Junior Achievement of South Central Pennsylvania

Audit Results

June 30, 2019

FOCUSED. ON YOU.

FOCUSED. ON YOU.

To the Board of Trustees
Junior Achievement of
South Central Pennsylvania
York, Pennsylvania

We are pleased to present the results of our audit of the 2019 financial statements of Junior Achievement of South Central Pennsylvania (the Organization) and the status of our final procedures.

The audit is designed to express an opinion on the 2019 financial statements as of June 30, 2019. In accordance with professional standards, we obtained a sufficient understanding of internal control to plan the audit to determine the nature, timing, and extent of tests to be performed.

This report is intended solely for the information and use of the Board of Trustees and management and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate the opportunity to meet with you to discuss the contents of this report and answer any questions you may have about these or any other audit related matters.

RKL LLP

November 1, 2019
York, Pennsylvania

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Client Service Team

RKL LLP's team of professionals brings significant nonprofit experience to the audit of the Organization. Their enthusiasm and commitment result in proactive, innovative service focused on your business issues. Key members of your engagement are the following:

Engagement Member	Responsibility	Contact Information	Years of Industry Experience
Amy Gohn Anstine	Engagement Partner	AAnstine@rklcpa.com (717) 843-3804	25+
Jill E. Gilbert	Technical Review Partner	JGilbert@rklcpa.com (717) 843-3804	24
Michelle J. Frye	Audit Manager	MFrye@rklcpa.com (717) 843-3804	17
Ruthann J. Woll	Tax Principal, Tax-Exempt Organizations	RWoll@rklcpa.com (610) 376-1595	22

Summary of What We Agreed to Do

Deliverables		Status Update
Opinion	Express an opinion on the financial statements of the Organization.	Complete.
Internal Control Communications	Auditing Standard AU-C 260, *The Auditor's Communication with Those Charged with Governance.* Issue a written communication to the Board of Trustees and management describing significant deficiencies and/or material weaknesses identified during our audit, if any. Issue a management letter that provides our recommendations regarding internal controls and opportunities for improvement of efficiency, based on observations made during the course of our audit, if any.	Included in audit results booklet.
Tax	Prepare federal and state income tax returns.	In process.

Areas of Audit Emphasis

The principal areas of audit emphasis were as follows:

- Internal control over financial reporting
- Revenue recognition
- Contingencies, commitments, and legal matters
- Review, recompute, and substantiate financial statement amounts and disclosures
- Consideration of fraud in accordance with AU-C 240
- Process over estimating useful lives of property and equipment
- Process over estimating the allowance for doubtful accounts and consideration of potential impairment issues
- Process over estimating the discount to present value and the allowance for uncollectible promises to give
- Compliance with donor restrictions and net asset classification

Changes from Planning

There were no changes to our planned approach or timing of procedures.

Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit, as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Auditor's Responsibilities Under Generally Accepted Auditing Standards (GAAS) The financial statements are the responsibility of management. Our audit was designed in accordance with auditing standards generally accepted in the United States of America to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. As part of our audit, we obtained an understanding of internal control sufficient to plan our audit and to determine the nature, timing, and extent of testing performed. However, we were not engaged to and we did not perform an audit of internal control over financial reporting.	We currently expect to issue an unmodified opinion on the Organization's financial statements for the year ended June 30, 2019. Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letters dated July 24, 2019 (Appendix E: Certain Written Communications Between Management and Our Firm).
Basis of Accounting The financial statements were prepared on assumption that the Organization will continue as a going concern.	We evaluated the events and conditions and concluded that there was not substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.
Our Judgments About the Quality of the Organization's Accounting Principles We discuss our judgments about the quality, not just the acceptability, of the accounting policies as applied in the Organization's financial reporting, including the consistency of the accounting policies and their application, and the clarity and completeness of the financial statements and related disclosures.	See: "The Adoption of or a Change in an Accounting Principle" "Methods of Accounting for Significant Unusual Transactions" "Management's Judgments and Sensitive Accounting Estimates" "All Material Alternative Accounting Treatments Discussed with Management" including the timing of transactions and the period in which they are recorded

Required Communications (continued)

Area	Comments
Significant Difficulties Encountered in Dealing with Management when Performing the Audit We inform the Board of Trustees or those charged with governance of any significant difficulties encountered in dealing with management related to the performance of the audit.	None. We did not encounter any significant difficulties in dealing with management during the audit.
Unrecorded Audit Differences We get final approval from the Board of Trustees or those charged with governance about unrecorded audit differences accumulated by us (i.e., adjustments either identified by us or brought to our attention by management) during the current audit and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements as a whole. Based on that approval, the remaining unrecorded audit differences have not been posted to the books and records of the Organization.	The unrecorded audit differences are attached in "Appendix B: Summary of Proposed Audit Adjustments and Uncorrected Misstatements."
Disagreements with Management We discuss with the Board of Trustees or those charged with governance any disagreements with management, whether or not satisfactorily resolved, about matters that, individually or in the aggregate, could be significant to the Organization's financial statements or the auditor's report.	None. We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant disclosures to be included in the financial statements.
Significant Audit Adjustments We provide the Board of Trustees or those charged with governance with information about adjustments arising from the audit (whether recorded or not) that could, in our judgment, either individually or in the aggregate, have a significant effect on the Organization's financial statements.	The audit adjusting journal entries are attached in "Appendix B: Summary of Proposed Audit Adjustments and Uncorrected Misstatements."

Required Communications (continued)

Area	Comments
Consultation with Other Accountants When we are aware that management has consulted with other accountants about auditing or accounting matters, we discuss with the Board of Trustees or those charged with governance our views about significant matters that were the subject of such consultation.	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues, if any, Arising from the Audit that were Discussed or the Subject of Correspondence with Management We inform the Board of Trustees or those charged with governance of any significant issues arising from the audit that were discussed or the subject of correspondence with management. Significant issues encountered during the audit may include such matters as: • Business conditions affecting the Organization and business plans and strategies that may affect the risks of material misstatement. • Discussions or correspondence in connection with the initial or recurring retention of the auditor including, among other matters, any discussions or correspondence regarding the application of accounting principles and auditing standards.	None. We did not identify any significant unusual transactions, or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. No significant issues arising from the audit were discussed with or the subject of correspondence with management.
The Adoption of or a Change in an Accounting Principle Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Organization. We determine that the Board of Trustees or those charged with governance is/are informed about the initial selection of and any changes in significant accounting principles or their application when the accounting principle or its application, including alternative methods of applying the accounting principle, has a material effect on the financial statements.	Significant accounting policies are described in Note 2 to the financial statements. The Organization adopted ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities,* during the year ended June 30, 2019.

Required Communications (continued)

Area	Comments
Methods of Accounting for Significant Unusual Transactions and for Controversial or Emerging Areas We determine that the Board of Trustees or those charged with governance is/are informed about the methods used to account for significant unusual transactions and the effects of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.	We are not aware of any significant unusual transactions recorded by the Organization, or of any significant accounting policies used by the Organization related to controversial or emerging areas for which there is a lack of authoritative guidance or consensus.
Management's Judgments and Sensitive Accounting Estimates The preparation of the financial statements requires the use of accounting estimates. Certain estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may differ significantly from management's current judgments. We determine that the Board of Trustees or those charged with governance is/are informed about management's process for formulating particularly sensitive accounting estimates and about the basis for our conclusions regarding the reasonableness of those estimates.	We have provided our views in the "Summary of Accounting Estimates" section.
Fraud and Illegal Acts We communicate to the Board of Trustees or those charged with governance fraud and illegal acts involving senior management, and fraud and illegal acts (whether caused by senior management or other employees) that cause a material misstatement of the financial statements.	We are not aware of any matters that require communication. Refer to the "Fraud Considerations and the Risk of Management Override" section for more information about our procedures related to the risks of material misstatement due to fraud.
Significant Deficiencies and/or Material Weaknesses in Internal Control We communicate all significant deficiencies and/or material weaknesses in internal control that may have been identified during the course of our audit.	Significant deficiencies and material weaknesses are summarized in "Appendix C: Letter Communicating Significant Deficiencies and Material Weaknesses."

Required Communications (continued)

Area	Comments
All Material Alternative Accounting Treatments Discussed with Management We discuss with the Board of Trustees all alternative accounting treatments within accounting principles generally accepted in the United States of America (U.S. GAAP) for policies and practices related to material items (including recognition, measurement, presentation, and disclosure alternatives) that have been discussed with management during the current audit period including: • Ramifications of the use of such alternative disclosures and treatments, including the reasons why the alternative was selected and, if management did not select our preferred alternative, the reasons why it was not selected. • The treatment preferred by us.	We did not discuss with management any alternative treatments within accounting principles generally accepted in the United States of America and practices related to material items during the current audit period.
Other Material Written Communications with Management We determine that the Board of Trustees has received copies of all material written communications with management.	Our arrangement letter and draft of the management representation letter are attached in "Appendix E: Certain Written Communications between Management and Our Firm." The management representation letter will be signed by management upon approval of the financial statements.

Summary of Significant Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. The following describes the significant accounting estimates reflected in the Organization's financial statements:

Area	Accounting Policy	Estimation Process	RKL LLP Comments
Income Taxes	Recognition of uncertainties in tax positions.	Management evaluates its income tax positions to determine whether they meet the more-likely-than-not threshold to be recognized in the financial statements.	Policy is in accordance with U.S. GAAP.
Property and Equipment	Determining appropriate depreciation methods and useful lives of property and equipment.	Management evaluates depreciation and useful lives based on industry standards. Property and equipment are stated at cost and are depreciated using the straight-line method over the useful lives of the assets.	Policy is in accordance with U.S. GAAP.
Promises to Give	Determining appropriate discount to record present value of promises to give.	Management evaluates the present value calculation of outstanding promises to give based on risk-adjusted rates of return.	Policy is in accordance with U.S. GAAP.

Summary of Significant Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Organization's financial statements are noted below:

Financial Statement Disclosure	RKL LLP Comments
Promises to Give	Disclosures include a summary of various promises to give, including outstanding balances, the allowance for uncollectible promises to give and unamortized discount, and due dates of promises to give. There were no significant changes to disclosures in 2019.
Property and Equipment	Disclosures include summary of types of property and equipment. During the year ended June 30, 2019 and 2018, management concluded that no impairment adjustments were required. There were no significant changes to disclosures in 2019.
Mortgage Payable	Disclosures include a summary of outstanding debt and aggregate maturities of the remaining balance. There were no significant changes to disclosures in 2019.
Restricted Net Assets	Disclosures include a summary of net assets with donor restrictions. The disclosures were updated for the implementation of ASU 2016-14.

The disclosures in the financial statements are neutral, consistent, and clear.

Fraud Considerations and the Risk of Management Override

Management

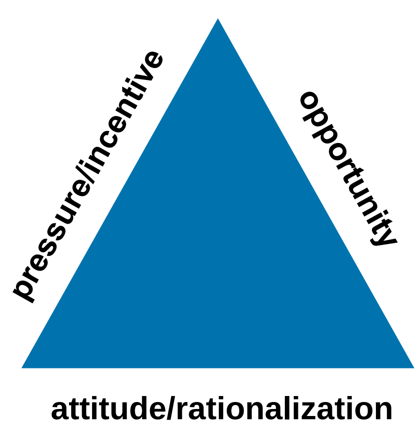
- Ultimately responsible for developing and maintaining anti-fraud program
- Management develops controls to deter and detect fraud
- Monitoring and compliance

Board of Trustees

- Evaluate management's assessment of fraud risk
- Evaluate implementation of fraud controls
- Reinforce "tone at the top"
- Conduct special investigations

External Auditor

- Responsible for planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether caused by error or by fraud (AU-C 240, *Consideration of Fraud in a Financial Statement Audit*)
- Evaluates management's programs and controls to deter and detect fraud (AU-C 240)
- Audit procedures will encompass the requirements of AU-C 240: brainstorming, gathering information to facilitate the identification of and response to fraud risks, and performing mandatory procedures to address the risk of management override, including examining journal entries, reviewing accounting estimates, and evaluating the business rationale of significant unusual transactions



APPENDIX A

Timing of Required Communication

Timing of Required Communication

Communications Required on all Audits	Communicate when Event Occurs	Communicate on a Timely Basis, at Least Annually
Our responsibility under GAAS, including other information in documents containing audited financial statements		X
Major issues discussed with management in connection with initial or recurring retention	X	
Significant audit adjustments		X
Unrecorded audit differences		X
Our judgments about the quality of the Organization's accounting principles		X
Disagreements with management	X	
Consultations with other accountants	X	
Serious difficulties encountered in dealing with management when performing the audit	X	
The adoption of or a change in an accounting principle	X	
Methods of accounting for significant unusual transactions and for controversial or emerging areas	X	
Sensitive accounting estimates		X
Fraud and illegal acts involving senior management, and fraud and illegal acts that cause a material misstatement of the financial statements	X	
Significant deficiencies and/or material weaknesses identified during our audit		X
Overview of planned scope and timing of the audit		X
Representations the auditor requests from management		X
Significant findings or issues arising from the audit that were discussed with management		X
Events or conditions that cause us to conclude that there is substantial doubt about the Organization's ability to continue as a going concern	X	

APPENDIX B

Summary of Proposed Audit Adjustments and Uncorrected Misstatements

Junior Achievement of South Central PA
Year End: June 30, 2019
Trial balance
Date: 7/1/2018 To 6/30/2019

Number	Date	Name	Account No	Reference	Debit	Credit	Net Income (Loss)	Amount Chg
		Net Income (Loss) Before Adjustments					(83,711.00)	
AJE 01	6/30/2019	EQUIPMENT - JACPA	1500CPA	4001		5,026.00		
AJE 01	6/30/2019	ACCUM DEPR - EQUIPMENT - JACPA	1550CPA	4001	5,026.00			
		TO ADJUST FOR DISPOSITION OF 2015 SERVER (DISPOSITION RECORDED NET ORIGINALLY)						
					5,026.00	5,026.00	(83,711.00)	0.00
AJE 02	6/30/2019	UNRESTRICTED(retained earnings)	3010	7501	499.00			
AJE 02	6/30/2019	SUPPLIES	8110	7501		499.00		
		TO ADJUST FOR IM EQUITY DIFFERENCE						
					499.00	499.00	(83,212.00)	499.00
AJE 03	6/30/2019	PLEDGE RECEIVABLE GENERAL	1190GEN	1503		250,000.00		
AJE 03	6/30/2019	STATE GOVERNMENT FUNDING	4141-5	1503	250,000.00			
		TO WRITE-OFF STATE GRANT AWARDED FOR FISCAL YEAR 19/20						
					250,000.00	250,000.00	(333,212.00)	(250,000.00)
AJE 04	6/30/2019	Discount on promises to give - CC	4500	1506		357.00		
AJE 04	6/30/2019	DISCOUNTS - LONG TERM PLEDGES	1225	1506	357.00			
		TO ADJUST DISCOUNT TO ACTUAL						
					357.00	357.00	(332,855.00)	357.00
AJE 05	6/30/2019	JA SYMPOSIUM	5800SYM	1503	10,000.00			
AJE 05	6/30/2019	GENERAL CAMPAIGN	4140-0	1503	5,000.00			
AJE 05	6/30/2019	PLEDGE RECEIVABLE GENERAL	1190GEN	1503		15,000.00		
		TO REVERSE RECEIVABLE FOR PSECU AND LISTRAK						
					15,000.00	15,000.00	(347,855.00)	(15,000.00)
AJE 06	6/30/2019	PLEDGES DEEMED UNCOLLECTABLE	9000	1505	10,000.00			
AJE 06	6/30/2019	A/R CAPITAL CAMPAIGN	1190CCU	1505		10,000.00		
		TO WRITE OFF SCHMIDT CAPITAL CAMPAIGN PLEDGE						
					10,000.00	10,000.00	(357,855.00)	(10,000.00)
					280,882.00	**280,882.00**	**(357,855.00)**	**(274,144.00)**

Junior Achievement of South Central PA
Summary of Uncorrected Misstatements
6/30/2019

Description of Uncorrected Misstatements	Financial Statement Effect - Over (Under) Statement of: Total Assets	Total Liabilities	Net Assets	Changes in Net Assets
Unrecorded estimated promises to give allowance	$ 8,000	$ -	$ 8,000	$ 8,000
Unrecorded estimated accrued interest payable	-	(2,237)	2,237	2,237
Projected overstatement of promises to give	12,930	-	12,930	12,930
Effect of prior year uncorrected misstatements	-	-	-	(5,551)
Total Effect of Uncorrected Misstatements on the 6/30/19 Financial Statements	**$ 20,930**	**$ (2,237)**	**$ 23,167**	**$ 17,616**

APPENDIX C

Letter Communicating Significant Deficiencies and Material Weaknesses

FOCUSED. ON YOU.

To the Board of Trustees
Junior Achievement of
South Central Pennsylvania
York, Pennsylvania

In planning and performing our audit of the financial statements of Junior Achievement of South Central Pennsylvania (the Organization) as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in the Organization's internal control to be material weaknesses:

Oversight of the Financial Reporting Process

Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements and footnote disclosures in the financial statements, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Management is able to review the statements for accuracy in relation to its internal records and can update the footnote disclosures based on a prior year template. However, the Organization does not have a system of internal controls that would enable management to conclude the financial statements and related disclosures are complete and presented in accordance with U.S. GAAP. As such, management requested us to prepare a draft of the financial statements, including the related footnote disclosures. The outsourcing of these services is not unusual in organizations of your size and is a result of management's cost benefit decision to rely on our accounting expertise rather than incurring this internal resource cost.

During the course of our audit, we noted other matters involving internal control and its operation, which are not significant deficiencies or material weaknesses, however, that would be an opportunity for strengthening internal controls.

Oral Pledges

As part of our audit, we noted that there were several gifts received by donors in the form of oral pledges. While this method is acceptable under current accounting guidance, the oral pledge should also be accompanied by sufficient documentation such as follow up written confirmation with the donor for substantiation. To improve controls and tracking of outstanding gifts, we recommend that the Organization consider implementing a policy that would minimize the amount of pledges received through oral promises. We suggest that this policy indicate that if an oral pledge is received that management will immediately follow up with a letter to the donor that summarizes the discussion regarding the pledge, including any restrictions.

Capitalization Policy

During our audit, we noted that the Organization's policy for the capitalization of property and equipment purchases begins with any asset purchase over $500. We recommend that the Organization consider increasing its capitalization policy to minimize tracking requirements of insignificant asset purchases.

This communication is intended solely for the information and use of the Board of Trustees, management, and others within the Organization and is not intended to be, and should not be, used by anyone other than these specified parties.

RKL LLP

November 1, 2019
York, Pennsylvania

APPENDIX D

Accounting Developments

Accounting Developments

Accounting Developments	Summary
ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*	The FASB issued ASU 2014-09 in May 2014. This update will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. The following are summarized highlights from this ASU: • Single revenue recognition standard across all industries • Primarily effects revenue transactions with multiple deliverables (performance obligations) • Five-step approach to revenue recognition: 1. Identify the contract with a customer 2. Identify the separate performance obligations in the contract 3. Determine the transaction price 4. Allocate the transaction price to the separate performance obligations identified in Step 2 5. Recognize revenue when (or as) each performance obligation is satisfied The effective date was pushed back one year in ASU 2015-14, and this guidance is now effective for annual reporting periods beginning after December 15, 2018 for nonpublic entities.
ASU 2016-02, *Leases (Topic 842)*	The FASB issued ASU 2016-02 in February 2016. The guidance in this update supersedes the leasing guidance in Topic 840, *Leases*. The following are the major changes arising from the ASU: • Lessees are required to recognize right-of-use lease assets and lease liabilities on the balance sheet for all tangible asset leases (operating or finance) with terms longer than 12 months. Finance leases are equivalent to capital leases under the existing accounting standards.

Accounting Developments	Summary
ASU 2016-02, *Leases (Topic 842)* (continued)	• For lessees, the right-of-use asset and liability will be measured at the present value of the lease payments. To determine the appropriate discount rate to calculate present value, the lessee should use the rate implicit in the lease. If the rate is not readily determinable, the lessee should use its incremental borrowing rate. For private companies, the lessee is permitted to make an accounting policy election to use a risk-free discount rate using a period comparable to the lease term. The right-of-use asset will be amortized over the expected lease term. • For operating leases, the lessees will recognize a single lease cost, calculated so that the cost of the lease, which includes the amortization of the right-to-use asset and the interest cost from the present value of the lease payment liability, is allocated over the lease term on a generally straight-line basis. • For operating leases, lessees will classify all cash payments within operating activities in the statement of cash flows, and for finance leases, the principal repayment of the lease obligation will be a financing activity and the interest cost will be an operating activity. • When measuring assets and liabilities arising from a lease, a lessee (and lessor) should include payments to be made in optional periods only if the lessee is reasonably certain to exercise that option or not to exercise an option to terminate. • The new guidance will require additional qualitative and quantitative disclosures about the nature of the entity's leases. • A lessee and a lessor should exclude most variable lease payments in measuring lease assets and lease liabilities, other than those that depend on an index or a rate or are in substance fixed payments. • For leases commencing prior to the effective date, a modified retrospective transition approach will be applied. An entity that elects to apply the practical expedients under this approach will, in effect, continue to account for leases that commence before the effective date in accordance with previous U.S. GAAP unless the lease is modified, except that lessees are required to recognize a right-of-use asset and a lease liability for all operating leases at each reporting date.

Accounting Developments	Summary
ASU 2016-02, *Leases (Topic 842)* (continued)	The following are notable consistencies with current lease accounting: • The lease classification criteria established to identify a finance lease is similar to the criteria under previous U.S. GAAP to identify a capital lease. • The accounting applied by a lessor is largely unchanged from that applied under previous U.S. GAAP. Nonpublic business entities should apply the amendments in the ASU for fiscal years beginning after December 15, 2019. Early application is permitted for all nonpublic business entities.
ASU 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*	The FASB issued ASU 2016-08 in March 2016. The following highlights the clarifications in this guidance, which are intended to improve the operability and understandability of the implementation guidance from ASU 2014-09 as they related to principal versus agent considerations: • An entity determines whether it is a principal or an agent for each specified good or service promised to the customer. A specified good or service is a distinct good or service (or a distinct bundle of goods or services) to be provided to the customer. If a contract with a customer includes more than one specified good or service, an entity could be a principal for some specified goods or services and an agent for others. • An entity determines the nature of each specified good or service (for example, whether it is a good, a service, or a right to a good or service). • When another party is involved in providing goods or services to a customer, an entity that is a principal obtains control of (a) a good or another asset from the other party that it then transfers to the customer; (b) a right to a service that will be performed by another party, which gives the entity the ability to direct that party to provide the service to the customer on the entity's behalf; or (c) a good or service from the other party that it combines with other goods or services to provide the specified good or service to the customer. The amendments in this guidance affect the guidance in ASU 2014-09, which is effective for annual reporting periods beginning after December 15, 2018 for nonpublic entities.

Accounting Developments	Summary
ASU 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing*	The FASB issued ASU 2016-10 in April 2016 to clarify guidance issued in ASU 2014-09. Specifically, it clarifies aspects of **identifying performance obligations** and the **licensing implementation guidance**. Following are amendments in this update, which are intended to reduce the cost and complexity related to **identifying performance obligations** in a contract with a customer: • An entity is not required to assess whether promised goods or services are performance obligations if they are immaterial to the contract taken as a whole. • An entity is permitted, as an accounting policy election, to account for shipping and handling activities occurring AFTER the customer has obtained control of the good or service as part of the original performance obligation. • In order to determine if a performance obligation is separately identifiable, the entity should consider the nature of its promise in the contract. If the nature of the promise is to transfer each good or service (and not a combined total), it is separately identifiable. Following are amendments in this update, which are intended to improve the understanding and operability of the **licensing implementation guidance** from ASU 2014-09: • Clarifies whether an entity's promise to grant a license provides a customer with either a right to use the entity's intellectual property (which is satisfied at a point in time) or a right to access the entity's intellectual property (which is satisfied over time). • Clarifies revenue recognition guidance for a sales-based or usage-based royalty promised in exchange for a license of intellectual property. • Clarifies that contractual provisions that, explicitly or implicitly, require an entity to transfer control of additional goods or services to a customer should be distinguished from contractual provisions that, explicitly or implicitly, define the attributes of a single promised license. The amendments in this guidance affect the guidance in ASU 2014-09, which is effective for annual reporting periods beginning after December 15, 2018 for nonpublic entities.

Accounting Developments	Summary
ASU 2016-12, *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients*	The FASB issued ASU 2016-12 in May 2016 to offer additional guidance on several specific issues in ASU 2014-09. Clarification is offered for the following specific issues: • *Assessing the collectability criterion of ASU 2014-09* - clarification offered for the objective of the collectability criterion in Step 1 of ASU 2014-09. • *Presentation of sales tax and other similar taxes collected by customers* - an entity can elect as an accounting policy election to exclude sales tax collected from customers from the transaction price of a sale. • *Noncash consideration* - specifies that the measurement date for noncash transactions is the contract inception date. • *Contract modification at transition* - practical expedient provided permitting an entity to reflect the aggregate effect of all contract modifications occurring before the earliest period presented on the financial statements, in the year of adoption. • *Completed contracts at transition* - clarifies that a completed contract for purposes of transition is a contract for which all (or substantially all) revenue was recognized under legacy U.S. GAAP before the date of initial application of the amendment. In addition, the amendments in this update permit an entity to apply the modified retrospective transition method either to all contracts or only to contracts that are not completed contracts. • *Technical corrections* - the amendments in this update clarify that an entity that retrospectively applies the guidance in ASU 2014-09 to each prior reporting period is not required to disclose the effect of the accounting change for the period of adoption. However, an entity is still required to disclose the effect of the changes on any prior periods retrospectively adjusted. The amendments in this guidance affect the guidance in ASU 2014-09, which is effective for annual reporting periods beginning after December 15, 2018 for nonpublic entities.

Accounting Developments	Summary
ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*	The FASB issued ASU 2016-14 in August 2016 to improve how a not-for-profit organization (NFP) classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. The following are the major changes of the ASU: • Removes the need to classify restricted assets as "permanently" and "temporarily" restricted. The statement of financial position will now present only two classes of net assets as opposed to three - "net assets with donor restrictions" and "net assets without donor restrictions." • The statement of activities will present the change in the two classes of net assets described above, as opposed to the three previously required. • While either the direct or indirect method can be used for the statement of cash flows, this ASU no longer requires the presentation or disclosure of the indirect method reconciliation if using the direct method cash flow statement. • Enhanced disclosures on purpose of restricted assets, how the NFP manages liquidity, methods used to allocate costs among program and support functions, and underwater endowment funds. • An NFP must report returns on investments net of external and internal investment expenses. Footnote disclosure of the netted expenses is no longer required. • Eliminates the current option to release donor-imposed restrictions over the estimated useful life of acquired assets. The placed-in-service approach must now be used (unless explicit donor stipulations require otherwise). This ASU is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. The Organization implemented this standard during the year ended June 30, 2019. The ASU has been applied retrospectively to all periods presented, which had no effect on net asset restrictions.

Accounting Developments (continued)

Accounting Developments	Summary
ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (a Consensus of the FASB Emerging Issues Task Force)*	The FASB issued ASU 2016-15 in November 2016 to provide guidance on the presentation of cash flow statements for all types of entities. Specific presentation guidance is provided for the following eight issues: • Debt prepayment and debt extinguishment costs. • Settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing. • Contingent consideration payments made after a business combination. • Proceeds from the settlement of insurance claims. • Proceeds from the settlement of corporate-owned life insurance policies. • Distributions received from equity method investees. • Beneficial interests in securitization transactions. • Separately identifiable cash flows and application of the predominance principle. Current U.S. GAAP is unclear or does not include specific guidance for the eight classification issues listed above. This ASU will reduce current and potential future diversity in practice described above. This ASU is effective for nonpublic entities with fiscal years beginning after December 15, 2018, with early adoption permitted. An entity that elects early adoption must adopt all of the amendments in the same period.
ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a Consensus of the FASB Emerging Issues Task Force)*	The FASB issued ASU 2016-18 in November 2016 to reduce the diversity in the current classification and presentation of changes in restricted cash on the statement of cash flows under Topic 230. The update applies to all entities that have restricted cash or restricted cash equivalents and required to present a statement of cash flows under Topic 230. The amendments in this update **do not** provide a definition of restricted cash or restricted cash equivalents.

Accounting Developments	Summary
ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a Consensus of the FASB Emerging Issues Task Force)* (continued)	The amendments in this update require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. This ASU is effective for nonpublic business entities for fiscal years beginning after December 15, 2018, with early adoption permitted.
ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*	The FASB issued ASU 2018-08 in June 2018 to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The amendments in this update provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments provide additional guidance about how to determine whether a contribution is conditional. Stakeholders indicated that additional guidance would help reduce diversity in practice and ease the application of judgment because the current guidance is open to differences in interpretation and can be difficult to apply. The amendments provide for additional clarifying guidance for the evaluation of such arrangements, resulting in greater consistency in application of the guidance, and make the accounting for contributions more operable. The amendments in this update likely will result in more grants and contracts being accounted for as either contributions or conditional contributions than observed in practice under current guidance. For this reason, clarifying the guidance about whether a contribution is conditional is important because such classification affects the timing of contribution revenue and expense recognition. Recipients of conditional promises to give are required to comply with current disclosure requirements in paragraph 958-310-50-4.

Accounting Developments (continued)

Accounting Developments	Summary
ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (continued)	The amendments in this update should be applied on a modified prospective basis. Retrospective application is permitted. Under a modified prospective basis, in the first set of financial statements following the effective date, the amendments should be applied to agreements that are either: 1. Not completed as of the effective date 2. Entered into after the effective date The amendments in this update should be applied only to the portion of revenue or expense that has not yet been recognized before the effective date in accordance with current guidance. No prior-period results should be restated, and there should be no cumulative-effect adjustment to the opening balance of net assets or retained earnings at the beginning of the year of adoption. Under this approach, an entity is required to disclose both: 1. The nature of and reason for the accounting change 2. An explanation of the reasons for significant changes in each financial statement line item in the current annual or interim period resulting from applying the amendments instead of the previous guidance For transactions in which an entity is either a public business entity or an NFP that has issued, or is a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market and serves as a resource recipient, the entity should apply the amendments in this update on contributions received to annual periods beginning after June 15, 2018, including interim periods within those annual periods. All other entities should apply the amendments for transactions in which the entity serves as the resource recipient to annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. For transactions in which an entity is either a public business entity or an NFP that has issued, or is a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market and serves as a resource provider, the entity should apply the amendments in this update on contributions made to annual periods beginning after December 15, 2018, including interim periods within those annual periods. All other entities should apply the amendments for transactions in which the entity serves as the resource provider to annual periods beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020. Early adoption of the amendments is permitted.

APPENDIX E

Certain Written Communications Between
Management and Our Firm

FOCUSED. ON YOU.

July 24, 2019

Craig Swallow, Treasurer
Junior Achievement of South Central Pennsylvania, Inc.
610 South George Street
York, PA 17401-3131

Dear Craig:

The Objective and Scope of the Audit of the Financial Statements

You have requested that we audit the financial statements of Junior Achievement of South Central Pennsylvania, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses – by natural classification, and cash flows for the year then ended, and the related notes to the financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

The Responsibilities of the Auditor

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. 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.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS. Also, an audit is not designed to detect errors or fraud that are immaterial to the financial statements.

In making our risk assessments, we consider 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 entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

We will also communicate to the board of trustees *(a)* any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and *(b)* any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

Our services under this Arrangement Letter do not include services for tax return preparation, tax advice, or representation in any tax matter. Nevertheless, we may discuss with you certain tax considerations or provide you with tax information that may be relevant to our services. Any such discussions or information would be based upon limited tax research, limited due diligence, and limited analysis regarding the underlying facts. Because additional research or a more complete review of the facts could affect our analysis and conclusions the information provided during these discussions should not be used as the basis for proceeding with any transaction or any tax return reporting.

The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Our audit will be conducted on the basis that management and when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

a. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;

b. To evaluate subsequent events through the date the financial statements are issued or available to be issued, and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees that it will not evaluate subsequent events earlier than the date of the management representation letter referred to below;

c. For 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; and

d. To provide us with:

   (1) Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;

   (2) Additional information that we may request from management for the purpose of the audit; and

   (3) Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management and when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit including among other items:

a. That management has fulfilled its responsibilities as set out in the terms of this letter; and

b. That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for identifying and ensuring that the Organization complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the entity involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, short sellers, or others.

The board of trustees is responsible for informing us of its views about the risks of fraud within the entity, and its knowledge of any fraud or suspected fraud affecting the entity.

Our association with an official statement is a matter for which separate arrangements will be necessary. Junior Achievement of South Central Pennsylvania, Inc. agrees to provide us with printer's proofs or masters of such offering documents for our review and approval before printing and with a copy of the final reproduced material for our approval before it is distributed. In the event our auditor/client relationship has been terminated when Junior Achievement of South Central Pennsylvania, Inc. seeks such consent, we will be under no obligation to grant such consent or approval.

Junior Achievement of South Central Pennsylvania, Inc. agrees that it will not associate us with any public or private securities offering without first obtaining our consent. Therefore, Junior Achievement of South Central Pennsylvania, Inc. agrees to contact us before it includes our reports or otherwise makes reference to us, in any public or private securities offering.

Because RKL LLP will rely on Junior Achievement of South Central Pennsylvania, Inc. and its management and board of trustees to discharge the foregoing responsibilities, Junior Achievement of South Central Pennsylvania, Inc. holds harmless and releases RKL LLP, its partners, and employees from all claims, liabilities, losses, and costs arising in circumstances where there has been a knowing misrepresentation by a member of Junior Achievement of South Central Pennsylvania, Inc.'s management which has caused, in any respect, RKL LLP's breach of contract or negligence. This provision shall survive the termination of this arrangement for services.

Records and Assistance

If circumstances arise relating to the condition of the Organization's records, the availability of appropriate audit evidence, or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion, issue a report, or withdraw from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the Organization's books and records. The Organization will determine that all such data, if necessary, will be so reflected. Accordingly, the Organization will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by Organization personnel, including the preparation of schedules and analyses of accounts, has been discussed and coordinated with Tom Russell, President, and Barry Winter, Vice President, Finance. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

If, in connection with our audit, you request us to perform accounting services necessary for the preparation of the financial statements (such as maintaining depreciation schedules, computing the provision for income taxes, drafting the financial statements, etc.), you agree to designate an appropriate individual to oversee the services, make all management decisions involved in those services, evaluate the adequacy and results of the services, and accept responsibility for the results of the services.

Other Relevant Information

RKL LLP may mention the Organization's name and provide a general description of the engagement in RKL LLP's client lists and marketing materials.

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

Fees, Costs, and Access to Workpapers

Our fees for the audit and accounting services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement, not to exceed $9,250, plus the time required to adopt and implement Accounting Standards Update 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, not to exceed $875. Our fee estimate and completion of our work is based upon the following criteria:

a. Anticipated cooperation from Organization personnel.

b. Timely responses to our inquiries.

c. Timely completion and delivery of client assistance requests.

d. Timely communication of all significant accounting and financial reporting matters.

e. The assumption that unexpected circumstances will not be encountered during the engagement.

If any of the aforementioned criteria are not met, then fees may increase. Interim billings will be submitted as work progresses and as expenses are incurred. We will submit our bill for these services promptly upon rendering the report. Billings are due upon submission. A service charge of 1-1/4% per month (15% per annum) will be charged on all invoices not paid within 30 days from the date of the invoice.

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. Accordingly, the Organization agrees it will compensate RKL LLP for any additional costs incurred as a result of the Organization's employment of a partner or professional employee of RKL LLP.

In accordance with our firm policies, we reserve the right to suspend our work if your account becomes 120 days or more overdue. Our work will commence upon payment of all outstanding invoices, including service charges. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been concluded upon our providing you written notification of termination, even if we have not completed our work. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

In the event we are requested or authorized by Junior Achievement of South Central Pennsylvania, Inc. or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for Junior Achievement of South Central Pennsylvania, Inc., Junior Achievement of South Central Pennsylvania, Inc. will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

All matters related to the Organization's anticipated adoption of the new revenue recognition standard pursuant to FASB ASC 606, *Revenue from Contracts with Customers*, will be accounted for and billed separately.

All matters related to the Organization's anticipated adoption of FASB ASC 842, *Leases*, will be accounted for and billed separately.

Claim Resolution

Junior Achievement of South Central Pennsylvania, Inc. and RKL LLP agree that no claim arising out of services rendered pursuant to this agreement shall be filed more than two years after the date of the audit report issued by RKL LLP or the date of this arrangement letter if no report has been issued. In no event shall either party be liable to the other for claims of punitive, consequential, special, or indirect damages. RKL LLP's liability for all claims, damages and costs of Junior Achievement of South Central Pennsylvania, Inc. arising from this engagement is limited to the amount of fees paid by Junior Achievement of South Central Pennsylvania, Inc. to RKL LLP for the services rendered under this arrangement letter.

Information Security - Miscellaneous Terms

RKL LLP is committed to the safe and confidential treatment of Junior Achievement of South Central Pennsylvania, Inc.'s proprietary information. RKL LLP is required to maintain the confidential treatment of client information in accordance with relevant industry professional standards which govern the provision of services described herein. Junior Achievement of South Central Pennsylvania, Inc. agrees that it will not provide RKL LLP with any unencrypted electronic confidential or proprietary information, and the parties agree to utilize commercially reasonable measures to maintain the confidentiality of Junior Achievement of South Central Pennsylvania, Inc. information, including the use of collaborate sites to ensure the safe transfer of data between the parties.

RKL LLP may terminate this relationship immediately in its sole discretion if RKL LLP determines that continued performance would result in a violation of law, regulatory requirements, applicable professional standards or RKL LLP's client acceptance or retention standards, or if Junior Achievement of South Central Pennsylvania, Inc. is placed on a verified sanctioned entity list or if any director or executive of, or other person closely associated with, Junior Achievement of South Central Pennsylvania, Inc. or its affiliates is placed on a verified sanctioned person list, in each case, including but not limited to lists promulgated by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, the United Nations Security Council, the European Union, or any other relevant sanctioning authority.

If any term or provision of this Agreement is determined to be invalid or unenforceable, such term or provision will be deemed stricken, and all other terms and provisions will remain in full force and effect.

Reporting

We will issue a written report upon completion of our audit of Junior Achievement of South Central Pennsylvania, Inc. 's financial statements. Our report will be addressed to the board of trustees of Junior Achievement of South Central Pennsylvania, Inc. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

This letter constitutes the complete and exclusive statement of agreement between RKL LLP and Junior Achievement of South Central Pennsylvania, Inc., superseding all proposals, oral or written, and all other communications, with respect to the terms of the engagement between the parties.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature of a party to this agreement or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, (i) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (ii) an electronic copy of a traditional signature affixed to a document, (iii) a signature incorporated into a document utilizing touchscreen capabilities or (iv) a digital signature. This agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement. Paper copies or "printouts," of such documents if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

Sincerely,

RKL LLP

Amy Gohn Anstine

Amy Gohn Anstine, CPA
Partner

Confirmed on behalf of Junior Achievement of South Central Pennsylvania, Inc.:

President

Signature and Title

November 1, 2019

RKL LLP
3501 Concord Road, Suite 250
P.O. Box 21439
York, PA 17402

This representation letter is provided in connection with your audits of the financial statements of Junior Achievement of South Central Pennsylvania (the Organization), which comprise the statement of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses – by natural classification, and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of November 1, 2019:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated July 24, 2019, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.

2. We acknowledge our responsibility for 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.

3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.

5. Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.

7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

8. The following have been properly recorded and/or disclosed in the financial statements:

   a. Recordable contributions, by appropriate net asset class.

   b. Reclassification between net asset classes.

   c. Allocations of functional expenses based on reasonable basis.

   d. Composition of assets in amounts needed to comply with donor restrictions.

   e. We have accepted responsibility for all significant judgments and decisions that were made. Deferred revenue from exchange transactions.

   f. Amounts held for others under agency and/or split interest agreements.

   g. Receipt of a determination from the Revenue Service that the Organization is exempt from federal income taxes as a Section 501 (c)(3) not-for-profit corporation, and that the Organization has complied with the IRS regulations regarding this exemption.

9. As of and for the year ended June 30, 2019, we believe that the effects of the uncorrected misstatements aggregated by you and summarized below are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

10. With respect to financial statement preparation services performed in the course of the audit:

    a. We have made all management decisions and performed all management functions;

    b. We assigned an appropriate individual to oversee the services;

    c. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;

    d. We have accepted responsibility for the results of the services; and

    e. We have accepted responsibility for all significant judgments and decisions that were made.

Information Provided

11. We have provided you with:

    a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;

    b. Additional information that you have requested from us for the purpose of the audits;

    c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence;

    d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

12. All transactions have been recorded in the accounting records and are reflected in the financial statements.

13. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.

14. We have no knowledge of allegations of fraud or suspected fraud affecting the entity's financial statements involving:

    a. Management.

    b. Employees who have significant roles in internal control.

    c. Others where the fraud could have a material effect on the financial statements.

15. We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements received in communications from employees, former employees, regulators or others.

16. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements. Additionally, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.

17. We are not aware of any pending or threatened litigation and claims whose effects were considered when preparing the financial statements, and we have not consulted legal counsel concerning litigation or claims.

18. We have disclosed to you the identity of the entity's related parties and all the related-party relationships and transactions of which we are aware.

19. We have informed you of all significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Organization's ability to record, process, summarize and report financial data.

20. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

21. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Junior Achievement of South Central Pennsylvania

Tom Russell,
President

Barry L Winter

Barry Winter,
VP of Finance

Junior Achievement of South Central PA
Summary of Uncorrected Misstatements
6/30/2019

Description of Uncorrected Misstatements	Financial Statement Effect - Over (Under) Statement of: Total Assets	Total Liabilities	Net Assets	Changes in Net Assets
Unrecorded estimated promises to give allowance	$ 8,000	$ -	$ 8,000	$ 8,000
Unrecorded estimated accrued interest payable	-	(2,237)	2,237	2,237
Projected overstatement of promises to give	12,930	-	12,930	12,930
Effect of prior year uncorrected misstatements	-	-	-	(5,551)
Total Effect of Uncorrected Misstatements on the 6/30/19 Financial Statements	$ 20,930	$ (2,237)	$ 23,167	$ 17,616