

The Jason Foundation, Inc.

Financial Statements
For the Years Ended December 31, 2020 and 2019

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Independent Auditor's Report

Board of Directors
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 Foundation), which comprise the statements of financial position as of December 31, 2020 and 2019, 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, 2020 and 2019, and the results of its operations 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 11, 2021

The Jason Foundation, Inc.
Statements of Financial Position
December 31, 2020 and 2019

	2020	2019
Assets		
Current assets		
Cash	\$ 2,836,460	\$ 2,552,033
Reimbursements receivable	78,572	81,743
Grants receivable	30,000	71,997
Prepaid expenses	<u>4,993</u>	<u>4,525</u>
Total current assets	2,950,025	2,710,298
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	103,165	123,010
Vehicles	15,544	15,544
Software	-	6,465
Less: accumulated depreciation	<u>(574,822)</u>	<u>(555,517)</u>
Total fixed assets	<u>1,060,331</u>	<u>1,105,946</u>
Total assets	\$ 4,010,356	\$ 3,816,244
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 14,933	\$ 25,036
Payroll and payroll taxes payable	<u>13,659</u>	<u>3,474</u>
Total current liabilities	28,592	28,510
PPP loan	192,161	-
Deferred employee benefits	<u>214,282</u>	<u>218,733</u>
Total liabilities	435,035	247,243
Net assets		
Without donor restrictions		
Board-designated	200,000	200,000
Undesignated	<u>3,335,321</u>	<u>3,287,004</u>
Total net assets without donor restrictions	3,535,321	3,487,004
With donor restrictions	<u>40,000</u>	<u>81,997</u>
Total net assets	<u>3,575,321</u>	<u>3,569,001</u>
Total liabilities and net assets	\$ 4,010,356	\$ 3,816,244

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 restrictions	<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 Activities
For the Years Ended December 31, 2019

	Without donor restrictions	With donor restrictions	Total
Support and revenues			
Contributions	\$ 546,467	\$ -	\$ 546,467
Grants	142,623	71,997	214,620
Gifts in kind	6,783,033	-	6,783,033
Special events	214,784	-	214,784
Reimbursement revenues	767,219	-	767,219
Interest income	44,861	-	44,861
Total support and revenues	<u>8,498,987</u>	<u>71,997</u>	<u>8,570,984</u>
Expenses			
Program services	8,042,629	-	8,042,629
Supporting services:			
Management and general	129,152	-	129,152
Cost of direct benefits to donors	23,226	-	23,226
Fundraising	105,069	-	105,069
Total supporting services	<u>257,447</u>	<u>-</u>	<u>257,447</u>
Total expenses	<u>8,300,076</u>	<u>-</u>	<u>8,300,076</u>
Change in net assets	198,911	71,997	270,908
Net assets, beginning of year	<u>3,288,093</u>	<u>10,000</u>	<u>3,298,093</u>
Net assets, end of year	\$ 3,487,004	\$ 81,997	\$ 3,569,001

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.
Statement of Functional Expenses
For the Years Ended December 31, 2019

	Program services	Supporting Services		Total
		Management and general	Fundraising	
Donated services and facilities	\$ 6,738,854	\$ -	\$ -	\$ 6,738,854
Salaries	765,609	59,547	25,520	850,676
Payroll taxes	56,136	4,366	1,871	62,373
Employee benefits	78,651	6,117	2,622	87,390
Retirement	19,696	1,532	657	21,885
Mileage reimbursement	4,772	-	-	4,772
Advertising	1,625	-	-	1,625
Board of directors expenses	-	3,175	65	3,240
Conference and seminars	10,126	-	-	10,126
Depreciation	38,508	2,995	1,284	42,787
Dues and subscriptions	4,425	344	148	4,917
Educational programs	105,081	-	-	105,081
Equipment and maintenance	-	23,883	-	23,883
Insurance	12,130	943	404	13,477
Postage and shipping	16,339	4,048	-	20,387
Printing and publications	46	4,975	-	5,021
Professional fees	11,140	-	-	11,140
Public relations	-	4,372	-	4,372
Special events expense	-	-	50,842	50,842
Special events in kind	-	-	44,179	44,179
Supplies	18,778	791	198	19,767
Taxes and licenses	-	5,650	-	5,650
Technical and support services	15,644	-	-	15,644
Telephone and internet	15,871	668	167	16,706
Travel	44,992	140	-	45,132
Utilities	10,134	788	338	11,260
Website and virtual programs	74,072	-	-	74,072
Bank charges	-	2,510	-	2,510
Miscellaneous	-	2,308	-	2,308
	\$ 8,042,629	\$ 129,152	\$ 128,295	\$ 8,300,076

The Jason Foundation, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash, beginning of year	\$ 2,552,033	\$ 2,274,813
Cash flows from operating activities		
Change in net assets	6,320	270,908
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	45,615	42,787
Change in:		
Reimbursements receivable	3,171	(22,318)
Grants receivable	41,997	(71,997)
Prepaid expenses	(468)	42
Accounts payable	(10,103)	9,945
Payroll and payroll taxes payable	10,185	(454)
Deferred revenues	-	(7,700)
Deferred employee benefits	(4,451)	73,304
Net cash provided (used) by operating activities	92,266	294,517
Cash flows from investing activities		
Purchase of fixed assets	-	(17,297)
Cash flows from financing activities		
Proceeds from PPP loan	192,161	-
Net change in cash	284,427	277,220
Cash, end of year	\$ 2,836,460	\$ 2,552,033

The Jason Foundation, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

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 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 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.

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 eight days of PTO into a PTO bank until they reach thirty days. Once employees have thirty days in their PTO bank, they are eligible for a payout of 70% of 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 thirty 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, 2020 and 2019

Note 1. Summary of Significant Accounting Policies

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 five to thirty years. Depreciation expense for the years ended December 31, 2020 and 2019 was \$45,616 and \$42,787, respectively.

PPP Loan

On January 30, 2020, the World Health Foundation 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 a loan 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 the 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 loan 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, 2020 and 2019, no allowance has been recorded. There were no promises to give as of December 31, 2020 or 2019.

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, 2020 and 2019

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, 2020 and 2019 were \$125 and \$1,625, respectively.

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, 2020 and 2019 were \$48,179 and \$74,778, respectively.

The Jason Foundation, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

Note 2. Availability and Liquidity

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

	2020	2019
Financial assets		
Cash	\$ 2,836,460	\$ 2,552,033
Reimbursements receivable	78,572	81,743
Grants receivable	<u>30,000</u>	<u>71,997</u>
Total financial assets at year-end	2,945,032	2,705,773
Less: amounts not available to be used within one year		
Net assets with donor restrictions	(40,000)	(81,997)
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	\$ 2,705,032	\$ 2,423,776

The Foundation's goal is to maintain financial assets to meet ninety 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 \$6,823,576 in 2020 and \$6,738,854 in 2019. As of December 31, 2020 and 2019, affiliates owed the Foundation \$78,572 and \$81,743 for unreimbursed expenses. As of December 31, 2020 and 2019, there were 144 and 125 affiliate offices, respectively. The number of offices varies from month to month.

Note 4. Concentrations of Risk

The Foundation relies on contributions and special events to fund operations. For the years ended December 31, 2020 and 2019, five donors accounted for 86% and 81% 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 \$1,098,621 and \$811,757 at December 31, 2020 and 2019, respectively.

The Jason Foundation, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

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	2020	2019
Gifts in kind		\$ 6,823,576	\$ 6,738,854
Special events		<u>-</u>	<u>44,179</u>
		\$ 6,823,576	\$ 6,783,033
	Expenses	2020	2019
Donated services and facilities – affiliates		\$ 6,823,576	\$ 6,738,854
Special events		<u>-</u>	<u>44,179</u>
		\$ 6,823,576	\$ 6,783,033

Note 6. Net Assets

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

	2020	2019
Specific purpose		
Support services – Guard your Buddy	\$ 10,000	\$ 10,000
Passage of time		
Grants receivable	<u>30,000</u>	<u>71,997</u>
Total net assets with donor restrictions	\$ 40,000	\$ 81,997

Net assets without donor restrictions for the years ended December 31, 2020 and 2019 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, 2020 and 2019, there was no outstanding balance. Interest is payable monthly at a rate of 0.5% above index. The interest rates at December 31, 2020 and 2019 were 3.75% and 5.25%, respectively.

The Jason Foundation, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

Note 8. PPP Loan

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. Under this loan program, the Foundation may be eligible for forgiveness of some portion of the loan up to 100%, if and when qualifying conditions are met. Accounting for the loan and any future forgiveness could have an impact on the future financial reporting. The unsecured note bears interest at the rate of 1.00% and matures on August 7, 2023. As long as the Foundation submits its loan forgiveness application within 10 months of December 31, 2020, the Foundation will not be required to make any payments on the loan until the forgiveness amount is remitted to the lender by the U.S. Small Business Administration (SBA). If the loan is fully forgiven, the Foundation will not be responsible for any payments.

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

Note 9. Operating Leases

The Foundation leases copiers under an operating lease expiring March 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, 2020 are as follows:

Year ended December 31, 2021	\$1,061
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Rental expense for all operating leases for the years ended December 31, 2020 and 2019 was \$5,122 and \$4,935, 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. Total Foundation contributions for the years ended December 31, 2020 and 2019, were \$22,024 and \$21,884, respectively.

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.

The Jason Foundation, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2020 and 2019

Note 12. **Subsequent Events**

Management has evaluated subsequent events through February 11 2021, the date on which the financial statements were available for issuance.

The Foundation received forgiveness of the PPP Loan on February 1, 2021. Additionally, the Foundation was awarded an additional PPP Loan in the amount of \$192,160 on February 10, 2021.