

THE MENTAL HEALTH ASSOCIATION  
OF ROCHESTER/MONROE COUNTY, INC.  
Financial Statements  
December 31, 2020 and 2019  
(With Independent Auditors' Report Thereon)

THE MENTAL HEALTH ASSOCIATION  
OF ROCHESTER/MONROE COUNTY, INC.

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
The Mental Health Association of Rochester/  
Monroe County, Inc,

### Report on the Financial Statements

We have audited the accompanying financial statements of The Mental Health Association of Rochester/Monroe County, Inc. (the Association) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional revenue, functional expenses and cash flows for the years then ended, and the related notes to 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 audit 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 Association'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 Association's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Mental Health Association of Rochester/Monroe County, Inc. as of December 31, 2020 and 2019, 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.

EFPR Group, CPAs, PLLC

Williamsville, New York  
May 25, 2021

THE MENTAL HEALTH ASSOCIATION  
OF ROCHESTER/MONROE COUNTY, INC.  
Statements of Financial Position  
December 31, 2020 and 2019

	<u>Assets</u>	<u>2020</u>	<u>2019</u>
Current assets:			
Cash		\$ 205,524	40,889
Receivables, less allowance of \$5,000 in 2020 and \$10,000 in 2019		294,291	179,871
Prepaid expenses		<u>16,086</u>	<u>8,097</u>
Total current assets		515,901	228,857
Property and equipment, net		129,734	155,147
Investments, at fair value		578,796	506,597
Other assets		<u>74,868</u>	<u>69,332</u>
Total assets		<u>\$ 1,299,299</u>	<u>959,933</u>
	<u>Liabilities and Net Assets</u>		
Current liabilities:			
Accounts payable		64,755	85,239
Accrued payroll and related benefits		96,528	117,120
Deferred revenue		116,973	116,973
Promissory note - Paycheck Protection Program		<u>278,715</u>	<u>-</u>
Total current liabilities		<u>556,971</u>	<u>319,332</u>
Net assets:			
Without donor restrictions		708,543	554,519
With donor restrictions		<u>33,785</u>	<u>86,082</u>
Total net assets		742,328	640,601
Contingency (note 15)		<u>          </u>	<u>          </u>
Total liabilities and net assets		<u>\$ 1,299,299</u>	<u>959,933</u>

See accompanying notes to financial statements.

THE MENTAL HEALTH ASSOCIATION  
OF ROCHESTER/MONROE COUNTY, INC.

Statement of Activities  
Year ended December 31, 2020  
with comparative totals for 2019

	Without donor <u>restrictions</u>	With donor <u>restrictions</u>	<u>Total</u>	
			<u>2020</u>	<u>2019</u>
Public support and revenue:				
Public support:				
Monroe County/Coordinated Care Services, Inc.	\$ 1,713,287	-	1,713,287	1,576,690
Non-governmental contracts	-	-	-	125,006
United Way of Greater Rochester	83,069	56,000	139,069	86,482
Adjustment to prior year's revenue	5,878	-	5,878	2,243
Net assets released from restriction	<u>108,297</u>	<u>(108,297)</u>	<u>-</u>	<u>-</u>
Total public support	<u>1,910,531</u>	<u>(52,297)</u>	<u>1,858,234</u>	<u>1,790,421</u>
Other support:				
Fundraising and other	58,167	-	58,167	60,261
Foundation support	1,168	-	1,168	3,132
Gifts and bequests	<u>1,600</u>	<u>-</u>	<u>1,600</u>	<u>3,001</u>
Total other support	<u>60,935</u>	<u>-</u>	<u>60,935</u>	<u>66,394</u>
Other revenue:				
Program income:				
Program fees	281,503	-	281,503	265,167
Sale of materials	-	-	-	209
Investment return, net	75,314	-	75,314	84,668
Miscellaneous income	<u>3,090</u>	<u>-</u>	<u>3,090</u>	<u>11,857</u>
Total other revenue	<u>359,907</u>	<u>-</u>	<u>359,907</u>	<u>361,901</u>
Total public support and revenue	<u>2,331,373</u>	<u>(52,297)</u>	<u>2,279,076</u>	<u>2,218,716</u>

(Continued)

See accompanying notes to financial statements.

THE MENTAL HEALTH ASSOCIATION  
OF ROCHESTER/MONROE COUNTY, INC.  
Statement of Activities, Continued

	Without donor <u>restrictions</u>	With donor <u>restrictions</u>	<u>Total</u>	
			<u>2020</u>	<u>2019</u>
Expenses:				
Program services:				
Family Support Services	\$ 543,422	-	543,422	484,794
Drop-in Services	249,350	-	249,350	286,394
Creative Wellness Opportunities	220,373	-	220,373	218,217
Transitional Coaching	190,547	-	190,547	195,403
Life Skills	180,882	-	180,882	163,539
Consumer Self Help	156,786	-	156,786	154,218
Home Community Based Services	213,869	-	213,869	172,321
Livingston County	41,748	-	41,748	50,744
Ontario County	32,507	-	32,507	40,944
Other programs	80,710	-	80,710	270,221
Total program services	<u>1,910,194</u>	<u>-</u>	<u>1,910,194</u>	<u>2,036,795</u>
Supporting services:				
Management and general	251,423	-	251,423	261,596
Fundraising	15,732	-	15,732	45,016
Total supporting services	<u>267,155</u>	<u>-</u>	<u>267,155</u>	<u>306,612</u>
Total expenses	<u>2,177,349</u>	<u>-</u>	<u>2,177,349</u>	<u>2,343,407</u>
Change in net assets	154,024	(52,297)	101,727	(124,691)
Net assets at beginning of year	<u>554,519</u>	<u>86,082</u>	<u>640,601</u>	<u>765,292</u>
Net assets at end of year	<u>\$ 708,543</u>	<u>33,785</u>	<u>742,328</u>	<u>640,601</u>

See accompanying notes to financial statements.

THE MENTAL HEALTH ASSOCIATION  
OF ROCHESTER/MONROE COUNTY, INC.  
Statement of Activities  
Year ended December 31, 2019

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Public support and revenue:			
Public support:			
Monroe County/Coordinated Care Services, Inc.	\$ 1,576,690	-	1,576,690
Non-governmental contracts	125,006	-	125,006
United Way of Greater Rochester	-	86,482	86,482
Adjustment to prior year's revenue	2,243	-	2,243
Net assets released from restriction	<u>111,482</u>	<u>(111,482)</u>	<u>-</u>
Total public support	<u>1,815,421</u>	<u>(25,000)</u>	<u>1,790,421</u>
Other support:			
Fundraising and other	46,476	13,785	60,261
Foundation support	3,132	-	3,132
Gifts and bequests	<u>3,001</u>	<u>-</u>	<u>3,001</u>
Total other support	<u>52,609</u>	<u>13,785</u>	<u>66,394</u>
Other revenue:			
Program income:			
Program fees	265,167	-	265,167
Sale of materials	209	-	209
Investment return, net	84,668	-	84,668
Miscellaneous income	<u>11,857</u>	<u>-</u>	<u>11,857</u>
Total other revenue	<u>361,901</u>	<u>-</u>	<u>361,901</u>
Total public support and revenue	<u>2,229,931</u>	<u>(11,215)</u>	<u>2,218,716</u>

(Continued)

See accompanying notes to financial statements.



THE MENTAL HEALTH ASSOCIATION  
OF ROCHESTER/MONROE COUNTY, INC.  
Statement of Activities, Continued

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Expenses:			
Program services:			
Family Support Services	\$ 484,794	-	484,794
Drop-in Services	286,394	-	286,394
Creative Wellness Opportunities	218,217	-	218,217
Transitional Coaching	195,403	-	195,403
Life Skills	163,539	-	163,539
Consumer Self Help	154,218	-	154,218
Home Community Based Services	172,321	-	172,321
Livingston County	50,744	-	50,744
Ontario County	40,944	-	40,944
Other programs	<u>270,221</u>	<u>-</u>	<u>270,221</u>
Total program services	<u>2,036,795</u>	<u>-</u>	<u>2,036,795</u>
Supporting services:			
Management and general	261,596	-	261,596
Fundraising	<u>45,016</u>	<u>-</u>	<u>45,016</u>
Total supporting services	<u>306,612</u>	<u>-</u>	<u>306,612</u>
Total expenses	<u>2,343,407</u>	<u>-</u>	<u>2,343,407</u>
Change in net assets	(113,476)	(11,215)	(124,691)
Net assets at beginning of year	<u>667,995</u>	<u>97,297</u>	<u>765,292</u>
Net assets at end of year	<u>\$ 554,519</u>	<u>86,082</u>	<u>640,601</u>

See accompanying notes to financial statements.

THE MENTAL HEALTH ASSOCIATION  
OF ROCHESTER/MONROE COUNTY, INC.

Statement of Functional Revenue  
Year ended December 31, 2020  
with comparative totals for 2019

	Program Services										Supporting Services		Total		
	Family Support Services	Drop-in Services	Creative Wellness Opportunities	Transitional Coaching	Life Skills	Consumer Self-Help	Home Community Based Services	Livingston County	Ontario County	Other programs	Total	Management and general	Fundraising	2020	2019
Public support:															
Monroe County/Coordinated Care Services, Inc.	\$ 599,811	281,402	237,128	157,093	204,191	159,783	-	44,157	29,722	-	1,713,287	-	-	1,713,287	1,576,690
Non-governmental contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	125,006
United Way of Greater Rochester	-	-	-	92,295	-	-	-	-	-	46,774	139,069	-	-	139,069	86,482
Adjustment to prior year's revenue	-	-	-	-	-	-	-	-	-	5,878	5,878	-	-	5,878	2,243
Total public support	<u>599,811</u>	<u>281,402</u>	<u>237,128</u>	<u>249,388</u>	<u>204,191</u>	<u>159,783</u>	<u>-</u>	<u>44,157</u>	<u>29,722</u>	<u>52,652</u>	<u>1,858,234</u>	<u>-</u>	<u>-</u>	<u>1,858,234</u>	<u>1,790,421</u>
Other support:															
Fundraising and other	-	-	1,500	-	489	489	1,078	-	-	21,746	25,302	-	32,865	58,167	60,261
Foundation support	-	-	-	-	-	-	-	-	-	1,168	1,168	-	-	1,168	3,132
Gifts and bequests	-	-	-	-	-	-	-	-	-	1,600	1,600	-	-	1,600	3,001
Total other support	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>489</u>	<u>489</u>	<u>1,078</u>	<u>-</u>	<u>-</u>	<u>24,514</u>	<u>28,070</u>	<u>-</u>	<u>32,865</u>	<u>60,935</u>	<u>66,394</u>
Other revenue:															
Program income:															
Program fees	741	-	-	-	-	625	152,772	-	-	127,365	281,503	-	-	281,503	265,167
Sale of materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	209
Investment return, net	-	-	-	-	-	-	73	-	-	75,241	75,314	-	-	75,314	84,668
Miscellaneous income	-	-	-	-	-	-	-	-	-	-	-	3,090	-	3,090	11,857
Total other revenue	<u>741</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>625</u>	<u>152,845</u>	<u>-</u>	<u>-</u>	<u>202,606</u>	<u>356,817</u>	<u>3,090</u>	<u>-</u>	<u>359,907</u>	<u>361,901</u>
Total public support and revenue	<u>\$ 600,552</u>	<u>281,402</u>	<u>238,628</u>	<u>249,388</u>	<u>204,680</u>	<u>160,897</u>	<u>153,923</u>	<u>44,157</u>	<u>29,722</u>	<u>279,772</u>	<u>2,243,121</u>	<u>3,090</u>	<u>32,865</u>	<u>2,279,076</u>	<u>2,218,716</u>

See accompanying notes to financial statements.

THE MENTAL HEALTH ASSOCIATION  
OF ROCHESTER/MONROE COUNTY, INC.  
Statement of Functional Revenue  
Year ended December 31, 2019

	Program Services											Supporting Services		
	Family Support Services	Drop-in Services	Creative Wellness Opportunities	Transitional Coaching	Life Skills	Consumer Self-Help	Home Community Based Services	Livingston County	Ontario County	Other programs	Total	Management and general	Fundraising	Total
Public support:														
Monroe County/Coordinated Care Services, Inc.	\$ 525,706	314,212	234,043	85,832	178,550	165,422	-	43,203	29,722	-	1,576,690	-	-	1,576,690
Non-governmental contracts	-	-	-	-	-	-	-	-	-	125,006	125,006	-	-	125,006
United Way of Greater Rochester	-	-	-	63,683	-	-	-	-	-	22,799	86,482	-	-	86,482
Adjustment to prior year's revenue	-	-	500	-	-	-	-	-	-	1,743	2,243	-	-	2,243
Total public support	<u>525,706</u>	<u>314,212</u>	<u>234,543</u>	<u>149,515</u>	<u>178,550</u>	<u>165,422</u>	<u>-</u>	<u>43,203</u>	<u>29,722</u>	<u>149,548</u>	<u>1,790,421</u>	<u>-</u>	<u>-</u>	<u>1,790,421</u>
Other support:														
Fundraising and other	-	-	3,000	-	-	-	-	1,500	-	14,299	18,799	-	41,462	60,261
Foundation support	-	-	-	-	-	-	1,001	-	-	-	1,001	-	2,131	3,132
Gifts and bequests	-	-	75	-	-	-	-	-	-	-	75	-	2,926	3,001
Total other support	<u>-</u>	<u>-</u>	<u>3,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,001</u>	<u>1,500</u>	<u>-</u>	<u>14,299</u>	<u>19,875</u>	<u>-</u>	<u>46,519</u>	<u>66,394</u>
Other revenue:														
Program income:														
Program fees	-	-	500	-	243	2,900	125,324	-	-	136,200	265,167	-	-	265,167
Sale of materials	-	-	-	-	-	-	-	-	-	209	209	-	-	209
Investment return, net	-	-	-	-	-	-	-	-	-	84,668	84,668	-	-	84,668
Miscellaneous income	-	-	-	-	-	-	-	-	-	11,857	11,857	-	-	11,857
Total other revenue	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>243</u>	<u>2,900</u>	<u>125,324</u>	<u>-</u>	<u>-</u>	<u>232,934</u>	<u>361,901</u>	<u>-</u>	<u>-</u>	<u>361,901</u>
Total public support and revenue	<u>\$ 525,706</u>	<u>314,212</u>	<u>238,118</u>	<u>149,515</u>	<u>178,793</u>	<u>168,322</u>	<u>126,325</u>	<u>44,703</u>	<u>29,722</u>	<u>396,781</u>	<u>2,172,197</u>	<u>-</u>	<u>46,519</u>	<u>2,218,716</u>

See accompanying notes to financial statements.

THE MENTAL HEALTH ASSOCIATION  
OF ROCHESTER/MONROE COUNTY, INC.  
Statement of Functional Expenses  
Year ended December 31, 2020  
with comparative totals for 2019

	Program Services											Supporting Services		Total	
	Family Support Services	Drop-in Services	Creative Wellness Opportunities	Transitional Coaching	Life Skills	Consumer Self-Help	Home Community Based Services		Livingston County	Ontario County	Other programs	Total	Management and general		
Salaries	\$ 322,096	145,927	144,417	89,929	113,198	83,093	125,496	28,420	21,498	10,788	1,084,862	121,772	2,807	1,209,441	1,344,863
Payroll taxes and employee benefits	58,377	26,454	26,180	16,307	20,521	15,051	22,763	5,155	3,901	1,959	196,668	22,074	506	219,248	229,651
Total salaries and related benefits	380,473	172,381	170,597	106,236	133,719	98,144	148,259	33,575	25,399	12,747	1,281,530	143,846	3,313	1,428,689	1,574,514
Occupancy	52,198	34,771	6,892	65,173	11,918	18,114	11,879	3,600	2,769	6,817	214,131	14,157	89	228,377	228,825
Contract service fees	8,608	3,065	3,262	1,259	1,784	1,176	588	-	-	-	19,742	8,012	1,691	29,445	96,911
Supplies	9,726	4,585	4,744	301	7,667	2,408	3,844	126	599	42,309	76,309	2,371	4,607	83,287	62,836
Equipment rental and maintenance	21,313	9,947	9,840	5,757	8,761	6,220	11,534	1,692	1,387	3,995	80,446	7,378	488	88,312	74,901
Participant meetings	2,154	530	151	-	419	113	-	-	-	-	3,367	-	-	3,367	12,341
Travel	477	-	-	301	79	-	1,182	-	-	645	2,684	78	-	2,762	29,378
Meetings and conferences	6,240	53	53	108	3	103	-	-	-	8	6,568	28,126	81	34,775	53,911
Utilities	7,506	4,168	3,252	2,323	3,292	2,170	4,298	-	-	1,056	28,065	2,166	508	30,739	23,355
Telephone	10,279	5,708	4,454	3,181	4,509	2,972	5,885	1,010	828	2,110	40,936	2,965	32	43,933	38,386
Professional fees	10,662	3,416	3,071	2,658	2,887	2,105	12,075	164	134	-	37,172	27,545	40	64,757	38,969
Volunteer stipends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,685
Insurance	8,648	3,400	6,588	2,816	1,759	17,260	2,760	588	415	1,022	45,256	363	-	45,619	25,910
Special events	-	1,020	-	-	-	-	-	-	-	-	1,020	-	-	1,020	8,730
Bad debt expense	-	-	-	-	-	-	10,802	-	-	-	10,802	-	-	10,802	-
Media	-	-	-	-	-	-	-	-	-	870	870	-	-	870	10,062
Small equipment purchases	4,419	2,710	2,974	-	2,003	3,685	-	898	898	877	18,464	2,372	1,575	22,411	4,837
Building repairs	110	1,374	225	-	126	110	110	-	-	110	2,165	108	110	2,383	145
Membership dues	-	130	130	130	130	130	-	-	-	-	650	5,726	-	6,376	7,241
Program participant benefits	38	17	17	11	13	10	15	3	3	1	128	14	-	142	2,810
Postage	783	435	339	242	343	226	143	77	63	163	2,814	228	305	3,347	2,887
Printing	2,392	250	-	-	58	274	331	-	-	380	3,685	-	137	3,822	5,394
Duplicating	153	85	66	47	67	44	88	15	12	32	609	45	-	654	-
Subscriptions and publications	5,100	-	-	-	-	-	-	-	-	-	5,100	3,059	2,067	10,226	4,901
Interest expense	-	-	-	-	-	-	-	-	-	-	-	1,021	-	1,021	2,072
Bank fees	13	-	12	4	50	4	1	-	-	1,143	1,227	985	689	2,901	2,136
Miscellaneous	85	-	-	-	8	17	75	-	-	1,196	1,381	518	-	1,899	3,382
Total expenses before depreciation	531,377	248,045	216,667	190,547	179,595	155,285	213,869	41,748	32,507	75,481	1,885,121	251,083	15,732	2,151,936	2,320,519
Depreciation	12,045	1,305	3,706	-	1,287	1,501	-	-	-	5,229	25,073	340	-	25,413	22,888
Total expenses	\$ 543,422	249,350	220,373	190,547	180,882	156,786	213,869	41,748	32,507	80,710	1,910,194	251,423	15,732	2,177,349	2,343,407

See accompanying notes to financial statements.

THE MENTAL HEALTH ASSOCIATION  
OF ROCHESTER/MONROE COUNTY, INC.  
Statement of Functional Expenses  
Year ended December 31, 2019

	Program Services											Supporting Services		
	Family Support Services	Drop-in Services	Creative Wellness Opportunities	Transitional Coaching	Life Skills	Consumer Self-Help	Home Based Services	Livingston County	Ontario County	Other programs	Total	Management and general	Fundraising	Total
Salaries	\$ 290,567	158,363	128,634	127,570	93,816	90,415	90,320	29,184	23,792	166,372	1,199,033	126,415	19,415	1,344,863
Payroll taxes and employee benefits	49,915	27,207	22,095	21,913	16,117	15,533	15,519	5,013	4,087	30,313	207,712	20,350	1,589	229,651
Total salaries and related benefits	340,482	185,570	150,729	149,483	109,933	105,948	105,839	34,197	27,879	196,685	1,406,745	146,765	21,004	1,574,514
Occupancy	53,981	33,084	20,096	21,218	20,128	17,848	22,229	4,897	4,219	11,019	208,719	16,991	3,115	228,825
Contract service fees	4,336	12,775	11,678	3,321	3,969	2,727	848	3,007	3,007	3,761	49,429	39,609	7,873	96,911
Supplies	18,043	8,820	5,081	5,246	4,658	4,405	5,517	1,221	1,052	4,024	58,067	4,516	253	62,836
Equipment rental and maintenance	17,853	10,933	6,586	7,089	6,357	5,946	7,509	1,667	1,436	4,152	69,528	5,092	281	74,901
Participant meetings	2,400	4,875	1,268	350	1,613	635	46	62	-	1,092	12,341	-	-	12,341
Travels	5,712	4,468	3,168	1,823	710	1,938	6,979	2,330	306	1,944	29,378	-	-	29,378
Meetings and conferences	4,762	4,970	638	-	399	2,283	684	-	212	37,275	51,223	1,863	825	53,911
Utilities	4,181	2,702	3,495	1,230	5,432	1,654	664	-	-	182	19,540	3,461	354	23,355
Telephone	11,049	4,067	800	1,393	1,416	4,479	8,307	1,351	1,879	1,531	36,272	2,108	6	38,386
Professional fees	3,130	1,917	1,155	1,243	1,115	1,042	1,317	292	252	5,209	16,672	22,297	-	38,969
Volunteer stipends	-	640	3,840	-	990	215	-	-	-	-	5,685	-	-	5,685
Insurance	5,317	4,090	3,082	2,025	1,700	1,664	3,282	465	387	49	22,061	3,849	-	25,910
Special events	94	-	210	-	547	-	-	600	-	-	1,451	-	7,279	8,730
Media	1,656	1,430	1,116	441	692	1,117	901	473	77	464	8,367	1,498	197	10,062
Small equipment purchases	460	87	-	75	-	50	2,851	-	34	984	4,541	296	-	4,837
Building repairs	-	145	-	-	-	-	-	-	-	-	145	-	-	145
Membership dues	150	375	130	130	130	165	-	-	-	-	1,080	6,161	-	7,241
Program participant benefits	-	1,960	850	-	-	-	-	-	-	-	2,810	-	-	2,810
Postage	776	283	270	250	153	209	593	108	35	71	2,748	139	-	2,887
Printing	372	1,192	170	80	318	370	661	-	118	-	3,281	244	1,869	5,394
Subscriptions and publications	317	444	149	6	36	20	48	74	6	-	1,100	1,841	1,960	4,901
Interest expense	-	-	-	-	-	-	840	-	-	-	840	1,232	-	2,072
Bank fees	-	-	-	-	-	3	2	-	45	-	50	2,086	-	2,136
Miscellaneous	1,294	116	-	-	1,956	-	-	-	-	14	3,380	2	-	3,382
Total expenses before depreciation	476,365	284,943	214,511	195,403	162,252	152,718	169,117	50,744	40,944	268,456	2,015,453	260,050	45,016	2,320,519
Depreciation	8,429	1,451	3,706	-	1,287	1,500	3,204	-	-	1,765	21,342	1,546	-	22,888
Total expenses	\$ 484,794	286,394	218,217	195,403	163,539	154,218	172,321	50,744	40,944	270,221	2,036,795	261,596	45,016	2,343,407

See accompanying notes to financial statements.

THE MENTAL HEALTH ASSOCIATION  
OF ROCHESTER/MONROE COUNTY, INC.  
Statements of Cash Flows  
Years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 101,727	(124,691)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	25,413	22,888
Unrealized gain on investments	(37,887)	(71,002)
Changes in provisions for doubtful accounts	5,000	(10,000)
Changes in:		
Receivables	(119,420)	39,194
Prepaid expenses	(7,989)	24,251
Other assets	(5,536)	(14,001)
Accounts payable	(20,484)	(18,095)
Accrued payroll and payroll taxes	(20,592)	71,010
Deferred revenue	-	94,999
Net cash provided by (used in) operating activities	<u>(79,768)</u>	<u>14,553</u>
Cash flows from investing activities:		
Purchase of investments, net	(34,312)	(6,807)
Additions to property and equipment	-	(67,418)
Net cash used in investing activities	<u>(34,312)</u>	<u>(74,225)</u>
Cash flows from financing activities:		
Proceeds from line of credit	155,132	273,795
Repayments of line of credit	(155,132)	(323,795)
Proceeds from promissory note - Paycheck Protection Program	278,715	-
Net cash provided by (used in) financing activities	<u>278,715</u>	<u>(50,000)</u>
Net change in cash	164,635	(109,672)
Cash at beginning of year	<u>40,889</u>	<u>150,561</u>
Cash at end of year	<u>\$ 205,524</u>	<u>40,889</u>

See accompanying notes to financial statements.

THE MENTAL HEALTH ASSOCIATION  
OF ROCHESTER/MONROE COUNTY, INC.

Notes to Financial Statements

December 31, 2020 and 2019

(1) Organization

The Mental Health Association Rochester/Monroe County, Inc. (the Association) is a not-for-profit corporation formed for the purpose of promoting mental wellness for all members of the Greater Rochester community. The Association receives funding in the form of grants and service contracts from Coordinated Care Services, Inc. (as administrator for the Monroe County Office of Mental Health), United Way of Greater Rochester, Livingston County Community Services, Ontario County Mental Health and other funding sources to provide educational and support services to consumers of mental health services and those at risk of developing mental health problems.

Individuals can obtain information about mental health and support services in a number of different ways. These include the Therapist Referral Service; Finding Your Way: A Guide to Behavioral Health Services in Monroe and Livingston Counties which is updated on an ongoing basis and is distributed free to the community, and the Support Directory which provides information on over 200 self-help groups in the community. Both Finding Your Way and the Support Directory are available on the Association's website. The Association offers training to recipients of mental health services through Life Management, Skill Building and Recovery Classes. The Association also offers a number of educational programs that are open to the public.

The Association offers a number of services that provide personalized information and assistance. The Association offers short-term assistance to those seeking services or experiencing problems with the mental health system through the Consumer Self Help program. Longer-term assistance is offered through Transitional Coaching which allows individuals to explore their options, connect with community resources and resolve issues relating to their specific situation.

Recipients or family members of recipients of mental health services staff a number of the Association's services. These include Family Support Services, the Self Help Drop-In Services and its Warm Line, Creative Wellness Opportunities and Life Skills Services. All of these services are based on the concepts of self-help and recovery and seek to provide information and support as individuals identify personal wellness goals and seek to achieve them.

The Association has a regional presence with offices in Livingston and Ontario Counties. Services have been developed to reflect the needs of these counties. In Livingston County, the Association acts as an information and referral agency and sponsors a number of educational workshops on an annual basis. In Ontario County, the Association provides a number of educational workshops, individual one to one assistance and support groups.

The management of the Association is governed by the Board of Directors (the Board) and various committees established under the by-laws of the Board to fulfill its mission.

THE MENTAL HEALTH ASSOCIATION  
OF ROCHESTER/MONROE COUNTY, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements of the Association have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(b) Basis of Presentation

The Association reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations and may be used for any purpose designated by the Association's governing board.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Association and/or the passage of time.

(c) Estimates

The preparation of financial statements in accordance 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 may differ from those estimates.

(d) Cash

For purposes of the statements of cash flows, the Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

(e) Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables.

(f) Investments

Investments are stated at fair value as determined by published market prices.



THE MENTAL HEALTH ASSOCIATION  
OF ROCHESTER/MONROE COUNTY, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(g) Capitalization and Depreciation

Property and equipment are recorded at cost or fair market value at the date of the gift in the case of donated equipment. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives primarily using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property and equipment, the appropriate property and equipment accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statements of activities.

(h) Contributions

Contributions are recognized when donors make an unconditional promise to give to the Association. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

(i) Deferred Revenue and Revenue Recognition

Grant awards accounted for as exchange transactions are recorded as revenue when expenditures have been incurred in compliance with the grant requirements. Amounts unspent are recorded in the statements of financial position as deferred revenue.

(j) Contributed Services

During the years ended December 31, 2020 and 2019, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. However, many goods are donated and many individuals volunteer their time and perform a variety of tasks that assist the Association.

(k) Advertising

Advertising costs are expensed as incurred. Advertising costs were \$870 and \$10,062 for the years ended December 31, 2020 and 2019, respectively.

(l) Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs are allocated on the basis of level of effort and square footage.

THE MENTAL HEALTH ASSOCIATION  
OF ROCHESTER/MONROE COUNTY, INC.

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(m) Subsequent Events

The Association has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(n) Income Taxes

The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), therefore, no provision for income taxes is reflected in the financial statements. The Association has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Association presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Association has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the Association are subject to examination by taxing authorities.

(o) Risks and Uncertainties

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on the Association and its future results and financial position is not presently determinable.

(3) Liquidity

The Association has \$499,815 of financial assets available within one year of the statement of financial position date consisting of \$205,524 of cash and \$294,291 of receivables. Some of these financial assets are subject to donor or contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. Additionally, the Association has available \$578,796 in investments at December 31, 2020, however use of those investments for operating purposes is subject to approval by the Board of Directors. As discussed in note 7, the Association has a committed line of credit in the amount of \$300,000, which it could draw upon in the event of an unanticipated liquidity need.

THE MENTAL HEALTH ASSOCIATION  
OF ROCHESTER/MONROE COUNTY, INC.

Notes to Financial Statements, Continued

(4) Investments

The fair value of investments at December 31, 2020 and 2019 are summarized as follows:

	<u>2020</u>	<u>2019</u>
Cash and equivalents	\$ 46,837	39,644
Exchange traded products	219,535	183,089
Equities	<u>312,424</u>	<u>283,864</u>
	<u>\$ 578,796</u>	<u>506,597</u>

Investments are stated at fair value. The fair value of securities is based on quotations obtained from national securities exchanges. In accordance with the policy of carrying investments at fair value, the change in net unrealized appreciation or depreciation is included in the statements of activities.

Fair Value Measurements

A framework has been established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- 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 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

THE MENTAL HEALTH ASSOCIATION  
OF ROCHESTER/MONROE COUNTY, INC.

Notes to Financial Statements, Continued

(4) Investments, Continued

Fair Value Measurements, Continued

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020.

- Equity securities, corporate bonds and fixed income bond funds - Fair value is based on quoted market prices.
- Exchange traded products - Valued at the net asset value (NAV) of shares held by the Association at year end.

Investments held by the Association are classified as level 1 in the fair value hierarchy.

(5) Property and Equipment

Property and equipment consists of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Leasehold improvements	\$ 159,327	159,327
Equipment	73,592	73,592
Vehicles	21,241	21,241
Furniture and fixtures	<u>93,285</u>	<u>93,285</u>
	347,445	347,445
Less - accumulated depreciation	<u>(217,711)</u>	<u>(192,298)</u>
	<u>\$ 129,734</u>	<u>155,147</u>

Depreciation for the years ended December 31, 2020 and 2019 totaled \$25,413 and \$22,888, respectively, and is allocated to programs and supporting services on the statements of functional expenses.

(6) Other Assets

The Association is a party to an unemployment trust (the Trust) as an alternative to the State Unemployment Insurance requirement. Under the terms of the Trust, the Association is required to remit payments each year to fund the Trust. These payments are used to pay unemployment claims as they arise. As of December 31, 2020 and 2019, the Association had a balance of \$74,868 and \$69,332, respectively, within the Trust.

(7) Line of Credit

The Association has a line of credit with a bank which provides for maximum borrowings of up to \$300,000. The line of credit bears interest at 4.75% and is secured by substantially all assets. There was no outstanding balance at December 31, 2020 and 2019.

THE MENTAL HEALTH ASSOCIATION  
OF ROCHESTER/MONROE COUNTY, INC.

Notes to Financial Statements, Continued

(8) Promissory Note - Paycheck Protection Plan

On April 17, 2020, the Association received a Small Business Administration (SBA) loan under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) in the amount of \$278,715 with a 1% interest rate.

The Association must pay monthly principal and interest payments on the outstanding principal balance of the loan amortized over the term of the loan, unless otherwise forgiven in whole or part in accordance with the CARES Act as described below, beginning six months from the month this note is dated until April 17, 2022 (the maturity date) when the entire principal balance remaining unpaid, along with all accrued and unpaid interest, shall be due and payable in full. Payments of principal and interest must be made on such date as designed by the lender in the months they are due.

Pursuant to the terms of the CARES Act and any applicable rules and regulations, the Association may apply for the loan to be forgiven by the SBA in whole or in part. Any loan balance remaining following forgiveness by the SBA will be fully reamortized over the remaining term of the loan. The entire principal balance remaining unpaid, along with all accrued and unpaid interest, shall be due and payable on the maturity date. If there is a default without notice or demand and without giving up any of its rights, lender may require immediate payment of all amounts owing under this note; collect all amounts owing from any borrower; or file suit and obtain judgement.

(9) Commitments

The Association has entered into non-cancelable operating lease agreements for the rental of office space, office equipment and other facilities.

The following is a schedule of future minimum lease payments required under these non-cancelable operating leases as of December 31, 2020.

2021	\$ 133,838
2022	<u>2,805</u>
	\$ <u>136,643</u>

Rent expense under all lease agreements totaled \$218,841 and \$221,113 for the years ended December 31, 2020 and 2019, respectively.

(10) Monroe County

The expenses applicable to the revenue received from Monroe County are subject to final audit and review by Monroe County.

THE MENTAL HEALTH ASSOCIATION  
OF ROCHESTER/MONROE COUNTY, INC.

Notes to Financial Statements, Continued

(11) Retirement Plan

The Association maintains a 401(k) plan (the Plan) covering substantially all employees who have attained the age of twenty-one and who have met certain eligibility requirements. The Plan is subject to provisions of the Employee Retirement Income Security Act of 1974, as amended. Participants may elect to defer a percentage of their compensation under the Plan which may not exceed the dollar limit set by law and may select from a variety of investment options. The Association contributes an amount equal to 100% of the participant's elective deferral up to 2% of the participant's compensation. The Association may also make a discretionary contribution to the Plan.

Total contributions under this Plan were \$7,865 and \$12,449 for the years ended December 31, 2020 and 2019, respectively.

(12) Economic Dependency

During the years ended December 31, 2020 and 2019, one funder individually accounted for approximately 73% and 69% of total support and other revenue, respectively. Accounts receivable from this funder were \$136,477 and \$6,192 at December 31, 2020 and 2019, respectively.

(13) Net Assets Without Donor Restrictions

Net assets without donor restrictions consist of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Board designated	\$ 578,796	506,597
Undesignated	<u>129,747</u>	<u>47,922</u>
	<u>\$ 708,543</u>	<u>554,519</u>

(14) Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
United Way of Greater Rochester	\$ -	52,297
Center for Health and Well Being	20,000	20,000
First Unitarian Church	<u>13,785</u>	<u>13,785</u>
	<u>\$ 33,785</u>	<u>86,082</u>

THE MENTAL HEALTH ASSOCIATION  
OF ROCHESTER/MONROE COUNTY, INC.

Notes to Financial Statements, Continued

(15) Contingency

The Association is involved in litigation derived from a claim made in 2020. In connection with this litigation, the Association's maximum exposure could be \$15,000. Any potential additional loss as well as costs involved with this matter, would be covered by insurance.