

**THE JASON FOUNDATION, INC.**  
**Financial Statements**  
**December 31, 2010**

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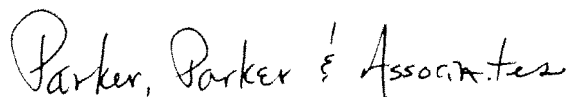
## Independent Auditors' Report

To the Audit Committee of  
The Jason Foundation, Inc.

We have audited the accompanying statements of financial position of The Jason Foundation, Inc. (a nonprofit organization) as of December 31, 2010 and 2009, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



February 16, 2011

**THE JASON FOUNDATION, INC.**  
**Statements of Financial Position**  
**December 31, 2010 and 2009**

	<b>2010</b>	<b>2009</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 917,489	\$ 999,073
Grants Receivable	-	32,000
Reimbursements Receivable	63,489	39,239
Other Accounts Receivable	3,925	3,925
Prepaid Expenses	6,345	5,196
Total Current Assets	991,248	1,079,433
<b>Fixed Assets</b>		
Land	175,000	175,000
Building	1,217,436	1,217,436
Improvements	3,100	3,100
Furniture and Fixtures	25,788	25,788
Equipment	106,053	110,149
Vehicles	15,544	15,544
Accumulated Depreciation	(176,288)	(126,922)
Total Fixed Assets	1,366,633	1,420,095
<b>Other Assets</b>		
Closing Costs, Net	-	1,520
Total Other Assets	-	1,520
Total Assets	\$ 2,357,882	\$ 2,501,048
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 8,803	\$ 11,370
Payroll and Payroll Taxes Payable	6,783	8,600
Current Portion of Note Payable	-	20,000
Total Current Liabilities	15,586	39,970
<b>Long-Term Liabilities</b>		
Note Payable	-	201,372
Total Liabilities	15,586	241,342
<b>Net Assets</b>		
Unrestricted		
Board Restricted	200,000	200,000
Undesignated	2,140,620	2,052,922
Total Unrestricted Net Assets	2,340,620	2,252,922
Temporarily Restricted	1,676	6,785
Total Net Assets	2,342,296	2,259,706
Total Liabilities and Net Assets	\$ 2,357,882	\$ 2,501,048

See notes to the financial statements.

**THE JASON FOUNDATION, INC.**  
**Statements of Activities**  
**For the Years Ended December 31, 2010 and 2009**

	2010			2009			
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Support and Revenues</b>							
Contributions	\$ 221,330	\$ 19,929	\$ 241,259	\$ 138,038	\$ 98,904	\$ -	\$ 236,942
Grants	235,896	-	235,896	194,195	-	-	194,195
Gifts in Kind	17,728,036	-	17,728,036	18,402,985	-	-	18,402,985
Special Events	135,878	-	135,878	124,428	-	-	124,428
Reimbursements	564,261	-	564,261	547,473	-	-	547,473
Interest Income	8,165	-	8,165	15,267	-	-	15,267
Miscellaneous	6	-	6	800	-	-	800
Total Assets Released from Restrictions	25,038	(25,038)	-	615,520	(614,491)	(1,029)	-
Total Support and Revenues	<u>18,918,610</u>	<u>(5,109)</u>	<u>18,913,501</u>	<u>20,038,706</u>	<u>(515,587)</u>	<u>(1,029)</u>	<u>19,522,090</u>
<b>Functional Expenses</b>							
<b>Program Expenses</b>							
Total Program Expenses	18,630,367	-	18,630,367	19,336,728	-	-	19,336,728
<b>Supporting Services</b>							
Management and General	117,178	-	117,178	133,362	-	-	133,362
Fundraising	83,365	-	83,365	115,009	-	-	115,009
Total Support Services	<u>200,543</u>	<u>-</u>	<u>200,542</u>	<u>248,371</u>	<u>-</u>	<u>-</u>	<u>248,371</u>
Total Functional Expenses	18,830,910	-	18,830,910	19,585,099	-	-	19,585,099
Increase (Decrease) in Net Assets	87,700	(5,109)	82,591	453,607	(515,587)	(1,029)	(63,009)
<b>Net Assets - Beginning of Year</b>	2,252,922	6,785	2,259,707	1,799,315	522,372	1,029	2,322,716
<b>Net Assets - End of Year</b>	<u>\$ 2,340,620</u>	<u>\$ 1,676</u>	<u>\$ 2,342,296</u>	<u>\$ 2,252,922</u>	<u>\$ 6,785</u>	<u>\$ -</u>	<u>\$ 2,259,706</u>

See notes to the financial statements.

**THE JASON FOUNDATION, INC.**  
**Statements of Functional Expenses**  
**For the Years Ended December 31, 2010 and 2009**

	2010			2009			
	Program Expenses	Supporting Services Management and General	Supporting Services Fundraising Expenses	Total Expenses	Management and General	Supporting Services Fundraising Expenses	Total Expenses
Salaries	\$ 525,157	\$ 40,846	\$ 17,505	\$ 583,508	\$ 42,707	\$ 18,303	\$ 610,100
Payroll Taxes	43,477	3,382	1,449	48,308	3,563	1,527	50,905
Mileage Reimbursement	6,013	-	-	6,013	-	-	6,119
Retirement	13,315	1,036	444	14,795	1,246	534	17,803
Employee Benefits	44,821	3,486	1,494	49,801	2,616	1,121	37,372
Advertising	1,903	310	-	2,213	-	-	13,649
Bank Charges	-	2,065	-	2,065	2,474	-	2,474
Board of Directors Expenses	-	559	11	570	1,067	22	1,089
Conference & Seminars	4,409	-	-	4,409	-	-	3,036
Depreciation and Amortization	49,484	3,849	1,649	54,982	1,912	820	27,317
Dues and Subscriptions	657	51	22	730	43	19	620
Educational Programs	93,226	-	-	93,226	-	-	121,325
Insurance	8,060	627	269	8,956	1,210	519	17,291
Interest	-	6,163	-	6,163	4,548	-	4,548
Miscellaneous	1,233	1,300	-	2,533	1,429	-	5,124
Moving	-	-	-	-	3,709	-	3,709
Occupancy	-	-	-	-	1,824	782	26,053
Postage and Shipping	12,298	3,431	-	15,729	2,822	-	14,577
Printing and Publications	17,353	3,911	2,628	23,892	3,948	-	20,305
Professional Fees	21,079	21,079	-	42,158	11,896	-	23,792
Public Relations	-	4,088	-	4,088	3,417	-	3,417
Equipment and Maintenance	-	14,490	-	14,490	29,601	-	29,601
Supplies	16,250	684	171	17,105	731	183	18,265
Taxes and Licenses	-	3,946	-	3,946	10,096	-	10,096
Telephone and Internet	20,320	856	214	21,390	866	217	21,653
Travel	37,957	215	-	38,172	973	-	35,922
Utilities	10,331	804	344	11,479	655	281	9,362
Loss on Disposal of Assets	-	-	-	-	9	-	9
Satellite Office In-Kind	17,703,024	-	-	17,703,024	-	-	18,358,885
Special Events Expense	-	-	32,153	32,153	-	46,581	46,581
Special Events In-Kind	-	-	25,012	25,012	-	44,100	44,100
<b>Total</b>	<b>\$ 18,630,367</b>	<b>\$ 117,178</b>	<b>\$ 83,365</b>	<b>\$ 18,830,910</b>	<b>\$ 133,362</b>	<b>\$ 115,009</b>	<b>\$ 19,585,099</b>

See notes to the financial statements.  
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**THE JASON FOUNDATION, INC.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>Cash Flows from Operating Activities</b>		
Increase (Decrease) in Net Assets	\$ 82,591	\$ (63,009)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Cash Provided by Operating Activities:		
Depreciation and Amortization	54,982	27,317
Loss on Disposal of Fixed Assets	-	9
Decrease in Receivables	7,750	11,187
Increase in Prepaid Expenses	(1,149)	(216)
Increase (Decrease) in Accounts Payable	(2,567)	3,938
Increase (Decrease) in Payroll and Payroll Taxes Payable	(1,817)	6,089
Decrease in Construction Payable	-	(150,990)
Total Adjustments	<u>57,199</u>	<u>(102,666)</u>
Net Cash Provided by (Used in) Operating Activities	<u>139,791</u>	<u>(165,675)</u>
<b>Cash Flows from Investing Activities</b>		
Cash Payments for the Purchase of Fixed Assets	-	(25,353)
Payments Related to the Construction of Building	-	(876,474)
Net Cash Used in Investing Activities	<u>-</u>	<u>(901,827)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds of Borrowings for Building	-	290,000
Repayment of Long-term Debt	(221,372)	(68,629)
Payment of Debt Issue Costs	-	(1,552)
Net Cash Provided (Used in) by Financing Activities	<u>(221,372)</u>	<u>219,819</u>
<b>Net Decrease in Cash</b>	<u>(81,581)</u>	<u>(847,683)</u>
<b>Cash - Beginning of Year</b>	<u>999,073</u>	<u>1,846,756</u>
<b>Cash - End of Year</b>	<u>\$ 917,489</u>	<u>\$ 999,073</u>
 <b>Supplemental Cash Flow Disclosures</b>		
<b>Cash Paid for:</b>		
Interest Expense	\$ 6,163	\$ 4,548

See notes to the financial statements.

**THE JASON FOUNDATION, INC.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2010 and 2009**

**Note 1. Summary of Significant Accounting Policies**

**A. Nature of Activities**

The Jason Foundation, Inc. (the "Foundation") is a nonprofit corporation dedicated to providing education and support programs to aid in the prevention of teenage suicide.

**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, 2010 and 2009, no allowance has been recorded.

**G. Accrued Compensated Absences**

Employees at the Foundation earn PTO each month according to their number of years of service. Individuals are allowed to carryover five days of paid time off into a sick bank. Upon leaving the Foundation, vacation time accrued during the current year will be paid. Also, up to 10 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, 2010 and 2009.

**THE JASON FOUNDATION, INC.**  
**Notes to Financial Statement - Continued**  
**For the Years Ended December 31, 2010 and 2009**

**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, 2010 and 2009 was \$53,462 and \$27,285.

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 Community Access Resource Line “CARL” Resource Lines around the United States. These services have been recorded at their estimated values (Refer to Note 2). 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**

Expenses are charged directly to program, management and general, or fundraising based on allocations prepared by management.

**N. Advertising Costs**

Advertising costs are expensed as incurred. Total advertising costs for the years ended December 31, 2010 and 2009 were \$2,137 and \$10,301.



**THE JASON FOUNDATION, INC.**  
**Notes to Financial Statement - Continued**  
**For the Years Ended December 31, 2010 and 2009**

**Note 1. Summary of Significant Accounting Policies – Continued**

**O. Printing and Production Costs of Program Materials**

Printing and production costs of program materials are expensed as incurred. Total printing and production costs for the years ended December 31, 2010 and 2009 were \$89,891 and \$135,764 and are included in the Statement of Functional Expenses in Educational Programs and Printing and Publications.

**P. Reclassifications**

Certain reclassifications have been made to the 2009 financial statements to conform to 2010 presentation.

**Note 2. Affiliations**

The Foundation has various affiliation agreements with Psychiatric Solutions Inc., (“PSI”) to donate office space, supplies and employees to staff suicide prevention resource lines at hospital facilities for the benefit of the Foundation. Each of these facilities 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 \$17,703,024 and \$18,358,885 in 2010 and 2009.

In addition to the donations above, PSI as part of their affiliation agreement expiring June 30, 2011 donates \$10,000 per month to offset salary expenses and reimburses the Foundation for direct travel, training expenses, and program materials. This agreement renews yearly unless written notice is given by either party within 30 days of its expiration. As of December 31, 2010 and 2009, PSI owed the Foundation \$61,866 and \$37,167 for unreimbursed expenses. In addition to the affiliation agreement, PSI pays the Foundation \$5,000 annually per facility to offset some administrative costs. The Foundation received \$440,580 and \$396,900 during 2010 and 2009.

On November 15, 2010, PSI was purchased by Universal Health Services (UHS). The affiliation agreement with PSI was assumed by UHS.

**Note 3. Grants Receivable**

At December 31, 2010, the Foundation has no grants receivable. Grants receivable at December 31, 2009 were as follows:

	<b>2009</b>
Grants Receivable in Less than One Year:	
United Way	\$ 2,000
Bridgestone Firestone Trust Fund	10,000
Total Grants Receivable in Less than One Year	12,000
Grants Receivable in One to Five Years:	
Bridgestone Firestone Trust Fund	20,000
Total Grants Receivable	32,000
Less Allowance for Uncollectibles	-
Less Discounts to Net Present Value	-
Net Grants Receivable	\$ 32,000

The change in the allowance for uncollectible receivables is included in bad debt expense on the Statements of Functional Expenses. The change in the discount for the time value of money is included in individual and foundation contributions on the Statements of Activities.

**Note 4. Fair Value Measurements – Grants Receivable**

At December 31, 2010, no assets are measured on a recurring basis. The following assets carried at fair value were reviewed and adjusted on a recurring basis during 2009:

**THE JASON FOUNDATION, INC.**  
**Notes to Financial Statement - Continued**  
**For the Years Ended December 31, 2010 and 2009**

**Note 4. Fair Value Measurements – Grants Receivable – Continued**

<u>Asset</u>	<u>Fair Value December 31, 2009</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Grants Receivable, Net	\$ 32,000	\$ -	\$ 32,000

The fair value of grants receivable is estimated as the present value of expected future cash flows. As required by the *Fair Value Measurements and Disclosures* topic of the FASB Accounting Standards Codification, a reconciliation of the beginning to ending balance of contributions receivable follows:

Grants Receivable, Net - January 1, 2009	\$ 32,000
Increases:	
New Grants	
Decreases:	
Payments on Grants	(11,031)
Grants Receivable, Net - December 31, 2009	<u>\$ 20,969</u>

**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, 2010 and 2009 are as follows:

<b>Revenues</b>		
	<u>2010</u>	<u>2009</u>
Donated Satellite Offices (Note 2)	\$17,703,024	\$ 18,358,885
Special Events	25,012	44,100
	<u>\$17,728,036</u>	<u>\$ 18,402,985</u>
<b>Expenses</b>		
	<u>2010</u>	<u>2009</u>
Program Expenses	\$17,703,024	\$ 18,358,885
Special Events	25,012	44,100
	<u>\$17,728,036</u>	<u>\$ 18,402,985</u>

**Note 6. Concentrations of Risk**

The Foundation relies on contributions and special events held to fund operations. For the years ended December 31, 2010 and 2009, support and in-kind donations from PSI totaled 96% and 97% of total revenue.

**Note 7. Restricted 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**  
**For the Years Ended December 31, 2010 and 2009**

**Note 7. Restricted Net Assets - Continued**

Temporarily Restricted

Temporarily restricted net assets as of December 31, 2010 and 2009 include the following:

	<b>2010</b>	<b>2009</b>
Inservice Training Program for Teachers and Administrators	\$ -	\$ 5,415
Beau's Classroom	1,676	1,370
Total Temporarily Restricted	\$ 1,676	\$ 6,785

**Note 8. 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 2010 and 2009 were \$14,795 and \$17,804.

**Note 9. Long-Term Debt**

The Foundation extinguished a note with First Tennessee Bank bearing interest at a rate of 4.5% per annum in October 2010.

**Note 10. Subsequent Events**

The Foundation has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended December 31, 2010 through February 16, 2011, the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.