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THE JED FOUNDATION
Financial Statements
December 31, 2017 and 2016
With Independent Auditors' Report

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AUDIT TAX ADVISORY

The JED Foundation
December 31, 2017 and 2016

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
The JED Foundation:

We have audited the accompanying financial statements of The JED Foundation (the "Foundation"), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. The financial statements of The JED Foundation as at December 31, 2016, were audited by other auditors, whose report dated May 18, 2017, expressed an unqualified opinion on those statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

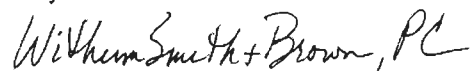
Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 JED 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 accounting principles generally accepted in the United States of America.



August 15, 2018

The JED Foundation
Statements of Financial Position
December 31, 2017 and 2016

	2017	2016
Assets		
Current assets		
Cash and cash equivalents	\$ 2,695,176	\$ 1,697,361
Restricted cash held in investment pool	658,659	1,049,367
Pledges receivable	1,119,619	1,816,668
Prepaid expenses	67,835	57,364
Fundraising materials	11,883	17,539
Total current assets	<u>4,553,172</u>	<u>4,638,299</u>
Property and equipment, net	553,917	450,680
Other assets	76,072	51,168
Non-current assets		
Pledges receivable, long-term, net	<u>577,676</u>	<u>339,040</u>
Total assets	<u>\$ 5,760,837</u>	<u>\$ 5,479,187</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 320,953	\$ 186,691
Accrued rent	34,592	23,835
Security deposit payable	3,027	3,027
Total liabilities	<u>358,572</u>	<u>213,553</u>
Net assets		
Unrestricted	3,268,606	2,611,227
Temporarily restricted	2,133,659	2,654,407
Total net assets	<u>5,402,265</u>	<u>5,265,634</u>
Total liabilities and net assets	<u>\$ 5,760,837</u>	<u>\$ 5,479,187</u>

The Notes to Financial Statements are an integral part of these statements.

The JED Foundation
Statements of Activities and Changes in Net Assets
Years Ended December 31, 2017 and 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues						
Special events, gross proceeds						
Contributions	\$ 1,610,996	\$ --	\$ 1,610,996	\$ 1,872,860	\$ --	\$ 1,872,860
Ticket sales	97,650	--	97,650	177,358	--	177,358
Less: Direct benefits to donors	<u>(322,377)</u>	<u>--</u>	<u>(322,377)</u>	<u>(398,999)</u>	<u>--</u>	<u>(398,999)</u>
Net proceeds from special events	1,386,269	--	1,386,269	1,651,219	--	1,651,219
Contributions	384,432	2,491,506	2,875,938	142,195	2,242,430	2,384,625
Program service revenue	462,319	--	462,319	184,750	--	184,750
Contributed services	1,706,487	--	1,706,487	1,730,178	--	1,730,178
Investment income	1,586	--	1,586	12,926	--	12,926
Rental income	41,385	--	41,385	39,273	--	39,273
Net assets released from restrictions	<u>3,012,254</u>	<u>(3,012,254)</u>	<u>--</u>	<u>1,586,639</u>	<u>(1,586,639)</u>	<u>--</u>
Total support and revenues	6,994,732	(520,748)	6,473,984	5,347,180	655,791	6,002,971
Expenses						
Program service						
Higher education	1,824,116	--	1,824,116	1,548,700	--	1,548,700
High school	813,562	--	813,562	681,721	--	681,721
Youth and community campaigns and education	<u>2,601,272</u>	<u>--</u>	<u>2,601,272</u>	<u>1,997,792</u>	<u>--</u>	<u>1,997,792</u>
Total program services	5,238,950	--	5,238,950	4,228,213	--	4,228,213
Supporting services						
Management and general	423,620	--	423,620	402,941	--	402,941
Fundraising	<u>674,783</u>	<u>--</u>	<u>674,783</u>	<u>431,408</u>	<u>--</u>	<u>431,408</u>
Total supporting services	1,098,403	--	1,098,403	834,349	--	834,349
Total expenses	<u>6,337,353</u>	<u>--</u>	<u>6,337,353</u>	<u>5,062,562</u>	<u>--</u>	<u>5,062,562</u>
Changes in net assets	657,379	(520,748)	136,631	284,618	655,791	940,409
Net assets, beginning of year	<u>2,611,227</u>	<u>2,654,407</u>	<u>5,265,634</u>	<u>2,326,609</u>	<u>1,998,616</u>	<u>4,325,225</u>
Net assets, end of year	<u>\$ 3,268,606</u>	<u>\$ 2,133,659</u>	<u>\$ 5,402,265</u>	<u>\$ 2,611,227</u>	<u>\$ 2,654,407</u>	<u>\$ 5,265,634</u>

**The JED Foundation
Statement of Functional Expenses
Year Ended December 31, 2017 with Comparative Totals for 2016**

	Program Services					Supporting Services			2016 Total
	Higher Education	High School	Youth and Community Campaigns and Education	Program Services Total	Management and General	Fund Raising	Supporting Services Total	2017 Total	
Salaries	\$ 694,567	\$ 181,299	\$ 489,306	\$ 1,365,172	\$ 154,041	\$ 238,357	\$ 392,398	\$ 1,757,570	\$ 1,658,413
Employee benefits	48,148	13,580	40,530	102,258	11,538	17,854	29,392	131,650	107,850
Payroll taxes	41,927	11,825	35,292	89,044	10,047	15,547	25,594	114,638	96,476
Professional services	484,104	187,425	579,540	1,251,069	59,383	26,130	85,513	1,336,582	503,299
In kind advertising	247,647	245,892	655,530	1,149,069	--	--	--	1,149,069	1,311,682
In kind professional services	--	30,599	327,463	358,062	123,623	75,733	199,356	557,418	418,496
Occupancy	89,583	25,266	75,407	190,256	21,467	33,219	54,686	244,942	241,256
Office expense and fees	48,718	11,943	42,670	103,331	34,840	35,303	70,143	173,474	134,144
Depreciation and amortization	36,882	40,615	76,108	153,605	2,029	16,265	18,294	171,899	60,428
Travel	59,286	15,158	49,469	123,913	479	30,240	30,719	154,632	95,133
Advertising and public relations	14,876	38,694	89,233	142,803	--	1,575	1,575	144,378	182,172
Video production and technology	12,200	--	25,375	37,575	--	66,762	66,762	104,337	32,420
Website maintenance	31,832	8,276	46,914	87,022	--	--	--	87,022	37,495
Event management	--	--	--	--	--	63,458	63,458	63,458	33,450
Printing and reproduction	1,952	2,128	16,333	20,413	--	23,307	23,307	43,720	16,492
Event expenses	36	--	34,925	34,961	--	--	--	34,961	99,262
Bad debts	--	--	--	--	500	27,365	27,865	27,865	2,209
Merchandise	--	--	12,954	12,954	--	742	742	13,696	7,813
Miscellaneous	9,429	36	1,757	11,222	501	1,840	2,341	13,563	11,735
Insurance	2,929	826	2,466	6,221	5,172	1,086	6,258	12,479	12,337
Total expenses reported by function	\$ 1,824,116	\$ 813,562	\$ 2,601,272	\$ 5,238,950	\$ 423,620	\$ 674,783	\$ 1,088,403	\$ 6,337,353	\$ 5,062,562

The Notes to Financial Statements are an integral part of this statement.

The JED Foundation
Statement of Functional Expenses
Year Ended December 31, 2016

	Program Services					Supporting Services			Total
	Higher Education	High School	Youth and Community Campaigns and Education	Program Services Total	Management and General	Fund Raising	Supporting Services Total		
Salaries	\$ 677,419	\$ 188,777	\$ 472,755	\$ 1,338,951	\$ 141,176	\$ 178,286	\$ 319,462	\$ 1,658,413	
Employee benefits	44,054	12,277	30,744	87,075	9,181	11,594	20,775	107,850	
Payroll taxes	39,408	10,982	27,502	77,892	8,213	10,371	18,584	96,476	
In kind advertising	327,921	327,921	655,840	1,311,682	--	--	--	1,311,682	
Professional services	148,448	59,501	224,599	432,548	44,509	26,242	70,751	503,299	
In kind professional services	42,145	31,990	185,958	260,093	125,732	32,671	158,403	418,496	
Occupancy	98,547	27,463	68,773	194,783	20,538	25,935	46,473	241,256	
Advertising and public relations	56,832	8,955	103,815	169,602	--	12,570	12,570	182,172	
Office expense and fees	31,806	7,850	33,238	72,894	34,223	27,027	61,250	134,144	
Event expenses	--	--	63,140	63,140	--	36,122	36,122	99,262	
Travel	49,520	1,938	23,328	74,786	2,666	17,681	20,347	95,133	
Depreciation and amortization	14,874	2,719	29,485	47,078	2,033	11,317	13,350	60,428	
Website maintenance	5,410	800	31,285	37,495	--	--	--	37,495	
Event management	--	--	--	--	--	33,450	33,450	33,450	
Video production and technology	8,000	--	24,420	32,420	--	--	--	32,420	
Printing and reproduction	370	382	15,740	16,492	--	--	--	16,492	
Insurance	--	--	--	--	12,337	--	12,337	12,337	
Miscellaneous	3,946	166	7,170	11,282	124	329	453	11,735	
Merchandise	--	--	--	--	--	7,813	7,813	7,813	
Bad debts	--	--	--	--	2,209	--	2,209	2,209	
Total expenses reported by function	\$ 1,548,700	\$ 681,721	\$ 1,997,792	\$ 4,228,213	\$ 402,941	\$ 431,408	\$ 834,349	\$ 5,062,562	

The Notes to Financial Statements are an integral part of this statement.

The JED Foundation
Statements of Cash Flows
Years Ended December 31, 2017 and 2016

	2017	2016
Cash flows from operating activities		
Changes in net assets	\$ 136,631	\$ 940,409
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Amortization and depreciation	171,899	60,428
Bad debts	27,865	2,209
Realized loss (gain) on investments	5,555	(11,676)
Contribution of marketable equity securities	(550,887)	(794,053)
Proceeds from sale of contributed equity securities	545,332	806,704
Net present value adjustment on pledges receivable	11,364	(975)
(Increase) decrease in operating assets and liabilities		
Pledges receivable	419,184	(404,752)
Prepaid expenses	(10,471)	(46,390)
Fundraising materials	5,656	(3,280)
Other assets	(24,904)	(68)
Accounts payable and accrued expenses	134,262	64,858
Accrued rent	10,757	16,965
Security deposit payable	--	(3,117)
Net cash provided by operating activities	<u>882,243</u>	<u>627,262</u>
Cash flows from investing activities		
Purchase of property and equipment	<u>(275,136)</u>	<u>(263,702)</u>
Net cash used by investing activities	<u>(275,136)</u>	<u>(263,702)</u>
Net change in cash and cash equivalents	607,107	363,560
Cash, cash equivalents and restricted cash		
Beginning of year	<u>2,746,728</u>	<u>2,383,168</u>
End of year	<u>\$ 3,353,835</u>	<u>\$ 2,746,728</u>
Supplemental disclosure of cash flow information		
Non-cash transactions		
Contributed services	<u>\$ 1,706,487</u>	<u>\$ 1,730,178</u>

**The JED Foundation
Notes to Financial Statements
December 31, 2017 and 2016**

1. ORGANIZATION PURPOSE

The JED Foundation (the "Foundation") is a not-for-profit corporation incorporated in 2000. The Foundation exists to protect emotional health and prevent suicide for our nation's teens and young adults. We're partnering with high schools and colleges to strengthen their mental health, substance abuse and suicide prevention programs and systems. We're equipping teens and young adults with the skills and knowledge to help themselves and each other. We're encouraging community awareness, understanding and action for young adult mental health. JED operates administrative offices in New York, NY, and is supported primarily through contributions, special event revenue and earned income. Key programmatic areas are:

Higher Education

JED supports and empowers campus communities to strengthen student mental health, substance abuse and suicide prevention efforts. JED supports schools through advising support, communication and education programs, as well as through our signature program within higher education, JED Campus. JED Campus is designed to guide schools through a collaborative process of comprehensive systems, program and policy development with customized support to build upon existing student mental health, substance abuse and suicide prevention efforts. JED Campuses embark on a four-year strategic partnership with JED that not only assesses and enhances the work that is already being done, but helps to create positive, systemic change in the campus community. More than 200 member schools representing over 2 million students are a part of the program

High School

JED is continuing to grow its High School Programming with a focus on the transition from high school to college and emotional preparedness for that transition. JED's initiatives both directly prepare individual students going through this transition, as well as their families, and support high schools by helping them implement resources and programming to help prepare students. JED's key high school program is Set to Go, which launched in 2017. Set to Go guides students, families and high school educators through important social, emotional and mental health considerations related to the transition out of high school to college and adulthood. In 2018, Set to Go is reaching at least 500,000 teens and parents with essential information and resources about emotional health and well-being. The Set to Go program is being piloted in several high schools across the country and JED resources are reaching 1,700 middle and high schools in the New York City area through a partnership with the School Mental Health program, The Mayor's Fund to Advance New York City, and ThriveNYC.

Youth and Community Campaigns and Education

JED develops public education campaigns, expert resources and creates powerful partnerships to ensure more teens and young adults get access to the resources and support they need to navigate life's challenges. We strive to educate and equip students, families and communities to know when and how to support themselves and others who are in distress or struggling with a mental health issue. In partnership with AdCouncil and AFSP, JED launched a national campaign that encourages teens and young adults to "seize the awkward" by reaching out to a friend who may be struggling with mental health issues. Other programs include:

- Love is Louder: An online community working together to build a world where we all feel connected and supported
- Ulifeline: A mental health resource center for college students that provides information about emotional health issues and the resources available on their campus. It also offers a confidential mental health self-screening tool.
- Half of Us (mtvU): An award-winning program from JED and MTV featuring a library of free-for-use videos including PSAs, celebrities and students talking about their personal experiences with mental health and substance use.

The JED Foundation
Notes to Financial Statements
December 31, 2017 and 2016

2. SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting

Financial reporting by not-for-profit organizations requires that resources be classified for accounting and reporting purposes into net asset categories according to externally (donor) imposed restrictions. During the years ended December 31, 2017 and 2016, the Foundation had accounting transactions in the unrestricted and temporarily restricted net assets categories based upon the existence or absence of donor-imposed restrictions.

Revenue and Support Recognition

Contributions are recognized as revenues when they are received or unconditionally pledged and are recorded as unrestricted or restricted support according to donor stipulations that limit the use of these assets due to time or purpose restrictions.

When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as satisfaction of time and purpose restrictions. If a contribution is received and the restriction is met within the same fiscal year, the contribution is reported as unrestricted.

Cash, Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported with the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows.

	2017	2016
Cash and cash equivalents	\$ 2,695,176	\$ 1,697,361
Restricted cash held in investment pool	<u>658,659</u>	<u>1,049,367</u>
Total cash, cash equivalents and restricted cash shown in statements of cash flows	<u>\$ 3,353,835</u>	<u>\$ 2,746,728</u>

Amounts included in restricted cash represent cash that is temporarily restricted for program specific purposes based on donor instructions.

Fair Value of Financial Instruments

The carrying amounts of financial instruments including cash, pledges receivable, accounts payable and accrued expenses approximate their fair values because of the relatively short maturity of these investments.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The JED Foundation
Notes to Financial Statements
December 31, 2017 and 2016

Property and Equipment

Acquisitions of property and equipment with useful lives greater than one year are recorded at cost. Property and equipment acquisitions are depreciated using the straight-line method over the estimated useful lives of the assets. Under ASC 350-50 *Website Development Costs*, costs and expenses incurred during the planning and operating stages of the Foundation's website development are expensed as incurred.

The Foundation accounts for the development of its website by expensing all costs associated with the planning of the website as incurred and capitalizing the costs to develop the website. Depreciation is calculated using the straight-line method over the estimated three year useful life of the assets.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Advertising

The Foundation follows a policy of charging the cost of advertising to expense as incurred. Total advertising expense for the years ended December 31, 2017 and 2016, was \$144,378 and \$182,172, excluding in-kind advertising found in note 8, respectively, and can be found on the statements of functional expenses as advertising and public relations.

Contributed Services and Materials

The Foundation records various types of contributed support, including services and materials. The Foundation recognizes certain services received if those services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by contribution. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as contributed services are offset by like amounts included in expenses.

Receivables

The Foundation considers all receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required. Pledges receivable are funds pledged by donors to the Foundation in writing. They have been pledged at various times over no specific period of time. The purpose of these pledges is to finance the current programs offered as well as the operations of the Foundation.

Fundraising Materials

Fundraising materials consist of T-shirts, bracelets and various other small items used to raise funds to support the Love is Louder program.

3. INCOME TAXES

The Foundation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the financial statements do not reflect a provision for Federal income taxes. There were no uncertain tax positions at December 31, 2017 and 2016. There are no tax related penalties and interest recorded for the years ended December 31, 2017 and 2016.

The JED Foundation
Notes to Financial Statements
December 31, 2017 and 2016

4. NEW ACCOUNTING PRONOUNCEMENTS

In August 2016 the FASB issued ASU 2016-14 – Not-for-profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-profit Entities*. ASU 2016-14, which is effective for fiscal years beginning after December 15, 2017 with early adoption permitted, will require a change to two areas of not-for-profit accounting and significant new financial statement presentation and disclosure requirements. Under ASU 2016-14 (the “ASU”), underwater funds will be accounted for within net assets with donor restrictions and not within net assets without donor restrictions, as is the current practice. In addition, the ASU eliminates the accounting policy election to release donor-imposed restrictions over the useful life of donated property and equipment when the donor does not explicitly specify the period of time the property must be used. Instead, entities will be required to relieve the donor’s restrictions at the time the asset is placed in service. The ASU also changes the presentation and disclosure requirements of not-for-profit entities in the following areas: expense disclosures, display of net asset classes, cash flow presentation, quantitative and qualitative liquidity disclosures and presentation of investment returns. The Foundation is currently evaluating the impact these changes will have on its future financial statements.

5. PLEDGES RECEIVABLE

Pledges are recognized when the donor’s commitment is received. The pledges are recognized at the estimated present value of future cash flows.

Pledges receivable at December 31, are as follows:

	2017	2016
Due in one year or less	\$ 1,119,619	\$ 1,816,668
Due between one year and five years	<u>600,000</u>	<u>350,000</u>
Pledges receivable, gross	1,719,619	2,166,668
Less: Unamortized discount	<u>(22,324)</u>	<u>(10,960)</u>
Pledges receivable, net	1,697,295	2,155,708
Less current promises to give	<u>1,119,619</u>	<u>1,816,668</u>
Long-term promises to give, net	<u>\$ 577,676</u>	<u>\$ 339,040</u>

The estimated value of the future cash flows was determined using a discount rate of 2 percent.

Maturities of contributions and pledges receivable are as follows: 2018 - \$1,119,619; 2019 - \$577,676.

6. CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist of cash and cash equivalents and pledges receivable. The Foundation places cash in institutions with high credit ratings, which helps to limit the Foundation’s exposure to concentrations of credit risk. During the years ended December 31, 2017 and 2016, the Foundation had cash balances which may have exceeded the insured limit.

The JED Foundation
Notes to Financial Statements
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7. PROPERTY AND EQUIPMENT

Property and equipment, at cost, consists of the following at December 31,:

	<u>2017</u>	<u>2016</u>	Estimated Useful Lives (Years)
Computer equipment	\$ 64,341	\$ 59,719	3
Furniture and fixtures	66,290	66,290	5
Leasehold improvements	49,340	49,340	7
Website development	1,302,308	1,103,353	3
Software	<u>154,119</u>	<u>82,560</u>	3
	1,636,398	1,361,262	
Less accumulated depreciation and amortization	<u>1,082,481</u>	<u>910,582</u>	
Property and equipment, net	<u>\$ 553,917</u>	<u>\$ 450,680</u>	

Amortization was \$148,735 and \$36,544 for the years ended December 31, 2017 and 2016, respectively. Depreciation was \$23,164 and \$23,884 for the years ended December 31, 2017 and 2016, respectively.

Future amortization expense is expected to be the following:

**The JED Foundation
Notes to Financial Statements
December 31, 2017 and 2016**

The JED Foundation
Notes to Financial Statements
December 31, 2017 and 2016

8. IN-KIND CONTRIBUTIONS

The Foundation receives contributed services and materials in support of various aspects of its programs. The materials consist of program supplies. During the years ended December 31, 2017 and 2016, the Foundation received the following in-kind contributions of materials and services that have been reflected in the financial statements:

	2017	2016
Professional services	\$ 557,418	\$ 418,496
Advertising	<u>1,149,069</u>	<u>1,311,682</u>
	<u>\$ 1,706,487</u>	<u>\$ 1,730,178</u>

The Foundation also receives contributed services from volunteers in connection with its various programs which do not meet the criteria for recognition. Accordingly, the value of these contributed services has not been reflected in the accompanying financial statements.

The JED Foundation
Notes to Financial Statements
December 31, 2017 and 2016

9. NET ASSETS

Components of net assets at December 31, were as follows:

	2017	2016
Unrestricted net assets		
Available for general operations	\$ 3,268,606	\$ 2,611,227
Temporarily restricted net assets		
Higher education	\$ 304,603	\$ 686,926
High school	264,278	310,476
Youth and community campaigns and education	112,102	51,965
Future periods	1,452,676	1,605,040
	<u>\$ 2,133,659</u>	<u>\$ 2,654,407</u>

Net assets were released from donor restrictions by incurring expenses satisfying the time or purpose restrictions specified by the donor as follows:

Higher education	\$ 953,023	\$ 576,802
High school	537,170	321,553
Youth and community campaigns and education	346,061	188,284
Future periods	1,176,000	500,000
	<u>\$ 3,012,254</u>	<u>\$ 1,586,639</u>

10. RELATED PARTY TRANSACTIONS

The Foundation received current contributions from its board members totaling \$420,892 and \$1,140,208 for the years ended December 31, 2017 and 2016, respectively. At December 31, 2017 and 2016, pledges receivable from board members included in total pledges receivable were \$360,630 and \$926,700, respectively.

In August 2015, the Foundation entered into a sublease agreement with the Founder and Board Chair of the Foundation for a portion of the Foundation's administrative office space as described in Note 11. Rental income was \$41,385 and \$39,273 for the years ended December 31, 2017 and 2016, respectively, under the agreement.

The JED Foundation
Notes to Financial Statements
December 31, 2017 and 2016

11. LEASING ARRANGEMENTS

The Foundation has a lease agreement for administrative office space in New York, NY, which will expire in July 2022. Rent expense was \$227,310 and \$227,197 for the years ended December 31, 2017 and 2016, respectively, under the agreement and is recorded in occupancy in the statement of functional expenses. Future lease payments are:

2018	\$	219,499
2019		226,084
2020		232,867
2021		239,853
2022		142,333

Rent is recorded as expense using the straight-line method over the life of the lease. Rent expense recorded that exceeds amounts paid is recorded as accrued rent on the statement of financial position. accrued rent was \$34,592 and \$23,835 at December 31, 2017 and 2016, respectively, in relation to the agreement.

The Foundation has a sublease agreement with the Founder and Board Chair for a portion of the Foundation's administrative office space. Future rental income is:

2018	\$	36,324
2019		36,324
2020		36,324
2021		36,324
2022		36,324

12. RETIREMENT PLAN

The Foundation maintains a 403(b) retirement plan for all eligible employees. Participating employees may elect to defer a portion of their salary to the plan, subject to the limits established by the Internal Revenue Service. There was no employer match to the plan for either of the years ended December 31, 2017 and 2016.

13. SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events occurring after the statement of financial position date through the date of August 15, 2018, which is the date the financial statements were available to be issued. Based on this evaluation, the Foundation has determined that no subsequent events have occurred, which require disclosure in the financial statements.