

THE JASON FOUNDATION, INC.
Financial Statements
December 31, 2015

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Independent Auditors' Report

To the Executive Committee
of The Jason Foundation, Inc.

We have audited the accompanying financial statements of The Jason Foundation, Inc. (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

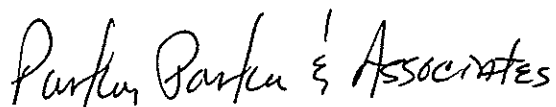
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about 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. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Jason Foundation, Inc. as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



February 8, 2016

THE JASON FOUNDATION, INC.
Statements of Financial Position
December 31, 2015 and 2014

	2015	2014
Assets		
Current Assets		
Cash	\$ 1,959,415	\$ 1,982,020
Reimbursements Receivable	111,946	63,214
Prepaid Expenses	6,136	2,992
Total Current Assets	2,077,497	2,048,226
Fixed Assets		
Land	285,411	285,411
Building	1,217,436	1,217,436
Improvements	3,100	3,100
Furniture and Fixtures	29,167	29,167
Equipment	139,836	139,836
Vehicles	15,544	15,544
Accumulated Depreciation	(422,838)	(374,382)
Total Fixed Assets	1,267,656	1,316,112
Total Assets	\$ 3,345,153	\$ 3,364,338
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 6,646	\$ 2,258
Payroll and Payroll Taxes Payable	2,429	6,425
Total Current Liabilities	9,075	8,683
Total Liabilities	9,075	8,683
Net Assets		
Unrestricted		
Board Restricted	200,000	200,000
Undesignated	3,136,078	3,155,655
Total Unrestricted Net Assets	3,336,078	3,355,655
Total Liabilities and Net Assets	\$ 3,345,153	\$ 3,364,338

See notes to the financial statements.

THE JASON FOUNDATION, INC.
Statements of Activities
For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Unrestricted Net Assets		
Support and Revenues		
Contributions	\$ 297,797	\$ 353,802
Grants	137,736	136,349
Gifts in Kind	4,801,179	3,983,656
Special Events	213,265	120,825
Reimbursements	502,479	412,507
Interest Income	3,164	3,224
Total Support and Revenues	<u>5,955,620</u>	<u>5,010,363</u>
Functional Expenses		
Program Expenses		
Total Program Expenses	5,757,089	4,908,647
Supporting Services		
Management and General	102,512	103,746
Fundraising	115,596	114,978
Total Support Services	<u>218,108</u>	<u>218,724</u>
Total Functional Expenses	<u>5,975,197</u>	<u>5,127,371</u>
Decrease in Net Assets	(19,577)	(117,008)
Net Assets - Beginning of Year	3,355,655	3,472,663
Net Assets - End of Year	<u>\$ 3,336,078</u>	<u>\$ 3,355,655</u>

See notes to the financial statements.

THE JASON FOUNDATION, INC.
Statements of Functional Expenses
For the Years Ended December 31, 2015 and 2014

	2015			2014				
	Program Expenses	Supporting Services Management and General	Supporting Services Fundraising	Total Expenses	Program Expenses	Supporting Services Management and General	Supporting Services Fundraising	Total Expenses
Salaries	\$ 621,751	\$ 48,358	\$ 20,725	\$ 690,834	\$ 605,829	\$ 47,120	\$ 20,194	\$ 673,143
Payroll Taxes	45,779	3,561	1,526	50,866	44,415	3,455	1,481	49,351
Mileage Reimbursement	4,364	-	-	4,364	4,454	-	-	4,454
Retirement	14,570	1,133	486	16,189	14,407	1,121	480	16,008
Employee Benefits	14,218	1,106	474	15,798	12,717	989	424	14,130
Advertising	110	6,181	-	6,291	110	4,251	-	4,361
Bank Charges	-	1,399	-	1,399	-	1,742	-	1,742
Board of Directors Expenses	-	1,805	37	1,842	-	3,351	68	3,419
Conference & Seminars	7,995	-	-	7,995	4,470	-	-	4,470
Depreciation and Amortization	43,610	3,392	1,454	48,456	45,672	3,552	1,522	50,746
Dues and Subscriptions	2,593	202	86	2,881	2,111	164	70	2,345
Educational Programs	81,305	-	-	81,305	62,748	-	-	62,748
Insurance	16,107	1,253	537	17,897	15,672	1,219	522	17,413
Internet	4,924	-	-	4,924	6,297	-	-	6,297
Miscellaneous	7,749	1,263	-	9,012	12,331	1,020	-	13,351
Postage and Shipping	14,062	2,815	-	16,877	11,170	3,010	-	14,180
Printing and Publications	9,620	3,959	-	13,579	635	3,706	-	4,341
Professional Fees	14,861	-	-	14,861	10,628	-	-	10,628
Public Relations	-	5,513	-	5,513	-	6,276	-	6,276
Equipment and Maintenance	-	15,017	-	15,017	-	17,402	-	17,402
Supplies	14,801	623	156	15,580	17,771	748	187	18,706
Taxes and Licenses	-	2,960	-	2,960	-	2,713	-	2,713
Technical and Support Services	4,255	-	-	4,255	8,430	-	-	8,430
Telephone and Internet	15,714	662	165	16,541	15,735	663	166	16,564
Travel	54,816	505	-	55,321	72,371	440	-	72,811
Utilities	10,352	805	345	11,502	10,341	804	345	11,490
Donated Services and Facilities	4,753,533	-	-	4,753,533	3,930,333	-	-	3,930,333
Special Events Expense	-	-	41,959	41,959	-	-	36,196	36,196
Special Events In-Kind	-	-	47,646	47,646	-	-	53,323	53,323
Total	\$ 5,757,089	\$ 102,512	\$ 115,596	\$ 5,975,197	\$ 4,908,647	\$ 103,746	\$ 114,978	\$ 5,127,371

See notes to the financial statements.

THE JASON FOUNDATION, INC.
Statements of Cash Flows
For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities		
Decrease in Net Assets	<u>\$ (19,577)</u>	<u>\$ (117,008)</u>
Adjustments to Reconcile Decrease in Net Assets to		
Cash Used in Operating Activities:		
Depreciation and Amortization	48,456	50,746
(Increase) Decrease in:		
Reimbursements Receivable	(48,732)	13,953
Prepaid Expenses	(3,144)	(167)
Increase (Decrease) in:		
Accounts Payable	4,388	(8,092)
Payroll and Payroll Taxes Payable	<u>(3,996)</u>	<u>(5,320)</u>
Total Adjustments	<u>(3,028)</u>	<u>51,120</u>
Net Cash Used in Operating Activities	<u>(22,605)</u>	<u>(65,888)</u>
Net Decrease in Cash	(22,605)	(65,888)
Cash - Beginning of Year	<u>1,982,020</u>	<u>2,047,908</u>
Cash - End of Year	<u>\$ 1,959,415</u>	<u>\$ 1,982,020</u>

See notes to the financial statements.

THE JASON FOUNDATION, INC.
Notes to Financial Statements
December 31, 2015 and 2014

Note 1. Summary of Significant Accounting Policies

A. Nature of Activities

The Jason Foundation, Inc. (the "Foundation") is a nonprofit corporation dedicated to the prevention of the "Silent Epidemic" of youth suicide through educational and awareness programs to equip young people, educators/youth workers, and parents with the tools and resources to help identify and assist at-risk youth.

B. Basis of Accounting

Financial statement presentation follows the recommendations reported in accordance with the FASB Accounting Standards Codification for *Presentation of Financial Statements, Not-For-Profit Entities*. The Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

C. Net Assets Presentation

The net assets of the Foundation and changes therein are classified and reported as follows.

Unrestricted - Net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted - Net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Foundation and/or the passage of time.

Permanently Restricted - Net assets subject to donor-imposed restrictions that do not expire with the passage of time and cannot be removed or fulfilled by the Foundation's actions. Permanently restricted net assets must be maintained by the Foundation in perpetuity.

D. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash includes cash on hand, demand deposits, and certificates of deposits with maturities of three months or less. The Foundation has no cash equivalents.

F. Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at present value of their estimated future cash flows unless the value not discounted is immaterial to the financial statements as a whole. Conditional promises to give are not included as support until the conditions are substantially met. The allowance for doubtful accounts is reserved by management based on historical trends and current information. As of December 31, 2015 and 2014, no allowance has been recorded.

G. Accrued Compensated Absences

Employees at the Foundation earn paid time off (PTO) each month according to their number of years of service. Individuals are allowed to carryover five days of PTO into a sick bank. Upon leaving the Foundation, vacation time accrued during the current year will be paid. Also, up to 30 days of sick bank time will be paid if the individual is retiring after the age of 62 or has 25 years of service with the Foundation. The Foundation does not consider the liability for accrued compensated absences to be material and, therefore has not recognized a liability at December 31, 2015 and 2014.

THE JASON FOUNDATION, INC.
Notes to Financial Statement - Continued
December 31, 2015 and 2014

Note 1. Summary of Significant Accounting Policies – Continued

H. Fair Value Measurements

The fair value of financial assets and liabilities is measured according to the *Fair Value Measurements and Disclosures* topic of the FASB Accounting Standards Codification. Fair value is required to be evaluated and adjusted according to the following valuation techniques.

Level 1 – Fair value is determined using quoted market prices in active markets for identical assets and liabilities.

Level 2 – Fair value is determined using quoted market prices in active markets for similar assets and liabilities.

Level 3 – Fair value is determined using unobservable market prices in a market that is typically inactive.

I. Fixed Assets

Fixed assets with a cost of \$1,500 or more and an estimated useful life of greater than one year are carried at cost if purchased or fair market value if donated. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, excluding land, which are 5 to 30 years. Depreciation expense for the years ended December 31, 2015 and 2014 was \$48,456 and \$50,746.

Contributed fixed assets are recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

J. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All donor-restricted support 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 Foundation 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.

K. Contributed Services

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The Foundation receives contributed services for the staffing of suicide prevention resource lines and satellite offices. These services have been recorded at their estimated fair value. The Foundation also has several volunteers whose services do not meet the requirements for recognition in the financial statements and have not been recorded or reflected in the accompanying financial statements.

L. Income Taxes

The Foundation is a nonprofit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Foundation's 2013, 2014 and 2015 Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the Internal Revenue Service, generally for three years from the date filed.

M. Functional Expenses

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

THE JASON FOUNDATION, INC.
Notes to Financial Statement - Continued
December 31, 2015 and 2014

Note 1. Summary of Significant Accounting Policies – Continued

N. Advertising Costs

Advertising costs are expensed as incurred. Total advertising costs for the years ended December 31, 2015 and 2014 were \$6,291 and \$4,361.

O. Printing and Production Costs of Program Materials

Program materials are developed, modified, and produced as needed. Printing and production costs of program materials are expensed as incurred. Program materials costs for the years ended December 31, 2015 and 2014 were \$53,999 and \$46,694.

Note 2. Affiliations

The Foundation has several affiliations as part of a diversification plan. Each affiliation arrangement is different, but they are all providing a combination of contributed services and facilities, cash contributions and/or reimbursements for direct expenses. Each donated facility is considered a satellite office of the Foundation. As such, each office would require cash expenditures by the Foundation if the services were not donated. The Foundation has recognized contributed services and supplies from 92 satellite offices of \$4,746,183 in 2015 and from 68 satellite offices of \$3,930,333 in 2014. As of December 31, 2015 and 2014, affiliates owed the Foundation \$111,946 and \$63,214 for unreimbursed expenses.

Note 3. Contributed Assets and Services

Donated assets and services are used in the ongoing operations of the Foundation. The value of donated assets and services included in the financial statements and the corresponding expenditure or asset capitalization for the year ended December 31, 2015 and 2014 are as follows:

Revenues		
	2015	2014
Gifts In-Kind	\$ 4,753,533	\$ 3,930,333
Special Events	47,646	53,323
	\$ 4,801,179	\$ 3,983,656
Expenses		
	2015	2014
Donated Services & Facilities - Affiliates	\$ 4,746,183	\$ 3,930,333
Other Donated Services	7,350	-
Special Events	47,646	53,323
	\$ 4,801,179	\$ 3,983,656

Note 4. Concentrations of Risk

The Foundation relies on contributions and special events to fund operations. For the years ended December 31, 2015 and 2014, support and in-kind donations which accounted for 10% or more of total revenue were derived from the following sources:

	2015
Acadia Healthcare, LLC	43%
E4 Health, Inc.	17%
Hospital Corporation of America (HCA)	10%
	2014
Acadia Healthcare, LLC	48%
E4 Health, Inc.	20%
Hospital Corporation of America (HCA)	12%

THE JASON FOUNDATION, INC.
Notes to Financial Statement - Continued
December 31, 2015 and 2014

Note 4. Concentrations of Risk – Continued

The Foundation has cash deposits in financial institutions in excess of the amount insured by the Federal Depository Insurance Corporation (FDIC) in the amount of \$40,109 and \$66,108 at December 31, 2015 and 2014.

Note 5. Net Assets

Board Restricted

Board restricted net assets consist of cash held in certificates of deposit as directed by the Board of Directors for future operations. Interest earned on these funds is not restricted.

Note 6. Line of Credit

The Foundation has available an unsecured letter of credit in the amount of \$200,000 maturing December 31, 2015. As of December 31, 2015, there was no outstanding balance. Interest is payable monthly at a rate of .5% above index. The interest rate at December 31, 2015 was 4.25%.

Note 7. Retirement Plan

The Foundation maintains a SIMPLE retirement plan with a 408(p) salary reduction feature. The plan allows for Foundation contributions up to a 3% match of employee contributions. Total Foundation contributions for 2015 and 2014 were \$16,189 and \$16,008.

Note 8. Deferred Compensation

The Foundation has deferred compensation agreements with four members of management. The separate agreements provide for individuals to earn additional compensation over a period of time with payment conditional on various events and time constraints related to the service period and vesting schedule. Conditions under these agreements that would require payment have not been met; therefore, no liability has been recognized by the Foundation.

Two agreements have met certain restrictions so that if reduced employment or retirement were exercised by the individuals, the Foundation would be liable for \$83,000. The probability of this happening is considered remote. Therefore, no liability has been recognized by the Foundation.

Note 9. Subsequent Events

The Foundation has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended December 31, 2015 through February 8, 2016, the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.