



**THE JORDAN PORCO FOUNDATION**

Financial Statements

December 31, 2015 and 2014

(With Independent Auditors' Report Thereon)

**THE JORDAN PORCO FOUNDATION**

Financial Statements

December 31, 2015 and 2014

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**KPMG LLP**  
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## **Independent Auditors' Report**

The Board of Directors of  
The Jordan Porco Foundation:

We have audited the accompanying financial statements of The Jordan Porco Foundation (a Connecticut corporation, not for profit), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and changes in net assets, cash flows, and functional expenses 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 U.S. generally accepted accounting principles; 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.

### ***Auditors' 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 Jordan Porco Foundation as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

**KPMG LLP**

July 15, 2016

**THE JORDAN PORCO FOUNDATION**

Statements of Financial Position

December 31, 2015 and 2014

<b>Assets</b>	<b>2015</b>	<b>2014</b>
Cash	\$ 64,673	217,120
Pledges receivable	45,500	92,000
Other current assets	42,522	25,923
Investments	2,049,352	1,641,902
Furniture and equipment, net	31,253	—
Total assets	<u>\$ 2,233,300</u>	<u>1,976,945</u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 12,190	6,452
Net assets:		
Unrestricted		
Operating	160,358	1,951,563
Board designated	2,049,352	—
Temporarily restricted	11,400	18,930
Total net assets	<u>2,221,110</u>	<u>1,970,493</u>
Total liabilities and net assets	<u>\$ 2,233,300</u>	<u>1,976,945</u>

See accompanying notes to financial statements.

**THE JORDAN PORCO FOUNDATION**

Statement of Activities and Changes in Net Assets

Year ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
Operating revenue:			
Contributions	\$ 704,097	10,250	714,347
Grants and sponsorships	46,000	—	46,000
Sales of product income	2,500	—	2,500
Special events revenue	308,692	—	308,692
Less: costs of direct benefits to donors	(169,973)	—	(169,973)
Net revenues from special events	138,719	—	138,719
In-kind donations of goods and services	331,233	—	331,233
Net assets released from restriction – purpose	17,780	(17,780)	—
Total operating revenue	<u>1,240,329</u>	<u>(7,530)</u>	<u>1,232,799</u>
Operating expenses:			
Program	592,560	—	592,560
Fundraising	178,936	—	178,936
General and administrative	118,194	—	118,194
Total operating expenses	<u>889,690</u>	<u>—</u>	<u>889,690</u>
Changes in net assets from operations	<u>350,639</u>	<u>(7,530)</u>	<u>343,109</u>
Nonoperating activity:			
Interest income	58	—	58
Investment income	92,193	—	92,193
Investment expenses	(14,900)	—	(14,900)
Unrealized loss	(169,843)	—	(169,843)
Total nonoperating activity	<u>(92,492)</u>	<u>—</u>	<u>(92,492)</u>
Changes in net assets	258,147	(7,530)	250,617
Net assets, beginning of year	1,951,563	18,930	1,970,493
Net assets, end of year	<u>\$ 2,209,710</u>	<u>11,400</u>	<u>2,221,110</u>

See accompanying notes to financial statements.

**THE JORDAN PORCO FOUNDATION**

Statement of Activities and Changes in Net Assets

Year ended December 31, 2014

	Unrestricted	Temporarily restricted	Total
Operating revenue:			
Contributions	\$ 677,687	24,232	701,919
Special events revenue	176,618	—	176,618
Less: costs of direct benefits to donors	(74,058)	—	(74,058)
Net revenues from special events	102,560	—	102,560
In-kind donations of goods and services	266,665	—	266,665
Net assets released from restriction – purpose	6,732	(6,732)	—
Total operating revenue	1,053,644	17,500	1,071,144
Operating expenses:			
Program	347,221	—	347,221
Fundraising	137,627	—	137,627
General and administrative	94,748	—	94,748
Total operating expenses	579,596	—	579,596
Changes in net assets from operations	474,048	17,500	491,548
Nonoperating activity:			
Interest income	108	—	108
Investment income	61,097	—	61,097
Investment expenses	(8,359)	—	(8,359)
Unrealized gain	3,194	—	3,194
Total nonoperating activity	56,040	—	56,040
Changes in net assets	530,088	17,500	547,588
Net assets, beginning of year	1,421,475	1,430	1,422,905
Net assets, end of year	\$ 1,951,563	18,930	1,970,493

See accompanying notes to financial statements.

**THE JORDAN PORCO FOUNDATION**

Statements of Cash Flows

Years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Changes in net assets	\$ 250,617	547,588
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	3,473	—
Changes in operating assets and liabilities:		
Pledges receivable	46,500	(27,912)
Other current assets	(16,599)	(2,901)
Accounts payable and accrued expenses	5,738	(1,063)
Unrealized changes in fair value of investments	169,843	(3,194)
Net cash provided by operating activities	459,572	512,518
Cash flows from investing activities		
Purchase of investments	(577,293)	(552,738)
Purchase of furniture and equipment	(34,726)	—
Net cash used in investing activities	(612,019)	(552,738)
Net decrease in cash	(152,447)	(40,220)
Cash, beginning of year	217,120	257,340
Cash, end of year	\$ <u>64,673</u>	<u>217,120</u>
Supplemental cash flow information:		
In-kind contributions	\$ 331,233	266,665

See accompanying notes to financial statements.

**THE JORDAN PORCO FOUNDATION**

Statement of Functional Expenses

Year ended December 31, 2015

	Program services	Fund raising	General and administrative	Total
Contracted services	\$ 238,463	153,360	62,934	454,757
Scholarships and awards	2,000	—	—	2,000
Travel	6,893	304	63	7,260
Supplies	56,980	2,767	1,175	60,922
Miscellaneous	11,603	4,677	8,635	24,915
Depreciation expense	3,473	—	—	3,473
Communications	2,137	267	267	2,671
Conferences and meetings	302	1,787	370	2,459
Total expenses before in-kind goods and services	321,851	163,162	73,444	558,457
In-kind goods and services:				
Contracted services	232,783	4,556	37,500	274,839
Rent	37,286	7,250	7,250	51,786
Supplies	640	3,968	—	4,608
Total in-kind goods and services	270,709	15,774	44,750	331,233
Total expenses	\$ 592,560	178,936	118,194	889,690

See accompanying notes to financial statements.



**THE JORDAN PORCO FOUNDATION**

Statement of Functional Expenses

Year ended December 31, 2014

	Program services	Fund raising	General and administrative	Total
Contracted services	\$ 112,346	89,162	34,090	235,598
Scholarships and awards	—	4,500	—	4,500
Travel	7,799	—	—	7,799
Supplies	37,485	2,312	—	39,797
Miscellaneous	9,184	6,293	5,825	21,302
Communications	614	614	307	1,535
Conferences and meetings	714	1,407	279	2,400
Total expenses before in-kind goods and services	168,142	104,288	40,501	312,931
In-kind goods and services:				
Contracted services	164,499	19,083	45,083	228,665
Rent	14,580	14,256	7,164	36,000
Supplies	—	—	2,000	2,000
Total in-kind goods and services	179,079	33,339	54,247	266,665
Total expenses	\$ 347,221	137,627	94,748	579,596

See accompanying notes to financial statements.

## THE JORDAN PORCO FOUNDATION

Notes to Financial Statements

December 31, 2015 and 2014

### (1) Operations, Nonprofit Status and Significant Accounting Policies

#### (a) *Operations and Nonprofit Status*

The Jordan Porco Foundation (the Foundation), is a Connecticut not-for-profit corporation founded in 2011. The Foundation was created to prevent suicide, promote mental health and create a message of hope for young adults by helping to challenge stigma, offering engaging and uplifting programming, promoting help seeking behavior and educating about the risk factors and warning signs of suicide.

The Foundation is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code. The Foundation is also exempt from state income taxes. Donors may deduct contributions made to the Foundation within the Internal Revenue Code requirements.

#### (b) *Significant Accounting Policies*

The Foundation prepares its financial statements in accordance with U.S. generally accepted accounting principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these footnotes are to the FASB Accounting Standards Codification.

#### **Revenue Recognition**

Unrestricted contributions are recorded as revenue when received or unconditionally pledged. Restricted contributions are recorded as temporarily restricted revenues and net assets when received or conditionally pledged. Expirations of temporary restrictions recognized on net assets are reported as net assets released from restrictions. Interest is recognized when earned. All other revenues are recorded when earned.

Contributions of assets other than cash are recorded at their estimated fair value. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

An internal special event is a fund raising event coordinated and staffed by Foundation personnel rather than a third-party support group or organization. It is designed to attract people for the purpose of raising mission awareness, for increasing funding from existing donors, and the cultivation of future donors.

#### **Expense Allocation**

Expenses related directly to a program are distributed to that program, while other expenses are allocated based upon management's estimate of the percentage attributable to each program.

#### **Grant Expense**

The Foundation recognizes grant expense when the Board of Directors approves the award.

## THE JORDAN PORCO FOUNDATION

Notes to Financial Statements

December 31, 2015 and 2014

### **Estimates**

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **Uncertainty in Income Taxes**

The Foundation follows the criteria for *Accounting for Uncertainty in Income Taxes* (Accounting Standards Codification 740), which requires the Foundation to report uncertain tax positions, related interest and penalties, and to adjust its assets and liabilities related to unrecognized tax benefits and accrued interest and penalties accordingly. As of December 31, 2015 and 2014, the Foundation determined that there are no material unrecognized tax benefits to report. The Foundation files information returns in the United States (Federal) and Connecticut (State) jurisdictions. These returns are generally subject to examination by tax authorities for the last three years.

### **Subsequent Events**

Subsequent events have been evaluated through July 15, 2016, the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

### **Pledges Receivable**

Pledges receivables are recorded as unconditionally committed. All pledges are anticipated to be collected in 2016.

### **Furniture and Equipment**

Purchased furniture and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over an estimated useful life of five years for each respective asset.

### **Investments and Fair Value**

Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants as of the measurement date. The Foundation uses a three-tiered hierarchy to categorize investments carried at fair value.

The three levels of the fair value hierarchy are as follows:

- *Level 1* – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Association has the ability to access at the measurement date.

## THE JORDAN PORCO FOUNDATION

### Notes to Financial Statements

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- *Level 2* – observable prices that are based on inputs not quoted in active markets, but corroborated by market data. In addition, Level 2 includes investments reported using net asset value (NAV) as a practical expedient to estimate fair value that are redeemable in the near term.
- *Level 3* – unobservable inputs that are used when little or no market data is available. In addition, Level 3 includes investments reported at NAV that are not redeemable in the near term.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement in its entirety. The fair value of shares are based on share prices reported by the funds as of the last business day of the fiscal year.

The Foundation's investments at December 31, 2015 and 2014, which are reported at fair value, are summarized in the following table by their fair value hierarchy classification:

	<b>2015</b>	<b>2014</b>	<b>Redemption</b>	<b>Days' notice</b>
	<b>Level 1</b>	<b>Level 1</b>	<b>or liquidation</b>	
Assets:				
Investments:				
U.S. equity	\$ 510,782	310,235	Daily	1
Fixed income	1,054,356	1,023,568	Daily	1
Real estate/commodities	171,043	63,942	Daily	1
International equity	313,137	243,677	Daily	1
Money market	34	480	Daily	1
Total investments	\$ 2,049,352	1,641,902		

The Foundation incurred investment management fees to maintain invested assets totaling \$14,900 and \$8,359 for the years ended December 31, 2015 and 2014, respectively.

#### **Allowance for Doubtful Accounts and Pledges**

An allowance for doubtful accounts is recorded based on management's analysis of specific pledges receivable and their estimate of amounts that may be uncollectible, if any. As of December 31, 2015 and 2014, the Foundation has determined that an allowance for uncollectible amounts is not necessary.

## **(2) Net Assets**

### **(a) Unrestricted Net Assets**

- *Operating* - Operating unrestricted net assets are not subject to donor-imposed stipulations and are generally available for use by the Foundation.
- *Board designated* - Board designated unrestricted net assets are set aside by the Board as a working capital reserve to be used for program support, new program development and operations. The use of these net assets require Board approval.

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**(b) *Temporarily Restricted Net Assets***

The Foundation receives contributions which are designated by donors for specific purposes. These contributions are recorded as temporarily restricted net assets until they are expended for their designated purposes or the passage of the designated time restriction. Temporarily restricted net assets are restricted at December 31, 2015 and 2014 for scholarships or time restriction.

**(3) Concentrations**

The Foundation maintains its cash with one bank, which is insured within the limits of the Federal Deposit Insurance Corporation (FDIC). At certain times during the year, cash balances exceed the insured amounts.

The Foundation has not experienced any losses in such accounts. The Foundation believes it is not exposed to any significant credit risk on cash.

**(4) Related Party**

A member of the Board of Directors provides marketing services to the Foundation at a significant discounted fee. The difference is recorded as in-kind services. The Board follows a written conflict of interest policy and all related party transactions are documented and approved in accordance with the policy.