

NAMI
Keystone Pennsylvania

Financial Statements

Years Ended June 30, 2021 and 2020
with Independent Auditor's Report

MaherDuessel

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NAMI KEYSTONE PENNSYLVANIA

YEARS ENDED JUNE 30, 2021 AND 2020

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Independent Auditor's Report

**Board of Directors
NAMI Keystone
Pennsylvania**

We have audited the accompanying financial statements of NAMI Keystone Pennsylvania (NAMI), a nonprofit organization, which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NAMI as of June 30, 2021 and 2020, 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.

Mahe Duessel

Pittsburgh, Pennsylvania
January 7, 2022

NAMI KEYSTONE PENNSYLVANIA

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 772,005	\$ 623,500
Restricted cash	12,655	25,000
Accounts receivable - Allegheny County	188,775	281,791
Accounts receivable - other	69,836	125,439
Prepaid expenses	33,065	43,229
Fixed assets, net	-	5,174
Other assets	4,216	4,216
Total Assets	<u>\$ 1,080,552</u>	<u>\$ 1,108,349</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 28,956	\$ 22,620
Accrued liabilities	42,099	47,551
Refundable advances	23,679	31,550
Deferred revenue	8,585	8,585
Total Liabilities	<u>103,319</u>	<u>110,306</u>
Net Assets:		
Without donor restrictions	927,239	901,882
With donor restrictions	49,994	96,161
Total Net Assets	<u>977,233</u>	<u>998,043</u>
Total Liabilities and Net Assets	<u>\$ 1,080,552</u>	<u>\$ 1,108,349</u>

See accompanying notes to financial statements.

NAMI KEYSTONE PENNSYLVANIA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:			
Allegheny County contract revenue	\$ 988,025	\$ -	\$ 988,025
Other governmental contract revenue	54,000	-	54,000
Consultant contract revenue	368,626	-	368,626
Contributions, grants, and dues	261,005	55,978	316,983
Conference revenue	33,742	-	33,742
Interest	756	-	756
Other income	14,873	-	14,873
Model B affiliate revenue	-	-	-
Total revenue and other support	1,721,027	55,978	1,777,005
Net Assets Released From Restrictions	102,145	(102,145)	-
Expenses:			
Program	1,318,117	-	1,318,117
Management and general	366,262	-	366,262
Fundraising	113,436	-	113,436
Total expenses	1,797,815	-	1,797,815
Change in Net Assets	25,357	(46,167)	(20,810)
Net Assets:			
Beginning of year	901,882	96,161	998,043
End of year	\$ 927,239	\$ 49,994	\$ 977,233

See accompanying notes to financial statements.

NAMI KEYSTONE PENNSYLVANIA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:			
Allegheny County contract revenue	\$ 985,025	\$ -	\$ 985,025
Other governmental contract revenue	138,551	-	138,551
Consultant contract revenue	351,429	-	351,429
Contributions, grants, and dues	232,364	-	232,364
Conference revenue	61,604	-	61,604
Interest	3,504	-	3,504
Other income	4,027	-	4,027
Model B affiliate revenue	23,500	-	23,500
	1,800,004	-	1,800,004
Net Assets Released From Restrictions	16,150	(16,150)	-
Expenses:			
Program	1,371,668	-	1,371,668
Management and general	339,400	-	339,400
Fundraising	134,979	-	134,979
	1,846,047	-	1,846,047
Change in Net Assets	(29,893)	(16,150)	(46,043)
Net Assets:			
Beginning of year	931,775	112,311	1,044,086
End of year	\$ 901,882	\$ 96,161	\$ 998,043

See accompanying notes to financial statements.

NAMI KEYSTONE PENNSYLVANIA

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 809,759	\$ 184,305	\$ 72,305	\$ 1,066,369
Payroll taxes	61,293	13,925	5,478	80,696
Employee benefits	161,327	27,319	14,901	203,547
Facility and equipment	118,036	5,988	285	124,309
Insurance	7,693	1,360	425	9,478
Telecommunications	8,387	11,083	317	19,787
Office supplies	8,317	11,287	709	20,313
Postage	1,285	768	401	2,454
Printing and copying	17,821	5,113	2,986	25,920
Travel and meetings	10,311	2,704	3	13,018
Program	29,581	-	-	29,581
Fundraising	523	406	4,996	5,925
Staff development	241	1,172	2	1,415
Support to affiliate groups	500	-	6,760	7,260
Contract services	17,608	58,671	516	76,795
Outside computer services	7,536	18,782	928	27,246
Marketing and advertising	4,650	10,044	-	14,694
Professional memberships	800	5,508	-	6,308
WRCSP funding	45,546	-	-	45,546
Other	691	7,827	2,424	10,942
Model B affiliate expenses	6,212	-	-	6,212
Total expenses	<u>\$ 1,318,117</u>	<u>\$ 366,262</u>	<u>\$ 113,436</u>	<u>\$ 1,797,815</u>

See accompanying notes to financial statements.

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STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2020

	Program	Management and General	Fundraising	Total
Salaries and wages	\$ 810,627	\$ 157,739	\$ 74,063	\$ 1,042,429
Payroll taxes	61,844	11,981	5,626	79,451
Employee benefits	157,403	28,598	13,332	199,333
Facility and equipment	105,236	15,267	5,539	126,042
Insurance	8,628	1,509	570	10,707
Telecommunications	9,570	14,941	503	25,014
Office supplies	13,971	3,631	1,421	19,023
Postage	1,966	360	261	2,587
Printing and copying	20,325	3,114	4,910	28,349
Travel and meetings	29,153	1,829	71	31,053
Program	63,815	7,020	-	70,835
Fundraising	-	-	22,351	22,351
Staff development	1,559	1,586	3	3,148
Support to affiliate groups	360	-	4,401	4,761
Contract services	21,624	64,850	548	87,022
Outside computer services	16,292	22,573	1,016	39,881
Marketing and advertising	2,189	-	-	2,189
Professional memberships	500	3,615	-	4,115
WRCSP funding	45,178	-	-	45,178
Other	195	787	364	1,346
Model B affiliate expenses	1,233	-	-	1,233
Total expenses	<u>\$ 1,371,668</u>	<u>\$ 339,400</u>	<u>\$ 134,979</u>	<u>\$ 1,846,047</u>

See accompanying notes to financial statements.

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STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Cash Flows From Operating Activities:		
Change in net assets	\$ (20,810)	\$ (46,043)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	5,174	7,676
Change in:		
Accounts receivable - Allegheny County	93,016	(9,631)
Accounts receivable - other	55,603	40,609
Prepaid expenses	10,164	(11,761)
Other assets	-	(250)
Accounts payable	6,336	(44,991)
Accrued liabilities	(5,452)	8,523
Refundable advance	(7,871)	24,550
Deferred revenue	-	8,585
	156,970	23,310
Total adjustments		
Net cash provided by (used in) operating activities	136,160	(22,733)
Net Increase (Decrease) in Cash and Cash Equivalents	136,160	(22,733)
Cash, Cash Equivalents, and Restricted Cash:		
Beginning of year	648,500	671,233
End of year	\$ 784,660	\$ 648,500
Consists of:		
Cash and cash equivalents	\$ 772,005	\$ 623,500
Restricted cash	12,655	25,000
	\$ 784,660	\$ 648,500

See accompanying notes to financial statements.

NAMI KEYSTONE PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

1. Organization and Nature of Activities

In July 2016, NAMI Southwestern Pennsylvania was selected to become the official state NAMI organization in Pennsylvania. As a result, the Board voted to change the name to NAMI Keystone Pennsylvania (NAMI). Recognized as a thought leader on mental illness throughout the region, NAMI believes that recovery from mental illness is possible, champions improvements to the mental health system, and promotes acceptance and understanding of mental illness. NAMI's dedicated staff and volunteers provide recovery-focused support and education programs throughout the region and the state. A membership-based organization, NAMI works diligently to ensure the collective voice of its membership is heard by legislators, the media, and stakeholders. NAMI strives to raise awareness, end stigma, and create a culture of knowledge and compassion for mental illness.

Beginning in fiscal year 2020, NAMI began working with their state affiliates, and the affiliates will have a designation as either Model A or Model B. Under this new program, any NAMI affiliate that does not have their own Internal Revenue Code 501(c)3 tax exempt status and would prefer to limit their operational responsibilities to focus exclusively on programming will be able to house their fiscal activity within NAMI Keystone and will be labeled as a Model B Affiliate. Under the Model B Program, the Affiliate retains their own sense of identity and runs approved programs in their community, but they are not independent of NAMI Keystone (due to the fiscal sponsorship relationship) and must follow their policies and procedures.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues and support are recorded when earned and expenses are recognized when the liabilities are incurred.

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 amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Basis of Net Assets

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

Net Assets without Donor Restrictions – Net assets that are not subject to donor or grantor-imposed stipulations. Net assets without donor restrictions designated by the governing board are funds set aside by actions of the Board of Directors (Board) for other specific purposes. The Board has designated certain net asset amounts for specific purposes, primarily approximately \$613,000 for operating reserves for the years ended June 30, 2021 and 2020. For the years ended June 30, 2021 and 2020, another \$50,000 has been designated for the Dick Jevon Education and Advocacy Fund and \$0 and \$5,174 has been invested in fixed assets, respectively.

Net Assets with Donor Restrictions – Net assets that result from contributions or other inflows of assets limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of NAMI pursuant to those stipulations. When the 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 statements of activities as changes in net assets released from restrictions. NAMI records donor-restricted contributions whose restrictions are met in the same reporting period as net assets without donor restrictions. At June 30, 2021 and 2020, NAMI had \$49,994 and \$96,161 of net assets with donor restrictions for specific purposes, respectively.

Net assets that are subject to donor-imposed stipulations that must be maintained in perpetuity by NAMI are also included in this category. Generally, the donors of these assets permit the use of all or part of the income earned and capital gains, if any, on related investments for general or specific purposes. NAMI had no net assets with donor restrictions that are to be maintained in perpetuity as of June 30, 2021 and 2020.

Contributions

Contributions received are recorded as support without donor restrictions or as donor-restricted support depending on the existence or nature of any donor restrictions. When a

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YEARS ENDED JUNE 30, 2021 AND 2020

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 statements of activities as net assets released from restrictions.

Revenue and Revenue Recognition

Contributions and grants are received from various local foundations, corporations, and individuals to support the purposes of NAMI. Unconditional contributions and grants received are recorded at fair value at the date notified and as support with donor restrictions or without donor restrictions depending on the existence or nature of any donor restrictions. 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 on which they depend have been substantially met.

As of June 30, 2019, NAMI received one conditional three-year grant in the amount of \$227,822. \$115,866 of the conditional grant was received in fiscal year 2019 and the revenue was recorded in the statement of activities. No dollars were received or met the conditions for recognition in fiscal year 2020. \$55,978 was received and met the conditions for recognition during the year ended June 30, 2021. In fiscal year 2021, the grant was extended through September 2022 due to the coronavirus pandemic. The remaining \$55,978 was received in November 2021. No other conditional grants were received during the years ended June 30, 2021 or 2020.

A portion of NAMI revenue is derived from cost-reimbursable county and state contracts which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when NAMI 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. No amounts have been received in advance under the county and state contracts and grants.

Consultant contract revenue is generated as exchange revenue that is considered to be contracts with customers. The revenue is recognized at the time the contracted services are rendered. All related services occur within the NAMI fiscal year. Receivables from contracts with customers are reported as accounts receivable - other, net of any allowance, in the accompanying statements of financial position. Contract liabilities are reported as deferred income to the extent customer revenue is paid in advance. There was \$0 deferred revenue related to consultant contract activities at June 30, 2021 and 2020.

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As the official state NAMI organization in Pennsylvania, NAMI hosts multiple conferences during the year. Registration fees for these conferences are recognized as revenue when the conferences are held and reported as conference revenue on the statement of activities. Any registration fees received prior to the conference are reported as deferred revenue.

Special event revenue equal to fair value of direct benefits to donor is recorded with contribution revenue recognized for the difference. Contributions received before year end for sponsorships of fundraising events scheduled to take place after year end are reported as refundable advances in the statement of net position. There was \$23,679 and \$31,550, reported as refundable advances related to sponsorships of fundraising events at June 30, 2021 and 2020, respectively.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts. Management believes the organization is not exposed to any significant credit risk on cash and cash equivalents.

Restricted Cash

Restricted cash consists of cash held by NAMI in name of its Model B affiliates. Restricted cash can only be approved for use for the Model B affiliate it relates to and in accordance with the Model B program guidelines as set forth by NAMI.

Income Taxes

NAMI has been determined to be exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, NAMI qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation. Further, NAMI annually files a Form 990. No provision for income tax is recorded in these financial statements.

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Fixed Assets

Fixed assets purchased with funds received from a government agency remain the property of the government agency. Accordingly, the purchase of fixed assets with government funds is recognized as an expense.

All other fixed assets are recorded at cost or, if donated, the estimated fair value at the date received. Depreciation is calculated on the straight-line method over the asset's estimated useful life. A capitalization level of \$5,000 has been adopted by NAMI.

At June 30, 2021 and 2020, fixed assets totaled:

	<u>2021</u>	<u>2020</u>
Fixed assets	\$ 30,704	\$ 30,704
Accumulated depreciation	<u>(30,704)</u>	<u>(25,530)</u>
Fixed assets, net	<u>\$ -</u>	<u>\$ 5,174</u>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$5,174 and \$7,676, respectively.

Functional Allocation of Expenses

NAMI charges expenses that are directly identifiable to program, management and general, and fundraising. Expenses related to more than one function are allocated to programs and supporting services on the basis of estimates made by management. These estimates are based on allocations of time and effort spent through time studies prepared by management. Management and general expenses include those expenses that are not directly identifiable with any other functional classification but provide overall support and direction for NAMI.

Concentrations

NAMI receives a substantial amount of its revenue from various government contracts, mainly from Allegheny County (56% in 2021 and 55% in 2020). A significant reduction in the level of this support, if this were to occur, could negatively affect the programs and activities of NAMI.

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Compensated Absences

Full-time employees are able to carry over five days of unused vacation from the previous year. Sick time is carried over from year to year and there is no limit on how many days an employee can accrue. Unused sick days are not compensated. The liability associated with employees carrying over unused vacation days at June 30, 2021 and 2020 was approximately \$28,000 and \$34,000, respectively, and is included in accrued liabilities on the statements of financial position.

Liquidity and Availability

NAMI manages its liquid resources by focusing on fundraising efforts to ensure the entity has adequate contributions and grants to cover the programs that are being conducted. NAMI prepares very detailed budgets and has been very active in fundraising, as well as cost management, to ensure the entity remains liquid.

The following reflects NAMI's financial assets (unrestricted cash and cash equivalents, and accounts receivables) as of June 30, 2021 and 2020 expected to be available within one year to meet the cash needs for general expenditures:

	<u>2021</u>	<u>2020</u>
Financial assets, at year-end	\$ 1,030,616	\$ 1,030,730
Less: those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	<u>(49,994)</u>	<u>(96,161)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 980,622</u>	<u>\$ 934,569</u>

In addition, NAMI has an available line of credit as discussed in Note 4.

Pending Accounting Standards Updates

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Updates (individually and collectively, ASU) that will become effective in future years as outlined below. Management has not yet determined the impact of these updates on the financial statements.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

ASU 2016-02, "*Leases (Topic 842)*," is effective, as delayed, for the financial statements for the year beginning after December 15, 2021. These amendments and related amendments will require lessees to recognize assets and liabilities on the statement of financial position for the rights and obligations created by all leases with terms of more than twelve months. Disclosures also will be required by lessees to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

ASU 2020-07, "*Not-For-Profit Entities (Subtopic 958): Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets*," is effective for reporting periods beginning after June 15, 2021. The amendments in this update address presentation and disclosure of contributed nonfinancial assets.

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the financial statements were available to be issued.

3. Cash and Cash Equivalents

NAMI maintains its cash balances in several local financial institutions. The balances at the financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per corporation. The carrying amount of NAMI's deposits was \$772,005 and \$623,500 at June 30, 2021 and 2020, respectively, and the bank balance was \$807,582 and \$656,336 at June 30, 2021 and 2020, respectively. \$666,822 was insured by the FDIC at June 30, 2021 and \$656,336 was insured in 2020.

4. Line of Credit

NAMI has a \$225,000 line of credit with a bank, of which \$0 was outstanding at June 30, 2021 and 2020. Interest is payable monthly and fluctuates based on the prime rate of the bank plus 0.250%. For the years ended June 30, 2021 and 2020, NAMI had \$0 in interest expense, as no amounts have been drawn down. The line of credit is secured by the debtor's collateral and is fully due and payable on demand.

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NOTES TO FINANCIAL STATEMENTS

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5. Accounts Receivable - Other

Accounts receivable - other, which related primarily to consultant contract revenue activities at June 30, 2021 are as follows:

Armstrong/Indiana	\$	25,619
Community Care Behavioral Health		19,093
Pennsylvania DHS OMHSAS		7,543
Beaver County MH		10,000
Other miscellaneous sources		<u>7,581</u>
Total receivables - other	\$	<u>69,836</u>

Accounts receivable - other, which related primarily to consultant contract revenue activities at June 30, 2020 are as follows:

Armstrong/Indiana	\$	26,556
Community Care Behavioral Health		19,093
Pennsylvania DHS OMHSAS		36,231
Beaver County MH		10,000
Other miscellaneous sources		<u>33,559</u>
Total receivables - other	\$	<u>125,439</u>

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NOTES TO FINANCIAL STATEMENTS

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6. Net Assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2021 and 2020 were restricted for the following purposes:

	<u>2021</u>	<u>2020</u>
Staunton Farm (CEOs)	\$ 29,241	\$ 75,408
State Conference	20,000	20,000
Multicultural Outreach & Education Day of Self Discovery	<u>753</u>	<u>753</u>
Total	<u>\$ 49,994</u>	<u>\$ 96,161</u>

7. Net Assets Released from Restrictions

Net assets of \$102,145 and \$16,150 were released from donor restrictions by the use of the resources for their intended purpose during the fiscal years ended June 30, 2021 and 2020, respectively.

8. Leases

Future minimum annual rental payments applicable to operating leases, primarily for real property, which have a remaining term of more than one year at June 30, 2021, are as follows:

2021-2022	\$ 140,955
2022-2023	<u>37,779</u>
	<u>\$ 178,734</u>

Rental expense, which was \$142,785 and \$128,944 for the years ended June 30, 2021 and 2020, respectively, is allocated (either directly or indirectly) to program activity, management and general, and fundraising.

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In October 2019, NAMI entered into a lease extension agreement that extended the term of the lease for office space through October 31, 2022. Monthly lease payments under the lease extension will be \$8,925.

9. Commitments

NAMI's financial and program records are subject to examination by appropriate government authorities in accordance with terms of the various grant awards and contracts. The government authorities are authorized to review actual expenditures and to make necessary adjustments in subsequent reimbursements or request refunds of grant amounts, if warranted. Management believes that NAMI's records and financial statements comply with the terms of the grants and awards.

10. Refundable Advances

Refundable advances at June 30, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Green Light Gala	\$ 5,000	\$ 5,000
Annual Walk	<u>18,679</u>	<u>26,550</u>
	<u>\$ 23,679</u>	<u>\$ 31,550</u>

11. Deferred Revenue

Deferred revenue consists of conference registration fees received in advance of the period to which they relate. Deferred income related to conference registration fees totaled \$8,585 at June 30, 2021 and 2020.

12. NAMI Annual Walk

A significant fundraiser for NAMI is the Annual Walk. The purpose of the Walk is to a) raise funds for NAMI's mission of recovery focused support, education, and advocacy for individuals and families affected by mental illness; b) increase awareness of mental illness

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by reaching hundreds of thousands of people through Walk promotions and the news media; and c) eliminate stigma by giving people a positive reason to talk openly about mental illness as they put together Walk teams, create walker web pages, and reach out to family, friends, neighbors, and co-workers.

As of June 30, 2021 and 2020, NAMI reported \$147,370 and \$152,005 in revenue and \$4,996 and \$22,351 in direct expenses, for a net profit of \$142,374 and \$129,654, respectively. Direct expenses include use of facilities, food/refreshments, entertainment, and walker incentive prizes.

13. NAMI Green Light Gala

The 2020 Green Light Gala scheduled for November 2020 was postponed to November 2022 due to the COVID-19 pandemic.

14. 401(k) Plan

NAMI has a 401(k) Profit Sharing Plan (Plan). All employees are eligible to participate in the Plan. An employee is eligible to make elective deferral contributions on the date the employee performs their first hour of service. An employee becomes eligible to receive matching contributions and profit sharing contributions on the first day of January or July coinciding with or next following the date the Plan's eligibility requirements have been satisfied. Eligibility requirements include an employee who attains one year of eligible service (1,000 hours of service within a 12-month period beginning first day of employment).

Eligible employees may elect to defer up to 100% of their compensation on a pre-tax basis, or up to the maximum allowable with other limiting provisions of the Internal Revenue Code. Employer contributions for the years ended June 30, 2021 and 2020 were \$60,037 and \$55,114, respectively, and were approximately 6% and 5% of covered payroll for the years ended June 30, 2021 and 2020.