

American Foundation for Suicide Prevention

Financial Report
June 30, 2020

Contents

Independent auditor's report	1-2
<hr/>	
Financial statements	
Statement of financial position	3
Statement of activities	4
Statement of functional expenses	5
Statement of cash flows	6
Notes to financial statements	7-18

Independent Auditor's Report

Board of Directors
American Foundation for Suicide Prevention

Report on the Financial Statements

We have audited the accompanying financial statements of the American Foundation for Suicide Prevention (the Foundation), which comprise the statement of financial position as of June 30, 2020, the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the American Foundation for Suicide Prevention as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Foundation's 2019 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated December 4, 2019. In our opinion, the summarized comparative information, presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

RSM US LLP

New York, New York
December 7, 2020

American Foundation for Suicide Prevention

Statement of Financial Position

June 30, 2020

(with summarized comparative information as of June 30, 2019)

	2020	2019
Assets		
Current assets:		
Cash (Note 3)	\$ 12,533,439	\$ 12,726,728
Investments (Note 4)	29,179,677	18,286,268
Unconditional promises to give and other receivables	942,607	868,661
Prepaid walk material	5,108,015	3,844,383
Other prepaid expenses	1,084,586	1,536,660
Total current assets	48,848,324	37,262,700
Property and equipment:		
Property and equipment, at cost	4,498,641	3,229,975
Less accumulated depreciation	956,454	563,923
Property and equipment, at cost less depreciation	3,542,187	2,666,052
Other assets:		
Restricted cash (Note 3)	707,576	707,576
Restricted investments (Notes 4 and 8)	1,603,590	1,550,848
Investments - board-designated (Notes 4 and 8)	2,489,510	2,403,466
Educational films, net	59,583	85,583
Security deposits	29,896	34,768
Total other assets	4,890,155	4,782,241
Total assets	\$ 57,280,666	\$ 44,710,993
Liabilities and Net Assets		
Current liabilities:		
Grants payable (Note 6)	\$ 5,176,913	\$ 4,050,304
Accounts payable and accrued expenses	1,712,667	2,360,377
Paycheck Protection Program loan payable - current portion (Note 13)	649,403	-
Deferred event revenue	2,379,006	2,072,920
Total current liabilities	9,917,989	8,483,601
Noncurrent liabilities and deferred credits:		
Grants payable (Note 6)	3,134,927	2,137,521
Paycheck Protection Program loan payable - long term portion (Note 13)	1,623,507	-
Deferred rent credit (Note 11)	2,813,259	2,257,268
Total liabilities	17,489,682	12,878,390
Commitments (Notes 6, 10 and 11)		
Net assets:		
Net assets without donor restrictions:		
General operating	33,580,394	27,095,614
Board-designated (Notes 7 and 8)	2,489,510	2,403,466
	36,069,904	29,499,080
Net assets with donor restrictions (Notes 7 and 8)	3,721,080	2,333,523
Total net assets	39,790,984	31,832,603
Total liabilities and net assets	\$ 57,280,666	\$ 44,710,993

See notes to financial statements.

American Foundation for Suicide Prevention

Statement of Activities

Year Ended June 30, 2020

(with summarized comparative information for the year ended June 30, 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Summarized Financial Information
Revenues, gains and other support:				
Functions (Note 12):				
Revenues	\$ 32,873,233	\$ -	\$ 32,873,233	\$ 33,107,225
Direct expenses	(4,930,213)	-	(4,930,213)	(6,632,083)
Net function income	27,943,020	-	27,943,020	26,475,142
Donations	12,228,554	1,362,231	13,590,785	13,127,427
Other revenues, net	373,781	68,620	442,401	543,478
Investment income (Note 4)	809,509	52,742	862,251	865,904
Net assets released from restrictions	96,036	(96,036)	-	-
Total revenues, gains and other support	41,450,900	1,387,557	42,838,457	41,011,951
Expenses:				
Program services	27,895,680	-	27,895,680	25,083,665
Management and general	2,435,188	-	2,435,188	1,537,575
Fund-raising	4,549,208	-	4,549,208	3,864,393
Total expenses	34,880,076	-	34,880,076	30,485,633
Change in net assets	6,570,824	1,387,557	7,958,381	10,526,318
Net assets:				
Beginning	29,499,080	2,333,523	31,832,603	21,306,285
Ending	\$ 36,069,904	\$ 3,721,080	\$ 39,790,984	\$ 31,832,603

See notes to financial statements.

American Foundation for Suicide Prevention

Statement of Functional Expenses

Year Ended June 30, 2020

(with summarized comparative information for the year ended June 30, 2019)

	2020								2019
	Program Services				Supporting Services				Summarized Financial Information
	Research	Prevention and Education	Loss and Bereavement Programs	Advocacy Programs	Total Program Services	Management and General	Fund- Raising	Total Expenses	
Grants	\$ 6,336,803	\$ -	\$ -	\$ -	\$ 6,336,803	\$ -	\$ -	\$ 6,336,803	\$ 5,204,072
Salaries and wages	648,450	3,890,694	2,383,737	1,185,442	8,108,323	1,043,161	2,139,083	11,290,567	9,318,272
Employee health and retirement benefits	121,527	729,162	446,740	222,166	1,519,595	195,501	400,889	2,115,985	1,838,320
Research, educational and survivor conferences and programs	65,267	1,646,106	603,208	120,967	2,435,548	-	109,418	2,544,966	3,563,306
Out of Darkness programs	-	776,607	931,929	-	1,708,536	-	672,050	2,380,586	2,839,342
Office	52,069	857,314	424,822	196,784	1,530,989	52,370	197,846	1,781,205	1,542,358
Occupancy	105,915	635,492	389,351	193,626	1,324,384	170,386	349,390	1,844,160	676,766
Telecommunications and Internet	3,469	46,908	33,297	24,551	108,225	3,099	15,608	126,932	128,827
Equipment rental and maintenance	29,010	190,550	120,322	70,215	410,097	45,274	97,473	552,844	444,070
Travel	47,543	687,497	388,880	135,935	1,259,855	91,586	143,688	1,495,129	1,645,434
Consultants	203,325	1,891,743	659,093	399,164	3,153,325	182,156	423,763	3,759,244	3,097,681
Professional fees	-	-	-	-	-	259,124	-	259,124	136,561
Depreciation	-	-	-	-	-	392,531	-	392,531	50,624
Subtotal	7,613,378	11,352,073	6,381,379	2,548,850	27,895,680	2,435,188	4,549,208	34,880,076	30,485,633
Direct expenses of functions	-	-	-	-	-	-	4,930,213	4,930,213	6,632,083
Cost of goods sold - Public Store (netted in other revenues)	-	-	-	-	-	-	85,482	85,482	79,848
Total - 2020	\$ 7,613,378	\$ 11,352,073	\$ 6,381,379	\$ 2,548,850	\$ 27,895,680	\$ 2,435,188	\$ 9,564,903	\$ 39,895,771	
Total - 2019	\$ 6,364,051	\$ 10,479,074	\$ 5,705,512	\$ 2,535,028	\$ 25,083,665	\$ 1,537,575	\$ 10,576,324		\$ 37,197,564

See notes to financial statements.

American Foundation for Suicide Prevention

Statement of Cash Flows

Year Ended June 30, 2020

(with summarized comparative information for the year ended June 30, 2019)

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 7,958,381	\$ 10,526,318
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	392,531	50,624
Amortization of educational film costs	26,000	26,000
Net realized and unrealized gains on investments	(212,171)	(372,519)
Deferred rent	555,991	(35,640)
Loss of security deposits	57,600	-
Changes in assets and liabilities:		
Unconditional promises to give and other receivables	(73,946)	1,285,028
Prepaid walk material and other prepaid expenses	(811,558)	(2,813,182)
Grants payable	2,124,015	493,608
Accounts payable and accrued expenses	(700,438)	37,023
Deferred event revenue	306,086	141,187
Net cash provided by operating activities	9,622,491	9,338,447
Cash flows from investing activities:		
Purchase of property and equipment	(1,268,666)	(620,253)
Acquisition of investments	(10,820,024)	(24,672,436)
Proceeds from sale of investments	-	24,063,965
Return of security deposits	-	45,833
Net cash used in investing activities	(12,088,690)	(1,182,891)
Cash flows from financing activities:		
Proceeds from Paycheck Protection Program loan payable	2,272,910	-
Net cash provided by financing activities	2,272,910	-
Net (decrease) increase in cash and restricted cash	(193,289)	8,155,556
Cash and restricted cash:		
Beginning	13,434,304	5,278,748
Ending	\$ 13,241,015	\$ 13,434,304
Non-cash investment transaction:		
Purchase of property and equipment paid by landlord	\$ -	\$ 1,875,574

See notes to financial statements.

American Foundation for Suicide Prevention

Notes to Financial Statements

Note 1. Nature of Activities and Summary of Significant Accounting Principles

Organization: American Foundation for Suicide Prevention (the Foundation) is a not-for-profit organization incorporated under the laws of the State of Delaware. The Foundation was established in 1987 by concerned scientists, business and community leaders and survivors of suicide in an effort to support the research and education needed to prevent suicide. The Foundation is dedicated to funding suicide prevention research and to offering educational programs and conferences for survivors, mental health professionals, physicians and the public.

Basis of presentation: The financial statements have been prepared on an accrual basis and include the accounts of the New York National Office and the Foundation's 73 unincorporated chapters.

Classification and reporting of net assets: The Foundation's financial statement report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on the use that are placed by donors as follows:

Net assets without donor restrictions represent the portion of net assets of the Foundation that are restricted neither by donor-imposed stipulations nor by time restrictions. Net assets without donor restrictions include expendable funds available for support of the Foundation, as well as funds designated for specific purposes by the Foundation's Board of Directors.

Net assets with donor restrictions represent contributions and other inflows of assets that have donor-imposed restriction that require that they be held perpetually, or whose use may or will be met by actions of the Foundation or the passage of time.

Endowment: When the Foundation receives a contribution and the donor restricts the Foundation from spending the amount of the original gift, the contribution is classified as an endowment, with the amount of the gift recorded as endowment held in perpetuity. The Foundation is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) of the State of Delaware, and has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. The remaining portion of the endowment fund that is not classified as held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

Contributions: All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as contributions with donor restrictions that increase the net asset with donor restriction class. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as net assets without donor restrictions.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. A number of unpaid volunteers have made a contribution of their time to develop the Foundation's programs. The value of this contributed time is not reflected in these financial statements, as they do not meet the criteria for recognition under accounting principles generally accepted in the United States of America (U.S. GAAP).

American Foundation for Suicide Prevention

Notes to Financial Statements

Note 1. Nature of Activities and Summary of Significant Accounting Principles (Continued)

Promises to give: Unconditional promises to give that are expected to be collected in future periods are recorded at their net realizable and present value. At June 30, 2020, all promises to give were expected to be collected within one year. Contributions with associated conditions are recorded as revenue when the conditions are met.

Property and equipment: Property and equipment is recorded at cost when purchased, or at estimated fair value when contributed. The Foundation capitalized all equipment in excess of \$2,500. Depreciation of equipment is provided for by straight-line methods over the estimated useful lives of the related assets ranging from three to ten years. Leasehold improvements are amortized over the shorter of the useful life or the life of the lease

Investments: Investments are reported at fair value, as described in Note 4 and unrealized gains and losses are included in the statement of activities. Investment transactions are recorded on a trade-date basis and realized gains and losses on sale of investments are determined using the specific-identification method. Investment income and net gains and losses on investments are recognized as increases or decreases in net assets without donor restriction unless their use restricted by the donor, in which case they would be recognized as with donor restrictions.

Educational films: Educational film production costs are recorded as a separate asset and are amortized over their estimated useful lives. Costs of \$130,000 relating to the development of one educational film has been deferred and is amortized over estimated useful life of five years. Amortization expense in fiscal 2020 and 2019 were both \$26,000.

Grants payable: The Foundation recognizes a liability for grants when the grant is unconditional and grantee has been notified of the grant.

Deferred rent: Deferred rent credit results from the difference between rent expense being recorded on a straight-line basis over the lease term and rent payments made, as well as the unamortized balance of tenant improvement allowance received or entitled from the landlord (see Note 11). The tenant improvement allowance is amortized over the lease term as a reduction to rent expense.

Deferred event revenue: Deferred event revenue represents monies received in advance related to future events and will be recognized in the statement of activities when the event occurs.

Functional expenses: The Foundation allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support services are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated among the program and general and administrative services benefited. The Foundation uses a percentage of effort for each FTE to allocate fundraising and administrative cost across all program areas. These expenses include operating expense from the Chief Executive's office, the communications department, information technology, and similar types of expense for organization-wide supporting services.

Tax-exempt status: The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is a publicly supported organization as described in Section 509(a). The Foundation is not classified as a private foundation.

Management evaluated the Foundation's tax positions for all open tax years and has concluded that the Foundation had taken no uncertain tax positions that require adjustment or disclosure to these financial statements.

American Foundation for Suicide Prevention

Notes to Financial Statements

Note 1. Nature of Activities and Summary of Significant Accounting Principles (Continued)

Recently issued accounting pronouncements: In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. In June 2020, the FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, which delayed the implementation date, whereby this standard will be effective for annual reporting periods beginning after December 2021. The Foundation is currently evaluating the impact of the adoption of the new standard on its financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In June 2020, the FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, which delayed the implementation date, whereby this standard will be effective for annual reporting periods beginning after December 2020. The Foundation has not yet selected a transition method and is currently evaluating the effect that the standard will have on the financial statements.

Recently adopted accounting pronouncements: In June 2018, the FASB issued ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU 2018-08 clarifies and improves current guidance about whether transactions should be accounted for as a contribution (reciprocal) or an exchange transaction (non-reciprocal). It also clarifies more the distinction between conditional and unconditional promises and eliminates the “remote” stipulation and clarifies that entities can’t utilize probability assessments when classifying transactions as conditional or unconditional. The new standard is effective for fiscal years beginning after December 15, 2018 for resource recipients, and after December 15, 2019 for resource providers. As a resource recipient, the Foundation adopted a portion of the standard effective July 1, 2019, with no impact to its financial statements. As a resource provider, the Foundation will adopt the remaining guidance effective July 1, 2020. It is expected to have a material impact to the Foundation’s financial statements, related to the grant liability and grant expense amounts. The Foundation can use a prospective adoption method.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*, which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. These amendments are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. The Foundation has adopted this standard which did not have an impact on its financial statements.

Use of estimates: The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management’s knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

American Foundation for Suicide Prevention

Notes to Financial Statements

Note 1. Nature of Activities and Summary of Significant Accounting Principles (Continued)

Prior-year summarized comparative information: The financial statements include certain prior-year summarized comparative information in total, but not by net asset classification or functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Foundation's financial statements as of and for the year ended June 30, 2019, from which the summarized information was derived.

Reclassifications: Certain 2019 amounts have been reclassified to conform to the current year presentation.

Restricted cash: Restricted cash consists of cash held by the Foundation pursuant to line of credit agreements relating to the office leases. Upon termination of the lease, the funds will be released to unrestricted cash.

Subsequent events: The Foundation evaluates events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected and/or disclosed in the financial statements. Such evaluations are performed through the date the financial statements are available to be issued, which was December 7, 2020 for these financial statements.

Other matters: On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Foundation operates. It is still unknown how long these conditions will last and what the effect will be to the Foundation. As of December 7, 2020, the Foundation has been able to continue its operations without any significant impact, other than conducting its various walks and events virtually. The full extent to which the pandemic will impact the Foundation will depend upon future developments which are highly uncertain and cannot be predicted. Accordingly, management cannot presently estimate the overall operational and financial impact to the Foundation.

Note 2. Liquidity

As of June 30, 2020, financial assets available within one year for general expenditure; that is, without donor or other restrictions limiting their use are as follows:

Cash and cash equivalents	\$ 12,533,439
Unconditional promises to give and other receivables	942,607
Investments	29,179,677
	<u>\$ 42,655,723</u>

In addition to financial assets available to meet general expenditures over the next 12 months, the Foundation operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Refer to the statement of cash flows, which identifies the sources and uses of the Foundation's cash. Although the Foundation does not intend to draw from its investments, amount are available if necessary. The Foundation has a designated fund set aside by action of the Board of Directors. The operating reserve serves a dynamic role and will be reviewed and adjusted in response to internal and external changes. The current operating reserve policy requires an operating reserve amount equal of 100% (12 months), but not greater than 150% (18 months) of the average of the prior three years' annual operating costs.

American Foundation for Suicide Prevention

Notes to Financial Statements

Note 3. Cash and Restricted Cash

The Foundation maintains cash in bank accounts which, at times, may exceed federally insured limits. The Foundation hasn't experienced any losses in such accounts.

The table below provides a reconciliation of cash and restricted cash reported on the statement of financial position that sum to the total of those same amounts shown in the statement of cash flows.

	2020	2019
Cash	\$ 12,533,439	\$ 12,726,728
Restricted cash	707,576	707,576
	<u>\$ 13,241,015</u>	<u>\$ 13,434,304</u>

Note 4. Investments and Fair Value Measurements

The Fair Value Measurements Topic of the FASB Accounting Standards Codification (ASC) 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 and sets out a fair value hierarchy.

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

- Level 1:** Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- Level 2:** Observable inputs other than Level 1, including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data. Level 2 also includes derivative contracts whose value is determined using a pricing model with observable market inputs or can be derived principally from or corroborated by observable market data.
- Level 3:** Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation; also includes observable inputs for nonbinding single dealer quotes not corroborated by observable market data.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

For the year ended June 30, 2020, the application of valuation techniques applied to similar assets and liabilities has been consistent. The fair value of investment securities are based on quoted market prices, when available, or bid or evaluation market prices provided by recognized broker dealers.

Following is a description of the valuation methodologies used for assets measured at fair value:

Money market funds: Money market funds are priced daily. The funds have relatively low risks compared to mutual funds and pay dividends that generally reflect short-term interest rates.

American Foundation for Suicide Prevention

Notes to Financial Statements

Note 4. Investments and Fair Value Measurements (Continued)

Mutual funds and equities: Mutual funds and equities listed on a national securities exchange or reported on the Nasdaq global market are stated at the last reported sales or trade price on the day of valuation.

	2020	2019
Investments	\$ 29,179,677	\$ 18,286,268
Restricted investments	1,603,590	1,550,848
Investments - board-designated	2,489,510	2,403,466
	<u>\$ 33,272,777</u>	<u>\$ 22,240,582</u>

The Foundation's investments, measured at fair value on a recurring basis, consist of the following as of June 30, 2020 and 2019:

	2020			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Money market funds	\$ 15,328	\$ -	\$ -	\$ 15,328
Mutual funds:				
Stock funds:				
Large blend	14,164,851	-	-	14,164,851
Foreign large blend	8,635,771	-	-	8,635,771
Total stock funds	<u>22,800,622</u>	<u>-</u>	<u>-</u>	<u>22,800,622</u>
Bond funds:				
Short-term investment grade	977,673	-	-	977,673
Intermediate-term investment grade	1,056,803	-	-	1,056,803
Total international bonds	3,004,582	-	-	3,004,582
Total bond market	5,252,864	-	-	5,252,864
Total bond funds	<u>10,291,922</u>	<u>-</u>	<u>-</u>	<u>10,291,922</u>
Exchange traded funds	17,623	-	-	17,623
Stocks	147,282	-	-	147,282
	<u>\$ 33,272,777</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,272,777</u>

American Foundation for Suicide Prevention

Notes to Financial Statements

Note 4. Investments and Fair Value Measurements (Continued)

	2019			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Money market funds	\$ 2,538,228	\$ -	\$ -	\$ 2,538,228
Mutual funds:				
Stock funds:				
Large blend	8,279,044	-	-	8,279,044
Foreign large blend	5,503,233	-	-	5,503,233
Total stock funds	13,782,277	-	-	13,782,277
Bond funds:				
Short-term investment grade	587,555	-	-	587,555
Intermediate-term investment grade	588,833	-	-	588,833
Total international bonds	1,763,035	-	-	1,763,035
Total bond market	2,937,687	-	-	2,937,687
Total bond funds	5,877,110	-	-	5,877,110
Exchange traded funds	17,298	-	-	17,298
Stocks	25,669	-	-	25,669
	\$ 22,240,582	\$ -	\$ -	\$ 22,240,582

Investment income reported in the statement of activities for the years ended June 30, 2020 and 2019 is as follows:

	2020	2019
Interest and dividend income	\$ 650,080	\$ 493,385
Realized gain	104	2,225,188
Unrealized gain (loss)	212,067	(1,852,669)
	\$ 862,251	\$ 865,904

Return objective and risk parameters: The Foundation's objective is to earn a respectable, long-term, risk-adjusted total rate of return to support the designated programs. In establishing the investment objectives of the portfolio, the Board of Directors and the Investment Committee have taken into account the financial needs and circumstances of the Foundation, the time horizon available for investment, the nature of the Foundation's cash flows and liabilities and other factors that affect their risk tolerance. The intermediate government funds are subject to prepayment risk in addition to other bond market risks. The Foundation takes a risk-averse balanced approach that emphasizes a stable and substantial source of current income and some capital appreciation over the long term. The Foundation recognizes that investment results over the long term may lag behind those of the typical balanced portfolio since the typical balanced portfolio tends to be more aggressively invested. Nevertheless, the portfolio is expected to earn long-term returns that compare favorably to appropriate market indexes.

American Foundation for Suicide Prevention

Notes to Financial Statements

Note 5. Property and Equipment

Property and equipment consists of the following:

	2020	2019
Furniture and equipment	\$ 2,058,640	\$ 1,032,540
Leasehold improvements	2,440,001	2,197,435
	<u>4,498,641</u>	<u>3,229,975</u>
Less accumulated depreciation and amortization	(956,454)	(563,923)
	<u>\$ 3,542,187</u>	<u>\$ 2,666,052</u>

Depreciation and amortization expense for the years ended June 30, 2020 and 2019 was \$392,531 and \$50,624, respectively.

Note 6. Grants Payable

Grants payable include grants awarded in prior years and not paid as of the end of the fiscal year. Grants that are expected to be paid in future years are recorded at the present value of their estimated cash flows, discounted at a risk-adjusted rate. They are scheduled for payment as follows:

	2020	2019
2020	\$ -	\$ 4,050,304
2021	5,176,913	2,113,834
2022	2,746,275	214,446
2023	560,787	-
	<u>8,483,975</u>	<u>6,378,584</u>
Net present value discount at 3.25%	(172,135)	(190,759)
	<u>\$ 8,311,840</u>	<u>\$ 6,187,825</u>

The Foundation approved approximately \$5,075,880 of new grants in May 2020, which will be recognized in fiscal 2021 and the future years in accordance with ASU 2018-08.

Note 7. Net Assets

Board-designated funds: The Foundation's Bboard of Directors designated certain of the Foundation's net assets without donor restrictions as endowment funds for future projects and operational uses. The board appropriates for expenditure in its annual budget up to 5% of the ending market value of the board designated-funds as of a certain period-end date. Additional transfers may be made to operating cash at the board's discretion. All board-designated funds are separately shown in the accompanying statement of financial position. There were no transfers made for the years ended June 30, 2020 and 2019.

American Foundation for Suicide Prevention

Notes to Financial Statements

Note 7. Net Assets (Continued)

Net assets with donor restrictions: Net assets with donor restrictions consist of donor restricted contributions and investments expendable in accordance with the terms of the original contributions (see Note 1). They are restricted for the following:

	2020	2019
Mental health service in the state of California	\$ 257,500	\$ 257,500
General education or location specific	555,974	481,369
Clinical education	456,983	425,555
Suicide causes research	312,767	291,420
Other research	30,916	30,915
Loss and healing	-	12,424
Project 2025	1,272,600	-
Other	500	500
Held in perpetuity	833,840	833,840
Total net assets with donor restrictions	<u>\$ 3,721,080</u>	<u>\$ 2,333,523</u>

Total net assets with donor restrictions released during fiscal 2020 and 2019 were \$96,036 and \$179,993, respectively, for various specified purposes.

Note 8. Endowments

When the Foundation receives a contribution and the donor restricts the Foundation from spending the principal, the contribution is classified as an endowment. The endowment as of June 30, 2020 and 2019 represent the principal amounts of endowments held in perpetuity for research of causes of suicide and clinical education. The remaining portion of the endowment fund that is not classified as held in perpetuity are classified as net assets with donor restrictions until those amounts are appropriated for expenditure.

The Foundation's endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation's endowment is invested in its investment pool (Note 4). The Foundation has a policy of appropriating for distribution each year, up to 5% of its endowment fund's average market value as needed as of a certain period-end date. No such appropriation for distribution was made during fiscal 2020 and 2019. Through the combination of its investment strategy (Note 4) and spending policy, the Foundation strives to provide a reasonably consistent payout from endowment to support operations while preserving the purchasing power of the endowment assets.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets without donor restrictions, if any. In that case, future gains will be used to restore this reduction in net assets without donor restrictions before any net appreciation increases net assets with donor restrictions. There were no deficiencies of this nature at June 30, 2020 and 2019.

American Foundation for Suicide Prevention

Notes to Financial Statements

Note 8. Endowments (Continued)

The composition and changes in the Foundation's endowments as of and for the years ended June 30, 2020 and 2019 are summarized below.

	Without Donor Restrictions	With Donor Restrictions	Held in Perpetuity	Total Endowments
Balance as of June 30, 2020				
Donor-restricted endowment funds	\$ -	\$ 769,750	\$ 833,840	\$ 1,603,590
Board-designated endowment funds	2,489,510	-	-	2,489,510
Total endowed funds	<u>\$ 2,489,510</u>	<u>\$ 769,750</u>	<u>\$ 833,840</u>	<u>\$ 4,093,100</u>
Balance as of June 30, 2019				
Donor-restricted endowment funds	\$ -	\$ 717,008	\$ 833,840	\$ 1,550,848
Board-designated endowment funds	2,403,466	-	-	2,403,466
Total endowed funds	<u>\$ 2,403,466</u>	<u>\$ 717,008</u>	<u>\$ 833,840</u>	<u>\$ 3,954,314</u>
Change in endowment funds				
	Without Donor Restrictions	With Donor Restrictions	Held in Perpetuity	Total Endowments
Balance as of June 30, 2018	\$ 2,292,854	\$ 641,775	\$ 833,840	\$ 3,768,469
Investment income	110,612	75,233	-	185,845
Balance as of June 30, 2019	2,403,466	717,008	833,840	3,954,314
Investment income	86,044	52,742	-	138,786
Balance as of June 30, 2020	<u>\$ 2,489,510</u>	<u>\$ 769,750</u>	<u>\$ 833,840</u>	<u>\$ 4,093,100</u>

Note 9. Contributed Legal Services

The Foundation had received legal services of approximately \$112,600 and \$55,100 during fiscal years 2020 and 2019, respectively, which have been reflected as a contribution and legal expense in the accompanying financial statements.

Note 10. Pension Plan

The Foundation sponsors a defined contribution retirement plan covering all employees meeting age and service requirements. Pension plan contributions are based on a percentage of an employee's salary. Pension plan contributions for the years ended June 30, 2020 and 2019 amounted to \$688,484 and \$484,167, respectively.

Note 11. Leases

The Foundation signed a new lease during fiscal 2019, which had a lease commencement date in July 2019 and extends through March 2035. The new lease provides eight months of free rent as well as tenant improvement allowance up to \$2,459,500, which includes hard costs and soft costs up to \$249,950. Total tenant improvement costs reimbursed by the landlord as of June 30, 2020 amounted to \$1,875,574 and is included in property and equipment, with a corresponding deferred rent credit. Deferred rent included in the accompanying statement of financial position as of June 30, 2020 and 2019, represents the accumulative difference between the straight-line basis of minimum rentals and actual rent paid pursuant to the terms of the leases (\$1,052,110 as of 2020 and \$188,082 as of 2019) and the unamortized balance of tenant improvement allowance (\$1,761,149 as of 2020). The Foundation subleased out one prior existing lease space and early terminated another lease in fiscal 2020.

American Foundation for Suicide Prevention

Notes to Financial Statements

Note 11. Leases (Continued)

Minimum annual rentals are as follows:

Years ending June 30:	Lease Commitment	Sublease Income	Net of Sublease Income
2021	\$ 1,421,255	\$ (316,368)	\$ 1,104,887
2022	1,564,651	(131,820)	1,432,831
2023	1,442,310	-	1,442,310
2024	1,445,397	-	1,445,397
2025	1,334,206	-	1,334,206
Thereafter	14,293,794	-	14,293,794
	<u>\$ 21,501,613</u>	<u>\$ (448,188)</u>	<u>\$ 21,053,425</u>

Rent expense (excluding rent allocated to events) is recorded on a straight-line basis and was \$1,844,160 and \$676,764 for the years ended June 30, 2020 and 2019, respectively.

In connection with the new lease, the Foundation has provided the landlord with a \$639,470 standby letter of credit in lieu of a security deposit. There was another standby letter of credit of \$68,107 in connection with one old lease. A security deposit of \$57,600 under the other prior lease was surrendered to the landlord during fiscal 2020.

Note 12. Special Events

The Foundation sponsors certain special events annually, among which, "Out of Darkness" events are 20-mile walks. The purpose of the "Out of Darkness" walks is to raise funds and increase public awareness of the various causes promoted by the Foundation. The Foundation held two "Out of Darkness" walks during both fiscal year 2020 and 2019. In addition, the Foundation has organized smaller scale "Out of Darkness" community walks and campus walks, which take place in various cities around the country. Due to the Pandemic, all walks were virtual during fiscal 2020.

The gross revenue and direct expenses of various special events are as follows:

	2020			2019		
	Revenues	Direct Expenses	Net Event Income	Revenues	Direct Expenses	Net Event Income
"Out of Darkness" walks	\$ 29,536,284	\$ (4,633,476)	\$ 24,902,808	\$ 29,224,037	\$ (5,946,253)	\$ 23,277,784
Lifesavers' dinner	209,707	(15,400)	194,307	535,036	(296,825)	238,211
Other fund-raising events	3,127,242	(281,337)	2,845,905	3,348,152	(389,005)	2,959,147
	<u>\$ 32,873,233</u>	<u>\$ (4,930,213)</u>	<u>\$ 27,943,020</u>	<u>\$ 33,107,225</u>	<u>\$ (6,632,083)</u>	<u>\$ 26,475,142</u>

American Foundation for Suicide Prevention

Notes to Financial Statements

Note 13. Paycheck Protection Program Loan Payable

On April 8, 2020 the Foundation was granted a Paycheck Protection Program (PPP) loan from Chase Bank N.A. in the aggregate amount of \$2,272,910 under Division A, Title 1 of Coronavirus, Aid, Relief and Economic Security Act (CARES Act), which was enacted March 27, 2020. The PPP loan matures on April 8, 2022 and bears interest at a rate of 1.0% per annum, payable monthly commencing on February 8, 2021. The PPP loan may be prepaid by the Foundation at any time prior to maturity with no prepayment penalties. Funds from the PPP loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities and interest on other debt obligations incurred before March 1, 2021. The Foundation intends to use the entire PPP loan for qualifying expenses. Under the terms of the PPP, certain amounts of the PPP loan may be forgiven if they are used for qualifying expenses as described in the CARES act. As of June 30, 2020 the total outstanding balance on the PPP loan was \$2,272,910.