

Junior Achievement of Dallas, Inc.

Audited Financial Statements

June 30, 2015

(with comparative totals for 2014)

# Junior Achievement of Dallas, Inc.

## Audited Financial Statements

June 30, 2015

(with comparative totals for 2014)

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## **Independent Auditors' Report**

Board of Directors  
Junior Achievement of Dallas, Inc.  
1201 West Executive Drive  
Richardson, Texas 75081

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Junior Achievement of Dallas, Inc. (a non-profit organization), which comprise the Statement of Financial Position as of June 30, 2015, and the related Statements of Activities, Cash Flows and Functional Expenses for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from Junior Achievement of Dallas, Inc.'s June 30, 2014 financial statements on which we expressed an unqualified opinion dated September 25, 2014.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

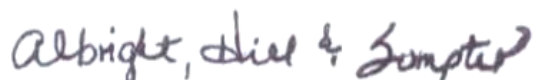
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Junior Achievement of Dallas, Inc. as of June 30, 2015, and the results of its operations and cash flows for the year 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 combined financial statements as a whole. The accompanying schedules on pages 22-30 are presented for 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.



Albright, Hill & Sumpter, PC  
Certified Public Accountants

August 28, 2015

Junior Achievement of Dallas, Inc.  
Statement of Financial Position  
June 30, 2015  
(with comparative totals for 2014)

Assets

	2015	2014 (Comparative Totals)
Current assets		
Cash and cash equivalents	\$ 600,932	\$ 241,816
Current investments	35,429	97,534
Pledges receivable (net)	124,859	141,819
Prepaid assets	9,852	10,762
Total current assets	771,072	491,931
Long-term assets		
Investments	109,864	-
Fixed assets (net)	200,003	284,668
Total long-term assets	309,867	284,668
Total assets	\$ 1,080,939	\$ 776,599

Liabilities and Net Assets

Current liabilities		
Accounts payable	\$ 8,143	\$ 17,596
Accrued payroll	36,499	25,824
Deferred revenue	5,200	6,000
Total current liabilities	49,842	49,420
Net assets		
Unrestricted net assets	921,233	630,859
Temporarily restricted net assets	-	26,456
Permanently restricted net assets	109,864	69,864
Total net assets	1,031,097	727,179
Total liabilities and net assets	\$ 1,080,939	\$ 776,599

The accompanying notes are an integral part of this statement.

## Junior Achievement of Dallas, Inc.

### Statement of Activities

For the year ended June 30, 2015

(with comparative totals for 2014)

	2015		
	Unrestricted	Temporarily Restricted	Permanently Restricted
Public support and revenue			
Contributions			
Corporate	\$ 682,735	\$ -	\$ -
Individual	136,151	-	40,000
Foundation	267,673	-	-
Total contributions	1,086,559	-	40,000
Special events (net of expenses of \$179,318)	693,470	-	-
Unrealized gain on investments	5,512	-	-
In-kind contributions	122,235	-	-
Other income	6,978	-	-
Net assets released from restrictions	26,456	(26,456)	-
Total public support and revenue	1,941,210	(26,456)	40,000
Expenses			
Program expense	1,256,508	-	-
Management and general expense	131,974	-	-
Fund raising expense	262,354	-	-
Total expenses	1,650,836	-	-
Change in net assets	290,374	(26,456)	40,000
Net assets at beginning of year	630,859	26,456	69,864
Net assets at end of year	\$ 921,233	\$ -	\$ 109,864

The accompanying notes are an integral part of this statement.

## Junior Achievement of Dallas, Inc.

### Statement of Activities

For the year ended June 30, 2015

(with comparative totals for 2014)

Total 2015	2014 (Comparative Totals)
\$ 682,735	\$ 651,391
176,151	79,845
267,673	268,990
1,126,559	1,000,226
693,470	471,427
5,512	15,664
122,235	129,143
6,978	7,712
-	-
1,954,754	1,624,172
1,256,508	1,281,946
131,974	134,087
262,354	267,322
1,650,836	1,683,355
303,918	(59,183)
727,179	786,362
\$ 1,031,097	\$ 727,179

The accompanying notes are an integral part of this statement.

## Junior Achievement of Dallas, Inc.

### Statement of Cash Flows

For the year ended June 30, 2015

(with comparative totals for 2014)

	2015	2014 (Comparative Totals)
Cash flows from operating activities		
Change in net assets	\$ 303,918	\$ (59,183)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	86,965	83,385
Reinvested interest and dividends	(2,247)	-
Net unrealized (gain) on investments	(5,512)	(15,664)
Donation of stock	(49,740)	-
Decrease in receivables	16,960	69,841
Decrease (increase) in prepaid assets	910	(4,875)
(Decrease) increase in accounts payable	(9,453)	8,601
Increase (decrease) in accrued payroll	10,675	(5,331)
(Decrease) increase in deferred revenue	(800)	5,200
Net cash provided by operating activities	351,676	81,974
Cash flows from investing activities		
Purchase of fixed assets	(2,300)	(27,906)
Purchase of investments	(40,000)	-
Sale of investments	49,740	1,372
Net cash provided by (used in) investing activities	7,440	(26,534)
Change in cash and cash equivalents	359,116	55,440
Cash and cash equivalents at beginning of year	241,816	186,376
Cash and cash equivalents at end of year	\$ 600,932	\$ 241,816
Supplemental data:		
In-kind gifts	\$ 122,235	\$ 129,143
Interest paid	\$ 35	\$ 155

The accompanying notes are an integral part of this statement.



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## Junior Achievement of Dallas, Inc.

### Statement of Functional Expenses

For the year ended June 30, 2015

(with comparative totals for 2014)

	Program	Support Services		Total Support Services
		Management and General	Fund Raising	
Salaries	\$ 422,730	\$ 69,775	\$ 156,655	\$ 226,430
Payroll taxes	30,722	5,148	11,440	16,588
Total payroll related expenses	453,452	74,923	168,095	243,018
Credit card fees	9,606	2,030	1,894	3,924
License fees	50,493	5,228	2,614	7,842
Employee insurance	66,895	11,182	24,176	35,358
Pension and annuity	52,663	8,785	18,544	27,329
General insurance	15,087	649	495	1,144
Temporary services	-	-	-	-
Outside services	113,253	13,745	27,342	41,087
Occupancy	8,183	666	666	1,332
Interest expense	17	9	9	18
Lease - equipment	5,989	739	665	1,404
Office and center maintenance	18,414	2,273	2,046	4,319
Stationery and office supplies	11,480	1,376	1,247	2,623
Subscription and dues	6,261	-	330	330
Postage and delivery	12,946	1,201	1,065	2,266
Telephone	13,642	1,332	1,943	3,275
Utilities	15,301	1,889	1,700	3,589
Staff training	22,895	1,347	2,694	4,041
Travel	13,061	1,017	3,127	4,144
Volunteer recognition	8,128	-	-	-
Volunteer training	1,990	-	-	-
Public relations	3,769	-	401	401
Job shadow day	4,878	-	-	-
Program materials	262,345	-	-	-
Fund raising	-	-	-	-
Scholarships	-	-	-	-
Recruiting and relocation	930	-	-	-
Board expenses	2,296	765	765	1,530
Miscellaneous	748	92	83	175
Total before depreciation	1,174,722	129,248	259,901	389,149
Depreciation	81,786	2,726	2,453	5,179
Total expenses	<u>\$ 1,256,508</u>	<u>\$ 131,974</u>	<u>\$ 262,354</u>	<u>\$ 394,328</u>

The accompanying notes are an integral part of this statement.

**Junior Achievement of Dallas, Inc.**  
**Statement of Functional Expenses**  
 For the year ended June 30, 2015  
 (with comparative totals for 2014)

Total 2015	2014 (Comparative Totals)
\$ 649,160	\$ 727,258
47,310	54,022
696,470	781,280
13,530	8,869
58,335	49,494
102,253	93,265
79,992	95,213
16,231	14,980
-	70,274
154,340	26,699
9,515	9,419
35	155
7,393	14,945
22,733	24,212
14,103	12,360
6,591	7,568
15,212	14,874
16,917	16,420
18,890	20,625
26,936	13,588
17,205	16,605
8,128	4,867
1,990	4,081
4,170	17,684
4,878	4,721
262,345	270,816
-	63
-	2,500
930	572
3,826	3,541
923	280
1,563,871	1,599,970
86,965	83,385
\$ 1,650,836	\$ 1,683,355

The accompanying notes are an integral part of this statement.

Junior Achievement of Dallas, Inc.  
Notes to Financial Statements  
June 30, 2015

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In fulfilling its responsibility for the preparation of Junior Achievement of Dallas, Inc.'s (JA) financial statements and disclosures, management selects accounting principles generally accepted in the United States of America and adopts methods for their application. The application of accounting principles requires estimating, matching and timing of revenue and costs in the determination of support and expenditures. It is also necessary for management to determine, measure, allocate and make certain assumptions regarding resources and obligations within the financial process according to these principles. Below are certain significant accounting policies selected by management.

Nature and Purpose of JA

Junior Achievement of Dallas, Inc. is a non-profit corporation chartered by the State of Texas to promote interest in the free enterprise system among elementary school, middle school and high school students of Northeast Texas area schools. JA helps to make students aware of the business world and compete in a global economy by organizing a series of classes that are taught by local business persons. JA derives its support and revenue primarily from contributions by local businesses, foundations and individuals and from sponsorship of the elementary school, middle school and high school classes. The accompanying financial statements include JA's offices in Dallas and Tyler, Texas.

Junior Achievement USA (JA USA) provides support in training, materials and developing the total curriculum for local use. A license fee is paid to JA USA for the right to use the materials and brand of Junior Achievement. The fee is based upon all cash contributions for the previous fiscal year and is computed at 9% of the first \$300,000 and 1.8% of the amount over \$300,000. The license fee expense to JA USA was \$58,355 and \$49,494 for the years ended June 30, 2015 and 2014, respectively, and is included as expenses in the accompanying Statement of Activities.

Basis of Presentation

The financial statements have been prepared using the accrual method of accounting and conform to accounting principles generally accepted in the United States of America (GAAP). As required by GAAP, net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Junior Achievement of Dallas, Inc.  
Notes to Financial Statements  
June 30, 2015

Accordingly, net assets and changes therein are classified as follows:

Unrestricted net assets – those funds available for support of JA and its programs.

Temporarily restricted net assets – those funds subject to donor-imposed stipulations that may or will be met by actions of JA and/or the passage of time.

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

#### Revenue Recognition

Revenue is reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law. Expirations of temporarily restricted net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. However, if a restriction is fulfilled in the same time period in which the contribution is received, JA reports the support as unrestricted.

Contributions are recognized as revenue in the period unconditional promises to give are received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectable amounts is provided based upon management's judgment including such factors as prior collection history, type of contribution and nature of fund raising activity.

Contributed assets and services are recognized as contribution revenue at their estimated fair value at the date of receipt. Contributed services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided. No amounts have been reflected in the financial

Junior Achievement of Dallas, Inc.  
Notes to Financial Statements  
June 30, 2015

statements for donated volunteer services because no objective basis is available to measure the value of such services; however, a number of volunteers have donated significant amounts of their time to JA's programs and activities.

Realized and unrealized gains (losses) and income on investments of endowment and similar funds are reported as follows:

- As increases (decreases) in permanently restricted net assets if the terms of the gift require that they be included in principal of a permanent endowment fund;
- As increases (decreases) in temporarily restricted net assets if the terms of the gift impose restrictions on their use;
- As increases (decreases) in unrestricted net assets in all other cases.

Statement of Cash Flows

The Statement of Cash Flows is presented using the indirect method. For the purpose of this statement, JA considers all cash on hand, cash in checking accounts, certificates of deposit and other similar instruments with original maturities of three months or less as cash and cash equivalents.

Investments

Investments are recorded at estimated fair value based on quoted market prices. Realized and unrealized gains and losses, as well as investment income, are reported in the Statement of Activities as increases or decreases in unrestricted, temporarily restricted, or permanently restricted net assets as designated by the donor.

Property and Equipment

Property and equipment expenditures are capitalized at cost. Donated property and equipment are recorded at estimated fair value on the date of donation. Equipment with an expected life of three years or more and costing more than \$1,000 is capitalized. Depreciation is computed using the straight-line method over estimated useful lives of three to ten (3-10) years for furniture, fixtures and equipment and forty (40) years for buildings. Repair and maintenance costs are expensed as incurred. Depreciation expense for the years ended June 30, 2015 and 2014 were \$86,965 and \$83,385, respectively.

Junior Achievement of Dallas, Inc.  
Notes to Financial Statements  
June 30, 2015

Deferred Revenue

Deferred revenue represents the non-contribution portion of special event revenues received during the current year for subsequent year special events.

Assets Measured at Fair Value

Pursuant to FASB ASC 820, as issued by the Financial Accounting Standards Board, certain assets are reported at estimated "fair value."

As of June 30, 2015, fair value measurements were as follows:

Description	Quoted Price in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments	\$ 145,293	\$ -	\$ -

Functional Allocation of Expenses

The costs of providing JA's programs and supporting services are presented on the functional basis in the Statement of Activities. The Statement of Functional Expenses presents the allocation of expenses to the programs and supporting services. These allocations are based upon estimates of facilities usage, activities of personnel, specifically identifiable costs and various other bases.

Income Taxes

JA is exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code. Accordingly, JA is not subject to federal income taxes except to the extent it derives income from certain activities not substantially related to its tax-exempt purposes (unrelated trade or business activities). JA incurred no unrelated business income for the years ended June 30, 2015 and 2014.

Accounting Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Such estimates and assumptions primarily relate to valuation as of the date of the financial statements. Accordingly, actual results could differ from these estimates and assumptions. The methods used in making

Junior Achievement of Dallas, Inc.  
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accounting estimates are believed by management to be reasonable and have been consistently applied.

NOTE 2 – INVESTMENTS

Investments at estimated fair value as of June 30, 2015 and 2014 were as follows:

	<u>2015</u>	<u>2014</u>
Mutual funds	\$ 135,200	\$ 87,511
Certificates of deposit	10,093	10,023
	<u>\$ 145,293</u>	<u>\$ 97,534</u>

The following summarizes investment return:

	<u>2015</u>	<u>2014</u>
Dividend and interest income	\$ 2,247	\$ 1,991
Unrealized gain on investments	5,512	15,664
	<u>\$ 7,759</u>	<u>\$ 17,655</u>

Dividend and interest income is included in other income in the Statement of Activities.

NOTE 3 – PLEDGES RECEIVABLE

Pledges receivable consisted of the following unconditional promises to give as of June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Pledges receivable	\$ 124,859	\$ 146,948
Allowance for uncollectable pledges	-	(5,129)
Pledges receivable, net	<u>\$ 124,859</u>	<u>\$ 141,819</u>

All pledges are receivable within one year.



Junior Achievement of Dallas, Inc.  
Notes to Financial Statements  
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NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment were as follows as of June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Land	\$ 65,879	\$ 65,879
Building	563,253	563,253
Furniture, fixtures and equipment	537,205	534,905
	<u>1,166,337</u>	<u>1,164,037</u>
Less: accumulated depreciation	(966,334)	(879,369)
Property and equipment, net	<u>\$ 200,003</u>	<u>\$ 284,668</u>

Management evaluates its long-lived assets for financial impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. An impairment loss is recognized when the estimated undiscounted cash flows from the assets are less than the carrying value of the assets. Assets to be disposed of are reported at the lower of their carrying amount, or fair value, less costs to sell.

NOTE 5 – LINE OF CREDIT

JA has a revolving line of credit agreement with a financial institution in the amount of \$250,000. The line of credit includes interest at the financial institution's prime rate plus 2%. The line of credit is collateralized by real estate. The amount outstanding as of June 30, 2015 and 2014 was \$0.

NOTE 6 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were as follows as of June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Time restrictions - programs	<u>\$ -</u>	<u>\$ 26,456</u>

The sources of net assets released from temporary restrictions by incurring expenses satisfying the restricted purposes, or by occurrence of events specified by the donors, were as follows:

	<u>2015</u>	<u>2014</u>
Time restrictions - programs	<u>\$ 26,456</u>	<u>\$ 2,375</u>

Junior Achievement of Dallas, Inc.  
Notes to Financial Statements  
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NOTE 7 – PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets at June 30, 2015 and 2014 were \$109,864 and \$69,864, respectively. Income from permanently restricted net assets is utilized for program support.

The Board of Directors of JA has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, JA classifies as permanently restricted net assets:

1. The original value of gifts donated to the permanent endowment; and
2. The original value of subsequent gifts to the permanent endowment.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by JA in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, JA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the funds;
2. The purposes of the donor-restricted endowment funds;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;  
and
6. Other resources of JA.

Investment Return Objectives, Risk Parameters and Strategies

The Board of Directors attempts to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment

Junior Achievement of Dallas, Inc.  
Notes to Financial Statements  
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income as well as capital appreciation, which exceeds the annual distributions with acceptable levels of risk. Investment risk is measured in terms of the total endowment fund, investment assets and the allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

NOTE 8 – DONATED GOODS AND SERVICES

JA received \$122,235 and \$129,143 of donated goods and services for the years ended June 30, 2015 and 2014, respectively. These goods and services primarily include public service announcements, professional services, advertising, equipment and event support.

NOTE 9 – LEASE COMMITMENTS

JA leases certain office space and equipment under non-cancelable operating leases with varying expiration dates through April 9, 2016. Future minimum commitments under operating leases are as follows:

<u>Year Ending June 30,</u>	
2015	\$ 20,038
2016	6,700
Total	<u>\$ 26,738</u>

NOTE 10 – RETIREMENT AND HEALTH AND WELFARE BENEFIT TRUST

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

Junior Achievement of Dallas, Inc.  
Notes to Financial Statements  
June 30, 2015

The risks to JA of participating in the multi-employer pension plan are different from single-employer plans in the following aspects:

1. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
2. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
3. If JA chooses to stop participating in some of its multi-employer plans, JA may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

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

Pension Fund	EIN/Pension Plan Number	Funded Status		Contributions of JA	
		2015	2014	2015	2014
Retirement Plan for Employees of Junior Achievement USA	13-1635270/ PN 333	<u>71%</u>	<u>68%</u>	<u>\$ 95,213</u>	<u>\$ 109,101</u>

JA has a self-funded medical, dental and other benefits plan covering full-time employees of JA and their beneficiaries and covered dependents. The plan is accounted for like a multi-employer plan. Premiums are paid into the plan for each participant by JA. All the assets and liabilities of the plan are held in the Junior Achievement USA Health and Welfare Benefits Trust (Benefits Trust). Accordingly, no balances or transactions of the Benefits Trust are recorded in the financial statements of JA.

**NOTE 11 – RELATED PARTY TRANSACTIONS**

JA incurred expenses for program materials from JA USA in the amount of \$262,345 and \$270,816 in 2015 and 2014, respectively. License fees were paid to JA USA in the amount of \$58,335 and \$49,494 in 2015 and 2014, respectively. At June 30, 2015 and 2014, no amounts were payable to JA USA.

Junior Achievement of Dallas, Inc.  
Notes to Financial Statements  
June 30, 2015

NOTE 12 – CONCENTRATIONS

JA derives the majority of its revenue from contributions and special events. Continued funding from these sources at current levels is dependent upon various factors. Such factors include economic conditions, compliance with grant provisions, donor satisfaction and public perception of mission effectiveness and relative importance.

Most of JA's business activities are conducted within the Dallas, Texas metroplex. Therefore, JA is subject to the economic conditions in that area.

JA maintains cash balances in several financial institutions. The balances are insured by the FDIC up to \$250,000 on interest bearing accounts, and all non-interest bearing accounts are fully insured. At June 30, 2015 and 2014, JA had uninsured balances in the amounts of \$220,283 and \$0, respectively.

NOTE 13 – SUMMARIZED FINANCIAL INFORMATION

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with JA's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

NOTE 14 – DISCLOSURES ABOUT UNCERTAINTY IN INCOME TAXES UNDER FASB ASC 740

JA files an annual information return. With few exceptions, JA is no longer subject to U.S. federal income tax examinations by tax authorities for years before June 2012.

JA has adopted the provisions of FASB ASC 740, *Accounting for Uncertainty in Income Taxes*. There were no unrecognized tax benefits as of June 30, 2015 and 2014.

JA recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in administrative expense. There were no such interest and penalties for 2015 and 2014.

Junior Achievement of Dallas, Inc.  
Notes to Financial Statements  
June 30, 2015

NOTE 15 – SUBSEQUENT EVENTS

Management has reviewed events occurring subsequent to June 30, 2015 through the issue date of the financial statements, August 28, 2015. Based on this review, no events have occurred requiring disclosure.

SUPPLEMENTAL INFORMATION

Junior Achievement of Dallas, Inc.  
Supplemental Information  
Combined Statement of Financial Position  
June 30, 2015

Assets

	<u>Dallas Office</u>	<u>Tyler Office</u>	<u>Total</u>
Current assets			
Cash and cash equivalents	\$ 466,221	\$ 134,711	\$ 600,932
Current investments	35,336	93	35,429
Pledges receivable (net)	124,534	325	124,859
Prepaid assets	8,946	906	9,852
Due to/(from)	1,490	(1,490)	-
Total current assets	<u>636,527</u>	<u>134,545</u>	<u>771,072</u>
Long-term assets			
Investments	99,864	10,000	109,864
Fixed assets (net)	<u>200,003</u>	-	<u>200,003</u>
Total long-term assets	<u>299,867</u>	<u>10,000</u>	<u>309,867</u>
Total assets	<u>\$ 936,394</u>	<u>\$ 144,545</u>	<u>\$ 1,080,939</u>

Liabilities and Net Assets

Current liabilities			
Accounts payable	\$ 8,069	\$ 74	\$ 8,143
Accrued payroll	31,261	5,238	36,499
Deferred revenue	5,200	-	5,200
Total current liabilities	<u>44,530</u>	<u>5,312</u>	<u>49,842</u>
Net assets			
Unrestricted net assets	792,000	129,233	921,233
Temporarily restricted net assets	-	-	-
Permanently restricted net assets	<u>99,864</u>	<u>10,000</u>	<u>109,864</u>
Total net assets	<u>891,864</u>	<u>139,233</u>	<u>1,031,097</u>
Total liabilities and net assets	<u>\$ 936,394</u>	<u>\$ 144,545</u>	<u>\$ 1,080,939</u>

See accompanying notes and independent auditors' report.



Junior Achievement of Dallas, Inc.  
Supplemental Information  
Combined Statement of Financial Position  
June 30, 2014

Assets

	<u>Dallas Office</u>	<u>Tyler Office</u>	<u>Total</u>
Current assets			
Cash and cash equivalents	\$ 114,433	\$ 127,383	\$ 241,816
Investments	87,512	10,022	97,534
Pledges receivable (net)	135,094	6,725	141,819
Prepaid assets	10,112	650	10,762
Interorganization due to (from)	906	(906)	-
Total current assets	<u>348,057</u>	<u>143,874</u>	<u>491,931</u>
Long-term assets			
Fixed assets (net)	<u>284,668</u>	-	<u>284,668</u>
Total long-term assets	<u>284,668</u>	<u>-</u>	<u>284,668</u>
Total assets	<u>\$ 632,725</u>	<u>\$ 143,874</u>	<u>\$ 776,599</u>

Liabilities and Net Assets

Current liabilities			
Accounts payable	\$ 18,371	\$ (775)	\$ 17,596
Accrued payroll	19,189	6,635	25,824
Deferred revenue	6,000	-	6,000
Total current liabilities	<u>43,560</u>	<u>5,860</u>	<u>49,420</u>
Net assets			
Unrestricted net assets	506,220	124,639	630,859
Temporarily restricted net assets	23,081	3,375	26,456
Permanently restricted net assets	59,864	10,000	69,864
Total net assets	<u>589,165</u>	<u>138,014</u>	<u>727,179</u>
Total liabilities and net assets	<u>\$ 632,725</u>	<u>\$ 143,874</u>	<u>\$ 776,599</u>

See accompanying notes and independent auditors' report.

Junior Achievement of Dallas, Inc.  
Supplemental Information  
Combined Statement of Activities  
For the year ended June 30, 2015

	Dallas Office			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Public support and revenue				
Contributions				
Corporate	\$ 672,298	\$ -	\$ -	\$ 672,298
Individual	128,136	-	40,000	168,136
Foundation	217,260	-	-	217,260
Total contributions	1,017,694	-	40,000	1,057,694
Special events (net of expenses)	626,171	-	-	626,171
Unrealized gain on investments	5,512	-	-	5,512
In-kind contributions	122,235	-	-	122,235
Other income	4,622	-	-	4,622
Net assets released from restrictions	23,081	(23,081)	-	-
Total public support and revenue	1,799,315	(23,081)	40,000	1,816,234
Expenses				
Program expense	1,160,520	-	-	1,160,520
Management and general expense	120,867	-	-	120,867
Fund raising expense	232,148	-	-	232,148
Total expenses	1,513,535	-	-	1,513,535
Change in net assets	285,780	(23,081)	40,000	302,699
Net assets at beginning of year	506,220	23,081	59,864	589,165
Net assets at end of year	\$ 792,000	\$ -	\$ 99,864	\$ 891,864

See accompanying notes and independent auditors' report.

Junior Achievement of Dallas, Inc.  
Supplemental Information  
Combined Statement of Activities  
For the year ended June 30, 2015

Tyler Office			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 10,437	\$ -	\$ -	\$ 10,437
8,015	-	-	8,015
50,413	-	-	50,413
68,865	-	-	68,865
67,299	-	-	67,299
-	-	-	-
-	-	-	-
2,356	-	-	2,356
3,375	(3,375)	-	-
141,895	(3,375)	-	138,520
95,988	-	-	95,988
11,107	-	-	11,107
30,206	-	-	30,206
137,301	-	-	137,301
4,594	(3,375)	-	1,219
124,639	3,375	10,000	138,014
\$ 129,233	\$ -	\$ 10,000	\$ 139,233

See accompanying notes and independent auditors' report.

Junior Achievement of Dallas, Inc.  
Supplemental Information  
Combined Statement of Activities  
For the year ended June 30, 2015

	Total			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Public support and revenue				
Contributions				
Corporate	\$ 682,735	\$ -	\$ -	\$ 682,735
Individual	136,151	-	40,000	176,151
Foundation	267,673	-	-	267,673
Total contributions	1,086,559	-	40,000	1,126,559
Special events (net of expenses)	693,470	-	-	693,470
Unrealized gain on investments	5,512	-	-	5,512
In-kind contributions	122,235	-	-	122,235
Other income	6,978	-	-	6,978
Net assets released from restrictions	26,456	(26,456)	-	-
Total public support and revenue	<u>1,941,210</u>	<u>(26,456)</u>	<u>40,000</u>	<u>1,954,754</u>
Expenses				
Program expense	1,256,508	-	-	1,256,508
Management and general expense	131,974	-	-	131,974
Fund raising expense	262,354	-	-	262,354
Total expenses	<u>1,650,836</u>	<u>-</u>	<u>-</u>	<u>1,650,836</u>
Change in net assets	290,374	(26,456)	40,000	303,918
Net assets at beginning of year	630,859	26,456	69,864	727,179
Net assets at end of year	<u>\$ 921,233</u>	<u>\$ -</u>	<u>\$ 109,864</u>	<u>\$ 1,031,097</u>

See accompanying notes and independent auditors' report.

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Junior Achievement of Dallas, Inc.  
Supplemental Information  
Combined Statement of Activities  
For the year ended June 30, 2014

	Dallas Office			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Public support and revenue				
Contributions				
Corporate	\$ 639,295	\$ -	\$ -	\$ 639,295
Individual	74,590	-	-	74,590
Foundation	232,760	-	-	232,760
Total contributions	946,645	-	-	946,645
Special events (net of expenses)	394,840	-	-	394,840
Unrealized gain on investments	15,664	-	-	15,664
In-kind contributions	125,141	-	-	125,141
Other income	7,308	-	-	7,308
Net assets released from restrictions	2,375	(2,375)	-	-
Total public support and revenue	<u>1,491,973</u>	<u>(2,375)</u>	<u>-</u>	<u>1,489,598</u>
Expenses				
Program expense	1,197,073	-	-	1,197,073
Management and general expense	124,065	-	-	124,065
Fund raising expense	238,783	-	-	238,783
Total expenses	<u>1,559,921</u>	<u>-</u>	<u>-</u>	<u>1,559,921</u>
Change in net assets	(67,948)	(2,375)	-	(70,323)
Net assets at beginning of year	574,168	25,456	59,864	659,488
Net assets at end of year	<u>\$ 506,220</u>	<u>\$ 23,081</u>	<u>\$ 59,864</u>	<u>\$ 589,165</u>

See accompanying notes and independent auditors' report.

Junior Achievement of Dallas, Inc.  
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Combined Statement of Activities  
For the year ended June 30, 2014

Tyler Office			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 12,096	\$ -	\$ -	\$ 12,096
5,255	-	-	5,255
36,230	-	-	36,230
53,581	-	-	53,581
76,587	-	-	76,587
-	-	-	-
4,002	-	-	4,002
404	-	-	404
-	-	-	-
134,574	-	-	134,574
84,873	-	-	84,873
10,022	-	-	10,022
28,539	-	-	28,539
123,434	-	-	123,434
11,140	-	-	11,140
113,499	3,375	10,000	126,874
\$ 124,639	\$ 3,375	\$ 10,000	\$ 138,014

See accompanying notes and independent auditors' report.

Junior Achievement of Dallas, Inc.  
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Combined Statement of Activities  
For the year ended June 30, 2014

	Total			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Public support and revenue				
Contributions				
Corporate	\$ 651,391	\$ -	\$ -	\$ 651,391
Individual	79,845	-	-	79,845
Foundation	268,990	-	-	268,990
Total contributions	1,000,226	-	-	1,000,226
Special events (net of expenses)	471,427	-	-	471,427
Unrealized gain on investments	15,664	-	-	15,664
In-kind contributions	129,143	-	-	129,143
Other income	7,712	-	-	7,712
Net assets released from restrictions	2,375	(2,375)	-	-
Total public support and revenue	1,626,547	(2,375)	-	1,624,172
Expenses				
Program expense	1,281,946	-	-	1,281,946
Management and general expense	134,087	-	-	134,087
Fund raising expense	267,322	-	-	267,322
Total expenses	1,683,355	-	-	1,683,355
Change in net assets	(56,808)	(2,375)	-	(59,183)
Net assets at beginning of year	687,667	28,831	69,864	786,362
Net assets at end of year	\$ 630,859	\$ 26,456	\$ 69,864	\$ 727,179

See accompanying notes and independent auditors' report.