



# The Jed Foundation

**Financial Statements  
December 31, 2020 and 2019  
With Independent Auditor's Report**

**The Jed Foundation**  
**Table of Contents**  
**December 31, 2020 and 2019**

---

<b>Independent Auditor's Report</b>	1
<b>Financial Statements</b>	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Functional Expenses	4-5
Statements of Cash Flows	6
Notes to Financial Statements	7-15

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,  
The Jed Foundation:

We have audited the accompanying financial statements of The Jed Foundation, which comprise the statements of financial position as of December 31, 2020 and 2019, the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended and the related notes to the financial 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.

### Auditor's 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 audits 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 auditor's 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, 2020 and 2019, 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.

*WithumSmith+Brown, PC*

September 28, 2021

**The Jed Foundation**  
**Statements of Financial Position**  
**December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 12,797,305	\$ 5,964,064
Promises to give receivable	4,301,215	7,058,497
Prepaid expenses	420,034	183,950
Fundraising materials	-	5,981
Total current assets	<u>17,518,554</u>	<u>13,212,492</u>
Property and equipment, net	<u>30,624</u>	<u>66,643</u>
Other assets		
Promises to give receivable, long-term, net	3,382,873	5,335,742
Intangible assets, net	457,669	280,846
Security deposits	-	125,187
Total other assets	<u>3,840,542</u>	<u>5,741,775</u>
Total assets	<u>\$ 21,389,720</u>	<u>\$ 19,020,910</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 598,362	\$ 582,321
Deferred revenue	1,062,286	579,603
Deferred rent payable	-	38,957
Total liabilities	<u>1,660,648</u>	<u>1,200,881</u>
Net assets		
Without donor restrictions	7,004,608	4,009,086
With donor restrictions	<u>12,724,464</u>	<u>13,810,943</u>
Total net assets	<u>19,729,072</u>	<u>17,820,029</u>
Total liabilities and net assets	<u>\$ 21,389,720</u>	<u>\$ 19,020,910</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, 2020 and 2019**

	2020			2019		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
<b>Support and revenues</b>						
Special events, gross proceeds						
Contributions	\$ -	\$ -	\$ -	\$ 1,932,664	\$ -	\$ 1,932,664
Ticket sales	-	-	-	133,000	-	133,000
Less: Direct benefits to donors	-	-	-	(385,266)	-	(385,266)
Net proceeds from special events	-	-	-	1,680,398	-	1,680,398
Contributions	5,128,821	3,709,208	8,838,029	1,815,754	11,886,529	13,702,283
Program service revenue	1,221,742	-	1,221,742	572,115	-	572,115
Paycheck Protection Program grant income	346,253	-	346,253	-	-	-
Contributed services and materials	167,490	-	167,490	196,815	-	196,815
Interest income	14,916	-	14,916	27,924	-	27,924
Net assets released from restrictions	4,795,687	(4,795,687)	-	4,013,201	(4,013,201)	-
Total support and revenues	11,674,909	(1,086,479)	10,588,430	8,306,207	7,873,328	16,179,535
<b>Expenses</b>						
Program services						
Higher education	2,759,011	-	2,759,011	2,857,351	-	2,857,351
High school	1,340,746	-	1,340,746	925,776	-	925,776
Youth and community campaigns and education	2,992,379	-	2,992,379	1,917,568	-	1,917,568
Total program services	7,092,136	-	7,092,136	5,700,695	-	5,700,695
Supporting services						
Management and general	1,146,882	-	1,146,882	863,391	-	863,391
Fundraising	440,369	-	440,369	559,480	-	559,480
Total supporting services	1,587,251	-	1,587,251	1,422,871	-	1,422,871
Total expenses	8,679,387	-	8,679,387	7,123,566	-	7,123,566
<b>Changes in net assets</b>	2,995,522	(1,086,479)	1,909,043	1,182,641	7,873,328	9,055,969
<b>Net assets</b>						
Beginning of year	4,009,086	13,810,943	17,820,029	2,826,445	5,937,615	8,764,060
End of year	\$ 7,004,608	\$ 12,724,464	\$ 19,729,072	\$ 4,009,086	\$ 13,810,943	\$ 17,820,029

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

**The Jed Foundation**  
**Statements of Functional Expenses**  
**Year Ended December 31, 2020**

	Program Services				Supporting Services			Total
	Higher Education	High School	Youth and Community Campaigns and Education	Total Program Services	Management and General	Fund Raising	Total Supporting Services	
Salaries	\$ 1,472,441	\$ 698,698	\$ 986,543	\$ 3,157,682	\$ 404,913	\$ 312,906	\$ 717,819	\$ 3,875,501
Employee benefits	103,003	61,313	82,117	246,433	33,518	14,026	47,544	293,977
Payroll taxes	108,816	51,969	71,900	232,685	36,138	20,555	56,693	289,378
Professional services	428,151	334,316	944,890	1,707,357	368,380	27,979	396,359	2,103,716
In-kind professional services	25,440	5,750	23,565	54,755	105,030	7,705	112,735	167,490
Occupancy	155,535	90,032	126,950	372,517	29,801	23,068	52,869	425,386
Office expense and fees	14,017	7,075	18,078	39,170	46,150	3,493	49,643	88,813
Amortization and depreciation	93,290	15,701	101,013	210,004	4,129	12,146	16,275	226,279
Travel	34,560	2,773	26,152	63,485	4,725	197	4,922	68,407
Advertising and public relations	750	-	456,549	457,299	-	-	-	457,299
Information technology	49,433	56,816	129,250	235,499	15,085	9,396	24,481	259,980
Conferences and training	4,635	900	1,973	7,508	16,472	1,860	18,332	25,840
Printing and reproduction	7,634	10,396	13,197	31,227	1,905	5,053	6,958	38,185
Event expenses	-	-	-	-	-	-	-	-
Direct costs of special events	-	-	-	-	-	-	-	-
Bad debts	-	-	-	-	53,395	-	53,395	53,395
Miscellaneous	14	-	3,375	3,389	1,198	-	1,198	4,587
Insurance	500	225	326	1,051	21,658	82	21,740	22,791
Disbursements to partner	250,000	-	-	250,000	-	-	-	250,000
Loss on fixed asset disposal	10,792	4,782	6,501	22,075	4,385	1,903	6,288	28,363
	<u>\$ 2,759,011</u>	<u>\$ 1,340,746</u>	<u>\$ 2,992,379</u>	<u>\$ 7,092,136</u>	<u>\$ 1,146,882</u>	<u>\$ 440,369</u>	<u>\$ 1,587,251</u>	<u>\$ 8,679,387</u>

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

**The Jed Foundation**  
**Statements of Functional Expenses**  
**Year Ended December 31, 2019**

	Program Services				Supporting Services			Total
	Higher Education	High School	Youth and Community Campaigns and Education	Total Program Services	Management and General	Fund Raising	Total Supporting Services	
Salaries	\$ 1,192,172	\$ 450,576	\$ 728,155	\$ 2,370,903	\$ 336,868	\$ 254,511	\$ 591,379	\$ 2,962,282
Employee benefits	84,025	32,047	61,711	177,783	29,305	16,885	46,190	223,973
Payroll taxes	87,451	33,052	53,413	173,916	24,711	18,669	43,380	217,296
Professional services	487,245	125,416	548,129	1,160,790	198,515	70,340	268,855	1,429,645
In-kind professional services	27,027	27,027	13,514	67,568	123,497	5,750	129,247	196,815
Occupancy	117,021	44,228	71,474	232,723	33,067	24,982	58,049	290,772
Office expense and fees	84,516	23,793	67,695	176,004	51,180	24,120	75,300	251,304
Amortization and depreciation	158,385	48,967	62,164	269,516	4,190	16,885	21,075	290,591
Travel	144,427	14,811	74,535	233,773	14,291	16,113	30,404	264,177
Advertising and public relations	59,805	10,973	143,699	214,477	-	5,098	5,098	219,575
Video production and technology	1,179	-	13,799	14,978	-	-	-	14,978
Website maintenance	97,754	12,277	11,539	121,570	-	-	-	121,570
Conferences and training	36,642	2,910	4,257	43,809	21,646	42,898	64,544	108,353
Event management	-	-	-	-	-	42,565	42,565	42,565
Printing and reproduction	17,840	95,707	6,588	120,135	-	18,155	18,155	138,290
Event expenses	-	-	43,117	43,117	-	-	-	43,117
Direct costs of special events	-	-	-	-	-	385,266	385,266	385,266
Program supplies	-	-	905	905	-	-	-	905
Miscellaneous	1,445	19	5,224	6,688	-	416	416	7,104
Insurance	-	-	-	-	22,345	-	22,345	22,345
Disbursements to partner	250,000	-	-	250,000	-	-	-	250,000
Loss on fixed asset disposal	10,417	3,973	7,650	22,040	3,776	2,093	5,869	27,909
	<u>2,857,351</u>	<u>925,776</u>	<u>1,917,568</u>	<u>5,700,695</u>	<u>863,391</u>	<u>944,746</u>	<u>1,808,137</u>	<u>7,508,832</u>
Less: Direct costs of special events netted with revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(385,266)</u>	<u>(385,266)</u>	<u>(385,266)</u>
	<u>\$ 2,857,351</u>	<u>\$ 925,776</u>	<u>\$ 1,917,568</u>	<u>\$ 5,700,695</u>	<u>\$ 863,391</u>	<u>\$ 559,480</u>	<u>\$ 1,422,871</u>	<u>\$ 7,123,566</u>

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

**The Jed Foundation**  
**Statements of Cash Flows**  
**Years Ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>Operating activities</b>		
Changes in net assets	\$ 1,909,043	\$ 9,055,969
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Amortization and depreciation	226,279	290,591
Bad debt expense	53,395	-
Realized loss on investments	-	2,376
Contribution of donated securities	(92,484)	(100,000)
Loss on disposal of fixed assets	28,363	27,909
Net present value adjustment on promises to give receivable	(367,088)	650,977
(Increase) decrease in operating assets and liabilities		
Promises to give receivable	5,023,844	(8,985,651)
Prepaid expenses	(236,084)	(59,205)
Fundraising materials	5,981	-
Security deposits	125,187	(73,900)
Accounts payable and accrued expenses	16,041	307,520
Deferred revenue	482,683	356,263
Deferred rent payable	(38,957)	-
Net cash provided by operating activities	<u>7,136,203</u>	<u>1,472,849</u>
<b>Investing activities</b>		
Purchase of property and equipment	(375,143)	(320,723)
Purchase of intangible assets	(20,303)	-
Proceeds from sale of donated marketable securities	92,484	97,624
Net cash used in investing activities	<u>(302,962)</u>	<u>(223,099)</u>
Net change in cash and cash equivalents	6,833,241	1,249,750
<b>Cash and cash equivalents</b>		
Beginning of year	<u>5,964,064</u>	<u>4,714,314</u>
End of year	<u>\$ 12,797,305</u>	<u>\$ 5,964,064</u>
<b>Supplemental disclosure of cash flow information</b>		
Non-cash transactions		
Contributed services and materials	<u>\$ 167,490</u>	<u>\$ 196,815</u>

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



# The Jed Foundation

## Notes to Financial Statements

### December 31, 2020 and 2019

---

#### 1. ORGANIZATION PURPOSE

The Jed Foundation (the “Foundation” or “JED”) is a not-for-profit corporation incorporated in 2000. The Foundation’s mission is to prevent suicide and protect the emotional health of teens and young adults. We are partnering with high schools and colleges to strengthen their mental health, substance abuse and suicide prevention programs and systems. We are equipping teens and young adults with the skills and knowledge to help themselves and each other. We are encouraging community awareness, understanding and action for young adult mental health. JED operates from 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 misuse and suicide prevention efforts. This work with colleges and universities is grounded in the evidence-based practice of our Comprehensive Approach to Mental Health Promotion and Suicide Prevention. JED supports schools through advising support, communication and education programs as well as through our signature programs within higher education through the JED Campus program. 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 misuse and suicide prevention efforts. JED Campuses embark on a four-year strategic partnership with JED that not only assesses and enhance the work that is already being done, but helps to create positive, systemic change in the campus community.

##### **High School**

JED is continuing to grow its High School Programming with a focus on emotional preparation for the transition from high school to college. JED’s key high school program is Set to Go ([settogo.org](http://settogo.org)), 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 2019, Set to Go reached at least 500,000 teens and parents with essential information and resources about emotional health and well-being. A new Set to Go curriculum is being piloted in several high schools across the country and JED resources are reaching 1,700 schools (includes all grades K-12) in the New York City area through a partnership with the Department of Education’s School Mental Health program, The Mayor’s Fund to Advance New York City, and ThriveNYC. JED also began work to develop a Comprehensive Approach to Mental Health and Suicide Prevention for high schools. This framework will provide a series of recommendations for schools on how to approach mental health and suicide prevention and form the basis of the technical assistance JED provides to them. In addition, in partnership with the Healthy Minds Network at the University of Michigan, JED began work on a Healthy Minds for High School survey, the first national survey instrument to assess the prevalence of mental health issues among high school students and gain insight into their attitudes about mental health.

##### **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 Ad Council and the American Foundation for Suicide Prevention (“AFSP”), JED operates a national campaign, Seize the Awkward ([seizethawkward.org](http://seizethawkward.org)), that encourages teens and young adults to start a conversation with a friend who may be struggling with mental health issues. Other programs include:

- Love is Louder ([loveislouder.com](http://loveislouder.com)): An online community working together to build a world where we all feel connected and supported.

**The Jed Foundation**  
**Notes to Financial Statements**  
**December 31, 2020 and 2019**

---

- Ulifeline (ulifeline.org): 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 (halfofus.com): An award-winning program from JED and MTV featuring a library of free-for-use videos including public service announcements, celebrities and students talking about their personal experiences with mental health and substance use.
- JED Storytellers (youtube.com/jedfoundation): Each year, JED trains individuals from all over the country who have been affected by mental health to share their authentic, inspiring personal stories to let others know they are not alone, and that help is available.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, the Foundation's resources are classified and reported as separate classes of net assets based on the existence or absence of donor-imposed restrictions as follows:

**Net assets without donor restrictions:** Include expendable resources that are used to carry out the Foundation's operations and are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by the Foundation or may be limited by contractual agreements with outside parties.

**Net assets with donor restrictions:** Net assets subject to donor-imposed restrictions that will be met either by the actions of the Foundation or through the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt. Expirations of time restrictions or satisfaction of purpose restrictions of net assets with donor restrictions are reported as net assets released from restrictions in the statements of activities and changes in net assets.

**Revenue and Support Recognition**

**Contribution Revenue**

Contributions, including unconditional promises to give, are recognized as revenue in the period received or pledged. Contributions are classified and reported based on the existence or absence of donor-imposed restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restriction. Contributions received in securities or other non-cash contributions are recorded at fair value at the date of the gift and are sold shortly after or upon receipt.

Conditional promises to give, which include those with a barrier or other measurable performance requirement and a right of return or release, are not recognized as revenue until the conditions on which they depend have been substantially met. Payments received in advance of conditions being met are recorded as refundable advances on the statements of financial position.

**The Jed Foundation**  
**Notes to Financial Statements**  
**December 31, 2020 and 2019**

---

*Special Event Revenue*

Special event revenue is comprised of an exchange element based on the value of benefits provided, and a contribution element for the difference between the total ticket price or sponsorship support and the exchange element. Special event revenue is recorded net of the benefits received by the donors in the statements of activities and changes in net assets. Contribution revenue is recorded at the time of notification of the contribution and ticket revenue is recorded at the point of time when the event occurs.

*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.

*Program Service Revenue*

Program service revenue is earned from services provided through the JED Campus Program or for other consulting, which are considered as revenue from contracts with customers. JED Campus schools receive ongoing support and technical assistance from a dedicated JED Campus Advisor to guide them through a four-year process of assessment, strategic planning, implementation and sustainability. Revenues are earned over the four-year cycle based on specific services provided as benchmarks are met. Consulting revenue is charged at hourly rates and is recorded at the point in time the service is provided. Funds received in advance of the amount earned as revenue are shown as deferred revenue in the statements of financial position. The Foundation was founded in 2000 and expects revenue to continue to be earned and recognized as in previous years. Revenue is earned from a diverse customer base of colleges and universities around the country.

**Cash Equivalents**

The Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Promises to Give Receivable and Credit Policies**

Promises to give receivable consist mainly of unconditional promises to give through foundation grants and contributions from individuals. Unconditional promises to give that are expected to be collected in more than a year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using a risk-adjusted rate of return and are recorded as a reduction of the associated contribution in the year the pledge is received. As annual payments are received, the associated discount will be recorded as an increase the related revenue. The Foundation monitors the collectability of these receivables and has determined that no allowance for uncollectible accounts was necessary at December 31, 2020 and 2019.

**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.

**The Jed Foundation**  
**Notes to Financial Statements**  
**December 31, 2020 and 2019**

---

**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, 2020 and 2019 was \$457,299 and \$219,575, respectively, excluding in-kind advertising found in Note 8 and can be found on the statements of functional expenses as advertising and public relations.

**Functional Allocation of Expenses**

Expenses are reported in the statements of activities and changes in net assets based on the nature and function of the expenses as a program service or supporting function. The Foundation incurs expenses that are attributable to both program and supporting functions. These expenses require allocation on a reasonable basis that is consistently applied. Salaries are allocated based on time spent in each of the functional categories for each employee. Fringe benefits and occupancy expenses are allocated using the weighted average of salaries in each category. Expenses that are attributable to a program or supporting service category are directly charged and expenses such as office expense and occupancy that benefit multiple cost centers are included in a cost pool, which is then allocated using direct salaries as a base.

**Estimates**

The preparation of financial statements in accordance 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.

**Reclassifications**

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. These changes have had no effect on the net assets of JED.

**New Accounting Pronouncements Issued Not Yet Effective**

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-02, *Leases* (Topic 842), which requires the recognition of a “right to use” asset and a lease liability, initially measured at the present value of the lease payments, on the statement of financial position for all of the Foundation’s lease obligations. This ASU is effective for fiscal years beginning after December 15, 2021.

In June 2016, the FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*, which is effective for fiscal years beginning after December 15, 2022, requires an organization to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions will now use forward-looking information to better inform their credit loss estimates.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which is effective for fiscal years beginning after June 15, 2021, with early adoption permitted, and is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from other contributions of cash or financial assets, along with expanded disclosure requirements.

JED is currently evaluating the effect that these pronouncements will have on its financial statements and related disclosures.

**The Jed Foundation**  
**Notes to Financial Statements**  
**December 31, 2020 and 2019**

---

**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 or tax related penalties and interest recorded for the years ended December 31, 2020 and 2019.

**4. PROMISES TO GIVE RECEIVABLE**

Promises to give receivable are recognized when the donor's commitment is received. The receivables are recognized at the estimated present value of future cash flows. The estimated value of the future cash flows was determined using a discount rate of 5%. Promises to give receivable at December 31, are as follows:

	<u>2020</u>	<u>2019</u>
Due in one year or less	\$ 4,301,215	\$ 7,058,497
Due between one year and five years	<u>3,818,051</u>	<u>6,138,008</u>
Promises to give receivable, gross	8,119,266	13,196,505
Less: Unamortized discount	<u>(435,178)</u>	<u>(802,266)</u>
Promises to give receivable, net	7,684,088	12,394,239
Less: Current promises to give	<u>4,301,215</u>	<u>7,058,497</u>
Long-term promises to give, net	<u>\$ 3,382,873</u>	<u>\$ 5,335,742</u>

Maturities of promises to give receivable are as follows: 2021 - \$4,301,215; 2022 - \$1,960,956; and 2023 - \$1,857,095.

**5. PROPERTY AND EQUIPMENT**

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

	<u>2020</u>	<u>2019</u>	<u>Estimated Useful Lives (Years)</u>
Computer equipment	\$ 50,714	\$ 82,918	3
Furniture and fixtures	77,007	83,072	5
Leasehold improvements	<u>-</u>	<u>48,389</u>	7
	127,721	214,379	
Less: Accumulated depreciation and amortization	<u>97,097</u>	<u>147,736</u>	
Property and equipment, net	<u>\$ 30,624</u>	<u>\$ 66,643</u>	

Depreciation was \$27,959 and \$30,969 for the years ended December 31, 2020 and 2019, respectively. During 2020 and 2019, the Foundation wrote off equipment, furniture and leasehold improvements due to obsolescence and a change in office facilities, which had a remaining value of \$28,363 and \$27,909, respectively.

**The Jed Foundation**  
**Notes to Financial Statements**  
**December 31, 2020 and 2019**

---

**6. INTANGIBLE ASSETS**

Intangible assets consist of the following at December 31:

	<u>2020</u>	<u>2019</u>	<b>Estimated Useful Lives (Years)</b>
Website development	\$ 1,419,820	\$ 1,127,062	3
Software	<u>431,958</u>	<u>349,574</u>	3
	1,851,778	1,476,636	
Less: Accumulated amortization	<u>1,394,109</u>	<u>1,195,790</u>	
Intangible assets, net	<u>\$ 457,669</u>	<u>\$ 280,846</u>	

Amortization was \$198,320 and \$259,622 for the years ended December 31, 2020 and 2019, respectively. Future amortization expense is expected to be the following 2021 - \$182,112; 2022 - \$98,733.

**7. FINANCIAL ASSETS AND LIQUIDITY RESOURCES**

As of December 31, 2020 and 2019, financial assets and liquidity resources available within one year for general operating expenses were as follows:

	<u>2020</u>	<u>2019</u>
Financial assets		
Cash and cash equivalents	\$ 12,797,305	\$ 5,964,064
Promises to give receivable	<u>7,684,088</u>	<u>12,394,239</u>
	<u>20,481,393</u>	<u>18,358,303</u>
Less: Financial assets unavailable for general expenditure		
Promises to give, long term	(3,382,873)	(5,335,742)
Net assets with donor restrictions	<u>(9,341,591)</u>	<u>(8,475,201)</u>
	<u>(12,724,464)</u>	<u>(13,810,943)</u>
Total financial assets and liquidity resources available within one year	<u>\$ 7,756,929</u>	<u>\$ 4,547,360</u>

The Foundation has a goal to maintain financial assets on hand to meet a minimum of six months of fixed operating expenses, which are, on average, approximately \$3,000,000. The Foundation receives contributions annually from donors to fund program activities and other programmatic costs which indirectly impact fixed operating expenses. The Foundation structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**The Jed Foundation**  
**Notes to Financial Statements**  
**December 31, 2020 and 2019**

---

**8. IN-KIND CONTRIBUTIONS**

The Foundation receives contributed services in support of various aspects of its programs. During the years ended December 31, 2020 and 2019, the Foundation received the following in-kind contributions that have been reflected in the financial statements:

	<u>2020</u>	<u>2019</u>
Professional services - legal fees	\$ 167,490	\$ 196,815

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.

**9. CONCENTRATION OF REVENUE AND CREDIT RISK**

The Foundation has financial concentrations in the following areas:

**Promises to Give Receivables and Contribution Revenue**

During 2020 and 2019, the Foundation's promises to give receivable of approximately 81% and 86%, respectively, were from two donors. During 2020 and 2019, the Foundation received approximately 28% and 63% of its contribution revenue from one donor, respectively.

**Financial Instruments**

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, 2020 and 2019, the Foundation had cash balances which may have exceeded the insured limit.

**10. NET ASSETS**

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

	<u>2020</u>	<u>2019</u>
Net assets with donor restrictions		
Higher education	\$ 3,024,274	\$ 183,082
High school	3,180,563	1,311,976
Youth and community campaigns and education	9,474	64,162
Future periods	6,510,153	12,251,723
	<u>\$ 12,724,464</u>	<u>\$ 13,810,943</u>

**The Jed Foundation**  
**Notes to Financial Statements**  
**December 31, 2020 and 2019**

---

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

	<u>2020</u>	<u>2019</u>
Higher education	\$ 2,900,989	\$ 2,637,963
High school	1,172,731	795,456
Youth and community campaigns and education	621,967	579,782
Time restricted	<u>100,000</u>	<u>-</u>
	<u>\$ 4,795,687</u>	<u>\$ 4,013,201</u>

**11. LEASING ARRANGEMENTS**

The Foundation had a lease agreement for administrative office space in New York, NY, which had an original expiration date of July 2022 that was terminated in August 2020. As part of the settlement agreement for termination, the security deposit was retained by the landlord and is included in the rent expense of \$418,465 in 2020. Rent expense was \$290,772 for the year ended December 31, 2019. Rent expense for both years is recorded in occupancy in the statements of functional expenses.

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 statements of financial position. No deferred rent payable was recorded as of December 31, 2020. Deferred rent payable was \$38,957 as of December 31, 2019.

**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 the years ended December 31, 2020 and 2019.

**13. PAYCHECK PROTECTION PROGRAM GRANT INCOME**

On April 30, 2020, the Foundation issued an unsecured promissory note (the "PPP Loan") for \$346,253 through the Paycheck Protection Program ("PPP") established under the CARES Act and administered by the U.S. Small Business Administration ("SBA"). The PPP Loan is guaranteed by the SBA. The PPP Loan may be forgiven, in whole or in part, if the Foundation was eligible for the PPP Loan at the time of application, used the loan proceeds for eligible expenses within the defined 24-week period after the PPP Loan was disbursed ("Covered Period"), and otherwise satisfied PPP requirements. The PPP Loan was made through Cross River bank (the "Lender"), has a two-year term, bears interest at 1.00% per annum, and matures on May 29, 2023. If the PPP Loan is not forgiven, monthly principal and interest payments are deferred until ten months after the end of the Covered Period.

When it applied for the loan, the Foundation believed it would qualify to have the loan forgiven under the terms of PPP, and therefore considered the loan to be a conditional government grant. The Foundation has performed initial calculations for PPP Loan forgiveness and expects that the PPP Loan will be forgiven in full because 1) the Foundation has, prior to December 31, 2020, utilized all of the proceeds for payroll and other qualified expenses and 2) the Foundation believes it will continue to comply with other terms and conditions necessary for forgiveness.



**The Jed Foundation**  
**Notes to Financial Statements**  
**December 31, 2020 and 2019**

---

The Foundation plans to submit the PPP Loan forgiveness application in the near term. Although the Foundation believes it is probable that the PPP Loan will be forgiven, the Foundation's application must be evaluated by the lender and SBA before forgiveness is formally granted. Therefore, there is no guarantee that any portion of the PPP Loan proceeds will be forgiven; and the Foundation is legally obligated to repay the PPP Loan until such time as legal release is received.

Future maturities of the PPP Loan, assuming it is not forgiven, are as follows for the years ending December 31:

2021	\$ 129,845
2022	173,127
2023	<u>43,281</u>
Total PPP Loan	<u>\$ 346,253</u>

**14. RISKS AND UNCERTAINTIES**

The global pandemic related to the outbreak of a novel strain of Coronavirus ("COVID-19") that was declared in March 2020 by the World Health Organization has continued into 2021. Management has concluded that while it is reasonably possible that the virus could have a negative effect on the Foundation's overall financial condition and results of operations, the specific impact is not readily determinable as of the date of these financial statements.

**15. SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events occurring after the statement of financial position date through the date of September 28, 2021, which is the date the financial statements were available to be issued. Based upon this evaluation, The Jed Foundation has determined that there were no other subsequent events that have occurred that require recognition or disclosure in the financial statements other than as shown below:

**CARES Loan**

During May 2021, JED received a second loan from a financial institution in the amount of \$698,270. The loan may be forgiven by the financial institution based on the use of the loan proceeds in accordance with the CARES Act. If it is determined by the financial institution that the criteria for debt forgiveness has not been met, the loan will mature 5 years from the date of the loan and interest will accrue at 1% annually.