The Mental Health Association of New York City, Inc.

(d/b/a Vibrant Emotional Health)

Financial Statements
Year Ended June 30, 2023

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.

The Mental Health Association of New York City, Inc.

(d/b/a Vibrant Emotional Health)

Financial Statements

Year Ended June 30, 2023

The Mental Health Association of New York City, Inc.
(d/b/a Vibrant Emotional Health)

Contents

Tel: 212-885-8000
Fax: 212-697-1299
www.bdo.com

BDO
200 Park Avenue
New York, NY 10166
USA

Independent Auditor's Report

The Board of Directors
The Mental Health Association of New York City, Inc.
(d/b/a Vibrant Emotional Health)
New York, New York

Opinion

We have audited the financial statements of The Mental Health Association of New York City, Inc. (d/b/a Vibrant Emotional Health) (the Organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter- Adoption of Accounting Standards Update (ASU) 2016-02, Leases (Topic 842)

As discussed in Note 2 and Note 10 to the financial statements, the Organization has elected to change its method of accounting for leases in the year ended June 30, 2023 due to the adoption of ASC Topic 842, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

BDO

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 GAAS 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 GAAS, 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.

Report on Summarized Comparative Information

We have previously audited The Mental Health Association of New York City, Inc. (d/b/a Vibrant Emotional Health) 2022 financial statements, and our report dated November 29, 2022 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

BDO USA, P.C.

November 29, 2023

The Mental Health Association of New York City, Inc.
(d/b/a Vibrant Emotional Health)

Statement of Financial Position
(with comparative totals for 2022)

June 30,	**2023**	2022
Assets		
Current Assets		
Cash and cash equivalents	**$ 32,903,235**	$ 66,808,384
Investments, at fair value	**41,389,542**	-
Contract receivables	**1,294,721**	1,700,266
Grants and contract service receivables, net	**77,645,487**	15,305,741
Other receivables	**4,240,696**	2,940,967
Prepaid expenses	**379,881**	6,310,656
Total Current Assets	**157,853,562**	93,066,014
Security Deposits	**101,624**	101,624
Fixed Assets, Net	**1,001,571**	131,381
Right-of-Use Assets- Operating Leases	**30,358,995**	-
Total Assets	**$ 189,315,752**	$ 93,299,019
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	**$ 11,360,622**	$ 5,711,956
Due to sub-award recipients	**49,724,640**	-
Accrued salaries and related benefits	**6,310,646**	6,935,098
Refundable contract advances	**8,301,873**	6,543,716
Loan payable - Paycheck Protection Program	**-**	1,106,920
Operating lease liabilities, current portion	**753,407**	-
Total Current Liabilities	**76,451,188**	20,297,690
Operating Lease Liabilities, net of current portion	**31,025,638**	-
Total Liabilities	**107,476,826**	20,297,690
Commitments and Contingencies		
Net Assets		
Without donor restrictions	**81,838,926**	73,001,329
Total Net Assets	**81,838,926**	73,001,329
Total Liabilities and Net Assets	**$ 189,315,752**	$ 93,299,019

See accompanying notes to financial statements.

The Mental Health Association of New York City, Inc.
(d/b/a Vibrant Emotional Health)

Statement of Activities
(with comparative totals for 2022)

Year ended June 30,	**2023**	2022
Operating Revenues		
Federal grants	**$ 266,234,571**	$ 67,337,043
New York City grants	**45,702,892**	33,887,679
New York State grants	**1,507,488**	1,454,630
Contract revenue	**4,203,279**	5,938,120
Foundation and corporate contributions	**5,678,932**	1,143,314
Individual contributions and bequests	**7,797,383**	11,310,361
Other program revenue	**305,318**	599,466
Medicaid revenue	**1,232,846**	2,274,234
Funding source adjustment for prior years	**(1,311,733)**	(2,686,040)
Total Operating Revenues	**331,350,976**	121,258,807
Operating Expenses		
Program services:		
H2H Contact Center	**36,855,890**	26,058,922
988 Lifeline and Disaster Services	**254,143,636**	60,776,811
Public education and advocacy	**2,498,015**	2,209,439
Child and family services	**8,938,691**	8,224,124
Adult rehabilitation services	**1,418,158**	2,136,504
Total Program Services	**303,854,390**	99,405,800
Supporting services:		
Management and general – agency administration	**20,035,704**	13,631,644
Fundraising	**711,740**	543,546
Total Operating Expenses	**324,601,834**	113,580,990
Change in Net Assets, before non-operating revenue	**6,749,142**	7,677,817
Non-Operating Revenue		
Forgiveness of debt – Paycheck Protection Program	**-**	3,643,787
Investment income, net	**1,496,588**	-
Interest income	**591,867**	20,559
Total Non-Operating Revenue	**2,088,455**	3,664,346
Change in Net Assets	**8,837,597**	11,342,163
Net Assets Without Donor Restrictions, beginning of year	**73,001,329**	61,659,166
Net Assets Without Donor Restrictions, end of year	**$ 81,838,926**	**$ 73,001,329**

See accompanying notes to financial statements.

The Mental Health Association of New York City, Inc.
(d/b/a Vibrant Emotional Health)

Statement of Functional Expenses
(with comparative totals for 2022)

Year ended June 30,

	Program Services						Supporting Services		Total	
	H2H Contact Center	988 Lifeline and Disaster Services	Public Education and Advocacy	Child and Family Services	Adult Rehabilitation Services	Total Program Services	Management and General - Agency Administration	Fundraising	**2023**	2022
Salaries and Fringe Benefits										
Salaries and wages	$ 23,710,442	$ 12,831,239	$ 1,395,654	$ 5,416,809	$ 683,498	$ 44,037,642	$ 8,207,772	$ -	**$ 52,245,414**	$ 36,666,051
Payroll taxes and employee benefits	6,547,412	3,544,605	383,878	1,485,774	183,753	12,145,422	2,302,548	-	**14,447,970**	9,386,778
Total Salaries and Fringe Benefits	30,257,854	16,375,844	1,779,532	6,902,583	867,251	56,183,064	10,510,320	-	**66,693,384**	46,052,829
Other Expenses										
Contracted and subcontracted services	3,951,035	27,677,778	460,049	120,494	291,123	32,500,479	4,301,917	685,751	**37,488,147**	15,309,136
Professional fees	57	513,142	20,309	-	600	534,108	1,091,002	-	**1,625,110**	565,536
Subcontractor services	-	148,592,618	-	648,623	-	149,241,241	94,043	-	**149,335,284**	40,368,668
Subaward expenses	-	49,695,298	-	-	-	49,695,298	-	-	**49,695,298**	-
Supplies and program activities	25,417	6,689	57,110	260,105	12,110	361,431	36,042	-	**397,473**	272,027
Client stipends and related expenses	98	91,597	15,657	15,256	-	122,608	4,200	-	**126,808**	1,237,370
Occupancy	1,330,567	886,109	21,276	579,130	34,814	2,851,896	237,622	-	**3,089,518**	2,156,007
Equipment rental and minor equipment purchases	2,748	8,659	268	16,328	1,660	29,663	12,534	-	**42,197**	48,204
Information technology	941,707	5,567,716	20,225	72,705	85,951	6,688,304	413,987	358	**7,102,649**	3,057,385
Insurance	-	1,875	-	-	-	1,875	264,180	-	**266,055**	225,006
Repairs and maintenance	15,649	2,618	72	39,195	2,047	59,581	9,560	-	**69,141**	92,053
Dues and subscriptions	5,580	88,926	1,250	-	-	95,756	-	5,000	**100,756**	128,967
Printing and postage	25,530	11,629	6,427	4,677	15	48,278	20,489	330	**69,097**	55,221
Telephone and communications	221,739	2,662,481	11,252	136,690	20,442	3,052,604	99,641	-	**3,152,245**	1,879,647
Travel, conferences, and meetings	19,579	487,524	91,959	55,541	75,105	729,708	140,596	2,229	**872,533**	450,423
Advertising and promotion	-	1,116,302	4,477	20,488	-	1,141,267	2,078,683	11,500	**3,231,450**	761,973
Staff training and recruitment	58,330	293,492	6,282	54,253	27,040	439,397	423,407	254	**863,058**	561,420
Other expenses	-	63,339	1,870	12,623	-	77,832	166,100	6,318	**250,250**	308,245
Total Other Expenses, before depreciation and amortization	6,598,036	237,767,792	718,483	2,036,108	550,907	247,671,326	9,394,003	711,740	**257,777,069**	67,477,288
Depreciation and Amortization	-	-	-	-	-	-	131,381	-	**131,381**	50,873
Total Expenses	$ 36,855,890	$ 254,143,636	$ 2,498,015	$ 8,938,691	$ 1,418,158	$ 303,854,390	$ 20,035,704	$ 711,740	**$ 324,601,834**	$ 113,580,990

See accompanying notes to financial statements.

The Mental Health Association of New York City, Inc.
(d/b/a Vibrant Emotional Health)

Statement of Cash Flows
(with comparative totals for 2022)

Year ended June 30,	2023	2022
Cash Flows from Operating Activities		
Change in net assets	$ 8,837,597	$ 11,342,163
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Forgiveness of debt – Paycheck Protection Program	-	(3,643,787)
Non-cash operating lease right-of-use asset expense	930,520	-
Depreciation and amortization	131,381	50,873
Net realized and unrealized gain on investments	(1,031,358)	-
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Grants, contract services, and other receivables	(61,738,546)	2,971,657
Prepaid expenses	5,930,775	(5,908,878)
Accounts receivable	(1,495,384)	-
Accounts payable and accrued expenses	5,648,666	3,017,779
Due to sub-award recipients	49,724,640	-
Accrued salary and related benefits	(624,452)	1,315,518
Refundable contract advances	1,758,157	(3,188,585)
Principal increase in operating lease liabilities	489,530	-
Net Cash Provided by Operating Activities	8,561,526	5,956,740
Cash Flows from Investing Activities		
Purchase of investments	(40,358,184)	-
Purchase of fixed assets	(1,001,571)	-
Net Cash Used in Investing Activities	(41,359,755)	-
Cash Flows from Financing Activities		
Repayment of Paycheck Protection Program loan	(1,106,920)	-
Net Cash Used in Financing Activities	(1,106,920)	-
Net (Decrease) Increase in Cash and Cash Equivalents	(33,905,149)	5,956,740
Cash and Cash Equivalents, beginning of year	66,808,384	60,851,644
Cash and Cash Equivalents, end of year	$ 32,903,235	$ 66,808,384
Supplemental Disclosures of Cash Flow Information		
Right-of-use assets acquired through operating leases	$ 30,358,995	$ -

See accompanying notes to financial statements.

1. Nature of Organization

On June 13, 2018, The Mental Health Association of New York City, Inc. was rebranded and is now doing business as Vibrant Emotional Health. The legal entity name remains The Mental Health Association of New York City, Inc.

The Mental Health Association of New York City, Inc. (d/b/a Vibrant Emotional Health) (the Organization) is a not-for-profit organization that works with people to help them achieve mental and emotional well-being. The Organization delivers groundbreaking solutions offering high-quality services and support—when, where, and how people need it. Through innovative programs, the Organization provides mental health crisis services and expands access to care. In July 2022, the Organization became the national administrator for the nationwide national suicide hotline program, 988, funded through the Substance Abuse and Mental Health Services Administration (SAMHSA). The Organization provides call center services through its crisis call lines serving all New Yorkers. The Organization's education and advocacy work shifts policy and public opinion so that emotional well-being becomes a social responsibility and is treated with the importance it deserves.

The Organization is exempt from federal income taxes under Section 501(a), as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and has been classified as a public charitable organization under Section 509(a) of the Code. Contributions to the Organization are tax deductible within the limitations prescribed by the Code. The Organization is also exempt from New York state and local taxes under similar statutes.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared under the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (U.S. GAAP), as applicable to not-for-profit organizations.

In the statement of financial position, assets are presented in order of liquidity or conversion to cash and liabilities are presented according to their maturity resulting in the use of cash.

Financial Statement Presentation

The classification of a not-for-profit organization's net assets and its support, revenue, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the two classes of net assets—without donor restrictions and with donor restrictions—be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

The classes of net assets are defined as follows:

Net Assets Without Donor Restrictions – This class consists of net assets from resources that are not subject to donor restrictions and are, therefore, available for operating purposes.

Net Assets with Donor Restrictions – This class consists of net assets that are subject to donor-imposed stipulations that will be met by either the actions of the Organization or the passage of time. When a donor restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restrictions. There were no net assets with donor restrictions at June 30, 2023.

Comparative Financial Information

The financial statements are not comparative but include certain prior-year summarized comparative information. With respect to the statement of activities, the prior-year information is presented in total, not by net asset class. Such information does not include enough detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Grants and Contract Services Receivables, Net

Grants and contract services are recorded at the reimbursable or contracted amount and do not bear interest. Periodically, the receivables are reviewed and evaluated as to their collectability. Receivables are written off if reasonable collection efforts prove unsuccessful. A receivable balance is considered past due once it has not been received by its scheduled due date. If necessary, an allowance for doubtful accounts is recorded based on these evaluations. The Organization provides an allowance for doubtful accounts for accounts receivable, which is the Organization's best estimate of the amount of probable losses in the Organization's existing accounts receivable; this estimate is based on management's assessments of the creditworthiness of its funding sources and the aged basis of its receivables, as well as current economic conditions and historical information. The balance of the allowance for doubtful accounts at June 30, 2023 was $229,572.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Fixed Assets, Net

Fixed assets with a unit cost in excess of $5,000 are recorded at cost and depreciated over the estimated useful lives of the respective assets, ranging from five to 15 years, using the straight-line method.

Leasehold improvements are amortized over the shorter of the lease term or the estimated useful lives of the related assets.

Impairment of Long-Lived Assets

In accordance with U.S. GAAP, the Organization reviews long-lived assets for impairment when circumstances indicate that the carrying amount of an asset may not be recoverable based on the undiscounted cash flows of the asset. If the carrying amount of an asset may not be recoverable, a write-down to fair value is recorded. Fair values are determined based on the undiscounted cash flows, quoted market values, or external appraisals, as applicable. Long-lived assets are reviewed for impairment at the individual asset or the asset group level for which the lowest level of independent cash flows can be identified. There were no impairment losses recognized for the year ended June 30, 2023.

Revenue Recognition

The Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers* (ASC 606), on July 1, 2020. The Organization recognizes revenue when control of the promised services is transferred to outside parties in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those services. ASC 606 also requires new and expanded disclosures regarding revenue recognition to ensure an understanding as to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

As a practical expedient, the Organization utilizes the portfolio approach for analyzing revenue contracts, in accordance with ASC 606. The Organization accounts for the contracts within each portfolio collectively, rather than individually, based on each revenue stream. The Organization considers the similar nature and characteristics of the contract and customers in using the portfolio approach. The Organization believes that the use of the portfolio approach to analyze contracts will not differ materially than if the contracts were analyzed individually.

Revenue with customers is comprised of the following:

June 30, 2023		
Federal grants	$	14,153,951
Contract revenue		4,203,279
Medicaid revenue		1,232,846
Other program revenue		305,318
Total Revenue Subject to ASC 606		19,895,394
Total Revenue Not Subject to ASC 606[1]		313,544,037
Total Revenue and Other Support	$	333,439,431

[1] Other operating revenues not subject to ASC 606 include government contracts and grants (non-reciprocal transactions), contributions and bequests, investment income, and interest income.

Receivables from contracts with customers are as follows:

June 30, 2023		Receivables
Beginning of year	$	1,700,266
End of year		1,294,721

Medicaid Service Revenue

Medicaid service revenues are considered fee-for-service revenues and are generated from services to individuals for health and other services. Fee-for-service revenue is recorded at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services. These amounts are due from third-party payors (including government programs and health insurers), and others, and include an estimate for variable consideration for retroactive revenue adjustments due to rate changes, settlement of audits and disallowances, reviews, and investigations.

Generally, the Organization submits fee-for-service claims to third-party payors electronically through a state-wide system several days after the services are performed.

Laws and regulations governing Medicaid programs are subject to interpretation; as a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Additionally, noncompliance with such laws and regulations could result in fines, penalties, and exclusion from Medicaid programs.

Government and Non-Governmental Grants and Contracts

The Organization's revenues from federal, state, and city grants are recognized as earned—that is, as related costs are incurred under such agreements, as services are rendered, or when applicable performance-based milestones are reached.

Grants and contract revenues are recognized as support without donor restrictions only to the extent of actual expenses incurred in compliance with grantor-imposed restrictions. Grants received in excess of expenses incurred are shown as contract liabilities in the financial statements.

Certain contracts are classified as fee-for-service or performance-based contracts, in which they are reimbursed based on units of service at pre-determined rates. Revenue is recognized under fee-for-service grants when the services are provided.

The Organization previously adopted Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This update also clarified and improved accounting guidance by providing criteria for determining whether the resource provider is receiving commensurate value in return for the resources transferred, which, depending on the outcome, determines whether the Organization follows contribution guidance or exchange transactions guidance in the revenue recognition and other applicable standards.

The Organization classifies grants and contracts where each party receives commensurate value as exchange transactions subject to the requirements of ASC 606. The Organization classifies non-reciprocal transactions or transactions in which benefits are received by the general public as transactions subject to ASU 2018-08.

Contributions

Contributions received, including unconditional promises to give, if any, are reported at their net realizable values. Gifts of cash and other assets are reported as with donor restrictions if they are received with donor stipulations that limit their use or if they are intended to support activities in future periods. Donated services are recorded at their fair market value.

Conditional promises to give, including those received under multi-year grant agreements, are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. A promise is considered conditional only if the donor has stipulated one or more barriers that must be overcome before the Organization is entitled to the assets transferred or promised; there also exists a right of return to the donor any assets transferred or a right of release of the donor's obligation to honor the promise. A transfer of assets from a donor that contains donor conditions is accounted for as a refundable advance until the conditions have been substantially met or explicitly waived by the donor.

Contract Assets

Amounts related to services provided to customers that have not been billed and that do not meet the conditions of an unconditional right to payment at the end of the reporting period are contract assets. Contract asset balances typically consist of services provided to customers who are still receiving services at the end of the year.

Contract Liabilities

Contract liabilities consist of payments made by customers for goods and services not yet performed or delivered and are expected to be performed or delivered within the next fiscal year.

Refundable Contract Advances

Refundable contract advances relate to amounts received from funding sources that are subject to audit and final rate determination and settlement.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis and by natural classification in the accompanying statement of functional expenses. Accordingly, certain costs have been allocated among the respective programs and activities based on the benefits received by the program, using methodologies developed by management.

Expenses that are attributable to one or more programs or supporting functions of the Organization are allocated on a reasonable basis that is consistently applied. These expenses include depreciation and office and occupancy, which are allocated on a square-footage basis, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort.

Operating Leases

Effective July 1, 2022, the Organization adopted FASB ASU 2016-02, *Leases (Topic 842)*. The core principle of ASU 2016-02 is that a lessee should recognize the assets and liabilities that arise from leases, including operating leases. Under the new requirements, a lessee will recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use (ROU) asset representing the right to the underlying asset for the lease term. For leases with a term of 12 months or less, the lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. The Organization's ROU assets are included in operating lease right-of-use assets, net, and lease liabilities are included in operating lease liabilities in the Organization's statement of financial position as of June 30, 2023. The Organization adopted ASU 2016-02 utilizing the modified retrospective approach, which allows for a cumulative effect of transition recognized at the beginning of the period of adoption. Rent expense is being recognized on a straight-line basis over the life of the leases. See Note 10 for further discussion.

Concentration of Credit Risks

Cash is maintained in financial institutions in amounts that, at times, may exceed federally insured limits. Management does not believe that there is a significant risk of loss due to the failure of any such institutions. The credit risk with respect to receivables is limited because the Organization deals with a large number of third-party funding sources, donors, and customers in a wide geographic area. The Organization has not experienced any such losses related to cash maintained at financial institutions.

Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, established a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs, requiring that inputs that are most observable be used when available. Observable inputs are inputs that market participants operating within the same marketplace as the Organization would use in pricing the Organization's asset or liability based on independently derived and observable market data. Unobservable inputs are inputs that cannot be sourced from a broad active market in which assets or liabilities identical or similar to those of the Organization are traded. The Organization estimates the price of any assets for which there are only unobservable inputs by using assumptions that market participants that have investments in the same or similar assets would use, as determined by the money managers for each investment, based on best information available in the circumstances. The input hierarchy is broken down into three levels based on the degree to which the exit price is independently observable or determinable, as follows:

Level 1 – Valuations are based on quoted market prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 – Valuations are based on: (a) quoted prices for similar assets or liabilities in active markets, (b) quoted prices for identical or similar assets or liabilities in inactive markets, (c) inputs other than quoted prices that are observable for the asset or liability, and (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Valuations are based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value.

Investment Income

Income earned from investments, including realized and unrealized gains and losses, is recorded in the net asset class owning the assets. Income earned from investments restricted in perpetuity, including realized and unrealized gains and losses, is recorded as net assets with donor restrictions and then released to net assets without donor restrictions through appropriations made in accordance with the Organization's spending policy.

Income Taxes

The Organization is exempt from income tax under the Code; however, the Organization is subject to tax on income unrelated to its exempt purposes, unless that income is otherwise excluded under the Code. Management believes such amounts to be de minimis and, as such, has made no provision in the financial statements.

Under U.S. GAAP, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination by a taxing authority. The Organization does not believe it has taken any material uncertain tax positions and, accordingly, it has not recorded any liability for unrecognized tax benefits. The Organization has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Organization has filed Internal Revenue Service Form 990 informational returns, as required, and all other applicable returns in jurisdictions where so required. For the year ended June 30, 2023, there was no interest or penalties recorded or included in the statement of activities related to uncertain tax positions. The Organization is subject to routine audits by a taxing authority. As of June 30, 2023, the Organization was not subject to any examination by a taxing authority.

Recently Adopted Accounting Pronouncements

Leases (Topic 842)

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies an ROU model that requires, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The FASB issued ASU 2020-05, which deferred the effective date for the Organization until annual periods beginning after December 15, 2021. The adoption of the ASU had a material impact on the Organization's financial statements. See Note 10 for further discussion.

Accounting Pronouncements Issued to Be Adopted

Financial Instruments - Credit Losses (Topic 326)

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The new credit-loss standard changes impairment model for most financial assets and certain other instruments. For trade and other receivables, contract assets recognized as a result of applying ASC 606, loans, and certain other instruments, entities will be required to use new forward-looking "expected-loss" model that generally will result in earlier recognition of credit losses than under today's incurred-loss model. ASU 2016-13 is effective for annual periods beginning after December 15, 2022. Management is currently evaluating the impact of this ASU on its financial statements.

3. Grants and Contract Service and Other Receivables, Net

At June 30, 2023, contract, grants and contract service, and other receivables, net, consisted of the following:

SAMHSA	$	55,731,809
New York City Department of Health and Mental Hygiene		16,383,342
U.S. Department of Veterans Affairs		1,294,721
Medicaid		617,417
New York City Administration for Children's Services		4,479,288
New York City Department of Youth and Community Development		119,112
New York State Office of Mental Health		376,504
New York State Office of Addiction Services and Supports		167,587
Other receivables		4,240,696
		83,410,476
Less: allowance for doubtful accounts		(229,572)
	$	83,180,904

4. Fixed Assets, Net

At June 30, 2023, fixed assets, net, consisted of the following:

Property and equipment	$	1,001,571
	$	1,001,571

For the year ended June 30, 2023, depreciation and amortization expense totaled $131,381. Fixed assets noted above relate to furniture purchased for a new office space which has not yet been put into service as of June 30, 2023. Thus, there is no accumulated depreciation balance as of year-end.

5. Refundable Contract Advances

The refundable advances in support of the Organization's programs consisted of the following:

June 30, 2023		
New York City Agencies	$	1,196,217
New York State Agencies		4,705,467
Other		2,400,189
	$	8,301,873

6. Commitments and Contingencies

The Organization is involved in certain disputes arising from the normal course of its business. In the opinion of management and on the advice of legal counsel, the expected outcome of such disputes, in the aggregate, will not have a material effect on the Organization's financial position.

The Organization receives a portion of its revenue from contracts and grants that are subject to audit by the granting agencies. Reimbursements are subject to audit and retroactive adjustments by the respective third-party fiscal intermediary. The ultimate determination of amounts received under these contracts and grants is generally based upon allowable costs required to be reported to and audited by the grantor. Until such audits have been completed and final settlement reached, there exists a contingent possibility to refund any amounts received in excess of allowable costs. Management is of the opinion that no significant liability will result from audit adjustments, if any.

7. Employee Retirement Plan

The Organization established a defined contribution pension plan for its employees, effective July 1, 2004. The plan covers substantially all employees of the Organization with certain limitations for age, hours of service, and years of service. The Organization can make discretionary contributions to the plan, which are allocated to active participants on a quarterly basis based on compensation earned. The total contribution expense for 2023 was $2,567,365.

8. Liquidity and Availability of Resources

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

June 30, 2023	
Cash and cash equivalents	$ 32,903,235
Grants, contract services, and other receivables, net	83,180,904
Investments, at fair value	41,389,542
Total Financial Assets Available to Meet Cash Needs for General Expenditures, Within One Year	$ 157,473,681

Liquidity Policy

The Organization's policy is to structure its financial assets to be available for its general expenditures, liabilities, and other obligations as they come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments.

9. Loan Payable - Paycheck Protection Program

In May of 2020, the Organization applied for and received approval for a loan under the Paycheck Protection Program (PPP) administered by the Small Business Administration (SBA) in the amount of $4,750,707. The Organization has reported the PPP loan as a liability on its statement of financial position as of June 30, 2021. The receipt of these funds, and the loan forgiveness of the loan attendant to these funds, is dependent on the Organization having initially qualified for the loan and qualifying for the forgiveness of such loan based on the Organization's future adherence to the forgiveness criteria. The PPP was legislated as part of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) and is a program designed to provide a direct incentive for small businesses to keep their workers on the payroll. The loan was partially forgiven in October 2021 in the amount of $3,643,787 because the Organization kept its employee counts and employee wages stable. The remaining balance of $1,106,920 was repaid in accordance with the terms set by the SBA during fiscal year 2023. As of June 30, 2023, the balance of the PPP loan was $0.

10. Leases

As of June 30, 2023, the Organization lease one office space under a noncancelable operating lease with the initial term ranging from 2023 to 2038. As detailed in Note 2, the Organization adopted the provisions of ASU 2016-02 effective July 1, 2022. Leases are classified as either finance or operating leases based on the underlying terms of the agreement and the criteria included in ASC 842, *Leases*. The Organization's lease was deemed to be an operating lease.

The lease initial term is greater than one year; therefore, the Organization records the related ROU assets and lease liabilities at the present value of the remaining lease payments to be paid over the life of the related lease. Lease payments related to periods subject to renewal options are excluded from the amounts used to determine the present value of the remaining lease payments unless the Organization is reasonably certain to exercise the option to extend the lease. The present value of the lease payments is calculated by utilizing the discount rate stated in the lease, when readily determinable. For leases for which a discount rate is not readily available, the Organization has elected to use the risk-free rate at the date of adoption. The Organization has made an accounting policy election not to separate lease components from non-lease components in contracts when determining its lease payments for all of its asset classes, as permitted by ASC 842. As such, the Organization accounts for the applicable non-lease components together with the related lease components when determining the ROU assets and lease liabilities. The Organization has made an accounting policy election not to record leases with an initial term of less than one year as ROU assets and lease liabilities in the statement of financial position. The Organization has elected the package of practical expedients that includes not reassessing whether any expired or existing contracts contain leases, not reassessing the lease classification for any expired or existing leases, and an entity not reassessing initial direct costs for any leases.

The following tables summarize information related to the lease assets and liabilities as of and for the year ended June 30, 2023:

Year ended June 30, 2023	
Lease costs:	
Operating lease cost	$ 1,595,050

June 30, 2023	
Right-of-use assets and liabilities:	
Operating lease right-of-use assets, net	$ 30,358,995
Operating lease liabilities	31,779,045

Year ended June 30, 2023	
Other information:	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 489,530
Weighted-average remaining lease term – operating leases	14.2 years
Weighted-average discount rate – operating leases	4.02%

For operating leases, ROU assets are recorded in operating lease right-of-use assets and lease liabilities are recorded in operating lease liabilities in the accompanying statement of financial position.

The following table reconciles the undiscounted operating lease payments to the lease liabilities recorded on the accompanying statement of financial position at June 30, 2023:

Year ending June 30,	
2024	$ 874,713
2025	2,992,595
2026	3,000,052
2027	2,999,753
2028	3,124,373
Thereafter	30,130,041
	43,121,527
Less: interest	(11,342,482)
	31,779,045
Less: current portion	(753,407)
Total	$ 31,025,638

11. Fair Value Measurements

The following tables present the financial instruments by caption on the balance sheet, within the ASC 820 valuation hierarchy defined in Note 2 above:

June 30, 2023

	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Equity securities	$ 12,983,216	$ -	$ -	$ 12,983,216
Fixed income - bonds	28,406,326	-	-	28,406,326
Total Investments	$ 41,389,542	$ -	$ -	$ 41,389,542

The Organization's holdings in equity securities, fixed income bonds, and publicly traded mutual funds consist principally of debt and equity securities carried at their aggregate market value, which is determined by quoted market prices. Each of the above investments can be liquidated daily.

The Organization invests in various investment securities that are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying balance sheet.

12. Risk and Uncertainties

Investments Risk

In the normal course of business, the Organization enters into transactions in various financial instruments with off-balance sheet risk. Market risk represents the potential loss that can be caused by a change in the fair value of the financial instrument. Liquidity risk represents the possibility that the Organization may not be able to rapidly adjust the size of its positions in times of high volatility and financial stress at a reasonable price. The Organization is subject to credit risk if the investment managers are unable to repay balances due or deliver securities in their custody. Due to the level of risk associated with certain investments and the level of uncertainty related to the changes in fair value of these investments, it is at least reasonably possible that changes in market conditions in the near term could materially affect the value of investments reported in the financial statements.

The remainder of this page intentionally left blank.

13. Grant Reimbursements Commitments and Future Commitments

The Organization receives its grant support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the funding agreement. Since the financial statements of the Organization are prepared on the accrual basis, all earned portions of the grants not yet received as of June 30, 2023 have been recorded as receivables. Awards with balances as of June 30, 2023 have a budget modification for funds. Following are the grant commitments that extend beyond June 30, 2023:

Grant	Term	Grant Amount	Earned Through 2023	Funding Available
Another Way & Consumer Office	7.1.22-6.30.31	$ 20,732,333	$ 1,082,481	$ 19,649,852
Coordinated Children Services	7.1.20-6.30.29	2,596,735	651,049	1,945,686
Bronx Family & Youth Peer Services	7.1.21-6.30.30	12,613,964	2,341,235	10,272,729
Queens Family & Youth Peer	7.1.21-6.30.30	11,713,399	2,144,746	9,568,653
Staten Island Family & Youth Services	7.1.22-6.30.31	4,500,000	226,332	4,273,668
Adolescent Skills Center – Bronx & Queens Adolescent Center	7.1.22-6.30.31	13,816,204	1,358,162	12,458,042
Youth Employment Services	7.1.22-6.30.31	4,500,000	443,994	4,056,006
Family Treatment Rehabilitation	7.1.20-6.30.23	10,901,396	8,131,496	2,769,900
Family Support	7.1.20-6.30.23	5,714,740	4,662,066	1,052,674
NYC Well	7.1.21-6.30.24	105,550,382	56,927,542	48,622,840
OMH NYC Well - 988	7.1.23-12.31.23	1,500,000	324,415	1,175,585
OMH NYC Well - 988	7.1.23-12.31.23	3,200,000	1,936,366	1,263,634
OMH Specialized - 988	7.1.23-6.30.24	4,025,340	318,942	3,706,398
OMH 988 Supplemental	4.30.22-4.29.24	1,803,914	-	1,803,914
OMH 988 Supplemental	4.30.22-4.29.24	34,691	-	34,691
OMH 988 Peer Support	7.21.22-12.31.23	4,000	-	4,000
Adolescent Career Development	7.1.22-6.30.23	142,098	141,502	596
Residential Treatment Facility	7.1.22-6.30.23	427,188	252,156	175,032
Office of Addition Services and Supports	11.1.22-10.31.23	998,536	665,691	332,845
Case Management Services	7.1.22-6.30.23	200,499	186,869	13,630
Center for Disaster Philanthropy	7.1.22-8.15.23	500,000	465,448	34,552
Center for Disaster Philanthropy	9.1.23-6.30.24	300,000	25,860	274,140
New York Community Trust	1.1.23-12.31.24	225,000	45,706	179,294
Veterans Crisis Center	5.1.23-4.30.24	6,382,718	2,266,355	4,116,363
JP Morgan Chase	1.1.23-12.31.23	1,222,127	705,164	516,963
National Suicide Prevention Hotline (NSPH)	9.30.21-9.29.23	38,635,426	27,581,590	11,053,836
NSPH- Base Supplement	9.30.22-9.29.23	157,674,392	55,094,897	102,579,495
NSPH- Covid Supplement	9.30.21-9.29.24	32,000,000	14,371,142	17,628,858
Safer Community	12.31.22-12.30.23	47,000,000	27,660,630	19,339,370
Presidents Award	12.16.22-12.15.23	79,874,598	39,599,811	40,274,787
		$ 568,789,680	$ 249,611,647	$ 319,178,033

14. Subsequent Events

The Organization evaluated its financial statements for subsequent events through November 29, 2023, the date the financial statements were available to be issued, and there were no subsequent events requiring adjustment to the financial statements or disclosures as stated herein.