

THE JORDAN PORCO FOUNDATION

Independent Accountants' Review Report
Financial Statements

December 31, 2022 and 2021



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THE JORDAN PORCO FOUNDATION

Financial Statements

December 31, 2022 and 2021

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
The Jordan Porco Foundation

We have reviewed the accompanying financial statements of The Jordan Porco Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, 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.

We are required to be independent of The Jordan Porco Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

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.



Hartford, Connecticut
June 14, 2023

THE JORDAN PORCO FOUNDATION

Statements of Financial Position

December 31, 2022 and 2021

Assets	<u>2022</u>	<u>2021</u>
Cash	\$ 172,847	\$ 185,310
Pledges receivable	250	1,000
Employee Retention Tax Credits receivable	-	112,973
Other assets	34,784	26,429
Investments	1,746,866	2,309,627
Furniture and equipment, net	<u>4,107</u>	<u>3,925</u>
 Total assets	 <u>\$ 1,958,854</u>	 <u>\$ 2,639,264</u>
 Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 42,421	\$ 19,755
Refundable advance - Paycheck Protection Program	-	99,432
Total liabilities	<u>42,421</u>	<u>119,187</u>
Net Assets:		
Without donor restrictions	1,916,433	2,515,077
With donor restrictions	-	5,000
Total net assets	<u>1,916,433</u>	<u>2,520,077</u>
 Total liabilities and net assets	 <u>\$ 1,958,854</u>	 <u>\$ 2,639,264</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, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue:			
Contributions	\$ 177,668	\$ -	\$ 177,668
Grants and sponsorships	33,250	-	33,250
Program service fees	20,750	-	20,750
Special events revenue	82,771	-	82,771
Less: costs of direct benefits to donors	(21,208)	-	(21,208)
Net revenues from special events	61,563	-	61,563
Employee Retention Tax Credits	5,363	-	5,363
Paycheck Protection Program loan forgiveness	99,432	-	99,432
In-kind donations of services	99,925	-	99,925
Net assets released from restriction	5,000	(5,000)	-
Total operating revenue	<u>502,951</u>	<u>(5,000)</u>	<u>497,951</u>
Operating expenses:			
Program services	649,582	-	649,582
Fundraising	77,671	-	77,671
General and administrative	51,671	-	51,671
Total operating expenses	<u>778,924</u>	<u>-</u>	<u>778,924</u>
Change in net assets from operations	<u>(275,973)</u>	<u>(5,000)</u>	<u>(280,973)</u>
Nonoperating activity:			
Investment income, net of expenses	32,799	-	32,799
Unrealized loss	(355,470)	-	(355,470)
Total nonoperating activity	<u>(322,671)</u>	<u>-</u>	<u>(322,671)</u>
Change in net assets	(598,644)	(5,000)	(603,644)
Net assets, beginning of year	<u>2,515,077</u>	<u>5,000</u>	<u>2,520,077</u>
Net assets, end of year	<u>\$ 1,916,433</u>	<u>\$ -</u>	<u>\$ 1,916,433</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, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue:			
Contributions	\$ 186,625	\$ -	\$ 186,625
Grants and sponsorships	70,896	5,000	75,896
Program service fees	12,060	-	12,060
Special events revenue	41,959	-	41,959
Less: costs of direct benefits to donors	(14,345)	-	(14,345)
Net revenues from special events	27,614	-	27,614
Employee Retention Tax Credits	112,973	-	112,973
In-kind donations of services	223,642	-	223,642
Net assets released from restriction	18,600	(18,600)	-
Total operating revenue	<u>652,410</u>	<u>(13,600)</u>	<u>638,810</u>
Operating expenses:			
Program services	643,969	-	643,969
Fundraising	73,502	-	73,502
General and administrative	57,349	-	57,349
Total operating expenses	<u>774,820</u>	<u>-</u>	<u>774,820</u>
Change in net assets from operations	<u>(122,410)</u>	<u>(13,600)</u>	<u>(136,010)</u>
Nonoperating activity:			
Investment income, net of expenses	40,198	-	40,198
Unrealized gain	147,346	-	147,346
Total nonoperating activity	<u>187,544</u>	<u>-</u>	<u>187,544</u>
Change in net assets	65,134	(13,600)	51,534
Net assets, beginning of year	<u>2,449,943</u>	<u>18,600</u>	<u>2,468,543</u>
Net assets, end of year	<u>\$ 2,515,077</u>	<u>\$ 5,000</u>	<u>\$ 2,520,077</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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (603,644)	\$ 51,534
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	1,231	1,580
Unrealized loss/(gain) on investments	355,470	(147,346)
Changes in operating assets and liabilities:		
Pledges and accounts receivable	750	7,000
Employee Retention Tax Credits receivable	112,973	(112,973)
Other assets	(8,355)	46,347
Accounts payable and accrued expenses	22,666	(26,713)
Refundable advance - Paycheck Protection Program	(99,432)	99,432
Net cash flows from operating activities	<u>(218,341)</u>	<u>(81,139)</u>
Cash flows from investing activities:		
Sale of investments	207,291	159,814
Purchase of furniture and equipment	(1,413)	(3,902)
Net cash flows from investing activities	<u>205,878</u>	<u>155,912</u>
Net change in cash	(12,463)	74,773
Cash, beginning of year	185,310	110,537
Cash, end of year	<u>\$ 172,847</u>	<u>\$ 185,310</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, 2022

	Program Services	Fundraising	General and Administrative	Total
Personnel	\$ 342,739	\$ 68,548	\$ 17,137	428,424
Occupancy, rent and supplies	144,725	1,264	15,248	161,237
Contracted services	16,272	1,089	8,589	25,950
Special events - costs of direct benefits to donors	-	21,208	-	21,208
Marketing and communications	22,376	1,245	1,247	24,868
Dues, subscriptions and fees	22,348	4,388	2,702	29,438
Insurance	4,056	507	249	4,812
Depreciation	-	-	1,231	1,231
Travel and meetings	2,916	80	43	3,039
Total expenses before in-kind services	555,432	98,329	46,446	700,207
In-kind services:				
Contracted services	94,150	-	5,225	99,375
Dues, subscriptions and fees	-	550	-	550
Total in-kind goods services	94,150	550	5,225	99,925
Total expenses	\$ 649,582	\$ 98,879	\$ 51,671	\$ 800,132

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, 2021

	Program Services	Fundraising	General and Administrative	Total
Personnel	\$ 313,883	\$ 62,776	\$ 15,694	\$ 392,353
Occupancy, rent and supplies	57,264	1,006	14,017	72,287
Contracted services	17,772	2,827	22,235	42,834
Special events - costs of direct benefits to donors	-	14,345	-	14,345
Marketing and communications	12,748	654	582	13,984
Dues, subscriptions and fees	9,864	4,821	4,132	18,817
Insurance	7,975	997	88	9,060
Depreciation	1,580	-	-	1,580
Travel and meetings	104	146	13	263
Total expenses before in-kind services	421,190	87,572	56,761	565,523
In-kind services:				
Contracted services	222,779	-	-	222,779
Dues, subscriptions and fees	-	550	-	550
Total in-kind services	222,779	550	-	223,329
Total expenses	\$ 643,969	\$ 88,122	\$ 56,761	\$ 788,852

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

THE JORDAN PORCO FOUNDATION

Notes to Financial Statements

December 31, 2022 and 2021

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.

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 statement of activities as net assets released from restrictions.

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.

In-kind Donations

The Foundation recognizes contributions of services received if such services: (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 contributed. The value of in-kind donations is recorded at estimated fair value based on standard industry rates for those services. For the years ended December 31, 2022 and 2021, the Foundation recognized revenue of \$99,925 and \$223,642, respectively from contributed advertising services and membership fees.

New Accounting Pronouncements

FASB Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement of activities and provide additional disclosures about contributions of nonfinancial assets. Contributed nonfinancial assets, commonly referred to as gifts-in-kind, include fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The Foundation implemented ASU 2020-07 on January 1, 2022 using a full retrospective method of application. The adoption of ASU 2020-07 resulted in enhanced disclosures on contributed nonfinancial assets.

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, 2021 financial statements to conform to the December 31, 2022 financial statement presentation.

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.

For the years ended December 31, 2022 and 2021, the Foundation’s investments are in mutual funds, exchange traded products, and US Treasury bills. 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. Fair value of exchange traded products is based on the share prices quoted on active exchanges as of the last business day of the fiscal year. Fair value of US Treasury bills is based on quoted prices in active markets for identical bonds 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, 2022 and 2021, which are reported at fair value, are summarized in the following table by their fair value hierarchy classification:

	<u>2022</u>	<u>2021</u>
	<u>Level 1</u>	<u>Level 1</u>
Investments in mutual funds:		
Stock funds	\$ 348,088	\$ 493,413
Bond funds	458,734	795,530
Money market funds	158,299	100,280
Equity exchange traded products	631,160	920,404
US Treasury bills	150,585	-
Total investments	<u>\$ 1,746,866</u>	<u>\$ 2,309,627</u>

The Foundation incurred investment management fees totaling \$15,162 and \$16,886 to maintain invested assets for the years ended December 31, 2022 and 2021, respectively, which are included in investment income, net of expenses on the statements of activities and changes in net assets.

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

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, 2022 and 2021, 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 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,:

	<u>2022</u>	<u>2021</u>
ForWhatsNext program	\$ -	\$ 5,000
Total net assets with donor restrictions	<u>\$ -</u>	<u>\$ 5,000</u>

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

	<u>2022</u>	<u>2021</u>
Satisfaction of time and purpose restrictions	\$ 5,000	\$ 18,600

NOTE 4 – AVAILABILITY AND LIQUIDITY

The following represents the Foundation’s financial assets available to meet general expenditures over the next year as of December 31,:

	<u>2022</u>	<u>2021</u>
Cash	\$ 172,847	\$ 185,310
Pledges receivable	250	1,000
Employee Retention Tax Credits receivable	-	112,973
Investments	<u>1,746,866</u>	<u>2,309,627</u>
Total financial assets	<u>1,919,963</u>	<u>2,608,910</u>
Less amounts not available to meet general expenditures over the next year		
Net assets with donor restrictions	<u>-</u>	<u>5,000</u>
Financial assets available to meet general expenditures over the next year	<u>\$ 1,919,963</u>	<u>\$ 2,603,910</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 – PAYCHECK PROTECTION PROGRAM (“PPP”) LOAN FORGIVENESS

During the year ended December 31, 2021, the Foundation received a U.S. Small Business Administration (“SBA”) Paycheck Protection Program (“PPP”) loan in the amounts of \$99,432. Under the PPP, funds are forgivable if utilized for qualified expenditures according to the program criteria incurred over the twenty-four-week period option, chosen by the Foundation, following the dates of funding. Any unforgiven balance must be repaid over five years at an annual interest rate of 1% with an initial deferment period of ten months after the conclusion of the covered period. The Foundation received notice of forgiveness of the PPP loan in January 2022 in the amount of \$99,432, and therefore recognized revenue from the PPP loan during the year ended December 31, 2022. The Foundation is accounting for the loan as a conditional contribution under ASC 958-605.

NOTE 6 – EMPLOYEE RETENTION TAX CREDITS (“ERTC”)

The Foundation is eligible for the Employee Retention Tax Credit (“ERTC”) under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) of 2020, as modified by the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act of 2021. For the year ended December 31, 2020, the ERTC provides a refundable tax credit against certain employment taxes of up to \$5,000 per employee. For the year ended December 31, 2021, the ERTC provides a refundable tax credit against certain employment taxes of up to \$7,000 per employee for each of the first three quarters of 2021.

In the year ended December 31, 2021, the Foundation filed for total tax credits of \$112,973 through the ERTC for the quarters ending June 30, 2020; September 30, 2020; December 31, 2020; March 31, 2021; and June 30, 2021. The Foundation is accounting for the credits as a conditional contribution under ASC 958-605. Because all conditions associated with ERTC eligibility had been met, the Foundation recognized the total amount of \$112,973 as revenue in the statement of activities for the year ended December 31, 2021 and as receivable in the statement of financial position as of December 31, 2021.

In the year ended December 31, 2022, the Foundation received payment in the amount of \$112,973 plus an additional \$5,363 of accrued interest. The additional interest received is recognized as revenue in the statement of activities for the year ended December 31, 2022.

NOTE 7 – 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, 2022 through June 14, 2023, the date on which the financial statements were available to be issued.

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