

THE JASON FOUNDATION, INC.

Financial Statements

December 31, 2016

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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, 2016 and 2015, 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 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. 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, 2016 and 2015, 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.

Blankenship CPA Group, PLLC

January 24, 2017

THE JASON FOUNDATION, INC.
Statements of Financial Position
December 31, 2016 and 2015

	2016	2015
Assets		
Current Assets		
Cash	\$ 2,017,579	\$ 1,959,415
Reimbursements Receivable	41,404	111,946
Prepaid Expenses	5,462	6,136
Total Current Assets	2,064,445	2,077,497
Fixed Assets		
Land	285,411	285,411
Building	1,217,436	1,217,436
Improvements	5,250	3,100
Furniture and Fixtures	8,347	29,167
Equipment	117,599	139,836
Vehicles	15,544	15,544
Accumulated Depreciation	(428,203)	(422,838)
Total Fixed Assets	1,221,384	1,267,656
Total Assets	\$ 3,285,829	\$ 3,345,153
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 333	\$ 6,646
Payroll and Payroll Taxes Payable	11,578	2,429
Total Current Liabilities	11,911	9,075
Total Liabilities	11,911	9,075
Net Assets		
Unrestricted		
Board Restricted	200,000	200,000
Undesignated	3,073,918	3,136,078
Total Unrestricted Net Assets	3,273,918	3,336,078
Total Liabilities and Net Assets	\$ 3,285,829	\$ 3,345,153

See notes to the financial statements.

THE JASON FOUNDATION, INC.
Statements of Activities
For the Years Ended December 31, 2016 and 2015

	2016	2015
Unrestricted Net Assets		
Support and Revenues		
Contributions	\$ 334,680	\$ 297,797
Grants	137,492	137,736
Gifts in Kind	5,166,924	4,801,179
Special Events	249,262	213,265
Reimbursements	534,757	502,479
Interest Income	2,770	3,164
Total Support and Revenues	6,425,885	5,955,620
Functional Expenses		
Program Expenses		
Total Program Expenses	6,268,301	5,757,089
Supporting Services		
Management and General	107,156	102,512
Fundraising	112,588	115,596
Total Support Services	219,744	218,108
Total Functional Expenses	6,488,045	5,975,197
Decrease in Net Assets	(62,160)	(19,577)
Net Assets - Beginning of Year	3,336,078	3,355,655
Net Assets - End of Year	\$ 3,273,918	\$ 3,336,078

See notes to the financial statements.

THE JASON FOUNDATION, INC.
Statements of Functional Expenses
For the Years Ended December 31, 2016 and 2015

	2016			2015				
	Program Expenses	Supporting Services Management and General	Supporting Services Fundraising Expenses	Total Expenses	Program Expenses	Supporting Services Management and General	Supporting Services Fundraising Expenses	Total Expenses
Salaries	\$ 690,256	\$ 53,687	\$ 23,009	\$ 766,952	\$ 621,751	\$ 48,358	\$ 20,725	\$ 690,834
Payroll Taxes	50,374	3,918	1,679	55,971	45,779	3,561	1,526	50,866
Mileage Reimbursement	5,306	-	-	5,306	4,364	-	-	4,364
Retirement	17,617	1,370	587	19,574	14,570	1,133	486	16,189
Employee Benefits	14,054	1,093	468	15,615	14,218	1,106	474	15,797
Advertising	388	-	-	388	110	6,181	-	6,291
Bank Charges	-	1,115	-	1,115	-	1,399	-	1,399
Board of Directors Expenses	-	4,928	101	5,029	-	1,805	37	1,842
Conference and Seminars	6,328	-	-	6,328	7,995	-	-	7,995
Depreciation and Amortization	43,580	3,390	1,453	48,423	43,610	3,392	1,454	48,456
Dues and Subscriptions	2,868	223	96	3,187	2,593	202	86	2,881
Educational Programs	145,454	-	-	145,454	81,305	-	-	81,305
Equipment and Maintenance	-	15,921	-	15,921	-	15,017	-	15,017
Insurance	13,840	1,076	461	15,377	16,107	1,253	537	17,897
Miscellaneous	5,194	800	-	5,994	7,749	1,263	-	9,012
Postage and Shipping	19,487	3,548	-	23,035	14,062	2,815	-	16,877
Printing and Publications	-	5,510	-	5,510	9,620	3,959	-	13,579
Professional Fees	9,950	-	-	9,950	9,386	-	-	9,386
Public Relations	-	2,697	-	2,697	-	5,513	-	5,513
Supplies	19,869	837	209	20,915	14,801	623	156	15,580
Taxes and Licenses	-	4,819	-	4,819	-	2,960	-	2,960
Technical and Support Services	4,885	-	-	4,885	4,255	-	-	4,255
Telephone and Internet	16,779	706	177	17,662	15,714	662	165	16,541
Travel	48,754	755	-	49,509	54,816	505	-	55,321
Utilities	9,804	763	327	10,894	10,352	805	345	11,502
Website and Virtual Programs	19,870	-	-	19,870	10,399	-	-	10,399
Donated Services and Facilities	5,123,644	-	-	5,123,644	4,753,533	-	-	4,753,533
Special Events Expense	-	-	40,741	40,741	-	-	41,959	41,959
Special Events In-Kind	-	-	43,280	43,280	-	-	47,646	47,646
Total	\$ 6,268,301	\$ 107,156	\$ 112,588	\$ 6,488,045	\$ 5,757,089	\$ 102,512	\$ 115,596	\$ 5,975,197

See notes to the financial statements.

THE JASON FOUNDATION, INC.
Statements of Cash Flows
For the Years Ended December 31, 2016 and 2015

	2016	2015
Cash Flows from Operating Activities		
Decrease in Net Assets	\$ (62,160)	\$ (19,577)
Adjustments to Reconcile Decrease in Net Assets to Cash Provided (Used) in Operating Activities:		
Depreciation and Amortization	48,423	48,456
(Increase) Decrease in:		
Reimbursements Receivable	70,542	(48,732)
Prepaid Expenses	674	(3,144)
Increase (Decrease) in:		
Accounts Payable	(6,313)	4,388
Payroll and Payroll Taxes Payable	9,149	(3,996)
 Total Adjustments	 122,475	 (3,028)
Net Cash Provided (Used) in Operating Activities	 60,315	 (22,605)
 Cash Flows from Investing Activities		
Cash Payments for the Purchase of Fixed Assets	(2,151)	-
Net Cash Used in Investing Activities	 (2,151)	 -
 Net Increase (Decrease) in Cash	 58,164	 (22,605)
 Cash - Beginning of Year	 1,959,415	 1,982,020
 Cash - End of Year	 \$ 2,017,579	 \$ 1,959,415

See notes to the financial statements.

THE JASON FOUNDATION, INC.
Notes to Financial Statements
December 31, 2016 and 2015

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, 2016 and 2015, 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, 2016 and 2015.

THE JASON FOUNDATION, INC.
Notes to Financial Statement - Continued
December 31, 2016 and 2015

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, 2016 and 2015 was \$48,423 and \$48,456.

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.

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.

N. Advertising Costs

Advertising costs are expensed as incurred. Total advertising costs for the years ended December 31, 2016 and 2015 were \$388 and \$6,291.

THE JASON FOUNDATION, INC.
Notes to Financial Statement - Continued
December 31, 2016 and 2015

Note 1. Summary of Significant Accounting Policies – Continued

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, 2016 and 2015 were \$84,700 and \$53,999.

P. Reclassifications

Certain reclassifications have been made to the 2015 financial statements in order to conform to the 2016 financial statement presentation.

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 93 satellite offices of \$5,067,234 in 2016 and from 92 satellite offices of \$4,746,183 in 2015. As of December 31, 2016 and 2015, affiliates owed the Foundation \$41,404 and \$111,946 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, 2016 and 2015 are as follows:

Revenues		
	2016	2015
Gifts In-Kind	\$ 5,123,644	\$ 4,753,533
Special Events	43,280	47,646
	\$ 5,166,924	\$ 4,801,179
Expenses		
	2016	2015
Donated Services & Facilities - Affiliates	\$ 5,067,234	\$ 4,746,183
Donated Services & Facilities - Other	56,410	7,350
Special Events	43,280	47,646
	\$ 5,166,924	\$ 4,801,179

Note 4. Concentrations of Risk

The Foundation relies on contributions and special events to fund operations. For the year ended December 31, 2016, four donors accounted for 81% of total support and in-kind donations. For the year ended December 31, 2015, three donors accounted for 70% of total support and in-kind donations.

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 \$44,780 and \$40,109 at December 31, 2016 and 2015.

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.

THE JASON FOUNDATION, INC.
Notes to Financial Statement - Continued
December 31, 2016 and 2015

Note 6. Line of Credit

The Foundation has available an unsecured letter of credit in the amount of \$200,000 maturing December 31, 2017. As of December 31, 2016, there was no outstanding balance. Interest is payable monthly at a rate of .5% above index. The interest rate at December 31, 2016 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 2016 and 2015 were \$19,574 and \$16,189.

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 \$103,000. 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, 2016 through January 24, 2017, the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.