

STOP SOLDIER SUICIDE, INC.

FINANCIAL STATEMENTS

for the year ended December 31, 2019

STOP SOLDIER SUICIDE, INC.

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Langdon & Company ^{LLP}
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Stop Soldier Suicide, Inc.

We have audited the accompanying financial statements of Stop Soldier Suicide, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2019, and 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 Stop Soldier Suicide, Inc. as of December 31, 2019, 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.

Correction of Error

As described in Note 5 to the financial statements, an adjustment was made to beginning net assets to correct the recording of prior year revenue. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

As described in Note 1 to the financial statements, the Association adopted ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

Langston & Company LLP

Garner, North Carolina
September 16, 2020

STOP SOLDIER SUICIDE, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2019

ASSETS

Current assets:	
Cash and cash equivalents	\$ 2,022,374
Accounts receivable	9,767
Promises to give, net	156,993
Prepaid expenses	36,176
Total current assets	<u>2,225,310</u>
Fixed assets:	
Furniture and equipment	12,612
Telephone system	2,649
Leasehold improvements	11,281
	<u>26,542</u>
Less accumulated depreciation	(4,070)
	<u>22,472</u>
Other assets, deposit	<u>6,797</u>
Total assets	<u>\$ 2,254,579</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 35,658
Accrued payroll liabilities	105,403
Deferred rent	497
Total current liabilities	<u>141,558</u>
Long-term liabilities, deferred rent, net	<u>21,520</u>
Total liabilities	<u>163,078</u>
Net assets:	
Without donor restrictions	<u>2,091,501</u>
Total liabilities and net assets	<u>\$ 2,254,579</u>

The accompanying notes are an integral part of the financial statements.

STOP SOLDIER SUICIDE, INC.

STATEMENT OF ACTIVITIES

for the year ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue:			
Contributions and gifts	\$ 2,127,938	\$ -	\$ 2,127,938
In-kind contributions	68,987	-	68,987
Private grants	47,296	-	47,296
Interest income	20,379	-	20,379
Other income	931	-	931
Total support and revenue	<u>2,265,531</u>	<u>-</u>	<u>2,265,531</u>
Expenses:			
Program services	1,717,458	-	1,717,458
Management and general	613,260	-	613,260
Fundraising	423,481	-	423,481
Total expenses	<u>2,754,199</u>	<u>-</u>	<u>2,754,199</u>
Change in net assets	(488,668)	-	(488,668)
Net assets at beginning of year, as previously reported	2,478,296	-	2,478,296
Prior period adjustment for correction of error (Note 5)	101,873	-	101,873
Net assets at beginning of year, as restated	<u>2,580,169</u>	<u>-</u>	<u>2,580,169</u>
Net assets at end of year	<u>\$ 2,091,501</u>	<u>\$ -</u>	<u>\$ 2,091,501</u>

*The accompanying notes are an
integral part of the financial statements.*

STOP SOLDIER SUICIDE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

for the year ended December 31, 2019

	<u>Program</u> <u>Services</u>	<u>Supporting Services</u>		<u>Grand Total</u>
		<u>Management</u> <u>and General</u>	<u>Fundraising</u>	
Compensation and benefits	\$ 965,592	\$ 283,892	\$ 89,525	\$ 1,339,009
Outside consultants	130,194	110,299	62,590	303,083
Professional fees	8,940	85,593	-	94,533
Marketing and promotion	267,165	7,379	237,825	512,369
In-kind Google ads program	68,987	-	-	68,987
Emergency assistance	4,876	-	-	4,876
Travel and meetings	43,116	34,691	11,544	89,351
Building rental and maintenance	61,343	18,277	5,964	85,584
Telephone and internet	17,738	5,173	1,724	24,635
Services fees	143	4,045	4,150	8,338
Insurance	140	4,195	-	4,335
Office supplies and expense	16,438	6,182	1,962	24,582
Technology and website	34,676	22,229	1,053	57,958
Noncapitalizable furniture & computer hardware	80,663	22,362	6,872	109,897
Equipment lease	14,512	7,208	-	21,720
Depreciation and amortization	2,935	863	272	4,070
Miscellaneous	-	872	-	872
Total expenses	<u>\$ 1,717,458</u>	<u>\$ 613,260</u>	<u>\$ 423,481</u>	<u>\$ 2,754,199</u>

The accompanying notes are an integral part of the financial statements.

STOP SOLDIER SUICIDE, INC.

STATEMENT OF CASH FLOWS

for the year ended December 31, 2019

Cash flows from operating activities:	
Cash received from contributions and gifts	\$ 2,110,347
Cash received from other	931
Cash paid to employees, contractors and suppliers	(2,608,789)
Interest received	20,379
Interest paid	<u>(183)</u>
Net cash used in operating activities	<u>(477,315)</u>
Cash flows used in investing activities, purchase of fixed assets	<u>(26,542)</u>
Net decrease in cash	(503,857)
Cash at beginning of year	<u>2,526,231</u>
Cash at end of year	<u><u>\$ 2,022,374</u></u>

*The accompanying notes are an
integral part of the financial statements.*

STOP SOLDIER SUICIDE, INC.

NOTES TO FINANCIAL STATEMENTS

1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Stop Soldier Suicide, Inc. (the "Organization"), a not-for-profit organization, was incorporated in New York State on October 19, 2010. The Organization promotes awareness for active and veteran service members who are considering suicide and provides an opportunity for them to openly and, without shame, ask for and receive help and support. The Organization has the appropriate resources available, through a network of mental health professionals and local chapter support and partner organizations, to refer service members to the proper care and assistance that they need.

Net Assets

Net assets, revenues, 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:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization maintains its cash accounts with financial institutions which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts.

Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from estimates.

Advertising

Advertising costs are expensed as incurred. Advertising costs amounted to \$512,369 for the year ended December 31, 2019.

STOP SOLDIER SUICIDE, INC.

NOTES TO FINANCIAL STATEMENTS

1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed Assets

Fixed assets are recorded at cost if purchased or at estimated fair value at the date of the gift, if donated, less accumulated depreciation. Maintenance and repairs are expensed as incurred. Gains or losses on dispositions are included in the statement of activities. Fixed assets are capitalized and depreciated if the life is expected to be greater than one year and if the cost exceeds \$2,500. Assets are depreciated using a straight-line method over the estimated useful lives, which is 5 years.

Revenue Recognition

Accounts and other receivables are recorded at net realizable value and primarily consist of sales tax receivable. The Organization provides an allowance for doubtful accounts equal to the estimated losses that are expected to be incurred during collection. The allowance is based on historical collection experience and a review by management of the current status of the existing receivables. As of December 31, 2019, all receivables were deemed collectible by management.

Contributions, gifts and private grants received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence and/or nature of any donor imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. When a restriction expires, such as a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

The Organization recognizes donated services that create or enhance nonfinancial assets or that require specialized skills and would typically need to be purchased if not provided by donation. During the year ended December 31, 2019, the Organization received \$68,987 of donated Google ads.

Certain individuals volunteer their time and perform a variety of tasks that assist the Organization with its programs, campaign solicitations and various other assignments. These services are significant and form an integral part of the efforts of the Organization. The Organization does not control the activities of the volunteers as it would paid employees and there is no clearly measurable basis for an amount of contributed services to be recorded. Therefore, the Organization does not record the amount of volunteer services rendered as contributions and a corresponding amount as expense.

Change in Accounting Principle

During 2019, the Organization adopted Accounting Standard Update 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU clarifies and improves guidance related to two accounting issues: (1) how to distinguish reciprocal (exchange) transactions from nonreciprocal (contributions) transactions, and (2) how to determine whether a contribution is conditional or unconditional. The change in accounting principle was adopted retrospectively in 2019. Under this method, the Organization determined that there was no impact upon adoption to beginning net assets without donor restrictions as of January 1, 2019.

STOP SOLDIER SUICIDE, INC.

NOTES TO FINANCIAL STATEMENTS

1. OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

The Organization directly codes certain expenses that are identifiable with a specific function. Other expenses are allocated to functions on the basis of estimates of time and effort and include the following: compensation and benefits, building rental and maintenance, office supplies, certain outside consultants, telephone and internet, noncapitalizable furniture and computer hardware and depreciation.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation.

The Organization evaluates any uncertain tax positions. Accordingly, the Organization's policy is to record a liability for any tax positions taken that is beneficial to the Organization, including any related interest and penalties, when it is more likely than not the position of management with respect to a transaction or class of transactions will be overturned by a taxing authority upon examination. Management does not believe any significant income tax uncertainties exist as of December 31, 2019.

2. LIQUIDITY AND AVAILABILITY

The Organization primarily receives contributions and gifts without donor restrictions. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization invests cash in excess of daily requirements into a money market account.

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions, if any, within one year of the statement of financial position date.

Financial assets at year-end:

Cash and cash equivalents	\$ 2,022,374
Accounts receivable	9,767
Promises to give, net	156,993
Financial assets available to meet general expenditures within one year	<u>\$ 2,189,134</u>

STOP SOLDIER SUICIDE, INC.

NOTES TO FINANCIAL STATEMENTS

3. OPERATING LEASES

In 2015, the Organization entered into an agreement to rent office space under an operating lease that expired on April 30, 2019. In 2018, the Organization entered into an agreement to rent new office space under an operating lease with escalating rent clauses which commenced in March 2019, with expiration in May 2024. Rent expense charged to operations in connection with the existing lease agreements amounted to \$85,199 for the year ended December 31, 2019 and is reported in Building rental & maintenance on the Statement of Activities.

Future minimum lease payments are as follows:

<u>Year ending December 31.</u>	
2020	\$ 83,404
2021	85,906
2022	88,483
2023	91,138
2024	38,712
	<u>\$ 387,643</u>

4. RELATED PARTY TRANSACTIONS

The Organization has a contract for marketing/promotion services with a company owned/controlled by two board members. Amounts paid during the year ended December 31, 2019 were \$78,366. The Organization has an outstanding payable to this company of \$5,508 as of December 31, 2019. Additionally, during 2019 the CEO of Stop Soldier Suicide, Inc. served on the board of another nonprofit that is a trade association for which the Organization is a member. The Organization contracted with this same organization during late 2018 (final payment of \$13,850 in early 2019) to assist with hosting a Summit in Washington D.C.

5. CORRECTION OF ERROR

In 2019, an understatement of prior year contribution revenue was discovered. The effect of the correction was to increase beginning net assets by \$101,873.

6. SUBSEQUENT EVENTS

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. declared a state of emergency. It is anticipated that these impacts will continue for some time. Future potential impacts may include disruptions or restrictions on our employees' ability to work, cancellation of events, or decreased contributions. The future effects of these issues are unknown.

Subsequent to year end, the Organization received a \$233,200 loan under the Paycheck Protection Program created as a part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues at 1%, but payments are not required to begin for six months after funding of the loan. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government.

The Organization has evaluated subsequent events through September 16, 2020, the date which the financial statements were available for issue.