

**THE JASON FOUNDATION, INC.**  
**Financial Statements**  
**December 31, 2008 and 2007**

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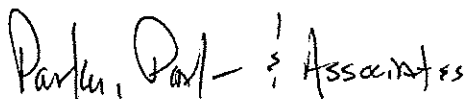
## Independent Auditors' Report

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, 2008 and 2007, 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 audit.

We conducted our audit 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 audit provides 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, 2008 and 2007, 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 13, 2009

**THE JASON FOUNDATION, INC.**  
**Statements of Financial Position**  
**December 31, 2008 and 2007**

<b>Assets</b>	<b>2008</b>	<b>2007</b>
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 1,845,727	\$ 1,503,921
Grants Receivable	43,031	303,499
Reimbursements Receivable	43,320	23,298
Prepaid Expenses	4,980	5,129
Total Current Assets	1,937,058	1,835,847
<b>Fixed Assets</b>		
Land	175,000	175,000
Furniture and Fixtures	26,695	26,695
Equipment	96,675	97,254
Vehicles	15,544	15,544
Construction in Progress	340,962	-
Accumulated Depreciation	(109,314)	(97,939)
Total Fixed Assets	545,562	216,554
<b>Other Assets</b>		
Cash - Endowment	1,029	1,029
Total Assets	\$ 2,483,649	\$ 2,053,430
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 7,433	\$ 6,555
Payroll and Payroll Taxes Payable	2,511	1,814
Construction Payable	150,990	-
Total Current Liabilities	160,934	8,370
<b>Net Assets</b>		
Unrestricted		
Board Restricted	200,000	200,000
Undesignated	1,415,161	1,288,353
Total Unrestricted Net Assets	1,615,161	1,488,353
Temporarily Restricted	706,525	555,678
Permanently Restricted	1,029	1,029
Total Net Assets	2,322,715	2,045,060
Total Liabilities and Net Assets	\$ 2,483,649	\$ 2,053,430

See notes to the financial statements.

**THE JASON FOUNDATION, INC.**  
**Statements of Activities**  
**For the Years Ended December 31, 2008 and 2007**

	2008			2007			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Support and Revenues</b>							
Contributions	\$ 151,339	\$ 162,123	\$ -	\$ 206,298	\$ 520,225	\$ -	\$ 726,523
Grants	64,967	361,500	-	108,129	9,000	-	117,129
Gifts in Kind	16,274,194	-	-	14,737,548	-	-	14,737,548
Special Events	3,551	109,518	-	117,405	-	-	117,405
Reimbursements	537,220	-	-	434,679	-	-	434,679
Interest Income	27,643	19,641	-	35,375	-	-	35,375
Miscellaneous	57	-	-	286	-	-	286
<b>Total Assets Released from Restrictions</b>	501,936	(501,936)	-	1,936	(1,936)	-	-
<b>Total Support and Revenues</b>	<u>17,560,907</u>	<u>150,846</u>	<u>-</u>	<u>15,641,655</u>	<u>527,289</u>	<u>-</u>	<u>16,168,944</u>
<b>Functional Expenses</b>							
<b>Program Expenses</b>							
Total Program Expenses	17,199,522	-	-	15,515,088	-	-	15,515,088
<b>Supporting Services</b>							
Management and General Fundraising	104,327	-	-	99,584	-	-	99,584
Total Support Services	<u>130,248</u>	<u>-</u>	<u>-</u>	<u>97,973</u>	<u>-</u>	<u>-</u>	<u>97,973</u>
	234,575	-	-	197,556	-	-	197,556
<b>Total Functional Expenses</b>	17,434,097	-	-	15,712,644	-	-	15,712,644
<b>Increase/ (Decrease) in Net Assets</b>	126,810	150,846	-	(70,990)	527,289	-	456,300
<b>Net Assets - Beginning of Year</b>	1,488,353	555,678	1,029	1,559,344	28,388	1,029	1,588,761
<b>Net Assets - End of Year</b>	<u>\$ 1,615,161</u>	<u>\$ 706,525</u>	<u>\$ 1,029</u>	<u>\$ 1,488,353</u>	<u>\$ 555,678</u>	<u>\$ 1,029</u>	<u>\$ 2,045,060</u>

See notes to the financial statements.

**THE JASON FOUNDATION, INC.**  
**Statements of Functional Expenses**  
**For the Years Ended December 31, 2008 and 2007**

2008

2007

	Program Expenses	Supporting Services		Total Expenses	Program Expenses	Supporting Services		Total Expenses
		Management and General	Fundraising Expenses			Management and General	Fundraising Expenses	
Salaries	\$ 502,567	\$ 39,089	\$ 16,752	\$ 558,408	\$ 437,642	\$ 34,039	\$ 14,588	\$ 486,269
Payroll Taxes	40,186	3,126	1,340	44,651	34,438	2,678	1,148	38,264
Mileage Reimbursement	6,017	1,152	-	7,169	6,933	518	-	7,452
Retirement	14,118	1,098	471	15,687	11,523	896	384	12,803
Employee Benefits	32,900	2,559	1,097	36,556	21,969	1,709	732	24,410
Advertising	815	212	-	1,027	4,721	178	-	4,899
Bank Charges	-	1,874	-	1,874	-	1,489	-	1,489
Board of Directors Expenses	-	1,864	38	1,902	-	2,509	51	2,560
Conference & Seminars	4,716	-	-	4,716	4,058	-	-	4,058
Depreciation	15,298	1,190	510	16,998	16,295	1,267	543	18,105
Dues and Subscriptions	981	76	33	1,090	1,792	139	60	1,992
Educational Programs	158,321	-	-	158,321	85,657	-	-	85,657
Insurance	10,703	832	357	11,892	9,786	761	326	10,873
Miscellaneous	694	9,346	-	10,040	999	6,238	-	7,237
Occupancy	56,273	4,377	1,876	62,525	53,515	5,733	2,457	61,705
Postage and Shipping	11,258	2,496	-	13,754	16,900	2,095	-	18,995
Printing and Publications	16,590	2,506	-	19,096	24,457	5,309	-	29,766
Professional Fees	15,452	15,452	-	30,903	11,660	11,660	-	23,320
Public Relations	-	2,132	-	2,132	-	6,183	-	6,183
Equipment and Maintenance	-	7,490	-	7,490	-	7,980	-	7,980
Supplies	12,994	547	137	13,678	15,089	635	159	15,884
Taxes and Licenses	-	3,329	-	3,329	-	3,027	-	3,027
Telephone and Internet	20,679	871	218	21,767	17,319	729	182	18,231
Travel	71,122	702	-	71,824	45,419	564	-	45,983
Utilities	5,747	447	192	6,386	4,866	378	162	5,407
Loss on Disposal of Assets	-	1,561	-	1,561	-	768	-	768
PSI In-Kind	16,202,092	-	-	16,202,092	14,667,750	-	-	14,667,750
Other In-Kind	-	-	-	-	22,300	2,100	-	24,400
Special Events Expense	-	-	35,128	35,128	-	-	-	31,581
Special Events In-Kind	-	-	72,102	72,102	-	-	-	45,598
<b>Total</b>	<b>\$ 17,199,522</b>	<b>\$ 104,327</b>	<b>\$ 130,248</b>	<b>\$ 17,434,097</b>	<b>\$ 15,515,088</b>	<b>\$ 99,584</b>	<b>\$ 97,973</b>	<b>\$ 15,712,644</b>

See notes to the financial statements.

**THE JASON FOUNDATION, INC.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>Cash Flows from Operating Activities</b>		
Increase (Decrease) in Net Assets	\$ 277,656	\$ 456,300
Adjustments to Reconcile Net Assets to Cash Provided by Operating Activities:		
Depreciation	16,998	18,105
Loss on Disposal of Fixed Assets	1,561	768
(Increase) Decrease in Grants and Reimbursement Receivables	240,446	199,636
(Increase) Decrease in Prepaid Expenses	149	(505)
Increase (Decrease) in Accounts Payable	877	(6,376)
Increase (Decrease) in Payroll and Payroll Taxes Payable	697	(4,006)
Increase (Decrease) in Construction Payable	150,990	-
Total Adjustments	<u>411,717</u>	<u>207,623</u>
Net Cash Provided by Operating Activities	<u>689,373</u>	<u>663,923</u>
 <b>Cash Flows from Investing Activities</b>		
Cash Payments for the Purchase of Fixed Assets	(6,605)	(3,766)
Payments Related to the Construction of Building	<u>(340,962)</u>	<u>-</u>
Net Cash Used by Investing Activities	<u>(347,567)</u>	<u>(3,766)</u>
 <b>Net Increase (Decrease) in Cash</b>	341,806	660,157
 <b>Cash, Cash Equivalents, and Restricted Cash - Beginning of Year</b>	<u>1,504,950</u>	<u>844,793</u>
 <b>Cash, Cash Equivalents, and Restricted Cash - End of Year</b>	<u><u>\$1,846,756</u></u>	<u><u>\$1,504,950</u></u>
 <b>Supplemental Cash Flow Disclosures</b>		
<b>Non-cash Disclosures:</b>		
Donated Assets	\$ -	\$ -
 <b>Cash Paid for:</b>		
Income Taxes	\$ -	\$ -
Interest Expense	\$ -	\$ -

See notes to the financial statements.

**THE JASON FOUNDATION, INC.**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2008 and 2007**

**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 of the Financial Accounting Standards Board in its Statement of Financial Standards (SFAS) No. 117, *Financial Statements of Not-For-Profit Organizations*. Under SFAS No. 117, 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.

**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.

**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 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 7 years.

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.



**THE JASON FOUNDATION, INC.**  
**Notes to Financial Statement - Continued**  
**For the Years Ended December 31, 2008 and 2007**

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

**H. 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.

**I. 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.

**J. Income Taxes**

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

**K. Functional Expenses**

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

**L. Advertising Costs**

Advertising costs are expensed as incurred. Total advertising costs for the years ended December 31, 2008 and 2007 were \$1,027 and \$4,899.

**M. Reclassifications**

Certain reclassifications have been made to the 2007 financial statements to conform to 2008 presentation.

**Note 2. Affiliations**

The Foundation has various affiliation agreements with Psychiatric Solutions Inc., ("PSI"), Parthenon Pavilion, Vanderbilt Hospital, and Frontier Health 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 \$16,202,092 and \$14,667,750 in 2008 and 2007.

In addition to the donations above, PSI as part of their affiliation agreement expiring June 30, 2009 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, 2008 and 2007, PSI owed the Foundation \$43,320 and \$23,298 for unreimbursed expenses.

During the current fiscal year, The Jason Foundation charged PSI a fee of \$5,000 annually per facility. This is received in monthly installments. The Foundation received \$359,100 and \$286,440 during 2008 and 2007.

**THE JASON FOUNDATION, INC.**  
**Notes to Financial Statement - Continued**  
**For the Years Ended December 31, 2008 and 2007**

**Note 3. Grants Receivable**

Grants receivable at December 31, 2008 and 2007 are as follows:

	<u>2008</u>	<u>2007</u>
Grants Receivable in Less than One Year:		
Wal-Mart	\$ -	\$ 250,000
HCA Foundation	-	50,000
United Way	3,031	3,499
Bridgestone Firestone Trust Fund	10,000	-
Total Grants Receivable in Less than One Year	<u>\$13,031</u>	<u>\$303,499</u>
Grants Receivable in One to Five Years:		
Bridgestone Firestone Trust Fund	30,000	-
Total Grants Receivable	<u>43,031</u>	<u>303,499</u>
Less Allowance for Uncollectibles	-	-
Less Discounts to Net Present Value	-	-
Net Grants Receivable	<u><u>\$43,031</u></u>	<u><u>\$303,499</u></u>

This balance will be received as follows:

<b>For the</b>	
<b>Year</b>	<b>Amount</b>
<b>Ended</b>	<b>Received</b>
2009	\$13,031
2010	10,000
2011	10,000
2012	10,000
	<u>\$43,031</u>

**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, 2008 and 2007 are as follows:

<b>Revenues</b>		
	<u>2008</u>	<u>2007</u>
Donated Satellite Offices (Note 2)	\$ 16,202,092	\$ 14,667,750
Donated Services	-	24,200
Special Events	72,102	45,598
	<u>\$ 16,274,194</u>	<u>\$ 14,737,548</u>
<b>Expenses</b>		
	<u>2008</u>	<u>2007</u>
Program Expenses	\$ 16,202,092	\$ 14,667,750
Donated Services	-	24,200
Special Events	72,102	45,598
	<u>\$ 16,274,194</u>	<u>\$ 14,737,548</u>

**THE JASON FOUNDATION, INC.**  
**Notes to Financial Statement - Continued**  
**For the Years Ended December 31, 2008 and 2007**

**Note 5. Concentrations of Risk**

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 \$113,580 and \$987,116 at December 31, 2008 and 2007, respectively.

**Note 5. Concentrations of Risk - Continued**

The Foundation relies on contributions and special events held to fund operations. For the years ended December 31, 2008 and 2007, support and in-kind donations from PSI totaled 95% and 94% of total revenue.

**Note 6. Operating Lease**

The Foundation rents office space under a lease that expires August 31, 2009 with a two year option and has an indexed rate each September 1. For the years ending December 31, 2008 and 2007, the Foundation paid rent expense of \$62,525 and \$61,705 respectively.

Future minimum lease payments are as follows:

<u>For the Year Ended</u>	<u>Minimum Lease Payments</u>
2009	\$ 41,683
	<u>\$ 41,683</u>

**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.

Temporarily Restricted

Temporarily restricted net assets as of December 31, 2008 and 2007 include the following:

	<u>2008</u>	<u>2007</u>
Building Fund	\$ 437,350	\$ 522,159
HCA Grant	-	4,300
The Community Foundation	3,926	3,926
Bank Atlantic Foundation Restricted to South Florida	-	1,500
Exchange Club Charities	1,613	2,063
National Expansion Restricted to New Mexico	4,204	5,451
National Expansion Restricted to Arkansas	5,932	16,279
National Expansion Restricted to Alabama	500	-
National Expansion Restricted to Georgia	50,000	-
State of Tennessee for Teacher In-Service	103,000	-
State of Tennessee for Youth Service	100,000	-
Total Temporarily Restricted	<u>\$ 706,525</u>	<u>\$ 555,678</u>

Permanently Restricted

Permanently restricted net assets include contributions to The Jason Foundation Permanent Endowment established during 2001. The endowment is managed by a three-member advisory board. All income from the endowment funds will be retained until the endowment goal of \$15 million is achieved, at which time the endowment is to make quarterly distributions of 1.25% of principal to the Foundation.

**Note 9. 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 2008 and 2007 were \$15,687 and \$12,803.

**THE JASON FOUNDATION, INC.**  
**Notes to Financial Statement - Continued**  
**For the Years Ended December 31, 2008 and 2007**

**Note 10. Line of Credit**

The Foundation has a \$400,000 revolving line of credit. Any advances on the line of credit along with any unpaid accrued interest are payable May 31, 2009. Interest on the balance is payable monthly at a rate of .25% below prime. The credit line is unsecured. No advances on the line of credit had been made as of December 31, 2008.

**Note 11. Construction in Progress**

The Foundation is conducting a capital campaign for the purpose of constructing a new corporate headquarters. As of December 31, 2008, the project is ongoing. The anticipated target completion date is June 2009.