

THE JORDAN PORCO FOUNDATION

Independent Accountants' Review Report
Financial Statements

December 31, 2021 and 2020



ASSURANCE | ADVISORY | TAX | TECHNOLOGY

THE JORDAN PORCO FOUNDATION

Financial Statements

December 31, 2021 and 2020

	Page
Independent Accountants' Review Report.....	1
Financial Statements:	
Statements of Financial Position.....	2
Statements of Activities and Changes in Net Assets.....	3 - 4
Statements of Cash Flows.....	5
Statements of Functional Expenses.....	6 - 7
Notes to Financial Statements.....	8 - 13

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, 2021 and 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.

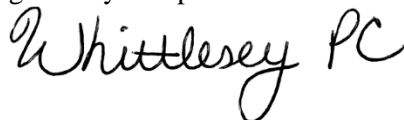
Accountants' Responsibility

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.

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
August 12, 2022

THE JORDAN PORCO FOUNDATION

Statements of Financial Position

December 31, 2021 and 2020

Assets	<u>2021</u>	<u>2020</u>
Cash	\$ 185,310	\$ 110,537
Pledges receivable	1,000	8,000
Employee Retention Tax Credits receivable	112,973	-
Other assets	26,429	72,776
Investments	2,309,627	2,322,095
Furniture and equipment, net	<u>3,925</u>	<u>1,603</u>
 Total assets	 <u>\$ 2,639,264</u>	 <u>\$ 2,515,011</u>
 Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 19,755	\$ 46,468
Refundable advance - Paycheck Protection Program	99,432	-
Total liabilities	<u>119,187</u>	<u>46,468</u>
Net Assets:		
Without donor restrictions	2,515,077	2,449,943
With donor restrictions	5,000	18,600
Total net assets	<u>2,520,077</u>	<u>2,468,543</u>
 Total liabilities and net assets	 <u>\$ 2,639,264</u>	 <u>\$ 2,515,011</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
Sales of product	60	-	60
Program service fees	12,000	-	12,000
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

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	62,111	(62,111)	-
Total operating revenue	<u>634,989</u>	<u>(43,611)</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>(261,207)</u>	<u>(43,611)</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	(59,813)	(43,611)	(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>\$ 2,449,943</u>	<u>\$ 18,600</u>	<u>\$ 2,468,543</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 51,534	\$ (103,424)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	1,580	4,663
Unrealized gain on investments	(147,346)	(33,092)
Changes in operating assets and liabilities:		
Pledges and accounts receivable	7,000	75,688
Employee Retention Tax Credits receivable	(112,973)	-
Other assets	46,347	(38,843)
Accounts payable and accrued expenses	(26,713)	37,729
Refundable advance - Paycheck Protection Program	99,432	-
Net cash flows from operating activities	<u>(81,139)</u>	<u>(57,279)</u>
Cash flows from investing activities:		
Sale of investments	159,814	29,725
Purchase of furniture and equipment	(3,902)	-
Net cash flows from investing activities	<u>155,912</u>	<u>29,725</u>
Net change in cash	74,773	(27,554)
Cash, beginning of year	<u>110,537</u>	<u>138,091</u>
Cash, end of year	<u>\$ 185,310</u>	<u>\$ 110,537</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, 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 goods and services	<u>421,190</u>	<u>87,572</u>	<u>56,761</u>	<u>565,523</u>
In-kind goods and services:				
Contracted services	222,779	-	588	223,367
Dues, subscriptions and fees	-	275	-	275
Total in-kind goods and services	<u>222,779</u>	<u>275</u>	<u>588</u>	<u>223,642</u>
Total expenses	<u>\$ 643,969</u>	<u>\$ 87,847</u>	<u>\$ 57,349</u>	<u>\$ 789,165</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 - costs of direct benefits to donors	-	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	508,832	106,134	66,601	681,567
In-kind goods and services:				
Supplies	1,617	-	-	1,617
Contracted services	223,179	-	7,563	230,742
Total in-kind goods and services	224,796	-	7,563	232,359
Total expenses	\$ 733,628	\$ 106,134	\$ 74,164	\$ 913,926

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

THE JORDAN PORCO FOUNDATION

Notes to Financial Statements

December 31, 2021 and 2020

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, 2021 and 2020, 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, 2021 and 2020. 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, 2021 and 2020, which are reported at fair value, are summarized in the following table by their fair value hierarchy classification:

	<u>2021</u>	<u>2020</u>
	<u>Level 1</u>	<u>Level 1</u>
Investments in mutual funds:		
Stock Funds	\$ 493,413	\$ 336,390
Bond Funds	795,530	729,056
Equity exchange traded products	920,404	959,638
Money market	100,280	297,011
Total investments	<u>\$ 2,309,627</u>	<u>\$ 2,322,095</u>

The Foundation incurred investment management fees totaling \$16,886 and \$15,119 to maintain invested assets for the years ended December 31, 2021 and 2020, 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.

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 – 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. Minimum non-cancelable payments under the operating lease total are \$13,800 and \$10,800 for the years ended December 31, 2022 and 2023, respectively.

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

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

	2021	2020
ForWhatsNext program	\$ 5,000	\$ -
For programs in the subsequent year	-	18,600
Total net assets with donor restrictions	<u>\$ 5,000</u>	<u>\$ 18,600</u>

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

	2021	2020
Satisfaction of time and purpose restrictions	<u>\$ 18,600</u>	<u>\$ 62,111</u>

NOTE 5 – 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>2021</u>	<u>2020</u>
Cash	\$ 185,310	\$ 110,537
Pledges receivable	1,000	8,000
Employee Retention Tax Credits receivable	112,973	-
Investments	<u>2,309,627</u>	<u>2,322,095</u>
Total financial assets	2,608,910	2,440,632
Less amounts not available to meet general expenditures over the next year		
Net assets with donor restrictions	<u>5,000</u>	<u>18,600</u>
Financial assets available to meet general expenditures over the next year	<u>\$ 2,603,910</u>	<u>\$ 2,422,032</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 6 – PAYCHECK PROTECTION PROGRAM (“PPP”) LOAN FORGIVENESS

During the years ended December 31, 2021 and 2020, the Foundation received U.S. Small Business Administration (“SBA”) Paycheck Protection Program (“PPP”) loans in the amounts of \$99,432 and \$99,870, respectively. 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 first PPP loan in December 2020 and has recognized revenue of \$99,870 on the statement of activities for the year ended December 31, 2020. The Foundation received notice of forgiveness of the second PPP loan in January 2022 in the amount of \$99,432 and will recognize revenue from the second 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 7 – 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.

The Foundation is eligible 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 filed for these credits in the year ended December 31, 2021 and 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 receivable in the statement of financial position as of December 31, 2021. Subsequently to December 31, 2021, and as of the date of these financial statements, the Foundation has received \$77,129 of the tax credits receivable, plus \$1,602 in accrued interest.

The Foundation is accounting for the credits as a conditional contribution under ASC 958-605.

NOTE 8 – 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, investments 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 years ended December 31, 2021 and 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 9 – 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, 2021 through August 12, 2022, the date on which the financial statements were available to be issued.

Headquarters

280 Trumbull Street, 24th Floor
Hartford, CT 06103
860.522.3111

One Hamden Center
2319 Whitney Avenue, Suite 2A
Hamden, CT 06518
203.397.2525

14 Bobala Road, 3rd Floor
Holyoke, MA 01040
413.536.3970

WAdvising.com