

THE JORDAN PORCO FOUNDATION

Financial Statements

December 31, 2017 and 2016

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Financial Statements

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Jordan Porco Foundation:

We have audited the accompanying financial statements of The Jordan Porco Foundation (a Connecticut corporation, not for profit), which comprise the statement of financial position as of December 31, 2017 and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year 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 U.S. generally accepted accounting principles; 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 audit. We conducted our audit 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, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Other

The financial statements as of December 31, 2016 were audited by other auditors whose report dated October 12, 2017, expressed an unqualified opinion on those statements.

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

Hartford, Connecticut
June 4, 2018

THE JORDAN PORCO FOUNDATION

Statements of Financial Position

December 31, 2017 and 2016

	Assets	2017	2016
Cash		\$ 242,137	\$ 189,049
Pledges receivable		86,550	70,588
Other current assets		50,792	69,574
Investments		2,387,669	2,186,856
Furniture and equipment, net		21,382	27,839
Total assets		<u>\$ 2,788,530</u>	<u>\$ 2,543,906</u>
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses		<u>\$ 21,371</u>	<u>\$ 17,425</u>
Net assets:			
Unrestricted:			
Operating		153,318	327,295
Board designated		2,387,669	2,186,856
Total unrestricted net assets		<u>2,540,987</u>	<u>2,514,151</u>
Temporarily restricted		<u>226,172</u>	<u>12,330</u>
Total net assets		<u>2,767,159</u>	<u>2,526,481</u>
Total liabilities and net assets		<u>\$ 2,788,530</u>	<u>\$ 2,543,906</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, 2017

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
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>
Changes in net assets from operations	<u>(174,024)</u>	<u>213,842</u>	<u>39,818</u>
Nonoperating activity:			
Interest income	46	-	46
Investment income	100,012	-	100,012
Investment expenses	(17,400)	-	(17,400)
Unrealized gain	118,202	-	118,202
Total nonoperating activity	<u>200,860</u>	<u>-</u>	<u>200,860</u>
Changes 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>

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, 2016

	Unrestricted	Temporarily restricted	Total
Operating revenue:			
Contributions	\$ 673,414	\$ 12,330	\$ 685,744
Grants and sponsorships	31,600	-	31,600
Sales of product income	990	-	990
Program service fees	37,598	-	37,598
Special events revenue	248,091	-	248,091
Less: costs of direct benefits to donors	(161,692)	-	(161,692)
Net revenues from special events	86,399	-	86,399
In-kind donations of goods and services	359,507		359,507
Net assets released from restriction - purpose	11,400	(11,400)	-
Total operating revenue	<u>1,200,908</u>	<u>930</u>	<u>1,201,838</u>
Operating expenses:			
Program services	809,036	-	809,036
Fundraising	101,136	-	101,136
General and administrative	123,865	-	123,865
Total operating expenses	<u>1,034,037</u>	<u>-</u>	<u>1,034,037</u>
Changes in net assets from operations	<u>166,871</u>	<u>930</u>	<u>167,801</u>
Nonoperating activity:			
Interest income	66	-	66
Investment income	83,138	-	83,138
Investment expenses	(17,126)	-	(17,126)
Unrealized gain	71,492	-	71,492
Total nonoperating activity	<u>137,570</u>	<u>-</u>	<u>137,570</u>
Changes in net assets	304,441	930	305,371
Net assets, beginning of year	<u>2,209,710</u>	<u>11,400</u>	<u>2,221,110</u>
Net assets, end of year	<u>\$ 2,514,151</u>	<u>\$ 12,330</u>	<u>\$ 2,526,481</u>

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

THE JORDAN PORCO FOUNDATION

Statements of Cash Flows

December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Changes in net assets	\$ 240,678	\$ 305,371
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	7,435	7,338
Unrealized gain on investments	(118,202)	(71,492)
Changes in operating assets and liabilities:		
Pledges receivable	(15,962)	(25,088)
Other current assets	18,782	(27,052)
Accounts payable and accrued expenses	3,946	5,235
Net cash provided by operating activities	<u>136,677</u>	<u>194,312</u>
Cash flows from investing activities		
Purchase of investments	(82,611)	(66,012)
Purchase of furniture and equipment	(978)	(3,924)
Net cash used in investing activities	<u>(83,589)</u>	<u>(69,936)</u>
Net increase in cash	53,088	124,376
Cash, beginning of year	189,049	64,673
Cash, end of year	<u>\$ 242,137</u>	<u>\$ 189,049</u>
Supplemental cash flow information:		
In-kind contributions	<u>\$ 361,228</u>	<u>\$ 359,507</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, 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
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	<u>669,328</u>	<u>135,254</u>	<u>90,900</u>	<u>895,482</u>
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	<u>311,792</u>	<u>8,130</u>	<u>41,307</u>	<u>361,229</u>
Total expenses	<u>\$ 981,120</u>	<u>\$ 143,384</u>	<u>\$ 132,207</u>	<u>\$ 1,256,711</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, 2016

	<u>Program services</u>	<u>Fundraising</u>	<u>General and administrative</u>	<u>Total</u>
Contracted services	\$ 373,078	\$ 85,775	\$ 55,053	\$ 513,906
Scholarships and awards	2,000	-	-	2,000
Travel	11,121	1,709	74	12,904
Supplies	90,581	2,253	1,245	94,079
Miscellaneous	19,855	3,761	15,052	38,668
Depreciation	7,338	-	-	7,338
Communications	1,684	111	1,311	3,106
Conferences and meetings	2,239	277	13	2,529
Total expenses before in-kind goods and services	<u>507,896</u>	<u>93,886</u>	<u>72,748</u>	<u>674,530</u>
In-kind goods and services:				
Contracted services	163,266	-	43,867	207,133
Rent	37,286	7,250	7,250	51,786
Supplies	100,588	-	-	100,588
Total in-kind goods and services	<u>301,140</u>	<u>7,250</u>	<u>51,117</u>	<u>359,507</u>
Total expenses	<u>\$ 809,036</u>	<u>\$ 101,136</u>	<u>\$ 123,865</u>	<u>\$ 1,034,037</u>

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

THE JORDAN PORCO FOUNDATION

Notes to Financial Statements

December 31, 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 U.S. generally accepted accounting principles (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

Unrestricted contributions are recorded as revenue when received or unconditionally pledged. Restricted contributions are recorded as temporarily restricted revenues and net assets when received or pledged. Expirations of temporary 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 Receivable

Pledges receivables are recorded as unconditionally committed. All pledges are anticipated to be collected in 2018.

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, 2017 and 2016, the Foundation has determined that an allowance for uncollectible amounts is not necessary.

Expense Allocation

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.

Grant Expense

The Foundation recognizes grant expense when the Board of Directors approves the award.

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 4, 2018, 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. In addition, Level 2 includes investments reported using net asset value (NAV) as a practical expedient to estimate fair value that are redeemable in the near term.

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, 2017 and 2016. 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, 2017 and 2016, which are reported at fair value, are summarized in the following table by their value hierarchy classification:

	<u>2017</u>	<u>2016</u>
	<u>Level 1</u>	<u>Level 1</u>
Investments:		
U.S. equity	\$ 727,374	\$ 701,863
Fixed income	994,096	957,413
Real estate/commodities	280,120	187,575
International equity	381,091	334,380
Money market	4,988	5,625
Total investments	<u>\$ 2,387,669</u>	<u>\$ 2,186,856</u>

The Foundation incurred investment management fees totaling \$17,400 and \$17,126 to maintain invested assets for the years ended December 31, 2017 and 2016, respectively.

NOTE 2 – NET ASSETS

Unrestricted Net Assets

- Operating – Operating unrestricted net assets are not subject to donor-imposed stipulations and are generally available for use by the Foundation.
- Board designated – Board designated unrestricted net assets are set aside by the Board as a working capital reserve to be used for program support, new program development and operations. The use of these net assets requires Board approval.

Temporarily Restricted Net Assets

- The Foundation receives contributions which are designated by donors for specific purposes. These contributions are recorded as temporarily restricted net assets until they are expended for their designated purposes or the passage of the designated time restriction. Temporarily restricted net assets are restricted at December 31, 2017 and 2016 for scholarships or time restriction.

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

A member of the Board of Directors provides marketing services to the Foundation at a significantly discounted fee. The difference is recorded as in-kind services.

Members of the Board of Directors provide contract event set-up services to the Foundation.

A member of the Board of Directors is a co-managing partner in an accounting firm. The accounting firm has an ownership interest in the investment management company of the Foundation.

The Chairman of the Board of Directors is a Senior Vice President of Chase Enterprises. Chase Enterprises contributed \$100,000 in 2017 and 2016 through its subsidiary.

The Board of Directors follows a written conflict of interest policy and all related party transactions are documented and approved in accordance with the policy.