

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

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

Independent Auditor's Report

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

We have audited the accompanying financial statements of National Alliance on Mental Illness of New York City, Inc., (the "Organization") which comprise the statement of financial position as of June 30, 2019 and June 30, 2018 and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

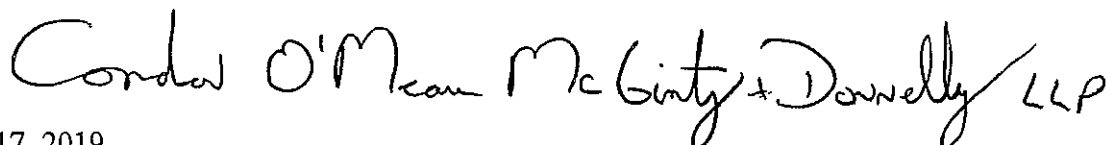
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the National Alliance on Mental Illness of New York City, Inc. as of June 30, 2019 and June 30, 2018 and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



October 17, 2019

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

Statement of Financial Position

Assets

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

Liabilities and Net Assets

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

See notes to financial statements.

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

Statement of Activities
(with Summarized Comparative Information for June 30, 2018)

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

See notes to financial statements.

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

| | Without Donor <u>Restrictions</u> | With Donor <u>Restrictions</u> | <u>Total</u> |
|---|--|---|---------------------|
| Revenue and support | | | |
| Grants and contributions | \$ 715,605 | \$ 72,500 | \$ 788,105 |
| Special events, net of direct expenses of \$130,958 | 894,614 | - | 894,614 |
| Membership dues | 5,744 | - | 5,744 |
| Interest and dividends | 4,138 | - | 4,138 |
| Other | 25,482 | - | 25,482 |
| Net assets released from restrictions | <u>191,719</u> | <u>(191,719)</u> | <u>-</u> |
| Total revenue and support | <u>1,837,302</u> | <u>(119,219)</u> | <u>1,718,083</u> |
| Expenses | | | |
| Program services | 1,409,420 | - | 1,409,420 |
| Supporting activities | | | |
| Management and general | 264,676 | - | 264,676 |
| Fundraising | <u>160,811</u> | <u>-</u> | <u>160,811</u> |
| Total expenses | <u>1,834,907</u> | <u>-</u> | <u>1,834,907</u> |
| Increase (decrease) in net assets before net unrealized gain on investments | 2,395 | (119,219) | (116,824) |
| Unrealized gain on investments | <u>1,321</u> | <u>-</u> | <u>1,321</u> |
| Increase (decrease) in net assets | 3,716 | (119,219) | (115,503) |
| Net assets, beginning of year | <u>996,059</u> | <u>190,094</u> | <u>1,186,153</u> |
| Net assets, end of year | <u>\$ 999,775</u> | <u>\$ 70,875</u> | <u>\$ 1,070,650</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
(with Summarized Comparative Information for June 30, 2018)**

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

See notes to financial statements.

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

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

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

See notes to financial statements.

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

National Alliance on Mental Illness of New York City, Inc. (the "Organization") helps families and individuals affected by mental illness build better lives through education, support, and advocacy. As one of the largest affiliates of the National Alliance on Mental Illness, it works collaboratively with state and national affiliates and other stakeholders in the community to educate the public, advocate for legislation, reduce stigma, and improve the mental health system.

Note 2 – Summary of significant accounting policies**Net assets**

The Organization's net assets consist of the following:

Without donor restrictions**Operations**

Net assets without donor restriction represent those resources that are not subject to donor restrictions and can be spent at the Organization's discretion.

Board designated

The Organization maintains a reserve of net assets that will provide cash flow security in the event of a temporary shortfall; accommodate unusual or unforeseen emergency cash requirements or temporarily seed projects in anticipation of grant or special supporting funds.

As of June 30, 2019 and June 30, 2018 the reserve was \$400,000 and \$300,000, respectively.

With donor restrictions

Net assets with donor restrictions consist of contributions that are restricted by the donor for a specific purpose or pertain to future periods. When a donor time restriction expires or the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash equivalents

The Organization considers all highly liquid investments with original maturity dates of ninety days or less to be cash equivalents.

NATIONAL ALLIANCE ON MENTAL ILLNESS OF NEW YORK CITY, INC.**Notes to Financial Statements (continued)
June 30, 2019 and June 30, 2018****Note 2 – Summary of significant accounting policies (continued)****Investments**

Investments are recorded at fair value.

Fair value measurements

The Organization's investments are measured using Level 1 inputs, which are defined as quoted prices in active markets for identical assets that the reporting entity has the ability to access at the measurement date.

Government grants receivable

Government grants receivable consist of unreimbursed expenses under grant agreements between the Organization and state and local governments.

Allowance for doubtful accounts

The Organization believes its accounts receivable are fully collectible and an allowance for doubtful accounts is not necessary. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and the current economic conditions.

Property and equipment

Property and equipment are recorded at cost or at the estimated fair value at the date of gift, if donated. Purchases of equipment in excess of a nominal amount with a useful life of greater than one year are capitalized. Depreciation is being provided on the straight-line method over the estimated useful lives of the assets, which range from 5-7 years for furniture, fixtures and equipment and 3 years for the website. Amortization is being provided on the straight line method over the estimate useful life or the length of the lease, whichever is shorter.

Contributions

The Organization reports all contributions as support without donor restrictions unless they are received with donor stipulations that limit the use of the donated assets.

Funding

The Organization derives its revenue primarily from cost reimbursement contracts from New York State and Nassau County, program service fees and contributions from individuals, corporations and foundations.

NATIONAL ALLIANCE ON MENTAL ILLNESS OF NEW YORK CITY, INC.**Notes to Financial Statements (continued)
June 30, 2019 and June 30, 2018****Note 2 – Summary of significant accounting policies (continued)****Funding (continued)**

Funding contracts are often subject to audit by the applicable granting agencies. The possible disallowances by the granting agencies of any item charged to the program cannot be determined until such time when and if an audit occurs. Therefore, no provision for any potential disallowances that may result from such audits has been made in the accompanying consolidated financial statements. Management is of the opinion that any potential disallowances will not be material to the accompanying financial statements.

Functional expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated between the program services and supporting activities benefited. Expenses attributable to more than one functional area are allocated based on using a variety of cost allocation techniques primarily consisting of salaries and wages and time and effort.

Concentrations of credit risk

The Organization's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents and receivables. The Organization maintains its cash and cash equivalents balances with what it believes to be quality financial institutions. At times during the year, the Organization's cash balances exceeded the FDIC insurance limit. However, the Organization has not experienced any losses in such accounts to date. The Organization's management monitors the collectability of the receivables on an ongoing basis. The Organization believes no significant concentrations of credit risk exist with respect to its cash, cash equivalents and receivables.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from those estimates.

Subsequent events

Management has evaluated events and transactions for potential recognition or disclosure through October 17, 2019, which is the date the financial statements were available to be issued.

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

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

Note 3 – Liquidity and availability of financial assets

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

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

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

Note 4 – Investments

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

| | 2019 | | 2018 | |
|----------------------|----------|------------|----------|------------|
| | Cost | Fair Value | Cost | Fair Value |
| Exchange traded fund | | | | |
| Equities | \$ 4,498 | \$ 12,861 | \$ 4,498 | \$ 12,007 |

Note 5 – Property and equipment

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

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

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

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

Note 6 – Net assets with donor restrictions

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

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

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

Note 7 – Commitments

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

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

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

Note 7 – Commitments (continued)

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

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

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

Note 8 – Retirement plan

The Organization maintains a 403(b) plan for eligible employees, as defined by the plan. Eligible employees are able to contribute a portion of their compensation to the plan in accordance with the Internal Revenue Code. The Organization intends to make discretionary contributions to the plan each year. Contributions to the plan totaled \$8,721 and \$7,692 for the 2019 and 2018 fiscal years, respectively.

Note 9 – Tax status

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”). In addition, the Organization has been determined by the Internal Revenue Service to be a publicly supported organization. Donors are eligible to receive the maximum charitable tax deduction for contributions permitted under the Code.