

American Foundation for Suicide Prevention

Financial Report
June 30, 2017

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RSM US LLP

Independent Auditor's Report

Board of Directors
American Foundation for Suicide Prevention

Report on the Financial Statements

We have audited the accompanying financial statements of the American Foundation for Suicide Prevention (the Foundation), which comprise the statement of financial position as of June 30, 2017, the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2017, 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 2016 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated November 30, 2016. In our opinion, the summarized comparative information, presented herein as of and for the year ended June 30, 2016, 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 28, 2017

American Foundation for Suicide Prevention

Statement of Financial Position

June 30, 2017

(with summarized comparative information as of June 30, 2016)

	2017	2016
Assets		
Current assets:		
Cash (Note 2)	\$ 4,686,019	\$ 2,930,370
Investments (Note 3)	7,207,802	6,493,918
Unconditional promises to give and other receivables	224,534	366,677
Prepaid walk materials	950,101	985,946
Other prepaid expenses	1,089,958	748,655
Total current assets	14,158,414	11,525,566
Equipment, at cost:		
Furniture, fixtures and computer equipment	659,108	617,675
Less accumulated depreciation	440,026	381,574
Equipment, at cost less depreciation	219,082	236,101
Other assets:		
Restricted investments (Notes 3 and 5)	1,378,062	1,242,035
Investments - board-designated (Notes 3 and 5)	2,141,121	1,949,879
Educational films, net	140,850	148,817
Security deposits	80,601	87,378
Total other assets	3,740,634	3,428,109
Total assets	\$ 18,118,130	\$ 15,189,776
Liabilities and Net Assets		
Current liabilities:		
Grants payable (Note 4)	\$ 2,630,760	\$ 2,746,125
Accounts payable and accrued expenses	1,468,578	1,450,448
Deferred event revenue	1,453,457	1,329,858
Total current liabilities	5,552,795	5,526,431
Noncurrent liabilities and deferred credits:		
Grants payable (Note 4)	2,082,147	1,413,683
Deferred rent credit (Note 9)	253,665	280,122
Total liabilities	7,888,607	7,220,236
Commitments (Notes 4, 8 and 9)		
Net assets:		
Unrestricted:		
General operating	5,583,118	3,680,087
Board-designated (Notes 5 and 6)	2,141,121	1,949,879
	7,724,239	5,629,966
Temporarily restricted (Notes 5 and 6)	1,671,444	1,505,734
Permanently restricted (Notes 5 and 6)	833,840	833,840
Total net assets	10,229,523	7,969,540
Total liabilities and net assets	\$ 18,118,130	\$ 15,189,776

See notes to financial statements.

American Foundation for Suicide Prevention

Statement of Activities

Year Ended June 30, 2017

(with summarized comparative information for the year ended June 30, 2016)

	2017			2016	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Summarized Financial Information
Revenues, gains and other support:					
Functions (Note 10):					
Revenues	\$ 25,137,528	\$ -	\$ -	\$ 25,137,528	\$ 23,244,938
Direct expenses	(4,881,933)	-	-	(4,881,933)	(5,140,762)
Net function income	20,255,595	-	-	20,255,595	18,104,176
Donations	3,616,672	371,061	-	3,987,733	3,213,552
Other revenues, net	271,834	85,924	-	357,758	346,436
Investment income (Note 3)	762,351	136,027	-	898,378	121,914
Net assets released from restrictions	427,302	(427,302)	-	-	-
Total revenues, gains and other support	25,333,754	165,710	-	25,499,464	21,786,078
Expenses:					
Program services	19,588,012	-	-	19,588,012	18,486,885
Management and general	1,108,868	-	-	1,108,868	1,085,701
Fund-raising	2,542,601	-	-	2,542,601	2,550,904
Total expenses	23,239,481	-	-	23,239,481	22,123,490
Change in net assets	2,094,273	165,710	-	2,259,983	(337,412)
Net assets:					
Beginning	5,629,966	1,505,734	833,840	7,969,540	8,306,952
Ending	<u>\$ 7,724,239</u>	<u>\$ 1,671,444</u>	<u>\$ 833,840</u>	<u>\$ 10,229,523</u>	<u>\$ 7,969,540</u>

See notes to financial statements.

American Foundation for Suicide Prevention

Statement of Functional Expenses

Year Ended June 30, 2017

(with summarized comparative information for the year ended June 30, 2016)

	2017							2016	
	Program Services				Total Program Services	Supporting Services		Total Expenses	Summarized Financial Information
	Research	Prevention and Education	Loss and Bereavement Programs	Advocacy Programs		Management and General	Fund- Raising		
Grants	\$ 4,294,272	\$ -	\$ -	\$ -	\$ 4,294,272	\$ -	\$ -	\$ 4,294,272	\$ 3,935,636
Salaries and wages	487,498	2,765,516	1,650,469	833,563	5,737,046	653,673	1,148,947	7,539,666	6,975,341
Employee health and retirement benefits	87,175	494,533	295,139	149,059	1,025,906	116,891	205,456	1,348,253	1,136,208
Research, educational and survivor conferences and programs	61,563	1,276,745	797,340	257,394	2,393,042	-	109,109	2,502,151	1,645,201
Out of Darkness programs	-	671,102	805,322	-	1,476,424	-	609,258	2,085,682	2,697,295
Office	101,626	547,675	274,596	149,752	1,073,649	20,691	91,152	1,185,492	1,229,982
Occupancy	44,360	251,651	150,186	75,851	522,048	59,482	104,550	686,080	612,256
Telecommunications and Internet	4,570	49,806	34,108	18,044	106,528	4,368	15,552	126,448	308,901
Equipment rental and maintenance	19,934	88,059	53,483	32,757	194,233	15,006	31,313	240,552	281,253
Travel	82,089	488,853	308,996	400,045	1,279,983	53,165	106,208	1,439,356	1,738,129
Consultants	94,035	953,029	321,650	116,167	1,484,881	55,688	121,056	1,661,625	1,425,885
Professional fees	-	-	-	-	-	71,452	-	71,452	85,256
Depreciation	-	-	-	-	-	58,452	-	58,452	52,147
Subtotal	5,277,122	7,586,969	4,691,289	2,032,632	19,588,012	1,108,868	2,542,601	23,239,481	22,123,490
Direct expenses of functions	-	-	-	-	-	-	4,881,933	4,881,933	5,140,762
Cost of goods sold - Public Store (netted in other revenues)	-	-	-	-	-	-	95,316	95,316	55,611
Total - 2017	\$ 5,277,122	\$ 7,586,969	\$ 4,691,289	\$ 2,032,632	\$ 19,588,012	\$ 1,108,868	\$ 7,519,850	\$ 28,216,730	
Total - 2016	\$ 4,940,996	\$ 7,033,053	\$ 4,650,668	\$ 1,862,168	\$ 18,486,885	\$ 1,085,701	\$ 7,747,277		\$ 27,319,863

American Foundation for Suicide Prevention

Statement of Cash Flows

Year Ended June 30, 2017

(with summarized comparative information for the year ended June 30, 2016)

	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ 2,259,983	\$ (337,412)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	58,452	52,147
Amortization of educational film costs	14,467	14,467
Realized gains on investments	(10,554)	-
Unrealized (gains) losses on investments	(684,816)	70,948
Deferred rent	(26,457)	11,941
Changes in assets and liabilities:		
Unconditional promises to give and other receivables	142,143	330,064
Prepaid walk materials and other expenses	(305,458)	(662,675)
Grants payable	553,099	1,025,244
Accounts payable and accrued expenses	18,130	(2,791)
Deferred event revenue	123,599	383,577
Net cash provided by operating activities	2,142,588	885,510
Cash flows from investing activities:		
Purchase of property and equipment	(41,433)	(79,600)
Acquisition of investments	(4,168,559)	(261,168)
Proceeds from sale of investments	3,822,776	-
Return of (addition to) security deposits	6,777	(800)
Educational films	(6,500)	(58,500)
Net cash used in investing activities	(386,939)	(400,068)
Net increase in cash	1,755,649	485,442
Cash:		
Beginning	2,930,370	2,444,928
Ending	\$ 4,686,019	\$ 2,930,370

See notes to financial statements.

American Foundation for Suicide Prevention

Notes to Financial Statements

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

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, 2017, 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 are recorded as a separate asset and are amortized over their estimated useful lives. Costs of \$202,335 relating to the development of two educational films have been deferred and are amortized over estimated useful lives of five years. Amortization expense in both fiscal 2017 and 2016 was \$14,467.

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.

American Foundation for Suicide Prevention

Notes to Financial Statements

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, 2016, 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 28, 2017 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

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, 2017, 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:

	2017	2016
Investments	\$ 7,207,802	\$ 6,493,918
Restricted investments	1,378,062	1,242,035
Investments - board-designated	2,141,121	1,949,879
	<u>\$ 10,726,985</u>	<u>\$ 9,685,832</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, 2017 and 2016:

	2017			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Money market funds	\$ 1,477,832	\$ -	\$ -	\$ 1,477,832
Mutual funds:				
Stock funds:				
Small-cap	1,000,090	-	-	1,000,090
Small-growth	142	-	-	142
Mid-cap	1,552,277	-	-	1,552,277
Large blend	2,837,332	-	-	2,837,332
Foreign large blend	942,247	-	-	942,247
Total stock funds	6,332,088	-	-	6,332,088
Bond funds:				
Intermediate government	2,917,065	-	-	2,917,065
Total mutual funds	9,249,153	-	-	9,249,153
	\$ 10,726,985	\$ -	\$ -	\$ 10,726,985

	2016			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
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

American Foundation for Suicide Prevention

Notes to Financial Statements

Note 3. Investments and Fair Value Measurements (Continued)

Investment income reported in the statement of activities for the years ended June 30, 2017 and 2016 is as follows:

	2017	2016
Interest and dividend income	\$ 203,008	\$ 192,862
Capital gains	10,554	-
Unrealized gains (losses)	684,816	(70,948)
	<u>\$ 898,378</u>	<u>\$ 121,914</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 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 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 a risk-adjusted rate. They are scheduled for payment as follows:

	2017	2016
2017	\$ -	\$ 2,746,125
2018	2,630,760	1,514,373
2019	1,850,468	-
2020	372,605	-
	<u>4,853,833</u>	<u>4,260,498</u>
Net present value discount at 4% and 3.5%, respectively	(140,926)	(100,690)
	<u>\$ 4,712,907</u>	<u>\$ 4,159,808</u>

The Foundation approved approximately \$4,648,000 of new grants, which are effective on October 1, 2017.

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 the board's discretion. All board-designated funds are separately shown in the accompanying statement of financial position. There were no transfers made for the years ended June 30, 2017 and 2016.

American Foundation for Suicide Prevention

Notes to Financial Statements

Note 5. Net Assets (Continued)

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:

	2017	2016
Mental health service in the State of California	\$ 257,500	\$ 257,500
General education or location specific	820,123	738,449
Clinical education	321,040	240,877
Suicide causes research	223,183	167,318
Other research	29,780	66,520
Loss and healing	19,318	34,070
Other	500	1,000
Total temporarily restricted net assets	<u>\$ 1,671,444</u>	<u>\$ 1,505,734</u>

Total temporarily restricted assets released during fiscal 2017 and 2016 are approximately \$427,000 and \$132,000, respectively, for various specified purposes.

Note 6. Endowments

Permanently restricted net assets: Permanently restricted net assets as of June 30, 2017 and 2016 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 2017 and 2016. 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, 2017 and 2016.

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, 2017 and 2016 are summarized below.

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowments
Balance as of June 30, 2017				
Donor-restricted endowment funds	\$ -	\$ 544,222	\$ 833,840	\$ 1,378,062
Board-designated endowment funds	2,141,121	-	-	2,141,121
Total endowed funds	<u>\$ 2,141,121</u>	<u>\$ 544,222</u>	<u>\$ 833,840</u>	<u>\$ 3,519,183</u>
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				
Investment income	\$ 1,921,449	\$ 388,622	\$ 833,840	\$ 3,143,911
	28,430	19,573	-	48,003
Balance as of June 30, 2016	1,949,879	408,195	833,840	3,191,914
Investment income	191,242	136,027	-	327,269
Balance as of June 30, 2017	<u>\$ 2,141,121</u>	<u>\$ 544,222</u>	<u>\$ 833,840</u>	<u>\$ 3,519,183</u>

Note 7. Contributed Legal Services

The Foundation had received legal services of approximately \$20,000 and \$39,000 during fiscal 2017 and 2016, respectively, 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, 2017 and 2016 amounted to \$453,048 and \$375,764, respectively.

American Foundation for Suicide Prevention

Notes to Financial Statements

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:	
2018	\$ 604,971
2019	602,012
2020	625,078
2021	563,217
2022	285,711
Thereafter	345,101
	<u>\$ 3,026,090</u>

Rent expense (excluding rent allocated to events) is recorded on a straight-line basis and was approximately \$686,000 and \$612,000 for the years ended June 30, 2017 and 2016, 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 2017 and 2016. 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:

	2017			2016		
	Revenues	Direct Expenses	Net Event Income	Revenues	Direct Expenses	Net Event Income
"Out of Darkness" walks	\$ 22,670,452	\$ (4,296,081)	\$ 18,374,371	\$ 21,147,748	\$ (4,614,420)	\$ 16,533,328
Lifesavers' dinner	515,041	(214,557)	300,484	388,623	(203,567)	185,056
Other fund-raising events	1,952,035	(371,295)	1,580,740	1,708,567	(322,775)	1,385,792
	<u>\$ 25,137,528</u>	<u>\$ (4,881,933)</u>	<u>\$ 20,255,595</u>	<u>\$ 23,244,938</u>	<u>\$ (5,140,762)</u>	<u>\$ 18,104,176</u>