

**THE JASON FOUNDATION, INC.**

**Financial Statements**

**December 31, 2019 and 2018**

**THE JASON FOUNDATION, INC.**  
**Financial Statements**  
**December 31, 2019 and 2018**

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## Independent Auditor's Report

To the Board of Directors of  
The Jason Foundation, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of The Jason Foundation, Inc. (a not-for-profit corporation), which comprise the statements of financial position as of December 31, 2019 and 2018, 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, 2019 and 2018, 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*

Blankenship CPA Group, PLLC  
Goodlettsville, Tennessee  
February 14, 2020

**THE JASON FOUNDATION, INC.**  
**Statements of Financial Position**  
**December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 2,552,033	\$ 2,274,813
Reimbursements Receivable	81,743	59,425
Grants Receivable	71,997	-
Prepaid Expenses	4,525	4,567
Total Current Assets	2,710,298	2,338,805
<b>Fixed Assets</b>		
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	123,010	112,178
Vehicles	15,544	15,544
Software	6,465	-
Accumulated Depreciation	(555,517)	(512,730)
Total Fixed Assets	1,105,946	1,131,436
Total Assets	\$ 3,816,244	\$ 3,470,241
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 25,036	\$ 15,091
Payroll and Payroll Taxes Payable	3,474	3,928
Deferred Revenue	-	7,700
Total Current Liabilities	28,510	26,719
<b>Long-term Liabilities</b>		
Deferred Employee Benefits	218,733	145,429
Total Liabilities	247,243	172,148
<b>Net Assets</b>		
Without Donor Restrictions		
Board Designated	200,000	200,000
Undesignated	3,287,004	3,088,093
Total without donor restrictions	3,487,004	3,288,093
With Donor Restrictions	81,997	10,000
Total Net Assets	3,569,001	3,298,093
Total Liabilities and Net Assets	\$ 3,816,244	\$ 3,470,241

See notes to financial statements.

**THE JASON FOUNDATION, INC.**  
**Statements of Activities**  
**For the Years Ended December 31, 2019 and 2018**

	<b>2019</b>			<b>2018</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Operating Activities</b>						
<b>Support and Revenues</b>						
Contributions	\$ 546,467	\$ -	\$ 546,467	\$ 365,237	\$ -	\$ 365,237
Grants	142,623	71,997	214,620	134,342	-	134,342
Gifts in Kind	6,783,033	-	6,783,033	6,464,208	-	6,464,208
Special Events	214,784	-	214,784	250,206	-	250,206
Reimbursement Revenue	767,219	-	767,219	719,094	-	719,094
Interest Income	44,861	-	44,861	15,793	-	15,793
Total Support and Revenues	<u>8,498,987</u>	<u>71,997</u>	<u>8,570,984</u>	<u>7,948,880</u>	<u>-</u>	<u>7,948,880</u>
<b>Expenses</b>						
Program Expenses	<u>8,042,629</u>	<u>-</u>	<u>8,042,629</u>	<u>7,605,327</u>	<u>-</u>	<u>7,605,327</u>
<b>Supporting Services</b>						
Management and General	129,152	-	129,152	118,349	-	118,349
Cost of Direct Benefits to Donors	23,226	-	23,226	22,960	-	22,960
Fundraising	105,069	-	105,069	99,669	-	99,669
Total Supporting Services	<u>257,447</u>	<u>-</u>	<u>257,447</u>	<u>240,978</u>	<u>-</u>	<u>240,978</u>
Total Expenses	<u>8,300,076</u>	<u>-</u>	<u>8,300,076</u>	<u>7,846,305</u>	<u>-</u>	<u>7,846,305</u>
Change in Net Assets from Operations	198,911	71,997	270,908	102,575	-	102,575
<b>Net Assets - Beginning of Year</b>	<u>3,288,093</u>	<u>10,000</u>	<u>3,298,093</u>	<u>3,185,518</u>	<u>10,000</u>	<u>3,195,518</u>
<b>Net Assets - End of Year</b>	<u>\$ 3,487,004</u>	<u>\$ 81,997</u>	<u>\$ 3,569,001</u>	<u>\$ 3,288,093</u>	<u>\$ 10,000</u>	<u>\$ 3,298,093</u>

See notes to financial statements.

**THE JASON FOUNDATION, INC.**  
**Statements of Functional Expenses**  
**For the Years Ended December 31, 2019 and 2018**

	2019				2018			
	Program Expenses	Supporting Services		Total Expenses	Program Expenses	Supporting Services		Total Expenses
	Management and General	Fundraising Expenses			Management and General	Fundraising Expenses		
Salaries	\$ 765,609	\$ 59,547	\$ 25,520	\$ 850,676	\$ 762,040	\$ 59,270	\$ 25,401	\$ 846,711
Payroll Taxes	56,136	4,366	1,871	62,373	55,871	4,346	1,862	62,079
Mileage Reimbursement	4,772	-	-	4,772	6,292	-	-	6,292
Retirement	19,696	1,532	657	21,885	20,288	1,578	676	22,542
Employee Benefits	78,651	6,117	2,622	87,390	26,348	2,049	878	29,275
Advertising	1,625	-	-	1,625	1,791	-	-	1,791
Bank Charges	-	2,510	-	2,510	-	2,450	-	2,450
Board of Directors Expenses	-	3,175	65	3,240	-	5,761	118	5,879
Conference and Seminars	10,126	-	-	10,126	8,634	-	-	8,634
Depreciation	38,508	2,995	1,284	42,787	41,234	3,207	1,374	45,815
Dues and Subscriptions	4,425	344	148	4,917	3,475	270	116	3,861
Educational Programs	105,081	-	-	105,081	93,319	-	-	93,319
Equipment and Maintenance	-	23,883	-	23,883	-	16,575	-	16,575
Insurance	12,130	943	404	13,477	12,065	938	402	13,405
Miscellaneous	-	2,308	-	2,308	2,340	278	-	2,618
Postage and Shipping	16,339	4,048	-	20,387	12,237	5,249	-	17,486
Printing and Publications	46	4,975	-	5,021	105	4,824	-	4,929
Professional Fees	11,140	-	-	11,140	10,600	-	-	10,600
Public Relations	-	4,372	-	4,372	-	2,931	-	2,931
Supplies	18,778	791	198	19,767	15,873	668	167	16,708
Taxes and Licenses	-	5,650	-	5,650	-	6,077	-	6,077
Technical and Support Services	15,644	-	-	15,644	4,293	-	-	4,293
Telephone and Internet	15,871	668	167	16,706	11,682	492	123	12,297
Travel	44,992	140	-	45,132	37,651	565	-	38,216
Utilities	10,134	788	338	11,260	10,554	821	352	11,727
Website and Virtual Programs	74,072	-	-	74,072	52,983	-	-	52,983
Donated Services and Facilities	6,738,854	-	-	6,738,854	6,415,652	-	-	6,415,652
Special Events Expense	-	-	50,842	50,842	-	-	42,604	42,604
Special Events In-Kind	-	-	44,179	44,179	-	-	48,556	48,556
<b>Total</b>	<b>\$ 8,042,629</b>	<b>\$ 129,152</b>	<b>\$ 128,295</b>	<b>\$ 8,300,076</b>	<b>\$ 7,605,327</b>	<b>\$ 118,349</b>	<b>\$ 122,629</b>	<b>\$ 7,846,305</b>

See notes to financial statements.

**THE JASON FOUNDATION, INC.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets from Operations	\$ 270,908	\$ 102,575
Adjustments to Reconcile Change in Net Assets from Operations to Net Cash Provided by Operating Activities:		
Depreciation	42,787	45,815
(Increase) Decrease in:		
Reimbursements Receivable	(22,318)	37,651
Grants Receivable	(71,997)	-
Prepaid Expenses	42	(94)
Increase (Decrease) in:		
Accounts Payable	9,945	2,733
Payroll and Payroll Taxes Payable	(454)	(9,801)
Deferred Revenue	(7,700)	7,700
Deferred Employee Benefits	73,304	13,279
Total Adjustments	23,609	97,283
Net Cash Provided by Operating Activities	294,517	199,858
<b>Cash Flows from Investing Activities</b>		
Cash Payments for the Purchase of Fixed Assets	(17,297)	-
Net Cash Used in Investing Activities	(17,297)	-
<b>Net Increase in Cash</b>	277,220	199,858
<b>Cash - Beginning of Year</b>	2,274,813	2,074,955
<b>Cash - End of Year</b>	\$ 2,552,033	\$ 2,274,813

See notes to financial statements.

**THE JASON FOUNDATION, INC.**  
**Notes to Financial Statements**  
**December 31, 2019 and 2018**

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

**A. 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.

**B. 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 require 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 organization. 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, where by the donor has stipulated the funds be maintained in perpetuity.

**C. 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-operation activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

**D. 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.

**E. 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.

**F. 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 carryover eight 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 70% payout on leftover days up to ten 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 Statement of Financial Position.

**G. 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 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. Depreciation expense for the years ended December 31, 2019 and 2018 was \$42,787 and \$45,815.



**THE JASON FOUNDATION, INC.**  
**Notes to Financial Statements - Continued**  
**December 31, 2019 and 2018**

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

**H. Revenue Recognition**

*New Accounting Pronouncements*

On January 1, 2019, the Foundation adopted ASU 2014-09, *Revenue from Contracts with Customers and all subsequent amendments to the ASU* (collectively, ASC 606), which supersedes most existing revenue recognition guidance and outlines a single comprehensive standard for revenue recognition across all industries. ASC 606 requires revenue to be recognized in an amount that reflects the consideration the entity expects to be entitled in an exchange of goods or services. The Foundation performed an analysis of revenue streams and transitions to determine in-scope applicability. The adoption of ASC 606 did not materially impact the financial statements and related disclosures.

On January 1, 2019, the Foundation adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The adoption of this ASU resulted in the treatment of most governmental grants as donor-restricted conditional contributions rather than exchange transactions. The new standard also clarified the criteria for evaluating whether contributions are unconditional or conditional. The adoption of this ASU changed the accounting for grants receivable from the State of Tennessee.

*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, 2019 and 2018, no allowance has been recorded. There were no promises to give at December 31, 2019 and 2018.

*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 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.

*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.

**THE JASON FOUNDATION, INC.**  
**Notes to Financial Statements - Continued**  
**December 31, 2019 and 2018**

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

**H. Revenue Recognition – Continued**

*Reimbursement Revenue*

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

**I. 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.

**J. 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:

<i>Expense</i>	<i>Method of Allocation</i>
Salaries and Benefits	Time and Effort
Board of Direct 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

**K. Advertising Costs**

Advertising costs are expensed as incurred. Total advertising costs for the years ended December 31, 2019 and 2018 were \$1,625 and \$1,791.

**L. 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 year ended December 31, 2019 and 2018 was \$74,778 and \$51,939.

**M. Reclassification**

Certain prior period amounts have been reclassified to conform to the current year presentation.

**Note 2. Availability and Liquidity**

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

	<u>2019</u>	<u>2018</u>
Financial assets:		
Cash	\$ 2,552,033	\$ 2,274,813
Reimbursements receivable	81,743	59,424
Grants receivable	71,997	-
Total financial assets at year end	<u>2,705,773</u>	<u>2,334,237</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(81,997)	(10,000)
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	<u>\$ 2,423,776</u>	<u>\$ 2,124,237</u>

**THE JASON FOUNDATION, INC.**  
**Notes to Financial Statements - Continued**  
**December 31, 2019 and 2018**

**Note 2. Availability and Liquidity – Continued**

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 \$6,738,854 in 2019 and satellite offices totaling \$6,415,652 in 2018. As of December 31, 2019 and 2018 affiliates owed the Foundation \$81,743 and \$59,425 for unreimbursed expenses. As of December 31, 2019 and 2018 there were 125 and 128 affiliate offices. The number of offices varies from month to month.

**Note 4. 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:

<b>Revenues</b>		
	<b>2019</b>	<b>2018</b>
Gifts In-Kind	\$ 6,738,854	\$ 6,415,652
Special Events	44,179	48,556
	<b>\$ 6,783,033</b>	<b>\$ 6,464,208</b>
<b>Expenses</b>		
	<b>2019</b>	<b>2018</b>
Donated Services and Facilities - Affiliates	\$ 6,738,854	\$ 6,415,652
Special Events	44,179	48,556
	<b>\$ 6,783,033</b>	<b>\$ 6,464,208</b>

**Note 5. Concentrations of Risk**

The Foundation relies on contributions and special events to fund operations. For the years ended December 31, 2019 and 2018, five donors accounted for 81% and 84% of total support including in-kind donations.

The Foundation has cash deposits in financial institutions in excess of the amount insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$811,757 and \$754,742 at December 31, 2019 and 2018.

**THE JASON FOUNDATION, INC.**  
**Notes to Financial Statements - Continued**  
**December 31, 2019 and 2018**

**Note 6. Net Assets**

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

	<b>2019</b>	<b>2018</b>
Specific Purpose		
Support services - Guard your Buddy	\$ 10,000	\$ 10,000
Passage of Time		
Grants receivable	71,997	-
Total	<b>\$ 81,997</b>	<b>\$ 10,000</b>

Net assets without donor restrictions for the years ended December 31, 2019 and 2018 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, 2021. As of December 31, 2019 and 2018, there was no outstanding balance. Interest is payable monthly at a rate of .5% above index. The interest rates at December 31, 2019 and 2018 were 5.25% and 4.50%.

**Note 8. Operating Leases**

The Foundation leases copiers under an operating lease expiring April 2021. 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, 2019 are as follows:

<b>Year Ended December 31,</b>	<b>Amount</b>
2020	4,245
2021	162
	<b>\$ 4,407</b>

Rental expense for all operating leases for the years ended December 31, 2019 and 2018 was \$4,935 and \$4,454.

**Note 9. 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. Total Foundation contributions for the years ended December 31, 2019 and 2018, were \$21,884 and \$22,542.

**Note 10. 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.

**THE JASON FOUNDATION, INC.**  
**Notes to Financial Statements - Continued**  
**December 31, 2019 and 2018**

**Note 11. Recent Accounting Pronouncements**

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842) (ASU 2016-02), to supersede nearly all existing lease guidance under GAAP. ASU 2016-02 requires the recognition of lease assets and lease liabilities on the balance sheet by lessees for those leases currently classified as operating leases. ASU 2016-02 also requires qualitative disclosures along with specific quantitative disclosures and is effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early application is permitted. Entities are required to apply the amendments at the beginning of the earliest period presented using a modified retrospective approach. The Foundation had evaluated the requirements of this guidance and has determined the impact of the adoption on its financial position, results of operations and cash flows to be minimal.

**Note 12. Subsequent Events**

The Foundation has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended December 31, 2019 through February 14, 2020, the date the financial statements were available to be issued.