

**NATIONAL ALLIANCE ON MENTAL ILLNESS  
OF NEW YORK CITY, INC.**

**Financial Statements  
for the year ended  
June 30, 2018**

**Independent Auditor's Report**

To the Board of Directors  
National Alliance on Mental Illness of New York City, Inc.

We have audited the accompanying financial statements of National Alliance on Mental Illness of New York City, Inc., (the "Organization") which comprise the statement of financial position as of June 30, 2018 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 the National Alliance on Mental Illness of New York City, Inc. as of June 30, 2018 and the results of its activities and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Prior Period Financial Statements***

The financial statements of the Organization for the year ended June 30, 2017, were audited by other auditors whose report dated January 9, 2018, expressed an unmodified opinion on those statements.

November 19, 2018

*Carole O'Meara McGinty : Donnelly LLP*

**NATIONAL ALLIANCE ON MENTAL ILLNESS OF NEW YORK CITY, INC.**

**Statement of Financial Position**

**Assets**

	<b>June 30</b>	
	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>Current assets</b>		
Cash and cash equivalents	\$ 859,775	\$ 821,047
Investments, at fair value	12,007	10,686
Contributions receivable	25,000	22,500
Government grant receivable	116,069	345,691
Prepaid expenses and other assets	<u>5,301</u>	<u>22,972</u>
Total current assets	1,018,152	1,222,896
<b>Property and equipment, net</b>	118,420	47,774
<b>Security deposit</b>	<u>4,775</u>	<u>4,775</u>
<b>Total assets</b>	<b><u>\$1,141,347</u></b>	<b><u>\$1,275,445</u></b>

**Liabilities and Unrestricted Net Assets**

<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 70,697	\$ 72,792
Unearned revenue	<u>-</u>	<u>16,500</u>
Total current liabilities	<u>70,697</u>	<u>89,292</u>
<b>Net assets</b>		
Unrestricted	699,775	696,059
Board designated	<u>300,000</u>	<u>300,000</u>
Total unrestricted	999,775	996,059
Temporarily restricted	<u>70,875</u>	<u>190,094</u>
<b>Total net assets</b>	<b><u>1,070,650</u></b>	<b><u>1,186,153</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$1,141,347</u></b>	<b><u>\$1,275,445</u></b>

See notes to financial statements.

**NATIONAL ALLIANCE ON MENTAL ILLNESS OF NEW YORK CITY, INC.**

**Statement of Activities**  
**(with Summarized Comparative Information for June 30, 2017)**

	<b>Year Ended June 30</b>			
	<b>2018</b>			<b>2017</b>
	<b><u>Unrestricted</u></b>	<b><u>Temporarily Restricted</u></b>	<b><u>Total</u></b>	<b><u>Total</u></b>
<b>Revenue and support</b>				
Grants and contributions	\$ 715,605	\$ 72,500	\$ 788,105	\$ 738,272
Special events, net of direct expenses of \$130,958 in 2018 and \$147,375 in 2017, respectively	894,614	-	894,614	814,856
Membership dues	5,744	-	5,744	2,893
Interest and dividends	4,138	-	4,138	1,327
Other	25,482	-	25,482	-
Net assets released from restrictions	<u>191,719</u>	<u>(191,719)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>1,837,302</u>	<u>(119,219)</u>	<u>1,718,083</u>	<u>1,557,348</u>
<b>Expenses</b>				
Program services	1,409,420	-	1,409,420	1,175,841
Supporting activities				
Management and general	264,676	-	264,676	230,375
Fundraising	<u>160,811</u>	<u>-</u>	<u>160,811</u>	<u>250,726</u>
Total expenses	<u>1,834,907</u>	<u>-</u>	<u>1,834,907</u>	<u>1,656,942</u>
Increase (decrease) in net assets before net unrealized loss on investments	2,395	(119,219)	(116,824)	(99,594)
Unrealized gain on investments	<u>1,321</u>	<u>-</u>	<u>1,321</u>	<u>616</u>
<b>Increase (decrease) in net assets</b>	<b>3,716</b>	<b>(119,219)</b>	<b>(115,503)</b>	<b>(98,978)</b>
<b>Net assets, beginning of year</b>	<b><u>996,059</u></b>	<b><u>190,094</u></b>	<b><u>1,186,153</u></b>	<b><u>1,284,131</u></b>
<b>Net assets, end of year</b>	<b><u>\$ 999,775</u></b>	<b><u>\$ 70,875</u></b>	<b><u>\$ 1,070,650</u></b>	<b><u>\$ 1,185,153</u></b>

See notes to financial statements.

**NATIONAL ALLIANCE ON MENTAL ILLNESS OF NEW YORK CITY, INC.**

**Statement of Functional Expenses  
Year Ended June 30, 2018  
(with Summarized Comparative Information for June 30, 2017)**

	<b>2018</b>				<b>2017</b>
	<b>Supporting Activities</b>			<b>Total</b>	<b>Total</b>
	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>	
<b>Expenses</b>					
Payroll and related expenses	\$ 603,605	\$ 72,718	\$ 62,194	\$ 738,517	\$ 630,726
Salaries and wages	167,766	10,596	10,007	188,369	142,722
Payroll taxes and employee benefits	771,371	83,314	72,201	926,886	773,448
Total payroll and related expenses					
<b>Other</b>					
Program events	177,572	-	19,730	197,302	152,568
Consultants	194,088	142,148	37,879	374,115	371,869
Equipment rental and maintenance	41,461	2,619	2,473	46,553	29,603
Program supplies	24,723	1,561	1,475	27,759	29,968
Occupancy	106,811	6,746	6,371	119,928	121,474
Travel	6,973	3,487	3,487	13,947	10,261
Insurance	11,842	2,538	2,538	16,918	15,439
Communications	3,656	3,656	7,311	14,623	40,233
Postage	9,693	612	578	10,883	8,953
Office supplies	17,561	1,109	1,047	19,717	67,234
Other	13,456	14,978	3,919	32,353	10,626
Depreciation and amortization	30,213	1,908	1,802	33,923	25,266
Total other expenses	638,049	181,362	88,610	908,021	883,494
<b>Total expenses</b>	<b>\$ 1,409,420</b>	<b>\$ 264,676</b>	<b>\$ 160,811</b>	<b>\$ 1,834,907</b>	<b>\$ 1,656,942</b>

See notes to financial statements.

**NATIONAL ALLIANCE ON MENTAL ILLNESS OF NEW YORK CITY, INC.**

**Statement of Cash Flows**

	<b>Year Ended June 30</b>	
	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>Cash flows from operating activities</b>		
(Decrease) in net assets	\$ (115,503)	\$ (97,978)
Adjustments to reconcile (decrease) in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	33,923	25,266
Realized and unrealized (gain) loss on investments	(1,321)	(616)
(Increase) decrease in current assets		
Contributions receivable	(2,500)	-
Government grants receivable	229,622	(199,662)
Prepaid expenses and other assets	17,671	94,707
Increase (decrease) in current liabilities		
Accounts payable and accrued expenses	(2,095)	30,486
Unearned revenue	<u>(16,500)</u>	<u>1,500</u>
Net cash provided by (used in) operating activities	<u>143,297</u>	<u>(146,297)</u>
<b>Cash flows from investing activities</b>		
Purchase of investments	-	(16,191)
Proceeds from the sale of investments	-	5,842
Additions to property and equipment	<u>(104,569)</u>	<u>(45,000)</u>
Net cash (used in) investing activities	<u>(104,569)</u>	<u>(55,349)</u>
 <b>Net increase (decrease) in     cash and cash equivalents</b>	 <b>38,728</b>	 <b>(201,646)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b><u>821,047</u></b>	<b><u>1,022,693</u></b>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$ 859,775</u></b>	<b><u>\$ 821,047</u></b>

See notes to financial statements.

**NATIONAL ALLIANCE ON MENTAL ILLNESS OF NEW YORK CITY, INC.****Notes to Financial Statements  
June 30, 2018****Note 1 – Nature of organization**

National Alliance on Mental Illness of New York City, Inc. (the “Organization”) is a grassroots organization that provides support, education and advocacy for families and individuals of all ethnic and socio-economic backgrounds who live with mental illness. As one of the largest affiliates of the National Alliance on Mental Illness, it works collaboratively with state and national affiliates and other stakeholders in the community to educate the public, advocate for legislation, reduce stigma and improve the mental health system.

**Note 2 – Summary of significant accounting policies****Net assets**

The Organization’s net assets consist of the following:

**Unrestricted**

Unrestricted net assets represent those resources that are not subject to donor restrictions and can be spent at the Organization’s discretion.

**Board designated**

The organization maintains a reserve of unrestricted net assets that will provide cash flow security in the event of a temporary shortfall; accommodate unusual or unforeseen emergency cash requirements or temporarily seed projects in anticipation of grant or special supporting funds.

As of June 30, 2018 and June 30, 2017 the reserve is \$300,000.

**Temporarily restricted**

Temporarily restricted net assets consist of contributions that are restricted by the donor for a specific purpose or pertain to future periods. When a donor time restriction expires or the 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.

**Cash equivalents**

The Organization considers all highly liquid investments with original maturity dates of ninety days or less to be cash equivalents.

**NATIONAL ALLIANCE ON MENTAL ILLNESS OF NEW YORK CITY, INC.****Notes to Financial Statements (continued)  
June 30, 2018****Note 2 – Summary of significant accounting policies (continued)****Investments**

Investments are recorded at fair value.

**Fair value measurements**

The Organization's investments are measured using Level 1 inputs, which are defined as quoted prices in active markets for identical assets that the reporting entity has the ability to access at the measurement date.

**Government grants receivable**

Government grants receivable consist of unreimbursed expenses under grant agreements between the Organization and state and local governments.

**Allowance for doubtful accounts**

The Organization believes its accounts receivable are fully collectible and an allowance for doubtful accounts is not necessary. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and the current economic conditions.

**Property and equipment**

Property and equipment are recorded at cost or at the estimated fair value at the date of gift, if donated. Purchases of equipment in excess of a nominal amount with a useful life of greater than one year are capitalized. Depreciation is being provided on the straight-line method over the estimated useful lives of the assets, which range from 5-7 years for furniture, fixtures and equipment and 3 years for the website. Amortization is being provided on the straight line method over the estimate useful life or the length of the lease, whichever is shorter.

**Contributions**

The Organization reports all contributions as unrestricted support unless they are received with donor stipulations that limit the use of the donated assets.

**Funding**

The Organization derives its revenue primarily from cost reimbursement contracts from New York State and Nassau County, program service fees and contributions from individuals, corporations and foundations.



**NATIONAL ALLIANCE ON MENTAL ILLNESS OF NEW YORK CITY, INC.****Notes to Financial Statements (continued)****June 30, 2018****Note 2 – Summary of significant accounting policies (continued)****Funding (continued)**

Funding contracts are often subject to audit by the applicable granting agencies. The possible disallowances by the granting agencies of any item charged to the program cannot be determined until such time when and if an audit occurs. Therefore, no provision for any potential disallowances that may result from such audits has been made in the accompanying consolidated financial statements. Management is of the opinion that any potential disallowances will not be material to the accompanying consolidated financial statements.

**Functional expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated between the program services and supporting activities benefited.

**Concentrations of credit risk**

The Organization's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents and receivables. The Organization maintains its cash and cash equivalents balances with what it believes to be quality financial institutions. At times during the year, the Organization's cash balances exceeded the FDIC insurance limit. However, the Organization has not experienced any losses in such accounts to date.

The Organization's management monitors the collectability of the receivables on an ongoing basis. The Organization believes no significant concentrations of credit risk exist with respect to its cash, cash equivalents and receivables.

**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. Actual results could differ from those estimates.

**Reclassifications**

Certain items in the 2017 financial statements have been reclassified for comparative purposes only.

**Subsequent events**

Management has evaluated events and transactions for potential recognition or disclosure through November 19, 2018, which is the date the financial statements were available to be issued.

# NATIONAL ALLIANCE ON MENTAL ILLNESS OF NEW YORK CITY, INC.

## Notes to Financial Statements (continued) June 30, 2018

### Note 3 – Investments

The following is a summary of the Organization's investments at June 30, 2018 and June 30, 2017:

	2018		2017	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Exchange traded fund				
Equities	\$ 4,498	\$ 12,007	\$ 4,498	\$ 10,686

### Note 4 – Property and equipment

The summary of property and equipment as of June 30, 2018 and June 30, 2017 is as follows:

	June 30	
	<u>2018</u>	<u>2017</u>
Leasehold improvements	\$ 79,441	\$ 79,441
Furniture, fixtures and equipment	255,421	150,852
Website	45,000	45,000
Total	379,862	275,293
Less accumulated depreciation and amortization	261,442	227,519
Net property and equipment	\$ 118,420	\$ 47,774

### Note 4 – Commitments

During August 2003, the Organization entered into an agreement to lease office space. The lease commenced on August 14, 2003 and expired on August 14, 2013. The lease was extended in September 2013 and expired on October 31, 2018. The Organization is currently in the process of negotiating a new lease. Rent expense for the years ended June 30, 2018 and June 30, 2017 totaled \$93,131 and \$90,850, respectively.

### Note 5 – Pension plan

The Organization maintain a 403(b) plan for eligible employees, as defined by the plan. Eligible employees are able to contribute a portion of their compensation to the plan in accordance with the Internal Revenue Code. The Organization intends to make discretionary contributions to the plan each year. Contributions to the plan totaled \$7,692 and \$4,102 for the 2018 and 2017 fiscal years, respectively.

### Note 6 – Tax status

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"). In addition, the Organization has been determined by the Internal Revenue Service to be a publicly supported organization. Donors are eligible to receive the maximum charitable tax deduction for contributions permitted under the Code.