

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

**Financial Statements
for the years ended
June 30, 2024
and
June 30, 2023**

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, 2024 and June 30, 2023 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, 2024 and June 30, 2023, 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.

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 O'Leary Sullivan & Donnelly LLP

October 21, 2024

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

Statement of Financial Position

Assets

	June 30	
	2024	2023
Current assets		
Cash and cash equivalents	\$ 1,661,780	\$2,546,385
Contributions receivable	537,130	377,972
Government grants receivable	85,953	98,753
Prepaid expenses and other assets	101,108	44,345
Total current assets	2,385,971	3,067,455
Leasehold improvements and equipment, net	531,809	554,073
Right-of-use asset - operating leases, net	6,417,106	6,954,339
Security deposits	252,563	259,348
Total assets	\$ 9,587,449	\$10,835,215

Liabilities and Net Assets

Current liabilities		
Accounts payable and accrued expenses	\$ 262,824	\$ 165,911
Deferred revenue	10,000	-
Current portion of operating leases payable	509,972	356,435
Total current liabilities	782,796	522,346
Operating leases payable, net of current portion	6,481,226	6,879,576
Total liabilities	7,264,022	7,401,922
Net assets		
Without donor restrictions		
Operations	1,518,635	2,598,293
Board designated	700,000	700,000
Total without donor restrictions	2,218,635	3,298,293
With donor restrictions	104,792	135,000
Total net assets	2,323,427	3,433,293
Total liabilities and net assets	\$ 9,587,449	\$10,835,215

See notes to financial statements.

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

Statement of Activities
For Year Ended June 30, 2024
 (with Summarized Comparative Information for June 30, 2023)

	2024			2023
	Without donor Restrictions	With donor Restrictions	Total	Total
Public support and revenue				
Grants and contributions	\$ 830,910	\$ 245,000	\$1,075,910	\$1,813,226
Special events, net of direct expenses of \$198,869 in 2024 and \$220,446 in 2023	2,106,802	-	2,106,802	1,771,758
Membership dues	12,560	-	12,560	4,713
Rental income	125,508	-	125,508	43,592
Workplace Mental Health	447,100	-	447,100	169,650
Other	104,435	-	104,435	69,652
Net assets released from restrictions	<u>275,208</u>	<u>(275,208)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>3,902,523</u>	<u>(30,208)</u>	<u>3,872,315</u>	<u>3,872,591</u>
Expenses				
Program services	3,884,304	-	3,884,304	3,467,558
Supporting activities				
Management and general	575,782	-	575,782	572,090
Fundraising	<u>522,095</u>	<u>-</u>	<u>522,095</u>	<u>453,110</u>
Total expenses	<u>4,982,181</u>	<u>-</u>	<u>4,982,181</u>	<u>4,492,758</u>
(Decrease) in net assets before investment return	(1,079,658)	(30,208)	(1,109,866)	(620,167)
Investment return	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
(Decrease) in net assets	(1,079,658)	(30,208)	(1,109,866)	(619,667)
Net assets, beginning of year	<u>3,298,293</u>	<u>135,000</u>	<u>3,433,293</u>	<u>4,052,960</u>
Net assets, end of year	<u>\$2,218,635</u>	<u>\$ 104,792</u>	<u>\$2,323,427</u>	<u>\$3,433,293</u>

See notes to financial statements.

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

**Statement of Activities
Year Ended June 30, 2023**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Public support and revenue			
Grants and contributions	\$1,293,226	\$ 520,000	\$1,813,226
Special events, net of direct expenses of \$220,446	1,771,758	-	1,771,758
Membership dues	4,713	-	4,713
Rental income	43,592	-	43,592
Workplace Mental Health	169,650	-	169,650
Other	69,652	-	69,652
Net assets released from restrictions	<u>1,045,000</u>	<u>(1,045,000)</u>	<u>-</u>
Total public support and revenue	<u>4,397,591</u>	<u>(525,000)</u>	<u>3,872,591</u>
Expenses			
Program services	3,467,558	-	3,467,558
Supporting activities			
Management and general	572,090	-	572,090
Fundraising	<u>453,110</u>	<u>-</u>	<u>453,110</u>
Total expenses	<u>4,492,758</u>	<u>-</u>	<u>4,492,758</u>
(Decrease) in net assets before investment return	(95,167)	(525,000)	(620,167)
Investment return	<u>500</u>	<u>-</u>	<u>500</u>
(Decrease) in net assets	(94,667)	(525,000)	(619,667)
Net assets, beginning of year	<u>3,392,960</u>	<u>660,000</u>	<u>4,052,960</u>
Net assets, end of year	<u>\$3,298,293</u>	<u>\$ 135,000</u>	<u>\$3,433,293</u>

See notes to financial statements.

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

Statement of Functional Expenses

Year Ended June 30, 2024

(with Summarized Comparative Information for June 30, 2023)

	<u>2024</u>			<u>2023</u>	
	<u>Program Services</u>	<u>Supporting Activities</u>		<u>Total</u>	<u>Total</u>
		<u>Management and General</u>	<u>Fundraising</u>		
Expenses					
Payroll and related					
Salaries and wages	\$ 2,008,206	\$ 165,507	\$ 338,242	\$ 2,511,955	\$ 2,135,082
Payroll taxes and employee benefits	<u>488,059</u>	<u>31,861</u>	<u>44,896</u>	<u>564,816</u>	<u>527,084</u>
Total payroll and related	<u>2,496,265</u>	<u>197,368</u>	<u>383,138</u>	<u>3,076,771</u>	<u>2,662,166</u>
Other					
Events	273,906	-	229,046	502,952	558,149
Consultants	218,065	238,680	27,964	484,709	489,081
Equipment rental and maintenance	57,612	3,761	5,300	66,673	98,615
Program supplies	23,927	1,562	2,201	27,690	21,776
Occupancy	600,660	39,212	55,254	695,126	541,560
Travel	17,461	-	-	17,461	9,690
Insurance	22,909	2,864	2,864	28,637	39,943
Communications	82,946	5,415	7,630	95,991	95,199
Postage	4,613	301	424	5,338	2,226
Office supplies	9,783	639	900	11,322	24,378
Other	30,618	83,012	2,054	115,684	125,347
Depreciation and amortization	<u>45,539</u>	<u>2,968</u>	<u>4,189</u>	<u>52,696</u>	<u>45,074</u>
Total other	<u>1,388,039</u>	<u>378,414</u>	<u>337,826</u>	<u>2,104,279</u>	<u>2,051,038</u>
Total expenses by function	3,884,304	575,782	720,964	5,181,050	4,713,204
Less: direct expenses of special events net with revenue on the statement of activities	<u>-</u>	<u>-</u>	<u>198,869</u>	<u>198,869</u>	<u>220,446</u>
Total	<u>\$ 3,884,304</u>	<u>\$ 575,782</u>	<u>\$ 522,095</u>	<u>\$ 4,982,181</u>	<u>\$ 4,492,758</u>

See notes to financial statements.

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

**Statement of Functional Expenses
Year Ended June 30, 2023**

	<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	\$ 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	<u>-</u>	<u>-</u>	<u>220,446</u>	<u>220,446</u>
Total	<u>\$ 3,467,558</u>	<u>\$ 572,090</u>	<u>\$ 453,110</u>	<u>\$ 4,492,758</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>2024</u>	<u>2023</u>
Cash flows from operating activities		
(Decrease) in net assets	\$(1,109,866)	\$ (619,667)
Adjustments to reconcile (decrease) in net assets to net cash (used in) operating activities		
Depreciation and amortization	52,696	45,074
Donated stock	(7,693)	-
Proceeds from sale of donated stock	7,693	-
Unrealized loss on investments	-	11,915
Realized (gain) on investments	-	(12,415)
Amortization of right-of-use asset – operating leases, net	537,233	302,411
(Increase) decrease in assets		
Contributions receivable	(159,158)	79,028
Government grants receivable	12,800	(98,753)
Prepaid expenses and other assets	(56,763)	(44,345)
Security deposit	6,785	66,627
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	96,913	(94,375)
Deferred revenue	10,000	-
Operating leases payable	<u>(244,813)</u>	<u>(173,481)</u>
Net cash (used in) operating activities	(854,173)	(537,981)
Cash flows from investing activities		
Proceeds from sales of investments	-	16,913
Additions to leasehold improvements and equipment	<u>(30,432)</u>	<u>(370,556)</u>
Net cash (used in) investing activities	<u>(30,432)</u>	<u>(353,643)</u>
Net (decrease) in cash and cash equivalents	(884,605)	(891,624)
Cash and cash equivalents, beginning of year	<u>2,546,385</u>	<u>3,438,009</u>
Cash and cash equivalents, end of year	<u>\$1,661,780</u>	<u>\$2,546,385</u>

See notes to financial statements.

NATIONAL ALLIANCE ON MENTAL ILLNESS OF NEW YORK CITY, INC.**Notes to Financial Statements
June 30, 2024 and June 30, 2023****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 policiesNet 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, 2024 and June 30, 2023 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.

NATIONAL ALLIANCE ON MENTAL ILLNESS OF NEW YORK CITY, INC.**Notes to Financial Statements (continued)
June 30, 2024 and June 30, 2023****Note 2 – Summary of significant accounting policies (continued)**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.

Operating leases

Right-of-use assets and lease liabilities for operating leases are recognized at the lease commencement date based on the future lease payments over the expected lease term. The Organization has elected to use a risk-free rate to discount its occupancy leases to net present value. The Organization has elected not to record leases with an initial term of 12 months or less on the statement of financial position.

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.

Leases

Effective July 1, 2022, the Organization adopted FASB ASC 842, Leases. The standard established a right of use ("ROU") model that requires a lessee to record an ROU asset, which represents the right to use a respective asset (i.e., office space) for the lease term, and a lease liability on the statement of financial position for unrelated party leases for leases with terms longer than 12 months. The Organization has elected to use a risk-free rate to discount its operating lease liabilities to their net present value.

NATIONAL ALLIANCE ON MENTAL ILLNESS OF NEW YORK CITY, INC.**Notes to Financial Statements (continued)
June 30, 2024 and June 30, 2023****Note 2 – Summary of significant accounting policies (continued)****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.

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.

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

**Notes to Financial Statements (continued)
June 30, 2024 and June 30, 2023**

Note 2 – Summary of significant accounting policies (continued)

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 21, 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, 2024 and June 30, 2023, available for general operations within one year of the statement of financial position date:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$1,661,780	\$2,546,385
Contributions receivable	537,130	377,972
Government grants receivable	<u>85,953</u>	<u>98,753</u>
Sub-total	2,284,863	3,023,110
Less: Board designated net assets	<u>(700,000)</u>	<u>(700,000)</u>
Total	<u>\$1,584,863</u>	<u>\$2,323,110</u>

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

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

**Notes to Financial Statements (continued)
June 30, 2024 and June 30, 2023**

Note 4 – Leasehold improvements and equipment

The summary of leasehold improvements and equipment as of June 30, 2024 and June 30, 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Leasehold improvements	\$ 392,548	\$ 392,548
Furniture, fixtures and equipment	572,960	542,528
Website	<u>45,000</u>	<u>45,000</u>
Sub-total	1,010,508	980,076
Less accumulated depreciation and amortization	<u>478,699</u>	<u>426,003</u>
Net leasehold improvements and equipment	<u>\$ 531,809</u>	<u>\$ 554,073</u>

Note 5 – Net assets with donor restrictions

The following is a summary of the net assets with donor restrictions for the years ended June 30, 2024 and June 30, 2023:

	<u>2024</u>			
	Balance at June 30, <u>2023</u>	<u>Contributions</u>	Net Assets Released from <u>Restrictions</u>	Balance at June 30, <u>2024</u>
In Our Own Voice	\$ 10,000	\$ 20,000	\$ (20,000)	\$ 10,000
Helpline	-	25,000	(5,208)	19,792
General Operating Support	<u>125,000</u>	<u>200,000</u>	<u>(250,000)</u>	<u>75,000</u>
Total	<u>\$ 135,000</u>	<u>\$ 245,000</u>	<u>\$ (275,208)</u>	<u>\$ 104,792</u>
	<u>2023</u>			
	Balance at June 30, <u>2022</u>	<u>Contributions</u>	Net Assets Released from <u>Restrictions</u>	Balance at June 30, <u>2023</u>
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	<u>-</u>	<u>250,000</u>	<u>(125,000)</u>	<u>125,000</u>
Total	<u>\$ 660,000</u>	<u>\$ 520,000</u>	<u>\$(1,045,000)</u>	<u>\$ 135,000</u>

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

**Notes to Financial Statements (continued)
June 30, 2024 and June 30, 2023**

Note 6 – 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, 2024:

<u>Fiscal Year</u>	<u>Amount</u>
2025	\$ 509,972
2026	522,722
2027	535,790
2028	567,540
2029	473,706
2030 and thereafter	<u>5,811,080</u>
Total	8,420,810
Less: present value adjustment	<u>1,429,612</u>
Total operating lease liabilities	6,991,198
Less: current portion	<u>509,972</u>
Long-term portion	<u>\$ 6,481,226</u>

The following is a summary of operating lease information for the year ended June 30, 2024:

Rent expense in 2024	\$ 642,165
Remaining lease terms	13.1 years
Discount rate	2.5%

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

Notes to Financial Statements (continued)
June 30, 2024 and June 30, 2023

Note 6 – 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, 2024:

<u>Fiscal Year</u>	<u>Amount</u>
2025	\$ 110,688
2026	113,179
2027	115,725
2028	118,329
2029	<u>40,034</u>
Total	<u>\$ 497,955</u>

Note 7 – 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 \$45,672 and \$25,693 for the 2024 and 2023 fiscal years, respectively.

Note 8 – 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.