

The Jason Foundation, Inc.

Financial Statements
For the Years Ended December 31, 2021 and 2020

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Independent Auditor's Report

Board of Directors
The Jason Foundation, Inc.

Opinion

We have audited the financial statements of The Jason Foundation, Inc. (the Foundation), which comprise the statements of financial position as of December 31, 2021 and 2020, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable).

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Goodlettsville, Tennessee
February 26, 2022

The Jason Foundation, Inc.
Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
Assets		
Current assets		
Cash	\$ 3,616,642	\$ 2,836,460
Reimbursements receivable	35,770	78,572
Grants receivable	78,751	30,000
Prepaid expenses	<u>6,244</u>	<u>4,993</u>
Total current assets	3,737,407	2,950,025
Fixed assets		
Land	285,411	285,411
Building	1,217,436	1,217,436
Improvements	5,250	5,250
Furniture and fixtures	8,347	8,347
Equipment	131,934	103,165
Vehicles	15,562	15,544
Less: accumulated depreciation	<u>(624,478)</u>	<u>(574,822)</u>
Total fixed assets	<u>1,039,462</u>	<u>1,060,331</u>
Total assets	\$ 4,776,869	\$ 4,010,356
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 32,797	\$ 14,933
Payroll and payroll taxes payable	<u>3,862</u>	<u>13,659</u>
Total current liabilities	36,659	28,592
PPP loan	192,160	192,161
Deferred employee benefits	<u>206,861</u>	<u>214,282</u>
Total liabilities	435,680	435,035
Net assets		
Without donor restrictions		
Board-designated	200,000	200,000
Undesignated	<u>3,793,858</u>	<u>3,335,321</u>
Total net assets without donor restrictions	3,993,858	3,535,321
With donor restrictions	<u>347,331</u>	<u>40,000</u>
Total net assets	<u>4,341,189</u>	<u>3,575,321</u>
Total liabilities and net assets	\$ 4,776,869	\$ 4,010,356

The Jason Foundation, Inc.
Statement of Activities
For the Year Ended December 31, 2021

	Without donor restrictions	With donor restrictions	Total
Support and Revenues			
Contributions	\$ 462,815	\$ -	\$ 462,815
Grants	577,992	341,351	919,343
Gifts in kind	8,178,127	-	8,178,127
Special events	296,662	-	296,662
Reimbursement revenues	907,083	-	907,083
Interest income	6,497	-	6,497
Net assets released from restrictions	<u>34,020</u>	<u>(34,020)</u>	<u>-</u>
Total support and revenues	10,463,196	307,331	10,770,527
Expenses			
Program services	9,746,324	-	9,746,324
Supporting services			
Management and general	141,413	-	141,413
Cost of direct benefits to donors	23,095	-	23,095
Fundraising	<u>93,827</u>	<u>-</u>	<u>93,827</u>
Total supporting services	<u>258,335</u>	<u>-</u>	<u>258,335</u>
Total expenses	10,004,659	-	10,004,659
Change in net assets	458,537	307,331	765,868
Net assets, beginning of year	<u>3,535,321</u>	<u>40,000</u>	<u>3,575,321</u>
Net assets, end of year	\$ 3,993,858	\$ 347,331	\$ 4,341,189

The Jason Foundation, Inc.
Statement of Activities
For the Year Ended December 31, 2020

	Without donor restrictions	With donor restrictions	Total
Support and Revenues			
Contributions	\$ 351,582	\$ -	\$ 351,582
Grants	92,966	30,000	122,966
Gifts in kind	6,823,576	-	6,823,576
Special events	113,175	-	113,175
Reimbursement revenues	771,926	-	771,926
Interest income	48,219	-	48,219
Net assets released from restriction	<u>71,997</u>	<u>(71,997)</u>	<u>-</u>
Total support and revenues	8,273,441	(41,997)	8,231,444
Expenses			
Program services	8,060,784	-	8,060,784
Supporting services			
Management and general	121,767	-	121,767
Fundraising	<u>42,573</u>	<u>-</u>	<u>42,573</u>
Total supporting services	<u>164,340</u>	<u>-</u>	<u>164,340</u>
Total expenses	8,225,124	-	8,225,124
Change in net assets	48,317	(41,997)	6,320
Net assets, beginning of year	<u>3,487,004</u>	<u>81,997</u>	<u>3,569,001</u>
Net assets, end of year	\$ 3,535,321	\$ 40,000	\$ 3,575,321

The Jason Foundation, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2021

	Program services	Supporting services		Total
		Management and general	Fundraising	
Donated services and facilities	\$ 8,138,006	\$ -	\$ -	\$ 8,138,006
Salaries	905,114	70,398	30,170	1,005,682
Payroll taxes	67,931	5,284	2,264	75,479
Employee benefits	19,044	1,481	635	21,160
Retirement	20,566	1,600	686	22,852
Mileage reimbursement	819	-	-	819
Advertising	125	-	-	125
Board of directors expenses	-	3,534	72	3,606
Conference and seminars	6,702	-	-	6,702
Depreciation	44,690	3,476	1,490	49,656
Dues and subscriptions	3,475	270	116	3,861
Educational programs	292,667	-	-	292,667
Equipment and maintenance	-	29,447	-	29,447
Insurance	14,232	1,107	474	15,813
Postage and shipping	17,510	482	-	17,992
Printing and publications	-	4,734	-	4,734
Professional fees	12,075	-	-	12,075
Public relations	-	4,993	-	4,993
Special events expense	-	-	40,163	40,163
Special events in kind	-	-	40,121	40,121
Supplies	18,008	758	190	18,956
Taxes and licenses	-	5,016	-	5,016
Technical and support services	7,039	-	-	7,039
Telephone and internet	17,192	724	181	18,097
Travel	18,354	-	-	18,354
Utilities	10,791	839	360	11,990
Website and virtual programs	131,984	-	-	131,984
Bank charges	-	1,927	-	1,927
Miscellaneous	-	5,343	-	5,343
	\$ 9,746,324	\$ 141,413	\$ 116,922	\$ 10,004,659

The Jason Foundation, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program services	Supporting Services		Total
		Management and general	Fundraising	
Donated services and facilities	\$ 6,823,576	\$ -	\$ -	\$ 6,823,576
Salaries	808,604	62,891	26,953	898,448
Payroll taxes	59,806	4,652	1,994	66,452
Employee benefits	28,715	2,233	957	31,905
Retirement	19,819	1,542	661	22,022
Mileage reimbursement	4,360	-	-	4,360
Advertising	125	-	-	125
Board of directors expenses	-	412	8	420
Conference and seminars	450	-	-	450
Depreciation	41,054	3,193	1,368	45,615
Dues and subscriptions	3,798	295	127	4,220
Educational programs	85,476	-	-	85,476
Equipment and maintenance	-	20,586	-	20,586
Insurance	12,597	980	420	13,997
Postage and shipping	11,290	5,916	-	17,206
Printing and publications	88	5,122	-	5,210
Professional fees	11,150	-	-	11,150
Public relations	-	1,740	-	1,740
Special events expense	-	-	9,404	9,404
Supplies	18,227	767	192	19,186
Taxes and licenses	-	5,724	-	5,724
Technical and support services	6,917	-	-	6,917
Telephone and internet	16,692	703	176	17,571
Travel	9,947	-	-	9,947
Utilities	9,398	731	313	10,442
Website and virtual programs	88,695	-	-	88,695
Bank charges	-	1,066	-	1,066
Miscellaneous	-	3,214	-	3,214
	\$ 8,060,784	\$ 121,767	\$ 42,573	\$ 8,225,124

The Jason Foundation, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash, beginning of year	\$ 2,836,460	\$ 2,552,033
Cash flows from operating activities		
Change in net assets	765,868	6,320
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	49,656	45,615
Forgiveness of PPP loan	(192,161)	-
Change in:		
Reimbursements receivable	42,802	3,171
Grants receivable	(48,751)	41,997
Prepaid expenses	(1,251)	(468)
Accounts payable	17,864	(10,103)
Payroll and payroll taxes payable	(9,797)	10,185
Deferred employee benefits	(7,421)	(4,451)
Net cash provided (used) by operating activities	616,809	92,266
Cash flows from investing activities		
Purchase of fixed assets	(28,787)	-
Cash flows from financing activities		
Proceeds from PPP loan	192,160	192,161
Net change in cash	780,182	284,427
Cash, end of year	\$ 3,616,642	\$ 2,836,460

The Jason Foundation, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 1. Summary of Significant Accounting Policies

Nature of Activities

The Jason Foundation, Inc. (the Foundation) is a not-for-profit corporation, incorporated in the state of Tennessee, 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.

Basis of Presentation

The financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP), which requires the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation’s management and the board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Foundation’s ongoing support services and interest and dividends earned on investments. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or non-recurring nature.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash includes cash on hand, demand deposits, and certificates of deposit. The Foundation has no cash equivalents.

Accrued Compensated Absences

Employees at the Foundation earn paid time off (PTO) each month according to their number of years of service. Employees are allowed to carry over 8 days of PTO into a PTO bank until they reach 30 days. Once employees have 30 days in their PTO bank, they are eligible for a payout of 70% of leftover days up to 10 days and the remainder is forfeited. Upon leaving the Foundation, employees may be paid any PTO accrued during the current year and up to 30 days of PTO bank time. Accrued compensated absences are reported with deferred employee benefits in the Statements of Financial Position.

The Jason Foundation, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 1. Summary of Significant Accounting Policies

Fixed Assets and Depreciation

Fixed assets with a cost of \$7,000 or more and an estimated useful life of greater than one year are carried at cost if purchased or estimated 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.

PPP Loans

On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a “Public Health Emergency of International Concern” and, on March 11, 2020, declared it to be a pandemic. The Foundation received two loans in accordance with the Paycheck Protection Program (PPP) section of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). US GAAP provides foundations with two alternatives for reporting a loan and any future forgiveness: 1) proceeds can be treated as *debt* and future forgiveness recognized as income when the loan or any portion thereof is formally discharged; or 2) proceeds can be treated as a *conditional contribution* where they recognize a refundable advance and derecognize the liability, and recognize income, as the conditions for forgiveness are substantially met or explicitly waived. The Foundation has elected to treat the PPP loans as *debt*.

Revenue Recognition

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. 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, 2021 and 2020, no allowance has been recorded. There were no promises to give as of December 31, 2021 or 2020.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction is satisfied in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Gifts in Kind – Contributed Fixed Assets

Contributed fixed assets are recorded at estimated fair market value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as support with donor restrictions. In the absence of such stipulations, contributions of fixed assets are recorded as support without donor restrictions.

The Jason Foundation, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 1. Summary of Significant Accounting Policies

Revenue Recognition

Gifts in Kind – 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 estimated fair values in the period received. The Foundation receives contributed services for the staffing of suicide prevention resource lines and satellite offices. 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.

Reimbursement Revenue

Reimbursement revenue represents amounts received from affiliates for supplies, stipends, and monthly costs. The Foundation recognizes reimbursement revenue in accordance with the terms of the underlying agreements.

Income Taxes

The Foundation is a not-for-profit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Functional Expenses

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

	Method of allocation
Salaries and benefits	Time and effort
Board of directors expenses	Time and effort
Dues and subscriptions	Time and effort
Supplies	Time and effort
Telephone and internet	Time and effort
Utilities	Time and effort
Depreciation	Time and effort

Advertising Costs

Advertising costs are expensed as incurred. Total advertising costs for the years ended December 31, 2021 and 2020 were \$125.

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, 2021 and 2020 were \$60,573 and \$48,179, respectively.

The Jason Foundation, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 2. Availability and Liquidity

The following represents the Foundation's financial assets as of December 31:

	2021	2020
Financial assets		
Cash	\$ 3,616,642	\$ 2,836,460
Reimbursements receivable	35,770	78,572
Grants receivable	<u>78,751</u>	<u>30,000</u>
Total financial assets at year-end	3,731,163	2,945,032
Less: amounts not available to be used within one year		
Net assets with donor restrictions	(347,331)	(40,000)
Board designations		
Amounts set aside for operating reserves	<u>(200,000)</u>	<u>(200,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,183,832	\$ 2,705,032

The Foundation's goal is to maintain financial assets to meet 90 days of operating expenses, which is estimated by the Foundation to be \$340,000. As part of its liquidity plan, excess cash is invested in money market accounts and certificates of deposit. The Foundation has a \$200,000 line of credit available to meet cash flow needs, if required.

Note 3. Affiliations

The Foundation has several affiliations as part of a diversification plan. Each affiliation arrangement provides a combination of contributed services, contributed 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 satellite offices totaling \$8,138,176 in 2021 and \$6,823,576 in 2020. As of December 31, 2021 and 2020, affiliates owed the Foundation \$35,770 and \$78,572 for unreimbursed expenses. As of December 31, 2021 and 2020, there were 161 and 144 affiliate offices, respectively. The number of offices varies from month to month.

Note 4. Concentrations

The Foundation relies on contributions and special events to fund operations. For the years ended December 31, 2021 and 2020, five donors accounted for 82% and 86% of total support, including in-kind donations, respectively.

The Foundation has cash deposits in financial institutions in excess of the amount insured by the Federal Deposit Insurance Corporation in the amount of \$433,284 and \$1,098,621 at December 31, 2021 and 2020, respectively.

The Jason Foundation, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 5. 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 are as follows:

	Revenues	2021	2020
Gifts in kind		\$ 8,138,006	\$ 6,823,576
Special events		<u>40,121</u>	<u>-</u>
		\$ 8,178,127	\$ 6,823,576
	Expenses	2021	2020
Donated services and facilities, affiliates		\$ 8,138,006	\$ 6,823,576
Special events		<u>40,121</u>	<u>-</u>
		\$ 8,178,127	\$ 6,823,576

Note 6. Net Assets

Net assets with donor restrictions were as follows for the years ended December 31:

	2021	2020
Specific purpose		
Support services, Guard your Buddy	\$ 5,980	\$ 10,000
Project TN	151,247	-
Project IL	190,104	-
Passage of time		
Grants receivable	<u>-</u>	<u>30,000</u>
Total net assets with donor restrictions	\$ 347,331	\$ 40,000

Net assets without donor restrictions for the years ended December 31, 2021 and 2020 include a board designation of \$200,000 for operating reserves.

Note 7. Line of Credit

The Foundation has available an unsecured line of credit in the amount of \$200,000 which matures December 31, 2022. As of December 31, 2021 and 2020, there was no outstanding balance. Interest is payable monthly at a rate of 0.5% above index. The interest rates at December 31, 2021 and 2020 was 3.75%.

The Jason Foundation, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2021 and 2020

Note 8. PPP Loans

On April 22, 2020, the Foundation received a loan in the amount of \$192,161 in accordance with the PPP section of the CARES Act. The Foundation received notification of full forgiveness on February 1, 2021.

On February 10, 2021, the Foundation received a second draw on this loan in the amount of \$192,160. The Foundation received notification of full forgiveness on February 2, 2022.

The Foundation has elected to treat the PPP loan as *debt* and presented it as a note payable in the financial statements until legally discharged.

Note 9. Operating Leases

The Foundation leases copiers under an operating lease expiring March 2022. Future years' minimum rental payments required under operating leases that have initial or remaining non-cancelable base terms in excess of one year as of December 31, 2021 are as follows:

Year ended December 31,	
2022	\$1,061

Rental expense for all operating leases for the years ended December 31, 2021 and 2020 was \$4,734 and \$5,122, respectively.

Note 10. Retirement Plan

The Foundation maintains a SIMPLE IRA retirement plan with a 408(p) salary reduction feature. The plan allows for Foundation contributions up to a 3% match of employee contributions.

Note 11. Deferred Compensation

The Foundation has individual deferred compensation agreements with five members of management. The separate agreements provide for individuals to earn additional compensation over a defined service period. Payments and vesting vary among the agreements. The Foundation has accrued the present value of the most likely estimated future benefit payments over the period from the date of the agreements until the first date of eligible payment. The deferred compensation arrangements are unfunded; therefore, benefits will be paid from net assets of the Foundation. The discount rate for the present value is based on the Foundation's average investment rate of return.

Note 12. Subsequent Events

Management has evaluated subsequent events through February 26, 2022, the date on which the financial statements were available for issuance.