

THE JORDAN PORCO FOUNDATION

Financial Statements

December 31, 2018 and 2017



ASSURANCE | ADVISORY | TAX | TECHNOLOGY

THE JORDAN PORCO FOUNDATION

Financial Statements

December 31, 2018 and 2017

	Page
Independent Auditors' Report.....	1-2
Financial Statements:	
Statements of Financial Position.....	3
Statements of Activities and Changes in Net Assets.....	4-5
Statements of Cash Flows.....	6
Statements of Functional Expenses.....	7-8
Notes to Financial Statements.....	9-13

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, 2018 and 2017, 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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, 2018 and 2017, 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

June 7, 2019

THE JORDAN PORCO FOUNDATION

Statements of Financial Position

December 31, 2018 and 2017

Assets	<u>2018</u>	<u>2017</u>
Cash	\$ 260,009	\$ 242,137
Pledges receivable	52,300	86,550
Other assets	38,767	50,792
Investments	1,980,019	2,387,669
Furniture and equipment, net	<u>14,403</u>	<u>21,382</u>
 Total assets	 <u>\$ 2,345,498</u>	 <u>\$ 2,788,530</u>
 Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	<u>\$ 9,621</u>	<u>\$ 21,371</u>
Net assets:		
Without donor restrictions	2,289,677	2,540,987
With donor restrictions	<u>46,200</u>	<u>226,172</u>
Total net assets	<u>2,335,877</u>	<u>2,767,159</u>
 Total liabilities and net assets	 <u>\$ 2,345,498</u>	 <u>\$ 2,788,530</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, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue:			
Contributions	\$ 371,635	\$ 46,200	\$ 417,835
Grants and sponsorships	40,000	-	40,000
Sales of product income	300	-	300
Program service fees	12,345	-	12,345
Special events revenue	104,937	-	104,937
Less: costs of direct benefits to donors	(146,126)	-	(146,126)
Net revenues from special events	(41,189)	-	(41,189)
In-kind donations of goods and services	286,103		286,103
Net assets released from restriction - purpose	226,172	(226,172)	-
Total operating revenue	<u>895,366</u>	<u>(179,972)</u>	<u>715,394</u>
Operating expenses:			
Program services	783,503	-	783,503
Fundraising	167,181	-	167,181
General and administrative	88,406	-	88,406
Total operating expenses	<u>1,039,090</u>	<u>-</u>	<u>1,039,090</u>
Change in net assets from operations	<u>(143,724)</u>	<u>(179,972)</u>	<u>(323,696)</u>
Nonoperating activity:			
Investment income, net of expenses	46,212	-	46,212
Unrealized loss	(153,798)	-	(153,798)
Total nonoperating activity	<u>(107,586)</u>	<u>-</u>	<u>(107,586)</u>
Change in net assets	<u>(251,310)</u>	<u>(179,972)</u>	<u>(431,282)</u>
Net assets, beginning of year	<u>2,540,987</u>	<u>226,172</u>	<u>2,767,159</u>
Net assets, end of year	<u>\$ 2,289,677</u>	<u>\$ 46,200</u>	<u>\$ 2,335,877</u>

See accompanying notes to financial statements.

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, 2017

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue:			
Contributions	\$ 696,576	\$ 226,172	\$ 922,748
Grants and sponsorships	18,502	-	18,502
Sales of product income	855	-	855
Program service fees	4,050	-	4,050
Special events revenue	162,991	-	162,991
Less: costs of direct benefits to donors	(173,845)	-	(173,845)
Net revenues from special events	(10,854)	-	(10,854)
In-kind donations of goods and services	361,228	-	361,228
Net assets released from restriction - purpose	12,330	(12,330)	-
Total operating revenue	<u>1,082,687</u>	<u>213,842</u>	<u>1,296,529</u>
Operating expenses:			
Program services	981,120	-	981,120
Fundraising	143,384	-	143,384
General and administrative	132,207	-	132,207
Total operating expenses	<u>1,256,711</u>	<u>-</u>	<u>1,256,711</u>
Change in net assets from operations	<u>(174,024)</u>	<u>213,842</u>	<u>39,818</u>
Nonoperating activity:			
Investment income, net of expenses	82,658	-	82,658
Unrealized gain	118,202	-	118,202
Total nonoperating activity	<u>200,860</u>	<u>-</u>	<u>200,860</u>
Change in net assets	26,836	213,842	240,678
Net assets, beginning of year	<u>2,514,151</u>	<u>12,330</u>	<u>2,526,481</u>
Net assets, end of year	<u>\$ 2,540,987</u>	<u>\$ 226,172</u>	<u>\$ 2,767,159</u>

See accompanying notes to financial statements.

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

THE JORDAN PORCO FOUNDATION

Statements of Cash Flows

December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ (431,282)	\$ 240,678
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	8,032	7,435
Unrealized loss/(gain) on investments	153,798	(118,202)
Changes in operating assets and liabilities:		
Pledges and accounts receivable	34,250	(15,962)
Other assets	12,025	18,782
Accounts payable and accrued expenses	(11,750)	3,946
Net cash provided by operating activities	<u>(234,927)</u>	<u>136,677</u>
Cash flows from investing activities		
Sale of investments	253,852	-
Purchase of investments	-	(82,611)
Purchase of furniture and equipment	(1,053)	(978)
Net cash used in investing activities	<u>252,799</u>	<u>(83,589)</u>
Net increase in cash	17,872	53,088
Cash, beginning of year	242,137	189,049
Cash, end of year	<u>\$ 260,009</u>	<u>\$ 242,137</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, 2018

	Program Services	Fundraising	General and Administrative	Total
Contracted services	\$ 355,713	\$ 157,131	\$ 47,114	\$ 559,958
Scholarships and awards	1,500	-	-	1,500
Travel	3,762	168	197	4,127
Occupancy and supplies	123,044	3,149	16,435	142,628
Miscellaneous	8,448	841	554	9,843
Depreciation	8,032	-	-	8,032
Communications	22,955	1,622	1,316	25,893
Conferences and meetings	783	170	52	1,005
Total expenses before in-kind goods and services	524,237	163,081	65,668	752,986
In-kind goods and services:				
Contracted services	124,704	-	18,638	143,342
Rent	32,798	4,100	4,100	40,998
Supplies	101,764	-	-	101,764
Total in-kind goods and services	259,266	4,100	22,738	286,104
Total expenses	\$ 783,503	\$ 167,181	\$ 88,406	\$ 1,039,090

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, 2017

	Program Services	Fundraising	General and Administrative	Total
Contracted services	\$ 466,491	\$ 121,139	\$ 86,356	\$ 673,986
Scholarships and awards	1,500	-	-	1,500
Travel	2,161	1,611	120	3,892
Occupancy and supplies	120,201	577	723	121,501
Miscellaneous	2,904	6,197	825	9,926
Depreciation	7,435	-	-	7,435
Communications	60,499	4,779	2,752	68,030
Conferences and meetings	8,137	951	124	9,212
Total expenses before in-kind goods and services	669,328	135,254	90,900	895,482
In-kind goods and services:				
Contracted services	163,116	-	35,807	198,923
Rent	44,000	5,500	5,500	55,000
Supplies	104,676	2,630	-	107,306
Total in-kind goods and services	311,792	8,130	41,307	361,229
Total expenses	\$ 981,120	\$ 143,384	\$ 132,207	\$ 1,256,711

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

THE JORDAN PORCO FOUNDATION

Notes to Financial Statements

December 31, 2018 and 2017

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.

Significant Accounting Policies

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). References to U.S. GAAP in these footnotes are to the FASB Accounting Standards Codification.

Revenue Recognition

Contributions without donor restrictions are recorded as revenue when received or unconditionally pledged. Contributions with donor restrictions are recorded as donor restricted revenues and net assets when received or pledged. Expirations of donor restrictions recognized on net assets are reported as net assets released from restrictions. Interest is recognized when earned. All other revenues are recorded when earned.

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

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

Program service fees consist of revenues earned for events or other programming coordinated and staffed by Foundation personnel for the purpose of raising mission awareness.

Pledges and Accounts Receivable

Pledges receivables are recorded as unconditionally committed. All pledges are anticipated to be collected in 2019. Accounts receivable are stated at the amounts management expects to collect from outstanding balances.

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

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, 2018 and 2017, 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.

Subsequent Events

Subsequent events have been evaluated through June 7, 2019, the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

Furniture and Equipment

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

Investments and Fair Value

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

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

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the 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.

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

The Foundation’s investments are in mutual funds for the years ended December 31, 2018 and 2017. Fair value of shares in registered mutual funds are 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, 2018 and 2017, which are reported at fair value, are summarized in the following table by their value hierarchy classification:

	<u>2018</u>	<u>2017</u>
	<u>Level 1</u>	<u>Level 1</u>
Investments in mutual funds:		
Stock Funds	\$ 289,369	\$ 1,203,187
Bond Funds	873,047	994,096
Equity exchange traded products	800,762	185,398
Money market	16,841	4,988
Total investments	<u>\$ 1,980,019</u>	<u>\$ 2,387,669</u>

The Foundation incurred investment management fees totaling \$18,158 and \$17,400 to maintain invested assets for the years ended December 31, 2018 and 2017, respectively.

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.

The expenses that have been allocated include the following:

<u>Type of expense</u>	<u>Method of allocation</u>
Contracted services	Time and effort
Scholarships and awards	Time and effort
Travel	Time and effort
Supplies	Time and effort
Miscellaneous	Time and effort
Depreciation	Time and effort
Communications	Time and effort
Conferences and meetings	Time and effort
Rent	Square footage

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

New Accounting Pronouncement

In August 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958): A Presentation of Financial Statements of Not-for-Profit Entities (the “ASU”). The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Foundation has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

Reclassifications

Certain amounts from 2017 have been reclassified to conform to the 2018 presentation of the financial statements. These reclassifications had no impact on the total value of the Foundation’s net assets.

NOTE 2 – NET ASSETS

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, where by the donor has stipulated the funds be maintained in perpetuity.

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

	<u>2018</u>	<u>2017</u>
Subject to the passage of time:		
For the subsequent year for programs	<u>\$ 46,200</u>	<u>\$ 226,172</u>

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 – RELATED PARTIES

The Chairman of the Board of Directors is a Senior Vice President of Chase Enterprises. Chase Enterprises contributed \$-0- and \$100,000 in 2018 and 2017, respectively through its subsidiary.

NOTE 5 – 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>2018</u>	<u>2017</u>
Cash	\$ 260,009	\$ 242,137
Pledges and accounts receivable	52,300	86,550
Investments	<u>1,980,019</u>	<u>2,387,669</u>
	2,292,328	2,716,356
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>46,200</u>	<u>226,172</u>
Financial assets available to meet general expenditures over the next year	<u><u>\$ 2,246,128</u></u>	<u><u>\$ 2,490,184</u></u>

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