EISNERAMPER

CHILD MIND INSTITUTE, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 and 2020

CHILD MIND INSTITUTE, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Child Mind Institute, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Child Mind Institute, Inc. ("CMI"), which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for each of the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

CMI's 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 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 organization'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 organization'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 Child Mind Institute, Inc. as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for each of the years then ended, in accordance with accounting principles generally accepted in the United States of America.

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
May 16, 2022

CHILD MIND INSTITUTE, INC.

Statements of Financial Position

	September 30, 2021	September 30, 2020
ASSETS		
Cash, cash equivalents, and restricted cash	**$ 15,002,834**	$ 17,653,347
Accounts receivable	**128,478**	75,097
Contributions receivable, net	**18,685,722**	11,876,692
Government grants receivable	**4,266,420**	1,577,549
Due from related parties	**919,470**	3,950,787
Investments	**3,504,740**	3,199,165
Prepaid expenses and other assets	**811,888**	667,778
Property and equipment, net	**3,372,106**	3,979,394
	$ 46,691,658	$ 42,979,809
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	**$ 4,268,399**	$ 1,209,566
Accrued salaries and vacation	**1,090,777**	834,344
Due to related parties	**1,019,670**	3,383,487
Bank line of credit	**-**	1,500,000
Paycheck Protection Program loan payable	**1,825,000**	1,825,000
Deferred rent obligation and lease incentive	**2,771,096**	2,888,787
Total liabilities	**10,974,942**	11,641,184
Commitments, contingencies and other uncertainty (Note K)		
Net assets:		
Without donor restrictions:		
Undesignated funds, available for general activities	**8,373,254**	9,303,348
With donor restrictions:		
Purpose restrictions	**21,963,333**	19,514,745
Time restricted for future period	**3,380,129**	520,532
Perpetual in nature	**2,000,000**	2,000,000
Total net assets with donor restrictions	**27,343,462**	22,035,277
Total net assets	**35,716,716**	31,338,625
	$ 46,691,658	$ 42,979,809

See notes to financial statements.

CHILD MIND INSTITUTE, INC.

Statements of Activities

	Year Ended September 30,					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue:						
Foundations, corporations, and individuals (including in-kind services of $11,151,176 and $10,508,011 in 2021 and 2020, respectively)	**$ 14,865,447**	**$ 14,612,881**	**$ 29,478,328**	$ 17,994,269	$ 14,559,642	$ 32,553,911
Special event revenue (net of direct benefit to donors of $0 and $241,847 in 2021 and 2020, respectively)	**4,907,920**	**3,521,049**	**8,428,969**	5,486,992	2,351,531	7,838,523
Government grants	**8,268,938**	**-**	**8,268,938**	3,303,373	-	3,303,373
Net investment gains (losses)	**128,069**	**204,766**	**332,835**	(11,118)	(12,743)	(23,861)
Program service fees	**196,130**	**-**	**196,130**	97,794	-	97,794
Administrative services	**2,905,754**	**-**	**2,905,754**	2,737,190	-	2,737,190
Total public support and revenue before net assets released from restrictions	**31,272,258**	**18,338,696**	**49,610,954**	29,608,500	16,898,430	46,506,930
Net assets released from restrictions	**13,030,511**	**(13,030,511)**	**-**	13,223,497	(13,223,497)	-
Total public support and revenue	**44,302,769**	**5,308,185**	**49,610,954**	42,831,997	3,674,933	46,506,930
Expenses:						
Program services:						
Education and outreach	**19,236,429**	**-**	**19,236,429**	13,499,336	-	13,499,336
Research and clinical	**17,770,431**	**-**	**17,770,431**	17,147,032	-	17,147,032
Training program	**656,903**	**-**	**656,903**	-	-	-
Total program services	**37,663,763**	**-**	**37,663,763**	30,646,368	-	30,646,368
Supporting services:						
Management and general	**6,940,897**	**-**	**6,940,897**	5,730,540	-	5,730,540
Fund-raising	**2,386,168**	**-**	**2,386,168**	2,302,149	-	2,302,149
Total supporting services	**9,327,065**	**-**	**9,327,065**	8,032,689	-	8,032,689
Total expenses	**46,990,828**	**-**	**46,990,828**	38,679,057	-	38,679,057
Change in net assets before gain on debt forgiveness and loss on disposal of property and equipment	(2,688,059)	5,308,185	2,620,126	4,152,940	3,674,933	7,827,873
Gain on forgiveness of debt (see Note J)	1,825,000	-	1,825,000	-	-	-
Loss on disposal of property and equipment	(67,035)	-	(67,035)	-	-	-
Change in net assets	**(930,094)**	**5,308,185**	**4,378,091**	4,152,940	3,674,933	7,827,873
Net assets, beginning of year	**9,303,348**	**22,035,277**	**31,338,625**	5,150,408	18,360,344	23,510,752
Net assets, end of year	**$ 8,373,254**	**$ 27,343,462**	**$ 35,716,716**	$ 9,303,348	$ 22,035,277	$ 31,338,625

CHILD MIND INSTITUTE, INC.

Statement of Functional Expenses
Year Ended September 30, 2021
(with comparative totals for September 30, 2020)

	Program Services				Supporting Services			Total Expenses	
	Education and Outreach	Research and Clinical	Training Programs	Total Program Services	Management and General	Fund-Raising	Total Supporting Services	2021	2020
Salaries	$ 1,272,883	$ 5,883,659	$ 307,818	$ 7,464,360	$ 2,500,195	$ 1,264,102	$ 3,764,297	$ 11,228,657	$ 9,550,712
Payroll taxes and employee benefits	146,683	1,108,137	32,482	1,287,302	823,410	226,054	1,049,464	2,336,766	2,012,598
Travel and meals	8,278	42,517	44,640	95,435	40,837	20,526	61,363	156,798	113,890
Occupancy	513,696	1,486,825	54,073	2,054,594	771,657	108,272	879,929	2,934,523	3,022,245
Office expenses	4,385	179,442	604	184,431	70,015	2,089	72,104	256,535	251,922
Professional and consulting fees	17,081,146	7,388,077	212,725	24,681,948	1,501,886	397,440	1,899,326	26,581,274	20,263,654
Event consultants	-	-	-	-	1,400	116,554	117,954	117,954	91,669
Catering and facility rental	-	-	-	-	-	-	-	-	241,847
Conference and meetings	-	231,110	-	231,110	485	994	1,479	232,589	67,382
Telephone	3,183	4,338	15	7,536	25,472	-	25,472	33,008	66,188
Insurance	113	4,748	-	4,861	165,273	-	165,273	170,134	197,738
Computers and equipment	91,944	385,372	3,918	481,234	305,184	81,440	386,624	867,858	620,278
Printing	-	10,663	-	10,663	662	21,154	21,816	32,479	38,684
Postage	1,354	10,022	-	11,376	19,644	3,093	22,737	34,113	16,261
Staff development	6,616	4,993	-	11,609	70,381	-	70,381	81,990	33,221
Financial aid	-	537,575	-	537,575	-	-	-	537,575	511,672
Scholarships and awards	-	60,000	-	60,000	-	-	-	60,000	35,000
Dues and subscriptions	1,324	29,169	274	30,767	11,149	8,859	20,008	50,775	35,969
Publications	204	12,399	-	12,603	1,728	1,830	3,558	16,161	67,369
Bank fees	145	1,354	354	1,853	40,834	45,888	86,722	88,575	77,498
Interest expense	-	-	-	-	3,992	-	3,992	3,992	24,371
Web development and design	53,238	7,193	-	60,431	424,611	28,296	452,907	513,338	867,199
Advertisement	-	63,365	-	63,365	-	-	-	63,365	87,376
Bad debts expense	-	-	-	-	52,116	-	52,116	52,116	13,105
Depreciation and amortization	51,237	319,473	-	370,710	109,966	59,577	169,543	540,253	613,056
Total expenses	19,236,429	17,770,431	656,903	37,663,763	6,940,897	2,386,168	9,327,065	46,990,828	38,920,904
Less: direct benefit to donors	-	-	-	-	-	-	-	-	(241,847)
Total expenses per statements of activities	$ 19,236,429	$ 17,770,431	$ 656,903	$ 37,663,763	$ 6,940,897	$ 2,386,168	$ 9,327,065	$ 46,990,828	$ 38,679,057

See notes to financial statements.

CHILD MIND INSTITUTE, INC.

Statement of Functional Expenses
Year Ended September 30, 2020

	Program Services			Supporting Services			
	Education and Outreach	Research and Clinical	Total Program Services	Management and General	Fund-Raising	Total Supporting Services	Total Expenses
Salaries	$ 905,790	$ 5,647,715	$ 6,553,505	$ 1,944,001	$ 1,053,206	$ 2,997,207	$ 9,550,712
Payroll taxes and employee benefits	176,290	916,362	1,092,652	767,885	152,061	919,946	2,012,598
Travel and meals	14,073	44,096	58,169	34,253	21,468	55,721	113,890
Occupancy	125,089	1,556,873	1,681,962	1,147,831	192,452	1,340,283	3,022,245
Office expenses	9,951	97,284	107,235	123,367	21,320	144,687	251,922
Professional and consulting fees	11,593,418	7,188,531	18,781,949	1,105,634	376,071	1,481,705	20,263,654
Event consultants	-	-	-	-	91,669	91,669	91,669
Catering and facility rental	-	-	-	-	241,847	241,847	241,847
Conference and meetings	-	67,141	67,141	83	158	241	67,382
Telephone	8,025	28,899	36,924	25,791	3,473	29,264	66,188
Insurance	50,276	83,161	133,437	54,254	10,047	64,301	197,738
Computers and equipment	77,674	286,320	363,994	202,181	54,103	256,284	620,278
Printing	473	19,466	19,939	4,389	14,356	18,745	38,684
Postage	523	7,591	8,114	5,175	2,972	8,147	16,261
Staff development	3,171	2,188	5,359	27,299	563	27,862	33,221
Financial aid	-	511,672	511,672	-	-	-	511,672
Scholarships and awards	-	35,000	35,000	-	-	-	35,000
Dues and subscriptions	660	11,973	12,633	6,796	16,540	23,336	35,969
Publications	43	67,176	67,219	150	-	150	67,369
Bank fees	9,264	15,064	24,328	18,999	34,171	53,170	77,498
Interest expense	2,913	4,737	7,650	5,975	10,746	16,721	24,371
Web development and design	463,561	113,650	577,211	110,820	179,168	289,988	867,199
Advertisement	-	79,608	79,608	7,768	-	7,768	87,376
Bad debts expense	-	-	-	13,105	-	13,105	13,105
Depreciation and amortization	58,142	362,525	420,667	124,784	67,605	192,389	613,056
Total expenses	13,499,336	17,147,032	30,646,368	5,730,540	2,543,996	8,274,536	38,920,904
Less: direct benefit to donors	-	-	-	-	(241,847)	(241,847)	(241,847)
Total expenses per statements of activities	$ 13,449,336	$ 17,147,032	$ 30,646,368	$ 5,730,540	$ 2,302,149	$ 8,032,689	$ 38,679,057

See notes to financial statements.

CHILD MIND INSTITUTE, INC.

Statements of Cash Flows

	September 30, 2021	September 30, 2020
Cash flows from operating activities:		
Change in net assets	**$ 4,378,091**	$ 7,827,873
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	**540,253**	613,056
Loss on disposal of property and equipment	**67,035**	-
Amortization of deferred rent obligation and lease incentive	**(117,691)**	(73,698)
Net realized and unrealized (gains) losses on investments	**(309,304)**	97,126
Bad debts expense	**52,116**	13,105
Donated securities	**(836,722)**	(3,857,225)
Proceeds from sales of donated securities	**836,722**	3,857,225
Gain on forgiveness of debt	**(1,825,000)**	-
Changes in:		
Accounts receivable	**(53,381)**	(30,867)
Contributions receivable, net	**(6,861,146)**	(4,030,343)
Government grants receivable	**(2,688,871)**	(715,173)
Due from related parties	**3,031,317**	(1,769,454)
Prepaid expenses and other assets	**(144,110)**	7,612
Accounts payable and accrued expenses	**3,058,833**	(297,197)
Accrued salaries and vacation	**256,433**	(224,829)
Due to related parties	**(2,363,817)**	3,385,230
Net cash (used in) provided by operating activities	**(2,979,242)**	4,802,441
Cash flows from investing activities:		
Proceeds from sales of investments	**374,861**	2,429,477
Purchases of investments	**(371,132)**	(2,135,052)
Purchases of property and equipment	**-**	(11,425)
Net cash provided by investing activities	**3,729**	283,000
Cash flows from financing activities:		
Proceeds from draws on bank line of credit	**-**	1,500,000
Payment of draws on bank line of credit	**(1,500,000)**	-
Proceeds from Paycheck Protection Program loan payable	**1,825,000**	1,825,000
Net cash provided by financing activities	**325,000**	3,325,000
Net change in cash, cash equivalents, and restricted cash	**(2,650,513)**	8,410,441
Cash, cash equivalents, and restricted cash, beginning of year	**17,653,347**	9,242,906
Cash, cash equivalents, and restricted cash, end of year	**$ 15,002,834**	$ 17,653,347
Supplemental disclosure of cash flow information:		
In-kind services	**$ 11,151,176**	$ 10,508,011
Interest paid	**$ 3,992**	$ 24,371

NOTE A - ORGANIZATION AND NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

[1] Organization:

Child Mind Institute, Inc. ("CMI"), incorporated in New York in 2009, is an independent not-for-profit organization dedicated to transforming the lives of children and families struggling with mental health and learning disorders. CMI works to deliver the highest standards of care, advance the science of the developing brain and empower parents, professionals, and policymakers to support children when and where they need it most. Together with its supporters, CMI is helping children reach their full potential in school and in life.

As further described in Note E, CMI has related activities in common with Child Mind Medical Practice, PLLC (the "New York Practice"), a professional service limited liability company organized in New York in 2010 which specializes in the treatment of psychological and behavioral disorders in children and adolescents. CMI facilitated the creation of the New York Practice to provide clinical care and treatment to children and adolescents which, under applicable law, CMI may not directly provide. Subsequent to September 30, 2021, the New York Practice received a favorable IRS determination for tax-exempt status. CMI's President is also a member of the New York Practice; however, there are no shared governing-board members between the two organizations, and CMI does not have a direct ownership interest in the New York Practice. Therefore, the criteria for consolidation is not met.

CMI is also related to Child Mind Medical Practice, PC (the "California Practice"), a professional medical corporation organized in California in January 2019 which specializes in the treatment of psychological and behavioral disorders in children and adolescents in the State of California. Similar to the New York Practice, CMI facilitated the creation of the California Practice to provide clinical care and treatment to children and adolescents, which, under applicable law, CMI may not directly provide. CMI's president is also the sole shareholder of the California Practice; however, there are no shared governing-board members between the two organizations, and CMI does not have a direct ownership interest in the California Practice. Therefore, the criteria for consolidation is not met.

CMI is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (the "Code") and from state and local taxes under comparable laws.

[2] Basis of accounting:

The financial statements of CMI have been prepared using 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.

[3] 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, support and revenue and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

[4] Cash, cash equivalents, and restricted cash:

For financial-reporting purposes, CMI considers all highly liquid investments, with maturities of three months or less when purchased, to be cash equivalents. Cash equivalents considered to be a part of CMI's investment portfolio are reported as investments in the statements of financial position. A portion of cash has been restricted as collateral against CMI's letter of credit for its operating leases (see Note K[1]).

NOTE A - ORGANIZATION AND NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[5] Investments:

CMI's investments in common stock and mutual funds are reported at their fair values in the statements of financial position based on quoted market prices. Cash equivalents held as a part of the investment portfolio are also included in the balances reported as investments.

CMI's investments, in general, are subject 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 could materially affect the amounts reported in the financial statements.

Investment transactions are recorded on a trade-date basis. Realized gains and losses on investments sold, and unrealized appreciation and depreciation on investments held, are reported in the statements of activities as increases or decreases in net assets without donor restrictions, unless their use is restricted through donor stipulation. Realized gains and losses on investments are determined by comparison of the cost of acquisition to the proceeds received at the time of disposition. Unrealized gains and losses on investments are determined by comparing the investment's cost to the fair value at the end of each fiscal year. The earnings from dividends and interest are recognized when earned.

Donated securities are recorded at their estimated fair values, as determined by the proceeds received on the dates of donation or by their net asset values as determined by the CMI's management. CMI's policy is to sell the donated securities immediately, and, accordingly, for purposes of the statements of cash flows, donated securities and the proceeds generated from their sale are included within operating activities.

Investment expenses include the services of bank trustees, investment managers and custodians. The balance of investment management fees disclosed in Note C are those specific fees charged by CMI's various investment managers in each fiscal year; however, they do not include those fees that are embedded in various other investment accounts and transactions.

[6] Property and equipment:

Property and equipment are stated at their original costs, net of accumulated depreciation and amortization, at the dates of acquisition, or, if contributed, at their fair values at the dates of donation. CMI capitalizes items of property and equipment that have a cost of $3,000 or more and a useful life greater than one year, whereas minor costs of repair and maintenance are expensed as incurred. Depreciation of computer hardware and furniture and equipment is provided using the straight-line method over three to five years, the estimated useful lives of the related assets. Leasehold improvements are amortized over the remaining lease term, or the useful lives of the improvements, whichever is shorter.

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. There were no triggering events occurring to property and equipment requiring management to test for, or adjust for, impairment losses during 2021 or 2020. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

[7] Website and software costs:

Website costs related to data consulting services, site configuration and infrastructure, and conceptual design are capitalized. The costs incurred for the purchase of software and upgrades that result in additional functionality are capitalized. Costs relating to operation and content are expensed as incurred. Capitalized website and software costs are amortized over a five-year and three-year expected life for website costs and software costs, respectively, using the straight line method. At each year end, capitalized website and software costs are reported in the accompanying statements of financial position net of accumulated amortization of $811,812 for 2021 and 2020.

NOTE A - ORGANIZATION AND NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[8] Accrued vacation:

Accrued vacation represents CMI's obligation for the cost of unused employee vacation time payable in the event of employee departures. At September 30, 2021 and 2020, the accrued vacation obligation was $745,594 and $685,826, respectively, and is reported in the accompanying statements of financial position as a part of accrued salaries and vacation.

[9] Paycheck Protection Program loan payable:

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The Paycheck Protection Program ("PPP") established by the CARES Act, implemented by the U.S. Small Business Administration ("SBA"), provides businesses, including certain not-for-profit organizations, with funds to pay payroll and other costs during the coronavirus ("COVID-19") outbreak.

There are two acceptable methods for accounting for the PPP funds received under the CARES Act. Entities can elect to treat the funds as a loan or as a conditional contribution. CMI has elected to record the PPP funds as a loan under the Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") 470, *Debt*. CMI's application for forgiveness of the loan received in fiscal year 2020 was approved in August 2021 and the revenue was recognized in the accompanying statements of activities (see Note J).

CMI also applied for and received the second round of PPP funds on April 30, 2021, and this was recorded as a loan payable on the accompanying statements of financial position. CMI subsequently received full forgiveness of the loan on February 16, 2022 (see Note J).

[10] Deferred rent obligation:

Rent expense is recognized using the straight-line method over the term of the lease. The difference between rent expense incurred and rental amounts actually paid, which is attributable to scheduled rent increases and a rent abatement, is reported as a deferred rent obligation and lease incentive in the statements of financial position.

[11] Net assets:

(i) Net assets without donor restrictions:

Net assets without donor restrictions represent those resources for which there are no restrictions by donors as to their use and are therefore available for current operations.

(ii) Net assets with donor restrictions:

Net assets with donor restrictions represent those resources that are subject to donor imposed restrictions, such as specific purposes and/or the passage of time. Also included within net assets with donor restrictions are donor restrictions that are perpetual in nature and subject to the requirements of the State of New York's Uniform Prudent Management of Institutional Funds Act ("NYPMIFA"). These donors have stipulated that those resources be maintained in perpetuity with the resultant income and net capital appreciation arising from the underlying assets to be used in satisfaction of the wishes of those donors. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, or funds are appropriated through an action of the Board of Directors, net assets with donor restrictions are reclassified to net assets without donor restriction and are reported in the statements of activities as "net assets released from restrictions."

NOTE A - ORGANIZATION AND NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[12] Revenue recognition:

(i) Contributions and grants:

Contributions to CMI are recognized as revenue upon the receipt of cash, of other assets, or of unconditional pledges. Contributions are recorded with donor restrictions if they are received with donor stipulations or time considerations as to their use. Conditional contributions are recorded when the conditions have been met, and, if received in advance, are recognized in the statements of financial position as funds received in advance. Contributions to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved.

Revenue from cost-reimbursement government grants are recognized when reimbursable expenses are incurred under the terms of the grants, thereby satisfying the conditions stipulated in the grant agreements. Contracts and grants of this nature received in advance are considered refundable advances until the related expenses are incurred. Performance-based grants are recognized as milestones are achieved, in satisfaction of the stipulated conditions. Other, non reimbursement or otherwise unconditional grant revenue is recognized based on the terms of each individual grant and is considered available for general use, unless the donor or grantor restricts the use thereof.

Gross proceeds paid by attendees at special events held as fundraising activities represents contribution revenue as well as the payment of the direct cost of the benefit received by the attendee at the event. Special-event income is reported net of the direct benefit to donors. Special event revenues, other than contributions, applicable to a current year are recognized as revenue in the year a special event takes place. Special event revenue received for a future year's event is deferred and recognized when the event takes place.

(ii) Revenue from contract with customers:

CMI recognizes revenue when, or as, performance obligations are satisfied associated with contracts with customers. Revenue is measured as the amount of consideration CMI expects to receive in exchange for providing services. The primary sources of revenue from contracts with customers for CMI are the program service fees. Program service fees revenue is recognized when services have been rendered based on the terms of each individual contract.

(iii) Administrative services:

Administrative services provided to the New York Practice and California Practice are recognized according to the terms of a contracted rate based on the value of services provided by CMI, based on actual costs incurred by CMI (see Note E).

[13] Donated services:

For recognition of donated services in CMI's financial statements, such services must (i) create or enhance non-financial assets and (ii) typically need to be acquired if not provided by donation. Additionally, recognition of donated services must (i) require a specialized skill, and (ii) be provided by individuals possessing these skills. Accordingly, donated services are recorded as support at their estimated fair values at the dates of donation and are reported as public support without donor restrictions.

During fiscal-years 2021 and 2020, CMI received donated legal services totaling approximately $61,000 and $134,000, respectively. During fiscal-years 2021 and 2020, CMI received approximately $11,090,000 and $10,374,000, respectively, in the form of donated placements of public-service announcements ("PSAs"), in various forms of media. The PSAs served to communicate CMI's mission to the general public.

NOTE A - ORGANIZATION AND NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[13] Donated services: (continued)

Donated services totaled approximately $11,151,000 and $10,508,000, during fiscal-years 2021 and 2020, respectively.

[14] Functional allocation of expenses:

The costs of providing CMI's various programs and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses present expenses by function and natural classification. Accordingly, direct costs have been functionalized within the program and supporting services, based on the nature of the expense. Indirect costs have been allocated on the basis of time allocation with the exception of occupancy and insurance which are allocated by square footage.

[15] Advertising:

CMI expenses the costs of advertising as they are incurred. Advertising expense for fiscal-years 2021 and 2020 was approximately $63,000 and $87,000, respectively.

[16] Income tax uncertainties:

CMI is subject to the provisions of the FASB ASC Topic 740, *Income Taxes*, as it relates to accounting and reporting for uncertainty in income taxes. Because of CMI's general tax-exempt status, ASC Topic 740 has not had, and is not anticipated to have, a material impact on CMI's financial statements.

[17] Adoption of accounting pronouncement:

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. ASU 2014-09 requires an entity to recognize revenue depicting the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard permits the use of either the retrospective or cumulative effect transition method. Analysis of various provisions of this standard resulted in no significant changes in the way CMI recognized revenue, and therefore, no changes to the previously issued audited financial statements were required on a retrospective basis.

[18] Upcoming accounting pronouncements:

(i) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets:

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. For each category of contributed nonfinancial assets recognized, the not-for-profit organization will need to disclose: (i) qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period; if utilized, a description of the programs or other activities in which those assets were used; (ii) the not-for-profit's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets; (iii) a description of any donor-imposed restrictions associated with the contributed nonfinancial assets; and (iv) the valuation and techniques and inputs used to arrive at a fair value measure, if it is a market in which the recipient entity is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets.

NOTE A - ORGANIZATION AND NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[18] Upcoming accounting pronouncements: (continued)

(i) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets: (continued)

The amendments in this ASU will be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021. Management is in the process of assessing the impact of this ASU on the financial statements and related note disclosures.

(ii) Leases:

In February 2016, the FASB issued lease accounting guidance in ASU 2016-02, *Leases*. ASU 2016-02 will require lessees to recognize for all leases (with terms of more than 12 months) at the commencement date, the following: a) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and b) a right-of-use-asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The new lease guidance also simplified the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. Lessees will no longer be provided with a source of off-balance sheet financing. The standard is effective for the fiscal year beginning after December 15, 2021. Upon the adoption of the guidance, operating leases are capitalized on the balance sheet at the present value of lease payments, using the applicable incremental borrowing rate, or risk free rate, at the date of adoption. The impact on CMI's financial statements is currently being evaluated. Information about CMI's undiscounted future lease payments and the timing of those payments is provided in Note K.

[19] Subsequent events:

CMI has evaluated subsequent events through May 16, 2022, the date on which the financial statements were available to be issued.

NOTE B - RECEIVABLES

[1] Contributions receivable:

At each fiscal year-end, contributions receivable were estimated to be due as follows:

	September 30,	
	2021	**2020**
Less than one year	**$ 9,570,536**	$ 7,578,249
One year to five years	**9,283,998**	4,473,564
	18,854,534	12,051,813
Less: allowance for doubtful collection	**(52,116)**	(13,105)
Reduction of pledges due in excess of one year to present value, at discount rates ranging from 0.33% to 2.75%	**(116,696)**	(162,016)
	$ 18,685,722	$ 11,876,692

NOTE B - RECEIVABLES (CONTINUED)

[1] Contributions receivable: (continued)

During fiscal-years 2021 and 2020, CMI wrote-off contributions receivable against its allowance of $13,105 and $15,000, respectively.

[2] Accounts and government grants receivable:

At each fiscal year-end, accounts and grants receivable consisted of amounts due to CMI for exchange-type transactions. All amounts are due within one year. Based on prior history, management believes that substantially all receivables are fully collectible and, accordingly, no allowance for doubtful amounts has been established.

NOTE C - INVESTMENTS

At each fiscal year-end, investments consisted of the following:

	September 30,			
	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Money market funds	**$ 37,089**	**$ 37,089**	$ 44,500	$ 44,500
Mutual funds:				
Fixed-income funds	**1,805,750**	**1,787,456**	1,776,921	1,767,246
Market-hedging funds	**61,313**	**53,805**	55,165	53,449
Equity	**380,592**	**313,198**	301,190	311,240
Common stock	**1,219,996**	**1,077,781**	1,021,389	1,007,836
	$ 3,504,740	**$ 3,269,329**	$ 3,199,165	$ 3,184,271

During each fiscal year, net investment income consisted of the following:

	Year Ended September 30,	
	2021	2020
Interest and dividends	**$ 40,054**	$ 89,411
Realized gains (losses)	**88,787**	(32,474)
Unrealized gains (losses)	**220,517**	(64,652)
Investment management fees	**(16,523)**	(16,146)
	$ 332,835	$ (23,861)

ASC Topic 820, *Fair Value Measurements*, establishes a three-level valuation hierarchy of fair-value measurements. These valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value hierarchy:

NOTE C - INVESTMENTS (CONTINUED)

Level 1: Valuations are based on observable inputs that reflect quoted market prices in active markets for identical investments, at the reporting date.

Level 2: Valuations are based on (i) quoted prices for similar investments in active markets (ii) quoted prices for those investments, or similar investments, in markets that are not active or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date.

Level 3: Valuations are based on pricing inputs that are unobservable and include situations where (i) there is little, if any, market activity for the investments, or (ii) the investments cannot be independently valued.

The available market data is monitored to assess the appropriate classification of financial instruments within the fair-value hierarchy. Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The following table summarizes the fair values of CMI's investments at each fiscal year-end, in accordance with the ASC Topic 820 valuation levels:

	September 30,			
	2021		2020	
	Level 1	Total	Level 1	Total
Money market funds	**$ 37,089**	**$ 37,089**	$ 44,500	$ 44,500
Mutual funds	**2,247,655**	**2,247,655**	2,133,276	2,133,276
Common stock	**1,219,996**	**1,219,996**	1,021,389	1,021,389
	$ 3,504,740	**$ 3,504,740**	$ 3,199,165	$ 3,199,165

NOTE D - PROPERTY AND EQUIPMENT

At each fiscal year-end, property and equipment consisted of the following:

	September 30,	
	2021	2020
Computer hardware	**$ 371,390**	$ 371,390
Furniture and equipment	**2,062,150**	2,062,150
Leasehold improvements	**5,114,520**	5,339,446
	7,548,060	7,772,986
Less: accumulated depreciation and amortization	**(4,175,954)**	(3,793,592)
	$ 3,372,106	$ 3,979,394

NOTE D - PROPERTY AND EQUIPMENT (CONTINUED)

During fiscal-year 2021, CMI disposed of property and equipment no longer in use of $224,926. The disposition resulted in losses of $67,035 during fiscal-year 2021. CMI did not dispose of any property and equipment in fiscal-year 2020.

NOTE E - RELATED-PARTY TRANSACTIONS

As discussed in Note A[1], the relationship between the New York Practice, the California Practice and CMI lends itself to a variety of transactions and agreements as further described below:

[1] Administrative services agreements and other transactions:

CMI provides certain administrative services to the New York Practice and the California Practice, and the New York Practice and California Practices reimburse CMI for the value of those services, based upon agreements between the organizations. The following table notes the costs incurred and reimbursed by the New York Practice and the California Practice to CMI during each fiscal-year:

	Year Ended September 30,			
	2021		2020	
	New York Practice	California Practice	New York Practice	California Practice
Beginning balance due to CMI	**$ 3,484,308**	**$ 466,479**	$ 2,083,692	$ 99,384
Administrative	**1,283,669**	**1,622,085**	1,263,275	1,473,915
Other costs incurred	**9,000**	**47,239**	205,341	28,377
Contributions to CMI	**500,000**	**-**	-	-
Payments reimbursed to CMI	**(4,637,130)**	**(1,891,117)**	(68,000)	(1,135,197)
Ending balance due to CMI	**$ 639,847**	**$ 244,686**	$ 3,484,308	$ 466,479

In addition, CMI, as of September 30, 2020, and functioning as an agent for the New York Practice and the California Practice, held PPP loan proceeds of $1,925,000 and $299,210, respectively, which were remitted to the respective organizations at year end.

[2] Financial aid program:

CMI instituted the Financial Aid Program in an effort to help children and families receive care and treatment, regardless of economic standing, by clinicians at the New York Practice and the California Practice. Families complete an application for aid at the New York Practice and the California Practice. Eligible families may receive a fee discount between 20%-60% of the cost of services. CMI raises funds to support this program. Financial aid awards to patients of the New York Practice and the California Practice from CMI during each fiscal-year were as follows:

NOTE E - RELATED-PARTY TRANSACTIONS (CONTINUED)

[2] Financial aid program: (continued)

	Year Ended September 30,			
	2021		2020	
	New York Practice	California Practice	New York Practice	California Practice
Beginning balance due to CMI	**$ (59,119)**	**$ -**	$ -	$ -
Financial aid awards	**(512,396)**	**(25,179)**	510,390	1,282
Payments provided	**-**	**-**	(451,271)	(1,282)
Ending balance due to CMI	**$ (571,515)**	**$ (25,179)**	$ 59,119	$ -

[3] Sub-contracting:

CMI receives contributions and grants that require the provision of services that CMI is unable to provide. In these instances, CMI sub-contracts with various agencies, including the New York Practice and the California Practice, to perform these services. CMI discloses to its donors and grantors that the services will be sub-contracted to satisfy the donor's and grantor's requests. Amounts expensed by CMI in the performance of these requests are included within the professional and consulting fees in the statements of functional expenses. During fiscal-years 2021 and 2020, sub-contracted amounts paid to the New York Practice and the California Practice are as follows:

	Year Ended September 30,			
	2021		2020	
	New York Practice	California Practice	New York Practice	California Practice
Beginning balance due to CMI	**$ (887,802)**	**$ (211,075)**	$ -	$ -
Subcontracting	**(3,008,884)**	**(244,494)**	2,198,650	211,075
Payments provided	**3,473,710**	**490,506**	(1,310,848)	-
Ending balance due to CMI	**$ (422,976)**	**$ 34,937**	$ 887,802	$ 211,075

[4] Restricted grant start-up agreement:

CMI entered into a restricted grant agreement with the New York Practice pursuant to which CMI agreed to make special purpose restricted grants to the New York Practice up to the aggregate amount of $2,440,000. To date, CMI has made grants to the New York Practice in the aggregate amount of $690,000.

Similarly, CMI entered into a restricted grant agreement with the California Practice pursuant to which CMI agreed to make special purpose restricted grants to the California Practice up to the aggregate amount of $5,000,000. To date, CMI has made grants to the California Practice in the aggregate amount of $692,080.

NOTE E - RELATED-PARTY TRANSACTIONS (CONTINUED)

[5] Fund-raised restricted funds:

CMI has fund-raised, through its West Coast campaign, for costs related to the expansion of the California Practice. CMI has granted $3,972,446 and $4,006,984, during fiscal-years ended September 30, 2021 and 2020, respectively, to the California Practice.

[6] License agreement:

Pursuant to license agreements between CMI and the New York Practice and the California Practice, respectively, CMI granted a royalty-free license of certain of its trademarks and domain names to the New York Practice and the California Practice, subject to certain terms and conditions, including the termination of the license agreements in the event the New York Practice or the California Practice breaches the terms and conditions of the agreements.

NOTE F - NET ASSETS WITH DONOR RESTRICTIONS

At each fiscal year-end, net assets with donor restrictions consisted of the following:

	September 30,	
	2021	**2020**
Purpose restrictions:		
Healthy Brain Network	**$ 3,700,833**	$ 6,646,432
School and Community Programs	**3,357,853**	4,997,791
Financial aid	**625,579**	1,095,225
Education	**1,914,333**	2,795,386
Research	**10,744**	465
West Coast	**1,620,349**	3,392,097
Project UROK	**183,138**	266,693
Katz Lecture	**232,734**	232,734
Doris and Melvin Sirow Art Fund	**61,164**	61,164
Communication	**60,000**	-
Child Mental Health Initiative	**10,124,362**	-
My Younger Self	**67**	67
	21,891,156	19,488,054
Restricted for future periods	**3,380,129**	520,532
Accumulated endowment income reserved for appropriation - research and science	**72,177**	26,691
Perpetual in nature	**2,000,000**	2,000,000
	$ 27,343,462	$ 22,035,277

NOTE F - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

During each fiscal year, net assets released from restrictions resulted from satisfying the following donor restrictions:

	Year Ended September 30,	
	2021	**2020**
Purpose restrictions satisfied:		
Healthy Brain Network	**$ 3,996,948**	$ 4,163,585
School and community programs	**2,171,044**	1,121,794
Financial aid	**512,396**	586,727
Research	**168,988**	189,847
Project UROK	**85,140**	109,946
Katz Lecture	**-**	2,195
West Coast	**4,237,852**	4,060,207
Education	**881,053**	626,265
Child Mental Health Initiative	**675,638**	-
Ronald Yu/Champion Charities	**5,000**	-
Clinical	**-**	5,000
	12,734,059	10,865,566
Time restrictions satisfied	**296,452**	2,357,931
	$ 13,030,511	$ 13,223,497

NOTE G - ENDOWMENT

[1] The endowment:

CMI's endowment consists of a fund with donor restriction to support a research position at CMI.

[2] Interpretation of relevant law:

NYPMIFA is applicable to all of CMI's institutional funds, including its donor-restricted endowment fund. The Board of Directors will continue to adhere to NYPMIFA's requirements.

[3] Changes in endowment net assets for each fiscal year were as follows:

	September 30, 2021		
	Amounts Subject to Appropriation	**Amounts Perpetual in Nature**	**Total**
Endowment net assets, beginning of year	**$ 26,691**	**$ 2,000,000**	**$ 2,026,691**
Investment returns, net	**204,766**	**-**	**204,766**
Appropriation of endowment assets	**(159,280)**	**-**	**(159,280)**
Endowment net assets, end of year	**$ 72,177**	**$ 2,000,000**	**$ 2,072,177**

NOTE G - ENDOWMENT (CONTINUED)

[3] Changes in endowment net assets for each fiscal year were as follows: (continued)

	September 30, 2020		
	Amounts Subject to Appropriation	Amounts Perpetual in Nature	Total
Endowment net assets, beginning of year	$ 39,434	$ 2,000,000	$ 2,039,434
Investment returns, net	(12,743)	-	(12,743)
Appropriation of endowment assets	-	-	-
Endowment net assets, end of year	$ 26,691	$ 2,000,000	$ 2,026,691

Amounts subject to appropriation represent that portion of allocated investment income, derived from endowment assets held in perpetuity, that have not been appropriated by the Board of Directors for expenditure.

[4] Funds with deficiencies:

Due to unfavorable market fluctuations, from time to time, the fair value of assets associated with individual donor-restricted endowment funds may decline below the historical dollar value of the donor's original, permanently restricted contribution. There were no such deficiencies during fiscal-years 2021 and 2020. Under the terms of NYPMIFA, CMI has no responsibility to restore such decreases in value.

[5] Return objectives and risk parameters:

The Board of Directors has adopted investment and spending policies for CMI's endowment assets that seek to provide a predicable stream of funding for a research position at CMI.

[6] Strategies employed for achieving objectives:

To satisfy its long-term, rate-of-return objectives, CMI relies on a total-return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). CMI will target a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

[7] Spending policy and relationships with investment objectives:

When authorized by the Board of Directors, CMI may draw up to 5% of the projected value of the fund as of CMI's fiscal-year end to provide support for a research position at CMI. Each year, during the Audit & Finance Committee's fall meeting, the Committee recommends the appropriation to be approved by the Board of Directors based on the performance of the investment as of August 31 of that year, and also ratifies or revises the prior-year's appropriation. CMI's Board of Directors, based on the recommendation of the Committee, did not appropriate the full allowable amount in fiscal-year 2020. During fiscal-year 2021, there was $159,280 in appropriations.

NOTE H - EMPLOYEE-BENEFIT PLAN

CMI maintains a defined-contribution retirement plan, established under Section 401(k) of the Code. Eligible employees may contribute a portion of their annual salaries immediately upon being hired. Under the terms of the plan, CMI may provide a discretionary matching contribution up to 6% of the employee's annual salary, up to a maximum of $10,000 per year. Plan expenses for fiscal-years 2021 and 2020 were $379,707 and $151,009, respectively.

NOTE I - CREDIT RISK

Financial instruments that potentially subject CMI to concentrations of credit risk consist principally of cash and cash-equivalent accounts deposited in high-credit-quality financial institutions, the balances of which, from time to time, may exceed federal insurance limits. However, management believes that CMI does not face a significant risk of loss on these accounts that would be due to the failure of these institutions.

NOTE J - DEBT

[1] Bank line of credit:

During fiscal-year 2018, CMI obtained a $1,000,000 line of credit from JP Morgan Chase that is secured by the general assets of CMI. In November 2019, the line of credit was increased to $1,500,000. The line of credit matured on November 14, 2020 and was renewed in January 2021 with an increase to $3,000,000. Interest on the line was payable at a variable rate equal to the one-month London Interbank Offered Rate ("LIBOR") plus 3.46%, which at September 30, 2020 was 3.59%. CMI drew down $1,500,000 on the line of credit during fiscal-year 2020, and then paid it back in full in November 2020. There were no draws on the line of credit during fiscal-year 2021.

On March 15, 2022, the line of credit was increased to $6,000,000 and will mature in one year. Interest is payable at a variable rate equal to the adjusted Secured Overnight Financing Rate ("SOFR") plus 3.00%.

[2] Paycheck Protection Program loan payable:

On April 6, 2020, CMI received $1,825,000 in funds from the PPP (the "First Draw"), which is reported as a Paycheck Protection Program loan payable in the statements of financial position at September 30, 2020. The loan would have matured on April 6, 2022 and bore interest at a rate of 0.98%. This loan would have been forgiven subject to bank approval in accordance with SBA guidelines. In accordance with SBA guidelines, required monthly principal and interest payments would have begun no earlier than the end of the covered period, which ended September 30, 2020. CMI had ten months after the end of the covered period to apply for forgiveness of the loan. Any outstanding principal of the loan that was not forgiven under the PPP loan program at the end of the ten-month deferral period would have converted to a term loan with an interest rate of 0.98% payable in equal installments of principal and interest over the next twenty-four months, beginning in August 2021. On July 16, 2021, CMI received full forgiveness of the First Draw and, in anticipation of forgiveness, no interest had accrued.

On April 30, 2021, CMI applied for and received $1,825,000 in funds from the PPP (the "Second Draw"). The loan would have matured on April 30, 2026 and bore interest at a rate of 0.98%. CMI subsequently received full forgiveness of the Second Draw on February 16, 2022.

NOTE K - COMMITMENTS, CONTINGENCIES, AND OTHER UNCERTAINTY

[1] Lease agreements:

In August 2010, CMI and the New York Practice entered jointly into an operating lease agreement with an unrelated party for office space, expiring on May 31, 2023. Pursuant to this agreement, CMI and the New York Practice received a base rent credit of $1,190,490 to be applied to the rent expense from the commencement of the lease through May 2011. In November 2017, CMI jointly with the New York Practice, signed an agreement to the existing lease agreement, which adds additional space and extends the lease through fiscal year 2034, with an option to terminate early in fiscal-year 2023, which includes a base rent credit of $2,131,887 to be applied to the rent expense. In accordance with a cost sharing agreement, 65% of this credit was passed through to the New York Practice. As discussed in Note A[10], aggregate minimum lease payments are being amortized using the straight-line method over the lease term. The cumulative difference between rent expense attributable to CMI and amounts paid by CMI amounted to $2,605,210 and $2,734,859, as of September 30, 2021 and 2020, respectively, and has been reported as a deferred rent liability in the accompanying statements of financial position.

In conjunction with this amended lease, CMI was required to obtain a separate letter of credit, in the amount of $2,500,000, to be held as security in the event of default. The letter of credit held by CMI automatically renews each year on August 31 and is secured by an equivalent amount of cash and cash equivalents. There have been no borrowings related to this letter of credit.

In August 2019, CMI entered into an operating lease agreement with an unrelated party for office space in Harlem, New York, expiring on December 31, 2029. The aggregate minimum lease payments are being amortized using the straight-line method over the term of the lease. The cumulative difference between rent expense and amounts paid amounted to $165,886 and $153,928 as of September 30, 2021 and 2020, respectively, and has been reported as a deferred rent liability in the accompanying statements of financial position.

In August 2019, CMI and the California Practice entered jointly into an operating lease agreement with an unrelated party for office space, expiring on February 28, 2025. Pursuant to this agreement, CMI and the California Practice received a base rent credit of $161,476 to be applied to the rent expense from the commencement of the lease through February 2020. The aggregate minimum lease payments are being amortized using the straight-line method over the term of the lease. While the California Practice is responsible for the full cost of the lease, as a joint tenant, CMI would be liable were the California Practice to default on any lease payment.

The future minimum rental commitments of CMI, the New York Practice and the California Practice for the fiscal-years ended subsequent to September 30, 2021 are as follows:

Year Ending September 30,	Amount
2022	$ 4,027,098
2023	3,544,529
2024	4,490,133
2025	4,259,025
2026	4,081,107
Thereafter	29,861,868
	$ 50,263,760

NOTE K - COMMITMENTS, CONTINGENCIES, AND OTHER UNCERTAINTY (CONTINUED)

[2] Litigation:

CMI is subject to litigation in the routine course of conducting its operations. In management's opinion, however, there is no current litigation the outcome of which would have a material adverse impact on CMI's financial position or activities.

[3] Government-funded activities:

Government-funded activities are subject to audit by the applicable granting agencies. At September 30, 2021, there were no material obligations outstanding as a result of such audits, and management believes that unaudited projects would not result in any material obligation.

[4] Other uncertainty:

The extent of the impact of the COVID-19 outbreak on the operational and financial performance of CMI's services will depend on continued future developments, including the duration and spread of the outbreak and related restrictions and the impact of COVID-19 on overall demand for CMI's services, all of which are highly uncertain and cannot be predicted. If demand for CMI's services are impacted for an extended period, results of operations may be materially adversely affected.

NOTE L - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects CMI's financial assets available for general expenditure within one year of the statements of financial position date:

	September 30,	
	2021	**2020**
Cash and cash equivalents	**$ 15,002,834**	$ 17,653,347
Accounts receivable	**128,478**	75,097
Contributions receivable, net	**18,685,722**	11,876,692
Government grants receivable	**4,266,420**	1,577,549
Due from related parties	**919,470**	3,950,787
Investments	**3,504,740**	3,199,165
Total financial assets available within one year	**42,507,664**	38,332,637
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Purpose and time restrictions	**(25,343,462)**	(20,035,277)
Perpetual in nature	**(2,000,000)**	(2,000,000)
Cash and cash equivalents held as collateral for letter of credit held as security	**(2,500,000)**	(2,500,000)
Total amounts unavailable for general expenditure within one year	**(29,843,462)**	(24,535,277)
Total financial assets available to meet cash needs for general expenditures within one year	**$ 12,664,202**	$ 13,797,360

NOTE L - LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

Liquidity policy:

CMI maintains a sufficient level of resources to be available as its general expenditures, liabilities, and other obligations come due. Additionally, CMI has access to a $6,000,000 bank line of credit, as discussed in Note J, which is available for short-term liquidity needs.