

American Foundation for Suicide Prevention

Financial Report

June 30, 2012

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Independent Auditor's Report

To the Board of Directors
American Foundation for Suicide Prevention
New York, New York

We have audited the accompanying statement of financial position of American Foundation for Suicide Prevention (the "Foundation") as of June 30, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Foundation for Suicide Prevention as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

McGladrey LLP

New York, New York
December 6, 2012

American Foundation for Suicide Prevention

**Statement of Financial Position
June 30, 2012**

ASSETS

Current Assets:

Cash (Note 2)	\$ 2,715,620
Unconditional promises to give and other receivables	178,085
Prepaid expenses and other	74,866

Total current assets 2,968,571

Equipment, at cost:

Furniture, fixtures and computer equipment	351,076
Less accumulated depreciation	219,487

Equipment, at cost less depreciation 131,589

Other Assets:

Restricted investments (Notes 3 and 6)	1,053,842
Investments - board-designated (Notes 3 and 5)	1,446,663
Restricted certificate of deposit (Note 9)	68,107
Educational films	191,856
Security deposits	15,415

Total other assets 2,775,883

Total assets \$ 5,876,043

LIABILITIES AND NET ASSETS

Current Liabilities:

Grants payable (Note 4)	\$ 1,176,465
Accounts payable and accrued expenses	609,411

Total current liabilities 1,785,876

Noncurrent Liabilities and Deferred Credits:

Grants payable (Note 4)	203,474
Deferred rent credit (Note 9)	168,061

Total liabilities 2,157,411

Commitments (Notes 4, 8 and 9)

Net Assets:

Unrestricted:	
General operating	1,197,571
Board-designated (Note 5)	1,446,663

2,644,234

Temporarily restricted (Note 6)	1,074,398
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Total net assets 3,718,632

Total liabilities and net assets \$ 5,876,043

See Notes to Financial Statements.

American Foundation for Suicide Prevention

**Statement of Activities
Year Ended June 30, 2012**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues, gains and other support:			
Donations	\$ 1,402,441	\$ -	\$ 1,402,441
Lifesavers' dinner, net of related expenses of \$198,733	166,599	-	166,599
Out of Darkness walks, net of related expenses of \$1,997,267 (Note 10)	7,565,229	-	7,565,229
Other fund-raising events, net of related expenses of \$179,670	437,842	-	437,842
Other revenues	368,844	-	368,844
Investment income (Note 3)	67,873	19,764	87,637
Net assets released from restrictions	36,819	(36,819)	-
	<u>10,045,647</u>	<u>(17,055)</u>	<u>10,028,592</u>
Total revenues, gains and other support			
Expenses:			
Program services	7,593,004	-	7,593,004
Management and general	565,350	-	565,350
Fund-raising	1,093,449	-	1,093,449
	<u>9,251,803</u>	<u>-</u>	<u>9,251,803</u>
Total expenses			
Increase (decrease) in net assets	793,844	(17,055)	776,789
Net Assets:			
Beginning	<u>1,850,390</u>	<u>1,091,453</u>	<u>2,941,843</u>
Ending	<u>\$ 2,644,234</u>	<u>\$ 1,074,398</u>	<u>\$ 3,718,632</u>

See Notes to Financial Statements.

American Foundation for Suicide Prevention

Statement of Functional Expenses
Year Ended June 30, 2012

	Program Services			Supporting Services		Total Program and Supporting Services
	Research	Prevention and Education	Survivors' Programs	Management and General	Fund- Raising	
Grants	\$ 1,212,099	\$ -	\$ -	\$ -	\$ -	\$ 1,212,099
Salaries	474,008	1,521,000	740,552	312,549	443,540	3,491,649
Payroll taxes	38,359	125,995	61,345	25,891	36,742	288,332
Employee health and retirement benefits	66,846	219,563	106,902	45,118	64,026	502,455
Research, educational and survivor conferences and programs	45,107	863,963	378,743	-	-	1,287,813
Out of Darkness programs	155,630	311,260	194,538	-	310,776	972,204
Office	92,942	305,126	148,561	62,700	152,203	761,532
Occupancy	50,421	165,612	80,634	34,032	48,294	378,993
Telephone	10,654	34,996	17,039	7,191	10,205	80,085
Computer expenses	18,697	61,413	29,901	12,620	17,909	140,540
Equipment rental and maintenance	4,335	14,240	6,933	2,926	4,152	32,586
Printing and mailing lists	-	2,276	1,448	14,653	414	18,791
Insurance	1,809	5,942	2,893	1,221	1,733	13,598
Professional fees	-	-	-	44,015	-	44,015
Depreciation	3,607	11,847	5,768	2,434	3,455	27,111
	<u>\$ 2,174,514</u>	<u>\$ 3,643,233</u>	<u>\$ 1,775,257</u>	<u>\$ 565,350</u>	<u>\$ 1,093,449</u>	<u>\$ 9,251,803</u>
Percentage to total program and supporting services	<u>23.5%</u>	<u>39.4%</u>	<u>19.2%</u>	<u>6.1%</u>	<u>11.8%</u>	<u>100.0%</u>

See Notes to Financial Statements.

American Foundation for Suicide Prevention

Statement of Cash Flows Year Ended June 30, 2012

Cash Flows From Operating Activities:	
Increase in net assets	\$ 776,789
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation and amortization	109,335
Unrealized gains on investments	(20,955)
Deferred rent credit	118,571
Changes in assets and liabilities:	
(Increase) in:	
Unconditional promises to give and other receivables	(37,135)
Prepaid expenses and other	(54,921)
(Decrease) increase in:	
Grants payable	(448,793)
Accounts payable and accrued expenses	<u>171,003</u>
Net cash provided by operating activities	<u>613,894</u>
 Cash Flows From Investing Activities:	
Purchase of property and equipment	(44,645)
Acquisition of investments	(140,991)
Proceeds from sale of investments	<u>204,127</u>
Net cash provided by investing activities	<u>18,491</u>
Net increase in cash	632,385
 Cash:	
Beginning	<u>2,083,235</u>
Ending	<u><u>\$ 2,715,620</u></u>

See Notes to Financial Statements.

American Foundation for Suicide Prevention

Notes to Financial Statements

Note 1. 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 53 unincorporated chapters, including the two inactive international chapters.

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets: Net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted Net Assets: Net assets subject to donor-imposed restrictions that expire by the passage of time or by actions of the Foundation. They are classified as temporarily restricted net assets until those amounts are appropriated for expenditures in a manner consistent with the donor's wishes.

Permanently Restricted Net Assets: Net assets subject to donor-imposed restrictions that are to be permanently maintained by the Foundation.

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 temporarily restricted or permanently restricted support that increases those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets 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 unrestricted.

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 the statements.

Promises to Give: Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. At June 30, 2012, all promises to give were expected to be collected within one year.

Depreciation: Depreciation of equipment is provided for by straight-line methods over the estimated useful lives of the related assets ranging from five to ten years. Contributions of donated equipments are recorded at their estimated fair value at the date of receipt.

Investments: Equity securities with readily determinable fair values and all investments in debt securities are reported at fair value, as described in Note 3, and unrealized gains and losses are included in the statement of activities. Realized gains and losses on investments are determined using the specific-identification method.

American Foundation for Suicide Prevention

Notes to Financial Statements

Note 1. Summary of Significant Accounting Principles (Continued)

Educational Films: Educational film production costs recorded as separate asset and amortized over the estimated use lives. Costs of \$411,069 relating to the development of two educational films have been deferred. Use of the films began in fiscal 2010, and is amortized over estimated useful lives of five years. Amortization expense in fiscal 2012 was \$82,224.

Grants Payable: The Foundation recognizes a liability for grants when the grant is deemed to be unconditional and commitment has been made to the grantee.

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.

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 to each.

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).

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 to the financial statements to comply with the provisions of this guidance. Generally, the Foundation is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before fiscal 2009, which is the standard statute of limitations look-back period.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Recent Accounting Pronouncements: In May 2011, the Financial Accounting Standards Board (the "FASB") issued additional guidance expanding the disclosures for fair value measurements, particularly Level 3 inputs. For fair value measurements categorized in Level 3 of the fair value hierarchy, required disclosures include: (1) a quantitative disclosure of the unobservable inputs and assumptions used in the measurement, (2) a description of the valuation processes in place, and (3) a narrative description of the sensitivity of the fair value changes in unobservable inputs and interrelationships between those inputs. These disclosures will be required for the Foundation beginning in fiscal 2013. The Foundation does not expect this requirement to have a significant impact on the financial statements.

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 6, 2012 for these financial statements.

Note 2. Cash

The Foundation maintains cash in bank accounts which, at times, may exceed federally insured limits.

American Foundation for Suicide Prevention

Notes to Financial Statements

Note 3. Investments

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: Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The types of investments in Level 1 include listed equities and listed derivatives.

- Level 2: Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly, and fair value that is determined through the use of models or other valuation methodologies. Investments in this category generally include certain corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

- Level 3: Inputs that are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation. Investments in this category generally include equity and debt positions in private companies.

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.

American Foundation for Suicide Prevention

Notes to Financial Statements

Note 3. Investments (Continued)

Financial instruments, measured at fair value on a recurring basis, consist of the following as of June 30, 2012:

	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	\$ 331,409	\$ -	\$ -	\$ 331,409
Mutual funds:				
Stock funds:				
Small-cap	163,758	-	-	163,758
Mid-cap	153,663	-	-	153,663
Large blend	912,383	-	-	912,383
Foreign large blend	1,946	-	-	1,946
Total stock funds	<u>1,231,750</u>	<u>-</u>	<u>-</u>	<u>1,231,750</u>
Bond funds:				
Intermediate government	937,346	-	-	937,346
Total mutual funds	<u>2,169,096</u>	<u>-</u>	<u>-</u>	<u>2,169,096</u>
Total	<u><u>\$ 2,500,505</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,500,505</u></u>

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.

Mutual Funds: Shares of registered investment companies (mutual funds) are reported at fair value based on the quoted price of the fund.

Investment income and losses are reflected in unrestricted net assets unless there are explicit donor restrictions. Investment gain or loss for the year ended June 30, 2012 is as follows:

Interest and dividend income	\$ 66,682
Unrealized gains	<u>20,955</u>
	<u><u>\$ 87,637</u></u>

American Foundation for Suicide Prevention

Notes to Financial Statements

Note 3. Investments (Continued)

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 flow 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 entity recognizes that investment results over the long term may lag 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 return that compares favorably to appropriate market indexes.

Note 4. 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 market rate. They are scheduled for payment, net of a discount of \$51,678, as follows:

Year ending June 30,

2013	\$ 1,176,465
2014	<u>203,474</u>
	<u>\$ 1,379,939</u>

The Foundation approved approximately \$1,411,000 of new grants, which are effective on July 1, 2012.

Note 5. Board-Designated Funds

The Foundation's board of directors designated certain of the Foundation's unrestricted net assets as endowment funds for future projects and operational uses. The board appropriates for expenditure in its annual budget 5% of the ending market value of the board designated-funds as of a certain period-end date. Additional transfers maybe made to operating cash at board's discretion. All board-designated funds are separately shown in the accompanying statement of financial position. The change in board-designated funds is summarized below:

Balance, beginning of year	\$ 1,471,647
Investment income	49,717
Expenditures - 5% transfer to operating cash	(74,701)
Sale	(75,064)
Purchase	<u>75,064</u>
Balance, end of year	<u><u>\$ 1,446,663</u></u>

American Foundation for Suicide Prevention

Notes to Financial Statements

Note 6. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of investments expendable in accordance with the terms of the contributions (see Note 1). They are restricted for the following:

Purpose-restricted - clinical education	\$ 173,248
Time and purpose-restricted - suicide causes research	<u>901,150</u>
	<u>\$ 1,074,398</u>

Spending Policy: The Foundation will appropriate for expenditure in its annual budget 5% of the ending market value of the investments as of a certain period-end date.

Note 7. Contributed Legal Services

The Foundation has received legal services approximating \$3,800 during fiscal 2012, which has been reflected as a contribution and legal expense in the accompanying financial statements. The value of these services rendered was supplied by the donor.

Note 8. 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 year ended June 30, 2012 amounted to \$244,239.

Note 9. Leases

The Foundation is obligated under various leases, as amended during fiscal 2011, for office facilities extending through November 2021. Minimum annual rentals are as follows:

Year ending June 30,

2013	\$ 362,745
2014	366,069
2015	293,300
2016	303,186
2017	303,186
Thereafter	<u>1,339,072</u>
	<u>\$ 2,967,558</u>

Rent expense (excluding rent allocated to events) is recorded on a straight-line basis and was approximately \$379,000 for the year ended June 30, 2012.

In connection with one of the office leases, the Foundation has provided the landlord with a \$68,107 standby letter of credit in lieu of a security deposit, which is collateralized by a certificate of deposit maintained at a bank.

American Foundation for Suicide Prevention

Notes to Financial Statements

Note 10. Out of Darkness Events

The Foundation sponsors "Out of Darkness" events, which 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 one "Out of Darkness" walk during fiscal year 2012. 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.