American Foundation for Suicide Prevention and Subsidiary

Consolidated Financial Report
June 30, 2022

Contents

RSM US LLP

Independent Auditor's Report

Board of Directors
American Foundation for Suicide Prevention

Opinion

We have audited the consolidated financial statements of American Foundation for Suicide Prevention and Subsidiary (the Foundation), which comprise the consolidated statement of financial position as of June 30, 2022, the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2022, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information
We have previously audited the Foundation's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 15, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

RSM US LLP

New York, New York
March 27, 2023

American Foundation for Suicide Prevention and Subsidiary

Consolidated Statement of Financial Position
June 30, 2022
(With Summarized Comparative Information as of June 30, 2021)

	2022	2021
Assets	`	
Current assets:		
Cash (Note 3)	$ 12,217,137	$ 16,956,924
Unconditional promises to give and other receivables	819,391	927,114
Prepaid walk material and inventory	3,684,650	3,928,230
Other prepaid expenses	1,442,854	915,993
Total current assets	18,164,032	22,728,261
Property and equipment (Note 5):		
Property and equipment, at cost	4,488,465	4,711,330
Less accumulated depreciation	1,501,470	1,381,182
Property and equipment, at cost less depreciation	2,986,995	3,330,148
Other assets:		
Restricted cash (Note 3)	639,470	707,576
Unrestricted and Undesignated Investments (Note 4)	46,454,010	37,753,843
Restricted investments (Notes 4 and 8)	1,046,445	2,055,220
Investments—board-designated (Notes 4 and 8)	2,724,528	3,187,320
Educational films, net	7,583	33,583
Security deposits	23,001	29,896
Total other assets	50,895,037	43,767,438
Total assets	$ 72,046,064	$ 69,825,847
Liabilities and Net Assets		
Current liabilities:		
Grants payable (Note 6)	$ 964,847	$ 959,394
Accounts payable and accrued expenses	2,631,051	1,904,263
Refundable advance (Note 13)	2,000,000	2,272,910
Deferred event revenue	2,909,003	2,215,993
Total current liabilities	8,504,901	7,352,560
Noncurrent liabilities and deferred credits:		
Refundable advance (Note 13)	-	2,000,000
Deferred rent credit (Note 11)	2,623,065	2,716,273
Deferred compensation	93,600	-
Total liabilities	11,221,566	12,068,833
Commitments (Notes 6 and 11)		
Net assets:		
Net assets without donor restrictions:		
General operating	52,560,320	49,990,434
Board-designated (Notes 7 and 8)	2,724,528	3,187,320
	55,284,848	53,177,754
Net assets with donor restrictions (Notes 7 and 8)	5,539,650	4,579,260
Total net assets	60,824,498	57,757,014
Total liabilities and net assets	$ 72,046,064	$ 69,825,847

See notes to consolidated financial statements.

American Foundation for Suicide Prevention and Subsidiary

Consolidated Statement of Activities
Year Ended June 30, 2022
(With Summarized Comparative Information as of June 30, 2021)

	2022			2021
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Summarized Financial Information
Revenues, gains and other support:				
Functions (Note 12):				
Revenues	**$ 29,575,452**	**$ -**	**$ 29,575,452**	$ 18,763,305
Direct expenses	**(4,632,599)**	**-**	**(4,632,599)**	(2,338,153)
Net function income	**24,942,853**	**-**	**24,942,853**	16,425,152
Grants and contributions	**18,855,946**	**2,303,151**	**21,159,097**	14,455,097
Contributed nonfinancial assets	**463,273**	**-**	**463,273**	104,300
Other revenues, net	**395,182**	**-**	**395,182**	1,004,998
Investment income (loss) (Note 4)	**(8,115,812)**	**(191,890)**	**(8,307,702)**	9,383,827
Net assets released from restrictions	**1,150,871**	**(1,150,871)**	**-**	-
Total revenues, gains and other support	**37,692,313**	**960,390**	**38,652,703**	41,373,374
Expenses:				
Program services	**28,970,740**	**-**	**28,970,740**	24,874,206
Management and general	**1,916,807**	**-**	**1,916,807**	2,068,353
Fund-raising	**4,697,672**	**-**	**4,697,672**	4,005,256
Total expenses	**35,585,219**	**-**	**35,585,219**	30,947,815
Change in net assets	**2,107,094**	**960,390**	**3,067,484**	10,425,559
Net assets:				
Beginning	**53,177,754**	**4,579,260**	**57,757,014**	47,331,455
Ending	**$ 55,284,848**	**$ 5,539,650**	**$ 60,824,498**	$ 57,757,014

See notes to consolidated financial statements.

American Foundation for Suicide Prevention and Subsidiary

Consolidated Statement of Functional Expenses
Year Ended June 30, 2022
(With Summarized Comparative Information as of June 30, 2021)

	2022								2021
	Program Services					Supporting Services			
	Research	Prevention and Education	Loss and Bereavement Programs	Advocacy Programs	Total Program Services	Management and General	Fund-Raising	Total Expenses	Summarized Financial Information
Grants	$ 6,017,558	$ -	$ -	$ -	$ 6,017,558	$ -	$ -	$ 6,017,558	$ 6,233,180
Salaries and wages	744,914	4,593,538	2,743,597	1,423,750	9,505,799	1,010,758	2,202,827	12,719,384	11,835,748
Employee health and retirement benefits	145,157	902,365	539,933	279,239	1,866,694	192,723	433,121	2,492,538	2,139,257
Research, educational and survivor conferences and programs	67,326	1,414,399	725,764	334,544	2,542,033	-	193,847	2,735,880	1,847,419
Out of Darkness programs	-	592,429	710,915	-	1,303,344	-	596,893	1,900,237	1,096,125
Office	74,267	910,255	552,233	216,953	1,753,708	73,535	276,637	2,103,880	1,631,342
Occupancy	90,592	563,165	336,972	174,273	1,165,002	120,278	270,311	1,555,591	1,707,013
Telecommunications and Internet	4,030	44,270	30,001	26,428	104,729	3,850	15,434	124,013	114,837
Equipment rental and maintenance	19,411	136,690	79,809	48,539	284,449	25,479	58,587	368,515	402,949
Travel	27,709	354,290	230,732	50,579	663,310	68,557	66,857	798,724	81,203
Consultants	172,170	2,015,991	711,840	539,817	3,439,818	202,279	495,166	4,137,263	3,269,022
Professional fees	-	-	-	-	-	185,867	12,747	198,614	164,562
Depreciation	25,218	156,765	93,801	48,512	324,296	33,481	75,245	433,022	425,158
Subtotal	7,388,352	11,684,157	6,755,597	3,142,634	28,970,740	1,916,807	4,697,672	35,585,219	30,947,815
Direct expenses of functions	-	-	-	-	-	-	4,632,599	4,632,599	2,338,153
Cost of goods sold—Public Store (netted in other revenues)	-	-	-	-	-	-	78,105	78,105	75,694
Total	$ 7,388,352	$ 11,684,157	$ 6,755,597	$ 3,142,634	$ 28,970,740	$ 1,916,807	$ 9,408,376	$ 40,295,923	$ 33,361,662

See notes to consolidated financial statements.

American Foundation for Suicide Prevention and Subsidiary

Consolidated Statement of Cash Flows
Year Ended June 30, 2022
(With Summarized Comparative Information as of June 30, 2021)

	2022	2021
Cash flows from operating activities:		
Change in net assets	**$ 3,067,484**	$ 10,425,559
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	**433,022**	425,158
Amortization of educational film costs	**26,000**	26,000
Net realized and unrealized (loss) gains on investments	**9,453,954**	(8,681,016)
Deferred rent	**(93,208)**	(96,986)
Changes in assets and liabilities:		
Unconditional promises to give and other receivables	**107,723**	15,493
Prepaid walk material and other prepaid expenses	**(283,281)**	1,348,378
Security deposits	**6,895**	-
Grants payable	**5,453**	188,025
Accounts payable and accrued expenses	**726,788**	191,596
Refundable advance	**(2,272,910)**	2,000,000
Deferred event revenue	**693,010**	(163,013)
Deferred compensation	**93,600**	-
Net cash provided by operating activities	**11,964,530**	5,679,194
Cash flows from investing activities:		
Purchase of property and equipment	**(89,869)**	(213,119)
Acquisition of investments	**(19,870,351)**	(3,624,403)
Proceeds from sale of investments	**3,187,797**	2,581,813
Net cash used in investing activities	**(16,772,423)**	(1,255,709)
Net (decrease) increase in cash and restricted cash	**(4,807,893)**	4,423,485
Cash and restricted cash:		
Beginning	**17,664,500**	13,241,015
Ending	**$ 12,856,607**	$ 17,664,500

See notes to consolidated financial statements.

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

Organization: American Foundation for Suicide Prevention (AFSP) is a nonprofit organization incorporated under the laws of the state of Delaware. AFSP 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. AFSP is dedicated to funding suicide prevention research and to offering educational programs and conferences for survivors, mental health professionals, physicians and the public. Under the Same Sky Foundation (UTSS) is a type I support organization of AFSP and is controlled by AFSP. UTSS is dedicated to raising awareness, opening conversations and creating additional funding for areas of need in suicide awareness and survivor support.

Basis of presentation: The consolidated financial statements have been prepared on an accrual basis. The consolidated financial statements include the accounts of AFSP (including the accounts of the New York National Office and AFSP's 74 unincorporated chapters) and UTSS (collectively, the Foundation). All significant intercompany balances and transactions have been eliminated in consolidation.

Classification and reporting of net assets: The Foundation's consolidated financial statements 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 restrictions 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.

Revenue recognition: The Foundation's revenue consists of special event revenue, unconditional grants and unconditional contributions. All unconditional grants and 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 consolidated statement of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the grant or contribution is received, the Foundation reports the support as net assets without donor restrictions. Conditional promises to give, that is, those with a measurable performance barrier or other barrier and a right of return, are not included as revenue until the conditions are substantially met. As of June 30, 2022 and 2021, the Foundation had unrecorded conditional promises to give of $258,086 and $0, respectively.

Contributions of nonfinancial 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 consolidated 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).

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

The Foundation recognizes revenue, also in accordance with Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers, if the revenue is considered an exchange transaction. ASC Topic 606 provides a five-step model for recognizing revenue as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

The Foundation considers certain special event (such as life saver's dinner) revenue and on-line store sales revenue as exchange transactions. The Foundation's performance obligation for special events is to host the event to its registered attendees. The performance obligation for on-line store sales is to deliver the goods to the customer. Revenue is recognized at a point in time when the event takes place or the goods are shipped. In the year ended June 30, 2022, total public store sales revenue was $161,224, net of cost of goods sold of $78,105. In the year ended June 30, 2021, total public store sales revenue was $137,739, net of cost of goods sold of $75,694. These are included in other revenues, net in the accompanying consolidated statement of activities.

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.

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, 2022 and 2021, 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.

Prepaid walk material and inventory: The Foundation purchases material for its walks in the current fiscal year and expenses them in the subsequent fiscal year when the walk events take place. The Foundation also maintains an inventory of branding, educational and other mission related products, purchased for resale, that are sold in its online shop and at fundraising events. Inventory is valued at the lower of cost or net realizable value. Costs are determined on a first-in, first-out basis.

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.

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

Investments: Investments are reported at fair value, as described in Note 4 and unrealized gains and losses are included in the consolidated 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 for the years ended June 30, 2022 and 2021, was $26,000.

Grants payable: Grant expense is recognized in the period the grant is approved and communicated to the grantee, provided that the grant is not subject to future conditions specified by the Foundation. Conditional grants are recognized as grant expense and as a grant payable in the period in which the grantee meets the terms of the conditions.

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 consolidated 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 full time equivalent (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 consolidated financial statements.

Recently adopted accounting pronouncement: In the year ended June 30, 2022, the Foundation adopted the Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU clarifies the presentation and disclosure of contributed nonfinancial assets. This ASU does not change existing recognition and measurement requirements for contributed nonfinancial assets. Adoption of this standard did not have a significant impact on the consolidated financial statements with the exception of increased disclosure (see Note 9).

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 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 the consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.* Among other provisions, this ASU requires the allowance for credit losses to reflect management's current estimate of credit losses that are expected to occur over the remaining life of a financial asset. This ASU is effective for fiscal years beginning after December 15, 2022. The Foundation is evaluating the impact of adoption of this standard on the consolidated financial statements.

In November 2019, the FASB issued ASU 2019-11, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses*. This ASU provides narrow-scope improvements to Topic 326. For entities that have not yet adopted ASU 2016-13 as of November 26, 2019, the effective dates for ASU 2019-11 are the same as the effective dates and transition requirements in ASU 2016-13. The Foundation is evaluating the impact of adoption of this standard on the consolidated financial statements.

Use of estimates: The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated 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.

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

Reclassification: Certain amounts reported in prior years in the consolidated financial statements have been reclassified to conform to the current year's presentation.

Subsequent events: The Foundation evaluates events occurring after the date of the consolidated financial statements to consider whether or not the impact of such events needs to be reflected and/or disclosed in the consolidated financial statements. Such evaluations are performed through the date the consolidated financial statements are available to be issued, which was March 27, 2023, for these consolidated financial statements.

Note 2. Liquidity and Availability of Resources

As of June 30, 2022 and 2021, financial assets available within one year for general expenditure and programs:

	2022	2021
Cash	$ 12,217,137	$ 16,956,924
Unconditional promises to give and other receivables	819,391	927,114
Investments	46,454,010	37,753,843
	$ 59,490,538	$ 55,637,881

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 consolidated 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, amounts are available if necessary. The Foundation has a designated fund set aside by action of the Board of Directors. The operating reserve will be reviewed and adjusted in response to internal and external changes. The current operating reserve policy requires an operating reserve amount equal to 100% (12 months), but not greater than 200% (24 months) of the average of the prior three years' annual operating costs.

Note 3. Cash and Restricted Cash

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

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

	2022	2021
Cash	$ 12,217,137	$ 16,956,924
Restricted cash	639,470	707,576
	$ 12,856,607	$ 17,664,500

Note 4. Investments and Fair Value Measurements

The Fair Value Measurements Topic of the FASB 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.

Note 4. Investments and Fair Value Measurements (Continued)

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 years ended June 30, 2022 and 2021, the application of valuation techniques applied to similar assets and liabilities has been consistent. The fair value of investment securities is 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 other investment securities, and pay dividends that generally reflect short-term interest rates.

Mutual funds, exchanged traded funds, stocks and other**:** These securities 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.

Note 4. Investments and Fair Value Measurements (Continued)

The Foundation's investments, measured at fair value on a recurring basis, consist of the following as of June 30, 2022 and 2021:

	2022			
	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	$ 650,724	$ -	$ -	$ 650,724
Mutual funds:				
Stock funds:				
Large blend	19,716,687	-	-	19,716,687
Foreign large blend	13,542,342	-	-	13,542,342
Total stock funds	33,259,029	-	-	33,259,029
Bond funds:				
Short-term investment grade	2,508,016	-	-	2,508,016
Intermediate-term investment grade	1,949,822	-	-	1,949,822
Long-term investment grade	1,083,348	-	-	1,083,348
Total international bonds	4,729,481	-	-	4,729,481
Total bond market	5,612,931	-	-	5,612,931
Total bond funds	15,883,598	-	-	15,883,598
Exchange traded funds and other	431,632	-	-	431,632
	$ 50,224,983	$ -	$ -	$ 50,224,983

Note 4. Investments and Fair Value Measurements (Continued)

	2021			
	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	$ 523,915	$ -	$ -	$ 523,915
Mutual funds:				
Stock funds:				
Large blend	18,300,507	-	-	18,300,507
Foreign large blend	11,870,752	-	-	11,870,752
Total stock funds	30,171,259	-	-	30,171,259
Bond funds:				
Short-term investment grade	1,195,023	-	-	1,195,023
Intermediate-term investment grade	1,238,232	-	-	1,238,232
Total international bonds	3,623,425	-	-	3,623,425
Total bond market	6,142,802	-	-	6,142,802
Total bond funds	12,199,482	-	-	12,199,482
Exchange traded funds and other	101,727	-	-	101,727
	$ 42,996,383	$ -	$ -	$ 42,996,383

Investments are held for the following purposes:

	2022	2021
General	$ 46,454,010	$ 37,753,843
Donor restricted endowment funds	1,046,445	2,055,220
Board designated endowment funds	2,724,528	3,187,320
	$ 50,224,983	$ 42,996,383

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.

Note 5. Property and Equipment

Property and equipment consists of the following:

	2022	2021
Furniture and equipment	$ 2,081,491	$ 2,271,329
Leasehold improvements	2,406,974	2,440,001
	4,488,465	4,711,330
Less accumulated depreciation	(1,501,470)	(1,381,182)
	$ 2,986,995	$ 3,330,148

Depreciation and amortization expense for the years ended June 30, 2022 and 2021, was $433,022 and $425,158, respectively.

Note 6. Grants Payable

The Foundation provides grants to medical researchers. The approved grants are typically paid to the researchers in eight or twelve installments over two to three years. The Foundation adopted ASU 2018-08, effective July 1, 2020, as resource provider, under which, the grant expense is not recognized until the conditions are met. Prior to the adoption, the entire grant amount was recognized as expense and the payable was recorded using the more likely than not concept when assessing conditions. Post the adoption, grants payable are recognized over the terms of the grant as conditions are met. Grants payable as of June 30, 2022 and 2021, were $964,847 and $959,394, respectively. The Foundation also had $7,252,497 and $6,908,453 of existing conditional grants payable at June 30, 2022 and 2021, respectively, payment of which is conditional upon the medical researchers meeting conditions in the grant agreements. In the year ended June 30, 2022, the Board of Directors also approved recommended grants to be funded in fiscal year 2023 and future years of approximately $8,200,000.

Note 7. Net Assets

Board-designated funds: The Foundation's Board of Directors designated certain of the Foundation's net assets without donor restrictions as endowment funds for future projects and operational uses. Distributions may be made to operating cash at the Board of Director's discretion. All board-designated funds are separately shown in the accompanying consolidated statement of financial position. There were no transfers made for the years ended June 30, 2022 and 2021.

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 (Note 1). They are restricted for the following:

	2022	2021
Mental health service in the state of California	$ 257,500	$ 257,500
General education or location specific	1,729,501	615,929
Clinical education	546,445	726,504
Suicide causes research	698,885	494,876
Other research	16,940	47,990
Project 2025	1,790,379	1,602,621
Held in perpetuity	500,000	833,840
Total net assets with donor restrictions	$ 5,539,650	$ 4,579,260

Total net assets with donor restrictions released during years ended June 30, 2022 and 2021, were $1,150,871 and $445,164, respectively, for various specified purposes.

Note 8. Endowments

The Foundation's endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments.

The Foundation's endowment is invested in its investment pool (see Note 4). There were two donor restricted endowment funds. During the year ended June 30, 2022, one donor removed the restriction on her endowment fund to be held in perpetuity and requested that this endowment fund including accumulated investment gain be used for the suicide causes research.

The Foundation has adopted a discretionary spending policy to be applied to its endowment funds, which is within prudent limits as outlined in UPMIFA. The Board can determine each year how much to distribute from its designated endowment to use for its current operating purposes. Through the combination of its investment strategy (see 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. No such appropriation for distributions were made from both donor restricted endowment funds and funds designated by the Board of Directors during the years ended June 30, 2022 and 2021.

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. While the Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required by law, the Foundation's internal policy has been to preserve the corpus of its endowments. There were no deficiencies of this nature at June 30, 2022 and 2021.

Note 8. Endowments (Continued)

The composition and changes in the Foundation's endowments as of and for the years ended June 30, 2022 and 2021, are summarized below.

	Without Donor Restrictions	With Donor Restrictions	Held in Perpetuity	Total Endowments
Balance as of June 30, 2022:				
Donor-restricted endowment funds	$ -	$ 546,445	$ 500,000	$ 1,046,445
Board-designated endowment funds	2,724,528	-	-	2,724,528
Total endowed funds	$ 2,724,528	$ 546,445	$ 500,000	$ 3,770,973
Balance as of June 30, 2021:				
Donor-restricted endowment funds	$ -	$ 1,221,380	$ 833,840	$ 2,055,220
Board-designated endowment funds	3,187,320	-	-	3,187,320
Total endowed funds	$ 3,187,320	$ 1,221,380	$ 833,840	$ 5,242,540

	Without Donor Restrictions	With Donor Restrictions	Held in Perpetuity	Total Endowments
Balance as of June 30, 2020	$ 2,489,510	$ 769,750	$ 833,840	$ 4,093,100
Investment income	697,810	451,630	-	1,149,440
Balance as of June 30, 2021	3,187,320	1,221,380	833,840	5,242,540
Investment loss	(462,792)	(191,890)	-	(654,682)
Release from endowment fund based on the donor's request	-	(483,045)	(333,840)	(816,885)
Balance as of June 30, 2022	$ 2,724,528	$ 546,445	$ 500,000	$ 3,770,973

Note 9. Contributed Non-financial Assets

The Foundation received contributed non-financial assets in the total amount of $463,273 and $104,300 in the years ended June 30, 2022 and 2021, respectively. The $463,273 of contributions received in fiscal year 2022 are comprised of legal service value of $54,500, auction items with the total value of $26,950 and cryptocurrency of $363,616. The estimated fair value of donated legal service is based on the current rate for similar legal service. The service was for general and administrative purpose. The legal service value is included in professional fees expense. The Foundation's policy is to sell the auction items at the fundraising events within 90 – 120 days of the receipt of the donated auction items. All auction items were sold and valued according to the actual cash proceeds. Cryptocurrency was held only until sold by a third-party crypto donation platform and was valued based on amount converted to cash. In fiscal year 2021, the contributed non-financial assets of $104,300 are comprised of legal service value of $54,300 and donated cryptocurrency of $50,000.

There were no donor-imposed restrictions from the contributed non-financial assets received by the Foundation.

Note 10. Employee Benefit Plans

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, 2022 and 2021, amounted to $893,055 and $754,809, respectively.

Note 10. Employee Benefit Plans (Continued)

The Foundation has an employment agreement with its Chief Executive Officer dated June 10, 2022. The term of the employment under this agreement is ending on January 17, 2027. The agreement provides for an annual base salary, bonus, benefits and other supplementary payments. As of June 30, 2022, $93,600, which represents the net present value of the supplementary payments, has been accrued for and reported as deferred compensation in the statement of financial position.

Note 11. Leases

The Foundation has a lease for office space that extends through March 2035. The lease provides eight months of free rent as well as tenant improvement allowance, which amounted to $1,875,574 and is included in property and equipment, with a corresponding deferred rent credit. Deferred rent included in the accompanying consolidated statement of financial position as of June 30, 2022 and 2021, represents the cumulative difference between the straight-line basis of minimum rentals and actual rent paid pursuant to the terms of the leases, which totaled $1,106,354 and $1,074,524, respectively, and the unamortized balance of tenant improvement allowance $1,516,711 and $1,641,749, respectively. The Foundation subleased out one prior existing lease space, which expired in the year ended June 30, 2022. The sublease income for fiscal year 2022 and 2021 was $156,452 and $374,463, respectively.

Minimum annual rentals are as follows:

	Lease Commitment
Years ending June 30:	
2023	$ 1,442,310
2024	1,446,397
2025	1,334,206
2026	1,401,915
2027	1,401,915
Thereafter	11,489,964
	$ 18,516,707

Office rent expense is recorded on a straight-line basis and was $1,534,134 and $1,688,141 for the years ended June 30, 2022 and 2021, respectively.

In connection with the office lease, the Foundation has provided the landlord with a $639,470 standby letter of credit in lieu of a security deposit.

Note 12. Special Events

The Foundation sponsors certain special events annually to raise funds and increase public awareness of the various causes promoted by the Foundation. The gross revenue and direct expenses of various special events are as follows:

	2022		
	Revenues	Direct Expenses	Net Event Income
Out of Darkness walks	$ 24,374,959	$ (3,899,689)	$ 20,475,270
Lifesavers' dinner	442,173	(270,100)	172,073
Other fund-raising events	4,758,320	(462,810)	4,295,510
	$ 29,575,452	$ (4,632,599)	$ 24,942,853

	2021		
	Revenues	Direct Expenses	Net Event Income
Out of Darkness walks	$ 14,854,466	$ (2,054,001)	$ 12,800,465
Lifesavers' dinner	423,164	(118,339)	304,825
Other fund-raising events	3,485,675	(165,813)	3,319,862
	$ 18,763,305	$ (2,338,153)	$ 16,425,152

Note 13. Paycheck Protection Program

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 the U.S. Small Business Administration (SBA)'s Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief and Economic Security Act (CARES Act). 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 during certain period. The CARES Act provides that all or a portion of the PPP loan may be forgiven upon request from borrower, if they are used for qualifying expenses as described in the CARES Act. In March 2021, the Foundation received additional funding of $2,000,000 from the bank under the CARES Act. Similar forgiveness terms apply for the second tranche PPP loan. The two PPP loans have terms of two years and five years, respectively. The loans were accounted for in accordance with ASC Subtopic 958-605, Not-For-Profit Entities—Revenue Recognition, as a conditional contribution. In September 2021, the Foundation received full forgiveness of the first tranche of PPP loan for the amount of $2,272,910. The Foundation deemed that the conditions of the first tranche of PPP loan were met and recognized this as grant and contribution revenue in fiscal year 2022. The second tranche of PPP loan of $2,000,000 was outstanding and reported as refundable advance as of June 30, 2022. The second tranche of the loan was subsequently forgiven in August 2022.

The SBA may audit any PPP loan at its discretion until the end of the required document retention period for the loan. For PPP loans of more than $150,000, the required document retention period ends six years after the date the SBA forgave the PPP loan or the borrower repaid the PPP loan in full.