

THE JED FOUNDATION
FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

**THE JED FOUNDATION
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DECEMBER 31, 2014 AND 2013**

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INDEPENDENT AUDITOR'S REPORT

PISANI
CPA
LLC

To the Board of Directors of
The Jed Foundation

I have audited the accompanying financial statements of The Jed Foundation, which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, 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

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Jed Foundation as of December 31, 2014 and 2013, 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.

Pisani CPA, LLC
Brentwood, NY

Pisani CPA, LLC

July 31, 2015

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THE JED FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 439,385	\$ 345,539
Investments	1,032,818	1,172,157
Accounts receivable	6,000	11,150
Pledges receivable	778,825	221,547
Other receivable	533,761	-
Prepaid expenses	32,194	36,359
Fundraising materials	15,159	6,250
Total current assets	2,838,142	1,793,002
Property and equipment, net	83,142	98,572
Other assets	30,197	30,197
Total assets	\$ 2,951,481	\$ 1,921,771
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 51,248	\$ 130,046
Accrued rent	2,242	7,667
Total current liabilities	53,490	137,713
Net assets		
Unrestricted	1,688,813	1,544,027
Temporarily restricted	1,209,178	240,031
Total net assets	2,897,991	1,784,058
Total liabilities and net assets	\$ 2,951,481	\$ 1,921,771

The accompanying notes are an integral part of these statements.

THE JED FOUNDATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014			2013		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenues						
Contributions	\$ 176,909	\$ 1,351,954	\$ 1,528,863	\$ 184,634	\$ 386,498	\$ 571,132
Program service revenue	64,760	-	64,760	107,850	-	107,850
Contributed stock	65,593	531,599	597,192	-	-	-
Contributed services	1,275,656	-	1,275,656	892,126	-	892,126
Contributed materials	-	-	-	10,410	-	10,410
Special events, gross proceeds						
Contributions	887,162	86,250	973,412	881,592	113,550	995,142
Ticket sales	93,600	-	93,600	56,200	-	56,200
Less: Direct benefits to donors	(272,536)	-	(272,536)	(148,079)	-	(148,079)
Net proceeds from special events	708,226	86,250	794,476	789,713	113,550	903,263
Dividend and interest income	908	-	908	1,163	-	1,163
Realized gain on investments	2,315	-	2,315	-	-	-
Net assets released from restrictions	1,000,656	(1,000,656)	-	656,577	(656,577)	-
Total support and revenues	<u>3,295,023</u>	<u>969,147</u>	<u>4,264,170</u>	<u>2,642,473</u>	<u>(156,529)</u>	<u>2,485,944</u>
Expenses						
Program services						
Ulifeline	331,705	-	331,705	229,519	-	229,519
Half of Us (mtvU)	241,635	-	241,635	230,065	-	230,065
Love is Louder	517,203	-	517,203	435,460	-	435,460
Campus Program	659,529	-	659,529	668,550	-	668,550
Set to Go	356,401	-	356,401	-	-	-
Student Veterans	-	-	-	8,426	-	8,426
Other programs	512,030	-	512,030	441,182	-	441,182
Total program services	<u>2,618,503</u>	<u>-</u>	<u>2,618,503</u>	<u>2,013,202</u>	<u>-</u>	<u>2,013,202</u>
Supporting services						
Management and general	219,170	-	219,170	255,522	-	255,522
Fundraising	312,564	-	312,564	290,164	-	290,164
Total supporting services	<u>531,734</u>	<u>-</u>	<u>531,734</u>	<u>545,686</u>	<u>-</u>	<u>545,686</u>
Total expenses	<u>3,150,237</u>	<u>-</u>	<u>3,150,237</u>	<u>2,558,888</u>	<u>-</u>	<u>2,558,888</u>
Change in net assets	144,786	969,147	1,113,933	83,585	(156,529)	(72,944)
Net Assets, beginning of year	<u>1,544,027</u>	<u>240,031</u>	<u>1,784,058</u>	<u>1,460,442</u>	<u>396,560</u>	<u>1,857,002</u>
Net Assets, end of year	<u>\$ 1,688,813</u>	<u>\$ 1,209,178</u>	<u>\$ 2,897,991</u>	<u>\$ 1,544,027</u>	<u>\$ 240,031</u>	<u>\$ 1,784,058</u>

The accompanying notes are an integral part of these statements.

**THE JED FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Program Services				Supporting Services			Total	
	Upline	Half of Us (mtvU)	Love is Louder	Campus Program	Set to Go	Other Programs	Management and General		Fund Raising
Employee Compensation									
Salaries	\$ 39,789	\$ 24,469	\$ 25,570	\$ 272,781	\$ 80,025	\$ 201,982	\$ 74,653	\$ 86,332	\$ 805,601
Employee benefits	2,150	1,322	1,382	14,739	4,324	10,914	4,034	4,665	43,530
Payroll taxes	2,560	1,574	1,645	17,551	5,149	12,996	4,803	5,555	51,832
Total employee compensation	<u>44,499</u>	<u>27,365</u>	<u>28,597</u>	<u>305,071</u>	<u>89,497</u>	<u>225,892</u>	<u>83,490</u>	<u>96,551</u>	<u>900,963</u>
Other expenses									
Amortization	\$ 29,707	\$ -	\$ 5,295	\$ 12,133	\$ -	\$ 2,288	\$ -	\$ -	\$ 49,423
Bank and credit card fees	-	-	-	-	-	-	9,009	-	9,009
Consultant services	300	3,000	93,950	61,509	33,000	96,958	-	94,925	383,642
Depreciation	148	91	95	1,013	297	750	277	320	2,991
Event expenses	-	-	53,750	-	-	13,215	-	5,190	72,155
Event management	-	-	-	-	-	-	-	10,287	10,287
Filing fees	-	-	-	-	-	-	6,671	-	6,671
Insurance	-	-	-	-	-	-	11,274	-	11,274
Merchandise	-	-	-	-	-	-	-	31,572	31,572
Miscellaneous	1,290	754	7,504	8,494	2,465	11,555	4,667	22,025	58,754
Occupancy	4,051	2,492	2,604	27,775	8,148	20,567	7,601	8,790	82,028
Office expense	790	486	508	5,418	1,590	4,012	1,483	6,308	20,595
Printing and reproduction	194	119	623	1,332	391	2,024	365	24,852	29,900
Professional services	-	2,069	14,483	15,518	17,587	99,656	92,756	5,173	247,240
Public relations	203,426	203,426	268,906	203,426	203,426	1,820	-	-	1,084,430
Travel	-	1,353	23,197	13,881	-	13,579	1,577	-	60,159
Video production and technology	-	480	8,641	-	-	9,918	-	-	19,038
Website maintenance	47,300	-	9,050	3,959	-	9,797	-	-	70,107
Total other expenses	<u>\$ 287,206</u>	<u>\$ 214,270</u>	<u>\$ 488,606</u>	<u>\$ 354,458</u>	<u>\$ 266,904</u>	<u>\$ 286,138</u>	<u>\$ 135,680</u>	<u>\$ 216,013</u>	<u>\$ 2,249,274</u>
Expenses reported by function	\$ 331,705	\$ 241,635	\$ 517,203	\$ 659,529	\$ 356,401	\$ 512,030	\$ 219,170	\$ 312,564	\$ 3,150,237

The accompanying notes are an integral part of these statements.

**THE JED FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Program Services					Supporting Services			Total
	Uilifeline	Half of Us (mtvU)	Love is Louder	Campus Program	Student Veterans	Other Programs	Management and General	Fund Raising	
Employee Compensation									
Salaries	\$ 49,052	\$ 30,360	\$ 44,654	\$ 251,530	\$ 6,259	\$ 113,856	\$ 82,598	\$ 111,509	\$ 689,818
Employee benefits	3,472	2,149	3,160	17,801	443	8,058	5,846	7,892	48,821
Payroll taxes	3,222	1,994	2,933	16,524	411	7,480	5,426	7,325	45,315
Total employee compensation	<u>55,746</u>	<u>34,503</u>	<u>50,747</u>	<u>285,855</u>	<u>7,113</u>	<u>129,394</u>	<u>93,870</u>	<u>126,726</u>	<u>783,954</u>
Other expenses									
Amortization	\$ 15,550	-	\$ 5,295	\$ 7,015	-	\$ 68,257	\$ -	\$ -	\$ 96,117
Bank and credit card fees	-	-	-	-	-	-	8,113	-	8,113
Consultant services	-	17,100	112,908	4,100	-	17,732	-	10,775	162,615
Depreciation	305	189	277	1,562	39	707	513	692	4,284
Event expenses	-	-	5,436	-	-	15,097	-	12,430	32,963
Event management	-	-	-	-	-	-	-	40,132	40,132
Filing fees	-	-	-	-	-	-	3,156	-	3,156
Insurance	-	-	-	-	-	-	9,414	-	9,414
Merchandise	-	-	-	-	-	-	-	20,845	20,845
Miscellaneous	2,486	1,539	2,954	13,870	373	7,391	8,881	16,365	53,859
Occupancy	5,701	3,528	5,189	29,232	727	13,232	9,599	12,959	80,167
Office expense	985	618	2,439	5,226	124	2,396	1,632	2,204	15,624
Printing and reproduction	393	244	9,815	5,084	50	2,107	663	27,105	45,461
Professional services	-	2,461	13,536	43,638	-	14,766	119,262	15,997	209,660
Public relations	137,810	137,810	139,290	234,439	-	137,810	239	-	787,398
Travel	-	1,073	29,545	3,517	-	8,457	180	3,934	46,706
Video production and technology	500	31,000	57,864	425	-	20,432	-	-	110,221
Website maintenance	10,043	-	165	34,587	-	3,404	-	-	48,199
Total other expenses	<u>\$ 173,773</u>	<u>\$ 195,562</u>	<u>\$ 384,713</u>	<u>\$ 382,695</u>	<u>\$ 1,313</u>	<u>\$ 311,788</u>	<u>\$ 161,652</u>	<u>\$ 163,438</u>	<u>\$ 1,774,934</u>
Expenses reported by function	\$ 229,519	\$ 230,065	\$ 435,460	\$ 668,550	\$ 8,426	\$ 441,182	\$ 255,522	\$ 290,164	\$ 2,558,888

The accompanying notes are an integral part of these statements.

**THE JED FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Change in net assets	\$ 1,113,933	\$ (72,944)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Amortization	49,423	96,117
Depreciation	2,991	4,284
Realized gain on investments	(2,315)	-
Contribution of marketable equity securities	(597,192)	-
Proceeds from sale of contributed equity securities	599,076	-
Change in operating assets and liabilities		
(Increase) decrease in accounts receivable	(4,850)	56,350
Increase in pledges receivable	(547,278)	(49,390)
Increase in other receivable	(533,761)	-
Decrease in prepaid expenses	4,165	20,266
Increase in fundraising materials	(8,909)	(6,250)
Increase (decrease) in accounts payable and accrued expenses	(78,798)	18,554
Decrease in accrued rent	(5,425)	(3,506)
Net cash provided (used) by operating activities	<u>(8,940)</u>	<u>63,481</u>
Cash flows from investing activities		
Purchase of investments	(772)	(967)
Proceeds from sale of investments	140,542	105,000
Purchase of equipment	(8,673)	-
Investment in website development	(28,311)	(37,324)
Net cash provided by investing activities	<u>102,786</u>	<u>66,709</u>
Net increase in cash	93,846	130,190
Cash and cash equivalents, beginning of year	<u>345,539</u>	<u>215,349</u>
Cash and cash equivalents, end of year	<u>\$ 439,385</u>	<u>\$ 345,539</u>
Supplemental Information		
Non-cash transactions		
Contributed services	\$ 1,275,656	\$ 892,126
Contributed materials	-	10,410
	<u>\$ 1,275,656</u>	<u>\$ 902,536</u>
The non-cash contributions were offset by amounts recorded in the following accounts:		
Professional services	\$ 103,450	\$ 123,050
Public relations	927,483	699,819
Consultant services	244,723	69,257
Special event revenue	-	10,410
	<u>\$ 1,275,656</u>	<u>\$ 902,536</u>

The accompanying notes are an integral part of these statements.

THE JED FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

(1) Nature of Activities, Nonprofit Status and Significant Accounting Policies

Nature of Activities

The mission of The Jed Foundation (the Foundation) is to promote emotional health and prevent suicide among college and university students. To achieve this end, the organization collaborates with the public and leaders in higher education, mental health, and research to produce and advance initiatives that: Promote awareness and understanding that emotional well-being is achievable, mental illness is treatable and suicide is preventable; increase knowledge of the warning signs of suicide and emotional distress; foster help-seeking so that those who need supportive services reach out to secure them, or are referred to services by a peer; build and strengthen resilience, coping skills and connectedness among young adults, their peers, families and communities; facilitate adoption of a comprehensive, community-based approach to promote emotional health and protect at-risk students on campus; and raise the importance of mental health services, policies and programs in the college selection process of students and parents. The Foundation operates administrative offices in New York, NY. It is supported primarily through contributions, special event revenue and earned income.

The Foundation's major initiatives seek to help colleges and universities develop and implement comprehensive mental health and suicide prevention programming. Additionally, the Foundation undertakes programming to raise awareness about and reduce the shame and secrecy often associated with mental health issues among teenagers, young adults, college students, their families and the general public, so that more people in need will seek help. Current programs include:

Ulifeline

Ulifeline is an anonymous, confidential, online resource center where college students can be comfortable searching for the information they need and want regarding mental health. The site includes information, interactive features, a screening tool and access to campus-specific resources for getting help. Currently, more than 1,500 colleges and universities participate in the Ulifeline network free of charge.

Half of Us (mtvU)

The Foundation and mtvU partner to manage a Peabody Award-winning and Emmy-nominated social awareness campaign that uses on-air PSAs and programming, an online resource center (www.halfofus.com) and on-campus events, to raise awareness about the importance of emotional health on college campuses and connect students with the appropriate resources to get help.

THE JED FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

(1) Nature of Activities, Nonprofit Status and Significant Accounting Policies (continued)

Nature of Activities (continued)

Love is Louder Movement

Love is Louder is a movement intended to promote connectedness and to address issues such as bullying, negative self-image, discrimination, loneliness and sadness. The key message of the Love is Louder campaign is that Love is Louder than anything that makes us feel misunderstood, mistreated or alone. The Love is Louder campaign communicates its message and creates discussions through a website and social media. Love is Louder events can also be held by individuals in the community.

The Jed and Clinton Health Matters Campus Program

The Jed and Clinton Health Matters Campus Program (Campus Program) is an assessment, feedback and technical assistance program designed to help colleges explore and enhance their campus mental health, substance abuse and suicide prevention programming. Participating schools make a multi-year commitment to work with the Campus Program to assess and enhance their programming. Schools are provided customized suggestions for enhancements which can become a road map for assisting schools in creating a comprehensive emotional health program on campus.

Set to Go

Set to Go is a new program currently in development. Set to Go is designed to help high school communities prepare students for the emotional and mental health challenges of transitioning out of high school. The centerpiece of Set to Go will be an online resource center with a strategic framework, programs and resources designed for students, their families and high school administrators. The Jed Foundation has long understood the need for resources that allow students and parents navigate a smooth, safe, and healthy transition from high school to college, laying the groundwork for healthy and productive college years and beyond. Set to Go is an evolutionary program resulting from a re-execution of the Transition Year program. Expenses incurred for the program in the year ended December 31, 2014 include costs to develop and implement the newly revised program. The Transition Year program expenses are recorded in Other Programs in the Statement of Functional Expenses for the year ended December 31, 2013.

THE JED FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

(1) **Nature of Activities, Nonprofit Status and Significant Accounting Policies** (continued)

Nature of Activities (continued)

Understanding and Supporting the Emotional Health of Student Veterans

The Jed Foundation and the Bob Woodruff Foundation partnered to create an online training tool that helps campus health professionals best understand the student veteran perspective, engage with them on campus, and provide the resources and support they need to succeed. In the year ended December 31, 2014, Student Veterans expenses are included in "Other Programs" on the Statement of Functional Expenses.

Nonprofit Status

The Foundation was incorporated in 2000 and is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code. Donors may deduct contributions made to the Foundation within the requirements of the Internal Revenue Code. Under Accounting Standards Codification (ASC) Section 740, the tax status of tax-exempt entities is an uncertain tax position, since events could potentially occur that jeopardize the tax-exempt status. Management of the Foundation is not aware of any events that could jeopardize the tax-exempt status. Therefore, no liability or provision for income tax has been reflected in the financial statements. The Foundation's federal exempt organization information returns for the years ended December 31, 2011, 2012 and 2013 are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

Significant Accounting Policies

The following summary of significant accounting policies includes the accounting principles used to present the accompanying financial statements in conformity with generally accepted accounting principles.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting. Under this method, revenue is recognized when earned and expenses are recognized when incurred.

THE JED FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

(1) Nature of Activities, Nonprofit Status and Significant Accounting Policies (continued)

Financial Statement Presentation

Financial statement presentation follows the requirements of the Financial Accounting Standards Board. The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity date of three months or less to be cash equivalents unless held temporarily until suitable investments are identified.

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.

Functional Allocation of Expenses

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

Revenue Recognition

The Foundation's revenue consists of contributions and special event revenues. Unrestricted contributions and fundraising revenue intended for the current period are recognized when received. Restricted contributions and fundraising revenue are recorded as temporarily restricted support and net assets if they are received with donor stipulations that limit the use of the contributed assets. When a donor or sponsor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

THE JED FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

(1) Nature of Activities, Nonprofit Status and Significant Accounting Policies (continued)

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.

Estimates

The preparation of financial statements in accordance with accounting standards generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

The Foundation defines fair value as 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.

Accounts Receivable

The Foundation considers all accounts receivable to be fully collectible; accordingly, no allowance for doubtful amounts is required.

Fundraising Materials

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

Subsequent Events

The Foundation has evaluated subsequent events through July 31, 2015 which is the date these financial statements were available to be issued.

THE JED FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

(2) Concentration of Credit Risk

The Foundation maintains its cash balances in a high-quality financial institution. The balances were insured by the Federal Deposit Insurance Corporation up to \$250,000 in the years ended December 31, 2014 and 2013. Accordingly, the Foundation had uninsured cash balances of \$0 and \$87,898 at December 31, 2014 and 2013, respectively.

(3) Investments

The Foundation measures its investments at fair value, as defined in Note 1. Accordingly, the Foundation uses a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs requiring the most observable inputs be used when available. The hierarchy prioritizes the inputs in the valuation techniques used to measure fair value into three broad levels (Level 1, 2 and 3).

Level 1 financial instruments are valued by observable inputs that reflect quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access at the measurement date. Examples of Level 1 securities include highly liquid U.S. Treasury securities and exchange traded securities. The following investments at December 31, 2014 and 2013, respectively are categorized as Level 1.

Investments held by the Foundation at December 31, 2014 and 2013, at fair value, consist of the following:

	<u>2014</u>	<u>2013</u>
Money market funds	\$ <u>1,032,818</u>	\$ <u>1,172,157</u>

Investment return consists of the following for the years ended December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Interest and dividend income	\$ 822	\$ 1,163
Realized gain	<u>2,315</u>	<u>-</u>
Total investment return	\$ <u>3,137</u>	\$ <u>1,163</u>

THE JED FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

(4) Property and Equipment

Property and equipment, at cost, consists of the following at December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>	<u>Estimated Useful Lives</u>
Computer equipment	\$ 77,928	\$ 69,255	5 years
Website development	761,714	733,403	3 years
Software	<u>43,190</u>	<u>43,190</u>	3 years
	882,832	845,848	
Less accumulated amortization and depreciation	<u>799,690</u>	<u>747,276</u>	
Property and equipment, net	<u>\$ 83,142</u>	<u>\$ 98,572</u>	

Amortization was \$49,423 and \$96,117 for the years ended December 31, 2014 and 2013, respectively. Depreciation of the computer equipment was \$2,991 and \$4,284 for the years ended December 31, 2014 and 2013, respectively. Future amortization expense is expected to be the following:

2015	\$	41,588
2016		20,374
2017		<u>1,300</u>
	\$	<u>63,262</u>

(5) Pledges receivable

Pledges receivable consist of \$778,825 and \$221,547 at December 31, 2014 and 2013, respectively. Management expects all pledges receivable to be fully collectible; therefore, no allowance for uncollectible accounts is considered necessary.

THE JED FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

(6) In-kind Contributions

The Foundation receives contributed services and materials in support of various aspects of its programs. The materials consist of silent auction items. During the years ended December 31, 2014 and 2013, the Foundation received the following in-kind contributions of materials and services that have been reflected in the financial statements:

	<u>2014</u>	<u>2013</u>	
Professional services	\$ 1,275,656	\$ 892,126	
Special event revenue	<u>-</u>	<u>10,410</u>	
 Total in-kind contributions	 \$ <u>1,275,656</u>	 \$ <u>902,536</u>	

The Foundation receives a significant amount of contributed services of 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.

(7) Leasing Arrangements

On May 1, 2010, the Foundation entered into a lease agreement for administrative office space in New York, NY, which expired April 30, 2015. Rent expense was \$73,856 and \$73,591 for the years ended December 31, 2014 and 2013, respectively, under the agreement and is recorded as Occupancy in the Statement of Functional Expenses. Future lease payments are:

2015	\$ <u>27,098</u>
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Rent is recorded as expense using the straight-line method over the life of the lease. Rent expense recorded that exceeds amounts paid is recorded as Accrued Rent on the Statement of Financial Position. Accrued Rent was \$2,242 and \$7,667 at December 31, 2014 and 2013, respectively.

In June 2015, the Foundation entered into a new lease agreement for administrative office space in New York, NY, which will expire in July 2022. Future lease payments are:

2015	\$ 85,144
2016	206,899
2017	213,106
2018	219,499
2019	226,084
Thereafter	615,053

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(8) Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following periods or purposes at December 31, 2014 and 2013, respectively:

	<u>2014</u>	<u>2013</u>
Jed Campus	\$ 843,238	\$ 127,029
Love is Louder	175,000	75,000
High School Transition	167,523	-
Student Veterans	18,994	26,690
Athletic program	<u>4,423</u>	<u>11,312</u>
	<u>\$ 1,209,178</u>	<u>\$ 240,031</u>

(9) Reclassification

Certain amounts in the 2013 financial statements have been reclassified to conform with the 2014 presentation.