

**NATIONAL ALLIANCE ON  
MENTAL ILLNESS – COASTAL VIRGINIA**

**FINANCIAL STATEMENTS**

**JUNE 30, 2022**

# **FGH**

*finn gartman hart, certified public accountants, plc*

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors  
National Alliance on Mental Illness – Coastal Virginia  
Virginia Beach, Virginia

### ***Report on the Audit of the Financial Statements***

#### ***Opinion***

We have audited the financial statements of National Alliance on Mental Illness – Coastal Virginia, which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, and cash flows for the years 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 National Alliance on Mental Illness – Coastal Virginia as of June 30, 2022 and 2021, 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 National Association of Mental Illness – Virginia Beach and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

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

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## *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 not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with Generally Accepted Auditing Standards (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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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 National Alliance on Mental Illness – Coastal Virginia'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 National Alliance on Mental Illness – Coastal Virginia'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.

*Fin Gartman Hart, PLC*

Virginia Beach, Virginia  
September 27, 2022

**NATIONAL ALLIANCE ON MENTAL ILLNESS -  
COASTAL VIRGINIA**

**Table of Contents**

	<b><u>Page Number</u></b>
INDEPENDENT AUDITORS' REPORT	1
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6

**NATIONAL ALLIANCE ON MENTAL ILLNESS - VIRGINIA BEACH**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>ASSETS</b>		
Cash in bank	\$ 175,089	\$ 148,701
Prepaid expenses	567	550
Property and equipment, net of accumulated depreciation	<u>389</u>	<u>600</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 176,045</u></b>	<b><u>\$ 149,851</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>	\$ -	\$ -
<b>NET ASSETS - WITHOUT DONOR RESTRICTIONS</b>	<u>176,045</u>	<u>149,851</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 176,045</u></b>	<b><u>\$ 149,851</u></b>

**NATIONAL ALLIANCE ON MENTAL ILLNESS - VIRGINIA BEACH**  
**STATEMENTS OF ACTIVITIES**  
**For the Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>SUPPORT AND REVENUE</b>		
Contributions	\$ 120,597	\$ 103,532
Membership fees	<u>3,268</u>	<u>3,502</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>123,865</u>	<u>107,034</u>
<b>EXPENSES</b>		
Program services		
Apparel	475	760
Contract labor	45,385	37,800
Depreciation	211	211
Meetings	30,975	10,111
Newsletter	-	355
Office expenses	1,124	1,392
Other program services	630	1,122
Postage	604	834
Rent	5,309	5,205
Scholarships	2,000	-
Telephone and internet	1,417	1,347
Website	<u>157</u>	<u>382</u>
Total program service expenses	<u>88,287</u>	<u>59,519</u>
Support services		
Audit fees	1,900	1,900
Contract labor	5,040	1,990
Insurance	1,088	1,094
Office expenses	125	154
Permits and fees	417	453
Postage	67	93
Rent	590	578
Telephone and internet	<u>157</u>	<u>150</u>
Total support services	<u>9,384</u>	<u>6,412</u>
<b>TOTAL EXPENSES</b>	<u>97,671</u>	<u>65,931</u>
<b>NET INCREASE IN NET ASSETS</b>	26,194	41,103
<b>NET ASSETS, BEGINNING OF PERIOD</b>	<u>149,851</u>	<u>108,748</u>
<b>NET ASSETS, END OF PERIOD</b>	<u>\$ 176,045</u>	<u>\$ 149,851</u>

**NATIONAL ALLIANCE ON MENTAL ILLNESS - VIRGINIA BEACH**  
**STATEMENTS OF CASH FLOWS**  
For the Years Ended June 30, 2022 and 2021

	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net increase in net assets during period	\$ 26,194	\$ 41,103
Adjustments to reconcile net increase in net assets to net cash provided by operating activities:		
Depreciation	211	211
(Increase) decrease in prepaid expenses	(17)	481
Decrease in accounts payable	-	-
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>26,388</b>	<b>41,795</b>
<b>NET INCREASE IN CASH FOR YEAR</b>	<b>26,388</b>	<b>41,795</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>148,701</b>	<b>106,906</b>
<b>CASH, END OF YEAR</b>	<b>\$ 175,089</b>	<b>\$ 148,701</b>

**NATIONAL ALLIANCE ON MENTAL ILLNESS – COASTAL VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note A – Nature of Organization and Summary of Significant Accounting Policies**

Nature of Organization—National Alliance on Mental Illness – Coastal Virginia (the “Organization”) is a non-profit grass roots organization and the voice for those affected by serious mental illness. Through ongoing education and training programs, support groups, and a helpline, the Organization connects to people with the goal of improving the quality of life for recovering individuals and their families. The Organization advocates at the local, state, and national levels to eradicate the stigma associated with mental illness and is committed to improving the lives of the community at large through free educational programs and community-wide inclusion.

The Organization is a Virginia not-for-profit corporation with federal tax-exempt status as a 501(c)(3) charitable organization granted in December 2001. The Organization is governed by a board of directors elected by the membership. Board members serve without compensation and are from various professional and business backgrounds

Basis of Presentation—The financial statements have been prepared on the accrual basis of accounting using accounting principles generally accepted in the United States of America. Revenues and expenses are recognized and recorded when earned or incurred.

Net Assets—Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

In addition, under accounting principles generally accepted in the United States of America, contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. As of June 30, 2022, and 2021, there were no net assets with restrictions.

Use of Estimates—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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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**NATIONAL ALLIANCE ON MENTAL ILLNESS – COASTAL VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note A – Nature of Organization and Summary of Significant Accounting Policies-concluded**

Property and Equipment—Property and equipment is recorded at cost. Depreciation is provided over estimated useful lives of 5 years using the straight-line method

Income Taxes—The Organization is generally exempt from federal income tax under section 501(c) (3) of the Internal Revenue Code. The organization did not have any unrelated business income that would be subject to income tax.

Donated Services—The Organization receives a significant number of donated services from unpaid volunteers who assist in support and program activities. No amounts have been recognized for these services in the Statement of Activities because the criteria for recognition under accounting principles generally accepted in the United States of America have not been satisfied.

Expense Allocation—The costs of providing various programs have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Consideration of Subsequent Events--Subsequent events have been evaluated by management through September 27, 2022, which is the date the financial statements were available to be issued.

**Note B – Lease Commitment**

The Organization leases its office space under a 3-year lease ending December 31, 2021. On November 11, 2020, the Organization executed an extension of the lease for three years beginning January 1, 2022. Rent paid under this lease was \$5,899 and \$5,783 for the years ended June 30, 2022 and 2021, respectively. The minimum future payments due under this lease are as follows:

Years Ending <u>June 30:</u>	<u>Amount</u>
2023	\$ 6,132
2024	6,384
2025	<u>3,252</u>
Total lease commitment	<u>\$15,768</u>

**NATIONAL ALLIANCE ON MENTAL ILLNESS – COASTAL VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**Note C – Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, are comprised of cash in the amount of \$175,089.

As part of its liquidity management, the Organization maintains financial assets to be available as general expenditures, liabilities, and other obligations come due for operations for approximately one year into the future.