

NAMI METRO-SUBURBAN, INC.

**FINANCIAL STATEMENTS
AS OF JUNE 30, 2023 AND 2022**

TOGETHER WITH AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
NAMI Metro-Suburban, Inc.:

Opinion

We have audited the accompanying financial statements of NAMI Metro-Suburban, Inc. (the Organization) (a non-profit organization), which comprise the statement of financial position as of June 30, 2023 and 2022, and the related statements of activities, cash flows and functional expenses 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 2022, and the changes in its net assets 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, which 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 and *Government 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 and *Government 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, which raise substantial doubt about Organization's ability to continue as a going concern for a reasonable period of time.

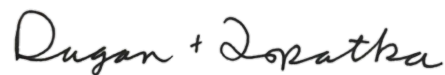
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2023 on our consideration of the NAMI Metro-Suburban, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of revenues and expenses without donor restrictions on Schedule 1, the schedule of revenues and expenses for Proviso Mental Health Commission on Schedule 2 and the schedule of revenues and expenses for Community Mental Health Board of Oak Park on Schedule 3 are presented for purposes of additional analysis and are not required parts of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



DUGAN & LOPATKA

Warrenville, Illinois
October 30, 2023

INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
NAMI Metro-Suburban, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of NAMI Metro-Suburban, Inc. (the Organization) which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements and have issued our report thereon October 30, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

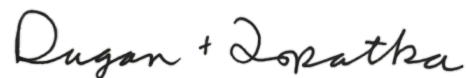
Independent Auditor's Report on
Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an
Audit of Financial Statements
Performed in Accordance with
Government Auditing Standards
To the Board of Directors of
NAMI Metro-Suburban, Inc.
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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



DUGAN & LOPATKA

Warrenville, Illinois
October 30, 2023

NAMI METRO-SUBURBAN, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 560,112	\$ 472,399
Grants receivable	528,901	143,179
Program fees receivable	15,916	17,306
Miscellaneous receivables	4,000	215
Other assets	<u>30,173</u>	<u>45,795</u>
Total current assets	1,139,102	678,894
PROPERTY AND EQUIPMENT, net	285,566	17,506
OTHER ASSETS:		
Right of use asset - operating lease	<u>475,675</u>	<u>-</u>
Total assets	<u>\$ 1,900,343</u>	<u>\$ 696,400</u>

The accompanying notes are an integral part of this statement.

	<u>2023</u>	<u>2022</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Lease liability - operating lease, current	\$ 249,432	\$ -
Accounts payable	6,000	17,566
Accrued expenses	<u>60,777</u>	<u>33,954</u>
Total current liabilities	<u>316,209</u>	<u>51,520</u>
COMMITMENTS		
LONG-TERM LIABILITIES:		
Lease liability - operating lease, net of current maturities	<u>242,336</u>	<u>-</u>
Total liabilities	558,545	51,520
NET ASSETS:		
Without donor restrictions - Undesignated	532,520	302,041
- Board designated	149,657	178,099
With donor restrictions	<u>659,621</u>	<u>164,740</u>
Total net assets	<u>1,341,798</u>	<u>644,880</u>
Total liabilities and net assets	<u>\$ 1,900,343</u>	<u>\$ 696,400</u>

The accompanying notes are an integral part of this statement.

NAMI METRO-SUBURBAN, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE:						
Grants	\$ 1,536,124	\$ 1,520,686	\$ 3,056,810	\$ 1,075,920	\$ 418,850	\$ 1,494,770
Program services fees - client fees	72,556	-	72,556	62,715	-	62,715
Special events	157,443	-	157,443	138,120	-	138,120
Contributions	71,164	-	71,164	64,794	-	64,794
In-kind contributions	54,800	-	54,800	57,645	-	57,645
Other income	14,790	-	14,790	1,283	-	1,283
Net assets released from restrictions	1,025,805	(1,025,805)	-	665,333	(665,333)	-
Total public support and revenue	<u>2,932,682</u>	<u>494,881</u>	<u>3,427,563</u>	<u>2,065,810</u>	<u>(246,483)</u>	<u>1,819,327</u>
EXPENSES:						
Program services	2,247,085	-	2,247,085	1,634,385	-	1,634,385
Management and general	314,805	-	314,805	223,519	-	223,519
Fundraising	168,755	-	168,755	93,340	-	93,340
Total expenses	<u>2,730,645</u>	<u>-</u>	<u>2,730,645</u>	<u>1,951,244</u>	<u>-</u>	<u>1,951,244</u>
Change in net assets	202,037	494,881	696,918	114,566	(246,483)	(131,917)
NET ASSETS, beginning of year	<u>480,140</u>	<u>164,740</u>	<u>644,880</u>	<u>365,574</u>	<u>411,223</u>	<u>776,797</u>
NET ASSETS, end of year	<u>\$ 682,177</u>	<u>\$ 659,621</u>	<u>\$ 1,341,798</u>	<u>\$ 480,140</u>	<u>\$ 164,740</u>	<u>\$ 644,880</u>

The accompanying notes are an integral part of this statement.

NAMI METRO-SUBURBAN, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 696,918	\$ (131,917)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	49,213	1,252
Non-cash portion of lease expense for operating leases	236,671	-
Repayments of operating lease liabilities	(220,578)	-
(Increase) decrease in grants receivable	(385,722)	99,904
Decrease in program fees receivable	1,390	3,785
(Increase) decrease in miscellaneous receivables	(3,785)	21,881
(Increase) decrease in other assets	15,622	(2,832)
(Decrease) in accounts payable	(11,566)	(8,076)
(Decrease) increase in accrued expenses	26,823	(37,985)
(Decrease) in refundable advance	-	(57,848)
Net cash provided by (used in) operating activities	<u>404,986</u>	<u>(111,836)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	<u>(317,273)</u>	<u>(12,500)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	87,713	(124,336)
CASH AND CASH EQUIVALENTS, beginning of year	<u>472,399</u>	<u>596,735</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 560,112</u>	<u>\$ 472,399</u>
NON-CASH TRANSACTIONS:		
Right of use assets acquired through operating lease	<u>\$ 712,345</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

NAMI METRO-SUBURBAN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023				2022			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	\$ 1,272,571	\$ 192,818	\$ 47,353	\$ 1,512,742	\$ 972,835	\$ 130,436	\$ 12,326	\$ 1,115,597
Payroll taxes	137,595	20,594	5,097	163,286	98,492	11,426	1,267	111,185
Benefits	84,364	13,463	2,877	100,704	44,391	5,225	650	50,266
Contractual services	165,167	63,977	5,531	234,675	165,562	58,026	7,068	230,656
Depreciation	47,130	2,083	-	49,213	1,252	-	-	1,252
Equipment	107,277	1,956	4,015	113,248	19,138	1,203	8,054	28,395
Insurance	11,182	1,682	417	13,281	7,058	1,059	75	8,192
Membership dues	-	-	522	522	-	1,070	649	1,719
Occupancy costs	295,168	2,891	2,838	300,897	186,917	1,691	2,666	191,274
Office supplies	24,335	10,606	2,393	37,334	16,332	6,679	654	23,665
Postage	505	234	192	931	427	1,091	4	1,522
Program supplies	24,367	-	-	24,367	41,613	-	-	41,613
Public information	53,141	2,679	1,055	56,875	67,792	4,062	723	72,577
Professional development	4,950	558	1,804	7,312	708	666	-	1,374
Special events	-	-	93,572	93,572	-	-	59,076	59,076
Telecommunications	15,180	1,152	468	16,800	11,056	885	128	12,069
Transportation	4,153	112	621	4,886	812	-	-	812
Total functional expenses	<u>\$ 2,247,085</u>	<u>\$ 314,805</u>	<u>\$ 168,755</u>	<u>\$ 2,730,645</u>	<u>\$ 1,634,385</u>	<u>\$ 223,519</u>	<u>\$ 93,340</u>	<u>\$ 1,951,244</u>

The accompanying notes are an integral part of this statement.

NAMI METRO-SUBURBAN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

NAMI Metro-Suburban, Inc. (the Organization) is a local affiliate of the State of Illinois branch of the National Alliance on Mental Illness. The Organization's mission is to improve the lives of people with mental illness and their families through advocacy, support, and education within the communities of west-suburban Cook County.

The Drop-In Center, a unique program of the Organization, provides a day social service program which serves to promote independent living skills, reduce hospital stays, and increase a participant's opportunities to find a place in the economic and social life of the community. The Education and Family program component serves to promote mental health awareness and skill development for students, school administrators, families, and community members. IPS Career Center is an evidence-based practice developed to help promote the recovery of people who have serious mental illnesses through work. A holistic, person-centered model, NAMI Metro Suburban Living Rooms serve any adult experiencing concerns related to their mental health at no cost to guests. A warm, approachable environment, our Living Rooms are alternatives to the emergency room that often serve as first-time entry points of care for individuals experiencing mental health symptoms. Guests work with our Certified Recovery Support Specialists to gain immediate stabilization and subsequently move beyond one-time drop-in support for crisis care to ongoing peer counseling. Through this approach, peers offer their unique lived experience with mental health conditions to provide support focused on advocacy, education, mentoring, and motivation. The Loft is designed to engage teens in their mental health journey; to encourage teen voices to empower and advocate for their own services and family support. A continuum of individual and group services is offered including screening, mental wellness education and skill building to equip teens and their families with strategies for support and self-management; crisis prevention; intervention and stabilization.

The financial statements were available to be issued on October 30, 2023, with subsequent events being evaluated through this date.

The following summarizes the significant accounting policies and practices reflected in the accompanying financial statements:

Basis of Presentation -

Financial statement presentation follows the recommendations of the Accounting Standards Codification (ASC) for Financial Statements of Not-for-Profit Organizations. Under the ASC, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Without donor restrictions – Net assets that are not subject to donor-imposed stipulations and may be expensed for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of management and the board of directors.

With donor restrictions – Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of the Organization and/or the passage of time.

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

Income Taxes -

The Organization has been determined by the Internal Revenue Service to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and is exempt from federal income taxes, except for taxes on unrelated business income generated from unrelated trade or business activities. The Organization did not have unrelated business income for the years ended June 30, 2023 and 2022. Accordingly, no provision for income tax has been established.

The Organization files income tax returns in the U.S. federal jurisdiction and Illinois. With few exceptions, the Organization is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for fiscal years before 2020. The Organization does not expect a material net change in unrecognized tax benefits in the next twelve months.

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results may vary from those estimates.

Cash and Cash Equivalents -

For purposes of the statement of cash flows, the Organization considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Concentrations of Credit Risk -

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization places its cash and deposits with high quality financial institutions. The Organization has established a sweep account with a banking network to make sure cash is below the FDIC insured limit daily.

Receivables -

Receivables are stated at the amount the Organization expects to collect from the outstanding balances. The Organization provides for uncollectible amounts, should they exist, through a charge to operations and a credit to an allowance for doubtful accounts based on an assessment of the current status of the individual accounts. Balances still outstanding after the Organization has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to accounts receivable.

Based on a review of outstanding receivable, management determined that an allowance for doubtful accounts was not necessary at June 30, 2023 and 2022.

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

Property and Equipment -

Property and equipment are stated at cost. Donated assets are recorded at their fair market value on the date of donation. The Organization capitalizes all expenditures for fixed assets over \$5,000. Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the respective assets. Upon sale or retirement, the cost and related accumulated depreciation and amortization are eliminated from the respective account and the resulting gain or loss is included in the statement of activities. Repairs and maintenance charges are expensed as incurred.

Revenue Recognition for Program Fees -

The Organization receives program fees from clients. The organization bills for its client fees using preapproved rates. These services are considered a single performance obligation which is satisfied at a point in time. The performance obligation is met, and revenue is recognized when the services are provided to the customer.

Revenue Recognition for Contributions and Grants -

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give; that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions upon which they depend have been met.

A portion of the Organization's revenue is derived from cost-reimbursable state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

The Organization reports gifts of cash and other assets as, with donor restriction revenue, if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or 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.

In-Kind Contributions -

The Organization receives contributed nonfinancial assets that include donated services and rental space. Gifts in-kind revenue is recorded at the respective fair values of the goods or services received at the time of the donation.

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

In-Kind Contributions - (Continued)

In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles that prohibits the recording of donated services unless they create or enhance a nonfinancial asset or are specialized skills that would have been purchased if they were not donated.

Allocation of Expenses -

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and related expenses, contractual services, occupancy and other expenses which are allocated on the basis of time and effort.

Leases -

The Organization determines if an arrangement is a lease or contains a lease at inception of the contract. The Organization's operating leases are presented in operating lease right-of-use assets, current portion of operating lease liabilities, and long-term portion of operating lease liabilities in the accompanying statement of financial position as of June 30, 2023.

Operating lease right-of-use assets and lease liabilities are measured based on the present value of future lease payments over the lease term at each lease's commencement date. As most of the Organization's leases do not specify their implicit rate, the Organization has elected a practical expedient to use the nominal yield, at lease inception, applicable to U.S. Treasury instruments with a maturity of similar length of the lease term.

Operating lease right-of-use assets include all fixed contractual lease payments and initial direct costs incurred by the Organization, less any lease incentives the Organization receives from the lessor. The Organization has elected a practical expedient to account for lease and non-lease components together as a single lease component. The terms of the Organization's leases generally contain lease payments and reimbursements to the lessor of the Organization's proportionate share of common area maintenance (CAM), real estate taxes and other pass-through charges. Only the fixed lease components are included in the right-of-use assets and lease liabilities. Additionally, the Organization has elected not to apply these lease accounting policies to leases with a term of one year or less at the commencement date.

Operating lease expense for lease payments is recognized on a straight-line basis over the terms of each lease. Variable lease components include CAM, real estate taxes and other charges and are recorded as lease expense as incurred.

(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

Leases - (Continued)

The Organization's leases can contain options granting the right to renew or extend the term of the lease for specified option periods. The decision as to whether the Organization will exercise the renewal options is generally at the Organization's sole discretion. The Organization includes lease extensions in the lease term when it is reasonably certain that the Company will exercise the extension.

New Accounting Pronouncement -

Effective July 1, 2022, the Organization adopted ASU 2016-02, *Leases* (Topic 842) and subsequent amendments. Under ASU 2016-02, all of the Organization's real estate and equipment leases that have lease terms exceeding twelve months will now be required to be recognized on the statement of financial position as amortizable right-of-use assets accompanied by liabilities for the present value of the lease payments that the Organization is obligated to make in order to obtain control of the leased assets for the duration of each lease term.

Lease expense, under these amendments, will be recognized in different patterns depending on whether the underlying lease is an operating lease or a finance lease. Lease expense for operating leases will be recognized as a single expense using the straight-line method over the term of the lease, which includes options to renew the lease that the Organization is reasonably expected to exercise. Finance lease expense will consist of two components, interest expense on the lease obligation payable and straight-line amortization of the right-of-use asset.

Implementation of these amendments is reflected using the modified retrospective method as of July 1, 2022. Consequently, the 2022 financial statements and disclosures do not reflect the effects of implementing the new lease standard. As a result of implementation, the Organization recorded additional lease assets and lease liabilities of \$712,345 as of July 1, 2022. Upon implementation, the Organization elected an available package of practical expedients permitted under the transition guidance included in ASU 2018-11, *Leases* (Topic 842) – *Targeted Improvements* that permits the Organization to carry forward the historical lease identification, classification and initial direct costs associated with the Organization's pre-existing leases. The implementation of the amendments did not materially impact the Organization's net earnings or cash flows.

(2) PROPERTY AND EQUIPMENT:

Capital assets owned by the Organization at June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Furniture and equipment	48,758	38,758
Leasehold improvements	307,273	-
Accumulated depreciation	<u>(70,465)</u>	<u>(21,252)</u>
	<u>\$ 285,566</u>	<u>\$ 17,506</u>

(3) LEASES:

The Organization leases its facilities under operating leases with non-related parties. The Organization is also responsible for its share of real estate taxes, insurance and maintenance costs for the buildings. The operating leases will expire at various dates through September, 2025.

The components of lease expense for the year ending June 30, 2023 are as follows:

Operating lease cost	\$ 245,530
Variable lease cost	<u>324</u>
Total lease expense	<u>\$ 245,854</u>

Future minimum lease payments under noncancelable leases as of June 30, 2023 are as follows:

2024	\$ 251,600
2025	240,750
2026	<u>17,595</u>
Total future minimum lease payments	509,945
Less imputed interest included	<u>(18,177)</u>
Present value of net minimum lease payments	<u>\$ 491,768</u>

The following provides additional information related to the Company's leases as of and for the year ended June 30, 2023:

Current portion of lease liabilities	\$ 249,432
Long-term portion of lease liabilities	<u>242,336</u>
Total lease liabilities	<u>\$ 491,768</u>
Weighted average lease term	2 years
Weighted average discount rate	2.42%

Cash paid for amounts included in the measurements of the Company's leases for the year ended June 30, 2023 is as follows:

Operating cash from operating leases	\$ 229,760
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(4) NET ASSETS:

Board designated net assets are as follows:

	<u>2023</u>	<u>2022</u>
Capital reserve	\$ 21,558	\$ 50,000
Operating reserve	<u>128,099</u>	<u>128,099</u>
	<u>\$ 149,657</u>	<u>\$ 178,099</u>

Net assets with donor restrictions are available for the following programs:

	<u>2023</u>	<u>2022</u>
Education	\$ 59,299	\$ 15,317
Living Room	256,000	62,318
The Loft	282,779	-
Drop-In Center	22,500	12,500
Time-restricted	<u>39,043</u>	<u>74,605</u>
	<u>\$ 659,621</u>	<u>\$ 164,740</u>

(5) CONCENTRATIONS:

For the year ended June 30, 2023, the Organization received grants from one governmental agency and one foundation that comprised approximately 50% of the total public support and revenue.

For the year ended June 30, 2022, the Organization received grants from one foundation that comprised approximately 39% of the total public support and revenue.

(6) LIQUIDITY AND AVAILABILITY:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year, comprise the following:

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash	\$ 560,112	\$ 472,399
Program fees receivable	15,916	17,306
Grants receivable	528,901	143,179
Miscellaneous receivables	<u>4,000</u>	<u>215</u>
Total financial assets	1,108,929	633,099

(6) LIQUIDITY AND AVAILABILITY: (Continued)

Less: Donor imposed restrictions	<u>659,621</u>	<u>164,470</u>
Net financial assets after donor-imposed restrictions	449,308	468,629
Internal designations - Board designated funds	<u>149,657</u>	<u>178,099</u>
Financial assets available to meet cash needs for general expenditures that are without donor or other restrictions limiting their use within one year	<u>\$ 299,651</u>	<u>\$ 290,530</u>

The Organization receives significant contributions, some of which are restricted by donors to fund specific projects. Such restricted funds are tracked for use for the identified project. Restricted contributions of \$1,520,686 and \$418,850 were received and included in financial assets for the years ended June 30, 2023 and 2022, respectively.

The Organization manages its liquidity and reserves adhering to the following principles:

- operating within a prudent range of financial soundness and stability.
- incurring unbudgeted costs only when such costs are funded.
- maintaining adequate liquid assets to fund near-term operating needs.

(7) RETIREMENT PLAN:

In 2022, the Organization adopted a SIMPLE Retirement Plan for eligible employees. The Organization provided a matching contribution of 3% and 1% for the years ended June 30, 2023 and 2022, respectively. Contributions to the plan were \$16,531 and \$5,914 for the year ended June 30, 2023 and 2022, respectively.

(8) IN KIND CONTRIBUTIONS:

For the years ended June 30, 2023 and 2022, contributed nonfinancial assets recognized within the statement of activities included the following:

	<u>2023</u>	<u>2022</u>
Contractual services	\$ 46,400	\$ 49,245
Occupancy costs	<u>8,400</u>	<u>8,400</u>
Total	<u>\$ 54,800</u>	<u>\$ 57,645</u>

(8) IN KIND CONTRIBUTIONS: (Continued)

Fair value of in-kind contributions is determined as follows:

Contractual services: Contractual services consist of interns working on their degree. The Organization valued the hours worked based on an hourly rate of \$15 an hour.

Occupancy costs: The Drop-In Center program space in Oak Park is used for program services and is offered at a \$700/month discounted cost. The Organization valued the space at fair value based on current market rates for similar space.

NAMI METRO-SUBURBAN, INC.
SCHEDULE OF REVENUES AND EXPENSES WITHOUT DONOR RESTRICTIONS
FOR THE YEAR ENDED JUNE 30, 2023

	Program Services					Supporting Services		Total
	Drop-In Center	IPS Career Center	Living Room	The Loft	Education and Advocacy	Management and General	Fundraising	
REVENUES:								
Grants -								
IDHS	\$ 66,620	\$ -	\$ 541,724	\$ -	\$ 100,380	\$ -	\$ -	\$ 708,724
Oak Park CMHB	71,894	-	-	-	52,549	-	-	124,443
Proviso Township MHB	25,000	-	100,000	50,000	25,000	-	-	200,000
Oak Park CMHB Infrastructure	3,960	-	-	-	-	-	-	3,960
CDBG - Village of Oak Park	11,000	-	-	-	-	-	-	11,000
Lyons Township MHC	-	-	50,000	-	25,000	-	2,500	77,500
Berwyn MHB	11,250	-	10,000	-	8,750	-	-	30,000
River Forest Township MHC	-	-	-	-	20,000	-	-	20,000
Riverside Township MHB	-	-	-	-	10,000	-	-	10,000
R3 Summit	-	249,115	-	-	-	-	-	249,115
SAMHSA MHFA	-	-	-	-	37,155	-	-	37,155
CCDPH	27,152	-	-	-	-	-	-	27,152
Foundation grants	83,492	18,878	368,358	525,280	61,759	-	5,113	1,062,880
Special events	-	-	-	-	-	-	157,443	157,443
Contributions	-	-	-	-	-	-	71,164	71,164
In-kind donations	54,800	-	-	-	-	-	-	54,800
Memberships	-	-	-	-	-	-	676	676
Program fees	-	-	-	-	72,556	-	-	72,556
Interest income	-	-	-	-	-	14,114	-	14,114
Total revenues	355,168	267,993	1,070,082	575,280	413,149	14,114	236,896	2,932,682
EXPENSES:								
Compensation -								
Management wages	22,882	7,566	28,343	-	20,113	192,818	47,353	319,075
Programming wages	112,478	131,139	231,064	81,627	183,589	-	-	739,897
Consumer wages	44,376	-	335,381	26,802	47,211	-	-	453,770
Payroll taxes	19,181	15,174	64,408	11,739	27,093	20,594	5,097	163,286
Benefits	11,958	9,308	38,696	7,913	16,489	13,463	2,877	100,704
Total compensation	\$ 210,875	\$ 163,187	\$ 697,892	\$ 128,081	\$ 294,495	\$ 226,875	\$ 55,327	\$ 1,776,732

NAMI METRO-SUBURBAN, INC.
SCHEDULE OF REVENUES AND EXPENSES WITHOUT DONOR RESTRICTIONS
FOR THE YEAR ENDED JUNE 30, 2023

	Program Services				Supporting Services			Total
	Drop-In Center	IPS Career Center	Living Room	The Loft	Education and Advocacy	Management and General	Fundraising	
EXPENSES: (Continued)								
Other expenses -								
Contractual services	\$ 48,031	\$ 1,759	\$ 43,075	\$ 22,884	\$ 49,418	\$ 63,977	\$ 5,531	\$ 234,675
Depreciation	780	3,597	1,252	41,501	-	2,083	-	49,213
Equipment	19,476	19,898	7,031	55,539	5,333	1,956	4,015	113,248
Insurance	1,506	1,227	5,301	910	2,238	1,682	417	13,281
Membership dues	-	-	-	-	-	-	522	522
Occupancy costs	37,282	41,154	132,762	40,841	43,129	2,891	2,838	300,897
Office supplies	6,528	1,017	9,665	4,609	2,516	10,606	2,393	37,334
Postage	92	21	281	11	100	234	192	931
Program supplies	2,767	6,680	3,794	252	10,874	-	-	24,367
Public information	2,875	1,910	40,345	4,562	3,449	2,679	1,055	56,875
Professional development	254	1,724	1,846	172	954	558	1,804	7,312
Special event expense	-	-	-	-	-	-	93,572	93,572
Telecommunications	1,899	1,423	7,018	1,758	3,082	1,152	468	16,800
Transportation	815	1,670	888	103	677	112	621	4,886
Total other expenses	122,305	82,080	253,258	173,142	121,770	87,930	113,428	953,913
Total expenses	333,180	245,267	951,150	301,223	416,265	314,805	168,755	2,730,645
Change in net assets	\$ 21,988	\$ 22,726	\$ 118,932	\$ 274,057	\$ (3,116)	\$ (300,691)	\$ 68,141	\$ 202,037

* The Organization used \$307,273 of donations for leasehold improvements.

NAMI METRO-SUBURBAN, INC.
SCHEDULE OF REVENUES AND EXPENSES
FOR PROVISO MENTAL HEALTH COMMISSION
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Drop-In Center</u>	<u>Education and Advocacy</u>	<u>Living Room</u>	<u>The Loft</u>	<u>Total</u>
Revenues	\$ 25,000	\$ 25,000	\$ 100,000	\$ 50,000	\$ 200,000
Expenses:					
Salaries and benefits	22,500	22,500	90,844	-	135,844
Program supplies	-	-	672	-	672
Contractual services	-	-	243	2,425	2,668
Public information	-	-	353	-	353
Furniture, equipment, software	-	-	393	47,575	47,968
Insurance	-	-	807	-	807
Occupancy	2,500	2,500	-	-	5,000
Indirect costs	-	-	6,688	-	6,688
Total expenses	<u>25,000</u>	<u>25,000</u>	<u>100,000</u>	<u>50,000</u>	<u>200,000</u>
Change in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NAMI METRO-SUBURBAN, INC.
SCHEDULE OF REVENUES AND EXPENSES
FOR COMMUNITY MENTAL HEALTH BOARD OF OAK PARK
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Drop-In Center</u>	<u>Education and Advocacy</u>	<u>Total</u>
Revenues:			
Community Mental Health Board of Oak Park Township:			
Drop-In Center	\$ 71,894	\$ -	\$ 71,894
Education	-	52,549	52,549
Infrastructure	3,960	-	3,960
Illinois DHS	66,620	100,380	167,000
Proviso Township MHB	25,000	25,000	50,000
Village of Oak Park - CDBG	11,000	-	11,000
Berwyn MHB	11,250	8,750	20,000
Lyons township MHC	-	25,000	25,000
River Forest Township MHC	-	20,000	20,000
Riverside Township MHC	-	10,000	10,000
Foundation grants	79,734	61,759	141,493
In-kind donations	54,800	-	54,800
Program fees	-	72,556	72,556
SAMHSA MHFA	-	37,155	37,155
	<u>324,258</u>	<u>413,149</u>	<u>737,407</u>
Expenses:			
Compensation	197,370	294,496	491,866
Other direct program expenses	<u>103,761</u>	<u>121,769</u>	<u>225,530</u>
Total direct program expenses	301,131	416,265	717,396
Indirect program expenses	<u>37,222</u>	<u>60,573</u>	<u>97,795</u>
Total expenses	<u>338,353</u>	<u>476,838</u>	<u>815,191</u>
Change in net assets	<u>\$ (14,095)</u>	<u>\$ (63,689)</u>	<u>\$ (77,784)</u>