THE JORDAN PORCO FOUNDATION

Independent Auditors' Report
Financial Statements

December 31, 2019 and 2018

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THE JORDAN PORCO FOUNDATION

Financial Statements

December 31, 2019 and 2018

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INDEPENDENT AUDITORS' REPORT

To 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, 2019 and 2018, 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

Management is responsible for the preparation and fair presentation of the 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.

Auditors' Responsibility

Our responsibility is to express and opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standard 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 auditors' 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, 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.

Whittlesey PC

Hartford, Connecticut
May 13, 2020

THE JORDAN PORCO FOUNDATION

Statements of Financial Position

December 31, 2019 and 2018

Assets	2019	2018
Cash	$ 138,091	$ 260,009
Pledges receivable	83,688	52,300
Other assets	33,933	38,767
Investments	2,318,728	1,980,019
Furniture and equipment, net	6,266	14,403
Total assets	$ 2,580,706	$ 2,345,498
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$ 8,739	$ 9,620
Net assets without donor restrictions	2,509,756	2,289,678
Net assets with donor restrictions	62,211	46,200
Total net assets	2,571,967	2,335,878
Total liabilities and net assets	$ 2,580,706	$ 2,345,498

The accompanying notes are an integral part of the financial statements.

THE JORDAN PORCO FOUNDATION

Statement of Activities and Changes in Net Assets

For the year ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue:			
Contributions	$ 487,185	$ 62,211	$ 549,396
Grants and sponsorships	33,250	-	33,250
Sales of product income	1,840	-	1,840
Program service fees	16,632	-	16,632
Special events revenue	119,604	-	119,604
Less: costs of direct benefits to donors	(114,821)	-	(114,821)
Net revenues from special events	4,783	-	4,783
In-kind donations of goods and services	181,376		181,376
Net assets released from restriction	46,200	(46,200)	-
Total operating revenue	771,266	16,011	787,277
Operating expenses:			
Program services	720,869	-	720,869
Fundraising	87,022	-	87,022
General and administrative	82,061	-	82,061
Total operating expenses	889,952	-	889,952
Change in net assets from operations	(118,686)	16,011	(102,675)
Nonoperating activity:			
Investment income, net of expenses	54,094	-	54,094
Unrealized gain	284,670	-	284,670
Total nonoperating activity	338,764	-	338,764
Change in net assets	220,078	16,011	236,089
Net assets, beginning of year	2,289,678	46,200	2,335,878
Net assets, end of year	$ 2,509,756	$ 62,211	$ 2,571,967

The accompanying notes are an integral part of the financial statements.

THE JORDAN PORCO FOUNDATION

Statement of Activities and Changes in Net Assets

For the year ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue:			
Contributions	$ 325,435	$ 46,200	$ 371,635
Grants and sponsorships	40,000	-	40,000
Sales of product income	300	-	300
Program service fees	12,345	-	12,345
Special events revenue	151,137	-	151,137
Less: costs of direct benefits to donors	(146,126)	-	(146,126)
Net revenues from special events	5,011	-	5,011
In-kind donations of goods and services	286,103	-	286,103
Net assets released from restriction	226,172	(226,172)	-
Total operating revenue	895,366	(179,972)	715,394
Operating expenses:			
Program services	783,501	-	783,501
Fundraising	167,264	-	167,264
General and administrative	88,324	-	88,324
Total operating expenses	1,039,089	-	1,039,089
Change in net assets from operations	(143,723)	(179,972)	(323,695)
Nonoperating activity:			
Investment income, net of expenses	46,212	-	46,212
Unrealized loss	(153,798)	-	(153,798)
Total nonoperating activity	(107,586)	-	(107,586)
Change in net assets	(251,309)	(179,972)	(431,281)
Net assets, beginning of year	2,540,987	226,172	2,767,159
Net assets, end of year	$ 2,289,678	$ 46,200	$ 2,335,878

The accompanying notes are an integral part of the financial statements.

THE JORDAN PORCO FOUNDATION

Statements of Cash Flows

For the years ended December 31, 2019 and 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	$ 236,089	$ (431,282)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	8,137	8,032
Unrealized (gain)/loss on investments	(284,670)	153,798
Changes in operating assets and liabilities:		
Pledges and accounts receivable	(31,388)	34,250
Other assets	4,834	12,025
Accounts payable and accrued expenses	(881)	(11,750)
Net cash flows from operating activities	(67,879)	(234,927)
Cash flows from investing activities		
Sale of investments	-	253,852
Purchase of investments	(54,039)	-
Purchase of furniture and equipment	-	(1,053)
Net cash flows from investing activities	(54,039)	252,799
Net (decrease)/increase in cash	(121,918)	17,872
Cash, beginning of year	260,009	242,137
Cash, end of year	$ 138,091	$ 260,009

The accompanying notes are an integral part of the financial statements.

THE JORDAN PORCO FOUNDATION

Statement of Functional Expenses

For the year ended December 31, 2019

	Program Services	Fundraising	General and Administrative	Total
Personnel	$ 375,764	$ 73,308	$ 20,436	$ 469,508
Occupancy, rent and supplies	87,071	499	36,955	124,525
Contracted services	36,790	3,617	11,022	51,429
Marketing and communications	21,939	751	5,405	28,095
Dues, subscriptions, and fees	10,670	1,707	1,907	14,284
Insurance	6,698	837	837	8,372
Depreciation	8,137	-	-	8,137
Travel and meetings	3,717	303	206	4,226
Total expenses before in-kind goods and services	550,786	81,022	76,768	708,576
In-kind goods and services:				
Supplies	100,000	-	-	100,000
Contracted services	70,083	6,000	5,293	81,376
Total in-kind goods and services	170,083	6,000	5,293	181,376
Total expenses	$ 720,869	$ 87,022	$ 82,061	$ 889,952

The accompanying notes are an integral part of the financial statements.

THE JORDAN PORCO FOUNDATION

Statement of Functional Expenses

For the year ended December 31, 2018

	Program Services	Fundraising	General and Administrative	Total
Personnel	$ 331,213	$ 150,420	$ 36,433	$ 518,066
Occupancy, rent and supplies	114,882	372	15,562	130,816
Contracted services	24,741	6,711	10,681	42,133
Marketing and communications	25,305	1,622	1,316	28,243
Dues, subscriptions, and fees	12,616	3,701	1,096	17,413
Depreciation	8,032	-	-	8,032
Travel and meetings	4,796	338	249	5,383
Insurance	2,651	-	249	2,900
Total expenses before in-kind goods and services	524,236	163,164	65,586	752,986
In-kind goods and services:				
Contracted services	124,703	-	18,638	143,341
Supplies	101,764	-	-	101,764
Rent	32,798	4,100	4,100	40,998
Total in-kind goods and services	259,265	4,100	22,738	286,103
Total expenses	$ 783,501	$ 167,264	$ 88,324	$ 1,039,089

The accompanying notes are an integral part of the financial statements.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Operations and Tax Exempt 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.

Basis of Presentation
The Foundation prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). Net assets, revenues, expenses, gains and losses are classified based on the existence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein, are classified and reported as follows:

> 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.

Revenue Recognition
Grants may be considered an exchange transaction or a conditional/unconditional promise to give. The Foundation recognizes grants deemed to be an exchange transaction when earned. Grants considered to be unconditional promises to give are recognized when awarded. Grants considered to be conditional promises to give are recognized when the condition is met. Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of funds to the grantor. The Foundation has not been informed by any agencies of any funds which are required to be returned.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES – *(CONTINUED)*

The Foundation reports unconditional promises to give as revenue when the promise is received. Conditional promises to give are recognized as revenue when the condition is met. Contributions received are recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions. 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 restriction and reported in the consolidated statement of activities as net assets released from restrictions.

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 fundraising 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.

Program service fees consist of revenues from event admission or other Foundation program services provided to customers, the purpose of which is to raise mission awareness. Program service revenue is recognized at the point in time when the Foundation has fulfilled its performance obligations in providing an event and/or program service to a customer.

Pledges and Accounts Receivable
Pledges receivables are recorded as unconditionally committed. All pledges are anticipated to be collected within twelve months. Accounts receivable are stated at the amounts management expects to collect from outstanding balances.

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, 2019 and 2018, the Foundation has determined that an allowance for uncollectible amounts is not necessary.

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.

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.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES – *(CONTINUED)*

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 Foundation has the ability to access at the measurement date.
>
> Level 2 – observable prices that are based on inputs not quoted in active markets, but corroborated by market data.
>
> 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 Foundation's investments are in mutual funds for the years ended December 31, 2019 and 2018. Fair value of shares in registered mutual funds is based on the share prices reported by the fund as of the last business day of the fiscal year.

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 Foundation's investments at December 31, 2019 and 2018, which are reported at fair value, are summarized in the following table by their value hierarchy classification:

	2019	2018
	Level 1	Level 1
Investments in mutual funds:		
Stock Funds	$ 392,580	$ 289,369
Bond Funds	758,593	873,047
Equity exchange traded products	965,297	800,762
Money market	202,258	16,841
Total investments	$ 2,318,728	$ 1,980,019

The Foundation incurred investment management fees totaling $16,699 and $18,158 to maintain invested assets for the years ended December 31, 2019 and 2018, respectively.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES – *(CONTINUED)*

Functional Expenses
The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. 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. All costs are allocated based on time and effort except for rent, which is allocated based upon square footage.

New Accounting Pronouncement
During the year ended December 31, 2019, the Foundation adopted Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606),* which provides a single comprehensive model for revenue recognition. The new guidance's core principle is that the Foundation will recognize revenue when it transfers control over promised goods or services in an amount that reflects the consideration to which the Foundation expects to be entitled in exchange for those goods or services. The Foundation adopted the new revenue guidance using the modified retrospective method on January 1, 2019. Therefore, the comparative information has not been restated and continues to be reported under the accounting standards in effect for that period.

The Foundation evaluated each revenue stream and applied ASU 2014-09. As a result of this change in accounting guidance, the Foundation updated its revenue recognition policies and disclosures. ASU 2014-09 did not impact the amount of revenue recognized in previous periods, and, accordingly, there was no impact to the Foundation's opening net asset balances upon adoption. The Foundation does not expect the impact of the adoption of the new standard to be material to the results of operations on an ongoing basis.

During the year ended December 31, 2019, the Foundation adopted ASU No. 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which provides clarification about whether a transfer or assets is a contributions or an exchange transaction and whether a contribution is conditional or unconditional. The Foundation adopted the new guidance under the modified prospective basis. Therefore, the new guidance was applied to revenue that had not yet been recognized on agreements that were not completed as of January 1, 2018 and revenue related to agreements that were entered into after January 1, 2018. The comparative information has not been restated and continues to be reported under the accounting standards in effect for that period. As a result, there was no cumulative effect adjustment to opening net assets without donor restrictions or opening net assets without donor restrictions as of January 1, 2018. In comparison to the year ended December 31, 2018, the effect of adopting the new accounting principle has no effect on grant revenue.

The Foundation has analyzed the provisions of ASU 2014-09 and ASU 2018-08 and has concluded that no changes are necessary to conform with the new standard.

Reclassifications
Certain amounts from 2018 have been reclassified to conform to the 2019 presentation of the financial statements. These reclassifications had no impact on the total value of the Foundation's net assets.

NOTE 2 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes or periods as of December 31,:

	2019	2018
For the subsequent year for programs	$ 62,211	$ 46,200

NOTE 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.

NOTE 4 – AVAILABILITY AND LIQUIDITY

The following represents the Foundation's financial assets available to meet general expenditures over the next twelve months at December 31:

	2019	2018
Cash	$ 138,091	$ 260,009
Pledges and accounts receivable	83,688	52,300
Investments	2,318,728	1,980,019
	2,540,507	2,292,328
Less amounts not available to be used within one year:		
Net assets with donor restrictions	62,211	46,200
Financial assets available to meet general expenditures over the next year	$ 2,478,296	$ 2,246,128

The Foundation has a policy of structuring its liquid assets to meet operating requirements. The Foundation's investment portfolio is structured so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio consists of securities that are traded in active markets.

NOTE 5 – SUBSEQUENT EVENTS

The Foundation monitored and evaluated subsequent events for footnote disclosures or adjustments required in its financial statements for the year ended December 31, 2019 through May 13, 2020, the date on which the financial statements were available to be issued.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a pandemic. COVID-19 has caused significant disruption in the national and global economy. The Foundation's operating activities, liquidity, cash flows, and forecasts may be adversely affected by this global pandemic. In addition, there has generally been a decline in the market value of marketable securities subsequent to December 31, 2019.

Because a significant portion of the Foundation's revenue is achieved through fundraising in conjunction with and at special events which require the gathering of large groups of people, it is likely that many if not all of these events will be cancelled through the remainder of 2020. The Foundation is shifting to place greater emphasis on revenue generating activities that are not impacted by large gatherings. As a result of these matters, it is likely that operating results for 2020 may be materially adversely affected by the COVID-19 pandemic. While the disruption is currently expected to be temporary, there is uncertainty related to the duration. Therefore, the related financial impact cannot be reasonably estimated at this time.

The Foundation has the ability to liquidate its investments in marketable securities as deemed necessary to provide liquidity. In addition, the Foundation received approval for a Small Business Administration ("SBA") Paycheck Protection Program ("PPP") loan in the amount of $99,870 and received the loan funds on April 28, 2020. Under the PPP, funds are forgivable if utilized for qualified expenditures according to the program criteria incurred over the eight-week period following the date of funding. In order to qualify for forgiveness, of the total funding, 75% must be spent on eligible payroll expenses, and the remaining 25% on other expenditures, such as rent and utilities. Any unforgiven balance must be repaid over two years at an annual interest rate of 1% with an initial deferment period of six months from disbursement date of loan (interest will accrue). Details of eligible forgivable expenses are fluid, and final guidance has not yet been determined by SBA, auditors or banks. The Foundation intends to comply with all requirements of the loan to ensure that the maximum loan amount allowed is forgiven.

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