

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

**Financial Statements
for the years ended
June 30, 2021
and
June 30, 2020**

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, 2021 and June 30, 2020 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, 2021 and June 30, 2020 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.

Carole O'Meara McGinty & Donnelly LLP

November 29, 2021

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

Statement of Financial Position

Assets

	June 30	
	2021	2020
Current assets		
Cash and cash equivalents	\$2,916,453	\$1,885,325
Investments, at fair value	19,124	13,563
Contributions receivable	123,000	181,000
Government grants receivable	28,963	13,308
Prepaid expenses and other assets	15,213	299
Total current assets	3,102,753	2,093,495
Property and equipment, net	57,349	81,330
Security deposit	4,775	4,775
Total assets	\$3,164,877	\$2,179,600

Liabilities and Net Assets

Current liabilities		
Accounts payable and accrued expenses	\$ 181,247	\$ 83,795
Unearned revenue	-	78,500
Deferred grant	-	184,300
Total current liabilities	181,247	346,595
Net assets		
Without donor restrictions		
Operations	2,376,965	1,075,880
Board designated	400,000	400,000
Total without donor restrictions	2,776,965	1,475,880
With donor restrictions	206,665	357,125
Total net assets	2,983,630	1,833,005
Total liabilities and net assets	\$3,164,877	\$2,179,600

See notes to financial statements.

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

**Statement of Activities
For Year Ended June 30, 2021
(with Summarized Comparative Information for June 30, 2020)**

	<u>Year Ended June 30</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>Without donor Restrictions</u>	<u>With donor Restrictions</u>	<u>Total</u>	<u>Total</u>
Public support and revenue				
Grants and contributions	\$ 1,621,486	\$ 405,000	\$ 2,026,486	\$ 1,404,386
Special events, net of direct expenses of \$41,553 in 2021 and \$187,060 in 2020, respectively	1,303,249	-	1,303,249	1,213,297
Membership dues	3,423	-	3,423	6,847
Other	84,783	-	84,783	48,785
Net assets released from restrictions	<u>555,460</u>	<u>(555,460)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>3,568,401</u>	<u>(150,460)</u>	<u>3,417,941</u>	<u>2,676,907</u>
Expenses				
Program services	1,774,145	-	1,774,145	1,621,664
Supporting activities				
Management and general	298,969	-	298,969	262,620
Fundraising	<u>213,294</u>	<u>-</u>	<u>213,294</u>	<u>221,405</u>
Total expenses	<u>2,286,408</u>	<u>-</u>	<u>2,286,408</u>	<u>2,105,689</u>
Increase (decrease) in net assets before unrealized gain on investments	1,281,993	(150,460)	1,131,533	571,218
Investment return	<u>19,092</u>	<u>-</u>	<u>19,092</u>	<u>702</u>
Increase (decrease) in net assets	1,301,085	(150,460)	1,150,625	571,920
Net assets, beginning of year	<u>1,475,880</u>	<u>357,125</u>	<u>1,833,005</u>	<u>1,261,085</u>
Net assets, end of year	<u>\$ 2,776,965</u>	<u>\$ 206,665</u>	<u>\$ 2,983,630</u>	<u>\$ 1,833,005</u>

See notes to financial statements.

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

**Statement of Activities
Year Ended June 30, 2020**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Public support and revenue			
Grants and contributions	\$ 1,049,386	\$ 355,000	\$ 1,404,386
Special events, net of direct expenses of \$187,060	1,213,297	-	1,213,297
Membership dues	6,847	-	6,847
Interest and dividends	3,592	-	3,592
Other	48,785	-	48,785
Net assets released from restrictions	<u>206,750</u>	<u>(206,750)</u>	<u>-</u>
Total public support and revenue	<u>2,528,657</u>	<u>148,250</u>	<u>2,676,907</u>
Expenses			
Program services	1,621,664	-	1,621,664
Supporting activities			
Management and general	262,620	-	262,620
Fundraising	<u>221,405</u>	<u>-</u>	<u>221,405</u>
Total expenses	<u>2,105,689</u>	<u>-</u>	<u>2,105,689</u>
Increase in net assets before unrealized gain on investments	422,968	148,250	571,218
Unrealized gain on investments	<u>702</u>	<u>-</u>	<u>702</u>
Increase in net assets	423,670	148,250	571,920
Net assets, beginning of year	<u>1,052,210</u>	<u>208,875</u>	<u>1,261,085</u>
Net assets, end of year	<u>\$ 1,475,880</u>	<u>\$ 357,125</u>	<u>\$ 1,833,005</u>

See notes to financial statements.

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

**Statement of Functional Expenses
Year Ended June 30, 2021
(with Summarized Comparative Information for June 30, 2020)**

	2021		2020
	Supporting Activities		
	Program Services	Management and General	Fundraising
Expenses	Total	Total	Total
Payroll and related			
Salaries and wages	\$ 904,579	\$ 85,123	\$ 155,165
Payroll taxes and employee benefits	<u>262,277</u>	<u>14,378</u>	<u>22,286</u>
Total payroll and related	<u>1,169,856</u>	<u>99,501</u>	<u>177,451</u>
Other			
Events	79,209	-	49,921
Consultants	147,192	169,382	-
Equipment rental and maintenance	33,361	1,808	2,803
Program supplies	6,241	338	524
Occupancy	175,251	9,499	14,723
Travel	777	-	89
Insurance	15,931	1,991	1,991
Communications	31,565	1,711	2,652
Postage	8,067	437	678
Office supplies	16,258	881	1,366
Sub-grant	50,000	-	-
Other	19,367	12,280	879
Depreciation and amortization	<u>21,070</u>	<u>1,141</u>	<u>1,770</u>
Total other	<u>604,289</u>	<u>199,468</u>	<u>77,396</u>
Total expenses by function	1,774,145	298,969	254,847
Less: direct expenses of special events net with revenue on the statement of activities	-	-	41,553
Total	<u>\$ 1,774,145</u>	<u>\$ 298,969</u>	<u>\$ 213,294</u>
			<u>\$ 1,446,808</u>
			<u>\$ 1,144,867</u>
			<u>\$ 1,009,269</u>
			<u>211,645</u>
			<u>1,220,914</u>
			<u>22,648</u>
			<u>46,015</u>
			<u>1,071,835</u>
			<u>2,292,749</u>
			<u>187,060</u>
			<u>\$ 2,286,408</u>
			<u>\$ 2,105,689</u>

Less: direct expenses of special events net with revenue on the statement of activities

See notes to financial statements.

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

**Statement of Functional Expenses
Year Ended June 30, 2020**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Expenses				
Payroll and related				
Salaries and wages	\$ 811,307	\$ 76,373	\$ 121,589	\$ 1,009,269
Payroll taxes and employee benefits	<u>180,560</u>	<u>11,905</u>	<u>19,180</u>	<u>211,645</u>
Total payroll and related	<u>991,867</u>	<u>88,278</u>	<u>140,769</u>	<u>1,220,914</u>
Other				
Events	75,498	-	195,449	270,947
Consultants	201,399	139,622	34,956	375,977
Equipment rental and maintenance	40,268	2,655	4,278	47,201
Program supplies	19,314	1,273	2,052	22,639
Occupancy	154,673	10,198	16,430	181,301
Travel	10,657	-	923	11,580
Insurance	23,088	1,522	2,453	27,063
Communications	28,589	1,885	3,037	33,511
Postage	5,311	350	564	6,225
Office supplies	22,803	1,503	2,422	26,728
Other	28,876	14,059	3,080	46,015
Depreciation and amortization	<u>19,321</u>	<u>1,275</u>	<u>2,052</u>	<u>22,648</u>
Total other	<u>629,797</u>	<u>174,342</u>	<u>267,696</u>	<u>1,071,835</u>
Total expenses by function	1,621,664	262,620	408,465	2,292,749
Less: direct expenses of special events net with revenue on the statement of activities	-	-	187,060	187,060
Total	<u>\$ 1,621,664</u>	<u>\$ 262,620</u>	<u>\$ 221,405</u>	<u>\$ 2,105,689</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>2021</u>	<u>2020</u>
Cash flows from operating activities		
Increase in net assets	\$1,150,625	\$ 571,920
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	23,981	22,648
Unrealized (gain) on investments	(5,561)	(702)
(Increase) decrease in assets		
Contributions receivable	58,000	25,465
Government grants receivable	(15,655)	155,725
Prepaid expenses and other assets	(14,914)	3,489
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	97,452	26,288
Unearned revenue	(78,500)	25,500
Deferred grant	<u>(184,300)</u>	<u>184,300</u>
Net cash provided by operating activities	1,031,128	1,014,633
Cash flows (used in) investing activities		
Additions to property and equipment	<u>-</u>	<u>(26,681)</u>
Net increase in cash and cash equivalents	1,031,128	987,952
Cash and cash equivalents, beginning of year	<u>1,885,325</u>	<u>897,373</u>
Cash and cash equivalents, end of year	<u>\$2,916,453</u>	<u>\$1,885,325</u>

See notes to financial statements.

NATIONAL ALLIANCE ON MENTAL ILLNESS OF NEW YORK CITY, INC.**Notes to Financial Statements
June 30, 2021 and June 30, 2020****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, 2021 and June 30, 2020 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, 2021 and June 30, 2020****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, 2021 and June 30, 2020****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.

Risks and uncertainties

As a result of the coronavirus, economic uncertainties exist and the potential impact on the Organization's future financial operations is uncertain at this time.

Subsequent events

Management has evaluated events and transactions for potential recognition or disclosure through November 29, 2021, 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, 2021 and June 30, 2020**

Note 3 – Liquidity and availability of financial assets

The following is a summary of the Organization's financial assets as of June 30, 2021 and June 30, 2020, available for general operations within one year of the statement of financial position date:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$2,916,453	\$1,885,325
Investments, at fair value	19,124	13,563
Contributions receivable	123,000	181,000
Government grants receivable	<u>28,963</u>	<u>13,308</u>
Subtotal	3,087,540	2,093,196
Less: Board designated net assets	<u>(400,000)</u>	<u>(400,000)</u>
Total	<u>\$2,687,540</u>	<u>\$1,693,196</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, 2021 and June 30, 2020:

	<u>2021</u>		<u>2020</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Exchange traded fund				
Equities	\$ <u>4,498</u>	\$ <u>19,124</u>	\$ <u>4,498</u>	\$ <u>13,563</u>

Note 5 – Property and equipment

The summary of property and equipment as of June 30, 2021 and June 30, 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Leasehold improvements	\$ 79,441	\$ 79,441
Furniture, fixtures and equipment	282,102	282,102
Website	<u>45,000</u>	<u>45,000</u>
Total	406,543	406,543
Less accumulated depreciation and amortization	<u>349,194</u>	<u>325,213</u>
Net property and equipment	<u>\$ 57,349</u>	<u>\$ 81,330</u>

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

**Notes to Financial Statements (continued)
June 30, 2021 and June 30, 2020**

Note 6 – Paycheck protection program

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 elected to record the proceeds as a liability until the loan was, in part or wholly, forgiven and was legally released. Therefore, at June 30, 2020 the Organization elected to record the loan as a liability. The Organization had the loan forgiven in its entirety during June 2021 and recorded the revenue as part of grants and contributions in the 2021 statement of activities.

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, 2021 and June 30, 2020:

	2021			
	Balance at June 30, 2020	Contributions	Net Assets Released from Restrictions	Balance at June 30, 2021
Public policy and advocacy	\$ 90,000	\$ 130,000	\$ (155,000)	\$ 65,000
In Our Own Voice	17,500	20,000	(25,835)	11,665
Family Match	-	230,000	(115,000)	115,000
Ending the Silence	15,000	25,000	(25,000)	15,000
Covid19	234,625	-	(234,625)	-
Total	\$ 357,125	\$ 405,000	\$ (555,460)	\$ 206,665
	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
Covid19	-	300,000	(65,375)	234,625
Total	\$ 208,875	\$ 355,000	\$ (206,750)	\$ 357,125

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

**Notes to Financial Statements (continued)
June 30, 2021 and June 30, 2020**

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, 2021:

<u>Fiscal Year</u>	<u>Amount</u>
2022	\$ 175,409
2023	179,794
2024	184,289
2025	188,897
2026	193,619
2027 and thereafter	<u>401,880</u>
Total	<u>\$ 1,323,888</u>

Rent expense for the years ended June 30, 2021 and June 30, 2020 totaled \$186,443 and \$162,980, respectively.

Note 9 – Retirement plan

The Organization maintained a 403(b) plan for eligible employees, as defined by the plan, until the Organization changed to a Professional Employer Organization (“PEO”) in August 2020. Effective August 31, 2020, eligible employees are able to contribute a portion of their compensation in accordance with the Internal Revenue Code to a 401(k) plan maintained by the PEO. The Organization may make discretionary contributions to the plan each year. Contributions to the plan totaled \$8,764 and \$13,458 for the 2021 and 2020 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.