

THE JORDAN PORCO FOUNDATION

Independent Accountants' Review Report
Financial Statements

December 31, 2020 and 2019



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THE JORDAN PORCO FOUNDATION

Financial Statements

December 31, 2020 and 2019

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
The Jordan Porco Foundation

Report on the Financial Statements

We have reviewed 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, 2020, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on Comparative Information

We have previously audited The Jordan Porco Foundation's financial statements for the year ending December 31, 2019, and our report dated May 13, 2020, expressed an unmodified opinion on those audited financial statements. In our opinion, the comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Whittlesey PC". The signature is written in a cursive, flowing style.

Hartford, Connecticut
May 20, 2021

THE JORDAN PORCO FOUNDATION

Statements of Financial Position

December 31, 2020 and 2019

Assets	<u>2020</u>	<u>2019</u>
Cash	\$ 110,537	\$ 138,091
Pledges receivable	8,000	83,688
Other assets	72,776	33,933
Investments	2,322,095	2,318,728
Furniture and equipment, net	<u>1,603</u>	<u>6,266</u>
 Total assets	 <u>\$ 2,515,011</u>	 <u>\$ 2,580,706</u>
 Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	<u>\$ 46,468</u>	<u>\$ 8,739</u>
Net Assets:		
Net assets without donor restrictions	2,450,043	2,509,756
Net assets with donor restrictions	<u>18,500</u>	<u>62,211</u>
Total net assets	<u>2,468,543</u>	<u>2,571,967</u>
 Total liabilities and net assets	 <u>\$ 2,515,011</u>	 <u>\$ 2,580,706</u>

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, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue:			
Contributions	\$ 197,186	\$ -	\$ 197,186
Grants and sponsorships	31,800	18,500	50,300
Sales of product	423	-	423
Program service fees	8,200	-	8,200
 Special events revenue	 20,770	 -	 20,770
Less: costs of direct benefits to donors	(17,730)	-	(17,730)
Net revenues from special events	3,040	-	3,040
 Paycheck Protection Program loan forgiveness	 99,870	 -	 99,870
In-kind donations of goods and services	232,359	-	232,359
Net assets released from restriction	62,211	(62,211)	-
Total operating revenue	<u>635,089</u>	<u>(43,711)</u>	<u>591,378</u>
Operating expenses:			
Program services	733,628	-	733,628
Fundraising	88,404	-	88,404
General and administrative	74,164	-	74,164
Total operating expenses	<u>896,196</u>	<u>-</u>	<u>896,196</u>
Change in net assets from operations	<u>(261,107)</u>	<u>(43,711)</u>	<u>(304,818)</u>
Nonoperating activity:			
Investment income, net of expenses	168,302	-	168,302
Unrealized gain	33,092	-	33,092
Total nonoperating activity	<u>201,394</u>	<u>-</u>	<u>201,394</u>
Change in net assets	(59,713)	(43,711)	(103,424)
Net assets, beginning of year	<u>2,509,756</u>	<u>62,211</u>	<u>2,571,967</u>
Net assets, end of year	<u>\$ 2,450,043</u>	<u>\$ 18,500</u>	<u>\$ 2,468,543</u>

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	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	<u>771,266</u>	<u>16,011</u>	<u>787,277</u>
Operating expenses:			
Program services	720,869	-	720,869
Fundraising	87,022	-	87,022
General and administrative	82,061	-	82,061
Total operating expenses	<u>889,952</u>	<u>-</u>	<u>889,952</u>
Change in net assets from operations	<u>(118,686)</u>	<u>16,011</u>	<u>(102,675)</u>
Nonoperating activity:			
Investment income, net of expenses	54,094	-	54,094
Unrealized loss	284,670	-	284,670
Total nonoperating activity	<u>338,764</u>	<u>-</u>	<u>338,764</u>
Change in net assets	220,078	16,011	236,089
Net assets, beginning of year	<u>2,289,678</u>	<u>46,200</u>	<u>2,335,878</u>
Net assets, end of year	<u>\$ 2,509,756</u>	<u>\$ 62,211</u>	<u>\$ 2,571,967</u>

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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ (103,424)	\$ 236,089
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	4,663	8,137
Unrealized gain on investments	(33,092)	(284,670)
Changes in operating assets and liabilities:		
Pledges and accounts receivable	75,688	(31,388)
Other assets	(38,843)	4,834
Accounts payable and accrued expenses	37,729	(881)
Net cash flows from operating activities	<u>(57,279)</u>	<u>(67,879)</u>
Cash flows from investing activities:		
Sale of investments	29,725	-
Purchase of investments	-	(54,039)
Net cash flows from investing activities	<u>29,725</u>	<u>(54,039)</u>
Net change in cash	(27,554)	(121,918)
Cash, beginning of year	138,091	260,009
Cash, end of year	<u>\$ 110,537</u>	<u>\$ 138,091</u>

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, 2020

	Program Services	Fundraising	General and Administrative	Total
Personnel	\$ 403,880	\$ 78,793	\$ 21,965	\$ 504,638
Occupancy, rent and supplies	35,990	660	27,120	63,770
Contracted services	37,675	2,941	12,967	53,583
Special events	-	17,730	-	17,730
Marketing and communications	10,118	519	2,983	13,620
Dues, subscriptions, and fees	8,178	4,625	888	13,691
Insurance	6,270	784	596	7,650
Depreciation	4,663	-	-	4,663
Travel and meetings	2,058	82	82	2,222
Total expenses before in-kind goods and services	<u>508,832</u>	<u>106,134</u>	<u>66,601</u>	<u>681,567</u>
In-kind goods and services:				
Supplies	1,617	-	-	1,617
Contracted services	223,179	-	7,563	230,742
Total in-kind goods and services	<u>224,796</u>	<u>-</u>	<u>7,563</u>	<u>232,359</u>
Total expenses	<u>\$ 733,628</u>	<u>\$ 106,134</u>	<u>\$ 74,164</u>	<u>\$ 913,926</u>

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
Special events	-	114,821	-	114,821
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	<u>550,786</u>	<u>195,843</u>	<u>76,768</u>	<u>823,397</u>
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	<u>170,083</u>	<u>6,000</u>	<u>5,293</u>	<u>181,376</u>
Total expenses	<u>\$ 720,869</u>	<u>\$ 201,843</u>	<u>\$ 82,061</u>	<u>\$ 1,004,773</u>

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

THE JORDAN PORCO FOUNDATION

Notes to Financial Statements

December 31, 2020 and 2019

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). The financial statements report information regarding financial position and activities 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.

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

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.

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 Receivable

Pledges receivables are recorded when unconditionally committed. All pledges are anticipated to be collected within twelve months.

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, 2020 and 2019, 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.

The Foundation's investments are in mutual funds for the years ended December 31, 2020 and 2019. 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, 2020 and 2019, which are reported at fair value, are summarized in the following table by their fair value hierarchy classification:

	<u>2020</u>	<u>2019</u>
	<u>Level 1</u>	<u>Level 1</u>
Investments in mutual funds:		
Stock Funds	\$ 336,390	\$ 392,580
Bond Funds	729,056	758,593
Equity exchange traded products	959,638	965,297
Money market	297,011	202,258
Total investments	<u>\$ 2,322,095</u>	<u>\$ 2,318,728</u>

The Foundation incurred investment management fees totaling \$15,119 and \$16,699 to maintain invested assets for the years ended December 31, 2020 and 2019, 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.

Reclassifications

Certain reclassifications have been made to the December 31, 2019 financial statements to conform to the December 31, 2020 financial statement presentation.

NOTE 2 – 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 3 – NET ASSETS WITH DONOR RESTRICTIONS

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

	2020	2019
For programs in the subsequent year	<u>\$ 18,500</u>	<u>\$ 62,211</u>

Net assets were released from donor restrictions as follows for the years ended December 31,:

	2020	2019
Satisfaction of time and purpose restrictions	<u>\$ 62,211</u>	<u>\$ 46,200</u>

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:

	<u>2020</u>	<u>2019</u>
Cash	\$ 110,537	\$ 138,091
Pledges receivable	8,000	83,688
Investments	<u>2,322,095</u>	<u>2,318,728</u>
	2,440,632	2,540,507
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>18,500</u>	<u>62,211</u>
Financial assets available to meet general expenditures over the next year	<u>\$ 2,422,132</u>	<u>\$ 2,478,296</u>

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 – OPERATING LEASE

The Foundation entered into a lease agreement for the rental of office space beginning in October 2020. The lease term is three years with monthly rent payments of \$1,100 increasing to \$1,150 in April 2022 and \$1,200 in October 2022. The Foundation has the right to cancel the lease at the end of the first year in October 2021. Therefore, minimum non-cancelable payments under the operating lease total \$9,900 during the year ending December 31, 2021.

NOTE 6 – PAYCHECK PROTECTION PROGRAM (“PPP”) LOAN FORGIVENESS

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. The Foundation applied for loan forgiveness and was notified on December 7, 2020 that the full principal amount of \$99,870 had been forgiven and remitted to the lender, therefore this amount is recognized as revenue on the Statement of Activities for the year ended December 31, 2020.

NOTE 7 – RISKS AND UNCERTAINTIES

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 and cash flows have been, and may continue to be adversely affected by this global pandemic.

Historically, a significant portion of the Foundation’s revenue has been achieved through fundraising in conjunction with and at special events which require the gathering of large groups of people. Although the Foundation has shifted to place greater emphasis on revenue generating activities that do not require large gatherings, this matter has adversely affected the Foundation’s fundraising efforts during the year ended December 31, 2020 and may continue to do so in the future. While the disruption is currently expected to be temporary, there is uncertainty related to the duration. Therefore, while the Foundation expects this matter could negatively impact the business, any related financial impact cannot be reasonably estimated at this time.

NOTE 8 – 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, 2020 through May 20, 2021, the date on which the financial statements were available to be issued.

Paycheck Protection Program Second Draw

The Foundation received approval for a second draw from the Small Business Administration (“SBA”) Paycheck Protection Program (“PPP”) in the amount of \$99,432 and received the loan funds on February 4, 2021. The Foundation expects to comply with all requirements necessary to maximize the forgivable amount of the second PPP and to apply for forgiveness during the year ended December 31, 2021.

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