



The Jed Foundation

**Financial Statements
(Together with Independent Auditors' Report)**

Years Ended December 31, 2023 and 2022

THE JED FOUNDATION
FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)
YEARS ENDED DECEMBER 31, 2023 AND 2022

CONTENTS

	<u>Page</u>
Independent Auditors' Report.....	1-2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities.....	4-5
Statements of Functional Expenses.....	6-7
Statements of Cash Flows.....	8
Notes to Financial Statements.....	9-18

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
The Jed Foundation
New York, NY

Opinion

We have audited the financial statements of The Jed Foundation ("JED"), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, 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 JED as of December 31, 2023 and 2022, 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 audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of JED and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 JED's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 audits.
- 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 audits 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 JED'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 JED'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.

CBIZ CPAs P.C.

New York, NY
August 29, 2024

THE JED FOUNDATION
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Cash and cash equivalents (Notes 2C and 11B)	\$ 1,132,736	\$ 26,825,719
Investments (Notes 2D and 4)	19,042,492	-
Pledges and grants receivable, net (Notes 2E, 5 and 11A)	6,262,696	5,996,037
Contracts receivable, net (Notes 2F and 2I)	674,457	539,830
Prepaid expenses and other assets	228,373	254,353
Intangible assets, net (Notes 2M and 7)	92,541	246,401
Security deposits	140,000	140,000
Right-of-use asset (Notes 2N and 8)	1,000,162	1,299,709
Cash - board designated (Notes 2B and 2C)	-	6,000,000
Investments - board designated (Notes 2B, 2D and 4)	8,000,000	-
Property and equipment, net (Notes 2L and 6)	194,644	308,662
TOTAL ASSETS	\$ 36,768,101	\$ 41,610,711
LIABILITIES		
Accounts payable and accrued expenses	\$ 1,340,334	\$ 1,013,988
Deferred revenue (Note 2I)	1,088,802	837,618
Lease payable (Notes 2N and 8)	1,119,941	1,425,255
TOTAL LIABILITIES	3,549,077	3,276,861
COMMITMENTS AND CONTINGENCIES (Note 14)		
NET ASSETS (Note 2B)		
Without donor restrictions:		
Operations	17,024,718	20,668,099
Board designated	8,000,000	6,000,000
Total without donor restrictions	25,024,718	26,668,099
With donor restrictions (Note 10)	8,194,306	11,665,751
TOTAL NET ASSETS	33,219,024	38,333,850
TOTAL LIABILITIES AND NET ASSETS	\$ 36,768,101	\$ 41,610,711

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

THE JED FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Totals for December 31, 2022)

	Without Donor Restrictions	With Donor Restrictions	Total 2023	Total 2022
OPERATING REVENUE AND SUPPORT:				
Contributions (Notes 2E, 2H and 11A)	\$ 6,022,681	\$ 9,971,360	\$ 15,994,041	\$ 26,580,869
Special events (net of direct benefit to donor of \$344,949 and \$265,249) (Note 2G)	1,452,114	-	1,452,114	1,371,416
Program service revenue (Notes 2I and 2J) (net of scholarships of \$1,580,160 and \$1,198,915)	2,175,554	-	2,175,554	1,780,415
Contributed services and materials (Notes 2K and 9)	144,360	-	144,360	555,637
Investment income (Note 4)	967,344	-	967,344	56,304
Net assets released from restrictions (Note 10)	13,442,805	(13,442,805)	-	-
TOTAL OPERATING REVENUE AND SUPPORT	24,204,858	(3,471,445)	20,733,413	30,344,641
OPERATING EXPENSES:				
Program services				
Higher education	6,609,991	-	6,609,991	4,771,453
High school	5,971,462	-	5,971,462	4,225,384
Youth and community campaigns and education	8,515,566	-	8,515,566	5,651,057
Total program services	21,097,019	-	21,097,019	14,647,894
Supporting services				
Management and general	2,387,527	-	2,387,527	2,345,590
Fundraising	2,363,693	-	2,363,693	2,050,092
Total supporting services	4,751,220	-	4,751,220	4,395,682
Total Operating Expenses	25,848,239	-	25,848,239	19,043,576
NONOPERATING ACTIVITIES:				
Loss on intangible assets (Note 7)	-	-	-	(175,247)
TOTAL NONOPERATING LOSS	-	-	-	(175,247)
CHANGE IN NET ASSETS	(1,643,381)	(3,471,445)	(5,114,826)	11,125,818
Net Assets - Beginning of Year	26,668,099	11,665,751	38,333,850	27,208,032
NET ASSETS - END OF YEAR	\$ 25,024,718	\$ 8,194,306	\$ 33,219,024	\$ 38,333,850

**THE JED FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE AND SUPPORT:			
Contributions (Notes 2E, 2H and 11A)	\$ 21,257,934	\$ 5,322,935	\$ 26,580,869
Special events (net of direct benefit to donor of \$265,249) (Note 2G)	1,371,416	-	1,371,416
Program service revenue (Notes 2I and 2J) (net of scholarships of \$1,198,915)	1,780,415	-	1,780,415
Contributed services and materials (Notes 2K and 9)	555,637	-	555,637
Interest income	56,304	-	56,304
Net assets released from restrictions (Note 10)	<u>9,931,392</u>	<u>(9,931,392)</u>	<u>-</u>
TOTAL OPERATING REVENUE AND SUPPORT	<u>34,953,098</u>	<u>(4,608,457)</u>	<u>30,344,641</u>
OPERATING EXPENSES:			
Program services			
Higher education	4,771,453	-	4,771,453
High school	4,225,384	-	4,225,384
Youth and community campaigns and education	<u>5,651,057</u>	<u>-</u>	<u>5,651,057</u>
Total program services	<u>14,647,894</u>	<u>-</u>	<u>14,647,894</u>
Supporting services			
Management and general	2,345,590	-	2,345,590
Fundraising	<u>2,050,092</u>	<u>-</u>	<u>2,050,092</u>
Total supporting services	<u>4,395,682</u>	<u>-</u>	<u>4,395,682</u>
Total Operating Expenses	<u>19,043,576</u>	<u>-</u>	<u>19,043,576</u>
NONOPERATING ACTIVITIES:			
Loss on intangible assets (Note 7)	<u>(175,247)</u>	<u>-</u>	<u>(175,247)</u>
TOTAL NONOPERATING LOSS	<u>(175,247)</u>	<u>-</u>	<u>(175,247)</u>
CHANGE IN NET ASSETS	15,734,275	(4,608,457)	11,125,818
Net Assets - Beginning of Year	<u>10,933,824</u>	<u>16,274,208</u>	<u>27,208,032</u>
NET ASSETS - END OF YEAR	<u>\$ 26,668,099</u>	<u>\$ 11,665,751</u>	<u>\$ 38,333,850</u>

THE JED FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Totals for December 31, 2022)

For the Year Ended December 31, 2023

	Higher Education	High School	Youth and Community Campaigns and Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total 2023	Total 2022
Salaries	\$ 3,892,465	\$ 3,277,324	\$ 2,999,968	\$ 10,169,757	\$ 1,251,098	\$ 1,121,242	\$ 2,372,340	\$ 12,542,097	\$ 8,439,970
Employee benefits (Note 12)	379,453	302,391	253,971	935,815	317,804	91,366	409,170	1,344,985	898,837
Payroll taxes	327,639	280,752	243,940	852,331	87,304	94,706	182,010	1,034,341	747,318
	<u>4,599,557</u>	<u>3,860,467</u>	<u>3,497,879</u>	<u>11,957,903</u>	<u>1,656,206</u>	<u>1,307,314</u>	<u>2,963,520</u>	<u>14,921,423</u>	<u>10,086,125</u>
Professional services	1,290,033	1,393,062	3,194,912	5,878,007	273,320	416,983	690,303	6,568,310	4,058,329
In-kind professional services (Note 9)	-	-	144,360	144,360	-	-	-	144,360	555,636
Occupancy (Notes 2N and 8)	127,685	106,592	100,979	335,256	77,740	37,500	115,240	450,496	404,606
Office expense and fees	76,411	59,836	93,456	229,703	24,303	55,309	79,612	309,315	223,856
Amortization and depreciation (Notes 6 and 7)	76,474	63,612	82,416	222,502	22,916	22,460	45,376	267,878	281,662
Travel	257,344	84,474	299,661	641,479	23,627	58,822	82,449	723,928	560,891
Advertising and public relations (Note 2O)	4,198	257,913	517,111	779,222	4,190	166,876	171,066	950,288	919,032
Information technology	106,041	82,820	387,741	576,602	142,713	49,609	192,322	768,924	612,798
Conferences and training	16,101	16,706	33,654	66,461	2,061	640	2,701	69,162	147,956
Event expenses	3,641	3,567	90,771	97,979	-	575,954	575,954	673,933	806,953
Bad debts	-	-	-	-	145,173	-	145,173	145,173	163,171
Professional development	22,035	17,067	50,913	90,015	6,148	8,226	14,374	104,389	408,568
Insurance	30,471	25,346	21,713	77,530	9,130	8,949	18,079	95,609	79,242
	<u>6,609,991</u>	<u>5,971,462</u>	<u>8,515,566</u>	<u>21,097,019</u>	<u>2,387,527</u>	<u>2,708,642</u>	<u>5,096,169</u>	<u>26,193,188</u>	<u>19,308,825</u>
Less: Direct costs of special events netted with revenue (Note 2G)	-	-	-	-	-	(344,949)	(344,949)	(344,949)	(265,249)
	<u>\$ 6,609,991</u>	<u>\$ 5,971,462</u>	<u>\$ 8,515,566</u>	<u>\$ 21,097,019</u>	<u>\$ 2,387,527</u>	<u>\$ 2,363,693</u>	<u>\$ 4,751,220</u>	<u>\$ 25,848,239</u>	<u>\$ 19,043,576</u>

THE JED FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	For the Year Ended December 31, 2022							
	Higher Education	High School	Youth and Community Campaigns and Education	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total 2022
Salaries	\$ 2,691,121	\$ 2,236,228	\$ 1,885,825	\$ 6,813,174	\$ 789,252	\$ 837,544	\$ 1,626,796	\$ 8,439,970
Employee benefits (Note 12)	287,122	260,630	156,983	704,735	116,848	77,254	194,102	898,837
Payroll taxes	243,285	203,604	165,453	612,342	67,316	67,660	134,976	747,318
	<u>3,221,528</u>	<u>2,700,462</u>	<u>2,208,261</u>	<u>8,130,251</u>	<u>973,416</u>	<u>982,458</u>	<u>1,955,874</u>	<u>10,086,125</u>
Professional services	830,993	845,504	1,484,764	3,161,261	677,064	220,004	897,068	4,058,329
In-kind professional services (Note 9)	64,793	64,793	280,593	410,179	145,457	-	145,457	555,636
Occupancy (Notes 2N and 8)	128,375	106,785	91,478	326,638	40,157	37,811	77,968	404,606
Office expense and fees	32,577	24,675	50,468	107,720	82,968	33,168	116,136	223,856
Amortization and depreciation (Notes 6 and 7)	77,559	62,729	92,695	232,983	26,531	22,148	48,679	281,662
Travel	225,752	82,424	197,939	506,115	20,497	34,279	54,776	560,891
Advertising and public relations (Note 2O)	18,004	141,899	711,820	871,723	5,417	41,892	47,309	919,032
Information technology	126,688	171,378	193,780	491,846	38,908	82,044	120,952	612,798
Conferences and training	42,961	23,398	9,907	76,266	1,095	70,595	71,690	147,956
Event expenses	84	-	9,843	9,927	6,084	790,942	797,026	806,953
Bad debts	-	-	-	-	163,171	-	163,171	163,171
Professional development	2,139	1,337	319,509	322,985	85,583	-	85,583	408,568
Insurance	-	-	-	79,242	-	-	79,242	79,242
	<u>4,771,453</u>	<u>4,225,384</u>	<u>5,651,057</u>	<u>14,647,894</u>	<u>2,345,590</u>	<u>2,315,341</u>	<u>4,660,931</u>	<u>19,308,825</u>
Less: Direct costs of special events netted with revenue (Note 2G)	-	-	-	-	-	(265,249)	(265,249)	(265,249)
	<u>\$ 4,771,453</u>	<u>\$ 4,225,384</u>	<u>\$ 5,651,057</u>	<u>\$ 14,647,894</u>	<u>\$ 2,345,590</u>	<u>\$ 2,050,092</u>	<u>\$ 4,395,682</u>	<u>\$ 19,043,576</u>

**THE JED FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (5,114,826)	\$ 11,125,818
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation and amortization	114,018	92,357
Amortization of intangible assets	153,860	189,305
Bad debt expense	145,173	163,171
Amortization of right-of-use asset	299,547	285,242
Realized and unrealized gains	(478,412)	-
Intangible assets written off	-	175,247
Net present value adjustment for pledges receivable	5,659	(330,984)
Change in operating assets and liabilities		
Pledges and grants receivable	(363,824)	1,677,954
Contracts receivable	(188,294)	(61,906)
Prepaid expenses and other assets	25,980	112,966
Accounts payable and accrued expenses	326,346	568,914
Deferred revenue	251,184	366,486
Lease payable	(305,314)	(280,329)
Net Cash (Used in) Provided by Operating Activities	(5,128,903)	14,084,241
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	-	(228,834)
Sales of investments	18,081,992	-
Purchase of investments	(44,646,072)	-
Net Cash Used in Investing Activities	(26,564,080)	(228,834)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(31,692,983)	13,855,407
Cash and cash equivalents - beginning of year	32,825,719	18,970,312
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,132,736	\$ 32,825,719
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash and cash equivalents	\$ -	\$ 26,825,719
Cash - board designated	-	6,000,000
	\$ -	\$ 32,825,719

**THE JED FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 - ORGANIZATION PURPOSE

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

JED partners with high schools and colleges to strengthen student mental health, suicide prevention programs and systems. This is accomplished by equipping teens and young adults with the skills and knowledge to help themselves and each other. JED is encouraging community awareness, understanding and action for youth 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:

Academic Programs

Schools, colleges and universities are the hearts of their communities, and they play a critical role in students' lives, often serving as the focal point for developing life skills, social connections and receiving health screenings and services. Through structured technical assistance, expert consulting and evidence-based trainings and resources, JED equips schools, districts and campus communities across the country to create a holistic safety net for students to reduce risks for suicide and help them thrive.

Higher Education

JED supports and empowers campus communities to strengthen student mental health, substance misuse prevention and suicide prevention efforts. This work is grounded in the evidence-based practice of JED's Comprehensive Approach to Mental Health Promotion and Suicide Prevention for Colleges and Universities and takes four main forms. JED's website offers a curated list of free evidence-based resources that any school in the US (or the world) can use to create effective mental health support for their students. JED also offers evidence-based advising, consulting, and trainings to help colleges and universities increase their support for students and create effective approaches to improving student mental health. JED also offers two signature programs within higher education—JED Campus and JED Campus Fundamentals. JED Campus guides 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 is targeted to the specific needs of each school community and helps to create positive, systemic change on—and beyond—the campus. JED Campus Fundamentals is a shorter, 18-month alternative to the full JED Campus four-year program.

At the end of 2023, 469 schools had participated or were currently participating in the JED Campus programs.

High School

JED programming supports our nation's teens in several key ways. JED's website offers a curated list of free evidence-based resources that any school in the US (or the world) can use to create effective mental health support for their students. JED also offers evidence-based advising, consulting and trainings to help schools increase their support for students and create effective approaches to improving student mental health. JED High School, based on JED's Comprehensive Approach to Mental Health Promotion and Suicide Prevention for High Schools, is dedicated to helping school districts and high schools evaluate and strengthen their programming and systems related to mental health promotion, and the prevention of substance misuse and suicide.

**THE JED FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 1 - ORGANIZATION PURPOSE (Continued)

Participating high schools and school districts receive strategic planning, program evaluation and resource development support over a 36-month period. Additional High School program initiatives include the following:

- **Set to Go** (jedfoundation.org/set2go), JED provides students, families, and high school educators with free resources and tools to navigate the transition from high school to college and adulthood— from social and emotional preparation to managing everyday life, mental health and learning to live on their own.
- **Let's Talk NYC**, a campaign created in collaboration with the NYC Department of Education and the NYC Mayor's Office of Community Mental Health helps teachers and school staff become mental health allies for students. It includes teacher training, a downloadable guide and marketing materials so teachers can be a resource to their students and help them get the support they need.

Training and Guidance

JED provides expert-informed resources and customized learning opportunities for caregivers, educators, coaches, and other caring adults to establish student mental health as a school-wide priority and equip these key stakeholders in creating communities of caring.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. **Basis of Accounting** – JED prepares its financial statements using the accrual basis of accounting. JED adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”).
- B. **Basis of Presentation** – JED reports information regarding its financial position and activities in two classes of net assets:
- Without donor restrictions – Net assets that can be spent at the discretion of JED and have no associated donor-imposed stipulations. During 2021, the board established a board designated fund to achieve six months of operating expenses.
 - With donor restrictions – Net assets that are restricted by the donor for a specific time period or purpose. JED did not have any net assets with donor restrictions to be held in perpetuity as of December 31, 2023 and 2022.
- C. **Cash and Cash Equivalents** – Cash equivalents include all highly liquid instruments purchased with maturities of 90 days or less, except for cash equivalents held as part of JED's investment portfolio.
- D. **Investments and Fair Value Measurements** – Investments are carried at estimated fair value in the accompanying financial statements. The statements of activities include net return on investments consisting of interest and dividend income, realized and unrealized gains and losses, net of management and custodial fees. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Purchases and sales of securities are recorded on a trade-date basis.

Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 4.

**THE JED FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. **Pledges and Grants Receivable** – Pledges and grants receivable that are expected to be collected within one year are recorded at net realizable value. Pledges and grants receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. If material to the financial statements, the discounts on those amounts are computed using risk-based interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Pledges and grants receivables are stated at the amount management expects to collect from outstanding balances. JED determined an allowance for doubtful pledges and grants receivable of \$9,500 was necessary as of December 31, 2023 and 2022. This estimate is based on management’s assessment of the aged basis of its funding sources, reasonable and supportable forecasts, and current economic conditions and creditworthiness of its donors and grantors.

F. **Contracts Receivable** – Contracts are exchange transactions and accounted for under Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. JED determined that an allowance for credit losses of \$13,000 was necessary as of both December 31, 2023 and 2022. This estimate is based on management’s assessment of the aged basis of its customers, reasonable and supportable forecasts, and current economic conditions and creditworthiness of its customers.

The following table summarizes the activity related to the allowance for credit losses for the year ended December 31, 2023, under the current expected credit loss (“CECL”) methodology (Note 2T):

Balance, January 1, 2023	\$	13,000
Charge-offs		(53,667)
Provision for credit losses		<u>53,667</u>
Balance, December 31, 2023	\$	<u>13,000</u>

G. **Special Events Revenue** – Special events revenue is comprised of an exchange element based on the value of benefits provided to the donor, and a contribution element for the difference between the total ticket price or sponsorship support and the exchange element. Special events revenue is recorded net of the benefits received by the donors in the statements of activities.

H. **Contributions Revenue** – Contributions are nonexchange transactions and accounted for under FASB ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). Contributions are recognized as revenue when barriers within the contract are overcome, and there is no right of return/release from obligation.

As of December 31, 2023, JED received conditional grants of \$2,000,000. Such grants have not been recognized in the accompanying financial statements as they are for a future period and will be recognized when contract barriers are overcome. Such barriers include expending the funds in accordance with their agreements. If the grants are not awarded, the donor is not obligated to expend the funds allotted under the grant. JED did not have any conditional grants in 2022.

I. **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 on a program basis, or an hourly basis, and is recorded at the point in time the service is provided.

The beginning and ending contracts asset and liability balances were as follows as of December 31:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contracts receivable, net	\$ <u>674,457</u>	\$ <u>539,830</u>	\$ <u>408,686</u>
Deferred revenue	\$ <u>1,088,802</u>	\$ <u>837,618</u>	\$ <u>598,300</u>

THE JED FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

JED 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.

JED High School is a three-year technical assistance program in which it partners with schools to assess its community's mental health needs, develop a customized strategic plan and support the implementation of tools, strategies and techniques that lead to measurable improvements in student mental health. Revenues are earned over a three-year cycle based on specific services provided as benchmarks are met.

- J. **Scholarships** – The policy of JED has been to award scholarships based on funding from donors and can partially or fully fund a school's program. Scholarships are netted against revenues in the statements of activities.
- K. **Donated Services** – Donated services are recognized at fair value if they create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided in-kind. See Note 9.
- L. **Property and Equipment** – JED capitalizes property and equipment having a cost of \$5,000 or more and a useful life of at least one year. Depreciation is recognized using the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are amortized on a straight-line basis over the lesser of their useful life or the term of the lease. See Note 6.
- M. **Intangible Assets** – JED 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. Development costs are amortized over the estimated useful life of the website of three years. See Note 7.
- N. **Leases** – JED categorizes leases with contractual terms longer than twelve months as either operating or finance. Finance leases are generally those leases that allow JED 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 position. JED had no finance leases during 2023 and 2022. See Note 8.

Certain lease contracts include obligations to pay for other services, such as operations, property taxes and maintenance. For leases of property, JED accounts 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.

- O. **Advertising** – JED follows a policy of charging the cost of advertising to expense as incurred. Total advertising expense for the years ended December 31, 2023 and 2022 was \$950,288 and \$919,032, respectively, excluding in-kind advertising (Note 9), and is included in the statements of activities and the statements of functional expenses as advertising and public relations.

THE JED FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- P. **Functional Allocation of Expenses** – Expenses are reported in the statements of activities based on the nature and function of the expenses as a program service or supporting function. JED incurs expenses that are attributable to both program and supporting functions and are allocated 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.
- Q. **Use of Estimates** – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements, and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.
- R. **Income Taxes** – JED 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, 2023 and 2022.
- S. **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.
- T. **Recently Adopted Accounting Standards** – On January 1, 2023, JED adopted FASB ASU 2016-03, *Financial Instruments – Credit Losses*, (Topic 326), *Measurement of Credit Losses on Financial Instruments* (Accounting Standards Codification “ASC” 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the CECL methodology. CECL requires an estimate of the credit losses for the remaining estimated life of the financial asset using historical experience, current condition, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses.

JED adopted ASC 326 and all related subsequent amendments thereto effective January 1, 2023, using the modified retrospective approach for all financial assets measured at amortized costs. The adoption had no effect on the change in net assets as previously reported.

NOTE 3 – FINANCIAL ASSETS AND LIQUIDITY RESOURCES

As of December 31, 2023 and 2022, financial assets and liquidity resources available within one year for general operating expenses were as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,132,736	\$ 32,825,719
Investments	27,042,492	-
Pledges and grants receivable, net	6,262,696	5,996,037
Contracts receivable, net	<u>674,457</u>	<u>539,830</u>
Total financial assets	35,112,381	39,361,586
Less: board designated	(8,000,000)	(6,000,000)
Less: donor restricted net assets	<u>(8,194,306)</u>	<u>(11,665,751)</u>
	<u>\$ 18,918,075</u>	<u>\$ 21,695,835</u>

JED 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, 2023 AND 2022**

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENT

Investments consisted of the following as of December 31, 2023:

Money market	\$ 5,238,815
Mutual funds	247
U.S. Treasury bonds	<u>21,803,430</u>
Total investments	<u>\$ 27,042,492</u>

The components of investment return are as follows for the year ended December 31:

	<u>2023</u>	<u>2022</u>
Dividends and interest	\$ 511,478	\$ 56,304
Realized and unrealized gains	478,412	-
Investment fees	<u>(22,422)</u>	<u>-</u>
Total return on investments	<u>\$ 967,344</u>	<u>\$ 56,304</u>

The fair value hierarchy defines three levels as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives lowest priority to Level 3 inputs.

Financial assets carried at fair value are all Level 1 at December 31, 2023 and are classified as follows:

ASSETS CARRIED AT FAIR VALUE

Investments:	
Money market	\$ 5,238,815
Mutual funds	247
U.S. Treasury bonds	<u>21,803,430</u>
TOTAL ASSETS AT FAIR VALUE	<u>\$ 27,042,492</u>

There were no financial assets carried at fair value at December 31, 2022.

THE JED FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 5 - PLEDGES AND GRANTS RECEIVABLE, NET

Pledges and grants 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 the average discount rate of 1.44% to 4.22%. Pledges and grants receivable, net at December 31 are as follows:

	2023	2022
Amounts due in less than one year	\$ 4,324,252	\$ 2,472,314
Amounts due in one to five years	2,026,560	3,606,180
	6,350,812	6,078,494
Less: allowance for doubtful pledges and grants	(9,500)	(9,500)
Less: present value discount ranging from 1.44 to 4.22%	(78,616)	(72,957)
	\$ 6,262,696	\$ 5,996,037

NOTE 6 - PROPERTY AND EQUIPMENT, NET

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

	2023	2022	
Computer equipment	\$ 300,196	\$ 300,196	Estimated Useful Lives 3 years
Furniture and fixtures	126,483	126,483	5 years
Leasehold improvements	46,395	46,395	5 years
Total cost	473,074	473,074	
Less: accumulated depreciation and amortization	(278,430)	(164,412)	
Property and equipment, net	\$ 194,644	\$ 308,662	

Depreciation and amortization was \$114,018 and \$92,357 for the years ended December 31, 2023 and 2022, respectively.

NOTE 7 - INTANGIBLE ASSETS, NET

Intangible assets, net consist of the following at December 31:

	2023	2022	
Website development	\$ 1,497,323	\$ 1,497,323	Estimated Useful Lives 3 years
Software	481,960	481,960	3 years
Total cost	1,979,283	1,979,283	
Less: accumulated amortization	(1,886,742)	(1,732,882)	
Intangible assets, net	\$ 92,541	\$ 246,401	

Amortization was \$153,860 and \$189,305 for the years ended December 31, 2023 and 2022, respectively. During the year ended December 31, 2022, JED wrote off website development costs of \$175,247 for a project no longer to be used.

NOTE 8 - LEASE COMMITMENT

JED 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. Because the rates implicit in the leases are generally not available, JED utilizes the risk-free rate of 5% as the discount rate. The lease requires JED 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. The pro rata share of increases are expensed annually by JED.

**THE JED FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 8 - LEASE COMMITMENT (Continued)

As of December 31, 2023 and 2022, the operating right-of-use (“ROU”) asset had a balance of \$1,000,162 and \$1,299,709, respectively. The operating lease liability as of December 31, 2023 and 2022 totaled \$1,119,941 and \$1,425,255, respectively, as shown in the statements of financial position. For the years ended December 31, 2023 and 2022, the lease liability was calculated utilizing the risk-free rate. Total cash paid by JED in the determination of the operating lease liability was \$366,680 and \$356,000 for the years ended December 31, 2023 and 2022, respectively.

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liability as of December 31, 2023:

		\$ 377,680
2024		406,811
2025		419,015
2026		<u>1,203,506</u>
Less: Imputed interest		<u>(83,565)</u>
		<u>\$ 1,119,941</u>

Other information:

	2023	2022
Weighted-average remaining lease term	3 years	5 years
Weight-average discount rate	5%	5%

Operating lease expense for the years ended December 31, 2023 and 2022 of \$409,947 and \$363,804, respectively, and is included in occupancy expense in the statements of functional expenses.

NOTE 9 - IN-KIND CONTRIBUTIONS

JED receives contributed services in support of various aspects of its programs. During the years ended December 31, 2023 and 2022, JED received the following in-kind contributions that have been reflected in the financial statements.

Donated services for the year ended December 31, 2023 consisted of the following:

Nonfinancial Asset	Amount	Usage in Programs/Activities	Donor-imposed Restrictions	Fair Value Techniques
Advertising and marketing	<u>\$ 144,360</u>	Program	No associated donor restriction	Valued at the estimated fair value based on current rates for similar services.

**THE JED FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 9 - IN-KIND CONTRIBUTIONS (Continued)

Donated services for the year ended December 31, 2022 consisted of the following:

<u>Nonfinancial Asset</u>	<u>Amount</u>	<u>Usage in Programs/Activities</u>	<u>Donor-imposed Restrictions</u>	<u>Fair Value Techniques</u>
Legal fees	\$ 248,137	Program	No associated donor restriction	Valued at the estimated fair value based on current rates for similar services.
Advertising and marketing	301,000	Program	No associated donor restriction	Valued at the estimated fair value based on current rates for similar services.
Other	<u>6,500</u>	Program	No associated donor restriction	Valued at the estimated fair value based on current rates for similar services.
	<u>\$ 555,637</u>			

JED 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.

NOTE 10 - NET ASSETS

Net assets with donor restrictions are restricted for the following purposes at December 31:

	<u>2023</u>	<u>2022</u>
Higher education	\$ 754,151	\$ 107,643
High school	1,133,250	5,246,235
Youth and community campaigns and education	292,005	906,663
Time restricted	<u>6,014,900</u>	<u>5,405,210</u>
	<u>\$ 8,194,306</u>	<u>\$ 11,665,751</u>

Net assets released from restrictions amounted to \$13,442,805 and \$9,931,392 for the years ended December 31, 2023 and 2022, respectively.

NOTE 11 - CONCENTRATION OF REVENUE AND CREDIT RISK

- A. During 2023 and 2022, JED's pledges and grants receivable of approximately 80% and 67%, respectively, were from four donors and three donors, respectively. During 2023 and 2022, JED received approximately 23% and 54% of its contribution revenue from one donor, respectively.
- B. JED places cash in institutions with high credit ratings, which helps to limit JED's exposure to concentrations of credit risk. As of December 31, 2023, JED had cash balances that exceeded the insured limit by \$584,000. JED 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 equivalents.

**THE JED FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

NOTE 12 - RETIREMENT PLAN

JED 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. For the years ended December 31, 2023 and 2022, JED contributed \$303,755 and \$171,287, respectively.

NOTE 13 - RELATED PARTY TRANSACTIONS

JED has a board member whose is also JED's insurance broker, who over the course of his Board appointment since has earned sales commissions. For the years ended December 31, 2023 and 2022, commissions paid to the Board member amounted to \$1,000 and \$2,000, respectively.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

- A. During the normal course of business, JED is a defendant with respect to various claims involving separation of employment from former employees. Management and counsel believe the ultimate resolution of these pending claims will not have a material impact on the financial position and changes in net assets of JED.
- B. JED believes it has no uncertain tax positions as of December 31, 2023 and 2022, in accordance with FASB ASC Topic 740, *Income Taxes*, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

NOTE 15 - SUBSEQUENT EVENTS

JED has evaluated subsequent events occurring after the statement of financial position date through the date of August 29, 2024, which is the date the financial statements were available to be issued.

On March 1, 2024, JED entered into a sub-lease agreement, renting the entirety of its New York City office space, to a third party through the remainder of its lease term, which expires December 31, 2026. Per the terms of the agreement, the sub-tenant will make lease payments totaling approximately \$171,325 in 2024, \$299,574 in 2025 and \$305,565 in 2026. JED has a lease obligation of \$377,680 in 2024, \$406,811 in 2025 and \$419,015 in 2026.

JED agreed to leave its office furnishings to the sub-tenant, resulting in a write-off of impaired assets in 2024 of \$96,430.