

G  
O  
2  
/  
9  
/  
2  
0  
1  
6

2014  
AUDIT

032672

**SCREENING FOR MENTAL HEALTH, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

G  
O  
2  
/  
9  
/  
2  
0  
1  
6

SCREENING FOR MENTAL HEALTH, INC.

2014  
Audit  
032672

CONTENTS

---

**Independent Auditors' Report**..... 1-2

**Financial Statements**

Statements of Financial Position (With Summarized Comparative Totals for 2013) .....3  
Statement of Activities (With Summarized Comparative Totals for 2013) .....4  
Statement of Functional Expenses (With Summarized Comparative Totals for 2013).....5  
Statement of Cash Flows (With Summarized Comparative Totals for 2013) .....6

**Notes to Financial Statements**..... 7-16

G  
O  
2  
/  
9  
/  
2  
0  
1  
6



2014  
AUDIT  
032672

**INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees of  
Screening for Mental Health, Inc.

We have audited the accompanying financial statements of Screening for Mental Health, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



G  
O  
  
2  
/  
9  
/  
2  
0  
1  
6

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Screening for Mental Health, Inc. as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Report on Summarized Comparative Information***

The financial statements of Screening for Mental Health, Inc. as of December 31, 2013, and for the year then ended, were audited by us and in our report dated July 28, 2014, we expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Marcum LLP*  
Needham, Massachusetts  
July 29, 2015

G  
O  
2  
/  
9  
/  
2  
0  
1  
6

**SCREENING FOR MENTAL HEALTH, INC.**

**STATEMENTS OF FINANCIAL POSITION**

**DECEMBER 31, 2014**

**(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2013)**

|   | <u>2014</u>         | <u>2013</u>         |
|---|---------------------|---------------------|
| <b>Assets</b>                           |                     |                     |
| Cash and cash equivalents               | \$ 1,107,238        | \$ 2,073,397        |
| Accounts receivable                     | 135,293             | 171,280             |
| Prepaid expenses                        | 41,270              | 22,002              |
| Investments                             | 3,402,755           | 3,287,561           |
| Property and equipment, net             | <u>87,896</u>       | <u>92,080</u>       |
| <b>Total Assets</b>                     | <u>\$ 4,774,452</u> | <u>\$ 5,646,320</u> |
| <br><b>Liabilities and Net Assets</b>   |                     |                     |
| Obligation under capital lease          | \$ 64,256           | \$ 80,936           |
| Accounts payable                        | 34,833              | 70,798              |
| Accrued expenses                        | 58,328              | 43,278              |
| Refundable advances                     | <u>17,007</u>       | <u>6,760</u>        |
| <b>Total Liabilities</b>                | <u>174,424</u>      | <u>201,772</u>      |
| <br><b>Net Assets</b>                   |                     |                     |
| Unrestricted                            | 3,560,028           | 4,436,548           |
| Unrestricted - board designated         | 1,000,000           | 1,000,000           |
| Temporarily restricted                  | <u>40,000</u>       | <u>8,000</u>        |
| <b>Total Net Assets</b>                 | <u>4,600,028</u>    | <u>5,444,548</u>    |
| <b>Total Liabilities and Net Assets</b> | <u>\$ 4,774,452</u> | <u>\$ 5,646,320</u> |

*The accompanying notes are an integral part of these financial statements.*

SCREENING FOR MENTAL HEALTH, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2014  
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2013)

|   | Unrestricted        | Temporarily<br>Restricted | Total<br>2014       | Total<br>2013       |
|---|---------------------|---------------------------|---------------------|---------------------|
| <b>Support and Revenues</b>                   |                     |                           |                     |                     |
| Contract revenue                              | \$ 1,499,062        | \$ --                     | \$ 1,499,062        | \$ 1,912,819        |
| Registration fees                             | 793,432             | --                        | 793,432             | 814,194             |
| Grants and contributions                      | 127,181             | 40,000                    | 167,181             | 104,603             |
| Investment income, net of investment expenses | 132,083             | --                        | 132,083             | 97,718              |
| Miscellaneous income                          | 14,306              | --                        | 14,306              | 7,577               |
| Unrealized loss on investments                | (115,485)           | --                        | (115,485)           | (77,461)            |
| Net assets released from restriction          | 8,000               | (8,000)                   | --                  | --                  |
| <b>Total Support and Revenues</b>             | <u>2,458,579</u>    | <u>32,000</u>             | <u>2,490,579</u>    | <u>2,859,450</u>    |
| <b>Expenses</b>                               |                     |                           |                     |                     |
| Program                                       | 2,327,455           | --                        | 2,327,455           | 2,430,451           |
| Management and general                        | 1,007,644           | --                        | 1,007,644           | 708,113             |
| <b>Total Expenses</b>                         | <u>3,335,099</u>    | <u>--</u>                 | <u>3,335,099</u>    | <u>3,138,564</u>    |
| <b>Change in Net Assets</b>                   | (876,520)           | 32,000                    | (844,520)           | (279,114)           |
| <b>Net Assets at Beginning of Year</b>        | <u>5,436,548</u>    | <u>8,000</u>              | <u>5,444,548</u>    | <u>5,723,662</u>    |
| <b>Net Assets at End of Year</b>              | <u>\$ 4,560,028</u> | <u>\$ 40,000</u>          | <u>\$ 4,600,028</u> | <u>\$ 5,444,548</u> |

*The accompanying notes are an integral part of these financial statements.*

2  
/  
9  
/  
2  
0  
1  
6

**SCREENING FOR MENTAL HEALTH, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED DECEMBER 31, 2014  
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2013)**

|                                       | Workplace<br>Response<br>Program | College<br>Programs | Youth<br>Programs | National<br>Depression<br>Screening<br>Day | Military<br>Programs | Suicide<br>Research<br>Division | Total<br>Program    | Management<br>and General | Total<br>2014       | Total<br>2013       |
|---------------------------------------|----------------------------------|---------------------|-------------------|--|----------------------|---------------------------------|---------------------|---------------------------|---------------------|---------------------|
| Wages, taxes and benefits             | \$ 127,599                       | \$ 275,797          | \$ 244,449        | \$ 145,252                                 | \$ 315,215           | \$ 46,904                       | \$ 1,155,216        | \$ 564,232                | \$ 1,719,448        | \$ 1,504,918        |
| Kit design, production<br>and storage | 801                              | 54,069              | 95,832            | 27,837                                     | 467,735              | 313                             | 646,587             | 41                        | 646,628             | 624,087             |
| Consultants                           | 5,125                            | 16,382              | 16,192            | 16,202                                     | 16,759               | 3,781                           | 74,441              | 122,491                   | 196,932             | 193,953             |
| Facilities                            | 17,048                           | 36,227              | 27,703            | 10,655                                     | 76,716               | 8,524                           | 176,873             | 36,226                    | 213,099             | 181,250             |
| Advertising and public<br>relations   | 9,285                            | 3,905               | 4,483             | 8,212                                      | 87,697               | 140                             | 113,722             | 2,966                     | 116,688             | 152,147             |
| Communication<br>technology           | 1,810                            | 2,314               | 7,116             | 1,550                                      | 36,609               | 59                              | 49,458              | 66,125                    | 115,583             | 112,800             |
| Office                                | 263                              | 10,399              | 6,501             | 7,749                                      | 3,967                | 181                             | 29,060              | 46,752                    | 75,812              | 87,923              |
| Professional fees                     | --                               | --                  | --                | --   | --                   | --                              | --                  | 44,251                    | 44,251              | 62,411              |
| Video production                      | --                               | --                  | --                | --   | --                   | --                              | --                  | --                        | --                  | 56,878              |
| Travel and conferences                | 6,235                            | 7,514               | 11,912            | 7,894                                      | 31,481               | --                              | 65,036              | 16,449                    | 81,485              | 47,562              |
| Bank and administrative<br>fees       | --                               | 68                  | 69                | 16   | --                   | --                              | 153                 | 29,019                    | 29,172              | 33,001              |
| Insurance                             | --                               | --                  | --                | --   | --                   | --                              | --                  | 32,172                    | 32,172              | 31,363              |
| Depreciation and<br>amortization      | --                               | --                  | --                | --   | --                   | --                              | --                  | 28,827                    | 28,827              | 20,048              |
| Postage and delivery                  | 64                               | 809                 | 1,104             | 300  | --                   | 29                              | 2,306               | 2,581                     | 4,887               | 14,516              |
| Contracted services                   | 1,619                            | 2,316               | 500               | 3,860                                      | --                   | --                              | 8,295               | 13,803                    | 22,098              | 11,909              |
| Dues and subscriptions                | 1,237                            | 2,262               | 1,237             | 1,517                                      | --                   | 55                              | 6,308               | 1,709                     | 8,017               | 3,798               |
|                                       | <u>\$ 171,086</u>                | <u>\$ 412,062</u>   | <u>\$ 417,098</u> | <u>\$ 231,044</u>                          | <u>\$ 1,036,179</u>  | <u>\$ 59,986</u>                | <u>\$ 2,327,455</u> | <u>\$ 1,007,644</u>       | <u>\$ 3,335,099</u> | <u>\$ 3,138,564</u> |

*The accompanying notes are an integral part of these financial statements.*

**SCREENING FOR MENTAL HEALTH, INC.**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2014  
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2013)**

|  | 2014         | 2013         |
|--|--------------|--------------|
| <b>Cash Flows from Operating Activities</b>  |              |              |
| Change in net assets   | \$ (844,520) | \$ (279,114) |
| <b>Adjustments to Reconcile Change in Net Assets to Net Cash<br/>and Cash Equivalents Provided by (Used in) Operating Activities</b> |              |              |
| Depreciation   | 28,827       | 20,048       |
| Realized and unrealized loss on investments  | 115,485      | 77,461       |
| Change in interest accrued on investments  | --           | (18,374)     |
| Loss on disposition of property and equipment  | --           | 3,713        |
| Decrease (increase) in:  |              |              |
| Accounts receivable  | 35,987       | 375,090      |
| Prepaid expenses   | (19,268)     | (843)        |
| Increase (decrease) in:  |              |              |
| Accounts payable   | (35,964)     | 37,714       |
| Accrued expenses   | 15,050       | (10,893)     |
| Refundable advances  | 10,247       | (1,209)      |
| <b>Total Adjustments</b>   | 150,364      | 482,707      |
| <b>Net Cash and Cash Equivalents Provided by<br/>(Used in) Operating Activities</b>  | (694,156)    | 203,593      |
| <b>Cash Flows from Investing Activities</b>  |              |              |
| Purchases of marketable debt securities  | (1,835,789)  | (2,208,540)  |
| Proceeds from sale of marketable debt securities   | 1,605,109    | 863,970      |
| Capital expenditures   | (24,643)     | (3,347)      |
| <b>Net Cash and Cash Equivalents Used in Investing<br/>Activities</b>  | (255,323)    | (1,347,917)  |
| <b>Cash Flow from Financing Activities</b>   |              |              |
| Payments on capital lease obligation   | (16,680)     | (17,982)     |
| <b>Net Cash and Cash Equivalents Used in Financing<br/>Activities</b>  | (16,680)     | (17,982)     |
| <b>Net Decrease in Cash and Cash Equivalents</b>   | (966,159)    | (1,162,306)  |
| <b>Cash and Cash Equivalents at Beginning of Year</b>  | 2,073,397    | 3,235,703    |
| <b>Cash and Cash Equivalents at End of Year</b>  | \$ 1,107,238 | \$ 2,073,397 |

*The accompanying notes are an integral part of these financial statements.*



G  
O  
2  
/  
9  
/  
2  
0  
1  
6

# SCREENING FOR MENTAL HEALTH, INC.

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

---

### NOTE 1 - ORGANIZATION AND DESCRIPTION OF OPERATIONS

Screening for Mental Health, Inc. (the "Organization") was organized as a non-profit corporation on February 17, 1994.

The Organization is a unique non-profit organization whose mission is to decrease stigma associated with mental health disorders and provide the public with mental health education, screening, and treatment resources. The Organization provides these services to more than a half a million people each year. To do this, the Organization coordinates activities of thousands of unique screening sites located in every state across the country and approximately 30 large employers and health care companies.

The Organization recruits each of the screening sites, provides the model for the event and makes materials available for sites implementing the program. Additionally, online screenings are available to community based organizations, hospitals, colleges and universities, workplaces, and military installations worldwide, thus bringing the program and services to an even larger audience. The unique coordination with facilities and professionals across the nation is what makes national mental health screening possible and cost-effective.

The Organization is responsible for running several different national screening initiatives, each addressing a different constellation of mental health disorders, and each involving different sponsors, supporters and funding. National Depression Screening Day®, the Organization's flagship program, takes place annually and addresses depression, bipolar disorders, general anxiety disorder, post-traumatic stress disorder and suicide. National Alcohol Screening Day® also takes place annually and addresses a range of alcohol problems from risky drinking to alcohol dependence. The Organization also runs a middle school and high school suicide prevention program that is available throughout the school year. The college program brings together depression and alcohol screening with the addition of eating disorders screening. Workplace Response® provides screening services year round to major corporations, federal, state and local government agencies, and national and regional health care companies. The program includes education and self- assessment tools, delivered via event kits and online tools. The Military Pathways® program is offered to military personnel and their families in all branches, including the National Guard and Reserve.

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *BASIS OF ACCOUNTING*

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

G  
O  
2  
/  
9  
/  
2  
0  
1  
6

**SCREENING FOR MENTAL HEALTH, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

---

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***BASIS OF PRESENTATION***

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

***USE OF ESTIMATES***

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

***COMPARATIVE FINANCIAL INFORMATION***

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2013, from which the summarized information was derived.

***REVENUE RECOGNITION***

Contract revenue is recognized in the period in which services are performed. Revenue from registration fees is recognized in the period received and all Organization responsibilities have been satisfied. Revenue from unconditional grants and contributions is recognized when pledged. Revenue from conditional grants and contributions is recognized when the all conditions of the grant or contribution have been satisfied.

***CASH AND CASH EQUIVALENTS***

The Organization considers all highly-liquid investments with an original maturity of three months or less to be cash equivalents.

G  
O  
2  
/  
9  
/  
2  
0  
1  
6

# SCREENING FOR MENTAL HEALTH, INC.

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

---

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *ACCOUNTS RECEIVABLE*

Accounts receivable 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 accounts receivable. Management believes that all accounts receivable will be collected; therefore no valuation allowance has been recorded as of December 31, 2014 and 2013.

#### *INVESTMENTS AND INVESTMENT INCOME*

Investments in marketable equity and debt securities with readily determinable fair values are stated at fair value. Fair value is defined as the closing price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized. Dividends are recognized on the ex-dividend date. Interest income is recognized when earned.

#### *FAIR VALUE MEASUREMENT*

GAAP establishes 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.

#### *BASIS OF FAIR VALUE MEASUREMENT*

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities;

Level 2: Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3: Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

G  
O  
2  
/  
9  
/  
2  
0  
1  
6

**SCREENING FOR MENTAL HEALTH, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

---

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*FAIR VALUE MEASUREMENT (CONTINUED)*

A financial instrument's 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.

*PROPERTY AND EQUIPMENT*

Property consists of computers, furniture and fixtures. These assets are stated at cost, less accumulated depreciation and amortization. They are being depreciated and amortized on a straight-line basis over their estimated useful lives, which range from three to five years. It is the policy of the Organization to capitalize those items with an expected life greater than one year and which have a cost exceeding \$1,000.

*INCOME TAXES*

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization is also exempt from Massachusetts income tax under Massachusetts General Law 180. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Organization evaluates all significant tax positions as required by generally accepted accounting principles in the United States. As of December 31, 2014 and 2013, the Organization does not believe that it has taken any tax positions that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next twelve months. The Organization's income tax returns are subject to examination by the appropriate taxing jurisdictions. As of December 31, 2014, the Organization's income tax returns generally remain open for examination for three years from the date filed with each taxing jurisdiction.

*RESTRICTED AND UNRESTRICTED REVENUE*

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

G  
O  
2  
/  
9  
/  
2  
0  
1  
6

**SCREENING FOR MENTAL HEALTH, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*EXPENSE ALLOCATION*

The costs of providing various program 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.

*SUBSEQUENT EVENTS*

The Organization has evaluated all subsequent events through July 29, 2015, the date the financial statements were available to be issued.

**NOTE 3 - INVESTMENTS IN MARKETABLE DEBT SECURITIES**

The Organization's investments at December 31, 2014 and 2013 consist of investments in marketable securities recorded at fair value as summarized below:

| <u>December 31, 2014</u> | <u>Cost</u>        | <u>Unrealized Gains</u> | <u>Unrealized Losses</u> | <u>Fair Value</u>  |
|--------------------------|--------------------|-------------------------|--------------------------|--------------------|
| Municipal bonds          | \$ 163,833         | \$ --                   | \$ (600)                 | \$ 163,233         |
| Government bonds         | 427,187            | 513                     | --                       | 427,700            |
| Corporate bonds          | 2,774,640          | 1,354                   | (2,442)                  | 2,773,552          |
| Accrued interest         | 38,270             | --                      | --                       | 38,270             |
|                          | <u>\$3,403,930</u> | <u>\$ 1,867</u>         | <u>\$ (3,042)</u>        | <u>\$3,402,755</u> |
| <br>                     |                    |                         |                          |                    |
| <u>December 31, 2013</u> | <u>Cost</u>        | <u>Unrealized Gains</u> | <u>Unrealized Losses</u> | <u>Fair Value</u>  |
| Municipal bonds          | \$ 76,378          | \$ 76                   | \$ --                    | \$ 76,454          |
| Government bonds         | 374,120            | 766                     | --                       | 374,886            |
| Corporate bonds          | 2,792,386          | 5,325                   | (508)                    | 2,797,203          |
| Accrued interest         | 39,018             | -                       | --                       | 39,018             |
|                          | <u>\$3,281,902</u> | <u>\$ 6,167</u>         | <u>\$ (508)</u>          | <u>\$3,287,561</u> |

G  
O  
2  
/  
9  
/  
2  
0  
1  
6

**SCREENING FOR MENTAL HEALTH, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

**NOTE 3 - INVESTMENTS IN MARKETABLE DEBT SECURITIES (CONTINUED)**

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2014:

|                   | Fair Value         | Level 1            | Level 2      | Level 3      |
|-------------------|--------------------|--------------------|--------------|--------------|
| Municipal bonds   | \$ 163,233         | \$ 163,233         | \$ --        | \$ --        |
| Government bonds  | 427,700            | 427,700            |              |              |
| Corporate bonds   | 2,773,552          | 2,773,552          |              |              |
| Accrued interest  | 38,270             | 38,270             | --           | --           |
| Total investments | <u>\$3,402,755</u> | <u>\$3,402,755</u> | <u>\$ --</u> | <u>\$ --</u> |

The following table sets forth by level, with the fair value hierarchy, the Organization's assets at fair value as of December 31, 2013:

|                   | Fair Value         | Level 1            | Level 2      | Level 3      |
|-------------------|--------------------|--------------------|--------------|--------------|
| Municipal bonds   | \$ 76,454          | \$ 76,454          | \$ --        | \$ --        |
| Government bonds  | 374,886            | 374,886            |              |              |
| Corporate bonds   | 2,797,203          | 2,797,203          |              |              |
| Accrued interest  | 39,018             | 39,018             | --           | --           |
| Total investments | <u>\$3,287,561</u> | <u>\$3,287,561</u> | <u>\$ --</u> | <u>\$ --</u> |

The following schedule summarizes the investment return and its classification in the statements of activities for the years ended December 31, 2014 and 2013:

|                                | 2014             | 2013             |
|--------------------------------|------------------|------------------|
| Interest income                | \$ 142,597       | \$ 105,971       |
| Investment fees                | <u>(10,514)</u>  | <u>(8,253)</u>   |
| Investment income, net         | 132,083          | 97,718           |
| Unrealized loss on investments | <u>(115,485)</u> | <u>(77,461)</u>  |
| Total investment return        | <u>\$ 16,598</u> | <u>\$ 20,257</u> |

G  
O  
2  
/  
9  
/  
2  
0  
1  
6

**SCREENING FOR MENTAL HEALTH, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

**NOTE 4 - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of December 31:

|                          | 2014       | 2013       |
|--------------------------|------------|------------|
| Office equipment         | \$ 129,362 | \$ 126,801 |
| Leasehold improvements   | 22,082     | 136,236    |
|                          | 151,444    | 263,037    |
| Accumulated depreciation | (63,548)   | (170,957)  |
|                          | \$ 87,896  | \$ 92,080  |

Depreciation and amortization expense for the years ended December 31, 2014 and 2013 was \$28,827 and \$20,048, respectively.

**NOTE 5 - REFUNDABLE ADVANCES**

The Organization has entered into service contracts under which the Organization receives periodic payments as stipulated by the agreements. Refundable advances represent the excess of collections on the service contracts over the revenue earned as of the end of the year. Refundable advances are \$17,007 and \$6,760 as of December 31, 2014 and 2013, respectively.

**NOTE 6 - OBLIGATION UNDER CAPITAL LEASE**

The obligation under capital lease consists of the following as of December 31:

|  | 2014      | 2013      |
|--|-----------|-----------|
| Capital lease payable, secured by equipment, payable in monthly installments of \$1,732 including interest of 4.25% per annum through June 2018. | \$ 64,256 | \$ 80,936 |

The cost of the equipment of \$89,011, net of accumulated depreciation of \$24,755, is included in property and equipment as of December 31, 2014.

G  
O  
  
2  
/  
9  
/  
2  
0  
1  
6

**SCREENING FOR MENTAL HEALTH, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

**NOTE 6 - OBLIGATION UNDER CAPITAL LEASE (CONTINUED)**

The following is a schedule by years of future minimum payments required under the lease together with their present value as of December 31, 2014:

| Year ending December 31,                |                  |
|---|------------------|
| 2015                                    | \$ 19,792        |
| 2016                                    | 19,792           |
| 2017                                    | 19,792           |
| 2018                                    | <u>9,896</u>     |
| Future minimum lease payments           | 69,272           |
| Less amount representing interest       | <u>5,016</u>     |
| Present value of minimum lease payments | <u>\$ 64,256</u> |

**NOTE 7 - RESTRICTIONS ON NET ASSETS**

Substantially all of the restrictions on net assets are related to grants received from private organizations. Temporarily restricted net assets consist of the following at December 31:

|  | <u>2014</u>      | <u>2013</u>     |
|--|------------------|-----------------|
| Contribution from Monte Nido Eating Disorder Treatment Center for National Eating Disorder Screening Day | \$ --            | \$ 6,000        |
| Contribution from The Renfrew Center for National Eating Disorder Screening Day                          | --               | 2,000           |
| Contribution from The Hilda & Preston Davis Foundation for Healthy Student Body Program                  | 30,000           | --              |
| Contribution from The Makayla Fund for SOS Signs of Suicide Prevention Program                           | <u>10,000</u>    | <u>--</u>       |
|  | <u>\$ 40,000</u> | <u>\$ 8,000</u> |



G  
O  
  
2  
/  
9  
/  
2  
0  
1  
6

# SCREENING FOR MENTAL HEALTH, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2014

---

#### **NOTE 8 - RELATED PARTY TRANSACTIONS**

Dr. Jacobs, Medical Director, receives a salary from Professional Psychiatric Associates, Inc. ("PPA"), and the Organization reimburses PPA for Dr. Jacobs' time. The total reimbursements for Dr. Jacobs' time amounted to approximately \$70,000 for each of the years ended December 31, 2014 and 2013, respectively. Reimbursements from PPA for administrative expenses amounted to \$17,616 and \$9,900 for the years ended December 31, 2014 and 2013, respectively.

The Organization leases office space from PPA on an at-will basis. Total rent paid to PPA amounted to \$21,705 and \$21,074 for the years ended December 31, 2014 and 2013, respectively.

#### **NOTE 9 - CONCENTRATIONS OF CREDIT RISK**

Financial instruments, that potentially subject the Organization to concentrations of credit risk, consist primarily of cash and bond investments and accounts receivable.

The Company has a potential concentration of credit risk in that it maintains deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation ("FDIC"). The maximum deposit insurance amount is \$250,000, per depositor, per insured depository institution for each account ownership category.

One customer represented approximately 75% and 71% of the accounts receivable balance as of December 31, 2014 and 2013, respectively.

#### **NOTE 10 - CONCENTRATIONS OF REVENUE**

Approximately 51% of the Organization's revenue is provided from a sub contract with Acentia whom was awarded a contract from the U.S. Department of Defense for the year ended December 31, 2014.

#### **NOTE 11 - PENSION PLAN**

The Organization maintains a 403(b) pension plan for its employees. Contributions to the plan are made by the employees through payroll deductions. Beginning in 1999, the Organization began making contributions to the plan, matching up to 50% of the employee salary reduction contributions. The Organization's contributions to the plan were \$26,229 and \$24,630 for the years ended December 31, 2014 and 2013, respectively.

G  
O  
2  
/  
9  
/  
2  
0  
1  
6

**SCREENING FOR MENTAL HEALTH, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

---

**NOTE 12 - COMMITMENTS AND CONTINGENCIES**

The Organization leases office space under various operating leases expiring on March 31, 2017. Minimum future rental payments under the non-cancelable operating leases are as follows:

| Year Ending December 31, |                   |
|--------------------------|-------------------|
| 2015                     | \$ 177,135        |
| 2016                     | 182,451           |
| 2017                     | <u>45,948</u>     |
|                          | <u>\$ 405,534</u> |

Rent expense amounted to \$191,281 and \$169,139 for the years ended December 31, 2014 and 2013, respectively.

**NOTE 13 - SUPPLEMENTARY CASH FLOW INFORMATION**

Cash paid for interest amounted to \$3,796 and \$2,544 during the years ended December 31, 2014 and 2013, respectively.

During the year ended December 31, 2013, the Organization acquired equipment of \$89,011 financed via capital lease.