

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

**Financial Statements  
for the year ended  
June 30, 2019**

**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, 2019 and June 30, 2018 and the related statements of activities, functional expenses and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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, 2019 and June 30, 2018 and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Condon O'Meara McGinty & Donnelly LLP*

October 17, 2019

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

**Statement of Financial Position**

**Assets**

	<b>June 30</b>	
	<b>2019</b>	<b>2018</b>
<b>Current assets</b>		
Cash and cash equivalents	\$ 897,373	\$ 859,775
Investments, at fair value	12,861	12,007
Contributions receivable, current portion	131,465	25,000
Government grants receivable	169,033	116,069
Prepaid expenses and other assets	<u>3,788</u>	<u>5,301</u>
Total current assets	1,214,520	1,018,152
<b>Property and equipment, net</b>	77,297	118,420
<b>Contributions receivable, net of current portion</b>	75,000	-
<b>Security deposit</b>	<u>4,775</u>	<u>4,775</u>
<b>Total assets</b>	<b><u>\$1,371,592</u></b>	<b><u>\$1,141,347</u></b>

**Liabilities and Net Assets**

<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 57,507	\$ 70,697
Unearned revenue	<u>53,000</u>	<u>-</u>
Total current liabilities	<u>110,507</u>	<u>70,697</u>
<b>Net assets</b>		
Without donor restrictions		
Operations	652,210	699,775
Board designated	<u>400,000</u>	<u>300,000</u>
Total without donor restrictions	1,052,210	999,775
With donor restrictions	<u>208,875</u>	<u>70,875</u>
<b>Total net assets</b>	<b><u>1,261,085</u></b>	<b><u>1,070,650</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$1,371,592</u></b>	<b><u>\$1,141,347</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, 2018)**

	<b>Year Ended June 30</b>			
	<b>2019</b>			<b>2018</b>
	<b><u>Without donor Restrictions</u></b>	<b><u>With donor Restrictions</u></b>	<b><u>Total</u></b>	<b><u>Total</u></b>
<b>Revenue and support</b>				
Grants and contributions	\$ 896,269	\$ 280,000	\$ 1,176,269	\$ 788,105
Special events, net of direct expenses of \$162,026 in 2019 and \$130,958 in 2018, respectively	961,760	-	961,760	894,614
Membership dues	3,376	-	3,376	5,744
Interest and dividends	6,048	-	6,048	4,138
Other	67,574	-	67,574	25,482
Net assets released from restrictions	<u>142,000</u>	<u>(142,000)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>2,077,027</u>	<u>138,000</u>	<u>2,215,027</u>	<u>1,718,083</u>
<b>Expenses</b>				
Program services	1,565,960	-	1,565,960	1,409,420
Supporting activities				
Management and general	236,055	-	236,055	264,676
Fundraising	<u>223,431</u>	<u>-</u>	<u>223,431</u>	<u>160,811</u>
Total expenses	<u>2,025,446</u>	<u>-</u>	<u>2,025,446</u>	<u>1,834,907</u>
Increase (decrease) in net assets before net unrealized gain on investments	51,581	138,000	189,581	(116,824)
<b>Unrealized gain on investments</b>	<u>854</u>	<u>-</u>	<u>854</u>	<u>1,321</u>
<b>Increase (decrease) in net assets</b>	<b>52,435</b>	<b>138,000</b>	<b>190,435</b>	<b>(115,503)</b>
<b>Net assets, beginning of year</b>	<u>999,775</u>	<u>70,875</u>	<u>1,070,650</u>	<u>1,186,153</u>
<b>Net assets, end of year</b>	<u>\$ 1,052,210</u>	<u>\$ 208,875</u>	<u>\$ 1,261,085</u>	<u>\$ 1,070,650</u>

See notes to financial statements.

**NATIONAL ALLIANCE ON MENTAL ILLNESS OF NEW YORK CITY, INC.**  
**Statement of Activities**  
**Year Ended June 30, 2018**

	<b>Without Donor <u>Restrictions</u></b>	<b>With Donor <u>Restrictions</u></b>	<b><u>Total</u></b>
<b>Revenue and support</b>			
Grants and contributions	\$ 715,605	\$ 72,500	\$ 788,105
Special events, net of direct expenses of \$130,958	894,614	-	894,614
Membership dues	5,744	-	5,744
Interest and dividends	4,138	-	4,138
Other	25,482	-	25,482
Net assets released from restrictions	<u>191,719</u>	<u>(191,719)</u>	<u>-</u>
Total revenue and support	<u>1,837,302</u>	<u>(119,219)</u>	<u>1,718,083</u>
<b>Expenses</b>			
Program services	1,409,420	-	1,409,420
Supporting activities			
Management and general	264,676	-	264,676
Fundraising	<u>160,811</u>	<u>-</u>	<u>160,811</u>
Total expenses	<u>1,834,907</u>	<u>-</u>	<u>1,834,907</u>
Increase (decrease) in net assets before net unrealized gain on investments	2,395	(119,219)	(116,824)
<b>Unrealized gain on investments</b>	<u>1,321</u>	<u>-</u>	<u>1,321</u>
<b>Increase (decrease) in net assets</b>	<b>3,716</b>	<b>(119,219)</b>	<b>(115,503)</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>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>

See notes to financial statements.

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

**Statement of Functional Expenses  
Year Ended June 30, 2019  
(with Summarized Comparative Information for June 30, 2018)**

	2019				2018 Total
	Supporting Activities			Total	
	Program Services	Management and General	Fundraising		
Expenses					
Payroll and related expenses					
Salaries and wages	\$ 653,265	\$ 66,274	\$ 65,001	\$ 784,540	\$ 738,517
Payroll taxes and employee benefits	151,151	10,043	9,541	170,735	188,369
Total payroll and related expenses	804,416	76,317	74,542	955,275	926,886
Other					
Program events	210,690	-	23,410	234,100	197,302
Consultants	205,462	121,292	102,081	428,835	374,115
Equipment rental and maintenance	25,986	1,727	1,640	29,353	46,553
Program supplies	30,646	2,036	1,934	34,616	27,759
Occupancy	126,429	8,401	7,981	142,811	119,928
Travel	9,554	3,814	959	14,327	13,947
Insurance	17,796	1,555	3,814	23,165	16,918
Communications	23,395	841	1,477	25,713	14,623
Postage	12,652	2,020	799	15,471	10,883
Office supplies	30,399	-	1,919	32,318	19,717
Other	32,130	15,633	576	48,339	32,353
Depreciation and amortization	36,405	2,419	2,299	41,123	33,923
Total other expenses	761,544	159,738	148,889	1,070,171	908,021
Total expenses	\$1,565,960	\$ 236,055	\$ 223,431	\$2,025,446	\$1,834,907

See notes to financial statements.

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

**Statement of Functional Expenses  
Year Ended June 30, 2018**

	<u>Program Services</u>	<u>Supporting Activities</u> <u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<b>Expenses</b>				
Payroll and related expenses	\$ 603,605	\$ 72,718	\$ 62,194	\$ 738,517
Salaries and wages	167,766	10,596	10,007	188,369
Payroll taxes and employee benefits	771,371	83,314	72,201	926,886
Total payroll and related expenses				
<b>Other</b>				
Program events	177,572	-	19,730	197,302
Consultants	194,088	142,148	37,879	374,115
Equipment rental and maintenance	41,461	2,619	2,473	46,553
Program supplies	24,723	1,561	1,475	27,759
Occupancy	106,811	6,746	6,371	119,928
Travel	6,973	3,487	3,487	13,947
Insurance	11,842	2,538	2,538	16,918
Communications	3,656	3,656	7,311	14,623
Postage	9,693	612	578	10,883
Office supplies	17,561	1,109	1,047	19,717
Other	13,456	14,978	3,919	32,353
Depreciation and amortization	30,213	1,908	1,802	33,923
Total other expenses	638,049	181,362	88,610	908,021
<b>Total expenses</b>	<b>\$1,409,420</b>	<b>\$ 264,676</b>	<b>\$ 160,811</b>	<b>\$1,834,907</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>2019</u></b>	<b><u>2018</u></b>
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets	\$ 190,435	\$ (115,503)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Depreciation and amortization	41,123	33,923
Realized and unrealized (gain) on investments	(854)	(1,321)
(Increase) decrease in current assets		
Contributions receivable	(181,465)	(2,500)
Government grants receivable	(52,964)	229,622
Prepaid expenses and other assets	1,513	17,671
Increase (decrease) in current liabilities		
Accounts payable and accrued expenses	(13,190)	(2,095)
Unearned revenue	<u>53,000</u>	<u>(16,500)</u>
Net cash provided by operating activities	37,598	143,297
<b>Cash flows from investing activities</b>		
Additions to property and equipment	<u>-</u>	<u>(104,569)</u>
<b>Net increase in cash and cash equivalents</b>	<b>37,598</b>	<b>38,728</b>
<b>Cash and cash equivalents, beginning of year</b>	<b><u>859,775</u></b>	<b><u>821,047</u></b>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$ 897,373</u></b>	<b><u>\$ 859,775</u></b>

See notes to financial statements.



**NATIONAL ALLIANCE ON MENTAL ILLNESS OF NEW YORK CITY, INC.****Notes to Financial Statements  
June 30, 2019 and June 30, 2018****Note 1 – Nature of organization**

National Alliance on Mental Illness of New York City, Inc. (the "Organization") helps families and individuals affected by mental illness build better lives through education, support, and advocacy. 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:

**Without donor restrictions****Operations**

Net assets without donor restriction 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 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, 2019 and June 30, 2018 the reserve was \$400,000 and \$300,000, respectively.

**With donor restrictions**

Net assets with donor restrictions 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, net assets with donor restrictions are reclassified to net assets without donor restrictions 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, 2019 and 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 support without donor restrictions 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, 2019 and 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 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. Expenses attributable to more than one functional area are allocated based on using a variety of cost allocation techniques primarily consisting of salaries and wages and time and effort.

**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.

**Subsequent events**

Management has evaluated events and transactions for potential recognition or disclosure through October 17, 2019, 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, 2019 and June 30, 2018**

**Note 3 – Liquidity and availability of financial assets**

The following is a summary of the Organization's financial assets as of June 30, 2019, available to pay expenditures within one year of the statement of financial position date:

Cash and cash equivalents	\$ 897,373
Investments, at fair value	12,861
Contributions receivable	206,465
Government grants receivable	<u>169,033</u>
Sub-total	1,285,732
Less: Board designated net assets	(400,000)
Net assets with donor restrictions not expected to be met within one year	<u>(75,000)</u>
Total	<u>\$ 810,732</u>

The Organization strives to maintain a sufficient amount of cash and cash equivalents in the bank to cover three months of operations.

**Note 4 – Investments**

The following is a summary of the Organization's investments at June 30, 2019 and June 30, 2018:

	<u>2019</u>		<u>2018</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Exchange traded fund				
Equities	\$ 4,498	\$ 12,861	\$ 4,498	\$ 12,007

**Note 5 – Property and equipment**

The summary of property and equipment as of June 30, 2019 and June 30, 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Leasehold improvements	\$ 79,441	\$ 79,441
Furniture, fixtures and equipment	255,421	255,421
Website	<u>45,000</u>	<u>45,000</u>
Total	379,862	379,862
Less accumulated depreciation and amortization	<u>302,565</u>	<u>261,442</u>
Net property and equipment	<u>\$ 77,297</u>	<u>\$ 118,420</u>

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

**Notes to Financial Statements (continued)**  
**June 30, 2019 and June 30, 2018**

**Note 6 – Net assets with donor restrictions**

The following is a summary of the net assets with donor restrictions for the years ended June 30, 2019 and June 30, 2018:

	2019			
	Balance at June 30, 2018	Contributions	Net Assets Released from Restrictions	Balance at June 30, 2019
Information technology	\$ 30,875	\$ -	\$ (12,850)	\$ 18,025
Public policy and advocacy	-	225,000	(75,000)	150,000
In Our Own Voice	12,500	20,000	(25,000)	7,500
Family Match	18,333	20,000	(19,983)	18,350
Ending the Silence	9,167	15,000	(9,167)	15,000
Total	<u>\$ 70,875</u>	<u>\$ 280,000</u>	<u>\$ (142,000)</u>	<u>\$ 208,875</u>

	2018			
	Balance at June 30, 2017	Contributions	Net Assets Released from Restrictions	Balance at June 30, 2018
Information technology	\$ 157,350	\$ 22,500	\$ (148,975)	\$ 30,875
Public policy and advocacy	12,100	-	(12,100)	-
In Our Own Voice	20,000	20,000	(27,500)	12,500
Family Match	-	20,000	(1,667)	18,333
Ending the Silence	-	10,000	(833)	9,167
Other	644	-	(644)	-
Total	<u>\$ 190,094</u>	<u>\$ 72,500</u>	<u>\$ (191,719)</u>	<u>\$ 70,875</u>

**Note 7 – Commitments**

During August 2003, the Organization entered into an agreement to lease office space. The lease commenced on August 14, 2003 and in October 2018 was extended through October 2028. The lease calls for monthly payments of \$13,685 in the first year of the lease and increases 2.5% annually thereafter.

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

**Notes to Financial Statements (continued)**  
**June 30, 2019 and June 30, 2018**

**Note 7 – Commitments (continued)**

The following are the minimum annual lease payments required at June 30, 2019:

2020	\$ 166,957
2021	171,131
2022	175,409
2023	179,794
2024	184,289
2025 and thereafter	<u>784,396</u>
Total	<u>\$ 1,661,976</u>

Rent expense for the years ended June 30, 2019 and June 30, 2018 totaled \$120,860 and \$93,131, respectively.

**Note 8 – Retirement plan**

The Organization maintains 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 \$8,721 and \$7,692 for the 2019 and 2018 fiscal years, respectively.

**Note 9 – 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.