

# **American Foundation for Suicide Prevention**

Financial Report  
June 30, 2016

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## Independent Auditor's Report

To the 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, 2016, the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements (collectively, 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 Foundation as of June 30, 2016, 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 2015 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated November 23, 2015. In our opinion, the summarized comparative information, presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*RSM US LLP*

New York, New York  
November 30, 2016

**American Foundation for Suicide Prevention**

**Statement of Financial Position**

**June 30, 2016**

**(with summarized comparative information as of June 30, 2015)**

	2016	2015
<b>Assets</b>		
Current assets:		
Cash (Note 2)	\$ 2,930,370	\$ 2,444,928
Investments (Note 3)	6,493,918	6,351,701
Unconditional promises to give and other receivables	366,677	696,741
Prepaid walk materials	985,946	424,629
Other prepaid expenses	748,655	647,297
<b>Total current assets</b>	<b>11,525,566</b>	<b>10,565,296</b>
Equipment, at cost:		
Furniture, fixtures and computer equipment	617,675	538,075
Less accumulated depreciation	381,574	329,427
<b>Equipment, at cost less depreciation</b>	<b>236,101</b>	<b>208,648</b>
Other assets:		
Restricted investments (Notes 3 and 5)	1,242,035	1,222,462
Investments - board-designated (Notes 3 and 5)	1,949,879	1,921,449
Educational films, net	148,817	104,784
Security deposits	87,378	86,578
<b>Total other assets</b>	<b>3,428,109</b>	<b>3,335,273</b>
<b>Total assets</b>	<b>\$ 15,189,776</b>	<b>\$ 14,109,217</b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Grants payable (Note 4)	\$ 2,746,125	\$ 2,164,165
Accounts payable and accrued expenses	1,450,448	1,453,239
Deferred event revenue	1,329,858	946,281
<b>Total current liabilities</b>	<b>5,526,431</b>	<b>4,563,685</b>
Noncurrent liabilities and deferred credits:		
Grants payable (Note 4)	1,413,683	970,399
Deferred rent credit (Note 9)	280,122	268,181
<b>Total liabilities</b>	<b>7,220,236</b>	<b>5,802,265</b>
Commitments (Notes 4, 8 and 9)		
Net assets:		
Unrestricted:		
General operating	3,680,087	4,144,176
Board-designated (Notes 5 and 6)	1,949,879	1,921,449
	<b>5,629,966</b>	<b>6,065,625</b>
Temporarily restricted (Notes 5 and 6)	1,505,734	1,407,487
Permanently restricted (Notes 5 and 6)	833,840	833,840
<b>Total net assets</b>	<b>7,969,540</b>	<b>8,306,952</b>
<b>Total liabilities and net assets</b>	<b>\$ 15,189,776</b>	<b>\$ 14,109,217</b>

See notes to financial statements.

**American Foundation for Suicide Prevention**

**Statement of Activities**

**Year Ended June 30, 2016**

**(with summarized comparative information for the year ended June 30, 2015)**

	2016			Total	2015
	Unrestricted	Temporarily Restricted	Permanently Restricted		Summarized Financial Information
Revenues, gains and other support:					
Functions (Note 10):					
Revenues	\$ 23,220,360	\$ 24,578	\$ -	\$ 23,244,938	\$ 20,045,754
Direct expenses	(5,140,762)	-	-	(5,140,762)	(3,958,174)
<b>Net function income</b>	<b>18,079,598</b>	<b>24,578</b>	<b>-</b>	<b>18,104,176</b>	<b>16,087,580</b>
Donations	3,117,421	96,131	-	3,213,552	2,962,957
Other revenues, net	256,677	89,759	-	346,436	346,905
Investment income (Note 3)	102,341	19,573	-	121,914	119,501
Net assets released from restrictions	131,794	(131,794)	-	-	-
<b>Total revenues, gains and other support</b>	<b>21,687,831</b>	<b>98,247</b>	<b>-</b>	<b>21,786,078</b>	<b>19,516,943</b>
Expenses:					
Program services	18,486,885	-	-	18,486,885	14,724,664
Management and general	1,085,701	-	-	1,085,701	983,975
Fund-raising	2,550,904	-	-	2,550,904	2,096,512
<b>Total expenses</b>	<b>22,123,490</b>	<b>-</b>	<b>-</b>	<b>22,123,490</b>	<b>17,805,151</b>
<b>Change in net assets</b>	<b>(435,659)</b>	<b>98,247</b>	<b>-</b>	<b>(337,412)</b>	<b>1,711,792</b>
Net assets:					
Beginning	6,065,625	1,407,487	833,840	8,306,952	6,595,160
Ending	\$ 5,629,966	\$ 1,505,734	\$ 833,840	\$ 7,969,540	\$ 8,306,952

See notes to financial statements.

**American Foundation for Suicide Prevention**

**Statement of Functional Expenses**

**Year Ended June 30, 2016**

**(with summarized comparative information for the year ended June 30, 2015)**

	2016							2015	
	Program Services				Total Program Services	Supporting Services			Summarized Financial Information
	Research	Prevention and Education	Loss and Bereavement Programs	Advocacy Programs		Management and General	Fund- Raising	Total Expenses	
Grants	\$ 3,935,636	\$ -	\$ -	\$ -	\$ 3,935,636	\$ -	\$ -	\$ 3,935,636	\$ 3,315,546
Salaries and wages	465,628	2,517,170	1,546,211	797,036	5,326,045	486,061	1,163,235	6,975,341	6,316,675
Employee health and retirement benefits	75,846	410,020	251,861	129,829	867,556	79,174	189,478	1,136,208	781,819
Research, educational and survivor conferences and programs	106,864	901,347	462,248	112,334	1,582,793	-	62,408	1,645,201	1,178,893
Out of Darkness programs	-	919,557	1,103,469	-	2,023,026	-	674,269	2,697,295	1,422,458
Office	38,122	642,894	306,445	121,552	1,109,013	18,939	102,030	1,229,982	1,065,034
Occupancy	40,870	220,943	135,718	69,959	467,490	42,664	102,102	612,256	612,873
Telecommunications and Internet	23,578	155,478	75,743	29,677	284,476	4,674	19,751	308,901	247,750
Equipment rental and maintenance	18,775	101,495	62,345	32,137	214,752	19,598	46,903	281,253	216,610
Travel	189,252	436,773	277,504	458,605	1,362,134	269,767	106,228	1,738,129	1,499,305
Consultants	46,425	727,376	429,124	111,039	1,313,964	27,421	84,500	1,425,885	1,013,932
Professional fees	-	-	-	-	-	85,256	-	85,256	82,796
Depreciation	-	-	-	-	-	52,147	-	52,147	51,460
<b>Total 2016</b>	<b>\$ 4,940,996</b>	<b>\$ 7,033,053</b>	<b>\$ 4,650,668</b>	<b>\$ 1,862,168</b>	<b>\$ 18,486,885</b>	<b>\$ 1,085,701</b>	<b>\$ 2,550,904</b>	<b>\$ 22,123,490</b>	
<b>Percentage to total program and supporting services expenses</b>	<b>22.3%</b>	<b>31.8%</b>	<b>21.0%</b>	<b>8.4%</b>	<b>83.5%</b>	<b>4.9%</b>	<b>11.6%</b>	<b>100.0%</b>	
Total 2015	\$ 4,272,204	\$ 5,254,338	\$ 3,287,650	\$ 1,910,472	\$ 14,724,664	\$ 983,975	\$ 2,096,512		\$ 17,805,151
Percentage to total program and supporting services expenses	24.0%	29.5%	18.5%	10.7%	82.7%	5.5%	11.8%		100.0%

See notes to financial statements.

**American Foundation for Suicide Prevention**

**Statement of Cash Flows**

**Year Ended June 30, 2016**

**(with summarized comparative information for the year ended June 30, 2015)**

	2016	2015
Cash flows from operating activities:		
Change in net assets	\$ (337,412)	\$ 1,711,792
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	52,147	51,460
Amortization of educational film costs	14,467	41,875
Unrealized (losses) gains on investments	70,948	(25,045)
Deferred rent	11,941	73,252
Changes in assets and liabilities:		
Unconditional promises to give and other receivables	330,064	252,274
Prepaid walk materials and other expenses	(662,675)	(760,530)
Grants payable	1,025,244	890,564
Accounts payable and accrued expenses	(2,791)	398,879
Deferred event revenue	383,577	236,847
<b>Net cash provided by operating activities</b>	<b>885,510</b>	<b>2,871,368</b>
Cash flows from investing activities:		
Purchase of property and equipment	(79,600)	(22,582)
Acquisition of investments	(261,168)	(5,512,604)
(Addition to) return of security deposits	(800)	2,600
Proceeds from sale of investments	-	3,918,149
Release of restricted certificate of deposit	-	68,118
Educational films	(58,500)	(65,000)
<b>Net cash used in investing activities</b>	<b>(400,068)</b>	<b>(1,611,319)</b>
<b>Net increase in cash</b>	<b>485,442</b>	<b>1,260,049</b>
Cash:		
Beginning	2,444,928	1,184,879
Ending	<b>\$ 2,930,370</b>	<b>\$ 2,444,928</b>

See notes to financial statements.

## American Foundation for Suicide Prevention

### Notes to Financial Statements

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#### Note 1. Organization 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 85 unincorporated 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 and/or the passage of time.

**Permanently restricted net assets:** Net assets subject to donor-imposed restrictions that are to be permanently maintained by the Foundation.

**Endowment:** When the Foundation receives a contribution and the donor restricts the Foundation from spending the principal, the contribution is classified as an endowment, with the amount of the gift recorded as permanently restricted. 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 permanently restricted net assets is classified as temporarily restricted net assets 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 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 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

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#### Note 1. 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, 2016, all promises to give were expected to be collected within one year.

**Equipment:** 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.

**Investments:** Investments are reported at fair value, as described in Note 3, 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 unrestricted net assets unless their use is temporarily or permanently restricted by the donor.

**Educational films:** Educational film production costs recorded as separate asset and amortized over the estimated use lives. Costs of \$195,835 relating to the development of two educational films have been deferred and are amortized over estimated useful lives of five years. Amortization expense in fiscal 2016 and 2015 was \$14,467 and \$41,875 (related to three movies, one fully amortized as of June 30, 2015), respectively.

**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.

**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.

**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. 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 2013, which is the standard statute of limitations look-back period.

## American Foundation for Suicide Prevention

### Notes to Financial Statements

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#### Note 1. Summary of Significant Accounting Principles (Continued)

**Recently issued accounting pronouncements:** In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 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. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Foundation is currently evaluating the impact of the adoption of the new standard on its financial statements.

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The amendments in this ASU make improvements to the information provided in financial statements and accompanying notes of not-for-profit entities. The amendments set forth the FASB's improvements to net asset classification requirements and the information presented about a not-for-profit entity's liquidity, financial performance, and cash flows. The ASU will be effective for fiscal years beginning after December 15, 2017. Earlier adoption is permitted. The Foundation has not evaluated the impact of this ASU on the 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 August 2015, the FASB issued ASU 2015-14, which defers the effective date of ASU 2014-09 for one year making it effective for annual reporting periods beginning after December 15, 2018. The Foundation has not yet selected a transition method and is currently evaluating the effect that the standard will have on the 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.

**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, 2015, from which the summarized information was derived.

**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 November 30, 2016 for these financial statements.

#### Note 2. 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.

## American Foundation for Suicide Prevention

### Notes to Financial Statements

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#### Note 3. 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, 2016, 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.

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

Total investments included in the accompanying statement of financial position are as follows:

	2016	2015
Investments	\$ 6,493,918	\$ 6,351,701
Restricted investments	1,242,035	1,222,462
Investments - board-designated	1,949,879	1,921,449
	<u>\$ 9,685,832</u>	<u>\$ 9,495,612</u>

**American Foundation for Suicide Prevention**

**Notes to Financial Statements**

**Note 3. 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, 2016 and 2015:

	2016			
	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	\$ 2,498,455	\$ -	\$ -	\$ 2,498,455
Mutual funds:				
Stock funds:				
Small-cap	668,193	-	-	668,193
Mid-cap	1,074,444	-	-	1,074,444
Large blend	1,881,843	-	-	1,881,843
Foreign large blend	645,802	-	-	645,802
Total stock funds	4,270,282	-	-	4,270,282
Bond funds:				
Intermediate government	2,917,095	-	-	2,917,095
Total mutual funds	7,187,377	-	-	7,187,377
	\$ 9,685,832	\$ -	\$ -	\$ 9,685,832
	2015			
	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	\$ 2,811,286	\$ -	\$ -	\$ 2,811,286
Mutual funds:				
Stock funds:				
Small-cap	616,778	-	-	616,778
Mid-cap	961,020	-	-	961,020
Large blend	1,595,937	-	-	1,595,937
Foreign large blend	713,116	-	-	713,116
Total stock funds	3,886,851	-	-	3,886,851
Bond funds:				
Intermediate government	2,797,475	-	-	2,797,475
Total mutual funds	6,684,326	-	-	6,684,326
	\$ 9,495,612	\$ -	\$ -	\$ 9,495,612

## American Foundation for Suicide Prevention

### Notes to Financial Statements

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#### Note 3. Investments and Fair Value Measurements (Continued)

Investment income reported in the statement of activities for the years ended June 30, 2016 and 2015 is as follows:

	2016	2015
Interest and dividend income	\$ 192,862	\$ 85,954
Capital gains	-	8,502
Unrealized (losses) gains	(70,948)	25,045
	<u>\$ 121,914</u>	<u>\$ 119,501</u>

**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 Foundation 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 risk-adjusted rate. They are scheduled for payment as follows:

	2016	2015
2016	\$ -	\$ 2,164,165
2017	2,746,125	1,034,500
2018	1,514,373	-
	4,260,498	3,198,665
Net present value discount at 3.5% and 3.25%, respectively	(100,690)	(64,101)
	<u>\$ 4,159,808</u>	<u>\$ 3,134,564</u>

The Foundation approved approximately \$4,350,000 of new grants, which are effective on October 1, 2016. Approximately \$2,973,000 of this balance is comprised of two three-year grants.

## American Foundation for Suicide Prevention

### Notes to Financial Statements

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#### Note 5. Net Assets

**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 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 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, 2016 and 2015.

**Temporarily restricted net assets:** Temporarily restricted net assets 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:

	2016	2015
Mental health service in the State of California	\$ 257,500	\$ 257,500
General education or location specific	738,449	632,558
Clinical education	240,877	230,033
Suicide causes research	167,318	158,589
Other research	66,520	32,186
Loss and healing	34,070	90,421
Other	1,000	6,200
Total temporarily restricted net assets	<u>\$ 1,505,734</u>	<u>\$ 1,407,487</u>

Total temporarily restricted assets released during fiscal 2016 and 2015 are approximately \$132,000 and \$179,000, respectively, for various specified purposes.

#### Note 6. Endowments

**Permanently restricted net assets:** Permanently restricted net assets as of June 30, 2016 and 2015 represent the principal amounts of permanent endowments, for research of causes of suicide and clinical education.

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 3). 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 2016 and 2015. Through the combination of its investment strategy (Note 3) 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 unrestricted net assets, if any. In that case, future gains will be used to restore this reduction in unrestricted net assets before any net appreciation increases temporarily restricted assets. There were no deficiencies of this nature at June 30, 2016 and 2015.

## American Foundation for Suicide Prevention

### Notes to Financial Statements

#### Note 6. Endowments (Continued)

The composition and changes in the Foundation's endowments as of and for the years ended June 30, 2016 and 2015 are summarized below.

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowments
Balance as of June 30, 2016				
Donor-restricted endowment funds	\$ -	\$ 408,195	\$ 833,840	\$ 1,242,035
Board-designated endowment funds	1,949,879	-	-	1,949,879
Total endowed funds	<u>\$ 1,949,879</u>	<u>\$ 408,195</u>	<u>\$ 833,840</u>	<u>\$ 3,191,914</u>
Balance as of June 30, 2015				
Donor-restricted endowment funds	\$ -	\$ 388,622	\$ 833,840	\$ 1,222,462
Board-designated endowment funds	1,921,449	-	-	1,921,449
Total endowed funds	<u>\$ 1,921,449</u>	<u>\$ 388,622</u>	<u>\$ 833,840</u>	<u>\$ 3,143,911</u>
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowments
Balance as of June 30, 2014	\$ 1,845,628	\$ 359,225	\$ 833,840	\$ 3,038,693
Investment income	75,821	29,397	-	105,218
Balance as of June 30, 2015	1,921,449	388,622	833,840	3,143,911
Investment income	28,430	19,573	-	48,003
Balance as of June 30, 2016	<u>\$ 1,949,879</u>	<u>\$ 408,195</u>	<u>\$ 833,840</u>	<u>\$ 3,191,914</u>

#### Note 7. Contributed Legal Services

The Foundation has received legal services approximating \$39,000 during both fiscal 2016 and 2015, which have been reflected as a contribution and legal expense in the accompanying financial statements.

#### 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 years ended June 30, 2016 and 2015 amounted to \$375,764 and \$294,662, respectively.

## American Foundation for Suicide Prevention

### Notes to Financial Statements

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#### Note 9. Leases

The Foundation is obligated under various leases for office facilities extending through November 2025. Minimum annual rentals are as follows:

Years ending June 30:	
2017	\$ 558,012
2018	561,498
2019	567,195
2020	578,097
2021	551,083
Thereafter	630,812
	<u>\$ 3,446,697</u>

Rent expense (excluding rent allocated to events) is recorded on a straight-line basis and was approximately \$612,000 and \$613,000 for the years ended June 30, 2016 and 2015, respectively.

In connection with one of the office leases, the Foundation has provided the landlord with a \$68,118 standby letter of credit in lieu of a security deposit.

#### Note 10. 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 2016 and 2015. 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.

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

	2016			2015		
	Revenues	Direct Expenses	Net Event Income	Revenues	Direct Expenses	Net Event Income
"Out of Darkness" walks	\$ 21,147,748	\$ (4,614,420)	\$ 16,533,328	\$ 18,334,798	\$ (3,427,798)	\$ 14,907,000
Lifesavers' dinner	388,623	(203,567)	185,056	342,395	(193,368)	149,027
Other fund-raising events	1,708,567	(322,775)	1,385,792	1,368,561	(337,008)	1,031,553
	<u>\$ 23,244,938</u>	<u>\$ (5,140,762)</u>	<u>\$ 18,104,176</u>	<u>\$ 20,045,754</u>	<u>\$ (3,958,174)</u>	<u>\$ 16,087,580</u>