

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

**Financial Statements
for the years ended
June 30, 2020
and
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., which comprise the statement of financial position as of June 30, 2020 and June 30, 2019 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, 2020 and June 30, 2019 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

January 26, 2021

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

Statement of Financial Position

Assets

	June 30	
	2020	2019
Current assets		
Cash and cash equivalents	\$1,885,325	\$ 897,373
Investments, at fair value	13,563	12,861
Contributions receivable	181,000	131,465
Government grants receivable	13,308	169,033
Prepaid expenses and other assets	299	3,788
Total current assets	2,093,495	1,214,520
Property and equipment, net	81,330	77,297
Contributions receivable, net of current portion	-	75,000
Security deposit	4,775	4,775
Total assets	\$2,179,600	\$1,371,592

Liabilities and Net Assets

Current liabilities		
Accounts payable and accrued expenses	\$ 83,795	\$ 57,507
Unearned revenue	78,500	53,000
Deferred grant	184,300	-
Total current liabilities	346,595	110,507
Net assets		
Without donor restrictions		
Operations	1,075,880	652,210
Board designated	400,000	400,000
Total without donor restrictions	1,475,880	1,052,210
With donor restrictions	357,125	208,875
Total net assets	1,833,005	1,261,085
Total liabilities and net assets	\$2,179,600	\$1,371,592

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, 2019)

	<u>Year Ended June 30</u>			
	<u>2020</u>	<u>2019</u>	<u>Total</u>	<u>Total</u>
	<u>Without donor Restrictions</u>	<u>With donor Restrictions</u>	<u>Total</u>	<u>Total</u>
Public support and revenue				
Grants and contributions	\$1,049,386	\$ 355,000	\$1,404,386	\$ 1,176,269
Special events, net of direct expenses of \$187,060 in 2020 and \$162,026 in 2019, respectively	1,213,297	-	1,213,297	961,760
Membership dues	6,847	-	6,847	3,376
Interest and dividends	3,592	-	3,592	6,048
Other	48,785	-	48,785	67,574
Net assets released from restrictions	<u>206,750</u>	<u>(206,750)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>2,528,657</u>	<u>148,250</u>	<u>2,676,907</u>	<u>2,215,027</u>
Expenses				
Program services	1,621,664	-	1,621,664	1,565,960
Supporting activities				
Management and general	262,620	-	262,620	236,055
Fundraising	<u>221,405</u>	<u>-</u>	<u>221,405</u>	<u>223,431</u>
Total expenses	<u>2,105,689</u>	<u>-</u>	<u>2,105,689</u>	<u>2,025,446</u>
Increase in net assets before unrealized gain on investments	422,968	148,250	571,218	189,581
Unrealized gain on investments	<u>702</u>	<u>-</u>	<u>702</u>	<u>854</u>
Increase in net assets	<u>423,670</u>	<u>148,250</u>	<u>571,920</u>	<u>190,435</u>
Net assets, beginning of year	<u>1,052,210</u>	<u>208,875</u>	<u>1,261,085</u>	<u>1,070,650</u>
Net assets, end of year	<u>\$1,475,880</u>	<u>\$ 357,125</u>	<u>\$1,833,005</u>	<u>\$ 1,261,085</u>

See notes to financial statements.

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

**Statement of Activities
Year Ended June 30, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenue			
Grants and contributions	\$ 896,269	\$ 280,000	\$ 1,176,269
Special events, net of direct expenses of \$162,026	961,760	-	961,760
Membership dues	3,376	-	3,376
Interest and dividends	6,048	-	6,048
Other	67,574	-	67,574
Net assets released from restrictions	<u>142,000</u>	<u>(142,000)</u>	<u>-</u>
Total public support and revenue	<u>2,077,027</u>	<u>138,000</u>	<u>2,215,027</u>
Expenses			
Program services	1,565,960	-	1,565,960
Supporting activities			
Management and general	236,055	-	236,055
Fundraising	<u>223,431</u>	<u>-</u>	<u>223,431</u>
Total expenses	<u>2,025,446</u>	<u>-</u>	<u>2,025,446</u>
Increase in net assets before unrealized gain on investments	51,581	138,000	189,581
Unrealized gain on investments	<u>854</u>	<u>-</u>	<u>854</u>
Increase in net assets	<u>52,435</u>	<u>138,000</u>	<u>190,435</u>
Net assets, beginning of year	<u>999,775</u>	<u>70,875</u>	<u>1,070,650</u>
Net assets, end of year	<u>\$ 1,052,210</u>	<u>\$ 208,875</u>	<u>\$ 1,261,085</u>

See notes to financial statements.

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

Statement of Functional Expenses
Year Ended June 30, 2020
(with Summarized Comparative Information for June 30, 2019)

Expenses	2020				2019
	Program Services	Supporting Activities			Total
		Management and General	Fundraising	Total	
Payroll and related	\$ 811,307	\$ 76,373	\$ 121,589	\$ 1,009,269	\$ 784,540
Salaries and wages	<u>180,560</u>	<u>11,905</u>	<u>19,180</u>	<u>211,645</u>	<u>170,735</u>
Payroll taxes and employee benefits	<u>991,867</u>	<u>88,278</u>	<u>140,769</u>	<u>1,220,914</u>	<u>955,275</u>
Total payroll and related					
Other	75,498	-	8,389	83,887	234,100
Program events	201,399	139,622	34,956	375,977	428,835
Consultants	40,268	2,655	4,278	47,201	29,353
Equipment rental and maintenance	19,314	1,273	2,052	22,639	34,616
Program supplies	154,673	10,198	16,430	181,301	142,811
Occupancy	10,657	-	923	11,580	14,327
Travel	23,088	1,522	2,453	27,063	23,165
Insurance	28,589	1,885	3,037	33,511	25,713
Communications	5,311	350	564	6,225	15,471
Postage	22,803	1,503	2,422	26,728	32,318
Office supplies	28,876	14,059	3,080	46,015	48,339
Other	<u>19,321</u>	<u>1,275</u>	<u>2,052</u>	<u>22,648</u>	<u>41,123</u>
Depreciation and amortization					
Total other	<u>629,797</u>	<u>174,342</u>	<u>80,636</u>	<u>884,775</u>	<u>1,070,171</u>
Total	<u>\$ 1,621,664</u>	<u>\$ 262,620</u>	<u>\$ 221,405</u>	<u>\$ 2,105,689</u>	<u>\$ 2,025,446</u>

See notes to financial statements.

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

**Statement of Functional Expenses
Year Ended June 30, 2019**

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

See notes to financial statements.

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

Statement of Cash Flows

	Year Ended	
	June 30	
	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Increase in net assets	\$ 571,920	\$ 190,435
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	22,648	41,123
Unrealized (gain) on investments	(702)	(854)
(Increase) decrease in assets		
Contributions receivable	25,465	(181,465)
Government grants receivable	155,725	(52,964)
Prepaid expenses and other assets	3,489	1,513
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	26,288	(13,190)
Unearned revenue	25,500	53,000
Deferred grant	<u>184,300</u>	<u>-</u>
Net cash provided by operating activities	1,014,633	37,598
Cash flows (used in) investing activities		
Additions to property and equipment	<u>(26,681)</u>	<u>-</u>
Net increase in cash and cash equivalents	987,952	37,598
Cash and cash equivalents, beginning of year	<u>897,373</u>	<u>859,775</u>
Cash and cash equivalents, end of year	<u>\$1,885,325</u>	<u>\$ 897,373</u>

See notes to financial statements.

NATIONAL ALLIANCE ON MENTAL ILLNESS OF NEW YORK CITY, INC.**Notes to Financial Statements
June 30, 2020 and June 30, 2019****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 restrictions represents 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, 2020 and June 30, 2019 the reserve was \$400,000.

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 90 days or less to be cash equivalents.

Investments

Investments are recorded at fair value.

NATIONAL ALLIANCE ON MENTAL ILLNESS OF NEW YORK CITY, INC.**Notes to Financial Statements (continued)
June 30, 2020 and June 30, 2019****Note 2 – Summary of significant accounting policies (continued)**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 five to seven years for furniture, fixtures and equipment and three 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, and contributions from individuals, corporations and foundations.

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 financial statements. Management is of the opinion that any potential disallowances will not be material to the accompanying financial statements.

NATIONAL ALLIANCE ON MENTAL ILLNESS OF NEW YORK CITY, INC.**Notes to Financial Statements (continued)
June 30, 2020 and June 30, 2019****Note 2 – Summary of significant accounting policies (continued)**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 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 January 26, 2021, which is the date the financial statements were available to be issued.

On March 13, 2020, President Trump declared a national emergency due to extraordinary circumstances resulting from coronavirus. The coronavirus continues to evolve and the effects on the Corporation's operations are not readily determinable. On March 13, 2020, all staff started working remotely full time in light of public health advisories. The team continues to work remotely and meets as a group by video chat at least three times a week. Although we have largely sustained, and in several cases have increased, our levels of engagement and service, the impact of the pandemic has resulted in NAMI-NYC converting all programming (e.g., classes, support groups, presentations, events) to virtual platforms.

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

**Notes to Financial Statements (continued)
June 30, 2020 and June 30, 2019**

Note 3 – Liquidity and availability of financial assets

The following is a summary of the Organization's financial assets as of June 30, 2020 and June 30, 2019, available for general operations within one year of the statement of financial position date:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$1,885,325	\$ 897,373
Investments, at fair value	13,563	12,861
Contributions receivable	181,000	206,465
Government grants receivable	<u>13,308</u>	<u>169,033</u>
Sub-total	2,093,196	1,285,732
Less: Board designated net assets	(400,000)	(400,000)
Net assets with donor restrictions not expected to be met within one year	<u>-</u>	<u>(75,000)</u>
Total	<u>\$1,693,196</u>	<u>\$ 810,732</u>

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

Note 4 – Investments

The following is a summary of the Organization's investments at June 30, 2020 and June 30, 2019:

	<u>2020</u>		<u>2019</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Exchange traded fund				
Equities	\$ 4,498	\$ 13,563	\$ 4,498	\$ 12,861

Note 5 – Property and equipment

The summary of property and equipment as of June 30, 2020 and June 30, 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Leasehold improvements	\$ 79,441	\$ 79,441
Furniture, fixtures and equipment	282,102	255,421
Website	<u>45,000</u>	<u>45,000</u>
Total	406,543	379,862
Less accumulated depreciation and amortization	<u>325,213</u>	<u>302,565</u>
Net property and equipment	<u>\$ 81,330</u>	<u>\$ 77,297</u>

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

Notes to Financial Statements (continued)
June 30, 2020 and June 30, 2019

Note 6 –Deferred grant

During 2020, the Organization applied for and received \$184,300 under the Paycheck Protection Program (“PPP”) which is a business loan program established under the Coronavirus Aid, Relief, and Economic Security Act. The Organization has elected to record the proceeds as a liability until the loan is, in part or wholly, forgiven and the Organization is legally released. The Organization believes it will spend all of the proceeds in accordance with the terms of PPP loan program and expects to have the loan forgiven in its entirety during the 2021 fiscal year. Any amounts not forgiven are subject to interest at a fixed rate of 1% for a two year-term.

Note 7 – Net assets with donor restrictions

The following is a summary of the net assets with donor restrictions for the years ended June 30, 2020 and June 30, 2019:

	2020			
	Balance at June 30, 2019	Contributions	Net Assets Released from Restrictions	Balance at June 30, 2020
Information technology	\$ 18,025	\$ -	\$ (18,025)	\$ -
Public policy and advocacy	150,000	20,000	(80,000)	90,000
In Our Own Voice	7,500	20,000	(10,000)	17,500
Family Match	18,350	-	(18,350)	-
Ending the Silence	15,000	15,000	(15,000)	15,000
Covid-19	-	300,000	(65,375)	234,625
Total	\$ 208,875	\$ 355,000	\$ (206,750)	\$ 357,125

	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	\$ 70,875	\$ 280,000	\$ (142,000)	\$ 208,875

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

Notes to Financial Statements (continued)
June 30, 2020 and June 30, 2019

Note 8 – 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.

The following are the minimum annual lease payments required at June 30, 2020:

2021	\$ 171,131
2022	175,409
2023	179,794
2024	184,289
2025	188,897
2026 and thereafter	<u>595,500</u>
Total	<u>\$ 1,495,020</u>

Rent expense for the years ended June 30, 2020 and June 30, 2019 totaled \$162,980 and \$120,860, respectively.

Note 9 – 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 may make discretionary contributions to the plan each year. Contributions to the plan totaled \$13,458 and \$8,721 for the 2020 and 2019 fiscal years, respectively.

Note 10 – 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.