JUNIOR ACHIEVEMENT OF SOUTHERN CALIFORNIA, INC.

(A NONPROFIT ORGANIZATION)
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

JUNIOR ACHIEVEMENT OF SOUTHERN CALIFORNIA, INC.
(A NONPROFIT ORGANIZATION)
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June 30, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Junior Achievement of Southern California, Inc.
Los Angeles, California

Report on the Financial Statements

We have audited the accompanying financial statements of Junior Achievement of Southern California, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2015, the related statements of activities, 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 of material misstatement.

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2015, and the changes in net assets 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 Financial Information

We have previously audited the Organization's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 21, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Singer Lewak LLP

SingerLewak LLP

Los Angeles, California
November 25, 2015

JUNIOR ACHIEVEMENT OF SOUTHERN CALIFORNIA, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2015

(with Summarized Financial Information at June 30, 2014)

ASSETS

	2015	2014
Current assets		
Cash and cash equivalents	$ 322,952	$ 577,924
Pledges receivable	219,575	163,260
Special events revenue receivable	182,550	184,707
Prepaid expenses and other current assets	44,046	48,343
Total current assets	769,123	974,234
Long-term assets		
Restricted cash equivalents	46,224	54,965
Property and equipment, net	3,897,750	4,101,984
Debt issuance costs, net	13,991	22,385
Total long-term assets	3,957,965	4,179,334
Total assets	**$ 4,727,088**	**$ 5,153,568**

LIABILITIES AND NET ASSETS

	2015	2014
Current liabilities		
Accounts payable and accrued expenses	$ 263,256	$ 215,835
Capital lease obligations	2,940	6,474
Note payable, current portion	49,119	46,654
Deferred revenue - Finance Park sponsorships	25,000	5,000
Deferred revenue - special events	126,200	85,921
Total current liabilities	466,515	359,884
Long-term liabilities		
Note payable, net of current portion	3,206,587	3,261,950
Total liabilities	3,673,102	3,621,834
Commitments and contingencies (Note 7)		
Net assets (deficit)		
Unrestricted	(740,934)	(301,301)
Temporarily restricted	1,748,635	1,786,750
Permanently restricted endowment	46,285	46,285
Total net assets	1,053,986	1,531,734
Total liabilities and net assets	**$ 4,727,088**	**$ 5,153,568**

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

JUNIOR ACHIEVEMENT OF SOUTHERN CALIFORNIA, INC.

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2015

(with Summarized Financial Information for the Year Ended June 30, 2014)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2015 Total	2014 Total
Revenue					
Contributions					
Corporate	$ 1,023,371	$ 21,750	$ -	$ 1,045,121	$ 971,255
Individual	368,544	26,885	-	395,429	290,841
Foundations	327,121	-	-	327,121	385,438
Cause-related marketing	115,623	-	-	115,623	116,355
Total contributions	1,834,659	48,635	-	1,883,294	1,763,889
Special events, gross	1,300,261	-	-	1,300,261	1,208,394
Less direct special events expenses	(389,384)	-	-	(389,384)	(313,177)
Special events, net	910,877	-	-	910,877	895,217
Program services revenue	64,097	-	-	64,097	40,147
Non-litigant settlement received	-	-	-	-	889,217
Finance Park sponsorships	370,000	-	-	370,000	301,086
In-kind contributions	83,734	-	-	83,734	85,672
Other income	18,672	-	-	18,672	89,346
Net assets released from restrictions	86,750	(86,750)	-	-	-
Total revenue and other support	3,368,789	(38,115)	-	3,330,674	4,064,574
Expenses					
Program services					
Program operations, including program materials	2,857,707	-	-	2,857,707	2,891,502
Support services					
Management and general	729,244	-	-	729,244	593,014
Fundraising	221,471	-	-	221,471	480,180
Total support services	950,715	-	-	950,715	1,073,194
Total expenses	3,808,422	-	-	3,808,422	3,964,696
Change in net assets	(439,633)	(38,115)	-	(477,748)	99,878
Net assets (deficit), beginning of year	(301,301)	1,786,750	46,285	1,531,734	1,431,856
Net assets (deficit), end of year	**$ (740,934)**	**$ 1,748,635**	**$ 46,285**	**$ 1,053,986**	**$ 1,531,734**

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

JUNIOR ACHIEVEMENT OF SOUTHERN CALIFORNIA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2015

(with Summarized Financial Information for the Year Ended June 30, 2014)

	Program Services	Supporting Services					
		Management and General					
	Program Operations Total	Management and General	Public Awareness	Fundraising	Total	2015 Total	2014 Total
Salaries	$ 1,392,997	$ 129,805	$ 223,842	$ 63,262	$ 416,909	$ 1,809,906	$ 1,792,930
Employee benefits	161,734	14,524	6,766	23,872	45,162	206,896	171,457
Payroll taxes	108,305	9,906	4,831	16,943	31,680	139,985	142,773
	1,663,036	154,235	235,439	104,077	493,751	2,156,787	2,107,160
Bank charges	-	13,034	-	-	13,034	13,034	13,555
Dues and subscriptions	2,219	178	102	321	601	2,820	3,447
Employee pension	184,689	17,225	8,513	30,006	55,744	240,433	232,693
In-kind expenses	40,177	32,955	-	-	32,955	73,132	85,672
Insurance	12,528	1,370	656	2,493	4,519	17,047	17,291
Interest expense	-	186,748	-	-	186,748	186,748	192,971
Miscellaneous expenses	16,213	1,696	796	3,001	5,493	21,706	18,492
Franchise fee	80,092	-	-	-	-	80,092	108,652
Office maintenance	42,443	3,858	1,593	5,902	11,353	53,796	77,879
Office supplies	6,709	582	302	1,025	1,909	8,618	10,936
Outside services	50,474	5,401	2,590	9,769	17,760	68,234	123,091
Postage	9,283	832	433	1,462	2,727	12,010	13,949
Program materials	297,242	-	-	-	-	297,242	320,702
Personnel recruitment	1,152	101	49	168	318	1,470	34,449
Real estate tax	3,368	368	176	670	1,214	4,582	4,584
Recognition & awareness	29,915	2,261	1,671	4,060	7,992	37,907	38,139
Technology	105,537	9,409	4,208	15,052	28,669	134,206	137,672
Telephone	29,363	2,667	1,367	4,729	8,763	38,126	28,579
Training and conferences	13,058	-	-	-	-	13,058	21,395
Travel	29,358	2,768	1,386	4,895	9,049	38,407	43,032
Uncollectible pledge expense	-	300	-	-	300	300	16,400
Utilities	51,509	4,590	1,735	6,597	12,922	64,431	69,897
Depreciation and amortization	189,342	23,584	4,066	27,244	54,894	244,236	244,059
Total functional expenses	**$ 2,857,707**	**$ 464,162**	**$ 265,082**	**$ 221,471**	**$ 950,715**	**$ 3,808,422**	**$ 3,964,696**

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

JUNIOR ACHIEVEMENT OF SOUTHERN CALIFORNIA, INC.

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2015

(with Summarized Financial Information for the Year Ended June 30, 2014)

	2015	2014
Cash flows from operating activities		
Change in net assets	$ (477,748)	$ 99,878
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation and amortization	244,236	244,059
Changes in operating assets and liabilities		
Restricted cash equivalents	8,741	64
Pledges receivable	(56,315)	57,743
Special events revenue receivable	2,157	(54,483)
Prepaid expenses and other current assets	4,297	4,192
Accounts payable and accrued expenses	47,421	33,192
Deferred revenue	60,279	(12,804)
Net cash (used in) provided by operating activities	(166,932)	371,841
Cash flows from investing activities		
Purchases of equipment	(29,500)	(66,099)
Cash flows from financing activities		
Principal payments on note payable	(52,898)	(43,311)
Principal payments on capital lease obligations	(5,642)	(5,267)
Net cash used in financing activities	(58,540)	(48,578)
Net (decrease) increase in cash and cash equivalents	(254,972)	257,164
Cash and cash equivalents, beginning of year	577,924	320,760
Cash and cash equivalents, end of year	**$ 322,952**	**$ 577,924**
Supplemental disclosures of cash flow information:		
Cash paid for interest	**$ 186,748**	**$ 177,365**
Supplemental disclosures of non-cash financing activity:		
Purchase of equipment financed with capital lease	**$ 2,108**	**$ -**

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

NOTE 1 – NATURE OF OPERATIONS

Organization
Junior Achievement of Southern California, Inc. (the "Organization") was founded in 1954 as a California not-for-profit corporation, inspires kids to achieve at the business of life through a community-based partnership of educators, volunteers and businesses. The Organization operates out of offices in the Los Angeles, Orange County and Bakersfield areas of Southern California.

The Organization reaches approximately 89,000 students in grades K-12 annually with nearly 50% enrolled in grades 6 through 12. The Organization provides hands-on lessons in economics, business, entrepreneurship and financial literacy to each student and is aided in its work by nearly 5,000 volunteers— dedicated working professionals, MBA students and community leaders who work each day to help the Organization achieve its mission "to inspire and prepare young people to succeed in a global economy." The Organization impacts students from all social and economic backgrounds, with 68% classified as underserved/at-risk and 92% attending public schools.

NOTE 2 – UNRESTRICTED DEFICIT

As shown in the accompanying financial statements, at June 30, 2015, the Organization had an unrestricted deficit of $740,934. Management plans to replenish these funds by (a) soliciting increased contributions for existing events; (b) organizing three new fundraising events; and (c) continuing to control expenses to align with the Organization's revenues.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

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

Use of Estimates
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classes of Net Assets
Net assets of the Foundation and changes therein are classified and reported as follows:

- *Unrestricted net assets*— net assets that are not subject to donor-imposed stipulations and donor restricted contributions whose restrictions are met in the same year may be expended for any purpose in performing the objectives of the Organization. Unrestricted net assets may be designated for specific purposes by actions of the board of directors, or may otherwise be limited by contractual agreements with outside parties. All gifts and other public support are included in unrestricted net assets unless they are specifically restricted by the terms of the gift or grant instrument or require the passage of time.

- *Temporarily restricted net assets*— net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. As restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions. Contributions whose restrictions are met in the same year as the contribution is made are initially classified as temporarily restricted net assets and are released from restriction during the same year.

- *Permanently restricted net assets*— net assets subject to donor-imposed stipulations that resources be maintained in perpetuity by the Organization. Contributions that must be maintained in perpetuity as endowment are classified as permanently restricted net assets.

Reclassifications
Certain prior year amounts have been reclassified to conform to the current year presentation with no impact on net assets (deficit) and change in net assets.

Cash and Cash Equivalents
The Organization considers all highly liquid, unrestricted investments with a maturity of three months or less at the purchase date to be cash equivalents.

Restricted Cash Equivalents
The Organization has an endowment fund (invested in a money market fund) that is permanently restricted by the donor.

Pledges Receivable
The Organization records pledges receivable, net of allowances for uncollectible amounts, whenever there is sufficient evidence in the form of verifiable documentation that an unconditional promise was made and received.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at cost or, for those assets acquired by gift or bequest, the estimated fair value at the date of contribution. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets as follows:

Building and improvements	30 years
Equipment and furnishings	3 to 7 years

Amortization of equipment under capital leases is included in depreciation expense.

Impairment of Long-lived Assets

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset be tested for possible impairment, the Organization first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment loss is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques, including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary. No impairment losses were recognized during the year ended June 30, 2015.

Debt Issuance Costs

Costs associated with the Organization's note payable are amortized over the term of the financing agreement using the straight-line method, which approximates amortization using the effective interest method. As of June 30, 2015 accumulated amortization totaled $27,981 and for the year ended June 30, 2015 amortization expense totaled $8,394.

Income Taxes

The Organization is a tax-exempt organization under Internal Revenue Code §501(c)(3) and California Revenue and Taxation Code §23701(d). The Organization does not have any revenue which it believes would subject it to unrelated business income taxes.

The Organization recognizes the impact of tax positions in the financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. The Organization recognizes potential accrued interest and penalties related to uncertain tax positions in income tax expense. To date, the Organization has not recognized any uncertain tax positions and, accordingly, the Organization did not recognize any amount in potential interest and penalties associated with uncertain tax positions. As of June 30, 2015, the open tax years for examination by tax authorities include 2011 to 2015.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition
Conditional contributions are recorded as support in the period the condition is met.

The Organization conducts several special events during the year to raise money in support of its operations. The amounts reflected in these financial statements represent special events revenue net of related direct costs. The contributions received for special events scheduled to occur after year-end are recorded as deferred revenue and recognized as revenue on the date of the event.

Donated Materials and Services
Contributions of donated materials are recorded at fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation are recorded at fair value in the period received.

For the year ended June 30, 2015, a substantial number of unpaid volunteers and organizations have made significant contributions of their time to develop the Organization's programs, principally in instruction and student activities. The value of these services is not reflected in the financial statements, since an objective measurement of valuation cannot be determined, and specialized skills are not required.

Functional Allocation of Expenses
Expenses that can be identified with a specific program or supporting service are charged directly to that related program or supporting service. Expenses that are associated with more than one program or supporting service are allocated based on an evaluation by management.

Fair Value Measurements
GAAP defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. GAAP does not require any new fair value measurements but provides guidance on how to measure fair value by providing a fair value hierarchy used to classify the source of the information.

GAAP establishes a three-level valuation hierarchy of valuation techniques that is based on observable and unobservable inputs. Classification within the hierarchy is determined based on the lowest level of input that is significant to the fair value measurement. The first two inputs that may be used to measure fair value are considered observable and the last unobservable. Together, they include the following:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. The type of instruments that would generally be included in Level 1 includes listed equity securities.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

Level 2 – Pricing inputs are observable for the instruments, either directly or indirectly, as of the reporting date but are other than quoted prices in active markets as in Level 1. Fair value is determined through observable trading activity reported at net asset value or through the use of models or other valuation methodologies. The types of instruments that would generally be included in this category include publicly traded securities with restrictions on disposition.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Financial instruments included in the Organization's statement of financial position include cash and cash equivalents, pledges receivable, special events receivable, restricted cash equivalents, accounts payable and accrued expenses, capital lease obligations and note payable. The Organization's cash and its restricted cash equivalents have been valued based on quoted prices in active markets for identical assets (Level 1). The carrying amounts of the Organization's pledges receivable, special events receivable, accounts payable and accrued expenses represent a reasonable estimate of fair values due to their short-term maturity. The Organization's note payable and capital lease obligations approximate their fair value, as these financial instruments earn or are charged interest based on the prevailing rates.

Recent Accounting Pronouncements

In July 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2013-06, *Not-for-Profit Entities (Topic 958): Services Received from Personnel of an Affiliate* ("ASU 2013-06"), which requires a recipient not-for-profit entity to recognize all services received from personnel of an affiliate that directly benefit the recipient of a not-for-profit. ASU 2013-06 is effective prospectively for fiscal years beginning after June 15, 2014. The adoption of ASU 2013-06 is not expected to have a material effect on the Organization's financial statements or disclosures.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09"), to supersede nearly all existing revenue recognition guidance under GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity is expected to be entitled for those goods or services. ASU 2014-09 defines a five-step process to achieve this core principle and, in doing so, it is possible more judgment and estimates may be required within the revenue recognition process than required under existing GAAP, including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each performance obligation. ASU 2014-09 will be effective for annual reporting periods beginning after December 14, 2018. Management is in the process of evaluating the impact of this accounting pronouncement on the Organization's financial statements.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued)
In August 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern* ("ASU 2014-15"). ASU 2014-15 requires management to evaluate whether there are conditions or events, considered in the aggregate, that are known and reasonably knowable which raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are available to be issued. When management identifies conditions or events that raise substantial doubt about the entity's ability to continue as a going concern, management should disclose the principal conditions or events, management's evaluation of the significance of those conditions or events, and management's plans that are intended to mitigate the conditions or events. ASU 2014-15 is effective for years ending after December 15, 2016 and early adoption is permitted. The Organization has not adopted the provisions of ASU 2014-15 for these financial statements.

In April 2015, the FASB issued ASU No. 2015-03, *Interest—Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs* ("ASU 2015-03), which requires that debt issuance costs related to a recognized debt liability be presented as a direct deduction from the carrying amount of that debt liability. ASU 2015-03 is effective for annual financial statements beginning after December 15, 2015 with early application permitted for financial statements that have not been previously issued. The Organization has not adopted the provisions of ASU 2015-03 for these financial statements.

NOTE 4 – CONCENTRATIONS

Credit risk is the failure of another party to perform in accordance with the financial contract terms. Financial instruments which potentially subject the Organization to concentrations of credit risk consist primarily of cash and cash equivalents, pledges and special events receivables.

For purposes of the statements of cash flows, cash equivalents include time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less. The Organization maintains its bank accounts at high quality financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. At times, cash in these accounts may exceed the insured amounts. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash.

Corporate donations are a significant source of revenue for the Organization. Historically, financial institutions account for over one-third of corporate donations. The Organization routinely assesses the financial strength of these contributors and believes that the pledges and special events receivables credit risk exposure is limited. Receivables from two major contributors accounted for 16% and 10% of total receivables at June 30, 2015.

NOTE 5 – PROPERTY AND EQUIPMENT

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

Land	$ 1,700,000
Building and improvements	6,024,120
Equipment and furnishings	549,114
	8,273,234
Less accumulated depreciation	(4,375,484)
	$ 3,897,750

Depreciation expense for the year ended June 30, 2015 amounted to $235,842.

NOTE 6 – NOTE PAYABLE

The Organization has a note payable with community development financial institution that bears interest at 5.74% and requires monthly principal and interest payments of $19,610 through March 1, 2017, at which time the total balance of outstanding principal and interest is due. The note is secured by Organization's corporate office and Mike Curb Learning Center. Additionally, the note has a financial reporting covenant which requires annual audited financial statements (by a certified public accountant satisfactory to the lender) prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") within 120 days after each fiscal year-end and quarterly officer certified financial statements prepared in accordance with U.S. GAAP within 60 days of each fiscal quarter end. The Organization was in violation of its 120 day filing requirement covenant and obtained a waiver to extend the 120 day period to 150 days.

Principal payments on the note payable for future years ending June 30 are as follows:

2016	$ 49,119
2017	3,206,587
	$ 3,255,706

NOTE 7 – COMMITMENTS AND CONTINGENCIES

The Organization leases office equipment under several noncancelable operating leases expiring at various dates through 2017 which require aggregate monthly payments of $3,680. For the year ended June 30, 2015, rent expense relating to these leases amounted to approximately $44,000, which is recorded within technology and postage in the accompanying statement of functional expenses.

Minimum lease payments required under these operating leases for future years ending June 30 are as follows:

2016	$ 34,000
2017	19,000
2018	3,000
	$ 56,000

NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS

Movements in temporarily restricted net assets were as follows:

	June 30, 2014	New Revenues	Expenditures/ Released from Restriction	June 30, 2015
Land	$ 1,700,000	$ -	$ -	$ 1,700,000
Donor-restricted for time or purpose	86,750	48,635	(86,750)	48,635
	$ 1,786,750	**$ 48,635**	**$ (86,750)**	**$ 1,748,635**

Restriction on Land

In 1987, the Organization received a gift of land with an explicit donor restriction that specifies how the land is to be used. The deed of trust requires that the land be used only as a site for the offices of and a training center for the Organization for a period not less than 30 years from the date of the conveyance, but that such restriction shall not affect a purchaser under a sale under the power of the sale contained in a deed of trust executed and delivered to secure a note, the proceeds of which are to be used for construction of the office and training center buildings on the site. Following the said term of 30 years, the land may be sold or used for another purpose, provided that the sale is for market value and the proceeds paid for the land are used for public benefit purposes.

NOTE 9 – PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets totaling $46,285 at June 30, 2015 are contributions restricted by donors for investment in perpetuity, the earnings from which are unrestricted until appropriated for specific purposes by the board.

Endowment Policy
The board of directors has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation 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, the Organization classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

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 the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the following factors are to be considered in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund,
- The purposes of the Organization and the donor-restricted endowment fund,
- General economic conditions,
- The possible effects of inflation and deflation,
- The expected total return from income and the appreciation of investments,
- Other resources of the Organization and
- The investment policies of the Organization.

At June 30, 2015, all endowment earnings were appropriated. Accordingly, there were no temporarily restricted net assets related to the endowment.

Changes in endowment net assets for the year ended June 30, 2015 were as follows:

	Unrestricted	Permanently Restricted
Endowment net assets, beginning of year	$ (121)	$ 46,285
Investment return		
Net unrealized gain	60	-
Endowment net assets, end of year	**$ (61)**	**$ 46,285**

NOTE 9 – PERMANENTLY RESTRICTED NET ASSETS (Continued)

The Organization has adopted investment and spending policies for endowment assets that attempt to provide sufficient income to sustain funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

Under this policy, the long-term investment objective is to attain an inflation-adjusted total return (net of investment management fees and other costs) at least equal to the contemplated spending rate and to meet the Organization's need for short-term, medium-term and long-term funding.

NOTE 10 – RELATED PARTY TRANSACTIONS

The Organization is required to pay a franchise fee to the United States headquarters of Junior Achievement, Inc. ("JAUSA") based on the amount of certain qualifying contributions received. In addition, payments are made to JAUSA for the employee retirement plan (as described in Note 11), employee insurance, program materials and training conferences.

The following is a summary of transactions with JAUSA for the year ended June 30, 2015:

Franchise fee	$ 80,092
Program materials	265,589
Retirement plan	240,433
Employee benefits	203,957
Total	**$ 790,071**

The Organization had amounts payable to JAUSA of $4,823 at June 30, 2015, which is included in accounts payable and accrued expenses in the statement of financial position.

NOTE 11 – MULTI-EMPLOYER PENSION PLAN

The Organization's employees are eligible to receive benefits under a multi-employer pension plan. The plan is not administered by the Organization, and contributions are determined in accordance with provisions of the plan. Information with respect to the Organization's proportionate share of the excess, if any, of the actuarial computed value of vested benefits over the total of the pension plan's net assets is not available from the plan's administrators.

The Multi-Employer Pension Plan Amendments Act of 1980 (the "Act") significantly increased the pension responsibilities of participating employers. Under the provisions of the Act, if the plan terminates or the Organization withdraws, the Organization could be subject to a substantial withdrawal liability. The Organization has no plans to withdraw from the plan as of June 30, 2015.

NOTE 11 – MULTI-EMPLOYER PENSION PLAN (Continued)

The risks to the Organization of participating in this multiemployer pension plan are different from single-employer plans in the following aspects:

1. Assets contributed to the multi-employer plan by one employer must 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 the Organization chooses to stop participating in some of its multi-employer plans, the Organization may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Organization's participation in this plan for the annual period ended June 30, 2015 is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number (EIN) and the three-digit plan number.

Pension Fund	EIN/Pension Plan Number	Funded Status 2015	Funded Status 2014	Contributions of Organization 2015	Contributions of Organization 2014
Retirement Plan for Employees of Junior Achievement USA	13-1635270 PN333	71%	68%	$ 240,433	$ 232,693

As of June 30, 2015, the Organization's contributions were less than 5% of the total contributions to the plan, and there was no surcharge paid on the plan.

NOTE 12 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 25, 2015, which is the date the financial statements were available to be issued.

The Organization received a one-time donation of $1,000,000 from OneWest Bank in August 2015. The funding will be allocated over 5 years to support the Organization's mission of providing financial education to Southern California students. No events have occurred through this date requiring disclosure other than the contribution from Bank of the West and the waiver relating to the note payable as described in Note 6.