

**JUNIOR ACHIEVEMENT OF
CENTRAL UPSTATE NEW YORK, INC.**

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2019 WITH COMPARATIVE
TOTALS FOR THE YEAR ENDED JUNE 30, 2018
AND
INDEPENDENT AUDITORS' REPORT

**JUNIOR ACHIEVEMENT OF
CENTRAL UPSTATE NEW YORK, INC.**

June 30, 2019 with Comparative
Totals for the Year Ended June 30, 2018

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INDEPENDENT AUDITORS' REPORT

Junior Achievement of Central Upstate New York, Inc.
Rochester, New York

We have audited the accompanying financial statements of Junior Achievement of Central Upstate New York, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization'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 organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Junior Achievement of Central Upstate New York, Inc., as of June 30, 2019, and the changes in its net assets, functional expenses, and its 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 Junior Achievement of Central Upstate New York, Inc.'s June 30, 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 12, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Rochester, NY

September 26, 2019

JUNIOR ACHIEVEMENT OF CENTRAL UPSTATE NEW YORK, INC.

Statement of Financial Position as of June 30, 2019
with Comparative Totals for the Year Ended June 30, 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Current assets		
Cash	\$292,405	\$ 173,227
Pledges receivable	157,650	104,272
Investments	422,444	393,993
Prepaid expenses	<u>2,544</u>	<u>2,957</u>
	<u>875,043</u>	<u>674,449</u>
Property and equipment, net	<u> </u>	<u>1,247</u>
Other asset		
Long-term pledges receivable	<u>38,834</u>	<u>150,779</u>
	<u>\$913,877</u>	<u>\$ 826,475</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable	\$ 17,489	\$ 10,156
Accounts payable - other	161	491
Accrued expenses and other liabilities	1,203	813
Deferred revenue	<u>36,250</u>	<u>29,250</u>
	<u>55,103</u>	<u>40,710</u>
Net assets		
Net assets without donor restrictions		
Board designated	422,444	393,993
Undesignated	<u>96,317</u>	<u>123,759</u>
	518,761	517,752
Net assets with donor restrictions	<u>340,013</u>	<u>268,013</u>
	<u>858,774</u>	<u>785,765</u>
	<u>\$913,877</u>	<u>\$ 826,475</u>

The accompanying Notes to Financial Statements
are an integral part of these statements.

JUNIOR ACHIEVEMENT OF CENTRAL UPSTATE NEW YORK, INC.

Statement of Activities and Changes in Net Assets for the Year Ended June 30, 2019
with Comparative Totals for the Year Ended June 30, 2018

	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>	<u>2019</u>	<u>2018</u>
Revenue, gains, and other support				
Contributions				
Corporate	\$ 174,932	\$ 100,000	\$ 274,932	\$ 199,447
Foundations	64,688	5,000	69,688	65,854
Individual	<u>69,316</u>	<u>2,000</u>	<u>71,316</u>	<u>288,042</u>
Total contributions	308,936	107,000	415,936	553,343
Governmental	35,177		35,177	30,735
In-kind revenue	82,419		82,419	71,071
Interest	194		194	96
Investment income realized	10,458		10,458	9,627
Other	6,663		6,663	16
Special events (net of related expenses, 2019 - \$135,473, 2018 - \$128,249)	240,297		240,297	287,235
Unrealized gain on investments	17,993		17,993	8,741
Net assets released from restrictions - Purpose restrictions	35,000	{35,000}		
	<u>737,137</u>	<u>72,000</u>	<u>809,137</u>	<u>960,864</u>
Expenses				
Program	621,506		621,506	563,403
Fund raising	93,181		93,181	113,097
Management and general	21,441		21,441	26,849
	736,128		<u>736,128</u>	<u>703,349</u>
Total change in net assets	1,009	72,000	73,009	257,515
Net assets, beginning of year	<u>517,752</u>	<u>268,013</u>	<u>785,765</u>	<u>528,250</u>
Net assets, end of year	<u>\$ 518,761</u>	<u>\$ 340,013</u>	<u>\$ 858,774</u>	<u>\$ 785,765</u>

The accompanying Notes to Financial Statements
are an integral part of these statements.

JUNIOR ACHIEVEMENT OF CENTRAL UPSTATE NEW YORK, INC.

Statement of Functional Expenses for the Year Ended June 30, 2019
with Comparative Totals for the Year Ended June 30, 2018

	<u>Program</u>	<u>Fund Raising</u>	<u>Management and General</u>
Salaries	\$ 321,656	\$ 57,740	\$ 13,189
Supplies and materials	71,811	55	55
In-kind special events	50,194	13,200	
Employee benefits and payroll taxes	39,393	7,345	1,249
Rent and utilities	28,512	5,153	687
Junior Achievement Worldwide fees	28,849	2,546	2,546
Capstone	32,059		
Outside services	12,249	2,471	2,523
Miscellaneous	13,652		
Telephone	7,136	476	317
Travel	7,551		
Conferences	4,647		
Recognition and public relations		3,170	
Office equipment	1,489	744	744
Insurance	916	166	22
Postage and freight	332	15	22
Total expenses before depreciation	<u>620,446</u>	<u>93,081</u>	<u>21,354</u>
Depreciation	<u>1,060</u>	<u>100</u>	<u>87</u>
Total	<u>\$ 621,506</u>	<u>\$ 93,181</u>	<u>\$ 21,441</u>

The accompanying Notes to Financial Statements
are an integral part of these statements.

..... June 30.....

<u>Total</u> <u>2019</u>	<u>Total</u> <u>2018</u>
\$ 392,585	\$ 356,742
71,921	67,766
63,394	59,801
47,987	46,551
34,352	41,570
33,941	33,981
32,059	4,173
17,243	54,644
13,652	10,705
7,929	8,055
7,551	11,140
4,647	
3,170	535
2,977	2,927
1,104	1,126
<u>369</u>	<u>628</u>
734,881	700,344
<u>1,247</u>	<u>3,005</u>
<u>\$ 736,128</u>	<u>\$ 703,349</u>

JUNIOR ACHIEVEMENT OF CENTRAL UPSTATE NEW YORK, INC.

Statement of Cash Flows for the Year Ended June 30, 2019
with Comparative Totals for the Year Ended June 30, 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Increase in net assets	\$ 73,009	\$ 257,515
Adjustments to reconcile change in net assets to net cash flows provided by operating activities		
Depreciation	1,247	3,005
Unrealized gain on investments	<u>(17,993)</u>	<u>(8,741)</u>
	56,263	251,779
Increase (decrease) in cash due to changes in operating assets and liabilities		
Pledges receivable	(53,378)	(69,780)
Long-term pledges receivable	111,945	(150,779)
Prepaid expenses	413	(1,050)
Accounts payable	7,333	6,636
Accounts payable - Other	(330)	491
Accrued expenses and other liabilities	390	62
Deferred revenue	7,000	250
	<u>129,636</u>	<u>37,609</u>
Cash flows from investing activities		
Purchase of investments	<u>(10,458)</u>	<u>(9,627)</u>
Net increase in cash	119,178	27,982
Cash, beginning of year	173,227	145,245
Cash, end of year	\$ <u>292,405</u>	\$ <u>173,227</u>

The accompanying Notes to Financial Statements
are an integral part of these statements.

JUNIOR ACHIEVEMENT OF CENTRAL UPSTATE NEW YORK, INC.

Notes to Financial Statements
For the Year Ended June 30, 2019
with Comparative Totals for the Year Ended June 30, 2018

1. Description of Organization

Junior Achievement of Central Upstate New York, Inc. (the Organization) operates as a licensee of Junior Achievement USA. As a licensee, the Organization incurs license fees and program materials expense to Junior Achievement USA (JA USA) throughout the year . The Organization's purpose is to prepare and inspire youth to succeed in a global economy. The Organization's primary sources of support are derived from major businesses and schools in the Rochester, greater Syracuse, and Southern Tier areas of New York.

The Organization is actively raising funds in connection with the creation of the JA Discovery Center to house JA Finance Park and JA BizTown programs in Rochester, New York (Capstone).

2. Summary of Significant Accounting Policies

Basis of accounting

The financial statements of the Organization are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GM P).

New accounting pronouncement

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14), which requires not-for-profit entities to revise their financial presentation to include two net asset classifications: net assets without donor restrictions previously reported as unrestricted net assets of \$517,752 and net assets with donor restrictions , previously reported as temporarily restricted net assets of \$268,013 as of June 30, 2018. Additionally, ASU 2016-14 increases the quantitative and qualitative disclosures regarding liquidity and availability of resources, and requires expenses to be reported by both their natural and functional classification in one location. The Organization adopted the new standard as of July 1, 2018 on a retrospective basis. There were no material changes to the statement of financial position, statements of activities, changes in net assets, functional expenses or cash flows as a result of the adoption.

Financial statement presentation

The financial statements are presented in accordance with FASB Accounting Standards Codification (ASC) Topic 958, *Financial Statements of Not-for-Profit Organizations*. Under ASU 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets : net assets without donor restrictions and net assets with donor restrictions .

JUNIOR ACHIEVEMENT OF CENTRAL UPSTATE NEW YORK, INC.

Notes to Financial Statements
For the Year Ended June 30, 2019
with Comparative Totals for the Year Ended June 30, 2018

2. Summary of Significant Accounting Policies (Continued)

Financial statement presentation (Continued)

Net assets and changes therein are classified and reported as follows:

Without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

With donor restrictions - Net assets subject to donor-imposed stipulations that will be met either by actions and/or the passage of time or net assets subject to donor-imposed stipulations that will be maintained permanently.

Pledges

Contributions are recognized when the donor makes a pledge to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions .

The Organization considers pledges receivable to be fully collectible; accordingly, no allowance for doubtful pledges is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Contributed materials and services

Contributed materials and services are reflected in the financial statements at the estimated fair value of the materials and services received. The contributions of 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 by donation.

Use of estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The Organization maintains cash at financial institutions which may exceed federally insured amounts at times.

JUNIOR ACHIEVEMENT OF CENTRAL UPSTATE NEW YORK, INC.

Notes to Financial Statements
For the Year Ended June 30, 2019
with Comparative Totals for the Year Ended June 30, 2018

2. Summary of Significant Accounting Policies (Continued).

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met, either by passage of time or by use, in the reporting period in which the income and gains are recognized.

The Organization accounts for investments in accordance with FASB ASC Topic 820, *Fair Value Measurements and Disclosures*. FASB ASC Topic 820 includes a fair value hierarchy that is intended to increase consistency and comparability in fair value measurements and related disclosures. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources, while unobservable inputs reflect a reporting entity's pricing based upon their own market assumptions .

The fair value hierarchy consists of the following three levels:

- Level 1: Inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs are quoted prices for similar assets in markets that are not active, inputs other than quoted prices that are observable and market corroborated inputs which are derived principally from or corroborated by observable market data.
- Level 3: Inputs are derived from valuation techniques in which one or more significant inputs or value drivers are unobservable.

Property and equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method or declining balance methods over the estimated useful lives of the related assets which range from five to seven years. Maintenance and repairs are charged to operations as incurred. Significant improvements or renewals are capitalized.

JUNIOR ACHIEVEMENT OF CENTRAL UPSTATE NEW YORK, INC.

Notes to Financial Statements
For the Year Ended June 30, 2019
with Comparative Totals for the Year Ended June 30, 2018

2. Summary of Significant Accounting Policies (Continued)

Contributions

All contributions are considered to be without donor restrictions unless specifically restricted by the donor. Donor restricted contributions are reported as increases in net assets with donor restrictions. Contributions which have restrictions satisfied in the same period they are received are recorded as increases in net assets without donor restrictions.

Deferred revenue

The Organization receives sponsorships in advance from donors for future fundraising events that provide a reciprocal transfer to the donor. These sponsorships are recorded as a liability until the special event has been completed.

Functional allocation of expenses

The costs of providing program services, fund raising and management and general functions have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated based upon management estimates.

Income taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and application of state law.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal years 2019 and 2018.

The Organization files its Form 990 in the U.S. federal jurisdiction and the office of the state's attorney general for the State of New York . The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2016 .

JUNIOR ACHIEVEMENT OF CENTRAL UPSTATE NEW YORK, INC.

Notes to Financial Statements
For the Year Ended June 30, 2019
with Comparative Totals for the Year Ended June 30, 2018

2. **Summary of Significant Accounting Policies** (Continued)

Retirement plan

The Organization has a Section 403(b) Retirement Plan for its employees. All employees are eligible and may elect to have the Organization purchase retirement annuities and mutual fund contracts, on a pre-tax basis, as part of their compensation.

The maximum contribution an employee may make each year is subject to statutory limits. The Plan does not require any contributions by the Organization and may be terminated at any time.

Recognition and public relation costs

Recognition and public relation costs are expensed as incurred.

Reclassification

Certain prior year amounts have been reclassified to conform with the current year presentation.

Management's review of subsequent events

The Organization evaluated events occurring between the end of the most recent fiscal year and September 26, 2019, the date the financial statements were available to be issued.

3. **Comparative Totals for the Year Ended June 30, 2018**

The totals presented for the year ended June 30, 2018 are for comparative purposes only and are not intended to be a full and complete disclosure.

4. **Contributed Materials, Services, and Property**

The Organization records various types of in-kind contributions, including contributed tangible assets and services. The contributions of tangible assets are recognized at the date of the contribution and are recorded at fair market value. Contributed services are recognized if the services received either create or enhance long-lived assets, or require specialized skills that are provided by individuals possessing those skills that typically would need to be purchased if not provided by donation. The amounts reflected in the accompanying financial statements as in-kind contributions are recorded by the gross method, with offsetting amounts included in expenses.

During the years ended June 30, 2019 and 2018, contributed services of \$3,600 and \$11,270 were recorded as operating contributions, respectively. During the years ended June 30, 2019 and 2018, \$-0- of property was recorded as operating contribution.

JUNIOR ACHIEVEMENT OF CENTRAL UPSTATE NEW YORK, INC.

Notes to Financial Statements
For the Year Ended June 30, 2019
with Comparative Totals for the Year Ended June 30, 2018

4. **Contributed Materials, Services, and Property** (Continued)

The following is a summary of the functional expenses for which the contributed services were utilized:

	<u>2019</u>	<u>2018</u>
Rent and utilities	<u>\$ 3,600</u>	<u>\$ 11,270</u>

During the years ended June 30, 2019 and 2018, contributed services and materials of \$63,394 and \$59,801 were received and recorded as special event revenue and expense, respectively.

During the years ended June 30, 2019 and 2018, contributed services of \$15,425 and \$-0- were received and recorded as Capstone project revenue and expense, respectively.

5. **Investments**

The Organization's investment strategy is to create two funds: a long-term board designated fund (the Board Designated Fund), and a short-term fund used for operations (the Operating Fund), collectively referred to as the Funds.

The Board Designated Fund is to be invested with the objective of preserving the long-term, real purchasing power of assets while providing a modest annual distribution to provide perpetual financial support to the Organization. The Operating Fund is to be invested with the objective of remaining relatively liquid, preserving principal and providing working capital for the Organization. As of June 30, 2019, the Operating Fund has not been funded.

Investments are recorded at fair value based on quoted prices in active markets and consist of the following as of June 30:

Investments:		
Mutual funds	<u>\$422,444</u>	<u>\$393,993</u>

All of the Organization's investments are measured using Level 1 inputs (Note 2). There were no investments measured using Level 2 and 3 inputs. There were no transfers between categories and no changes in valuation methods during the years ended June 30, 2019 and 2018.

JUNIOR ACHIEVEMENT OF CENTRAL UPSTATE NEW YORK, INC.

Notes to Financial Statements
For the Year Ended June 30, 2019
with Comparative Totals for the Year Ended June 30, 2018

5. Investments (Continued)

Investment income consists of the following:

	<u>2019</u>	<u>2018</u>
Dividends	\$ 10,458	\$ 9,531
Capital gain distributions		96
	<hr/> 10,458	<hr/> 9,627
Unrealized gain on investments	<u>17,993</u>	<u>8,741</u>
	<u>\$ 28,451</u>	<u>\$ 18,368</u>

6. Board Designated Net Assets

Board designated net assets consists of the following:

	<u>2019</u>	<u>2018</u>
Board designated fund balance	<u>\$422,444</u>	<u>\$393,993</u>

The purpose of the designation is to ensure the stability of the mission, programs and ongoing operations of the Organization. The funds are to be used only with the direction and approval of the Board of Directors.

7. Property and Equipment

Property and equipment consists of the following:

	<u>2019</u>	<u>2018</u>
Office equipment	\$ 27,095	\$ 27,095
Furniture and fixtures	21,070	21,070
	<hr/> 48,165	<hr/> 48,165
Less: Accumulated depreciation	<u>48,165</u>	<u>46,918</u>
	<u>\$ _____</u>	<u>\$ 1,247</u>

8. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purpose:

	<u>2019</u>	<u>2018</u>
Contributions designated for the Capstone project	<u>\$340,013</u>	<u>\$268,013</u>

JUNIOR ACHIEVEMENT OF CENTRAL UPSTATE NEW YORK, INC.

Notes to Financial Statements
For the Year Ended June 30, 2019
with Comparative Totals for the Year Ended June 30, 2018

8. **Net Assets with Donor Restrictions** (Continued)

During the years ended June 30, 2019 and 2018, contributions with donor restrictions made by individual members of the Board of Directors (Board) totaling \$35,000 and \$55,000 were released from restriction by the Board, respectively.

9. **Line of Credit**

The Organization has a \$50,000 working capital line of credit available. The line of credit bears interest at the prime rate of interest plus 1.00% per annum. The line of credit is secured by substantially of the assets of the Organization. The outstanding balance on the line was \$-0- at June 30, 2019 and 2018. The prime rate as of June 30, 2019 is 5.50%.

10. **Commitments**

Junior Achievement USA franchise fees

The Organization is required to pay franchise fees under a program applying the applicable rates to the prior fiscal year qualifying contributions.

The franchise fee expense incurred to Junior Achievement USA was \$33,941 and \$33,981 for the years ended June 30, 2019 and 2018, respectively.

Lease commitment

The Organization has a two-year lease agreement that began on January 1, 2016 at \$2,122 per month, with a 3% annual escalation. This lease was extended until May 31, 2020 with monthly rent at \$2,251 for the extension period. The lease has two options to renew the term for an additional period of six months each. The future minimum lease payments required of the Organization are as follows:

	<u>Amount</u>
2020	<u>\$ 24,763</u>

Rent expense amounted to \$30,752 and \$30,300 for the years ended June 30, 2019 and 2018, respectively, for the Rochester location. As noted in Note 4, rent and utilities for the Elmira and Syracuse territories are contributed to Junior Achievement for \$3,600 and \$11,270 for the years ended June 30, 2019 and 2018, respectively. For the year ended June 30, 2019, rent and utilities contributed only included the Syracuse territory. Total rent and utilities expense amounted to \$34,352 and \$41,570 for the years ended June 30, 2019 and 2018, respectively.

JUNIOR ACHIEVEMENT OF CENTRAL UPSTATE NEW YORK, INC.

Notes to Financial Statements
For the Year Ended June 30, 2019
with Comparative Totals for the Year Ended June 30, 2018

10. **Commitments** (Continued)

Lease commitment (Continued)

The Organization has a lease agreement for five years for certain office equipment with monthly payments at \$234 which also includes supplies beginning in April, 2016. The future minimum lease payments required of the Organization for the years ending June 30 are as follows:

	<u>Amount</u>
2020	\$ 2,806
2021	<u>21806</u>
	<u>\$ 5,612</u>

Lease expense amounted to \$2,977 and \$2,927 for the years ended June 30, 2019 and 2018, respectively.

11. **Liquidity**

As of June 30, 2019, the Organization had \$571,320 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$99,289, pledges receivable of \$49,587 and without donor-restricted investments of \$422,444. As of June 30, 2018, the Organization had \$554,258 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$110,031, pledges receivable of \$50,234 and without donor-restricted investments of \$393,993 . None of the financial assets were subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

The Organization has a goal to maintain financial assets, which consist of cash and receivables, on hand to meet six months of normal operating expenses, which are approximately \$435,000 . Normal operating expenses include certain fundraising and development efforts for Capstone. Capital expenditures related to any potential future construction of the Capstone site are expected to be funded primarily from donor restricted contributions, and are excluded from normal operating expenses. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization also has a line of credit in the amount of \$50,000, which it could draw upon in the event of an unanticipated liquidity need (see **Line of Credit**).

JUNIOR ACHIEVEMENT OF CENTRAL UPSTATE NEW YORK, INC.

Notes to Financial Statements
For the Year Ended June 30, 2019
with Comparative Totals for the Year Ended June 30, 2018

11. **Liquidity** (Continued)

The following reflects the Organization's financial assets (total assets, less nonfinancial assets such as prepaid expenses and property and equipment as of June 30, 2019 and 2018, reduced by amounts not for general use because of contractual or restrictions within one year of this date):

	<u>2019</u>	<u>2018</u>
Total assets	\$913,877	\$826,475
Less: Non-financial assets:		
Prepaid expense	(2,544)	(2,957)
Property and equipment, net	<u> </u>	<u>(1,247)</u>
Financial assets at year-end	911,333	822,271
Less: Financial assets unavailable for general expenditures within one year due to:		
Satisfaction of donor restrictions	<u>(340,013)</u>	<u>(268,013)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 511,320</u>	<u>\$554,258</u>