

**JUNIOR ACHIEVEMENT
OF NEW JERSEY, INC.**

**Financial Statements
June 30, 2015 and 2014**

The report accompanying these financial statements was issued by Spire Group, PC, a New Jersey Professional Corporation.

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Junior Achievement of New Jersey, Inc.
Princeton, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of Junior Achievement of New Jersey, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years 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.

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 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 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 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 New Jersey, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Spire Group, PC

Clark, New Jersey
October 28, 2015

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.**Statements of Financial Position
June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 746,607	\$ 918,173
Investments	287,762	283,206
Accounts receivable	175,050	147,960
Pledges receivable	65,900	25,900
Prepaid expenses and other current assets	<u>154,683</u>	<u>236,024</u>
Total Current Assets	<u>1,430,002</u>	<u>1,611,263</u>
Long Term Assets		
Pledges receivable	63,660	-
Security deposits	3,356	3,356
Property and equipment – net	<u>134,821</u>	<u>191,011</u>
Total Long Term Assets	<u>201,837</u>	<u>194,367</u>
Total Assets	<u>\$ 1,631,839</u>	<u>\$ 1,805,630</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ <u>118,788</u>	\$ <u>129,297</u>
Total Current Liabilities	<u>118,788</u>	<u>129,297</u>
Net Assets		
Unrestricted net assets	530,087	513,637
Temporarily restricted net assets	<u>982,964</u>	<u>1,162,696</u>
Total Net Assets	<u>1,513,051</u>	<u>1,676,333</u>
Total Liabilities and Net Assets	<u>\$ 1,631,839</u>	<u>\$ 1,805,630</u>

See accompanying notes.

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

**Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2015 and 2014**

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues, Gains and Other Support Contributions						
Corporate	\$ 885,021	\$ 275,847	\$ 1,160,868	\$ 849,322	\$ 1,147,000	\$ 1,996,322
Individual	147,016	-	147,016	131,548	-	131,548
Foundations	-	-	-	31,000	-	31,000
Total Contributions	1,032,037	275,847	1,307,884	1,011,870	1,147,000	2,158,870
Special event revenue (net of expenses of \$191,747 and \$161,849, respectively)	712,941	-	712,941	639,864	-	639,864
Interest and dividends	2,861	-	2,861	2,909	-	2,909
Unrealized gain on investments	4,852	-	4,852	27,915	-	27,915
Realized gain on investments	5,908	-	5,908	1,088	-	1,088
In-kind contributions	-	637,233	637,233	-	58,586	58,586
Temporary restricted net assets released from restriction satisfaction of program restriction	1,092,812	(1,092,812)	-	407,590	(407,590)	-
Total Revenue	2,851,411	(179,732)	2,671,679	2,091,236	797,996	2,889,232
Less: franchise fee	(49,713)	-	(49,713)	(49,373)	-	(49,373)
Net Revenue	2,801,698	(179,732)	2,621,966	2,041,863	797,996	2,839,859
Expenses						
Program expenses	2,251,514	-	2,251,514	1,428,713	-	1,428,713
Volunteer recruitment and recognition	8,379	-	8,379	18,225	-	18,225
Contribution solicitation	411,169	-	411,169	461,213	-	461,213
Management and general	114,186	-	114,186	102,707	-	102,707
Total Expenses	2,785,248	-	2,785,248	2,010,858	-	2,010,858
Change in Net Assets	16,450	(179,732)	(163,282)	31,005	797,996	829,001
Net Assets – Beginning of Years	513,637	1,162,696	1,676,333	482,632	364,700	847,332
Net Assets – End of Years	\$ 530,087	\$ 982,964	\$ 1,513,051	\$ 513,637	\$ 1,162,696	\$ 1,676,333

See accompanying notes.

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

**Statements of Cash Flows
For the Years Ended June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Operating Activities		
Change in net assets	\$ (163,282)	\$ 829,001
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	56,190	58,713
Realized gain on investments	(5,908)	(1,088)
Unrealized gain on investments	(4,852)	(27,915)
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(27,090)	(90,580)
Prepaid expenses and other current assets	81,341	(230,163)
Pledges receivable	(103,660)	10,300
Increase (decrease) in:		
Accounts payable and accrued expenses	(10,509)	42,882
Net Cash (Used) Provided by Operating Activities	<u>(177,770)</u>	<u>591,150</u>
Investing Activities		
Proceeds from sale of investments	31,277	70,567
Purchases of investments	(25,073)	(44,568)
Purchases of fixed assets	-	(10,026)
Net Cash Provided by Investing Activities	<u>6,204</u>	<u>15,973</u>
Net Change in Cash	(171,566)	607,123
Cash and Cash Equivalents – Beginning of Years	<u>918,173</u>	<u>311,050</u>
Cash and Cash Equivalents – End of Years	<u>\$ 746,607</u>	<u>\$ 918,173</u>
Supplementary Information		
Interest paid	\$ -	\$ -
Taxes paid	\$ -	\$ -

See accompanying notes.

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

Notes to Financial Statements June 30, 2015 and 2014

Note 1 - Organization

Junior Achievement of New Jersey, Inc. [the "Organization"] is an affiliate of Junior Achievement USA ["JAUSA"], an economic education provider/business education partnership serving New Jersey. A franchise fee is paid to Worldwide on contributions received and net special event revenue generated annually.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on the accrual basis.

Classification of Net Assets

Unrestricted net assets represent the portion of the Organization's net assets that are available for its general operations.

Temporarily restricted net assets have donor imposed restrictions that permit the Organization to use up or expend the donated assets as specified and the restriction is satisfied either by the passage of time or by actions of the Organization. Temporary restrictions on net assets that are satisfied in the year received are recognized as unrestricted support.

The Organization chooses to show restricted gains and investment income whose restrictions are met in the same reporting period as unrestricted support.

Permanently restricted net assets have donor imposed restrictions that neither expire by passage of time nor can be fulfilled by actions of the Organization. The Organization has no permanently restricted net assets.

Accounts Receivable

Accounts receivable result from various events held during the year. An allowance for uncollectible receivables has not been provided based upon historical experience collecting these receivables.

Investments

Investments are valued at fair value determined by quoted market prices in an active market.

Revenue Recognition

Contributions and grants are recognized when received. Revenue from programs and special events is recognized when earned.

Concentration of Credit Risk and Revenue

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and investments. The Organization places its cash and investments with quality financial institutions.

At June 30, 2015 and 2014, cash exceeded the FDIC insurance limit. The excess balances were approximately \$135,000 and \$125,000, respectively.

All the Organization's investments are subject to credit risk.

At June 30, 2015 and 2014, one special event accounted for 26% and 15% of total revenue, respectively.

At June 30, 2014, one contributor accounted for 35% of total revenue.

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

Notes to Financial Statements June 30, 2015 and 2014

Note 2 - Summary of Significant Accounting Policies (continued)

Property and Equipment and Depreciation

Property and equipment are recorded at cost when purchased and fair value when donated. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. When items of property or equipment are sold or retired, the related cost and accumulated depreciation is removed from the accounts and any gain or loss is included in the results of operations.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets. The estimated lives by asset class follows:

Office Furniture	10 years
Computer Hardware	3 years
Office Equipment	5 years

Long-Lived Assets

Long-lived tangible assets subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceed their fair value as determined by an estimate of undiscounted future cash flow.

Losses on assets held for disposal are recognized when management has approved and committed to a plan to dispose of the assets, and the assets are available for disposal.

Donated Services

A significant amount of the Organization's functions are conducted by unpaid volunteer officers and committees. The value of this contributed time is not reflected in the accompanying financial statements because it is not susceptible to objective measurement or valuation.

The Organization received donated services which are recorded at fair market value on the date of donation. For the year ending June 30, 2015 and 2014, in-kind contributions of \$637,233 and \$58,586, respectively were recorded.

Reclassification

Certain amounts in the June 30, 2014 financial statements have been reclassified to conform to the June 30, 2015 financial statement presentation. The reclassification had no effect on the change in net assets reported for the year ended June 30, 2014.

Tax Ruling Status

Junior Achievement is exempt from federal income taxes under section 501(c) 3 of the Internal Revenue Code.

The Organization accounts for uncertainty in income taxes using a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold is met. Management determined that there were no tax uncertainties that met the recognition threshold in 2015. The Organization's exempt from federal income tax return is no longer subject to examination by federal taxing authorities for years before 2012.

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

Notes to Financial Statements June 30, 2015 and 2014

Note 2 - Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through October 28, 2015, the date these financial statements were available to be issued.

Note 3 - Promises to Give

The Organization received unconditional promises to give with payments due in future periods. Unconditional promises to give due in more than one year are reflected at the present value of estimated future cash flows utilizing a 1% discount rate. In 2014, all pledges were due in less than one year. Therefore, no discount was provided.

	<u>2015</u>	<u>2014</u>
Program restricted	\$ 130,900	\$ 25,900
Less: Unamortized discount	<u>1,340</u>	<u>-</u>
Subtotal	129,560	25,900
Less: Allowance for uncollectible promises	<u>-</u>	<u>-</u>
Net unconditional promises to give	<u><u>129,560</u></u>	<u><u>25,900</u></u>
Amounts due in:		
Less than one year	65,900	25,900
One to five years	<u>65,000</u>	<u>-</u>
Total	<u><u>\$ 130,900</u></u>	<u><u>\$ 25,900</u></u>

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

Notes to Financial Statements June 30, 2015 and 2014

Note 4 - Property and Equipment

Property and equipment consists of the following at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Furniture	\$ 15,450	\$ 15,450
Equipment	59,557	59,557
Mobile unit	<u>250,000</u>	<u>250,000</u>
Totals	325,007	325,007
Less: accumulated depreciation	<u>190,186</u>	<u>133,996</u>
Net	\$ <u><u>134,821</u></u>	\$ <u><u>191,011</u></u>

Depreciation expense for the years ended June 30, 2015 and 2014 was \$56,190 and \$58,713, respectively.

Note 5 - Investments

Investments consist of the following at June 30, 2015 and 2014:

	<u>2015</u>		<u>2014</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Stocks	\$ 157,174	\$ 227,595	\$ 157,585	\$ 222,602
Bonds	<u>60,122</u>	<u>60,167</u>	<u>60,179</u>	<u>60,604</u>
Totals	\$ <u><u>217,296</u></u>	\$ <u><u>287,762</u></u>	\$ <u><u>217,764</u></u>	\$ <u><u>283,206</u></u>

Note 6 - Return on Investments

The return on investments for the years ended June 30, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Interest and dividends	\$ 2,861	\$ 2,909
Unrealized gain	4,852	27,915
Realized gain	<u>5,908</u>	<u>1,088</u>
Total investment return	\$ <u><u>13,621</u></u>	\$ <u><u>31,912</u></u>

Interest and dividend income is shown net of investment fees of \$3,658 and \$3,426 for the years ended June 30, 2015 and 2014, respectively.

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

Notes to Financial Statements June 30, 2015 and 2014

Note 7 - Fair Value Measurements

For financial assets and liabilities measured at fair value on a recurring basis, fair value is the price we would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date.

Observable inputs reflect market data obtained from independent sources, while observable inputs reflect our market assumptions. Preference is given to observable inputs. These three types of inputs create the following fair value hierarchy:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement dates.

Level 2 – unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3 – unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2015 and 2014.

Common Stock, certificate of deposit and corporate bonds: Value at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

**Notes to Financial Statements
June 30, 2015 and 2014**

Note 7 - Fair Value Measurements (continued)

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2015 and 2014.

	June 30,	<u>Fair Value Measurements at Reporting Date</u>			
		2015	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Equity securities:					
Healthcare sector	\$ 48,457	\$ 48,457	\$ -	\$ -	
Services sector	47,739	47,739	-	-	
Financial sector	44,391	44,391	-	-	
Technology sector	40,210	40,210	-	-	
Industrial goods sector	22,798	22,798	-	-	
Basic materials sector	18,809	18,809	-	-	
Consumer goods sector	<u>5,191</u>	<u>5,191</u>	<u>-</u>	<u>-</u>	
Total equities	<u>227,595</u>	<u>227,595</u>	<u>-</u>	<u>-</u>	
Corporate bonds					
Financial sector	25,126	-	25,126	-	
Technology sector	24,872	-	24,872	-	
Basic materials sector	<u>10,169</u>	<u>-</u>	<u>10,169</u>	<u>-</u>	
Total corporate bonds	<u>60,167</u>	<u>-</u>	<u>60,167</u>	<u>-</u>	
Total assets	\$ <u>287,762</u>	\$ <u>227,595</u>	\$ <u>60,167</u>	\$ <u>-</u>	

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

**Notes to Financial Statements
June 30, 2015 and 2014**

Note 7 - Fair Value Measurements (continued)

	June 30, 2014	<u>Fair Value Measurements at Reporting Date</u>		
		(Level 1)	(Level 2)	(Level 3)
Equity securities:				
Financial sector	\$ 42,875	\$ 42,875	\$ -	\$ -
Healthcare sector	40,773	40,773	-	-
Services sector	40,094	40,094	-	-
Technology sector	39,234	39,234	-	-
Basic materials sector	29,864	29,864	-	-
Industrial goods sector	24,634	24,634	-	-
Consumer goods sector	5,128	5,128	-	-
Total equities	<u>222,602</u>	<u>222,602</u>	<u>-</u>	<u>-</u>
Corporate bonds				
Basic materials sector	35,542	-	35,542	-
Financial sector	25,062	-	25,062	-
Total corporate bonds	<u>60,604</u>	<u>-</u>	<u>60,604</u>	<u>-</u>
Total assets	\$ <u>283,206</u>	\$ <u>222,602</u>	\$ <u>60,604</u>	\$ <u>-</u>

Note 8 - Credit Line Payable

Junior Achievement of New Jersey, Inc. has credit available through a line of credit as follows:

	<u>Total Credit Available</u>	<u>Total Payable in 2015</u>	<u>Total Payable in 2014</u>
TD Bank, N.A. Due on demand, interest is prime + 1%, 4.25% at June 30, 2015 and 2014. Maturity date is December 31, 2049. Secured by all assets of the organization.	\$ <u>75,000</u>	\$ <u>-</u>	\$ <u>-</u>
Wells Fargo Unsecured business line account credit card, interest is prime + 6.75%, 10% at June 30, 2015 and 2014.	\$ <u>75,000</u>	\$ <u>-</u>	\$ <u>-</u>

There was no interest expense for the years ended June 30, 2015 and 2014.

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

Notes to Financial Statements June 30, 2015 and 2014

Note 9 - Related Party Transactions

The Organization participates in the Junior Achievement USA Pension Plan, which is a multiemployer defined benefit type plan. Contributions for eligible employee's salaries are made to the plan. The contribution rate was 16.75% for the years ended June 30, 2015 and 2014. Employees become eligible after completing one year of service and working 1,000 hours per year. Vesting is over a five year period. Contributions for the years ended June 30, 2015, and 2014 were \$130,678 and \$108,917, respectively.

The Organization provides medical benefits to qualified employees under a plan maintained by Junior Achievement USA. Contributions to the plan for the years ended June 30, 2015, and 2014 were \$141,414 and \$131,393, respectively.

The Organization pays Junior Achievement USA a franchise fee based upon certain revenue collected during the year. During the years ended June 30, 2015 and 2014, \$49,713 and \$49,373 of franchise fees were incurred.

Junior Achievement USA provides various program materials to local units. During the years ended June 30, 2015 and 2014, \$268,194 and \$174,338 of materials was purchased, respectively.

As of June 30, 2015 and 2014, the Organization owed Junior Achievement USA for products, services, franchise fees and benefits \$1,624 and \$9,845, respectively.

Note 10 - Lease Commitments

The Organization administrates all programs from one facility in Princeton, New Jersey. The facility lease expires August 31, 2016. Minimum future lease payments under the lease are as follows:

Year Ending June 30,	
2016	\$ 43,769
2017	<u>7,330</u>
Total	\$ <u><u>51,099</u></u>

Rent expense for the years ended June 30, 2015 and 2014 was \$49,448 and \$48,071, respectively

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

Notes to Financial Statements June 30, 2015 and 2014

Note 11 - Pension Plan

Junior Achievement of New Jersey, Inc. participates in a defined benefit pension plan (the "Plan") offered by Junior Achievement USA.

The Organization offers a noncontributory defined benefit pension plan (the Plan) to its employees. The Plan is administered by the Organization and covers all full-time employees of the Organization, JA Worldwide, Inc. and participating Junior Achievement chapters in the United States. The Plan is accounted for like a multiemployer plan. Benefits are determined based on years of service and salary history. The Plan's assets are invested in various investment funds. The respective participants' employers are required to fund the Plan, as determined necessary by the Organization's Board of Directors, based on an annual actuarial valuation. The Organization makes contributions equal to 16.75% of participants' eligible compensation. The Plan requires that participating members who withdraw from the Plan, remain liable for any previous funding obligations under the Plan. Accordingly, the Organization 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 of the Organization.

JAUSA uses a June 30 measurement date for the Plan. Significant balances, costs and assumptions are:

	<u>2015</u>	<u>2014</u>
Benefit obligation	\$ (77,147,902)	\$ (73,709,786)
Fair value of plan assets	<u>54,503,578</u>	<u>50,386,905</u>
Underfunded status	<u>(22,644,324)</u>	<u>(23,322,881)</u>
Accumulated benefit obligation	\$ <u>70,170,258</u>	\$ <u>65,944,688</u>

Significant assumptions include:

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

	<u>2015</u>	<u>2014</u>
Discount rate	4.00%	3.75%
Rate of compensation increase	4.00%	4.00%

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

	<u>2015</u>	<u>2014</u>
Discount rate	4.00%	4.25%
Expected return on plan assets	6.25%	6.25%
Rate of compensation increase	4.00%	4.00%

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

Notes to Financial Statements June 30, 2015 and 2014

Note 11 - Pension Plan (continued)

The estimated long-term rate of the return on Plan assets is based primarily on historical returns on Plan assets, adjusted for changes in target portfolio allocations and recent changes in long-term interest rates based on publicly available information.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of June 30, 2015:

2016	\$	9,885,934
2017		5,890,992
2018		6,830,462
2019		6,617,682
2020		5,832,692
2021 to 2025		29,101,453

Plan assets are held by Fidelity Investments and investment decisions are made in accordance with the provisions of the Plan's investment agreement by the Plan's investment advisor. The investment agreement permits investment in common stocks, corporate bonds, real estate and cash based on certain target allocation percentages.

The investment objective of the Plan is to construct an investment strategy that:

- Provides a high probability of attaining fully funded status;
- Retains the ability to pay benefits and expense obligations when due;
- Retains a funding cushion for unexpected developments;
- Maximizes the long-term returns that can be achieved within the level of risk that is reasonable and prudent; and
- Provides the Plan Sponsor with the flexibility to reduce future contributions, or increase future benefits, in a way that enables the Plan Sponsor to continue to provide competitive retirement benefits to its employees.

The target asset allocation percentages for 2015 are as follows:

Equity mutual funds	Not to exceed 65.00%
Corporate debt securities	Not to exceed 48.00%
Real estate	Not to exceed 6.00%
Cash and cash equivalents	Not to exceed 2.00%

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

**Notes to Financial Statements
June 30, 2015 and 2014**

Note 11 - Pension Plan (continued)

Plan assets are rebalanced quarterly. At June 30, Plan assets by category are as follows:

	<u>2015</u>	<u>2014</u>
Equity mutual funds	55.00%	56.00%
Fixed income mutual funds	40.00%	39.00%
Real estate mutual funds	<u>5.00%</u>	<u>5.00%</u>
	<u>100.00%</u>	<u>100.00%</u>

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 multiemployer 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 the Organization chooses to stop participating in the Plan, the Organization would be required to pay the Plan 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. 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 2015 and 2014 contributions.

<u>Pension Fund</u>	<u>EIN/Pension Plan Number</u>	<u>Funded Status</u>		<u>Contributions of Organization</u>	
		<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Retirement Plan for Employees of Junior Achievement USA	13-1635270 PN 333	71.00%	68.00%	\$ <u>130,678</u>	\$ <u>108,917</u>

The Organization was listed in its Plan's Form 5500 as providing more than 5 percent of the total contributions for the following plan years:

<u>Pension Fund</u>	<u>Year Contributions to Plan Exceeded More Than 5 Percent of Total Contributions</u>
Retirement Plan for Employees of Junior Achievement USA	2015 and 2014

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

Notes to Financial Statements June 30, 2015 and 2014

Note 12 - Health and Welfare Benefits Trust and Postretirement Benefits

Health and Welfare Benefits Trust

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

The following represents summarized financial information pertaining to the Benefits Trust as of and for the years ended June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Assets	\$ 5,678,025	\$ 5,743,911
Liabilities	<u>211,796</u>	<u>215,827</u>
Net assets	<u>\$ 5,466,229</u>	<u>\$ 5,528,084</u>
Additions to net assets	\$ 6,889,679	\$ 6,807,938
Deductions from net assets	<u>6,951,534</u>	<u>6,439,571</u>
Change in net assets	(61,855)	368,367
Net assets, beginning of years	<u>5,528,084</u>	<u>5,159,717</u>
Net assets, end of years	<u>\$ 5,466,229</u>	<u>\$ 5,528,084</u>

In addition to the summarized financial information presented above, the Benefits Trust also reports in the notes to the June 30, 2015 and 2014 financial statements, claims payable of \$209,609 and \$232,760, respectively, and claims incurred but not reported of \$370,387 and \$294,435, respectively. The obligation for claims incurred but not reported is not recorded in the Benefits Trust's statements of net assets available for benefits.

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

Notes to Financial Statements June 30, 2015 and 2014

Note 12 - Health and Welfare Benefits Trust and Postretirement Benefits (continued)

Postretirement Benefits Plan

The Health and Welfare Plan also offers health care benefits to retired personnel of the participating employees. This creates an implicit rate subsidy, which is considered to be a postretirement benefit. Management of the Organization does not believe the implicit rate subsidy amount to be material to the Organization, especially since the Plan is a multi-employer plan. Accordingly, no balances or transactions of the Postretirement Benefits Plan are recorded in the financial statements of the Organization.

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

	<u>2015</u>	<u>2014</u>
Benefit obligation	\$ (6,518,453)	\$ (7,126,529)
Fair value of Plan assets	-	-
Underfunded status	<u>(6,518,453)</u>	<u>(7,126,529)</u>
Accumulated benefit obligation	\$ <u>(6,518,453)</u>	\$ <u>(7,126,529)</u>

Weighted-average assumptions used to determine benefit obligations at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Discount rate	4.00%	3.75%
Rate of compensation increase	4.00%	4.00%

Weighted-average assumptions used to determine benefit costs at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Discount rate	3.75%	4.25%
Rate of compensation increase	4.00%	4.00%

JUNIOR ACHIEVEMENT OF NEW JERSEY, INC.

Notes to Financial Statements June 30, 2015 and 2014

Note 12 - Health and Welfare Benefits Trust and Postretirement Benefits (continued)

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of June 30, 2015:

2016	\$	311,707
2017		313,099
2018		334,012
2019		349,895
2020		374,722
2021 to 2025		1,901,929

The Organization's premium expense for the years ended June 30, 2015 and 2014 was \$141,414 and \$131,393, respectively.

Note 13 - Functional Expenses

The functional allocation of expenses is as follows:

	<u>2015</u>	<u>2014</u>
Program	\$ 2,259,893	\$ 1,446,938
Management and general	114,186	102,707
Fund raising	<u>411,169</u>	<u>461,213</u>
Total	<u>\$ 2,785,248</u>	<u>\$ 2,010,858</u>