

Young Americans Center for Financial Education

Consolidated Financial Statements

December 31, 2017 and 2016

(With Independent Auditor's Report Thereon)

Kundinger, Corder & Engle, P.C.

Certified Public Accountants

Independent Auditor's Report

Board of Directors

Young Americans Center for Financial Education:

We have audited the accompanying consolidated financial statements of Young Americans Center for Financial Education (the Center), which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Young Americans Center for Financial Education as of December 31, 2017 and 2016, 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.

Kundinger, Corder & Engle, P.C.

May 18, 2018

Young Americans Center for Financial Education
Consolidated Statements of Financial Position
December 31, 2017 and 2016

	2017	2016
Assets:		
Cash and cash equivalents	\$ 1,855,694	1,479,181
Cash restricted for YouthBiz program	584,021	645,854
Cash restricted for Rural program	166,870	133,893
Accounts receivable	28,497	49,800
Due from Young Americans Education Foundation (note 8)	—	100,000
Contributions receivable (note 2)	28,110	166,514
Prepaid expenses and other assets	26,790	47,073
Cash held for others	32,282	32,466
Inventory (note 1i)	14,763	60,120
Property and equipment, net (note 3)	170,541	235,745
Total assets	<u>\$ 2,907,568</u>	<u>2,950,646</u>
 Liabilities and Net Assets:		
Liabilities:		
Accounts payable and accrued liabilities	\$ 31,822	127,964
Deferred revenue	77,690	71,030
Cash held for others	32,282	32,466
Capital lease obligation (note 7)	22,576	29,121
Total liabilities	<u>164,370</u>	<u>260,581</u>
 Net assets:		
Unrestricted	2,041,912	1,825,377
Temporarily restricted (note 5)	701,286	864,688
Total net assets	<u>2,743,198</u>	<u>2,690,065</u>
 Commitments (notes 6 and 7)		
Total liabilities and net assets	<u>\$ 2,907,568</u>	<u>2,950,646</u>

See the accompanying notes to the consolidated financial statements.

Young Americans Center for Financial Education
Consolidated Statement of Activities
Year Ended December 31, 2017

	Unrestricted	Temporarily Restricted	Total
Revenue and Support:			
Gifts and grants:			
Contributions	\$ 941,870	135,165	1,077,035
In-kind donations (note 4)	1,243,532	—	1,243,532
Program fees, net of discounts of \$95,481	1,078,544	—	1,078,544
Special event revenue (\$1,996 in-kind)	239,505	—	239,505
Special event expense (\$1,996 in-kind)	(68,646)	—	(68,646)
Licensing and consulting fees (note 10)	60,000	—	60,000
Rental and other income, net of expense of \$16,097	20,382	—	20,382
Net assets released from restrictions due to satisfaction of expenditure requirements	298,567	(298,567)	—
Total revenue	<u>3,813,754</u>	<u>(163,402)</u>	<u>3,650,352</u>
Operating Expenses:			
Program services:			
Young AmeriTowne (\$579,562 in-kind)	1,562,534	—	1,562,534
International Towne (\$356,427 in-kind)	612,879	—	612,879
Summer programs (\$175,960 in-kind)	372,911	—	372,911
Rural programs (\$58,531 in-kind)	127,356	—	127,356
YouthBiz (\$10,484 in-kind)	229,450	—	229,450
Youth Entrepreneurship (\$12,507 in-kind)	20,636	—	20,636
Other programs	51,324	—	51,324
Total program services	<u>2,977,090</u>	<u>—</u>	<u>2,977,090</u>
Supporting services:			
Management and general (\$8,244 in-kind)	261,813	—	261,813
Fundraising (\$41,817 in-kind)	358,316	—	358,316
Total supporting services	<u>620,129</u>	<u>—</u>	<u>620,129</u>
Total expenses	<u>3,597,219</u>	<u>—</u>	<u>3,597,219</u>
Change in net assets	216,535	(163,402)	53,133
Net assets, beginning of year	1,825,377	864,688	2,690,065
Net assets, end of year	<u>\$ 2,041,912</u>	<u>701,286</u>	<u>2,743,198</u>

See the accompanying notes to the consolidated financial statements.

Young Americans Center for Financial Education
Consolidated Statement of Activities
Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Total
Revenue and Support:			
Gifts and grants:			
Contributions	\$ 404,261	972,868	1,377,129
In-kind donations (note 4)	1,110,298	—	1,110,298
Program fees, net of discounts of \$96,721	1,012,350	—	1,012,350
Special event revenue (\$8,715 in-kind)	225,468	—	225,468
Special event expense (\$8,715 in-kind)	(63,058)	—	(63,058)
Licensing and consulting fees (note 10)	80,000	—	80,000
Rental and other income, net of expense of \$16,166	22,517	—	22,517
Net assets released from restrictions due to satisfaction of expenditure requirements	735,531	(735,531)	—
Total revenue	<u>3,527,367</u>	<u>237,337</u>	<u>3,764,704</u>
Operating Expenses:			
Program services:			
Young AmeriTowne (\$504,733 in-kind)	1,395,601	—	1,395,601
International Towne (\$330,123 in-kind)	588,745	—	588,745
Summer programs (\$150,326 in-kind)	344,462	—	344,462
Rural programs (\$45,587 in-kind)	133,564	—	133,564
YouthBiz	290,963	—	290,963
Youth Entrepreneurship (\$16,895 in-kind)	39,445	—	39,445
Other programs (\$1,728 in-kind)	63,165	—	63,165
Total program services	<u>2,855,945</u>	<u>—</u>	<u>2,855,945</u>
Supporting services:			
Management and general (\$14,332 in-kind)	261,694	—	261,694
Fundraising (\$41,574 in-kind)	373,378	—	373,378
Total supporting services	<u>635,072</u>	<u>—</u>	<u>635,072</u>
Total expenses	<u>3,491,017</u>	<u>—</u>	<u>3,491,017</u>
Change in net assets	36,350	237,337	273,687
Net assets, beginning of year	1,789,027	627,351	2,416,378
Net assets, end of year	<u><u>\$ 1,825,377</u></u>	<u><u>864,688</u></u>	<u><u>2,690,065</u></u>

See the accompanying notes to the consolidated financial statements.

Young Americans Center for Financial Education
Consolidated Statements of Cash Flows
Years Ended December 31, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ 53,133	273,687
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	86,144	94,292
Donated toy inventory	—	(5,000)
Loss on disposal of asset	—	1,938
(Increase) decrease in operating assets:		
Cash restricted for YouthBiz	61,833	(319,378)
Cash restricted for Rural	(32,977)	(4,807)
Accounts receivables	21,303	(95,872)
Due from Young Americans Education Foundation	100,000	—
Contributions receivable	138,404	105,611
Prepaid expenses and other assets	20,283	74,710
Inventory	45,357	(1,112)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(96,142)	51,144
Deferred revenue	6,660	4,925
Net cash provided by operating activities	<u>403,998</u>	<u>180,138</u>
Cash flows from investing activities:		
Payments for purchases of equipment	<u>(20,940)</u>	—
Net cash used in investing activities	<u>(20,940)</u>	—
Cash flows from financing activities:		
Payments on capital lease obligation	<u>(6,545)</u>	(7,621)
Net cash used in financing activities	<u>(6,545)</u>	(7,621)
Net increase in cash and cash equivalents	376,513	172,517
Cash and cash equivalents at beginning of year	<u>1,479,181</u>	<u>1,306,664</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,855,694</u></u>	<u><u>1,479,181</u></u>
Supplemental information:		
Cash flow information:		
Cash payments for interest	<u>\$ 747</u>	<u>1,039</u>
Non-cash information:		
Donated inventory	<u>\$ —</u>	<u>5,000</u>
Equipment financed through capital lease	<u>\$ —</u>	<u>32,313</u>

See the accompanying notes to the consolidated financial statements.

Young Americans Center for Financial Education
Notes to Consolidated Financial Statements
December 31, 2017 and 2016

(1) Summary of Significant Accounting Policies

(a) General

Young Americans Center for Financial Education was formed as a not-for-profit corporation that began operations on January 1, 2001. Young Americans Center for Financial Education (the "Center") is committed to developing the financial literacy of young people through real-life experiences and hands-on programs purposefully designed to enable them to prosper in the free enterprise system.

The Center consolidates the activities of Rural Young Americans Center for Financial Education, LLC in the accompanying financial statements. Rural Young Americans Center for Financial Education, LLC manages the Rural program operations. All intercompany balances and transactions have been eliminated in consolidation. The Center and the LLC are hereinafter collectively referred to as the "Center." See note 9 regarding YouthBiz Assets, LLC.

The programs of the Center are as follows:

Young AmeriTowne: Young AmeriTowne is an educational program for ages 10-12 in which students explore basic economic concepts and then run their own life-sized town. The program incorporates a "learn by doing" approach and teaches economics, financial skills and career exploration.

International Towne: This program helps 11-13 year old "world citizens" become better prepared for the financial realities of the global marketplace. International Towne illustrates the role of free enterprise in the global economy and teaches an array of international concepts including global trading, foreign currency and exchange rates.

Summer Programs: Week-long summer programs provide youth a stimulating combination of hands-on activities promoting a variety of financial and life skills. Topics include learning free enterprise by running a town, traveling the world as a citizen of International Towne, and experiencing entrepreneurship from a youth perspective.

Rural Programs: Rural programs are educational programs for ages 10-12 located in Wray, Colorado, in which students explore basic economic concepts and then run their own life-sized town. The program incorporates a "learn by doing" approach and teaches economics, financial skills and career exploration. Additionally, programs are offered for after school activities which include lessons and activities relating to financial literacy for the rural communities.

Young Americans Center for Financial Education

Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(a) General, Continued

YouthBiz: YouthBiz offers youth programs, both in and after school, and in partnership with a broad range of community partners, that challenge youth to build entrepreneurial skills and habits. Using hands-on activities, innovative strategies and proven curriculum, students learn about the ins and outs of starting and growing a business. See note 9.

Youth Entrepreneurism: Youth Entrepreneur programs teach youth the basic skills necessary to start and run their own business. The annual awards competition and Spotlight on YouthBiz Stars dinner event also provide youth the opportunity to showcase their businesses. The YouthBiz Marketplace allows youth to sell their products or services to the public.

Other Programs: The Center provides a variety of other youth programs on financial education, credit responsibility, investing and related topics through lessons and activities, educational games and money management tip sheets suitable for educators, parents, grandparents and students. In addition, Money Matters classes, tours and presentations reach youth of all ages with a variety of financial topics.

(b) Basis of Accounting

The accompanying consolidated financial statements of the Center have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

(c) Basis of Presentation

The Center reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. The Center does not have any permanently restricted net assets at December 31, 2017 and 2016.

(d) Cash and Cash Equivalents

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

Young Americans Center for Financial Education
Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Contributions and Contributions Receivable

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. If a restriction is fulfilled in the same time period in which the contribution is received, the organization reports the support as unrestricted. Otherwise, when a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Unconditional contributions receivable are recognized as revenues in the period the pledge is received. Pledges are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional contributions receivable are recognized when the conditions on which they depend are substantially met.

(f) Accounts Receivable

Accounts receivable represent amounts due resulting from program services provided to schools and individuals. The allowance for doubtful accounts is based on past experience and on analysis of current accounts receivable collectability. Accounts deemed uncollectible are charged to the allowance in the year they are deemed uncollectible. Accounts receivable are considered to be past due based on contractual terms. Management considers all accounts receivable to be collectable as of December 31, 2017 and 2016.

(g) Revenue Recognition

Program fees are recorded as revenue in the period in which the schools attend and participate in the programs. Income from advance payments on program fees is deferred until the fees are earned.

Young Americans Center for Financial Education
Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(h) Cash Held for Others

In 2016, the Center launched Spark Change, a service learning leadership program that offers K-8 students the chance to give back to their communities. Students collect change and donate the funds to the not-for-profit organization of their choice. The Center is the fiscal agent for funds collected. During the year ended December 31, 2017 and 2016, the balance of funds collected under the program but not yet disbursed totals \$32,282 and \$32,466, respectively, which is reflected as an asset and a liability on the accompanying consolidated statements of financial position.

(i) Inventory

Inventories are stated at the lower of cost or market value. Inventories consist of various toys which are utilized by students during Towne sessions.

(j) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(k) In-Kind Donations

Donated services and materials are recorded as contributions and corresponding expenses at their estimated fair values at the date of donation. Unpaid volunteers have donated a significant number of hours in assisting the Center in achieving the goals of its various service programs. The value of this contributed time is not reflected in the accompanying financial statements as it does not meet the requirements of recognition.

(l) Concentrations of Credit Risk

Financial instruments which potentially subject the Center to concentrations of credit risk consist of cash and cash equivalents, and contributions and accounts receivable. At times, a significant portion of the Center's cash exceeds the amounts insured by the FDIC or a related entity. Concentrations of credit risk with respect to contributions receivable is limited due to the large number of contributors comprising the Center's contributor base and historical high collectability experience.

Young Americans Center for Financial Education

Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(m) Property and Equipment

Property and equipment is recorded at cost or, if donated, at the fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from two to ten years. The Center capitalizes all fixed asset purchases over \$5,000 with an estimated useful life greater than one year.

(n) Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the appropriate programs and supporting services benefited.

(o) Advertising Expense

Advertising costs are expensed as incurred. Advertising expenses for the years ended December 31, 2017 and 2016 totaled \$34,202 and \$46,686, respectively.

(p) Income Taxes

The Center is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from activities not directly related to its tax-exempt purpose is subject to taxation as unrelated business income. During 2017 and 2016, the Center did not incur any unrelated business income tax. In addition, the Center qualifies for the charitable contribution deduction.

Management is required to evaluate tax positions taken by the Center and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management has analyzed the tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements and determined there are none.

The Center is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Tax returns that remain subject to examination include those for the years ending from December 31, 2014 through the current date.

Young Americans Center for Financial Education

Notes to Consolidated Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(q) Subsequent Events

Management is required to evaluate, through the date the consolidated financial statements are issued or available to be issued, events or transactions that may require recognition or disclosure in the consolidated financial statements, and to disclose the date through which subsequent events were evaluated. The Center's consolidated financial statements were available to be issued on May 18, 2018, and this is the date through which subsequent events were evaluated.

(2) Contributions Receivable

Contributions receivable are restricted for the following at December 31:

	<u>2017</u>	<u>2016</u>
Young AmeriTowne and On the Road	\$ 14,000	135,500
Celebration for Young Entrepreneurs	-	12,500
Future operations	11,610	6,516
Other programs	<u>2,500</u>	<u>11,998</u>
	\$ <u>28,110</u>	<u>166,514</u>

All contributions are considered collectible and are due within one year.

(3) Property and Equipment

Property and equipment consists of the following at December 31:

	<u>2017</u>	<u>2016</u>
Furniture, fixtures, and equipment	\$ 433,353	416,020
Leasehold improvements	<u>149,942</u>	<u>149,942</u>
	583,295	565,962
Less: accumulated depreciation	<u>(412,754)</u>	<u>(330,217)</u>
Property and equipment, net	\$ <u>170,541</u>	<u>235,745</u>

Young Americans Center for Financial Education
Notes to Consolidated Financial Statements, Continued

(4) In-kind Donations

In-kind contributions for the years ended December 31 consist of the following:

	<u>2017</u>	<u>2016</u>
Rent and occupancy (see note 8)	\$ 1,106,985	964,969
Program supplies and materials	83,745	78,743
Advertising	30,587	33,586
Donated use of facilities and parking	22,215	28,000
Toy inventory	-	5,000
	<u>\$ 1,243,532</u>	<u>1,110,298</u>

(5) Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at December 31:

	<u>2017</u>	<u>2016</u>
YouthBiz	\$ 584,021	645,854
Young AmeriTowne	46,000	80,500
Future operations	31,610	6,516
Micro loans	25,000	25,000
Adopt-a-School/Send-a-School	7,335	36,018
On the Road	4,000	45,000
Other programs	3,320	13,300
Spotlight on YouthBiz Stars	-	12,500
	<u>\$ 701,286</u>	<u>864,688</u>

(6) Employee Benefit Plan

The Center's employees are covered under a related party's 401(k) pension plan (the Plan). The Plan is open to all employees who have completed three months of service and are at least twenty one years of age. The Center may match employee contributions which are determined annually. All employer contributions are immediately vested. The Center's total contributions to the plan were \$21,562 and \$17,260 in 2017 and 2016, respectively.

(7) Leases

Operating Lease

The Center had an operating lease that expired on August 31, 2017 for space used in the YouthBiz program. The balance of prepaid rent at December 31, 2016 was \$40,000 and was included in prepaid expense and other assets on the consolidated statement of financial position. The Center incurred rent expense on this lease of \$40,000 and \$60,000 in 2017 and 2016, respectively.

Young Americans Center for Financial Education
Notes to Consolidated Financial Statements, Continued

(7) Leases, Continued

Capital Lease

The Center leases office equipment under a capital lease agreement. The lease requires monthly payments totaling \$579. The cost of the office equipment under the capital lease totals \$32,313 and has been included in furniture, fixtures, and equipment. Amortization expense for the year has been included in depreciation expense.

Future minimum payments required under this lease agreement at December 31 are as follows:

2018	\$ 6,944
2019	6,944
2020	6,944
2021	<u>2,894</u>
Total minimum lease payments	23,726
Less amount representing interest	<u>(1,150)</u>
	<u>\$ 22,576</u>

(8) Related Party Transactions

Young Americans Education Foundation ("the Foundation") staff provide management and accounting services to the Center throughout the year, which are charged to the Center based on estimated time spent. The Center reimburses the Foundation for these services during the year.

Additionally, the Foundation owns three buildings which are utilized by the Center for program activities. The Foundation does not charge the Center for the use of this space or the cost of certain shared occupancy expenses, thus an in-kind donation of rent and occupancy costs is recorded on the Center's books at estimated fair value.

Related party transactions consist of the following for the years ended December 31:

	<u>2017</u>	<u>2016</u>
Accounting and management services	\$ 254,160	277,536
In-kind rent and occupancy		
Headquarters building	824,359	775,084
Jefferson County building	225,976	138,678
Wray building	<u>56,650</u>	<u>51,207</u>
Total related party transactions	<u>\$ 1,361,145</u>	<u>1,242,505</u>

In 2016, the Center advanced \$150,000 to the Foundation to alleviate a cash short fall. Amounts due to the Center at December 31, 2016 totaled \$100,000. In January 2017, an additional \$25,000 was advanced to the Foundation, and in February 2017, the remaining outstanding loan balance was paid in full to the Center.

Young Americans Center for Financial Education
Notes to Consolidated Financial Statements, Continued

(8) Related Party Transactions, Continued

At December 31 2017, the Foundation owes the Center \$15,880 due to a true-up of actual accounting and management services. At December 31, 2016, amounts owed to the Foundation for accounting and management services total \$20,470.

Additionally, the Foundation provides the use of certain fixed assets to the Center for their programs at no charge.

The Center has subleased a portion of their available space at the Wray building to an unrelated party. The Center has a lease agreement with the unrelated party that expires June 30, 2018. Rental income under this lease totaled \$32,104 in both 2017 and 2016.

(9) YouthBiz Assets, LLC

In November 2014, the Center formed wholly-owned subsidiary, YouthBiz Assets, LLC, for the purpose of acquiring YouthBiz, Inc. Pursuant to the agreement and prior to acquisition, YouthBiz, Inc. sold certain real property and established a donor advised fund with a portion of the proceeds. YouthBiz, Inc. recommended distributions from the donor advised fund to the Center in support of the YouthBiz program. During 2016, the remaining distribution totaling \$296,211 was made from the donor advised fund, and the fund was then terminated. Effective December 31, 2016, YouthBiz Assets, LLC was dissolved, and the operations of YouthBiz became a program of the Center.

(10) License Agreement

During May 2016, the Center entered into a license agreement with the Boys and Girls Club of Central Wyoming (BGCCW). Pursuant to the license agreement, BGCCW has the right to use the Center's curriculum and cloud-based internet platform for the purpose of expanding certain programs into Wyoming. In connection with the license agreement, the Center provides training and support to BGCCW to carry out the program pursuant to a services agreement. The agreements are in effect for an initial four year term and automatically renew thereafter for six additional one year periods up to 10 years, unless either party terminates the agreements at least 90 days prior to the end of the period.

The annual license fee is \$50,000 and is nonrefundable. The service fee is \$20,000 for the initial year and \$10,000 for subsequent years. In 2016, the Center also received a \$10,000 nonrefundable retainer. In 2017 and 2016, the Center received and recorded license and service fees revenue totaling \$60,000 and \$80,000, respectively.