



# The Jed Foundation

**Financial Statements  
December 31, 2021 and 2020  
With Independent Auditor's Report**

**The Jed Foundation**  
**Table of Contents**  
**December 31, 2021 and 2020**

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<b>Independent Auditor's Report</b>	1-2
<b>Financial Statements</b>	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8-17

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,  
The Jed Foundation:

### Opinion

We have audited the financial statements of The Jed Foundation, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Jed Foundation as of December 31, 2021 and 2020, 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.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are required to be independent of The Jed Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Jed Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Jed Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Jed Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

#### **Emphasis of a Matter**

As described in Note 2 to the financial statements, the Foundation adopted Accounting Standards Update No. 2016-02, *Leases*, on a modified retrospective basis as of January 1, 2021. Our opinion is not modified with respect to this matter.

*Withum Smith + Brown, PC*

October 3, 2022

**The Jed Foundation**  
**Statements of Financial Position**  
**December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 18,970,312	\$ 12,797,305
Promises to give receivable	4,337,859	3,557,257
Contracts receivable	301,467	134,213
Prepaid expenses	<u>367,319</u>	<u>420,034</u>
Total current assets	<u>23,976,957</u>	<u>16,908,809</u>
Property and equipment, net	<u>172,185</u>	<u>30,624</u>
Other assets		
Promises to give receivable, long-term, net	3,471,944	3,382,873
Intangible assets, net	610,953	457,669
Security deposits	140,000	-
Right of use asset	<u>1,584,951</u>	<u>-</u>
Total other assets	<u>5,807,848</u>	<u>3,840,542</u>
Total assets	<u>\$ 29,956,990</u>	<u>\$ 20,779,975</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 445,074	\$ 598,362
Deferred revenue	598,300	452,541
Lease payable	<u>356,000</u>	<u>-</u>
Total current liabilities	1,399,374	1,050,903
Long term liabilities		
Lease payable, net of current maturities	<u>1,349,584</u>	<u>-</u>
Total liabilities	<u>2,748,958</u>	<u>1,050,903</u>
Net assets		
Without donor restrictions	10,933,824	7,004,608
With donor restrictions	<u>16,274,208</u>	<u>12,724,464</u>
Total net assets	<u>27,208,032</u>	<u>19,729,072</u>
Total liabilities and net assets	<u>\$ 29,956,990</u>	<u>\$ 20,779,975</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, 2021 and 2020**

	2021			2020		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
<b>Support and revenues</b>						
Special events, gross proceeds						
Contributions	\$ 322,550	\$ -	\$ 322,550	\$ -	\$ -	\$ -
Less: Direct benefits to donors	(23,263)	-	(23,263)	-	-	-
Net proceeds from special events	299,287	-	299,287	-	-	-
Contributions	5,219,043	10,057,282	15,276,325	5,128,821	3,709,208	8,838,029
Program service revenue	1,329,245	-	1,329,245	1,221,742	-	1,221,742
Paycheck Protection Program grant income	698,270	-	698,270	346,253	-	346,253
Contributed services and materials	285,304	-	285,304	167,490	-	167,490
Interest income	4,411	-	4,411	14,916	-	14,916
Net assets released from restrictions	6,507,538	(6,507,538)	-	4,795,687	(4,795,687)	-
Total support and revenues	14,343,098	3,549,744	17,892,842	11,674,909	(1,086,479)	10,588,430
<b>Expenses</b>						
Program services						
Higher education	3,029,823	-	3,029,823	2,759,011	-	2,759,011
High school	1,923,194	-	1,923,194	1,340,746	-	1,340,746
Youth and community campaigns and education	3,630,204	-	3,630,204	2,992,379	-	2,992,379
Total program services	8,583,221	-	8,583,221	7,092,136	-	7,092,136
Supporting services						
Management and general	1,246,818	-	1,246,818	1,146,882	-	1,146,882
Fundraising	583,843	-	583,843	440,369	-	440,369
Total supporting services	1,830,661	-	1,830,661	1,587,251	-	1,587,251
Total expenses	10,413,882	-	10,413,882	8,679,387	-	8,679,387
<b>Changes in net assets</b>	3,929,216	3,549,744	7,478,960	2,995,522	(1,086,479)	1,909,043
<b>Net assets</b>						
Beginning of year	7,004,608	12,724,464	19,729,072	4,009,086	13,810,943	17,820,029
End of year	\$ 10,933,824	\$ 16,274,208	\$ 27,208,032	\$ 7,004,608	\$ 12,724,464	\$ 19,729,072

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

**The Jed Foundation**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2021**

	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	\$ 1,834,515	\$ 1,164,191	\$ 1,411,366	\$ 4,410,072	\$ 510,106	\$ 347,083	\$ 857,189	\$ 5,267,261
Employee benefits	147,227	103,038	109,759	360,024	40,818	30,574	71,392	431,416
Payroll taxes	150,766	96,458	116,169	363,393	38,632	25,073	63,705	427,098
Professional services	620,888	318,990	1,286,635	2,226,513	267,996	4,071	272,067	2,498,580
In-kind advertising	1,740	3,760	37,890	43,390	-	-	-	43,390
In-kind professional services	36,868	47,593	43,753	128,214	105,050	8,650	113,700	241,914
Occupancy	50,386	28,792	41,748	120,926	10,438	7,198	17,636	138,562
Office expense and fees	16,695	9,702	15,675	42,072	77,461	3,864	81,325	123,397
Amortization and depreciation	31,502	20,761	100,397	152,660	11,602	5,164	16,766	169,426
Travel	7,243	10,401	11,747	29,391	10,201	12,006	22,207	51,598
Advertising and public relations	29,651	32,105	125,013	186,769	-	2,089	2,089	188,858
Information technology	93,038	72,529	165,152	330,719	18,515	15,341	33,856	364,575
Conferences and training	8,408	4,413	144,058	156,879	-	21,434	21,434	178,313
Event expenses	-	-	19,023	19,023	-	25,962	25,962	44,985
Direct costs of special events	-	-	-	-	-	23,263	23,263	23,263
Bad debts	-	-	-	-	75,500	75,000	150,500	150,500
Professional development	421	10,163	1,421	12,005	55,470	69	55,539	67,544
Insurance	475	298	398	1,171	25,029	265	25,294	26,465
Disbursements to partner	-	-	-	-	-	-	-	-
Loss on fixed asset disposal	-	-	-	-	-	-	-	-
	<u>3,029,823</u>	<u>1,923,194</u>	<u>3,630,204</u>	<u>8,583,221</u>	<u>1,246,818</u>	<u>607,106</u>	<u>1,853,924</u>	<u>10,437,145</u>
Less: Direct costs of special events netted with revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,263)</u>	<u>(23,263)</u>	<u>(23,263)</u>
	<u>\$ 3,029,823</u>	<u>\$ 1,923,194</u>	<u>\$ 3,630,204</u>	<u>\$ 8,583,221</u>	<u>\$ 1,246,818</u>	<u>\$ 583,843</u>	<u>\$ 1,830,661</u>	<u>\$ 10,413,882</u>

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

**The Jed Foundation**  
**Statement 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
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 this statement.



**The Jed Foundation**  
**Statements of Cash Flows**  
**Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Operating activities</b>		
Changes in net assets	\$ 7,478,960	\$ 1,909,043
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Amortization and depreciation	169,426	226,279
Bad debt expense	150,500	53,395
Amortization of right to use asset	99,884	-
Contribution of donated securities	114,449	(92,484)
Loss on disposal of fixed assets	-	28,363
Net present value adjustment on promises to give receivable	(31,237)	(367,088)
(Increase) decrease in operating assets and liabilities		
Promises to give receivable	(838,436)	5,158,057
Contracts receivable	(317,754)	(134,213)
Prepaid expenses	52,715	(236,084)
Fundraising materials	-	5,981
Security deposits	(140,000)	125,187
Accounts payable and accrued expenses	(153,288)	16,041
Deferred revenue	145,759	482,683
Deferred rent payable	20,749	(38,957)
Net cash provided by operating activities	<u>6,751,727</u>	<u>7,136,203</u>
<b>Investing activities</b>		
Purchase of property and equipment	(161,519)	(375,143)
Purchase of intangible assets	(302,752)	(20,303)
Proceeds from sale of donated marketable securities	(114,449)	92,484
Net cash used in investing activities	<u>(578,720)</u>	<u>(302,962)</u>
Net change in cash and cash equivalents	6,173,007	6,833,241
<b>Cash and cash equivalents</b>		
Beginning of year	<u>12,797,305</u>	<u>5,964,064</u>
End of year	<u>\$ 18,970,312</u>	<u>\$ 12,797,305</u>
Contributed services and materials	<u>\$ 285,304</u>	<u>\$ 167,490</u>

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

**The Jed Foundation**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

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**1. ORGANIZATION PURPOSE**

The Jed Foundation (the “Foundation” or “JED”) is a not-for-profit corporation incorporated in 2000. The Jed Foundation’s mission is to protect emotional health and prevent suicide for our nation’s teens and young adults.

We are partnering with high schools and colleges to strengthen their mental health, substance misuse prevention 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 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**

Higher Education- JED supports and empowers campus communities to strengthen student mental health, substance misuse prevention, 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 for Colleges and Universities. JED supports schools through advising support, communication and education programs, as well as through our signature programs within higher education, JED Campus and JED Campus Fundamentals. 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 prevention, 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. JED Campus Fundamentals is a shorter, 18-month alternative to the full JED Campus four-year program.

At the end of 2021, JED had 347 schools in our JED Campus programs, which represents 4,561,685 students nationwide.

**High School**

JED programming supports our nation’s teens through several initiatives. JED High School addresses the challenges high school students face around their mental health and emotional well-being. This program, based on our Comprehensive Approach to Mental Health Promotion and Suicide Prevention for Colleges and Universities, is dedicated to helping school districts and high schools evaluate and strengthen their programming and systems related to suicide prevention, mental health, and substance misuse prevention. Participating high schools and school districts receive strategic planning, program evaluation, and resource development support over a 24-month period. Through our program Set to Go, JED continues to focus on the emotional preparation for the transition out of high school. Set to Go guides students, families, and high school educators through important social, emotional, and mental health considerations related to the transition from high school to college and adulthood. Set to Go reaches over 800,000 teens and parents with essential information and resources about emotional health and well-being. Finally, in 2021, JED High School operated the Let’s Talk NYC Campaign, created in collaboration with the NYC Department of Education and the NYC Mayor’s Office of Community Mental Health. Let’s Talk NYC helps teachers and school staff become mental health allies for students. It includes teacher training, a downloadable guide and more so teachers can be a resource to their students and help them get the support they need.

**The Jed Foundation**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

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**Youth and Community Campaigns and Education**

Youth and Community Campaigns and Education: JED develops public education campaigns and expert resources and creates powerful partnerships to strengthen the mental health attitudes and behaviors of young adults, their families and community members. 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. Program initiatives include:

- In partnership with the American Foundation for Suicide Prevention (AFSP), and managed by Ad Council, 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.
- JED Storytelling ([YOUTUBE.COM/JEDFOUNDATION](https://www.youtube.com/jedfoundation)): JED Voices features intimate conversations with notable and influential mental health advocates who talk about what mental health means to them. JED Storytellers features personal experiences of real people who've struggled with their mental health.
- Mental Health is Health ([mentalhealthishealth.us](http://mentalhealthishealth.us)): JED is a founding partner in MTV Entertainment Group's Mental Health is Health initiative, featuring an online hub that can be navigated by how we're feeling, what we're experiencing, or conditions we need to manage.
- Love is Louder ([loveislouder.com](http://loveislouder.com)): An online community working together to build a world where we all feel connected and supported.
- Ulifeline ([ulifeline.org](http://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.

**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.

**The Jed Foundation**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

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**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 deferred revenue on the statements of financial position.

*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. Contracts receivable for the years ended December 31, 2021 and 2020 and as of January 1, 2020 was \$301,467, \$134,213, and \$183,000, respectively. Funds received in advance of the amount earned as revenue are shown as deferred revenue in the statements of financial position. The deferred revenue for the years ended December 31, 2021 and 2020 and as of January 1, 2020 was \$598,300, \$452,541, and \$223,340, respectively. 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.

**The Jed Foundation**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

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**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, 2021 and 2020.

**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.

**Leases**

The Foundation categorizes leases with contractual terms longer than twelve months as either operating or finance. Finance leases are generally those leases that allow us to substantially utilize or pay for the entire asset over its estimated life. All other leases are categorized as operating leases. Leases with contractual terms of 12 months or less are not recorded on the statements of financial positions. The Foundation had no finance leases during 2021 and 2020.

Certain lease contracts include obligations to pay for other services, such as operations, property taxes, and maintenance. For leases of property, we account for these other services as a component of the lease.

Lease liabilities are recognized at the present value of the fixed lease payments, reduced by landlord incentives, using a risk-free discount rate. Right of use assets are recognized based on the initial present value of the fixed lease payments, reduced by landlord incentives, plus any direct costs from executing the leases. Lease assets are tested for impairment in the same manner as long-lived assets used in operations.

Options to extend lease terms, terminate leases before the contractual expiration date, or purchase the leased assets, are evaluated for their likelihood of exercise. If it is reasonably certain that the option will be exercised, the option is considered in determining the classification and measurement of the lease.

Costs associated with operating lease assets are recognized on a straight-line basis within operating expenses over the term of the lease.

**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, 2021 and 2020 was \$188,858 and \$457,299, respectively, excluding in-kind advertising found in Note 8, and is included in the statements of functional expenses as advertising and public relations.

**The Jed Foundation**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

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**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, occupancy, and IT support, which 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.

**New Accounting Pronouncements Adopted in the Current Year**

In February 2016, the Financial Accounting Standards Board (“FASB”) issued an Accounting Standards Update (“ASU”) amending the accounting for leases. The Foundation adopted the new standard effective January 1, 2020, using the modified retrospective approach. Comparative prior periods were not adjusted upon adoption, as the Foundation utilized the practical expedient available under the guidance. Further, the Foundation elected to implement the package of practical expedients, whereby the Foundation did not (i) reassess existing contracts for embedded leases, (ii) reassess existing lease agreements for finance or operating classification, or (iii) reassess existing lease agreements in consideration of initial direct costs. The implementation of this standard did not have a material impact to statements of activities and changes in net assets or cash flows.

Upon adoption, the Foundation recognized \$1,684,835 in a right-of-use (“ROU”) asset related to its leased property and equipment with a corresponding lease liability of \$1,684,835 which was also recognized. There was no deferred rent liability to be netted against the ROU asset. There was no cumulative effect of applying the new standard and accordingly there was no adjustment to net assets upon adoption.

**New Accounting Pronouncements Issued Not Yet Effective**

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, 2021 and 2020**

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**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, 2021 and 2020.

**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.

**3. 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>2021</u>	<u>2020</u>
Due in one year or less	\$ 4,337,859	\$ 3,557,257
Due between one year and five years	<u>3,875,885</u>	<u>3,818,051</u>
Promises to give receivable, gross	8,213,744	7,375,308
Less: Unamortized discount	<u>(403,941)</u>	<u>(435,178)</u>
Promises to give receivable, net	7,809,803	6,940,130
Less: Current promises to give	<u>4,337,859</u>	<u>3,557,257</u>
Long-term promises to give, net	<u>\$ 3,471,944</u>	<u>\$ 3,382,873</u>

Maturities of promises to give receivable are as follows: 2022 - \$4,337,859; 2023 - \$2,866,490; and 2024 - \$1,009,395.

**4. FINANCIAL ASSETS AND LIQUIDITY RESOURCES**

As of December 31, 2021 and 2020, financial assets and liquidity resources available within one year for general operating expenses were as follows:

	<u>2021</u>	<u>2020</u>
Financial assets		
Cash and cash equivalents	\$ 18,970,312	\$ 12,797,305
Promises to give receivable	<u>7,809,803</u>	<u>6,940,130</u>
	<u>26,780,115</u>	<u>19,737,435</u>
Less: Financial assets unavailable for general expenditure		
Promises to give, long term	(3,471,944)	(3,382,873)
Net assets with donor restrictions	<u>(12,802,264)</u>	<u>(9,341,591)</u>
	<u>(16,274,208)</u>	<u>(12,724,464)</u>
Total financial assets and liquidity resources available within one year	<u>\$ 10,505,907</u>	<u>\$ 7,012,971</u>

**The Jed Foundation**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

---

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.

**5. PROPERTY AND EQUIPMENT**

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

	<u>2021</u>	<u>2020</u>	<u>Estimated Useful Lives (Years)</u>
Computer equipment	\$ 95,113	\$ 50,714	3
Furniture and fixtures	113,833	77,007	5
Leasehold improvements	35,294	-	7
	<u>244,240</u>	<u>127,721</u>	
Less: Accumulated depreciation and amortization	<u>72,055</u>	<u>97,097</u>	
Property and equipment, net	<u>\$ 172,185</u>	<u>\$ 30,624</u>	

Depreciation was \$19,958 and \$27,959 for the years ended December 31, 2021 and 2020, respectively.

**6. INTANGIBLE ASSETS**

Intangible assets consist of the following at December 31:

	<u>2021</u>	<u>2020</u>	<u>Estimated Useful Lives (Years)</u>
Website development	\$ 1,672,570	\$ 1,419,820	3
Software	481,960	431,958	3
	<u>2,154,530</u>	<u>1,851,778</u>	
Less: Accumulated amortization	<u>1,543,577</u>	<u>1,394,109</u>	
Intangible assets, net	<u>\$ 610,953</u>	<u>\$ 457,669</u>	

Amortization was \$149,468 and \$198,320 for the years ended December 31, 2021 and 2020, respectively. Future amortization expense is expected to be the following 2022 - \$98,733.

**7. LEASE COMMITMENT**

The Foundation leases its space under an operating lease expiring on December 31, 2026. The lease provides for fixed rental payments with stated increases in future minimum annual rental payments. Also, the lease requires the Foundation to pay for a pro rata share of increases in real estate taxes over a set floor annually as well as insurance, maintenance, and repairs. Because the rates implicit in the leases are generally not available, the Foundation utilizes a rate of 5% as the discount rate.



**The Jed Foundation**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

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The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liabilities as of December 31, 2021:

2022	\$ 356,000
2023	366,680
2024	377,680
2025	406,811
2026	<u>419,015</u>
	1,926,186
Less: Imputed interest	<u>(220,602)</u>
	<u>\$ 1,705,584</u>

**Other information**

Cash paid for amounts included in the measurement of lease liabilities

Operating cash flows from operating leases	\$ 181,669
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**Weighted average remaining lease term**

Operating lease	5 years
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**Weighted average discount rate**

Operating lease	5%
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Lease expense for the year ended December 31, 2021 includes operating lease expense of \$120,634 and is included in occupancy expense in the 2021 statement of functional expenses.

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 \$392,607 in 2020, which is included in occupancy expense in the 2020 statement of functional expenses.

**8. IN-KIND CONTRIBUTIONS**

The Foundation receives contributed services in support of various aspects of its programs. During the years ended December 31, 2021 and 2020, the Foundation received the following in-kind contributions that have been reflected in the financial statements:

	<u>2021</u>	<u>2020</u>
Professional services - legal fees	\$ 241,914	\$ 167,490
Advertising	<u>43,390</u>	<u>-</u>
Total in-kind services	<u>\$ 285,304</u>	<u>\$ 167,490</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, 2021 and 2020**

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**9. NET ASSETS**

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

	<u>2021</u>	<u>2020</u>
Net assets with donor restrictions		
Higher education	\$ 3,316,890	\$ 3,024,274
High school	5,033,858	3,180,563
Youth and community campaigns and education	735,454	9,474
Future periods	<u>7,188,006</u>	<u>6,510,153</u>
	<u>\$ 16,274,208</u>	<u>\$ 12,724,464</u>

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

	<u>2021</u>	<u>2020</u>
Higher education	\$ 2,620,325	\$ 2,900,989
High school	1,737,208	1,172,731
Youth and community campaigns and education	2,150,005	621,967
Time restricted	-	<u>100,000</u>
	<u>\$ 6,507,538</u>	<u>\$ 4,795,687</u>

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

The Foundation has financial concentrations in the following areas:

**Promises to Give Receivables and Contribution Revenue**

During 2021 and 2020, the Foundation's promises to give receivable of approximately 71% and 81%, respectively, were from two donors. During 2021 and 2020, the Foundation received approximately 21% and 28% 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, 2021 and 2020, the Foundation had cash balances which may have exceeded the insured limit. The Foundation has not experienced, and does not expect to experience, any losses in these accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

**11. 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, 2021 and 2020. The Foundation has not experienced, and does not expect to experience, any losses in these accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

**The Jed Foundation**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

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**12. PAYCHECK PROTECTION PROGRAM GRANT INCOME**

On April 30, 2020, the Foundation issued an unsecured promissory note (the “PPP1”) for \$346,253 through the Paycheck Protection Program established under the CARES Act and administered by the U.S. Small Business Administration. On April 23, 2021, the Foundation issued an unsecured promissory note (the “PPP2”) for \$698,270 through the PPP. The PPP1 and PPP2 loans are guaranteed by the SBA. The PPP1 and PPP2 loans may be forgiven, in whole or in part, if the Foundation was eligible for the PPP1 and PPP2 loan at the time of application, used the loan proceeds for eligible expenses within the defined 24-week period after the PPP1 and PPP2 loans were disbursed, and otherwise satisfied PPP requirements.

When it applied for the loans, the Foundation believed they would qualify to have the loans forgiven under the terms of PPP, and therefore considered the loans to be conditional government grants. The Foundation has performed initial calculations for PPP1 and PPP2 loan forgiveness and expects that both loans will be forgiven in full because 1) the Foundation has, prior to December 31, 2021, utilized all 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.

On April 11, 2022, the Foundation was informed that its application for forgiveness of \$346,253 of the PPP1 loan was approved. On May 6, 2022, the Foundation was informed that its application for forgiveness of \$698,270 of the PPP2 loan was approved.

**13. RISKS AND UNCERTAINTIES**

Management continues to evaluate the impact of the COVID-19 virus in the United States and has concluded that while it is reasonably possible that the virus could have a negative effect on the Foundation’s financial condition and results of operations, the specific impact is not readily determinable as of the date of these financial statements.

**14. SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events occurring after the statement of financial position date through the date of October 3, 2022, which is the date the financial statements were available to be issued. Based upon this evaluation, the Foundation has determined that there were no subsequent events that have occurred that require recognition or disclosure in the financial statements other than as noted below.

In January 2022, the Organization received a \$15,000,000 contribution without donor restrictions.