

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

**Financial Statements  
for the years ended  
June 30, 2023  
and  
June 30, 2022**

## **Independent Auditor's Report**

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

### ***Opinion***

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, 2023 and June 30, 2022 and the related statement of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 and June 30, 2022, 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.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Change in Accounting Principle***

As discussed in Note 2 to the financial statements, the Organization has changed its method of accounting for operating leases as of July 1, 2022 due to the adoption of ASU 2016-02, Leases (Topic 842). Our opinion is not modified with respect to that matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Carole Dilemma Sulc City & Donnelly LLP*

January 2, 2024

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

**Statement of Financial Position**

**Assets**

	<b>June 30</b>	
	<b>2023</b>	<b>2022</b>
<b>Current assets</b>		
Cash and cash equivalents	\$ 2,546,385	\$3,438,009
Investments, at fair value	-	16,413
Contributions receivable	377,972	457,000
Government grants receivable	98,753	-
Prepaid expenses and other assets	44,345	-
Total current assets	3,067,455	3,911,422
<b>Leasehold improvements and equipment, net</b>	554,073	228,591
<b>Right-of-use asset - operating leases, net</b>	6,954,339	-
<b>Security deposits</b>	259,348	325,975
<b>Total assets</b>	<b>\$10,835,215</b>	<b>\$4,465,988</b>

**Liabilities and Net Assets**

<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 165,911	\$ 260,286
Deferred rent	-	152,742
Current portion of operating leases payable	356,435	-
Total current liabilities	522,346	413,028
<b>Operating leases payable, net of current portion</b>	6,879,576	-
Total liabilities	7,401,922	413,028
<b>Net assets</b>		
Without donor restrictions		
Operations	2,598,293	2,692,960
Board designated	700,000	700,000
Total without donor restrictions	3,298,293	3,392,960
With donor restrictions	135,000	660,000
Total net assets	3,433,293	4,052,960
<b>Total liabilities and net assets</b>	<b>\$10,835,215</b>	<b>\$4,465,988</b>

See notes to financial statements.

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

**Statement of Activities  
For Year Ended June 30, 2023  
(with Summarized Comparative Information for June 30, 2022)**

	2023		2022	
	Without donor Restrictions	With donor Restrictions	Total	Total
<b>Public support and revenue</b>				
Grants and contributions	\$1,293,226	\$ 520,000	\$1,813,226	\$3,079,455
Special events, net of direct expenses of \$220,446 in 2023 and \$17,005 in 2022	1,771,758	-	1,771,758	1,420,253
Membership dues	4,713	-	4,713	710
Other	282,894	-	282,894	278,616
Net assets released from restrictions	<u>1,045,000</u>	<u>(1,045,000)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>4,397,591</u>	<u>(525,000)</u>	<u>3,872,591</u>	<u>4,779,034</u>
<b>Expenses</b>				
Program services	3,467,558	-	3,467,558	2,877,087
Supporting activities				
Management and general	572,090	-	572,090	504,377
Fundraising	<u>453,110</u>	<u>-</u>	<u>453,110</u>	<u>326,716</u>
Total expenses	<u>4,492,758</u>	<u>-</u>	<u>4,492,758</u>	<u>3,708,180</u>
Increase (decrease) in net assets before investment return	(95,167)	(525,000)	(620,167)	1,070,854
<b>Investment return</b>	<u>500</u>	<u>-</u>	<u>500</u>	<u>(1,524)</u>
<b>Increase (decrease) in net assets</b>	<b>(94,667)</b>	<b>(525,000)</b>	<b>(619,667)</b>	<b>1,069,330</b>
<b>Net assets, beginning of year</b>	<u>3,392,960</u>	<u>660,000</u>	<u>4,052,960</u>	<u>2,983,630</u>
<b>Net assets, end of year</b>	<u>\$3,298,293</u>	<u>\$ 135,000</u>	<u>\$3,433,293</u>	<u>\$4,052,960</u>

See notes to financial statements.

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

**Statement of Activities  
Year Ended June 30, 2022**

	<b>Without Donor <u>Restrictions</u></b>	<b>With Donor <u>Restrictions</u></b>	<b><u>Total</u></b>
<b>Public support and revenue</b>			
Grants and contributions	\$2,259,455	\$820,000	\$3,079,455
Special events, net of direct expenses of \$17,005	1,420,253	-	1,420,253
Membership dues	710	-	710
Other	278,616	-	278,616
Net assets released from restrictions	<u>366,665</u>	<u>(366,665)</u>	<u>-</u>
Total public support and revenue	<u>4,325,699</u>	<u>453,335</u>	<u>4,779,034</u>
<b>Expenses</b>			
Program services	2,877,087	-	2,877,087
Supporting activities			
Management and general	504,377	-	504,377
Fundraising	<u>326,716</u>	<u>-</u>	<u>326,716</u>
Total expenses	<u>3,708,180</u>	<u>-</u>	<u>3,708,180</u>
Increase in net assets before investment return	617,519	453,335	1,070,854
<b>Investment return</b>	<u>(1,524)</u>	<u>-</u>	<u>(1,524)</u>
<b>Increase in net assets</b>	<b>615,995</b>	<b>453,335</b>	<b>1,069,330</b>
<b>Net assets, beginning of year</b>	<b><u>2,776,965</u></b>	<b><u>206,665</u></b>	<b><u>2,983,630</u></b>
<b>Net assets, end of year</b>	<b><u>\$3,392,960</u></b>	<b><u>\$ 660,000</u></b>	<b><u>\$4,052,960</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, 2023**  
**(with Summarized Comparative Information for June 30, 2022)**

	<b>2023</b>			<b>2022</b>
	<b>Supporting Activities</b>			
	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
<b>Expenses</b>				
Payroll and related				
Salaries and wages	\$ 1,717,625	\$ 168,790	\$ 248,667	\$ 2,135,082
Payroll taxes and employee benefits	<u>444,808</u>	<u>28,925</u>	<u>53,351</u>	<u>527,084</u>
Total payroll and related	<u>2,162,433</u>	<u>197,715</u>	<u>302,018</u>	<u>2,662,166</u>
Other				
Events	304,178	-	253,971	558,149
Consultants	229,223	232,838	27,020	489,081
Equipment rental and maintenance	83,221	5,412	9,982	98,615
Program supplies	18,377	1,195	2,204	21,776
Occupancy	457,024	29,720	54,816	541,560
Travel	9,690	-	-	9,690
Insurance	31,955	3,994	3,994	39,943
Communications	80,340	5,224	9,635	95,199
Postage	1,879	122	225	2,226
Office supplies	20,572	1,338	2,468	24,378
Sub-grant	-	-	-	-
Other	30,627	92,060	2,660	125,347
Depreciation and amortization	<u>38,039</u>	<u>2,472</u>	<u>4,563</u>	<u>45,074</u>
Total other	<u>1,305,125</u>	<u>374,375</u>	<u>371,538</u>	<u>2,051,038</u>
Total expenses by function	3,467,558	572,090	673,556	4,713,204
Less: direct expenses of special events net with revenue on the statement of activities	-	-	220,446	220,446
<b>Total</b>	<b><u>\$3,467,558</u></b>	<b><u>\$ 572,090</u></b>	<b><u>\$ 453,110</u></b>	<b><u>\$4,492,758</u></b>
				<u>1,794,128</u>
				3,725,185
				<u>17,005</u>
				<b><u>\$3,708,180</u></b>

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, 2022**

	<u>Program Services</u>	<u>Management and General</u>	<u>Supporting Activities Fundraising</u>	<u>Total</u>
<b>Expenses</b>				
Payroll and related	\$ 1,279,250	\$ 107,835	\$ 206,978	\$ 1,594,063
Salaries and wages	<u>281,727</u>	<u>24,264</u>	<u>31,003</u>	<u>336,994</u>
Payroll taxes and employee benefits	<u>1,560,977</u>	<u>132,099</u>	<u>237,981</u>	<u>1,931,057</u>
Total payroll and related				
Other				
Events	283,923	-	47,825	331,748
Consultants	158,536	307,590	-	466,126
Equipment rental and maintenance	64,969	5,595	7,150	77,714
Program supplies	39,986	3,444	4,400	47,830
Occupancy	292,789	25,216	32,221	350,226
Travel	5,983	-	-	5,983
Insurance	23,209	2,901	2,901	29,011
Communications	45,571	3,925	5,015	54,511
Postage	12,440	1,071	1,369	14,880
Office supplies	17,622	1,518	1,939	21,079
Sub-grant	335,000	-	-	335,000
Other	9,552	18,733	-	28,285
Depreciation and amortization	<u>26,530</u>	<u>2,285</u>	<u>2,920</u>	<u>31,735</u>
Total other	<u>1,316,110</u>	<u>372,278</u>	<u>105,740</u>	<u>1,794,128</u>
Total expenses by function	2,877,087	504,377	343,721	3,725,185
Less: direct expenses of special events net with revenue on the statement of activities	-	-	17,005	17,005
<b>Total</b>	<b><u>\$ 2,877,087</u></b>	<b><u>\$ 504,377</u></b>	<b><u>\$ 326,716</u></b>	<b><u>\$ 3,708,180</u></b>

See notes to financial statements.



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

**Statement of Cash Flows**

	<b>Year Ended</b>	
	<b>June 30</b>	
	<u><b>2023</b></u>	<u><b>2022</b></u>
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets	\$ (619,667)	\$1,069,330
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	45,074	31,735
Unrealized loss on investments	11,915	2,711
Realized (gain) on investments	(12,415)	-
Amortization of right-of-use asset – operating leases, net	302,411	-
(Increase) decrease in assets		
Contributions receivable	79,028	(334,000)
Government grants receivable	(98,753)	28,963
Prepaid expenses and other assets	(44,345)	15,213
Security deposit	66,627	(321,200)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(94,375)	79,039
Deferred rent amortization	-	152,742
Operating leases payable	(173,481)	-
Net cash provided by (used in) operating activities	<u>(537,981)</u>	<u>724,533</u>
<b>Cash flows from investing activities</b>		
Proceeds from sales of investments	16,913	-
Additions to leasehold improvements and equipment	<u>(370,556)</u>	<u>(202,977)</u>
Net cash (used in) investing activities	<u>(353,643)</u>	<u>(202,977)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(891,624)</b>	<b>521,556</b>
<b>Cash and cash equivalents, beginning of year</b>	<b><u>3,438,009</u></b>	<b><u>2,916,453</u></b>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$2,546,385</u></b>	<b><u>\$3,438,009</u></b>

See notes to financial statements.

**NATIONAL ALLIANCE ON MENTAL ILLNESS OF NEW YORK CITY, INC.****Notes to Financial Statements  
June 30, 2023 and June 30, 2022****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 restrictionsOperations

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, 2023 and June 30, 2022 the reserve was \$700,000.

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, 2023 and June 30, 2022****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 federal, state and local governments.

Allowance for doubtful accounts

The Organization believes its receivables 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.

Leasehold improvements and equipment

Leasehold improvements and equipment are recorded at cost or at the estimated fair value at the date of gift, if donated. Purchases of leasehold improvements and 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.

Revenue recognition

Contributions received, including unconditional promises to give, are recorded as support with or without donor restrictions, depending on the existence or absence of donor restriction at the time of receipt or promise.

Donor-restricted contributions that have their restrictions met within the fiscal year they are received are reported as revenue without donor restrictions.

Grant revenue from government agencies (Federal, State, County, and City) and other grantors are recognized when compliance with the various grant requirements is achieved. Usually this occurs at the time the expenditures are made and any grant matching requirements are met. These revenues are restricted by the grantor to specific programs. Grantor funds received before the revenue recognition criteria have been met are reported as unearned revenue.

**NATIONAL ALLIANCE ON MENTAL ILLNESS OF NEW YORK CITY, INC.****Notes to Financial Statements (continued)  
June 30, 2023 and June 30, 2022****Note 2 – Summary of significant accounting policies (continued)**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.

Contributed nonfinancial assets

A number of volunteers, including members of the Board of Directors, have donated significant amounts of their time in the Organization's program services, management and general services and fundraising campaigns. These donated services have not been recorded in the accompanying statement of activities because they do not meet the criteria for recording such services.

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.

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

**Notes to Financial Statements (continued)**  
**June 30, 2023 and June 30, 2022**

**Note 2 – Summary of significant accounting policies (continued)**

New accounting pronouncement

Effective July 1, 2022, the Organization adopted FASB ASC 842, *Leases*. The new standard establishes a right of use (“ROU”) model that requires a lessee to record a ROU asset, which represents the right to use a respective asset for the lease term, and a lease liability on the statement of financial position at the present value of the remaining future payments due under the lease. In connection with the adoption of FASB ASC 842, the Organization has recognized a net ROU asset of \$7,256,750 which is net of the deferred rent of \$152,742 and an operating lease liability of \$7,409,492 as of July 1, 2022. The Organization has elected to use a risk-free rate to discount its office lease to its net present value. The Organization’s reporting for the comparative period presented in the financial statements is in accordance with previous lease accounting standards. The Organization has elected not to record leases with an initial term of 12 months or less on the statement of financial position.

Subsequent events

Management has evaluated events and transactions for potential recognition or disclosure through January 2, 2024, which is the date the financial statements were available to be issued.

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

The following is a summary of the Organization’s financial assets as of June 30, 2023 and June 30, 2022, available for general operations within one year of the statement of financial position date:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$2,546,385	\$3,438,009
Investments, at fair value	-	16,413
Contributions receivable	377,972	457,000
Government grants receivable	98,753	-
Sub-total	<u>3,023,110</u>	<u>3,911,422</u>
Less: Board designated net assets	<u>(700,000)</u>	<u>(700,000)</u>
Total	<u>\$2,323,110</u>	<u>\$3,211,422</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, 2023 and June 30, 2022:

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Exchange traded fund				
Equities	\$ -	\$ -	\$ 4,498	\$ 16,413

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

**Notes to Financial Statements (continued)**  
**June 30, 2023 and June 30, 2022**

**Note 5 – Leasehold improvements and equipment**

The summary of leasehold improvements and equipment as of June 30, 2023 and June 30, 2022 is as follows:

	2023	2022
Leasehold improvements	\$ 392,548	\$ 149,038
Furniture, fixtures and equipment	542,528	415,482
Website	45,000	45,000
Sub-total	980,076	609,520
Less accumulated depreciation and amortization	426,003	380,929
Net leasehold improvements and equipment	\$ 554,073	\$ 228,591

**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, 2023 and June 30, 2022:

	2023			
	Balance at June 30, 2022	Contributions	Net Assets Released from Restrictions	Balance at June 30, 2023
Public Policy and Advocacy	\$ 150,000	\$ -	\$ (150,000)	\$ -
In Our Own Voice	10,000	20,000	(20,000)	10,000
Capital Project	500,000	250,000	(750,000)	-
General Operating Support	-	250,000	(125,000)	125,000
Total	\$ 660,000	\$ 520,000	\$(1,045,000)	\$ 135,000
	2022			
	Balance at June 30, 2021	Contributions	Net Assets Released from Restrictions	Balance at June 30, 2022
Public Policy and Advocacy	\$ 65,000	\$ 300,000	\$ (215,000)	\$ 150,000
In Our Own Voice	11,665	20,000	(21,665)	10,000
Family Match	115,000	-	(115,000)	-
Ending the Silence	15,000	-	(15,000)	-
Capital Project	-	500,000	-	500,000
Total	\$ 206,665	\$ 820,000	\$ (366,665)	\$ 660,000

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

**Notes to Financial Statements (continued)  
June 30, 2023 and June 30, 2022**

**Note 7 – Commitments**

Operating lease liabilities

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.

During March 2022, the Organization entered into a lease agreement for new office space commencing March 15, 2022 and expiring August 31, 2039 at an initial base monthly rent of \$27,352 increasing to \$58,297 during the final year of the lease. The Organization received a six-month rent abatement at the commencement of the lease with payments due to begin in September 2022. The Organization also received an additional rent abatement for eleven various periods throughout the lease.

In addition to the base annual rent, the Organization is required to pay its proportionate share of increases in certain operating costs of the landlord as outlined in the lease. In connection with the lease, the Organization paid a security deposit of \$247,788 to the landlord.

The following are the future minimum annual lease payments required at June 30, 2023:

<u>Fiscal Year</u>	<u>Amount</u>
2024	\$ 356,435
2025	509,972
2026	522,722
2027	535,790
2028	567,540
2029 and thereafter	<u>6,284,786</u>
Total	8,777,245
Less: present value adjustment	<u>1,541,234</u>
Total operating lease liabilities	7,236,011
Less: current portion	<u>356,435</u>
Long-term portion	<u>\$ 6,879,576</u>

The following is a summary of operating lease information for the year ended June 30, 2023:

Rent expense in 2023	\$ 457,868
Remaining lease terms	11.3 years
Discount rate	2.5%

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

**Notes to Financial Statements (continued)  
June 30, 2023 and June 30, 2022**

**Note 7 – Commitments (continued)**

**Sub-lease agreement**

In September 2022, the Organization signed an agreement with a tenant for the sublease of certain agreed upon sections of its office space. The sublease runs through October 2028. The sublease calls for the tenant to provide two months of security.

The following are the future minimum annual sub-lease payments required at June 30, 2023:

<u>Fiscal Year</u>	<u>Amount</u>
2024	\$ 107,256
2025	110,688
2026	113,179
2027	115,725
2028	118,329
2029	<u>40,034</u>
Total	<u>\$ 605,211</u>

**Note 8 – Retirement plan**

The Organization has a 401(k) plan (the “Plan”) maintained by its Professional Employer Organization. Eligible employees are able to contribute a portion of their compensation in accordance with the Internal Revenue Code. The Organization may make discretionary contributions to the Plan each year. Contributions to the Plan totaled \$25,693 and \$23,301 for the 2023 and 2022 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.