



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

**Financial Statements**

**June 30, 2006 and 2005**

**(With Independent Auditors' Report Thereon)**



KPMG LLP  
345 Park Avenue  
New York, NY 10154

## Independent Auditors' Report

The Board of Directors  
Junior Achievement of New York, Inc.:

We have audited the accompanying statements of financial position of Junior Achievement of New York, Inc. (JANY) as of June 30, 2006 and 2005, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of JANY's management. 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of JANY's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Junior Achievement of New York, Inc. as of June 30, 2006 and 2005, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

KPMG LLP

August 15, 2006

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

Statements of Financial Position

June 30, 2006 and 2005

<b>Assets</b>	<b>2006</b>	<b>2005</b>
Cash and cash equivalents (note 3)	\$ 845,329	1,026,593
Contributions receivable, net (note 4)	764,450	669,536
Prepaid expenses and other assets	180,950	176,770
Fixed assets, net (note 5)	513,901	165,750
Total assets	<u>\$ 2,304,630</u>	<u>2,038,649</u>
<b>Liabilities and Net Assets</b>		
Accounts payable and accrued expenses	\$ 178,642	258,551
Deferred revenue	46,000	65,000
Deferred rent obligation (note 6)	204,300	236,841
Obligation under capital lease	72,156	—
Total liabilities	<u>501,098</u>	<u>560,392</u>
Unrestricted net assets	1,349,116	1,220,757
Temporarily restricted net assets	196,916	—
Permanently restricted net assets	257,500	257,500
Total net assets	<u>1,803,532</u>	<u>1,478,257</u>
Total liabilities and net assets	<u>\$ 2,304,630</u>	<u>2,038,649</u>

See accompanying notes to financial statements.

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

Statements of Activities

Years ended June 30, 2006 and 2005

	2006			Total
	Unrestricted	Temporarily restricted	Permanently restricted	
Support and revenue:				
Support:				
Contributions (net of participation payments of \$44,865 in 2006 and \$49,211 in 2005)	\$ 1,651,705	196,916	—	1,848,621
Contributed assets (note 9)	312,442	—	—	312,442
Donated services (note 9)	276,940	—	—	276,940
Total support	<u>2,241,087</u>	<u>196,916</u>	<u>—</u>	<u>2,438,003</u>
Revenue:				
Special events income (net of direct expenses and participation payments of \$646,289 in 2006 and \$564,934 in 2005)	2,001,428	—	—	2,001,428
Interest and other income	21,813	—	—	21,813
Total revenue	<u>2,023,241</u>	<u>—</u>	<u>—</u>	<u>2,023,241</u>
Net assets released from restriction	—	—	—	—
Total support and revenue	<u>4,264,328</u>	<u>196,916</u>	<u>—</u>	<u>4,461,244</u>
Expenses:				
Program services:				
High school programs	294,568	—	—	294,568
Middle school programs	267,789	—	—	267,789
Elementary school programs	2,115,535	—	—	2,115,535
Total program services	<u>2,677,892</u>	<u>—</u>	<u>—</u>	<u>2,677,892</u>
Supporting services:				
Management and general	739,043	—	—	739,043
Fund-raising (note 2(e)):				
Volunteer recruiting costs	140,063	—	—	140,063
General solicitation of funds	578,971	—	—	578,971
Total supporting services	<u>1,458,077</u>	<u>—</u>	<u>—</u>	<u>1,458,077</u>
Total expenses	<u>4,135,969</u>	<u>—</u>	<u>—</u>	<u>4,135,969</u>
Increase (decrease) in net assets	128,359	196,916	—	325,275
Net assets at beginning of year	1,220,757	—	257,500	1,478,257
Net assets at end of year	<u>\$ 1,349,116</u>	<u>196,916</u>	<u>257,500</u>	<u>1,803,532</u>

See accompanying notes to financial statements.

2005

Unrestricted	Temporarily restricted	Permanently restricted	Total
1,803,290	—	—	1,803,290
<u>372,548</u>	<u>—</u>	<u>—</u>	<u>372,548</u>
<u>2,175,838</u>	<u>—</u>	<u>—</u>	<u>2,175,838</u>
1,996,062	—	—	1,996,062
<u>11,073</u>	<u>—</u>	<u>—</u>	<u>11,073</u>
2,007,135	—	—	2,007,135
<u>80,000</u>	<u>(80,000)</u>	<u>—</u>	<u>—</u>
<u>4,262,973</u>	<u>(80,000)</u>	<u>—</u>	<u>4,182,973</u>
274,974	—	—	274,974
<u>357,466</u>	<u>—</u>	<u>—</u>	<u>357,466</u>
<u>2,117,297</u>	<u>—</u>	<u>—</u>	<u>2,117,297</u>
<u>2,749,737</u>	<u>—</u>	<u>—</u>	<u>2,749,737</u>
679,835	—	—	679,835
<u>94,172</u>	<u>—</u>	<u>—</u>	<u>94,172</u>
<u>624,229</u>	<u>—</u>	<u>—</u>	<u>624,229</u>
<u>1,398,236</u>	<u>—</u>	<u>—</u>	<u>1,398,236</u>
<u>4,147,973</u>	<u>—</u>	<u>—</u>	<u>4,147,973</u>
<u>115,000</u>	<u>(80,000)</u>	<u>—</u>	<u>35,000</u>
<u>1,105,757</u>	<u>80,000</u>	<u>257,500</u>	<u>1,443,257</u>
<u>1,220,757</u>	<u>—</u>	<u>257,500</u>	<u>1,478,257</u>

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

Statement of Functional Expenses

Year ended June 30, 2006

	Program services			Total
	High school	Middle school	Elementary school	
Salaries and benefits (note 7)	\$ 176,990	160,900	1,271,115	1,609,005
Office and occupancy (note 6)	45,736	41,578	328,465	415,779
Travel, meetings, and conferences	5,954	5,413	42,759	54,126
Program materials	40,277	36,615	289,261	366,153
Outside services	3,947	3,588	28,346	35,881
Depreciation	—	—	—	—
Bad debts	—	—	—	—
Donated services (note 9)	21,664	19,695	155,589	196,948
Participation payments	—	—	—	—
	<u>\$ 294,568</u>	<u>267,789</u>	<u>2,115,535</u>	<u>2,677,892</u>

Summary of Expenses Netted from Revenue on Statement of Activities

	Total	Special events expenses	Participation payments
Contributions	\$ 44,865	—	44,865
Special events	646,289	596,315	49,974
	<u>\$ 691,154</u>	<u>596,315</u>	<u>94,839</u>

See accompanying notes to financial statements.

<b>Supporting services</b>						
<b>Management and general</b>	<b>Volunteer recruiting</b>	<b>Fund-raising</b>	<b>Total</b>	<b>Total</b>	<b>Special events expense</b>	<b>Participation payments</b>
417,286	90,231	371,387	878,904	2,487,909	—	—
132,840	22,094	103,393	258,327	674,106	—	—
13,446	2,771	6,600	22,817	76,943	—	—
21,692	1,076	2,388	25,156	391,309	—	—
49,206	876	35,645	85,727	121,608	596,315	—
76,773	—	—	76,773	76,773	—	—
84	—	30,297	30,381	30,381	—	—
27,716	23,015	29,261	79,992	276,940	—	—
—	—	—	—	—	—	94,839
<b>739,043</b>	<b>140,063</b>	<b>578,971</b>	<b>1,458,077</b>	<b>4,135,969</b>	<b>596,315</b>	<b>94,839</b>

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

Statement of Functional Expenses

Year ended June 30, 2005

	Program services			Total
	High school	Middle school	Elementary school	
Salaries and benefits (note 7)	\$ 148,953	193,639	1,146,938	1,489,530
Office and occupancy (note 6)	41,053	53,369	316,110	410,532
Travel, meetings, and conferences	5,780	7,514	44,504	57,798
Program materials	43,054	55,970	331,516	430,540
Outside services	3,189	4,145	24,550	31,884
Depreciation	2,847	3,702	21,924	28,473
Bad debts	—	—	—	—
Donated services (note 9)	30,098	39,127	231,755	300,980
Participation payments	—	—	—	—
	<u>\$ 274,974</u>	<u>357,466</u>	<u>2,117,297</u>	<u>2,749,737</u>

Summary of Expenses Netted from Revenue on Statement of Activities

	Total	Special events expenses	Participation payments
Contributions	\$ 49,211	—	49,211
Special events	564,934	515,479	49,455
	<u>\$ 614,145</u>	<u>515,479</u>	<u>98,666</u>

See accompanying notes to financial statements.

<b>Supporting services</b>						
<b>Management and general</b>	<b>Volunteer recruiting</b>	<b>Fund-raising</b>	<b>Total</b>	<b>Total</b>	<b>Special events expense</b>	<b>Participation payments</b>
451,742	69,413	369,919	891,074	2,380,604	—	—
116,415	17,932	111,527	245,874	656,406	—	—
18,774	2,625	10,823	32,222	90,020	—	—
9,015	496	6,750	16,261	446,801	—	—
23,894	1,501	5,974	31,369	63,253	515,479	—
34,231	1,205	6,702	42,138	70,611	—	—
—	—	67,730	67,730	67,730	—	—
25,764	1,000	44,804	71,568	372,548	—	—
—	—	—	—	—	—	98,666
<b>679,835</b>	<b>94,172</b>	<b>624,229</b>	<b>1,398,236</b>	<b>4,147,973</b>	<b>515,479</b>	<b>98,666</b>

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

Statements of Cash Flows

Years ended June 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Cash flows from operating activities:		
Increase in net assets	\$ 325,275	35,000
Adjustments to reconcile increase in net assets to net cash (used in) provided by operating activities:		
In-kind contribution of fixed assets	(312,442)	—
Depreciation	76,773	70,611
Provision for bad debts	30,381	67,730
Changes in assets and liabilities:		
Increase in contributions receivable, net	(125,295)	(36,694)
Increase in prepaid expenses and other assets	(4,180)	(21,277)
(Decrease) increase in accounts payable and accrued expenses	(79,909)	38,198
(Decrease) increase in deferred revenue	(19,000)	16,000
Decrease in deferred rent obligation	(32,541)	(11,869)
Net cash (used in) provided by operating activities	<u>(140,938)</u>	<u>157,699</u>
Cash flows from investing activities:		
Purchase of fixed assets	<u>(112,482)</u>	<u>(13,078)</u>
Net cash used in investing activities	<u>(112,482)</u>	<u>(13,078)</u>
Cash flows from financing activities:		
Increase in obligation under capital lease	98,755	—
Payment on obligation under capital lease	<u>(26,599)</u>	—
Net cash provided by financing activities	<u>72,156</u>	—
Net (decrease) increase in cash and cash equivalents	<u>(181,264)</u>	<u>144,621</u>
Cash and cash equivalents at beginning of year	<u>1,026,593</u>	<u>881,972</u>
Cash and cash equivalents at end of year	\$ <u>845,329</u>	\$ <u>1,026,593</u>
Non-cash investing and financing activity:		
In-kind contribution of fixed assets	\$ 312,442	—

See accompanying notes to financial statements.

