

THE JED FOUNDATION
FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

**THE JED FOUNDATION
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DECEMBER 31, 2015 AND 2014**

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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, 2015 and 2014, 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.

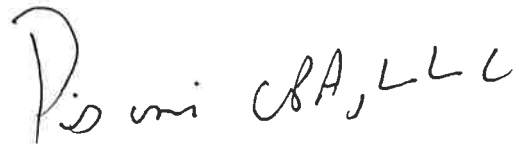
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, 2015 and 2014, 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



June 8, 2016

874 Broadway Brentwood NY 11717 V 631-804-2533 F 631-967-1522

THE JED FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 251,276	\$ 439,385
Investments	2,131,892	1,032,818
Accounts receivable	-	6,000
Pledges receivable	1,182,100	778,825
Other receivable	-	533,761
Prepaid expenses	10,974	32,194
Fundraising materials	14,259	15,159
Total current assets	3,590,501	2,838,142
Property and equipment, net	247,406	83,142
Other assets	51,100	30,197
Long-term assets		
Pledges receivable, long-term, net	571,065	-
Total assets	\$ 4,460,072	\$ 2,951,481
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 121,833	\$ 51,248
Deferred revenue	3,117	-
Accrued rent	6,870	2,242
Security deposit payable	3,027	-
Total current liabilities	134,847	53,490
Net assets		
Unrestricted	2,326,609	1,688,813
Temporarily restricted	1,998,616	1,209,178
Total net assets	4,325,225	2,897,991
Total liabilities and net assets	\$ 4,460,072	\$ 2,951,481

The accompanying notes are an integral part of these statements.

THE JED FOUNDATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>			<u>2014</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenues						
Contributions	\$ 949,752	\$ 1,769,075	\$ 2,718,827	\$ 176,909	\$ 1,351,954	\$ 1,528,863
Program service revenue	86,602	-	86,602	64,760	-	64,760
Contributed stock	-	-	-	65,593	531,599	597,192
Contributed services	737,909	-	737,909	1,275,656	-	1,275,656
Contributed materials	20,400	-	20,400	-	-	-
Special events, gross proceeds						
Contributions	1,270,440	-	1,270,440	887,162	86,250	973,412
Contributed stock	353,647	-	353,647	-	-	-
Ticket sales	128,466	-	128,466	93,600	-	93,600
Less: Direct benefits to donors	(348,128)	-	(348,128)	(272,536)	-	(272,536)
Net proceeds from special events	1,404,425	-	1,404,425	708,226	86,250	794,476
Dividend and interest income	566	-	566	908	-	908
Realized gain (loss) on investments	(397)	-	(397)	2,315	-	2,315
Rental income	14,572	-	14,572	-	-	-
Net assets released from restrictions	979,637	(979,637)	-	1,000,656	(1,000,656)	-
Total support and revenues	4,193,466	789,438	4,982,904	3,295,023	969,147	4,264,170
Expenses						
Program services						
The JED Campus Program	913,404	-	913,404	659,529	-	659,529
Set to Go	429,579	-	429,579	356,401	-	356,401
Love is Louder	325,324	-	325,324	517,203	-	517,203
Ulifeline	190,056	-	190,056	331,705	-	331,705
Half of Us (mtvU)	112,605	-	112,605	241,635	-	241,635
Other programs	779,151	-	779,151	512,030	-	512,030
Total program services	2,750,119	-	2,750,119	2,618,503	-	2,618,503
Supporting services						
Management and general	338,319	-	338,319	219,170	-	219,170
Fundraising	467,232	-	467,232	312,564	-	312,564
Total supporting services	805,551	-	805,551	531,734	-	531,734
Total expenses	3,555,670	-	3,555,670	3,150,237	-	3,150,237
Change in net assets	637,796	789,438	1,427,234	144,786	969,147	1,113,933
Net Assets, beginning of year	1,688,813	1,209,178	2,897,991	1,544,027	240,031	1,784,058
Net Assets, end of year	\$ 2,326,609	\$ 1,998,616	\$ 4,325,225	\$ 1,688,813	\$ 1,209,178	\$ 2,897,991

The accompanying notes are an integral part of these statements.

**THE JED FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Program Services					Supporting Services			Total
	The JED Campus Program	Set to Go	Love is Louder	Upline	Half of Us (mtvU)	Other Programs	Management and General	Fund Raising	
Employee Compensation									
Salaries	\$ 518,007	\$ 188,017	\$ 56,705	\$ 39,892	\$ 30,932	\$ 348,628	\$ 78,600	\$ 165,561	\$ 1,426,342
Employee benefits	35,744	12,974	3,913	2,753	2,135	24,055	5,424	11,424	98,422
Payroll taxes	30,418	11,041	3,330	2,343	1,817	20,470	4,616	9,722	83,757
Total employee compensation	584,169	212,032	63,948	44,988	34,884	393,153	88,640	186,707	1,608,521
Other expenses									
Amortization	\$ 12,132	\$ -	\$ 744	\$ 27,108	\$ -	\$ 1,608	\$ -	\$ -	\$ 41,592
Bad debts	-	-	-	-	-	-	79,195	-	79,195
Bank and credit card fees	-	-	-	-	-	-	9,804	-	9,804
Consultant services	57,783	64,500	123,168	16,500	16,500	92,769	-	102,620	473,840
Depreciation	3,222	1,170	353	248	192	2,168	489	1,030	8,872
Event expenses	810	-	4,300	-	-	1,200	-	11,574	17,884
Event management	-	-	-	-	-	-	-	33,750	33,750
Filing fees	-	-	-	-	-	-	7,767	-	7,767
Insurance	-	-	-	-	-	-	11,793	-	11,793
Merchandise	-	-	-	-	-	-	-	21,029	21,029
Miscellaneous	13,967	4,569	5,644	1,038	752	28,354	2,943	8,631	65,898
Occupancy	51,160	18,569	5,601	3,940	3,055	34,429	7,763	16,351	140,868
Office expense	12,752	4,533	1,979	962	746	8,668	5,062	10,811	45,513
Printing and reproduction	2,532	-	2,086	-	-	3,902	-	30,341	38,861
Professional services	16,075	-	4,946	-	-	24,731	124,067	6,183	188,368
Public relations	105,723	120,971	84,731	84,731	12,366	139,826	-	7,600	587,628
Supplies	20,713	299	93	-	44,046	2,443	-	3,700	27,248
Travel	27,525	2,534	3,844	68	64	18,163	796	26,905	79,899
Video production and technology	-	-	-	-	-	-	-	-	23,513
Website maintenance	4,841	402	374	10,473	-	27,737	-	-	43,827
Total other expenses	\$ 329,235	\$ 217,547	\$ 261,376	\$ 145,068	\$ 77,721	\$ 385,998	\$ 249,679	\$ 280,525	\$ 1,947,149
Expenses reported by function	\$ 913,404	\$ 429,579	\$ 325,324	\$ 190,056	\$ 112,605	\$ 779,151	\$ 338,319	\$ 467,232	\$ 3,555,670

The accompanying notes are an integral part of these statements.

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

	Supporting Services								
	The JED Campus Program	Set to Go	Love is Louder	Uplifeline	Half of Us (mtvU)	Other Programs	Management and General	Fund Raising	Total
Employee Compensation									
Salaries	\$ 272,781	\$ 80,025	\$ 25,570	\$ 39,789	\$ 24,469	\$ 201,982	\$ 74,653	\$ 86,332	\$ 805,601
Employee benefits	14,739	4,324	1,382	2,150	1,322	10,914	4,034	4,665	43,530
Payroll taxes	17,551	5,149	1,645	2,560	1,574	12,996	4,803	5,555	51,832
Total employee compensation	<u>305,071</u>	<u>89,497</u>	<u>28,597</u>	<u>44,499</u>	<u>27,365</u>	<u>225,892</u>	<u>83,490</u>	<u>96,551</u>	<u>900,963</u>
Other expenses									
Amortization	\$ 12,133	\$ -	\$ 5,295	\$ 29,707	\$ -	\$ 2,288	\$ -	\$ -	\$ 49,423
Bank and credit card fees	-	-	-	-	-	-	9,009	-	9,009
Consultant services	61,509	33,000	93,950	300	3,000	96,958	-	94,925	383,642
Depreciation	1,013	297	95	148	91	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	-	-	-	-	-	-	-	-	-
Miscellaneous	8,494	2,465	7,504	1,290	754	11,555	4,667	31,572	31,572
Occupancy	27,775	8,148	2,604	4,051	2,492	20,567	7,601	22,025	58,754
Office expense	5,418	1,590	508	790	486	4,012	1,483	8,790	82,028
Printing and reproduction	1,332	391	623	194	119	2,024	365	6,308	20,595
Professional services	15,518	17,587	14,483	-	2,069	99,656	92,756	24,852	29,900
Public relations	203,426	203,426	268,906	203,426	203,426	1,820	-	5,173	247,240
Travel	13,881	-	23,197	-	1,353	13,579	-	-	1,084,430
Video production and technology	-	-	8,641	-	480	9,918	1,577	6,571	60,159
Website maintenance	3,959	-	9,050	47,300	-	9,797	-	-	19,038
Total other expenses	<u>\$ 354,458</u>	<u>\$ 266,904</u>	<u>\$ 488,606</u>	<u>\$ 287,206</u>	<u>\$ 214,270</u>	<u>\$ 286,138</u>	<u>\$ 135,680</u>	<u>\$ 216,013</u>	<u>\$ 2,249,274</u>
Expenses reported by function	<u>\$ 659,529</u>	<u>\$ 356,401</u>	<u>\$ 517,203</u>	<u>\$ 331,705</u>	<u>\$ 241,635</u>	<u>\$ 512,030</u>	<u>\$ 219,170</u>	<u>\$ 312,564</u>	<u>\$ 3,150,237</u>

The accompanying notes are an integral part of these statements.

THE JED FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Change in net assets	\$ 1,427,234	\$ 1,113,933
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Amortization and depreciation	50,464	52,414
Bad debts	79,195	-
Realized (gain) loss on investments	397	(2,315)
Contribution of marketable equity securities	(353,647)	(597,192)
Proceeds from sale of contributed equity securities	353,250	599,076
Change in operating assets and liabilities		
(Increase) decrease in accounts receivable	6,000	(4,850)
Increase in pledges receivable, net	(1,053,535)	(547,278)
Decrease (increase) in other receivable	533,761	(533,761)
Decrease in prepaid expenses	21,220	4,165
Decrease (increase) in fundraising materials	900	(8,909)
Increase in other assets	(20,903)	-
Increase (decrease) in accounts payable and accrued expenses	70,585	(78,798)
Increase in deferred revenue	3,117	-
Increase (decrease) in accrued rent	4,628	(5,425)
Increase in security deposit payable	3,027	-
Net cash provided (used) by operating activities	<u>1,125,693</u>	<u>(8,940)</u>
Cash flows from investing activities		
Purchase of investments	(1,714,489)	(772)
Proceeds from sale of investments	615,415	140,542
Purchase of equipment	(43,655)	(8,673)
Investment in software	(8,864)	-
Investment in leasehold improvements	(36,484)	-
Investment in website development	(125,725)	(28,311)
Net cash provided (used) by investing activities	<u>(1,313,802)</u>	<u>102,786</u>
Net increase (decrease) in cash	(188,109)	93,846
Cash and cash equivalents, beginning of year	<u>439,385</u>	<u>345,539</u>
Cash and cash equivalents, end of year	<u>\$ 251,276</u>	<u>\$ 439,385</u>
Supplemental Information		
Non-cash transactions		
Contributed services	\$ 737,909	\$ 1,275,656
Contributed materials	20,400	-
	<u>\$ 758,309</u>	<u>\$ 1,275,656</u>
The non-cash contributions were offset by amounts recorded in the following accounts:		
Professional services	\$ 123,655	\$ 103,450
Public relations	449,157	927,483
Consultant services	165,097	244,723
Program supplies	20,400	-
	<u>\$ 758,309</u>	<u>\$ 1,275,656</u>

The accompanying notes are an integral part of these statements.

**THE JED FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

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

Nature of Activities

The mission of The Jed Foundation (the Foundation) is to protect emotional health and prevent suicide among teens and young adults, with a special focus on 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 and we are all better equipped to provide support. Current programs include:

The JED Campus Program

The JED 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 Foundation 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.

THE JED FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

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

Nature of Activities (continued)

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 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.

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 (loveislouder.com) and social media. Love is Louder events can also be held by individuals in the community.

Ulifeline

Ulifeline is an anonymous, confidential, online resource center (www.ulifeline.org) 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 1,600 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, 2015 AND 2014

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

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.

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.

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.

THE JED FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

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

Significant Accounting Policies (continued)

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 revenue. Unrestricted contributions and special event revenue intended for the current period are recognized when received. Restricted contributions and special event 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.

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.

THE JED FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

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

Significant Accounting Policies (continued)

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.

Receivables

The Foundation considers all receivables to be fully collectible; accordingly, no allowance for doubtful accounts 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 June 8, 2016 which is the date these financial statements were available to be issued.

THE JED FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

(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, 2015 and 2014. Accordingly, the Foundation had no uninsured cash balances at December 31, 2015 and 2014.

(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, 2015 and 2014, respectively are categorized as Level 1.

Investments held by the Foundation at December 31, 2015 and 2014, at fair value, consist of the following:

	<u>2015</u>	<u>2014</u>
Money market funds	\$ <u>2,131,892</u>	\$ <u>1,032,818</u>

Investment return consists of the following for the years ended December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Interest and dividend income	\$ 566	\$ 822
Realized gain/(loss)	<u>(397)</u>	<u>2,315</u>
Total investment return	\$ <u>169</u>	\$ <u>3,137</u>

THE JED FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

(4) Property and Equipment

Property and equipment, at cost, consists of the following at December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>	<u>Estimated Useful Lives</u>
Computer equipment	\$ 56,573	\$ 32,928	3 years
Furniture and fixtures	65,010	45,000	5 years
Website development	887,439	761,714	3 years
Leasehold improvements	36,484	-	7 years
Software	<u>52,054</u>	<u>43,190</u>	3 years
	1,097,560	882,832	
Less accumulated amortization and depreciation	<u>850,154</u>	<u>799,690</u>	
Property and equipment, net	<u>\$ 247,406</u>	<u>\$ 83,142</u>	

Amortization was \$41,592 and \$49,423 for the years ended December 31, 2015 and 2014, respectively. Depreciation was \$8,872 and \$2,991 for the years ended December 31, 2015 and 2014, respectively. Future amortization expense is expected to be the following:

2016	\$	55,359
2017		55,942
2018		<u>55,942</u>
	\$	<u>167,243</u>

(5) Pledges receivable

Pledges receivable consist of \$1,765,100 and \$778,825 at December 31, 2015 and 2014, 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, 2015 AND 2014

(5) Pledges receivable (continued)

The following is a summary of promises to give as of December 31, 2015 and 2014, by expected period of payment:

Amounts expected to be collected in:	<u>2015</u>	<u>2014</u>
Less than one year	\$ 1,182,100	\$ 778,825
One to five years	<u>583,000</u>	<u>-</u>
	1,765,100	778,825
Less unamortized discount (2.09%)	<u>(11,935)</u>	<u>-</u>
Promises to give, net	1,753,165	778,825
Less current promises to give	<u>1,182,100</u>	<u>-</u>
Long-term promises to give, net	<u>\$ 571,065</u>	<u>\$ 778,825</u>

(6) In-kind Contributions

The Foundation receives contributed services and materials in support of various aspects of its programs. The materials consist of program supplies. During the years ended December 31, 2015 and 2014, the Foundation received the following in-kind contributions of materials and services that have been reflected in the financial statements:

	<u>2015</u>	<u>2014</u>
Professional services	\$ 737,909	\$ 1,275,656
Program supplies	<u>20,400</u>	<u>-</u>
Total in-kind contributions	<u>\$ 758,309</u>	<u>\$ 1,275,656</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.

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(7) Leasing Arrangements

On May 1, 2010, the Foundation entered into a lease agreement for administrative office space in New York, NY, which expired July 31, 2015. Rent expense was \$44,855 and \$73,856 for the years ended December 31, 2015 and 2014, respectively, under the agreement and is recorded as Occupancy in the Statement of Functional Expenses.

Rent is recorded as expense using the straight-line method over the life of the lease. Rent expense recorded that exceeds amounts paid is recorded as Accrued Rent on the Statement of Financial Position. Accrued Rent was \$2,242 at December 31, 2014 in relation to the agreement.

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. Rent expense was \$88,240 for the year ended December 31, 2015 under the agreement and is recorded in Occupancy in the Statement of Functional Expenses. Future lease payments are:

2016	\$	206,899
2017		213,106
2018		219,499
2019		226,084
2020		232,867
Thereafter		382,186

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 \$6,870 at December 31, 2015 in relation to the agreement.

Sublease Arrangement

In August 2015, the Foundation entered into a sublease agreement with the Founder and President of the Foundation for a portion of the Foundation's administrative office space. The agreement expires in July 2022. Rental income was \$14,572 for the year ended December 31, 2015 under the agreement. Future rental income is:

2016	\$	36,766
2017		37,869
2018		39,005
2019		40,175
2020		41,380
Thereafter		67,915

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(8) Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following periods or purposes at December 31, 2015 and 2014, respectively:

	<u>2015</u>		<u>2014</u>
JED Campus	\$ 592,056	\$	843,238
Love is Louder	-		175,000
Set to Go	627,029		167,523
Student Veterans	12,527		18,994
Athletic program	4,053		4,423
Other programs	108,886		-
Future periods	654,065		-
	<u>\$ 1,998,616</u>	\$	<u>1,209,178</u>