20,000	-	63,204
Change in fair value of interest rate swap	(4,650)	-	-	(4,650)
Amortization of bond issuance costs	16,157	-	-	16,157
Realized (gain) loss on investments	(1,205)	-	-	(1,205)
Contributed assets (investments)	(3,371)	-	-	(3,371)
Changes in assets and liabilities:				
(Increase) decrease in assets:				
Promises to give, net	647,342	-	-	647,342
Accounts receivable - other	(780,537)	-	-	(780,537)
Accounts receivable - sponsorships, net	(52,500)	-	-	(52,500)
Prepaid expenses and other current assets	(5,874)	-	-	(5,874)
Due from Junior Achievement of South Florida, Inc.	-	87,407	(87,407)	-
Increase (decrease) in liabilities:				
Accounts payable and accrued expenses	64,082	-	-	64,082
Due to Junior Achievement of South Florida Charitable Foundation, Inc.	(87,407)	-	87,407	-
Deferred revenue - sponsorships	63,000	-	-	63,000
Deferred revenue - special events and other	(86,195)	-	-	(86,195)
Refundable advances - Paycheck Protection Program	472,245	-	-	472,245
Net cash provided by (used in) operating activities	<u>785,348</u>	<u>86,793</u>	<u>-</u>	<u>872,141</u>
Cash Flows From Investing Activities:				
Proceeds from sale of investments	24,813	-	-	24,813
Purchases of investments	(248)	-	-	(248)
Purchases of property and equipment	(84,637)	-	-	(84,637)
Net cash provided by (used in) investing activities	<u>(60,072)</u>	<u>-</u>	<u>-</u>	<u>(60,072)</u>
Cash Flows From Financing Activities:				
Change in restricted cash, net	(240,000)	-	-	(240,000)
Principal payments on debt	(504,167)	-	-	(504,167)
Net cash provided by (used in) financing activities	<u>(744,167)</u>	<u>-</u>	<u>-</u>	<u>(744,167)</u>
Net increase (decrease) in cash	(18,891)	86,793	-	67,902
Cash, July 1, 2020	<u>2,445,910</u>	<u>272,801</u>	<u>-</u>	<u>2,718,711</u>
Cash, June 30, 2021	<u>\$ 2,427,019</u>	<u>\$ 359,594</u>	<u>\$ -</u>	<u>\$ 2,786,613</u>

Subject to the accompanying independent auditor's report on supplemental information.