

Changing Lives:

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ANNUAL REPORT 2001

community by community

community by community



Reassuring the Nation

The traumatic events of September 11 changed life in America forever, and left many people struggling with strong emotions. NMHA responded quickly to meet the impact on the country's mental health. *Coping with Disaster* materials were developed immediately. NMHA partnered with national organizations such as the United Way to devise strategies for effective outreach. NMHA assisted affiliate efforts, offering support nationwide to help people cope.

NMHA and the affiliate field achieved broad outreach in the wake of 9/11. Specific materials and programs were developed for audiences such as children and families, youth, and the workplace. The media recognized NMHA for taking a leading role in protecting the country's mental health. *The New York Times Magazine* turned to NMHA when developing a special mental health insert; NMHA President and CEO Mike Faenza was interviewed for an article regarding post-traumatic stress disorder. The association was included in September 11 coverage in major publications such as *The Wall Street Journal*, *USA Today*, and *The Washington Post* and in stories distributed nationally through Associated Press, United Press International and Reuters.

To ensure the nation is well-prepared to address Americans' mental health needs after a catastrophe, NMHA initiated "A Blueprint for Responding to Public Mental Health Needs in Times of Crisis." The Blueprint is designed to equip state and local governments, nonprofit organizations and other stakeholders with the planning tools they need to build a preventative infrastructure that can minimize the emotional impact of natural and human-caused disasters on Americans. The manual, based in part on NMHA's 340 affiliates' experiences following last September's terrorist attacks, will be available in fall 2002.

Communities in Action

Our affiliate field jumped into action after the events of 9/11 began to unfold. All the MHAs in New York and New Jersey moved quickly to serve area residents. The MHA in New York City acted as a primary mental health information and referral clearinghouse for the city and surrounding counties through the LifeNet hotline, handling calls from over 60,000 people. The MHA of Nassau County (N.Y.) provided crisis intervention training for more than 1,600 mental health workers in the community and the school system of Nassau County through partnerships with the Board of Cooperative Educational Services and Project Liberty.

The MHA of the District of Columbia worked with other local organizations to coordinate a timely mental health response to the crisis. With funding from the United Way, the MHA launched a series of support groups specifically for caregivers of Pentagon victims—including police and firemen.

The MHA in Montgomery County (Md.) worked in collaboration with the county department of health and human services and the public school system to recruit and train more than 225 volunteer mental health professionals to provide crisis intervention services to students and the community at large.

Other affiliates from across the country reached more than 2 million people with crisis-related materials, hotlines and activities.

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MESSAGE FROM THE LEADERSHIP

Dear Friends:

The terrorist attacks of September 11, our nation's greatest challenge in recent history, were a stark reminder of many things—the fragility of human life, the role of everyday heroes, and the unity of our nation. In addition, the tragedy underscored that mental health is a public health issue with the power to affect individuals community by community. After 9/11, everything changed and America faced an uneasy future.

In the days following the attacks, the National Mental Health Association (NMHA) and our 340 affiliates were instrumental in helping people cope with the emotions they were feeling, reach out for local support, and seek mental health care when needed. Our response was quick and recovery was the priority.

Looming state budget cuts and the threat of economic downturn also increased pressure on the mental health cause—always the first on the chopping block. Our policy advocacy efforts achieved excellent results on the local, state and national level in the face of the budget crisis.

In the midst of all this, NMHA managed to win endorsement as a top charity from *Worth* magazine, *Money* magazine, *The Chronicle of Philanthropy*, *The Nonprofit Times* and The American Institute of Philanthropy.

For more than 90 years, NMHA has advocated for the prevention of mental illness, access to treatment, and a society that does not discriminate against those with mental disorders. In 2001, we witnessed the continuing importance of building local infrastructure and community capabilities in supporting this cause.

The true strength of our organization is the broad local outreach we can achieve through the affiliate field—from Arizona to Missouri to Vermont. We have a vision of a nation linked by communities that ensure the mental health of their citizens, a vision of our role in the mental health movement. Ultimately, our success as a movement is built with the on-the-ground knowledge and experience of our affiliates and their ability to demonstrate programs through practical application.

We look forward to continuing our fight for mental health parity legislation, expanding our public education efforts to reach out to more culturally diverse groups, and advocating for more funding for mental health services. Our ongoing commitment to this work and the impact we can have community by community is the best strategy for the future.

Sincerely,



Michael M. Faenza, MSSW
President and CEO



Gary Tauscher
Chair of the Board



Michael M. Faenza
President and CEO



Gary Tauscher
Chair of the Board

leadership

ADVOCACY



NMHA advocates for changes in our nation's laws, regulations and policies to improve the lives of all Americans and specifically those people and families facing mental illness. We successfully tackle a broad and diverse agenda for the mental health of our country—through advocacy at the federal, state and local levels, and through coalition building, media outreach and grassroots activities with our nationwide network of affiliates.

Federal Efforts

The year 2001 was tumultuous on Capitol Hill, with an anthrax scare and emergency legislation enacted by Congress for anti-terrorism and budget initiatives that competed with our need for precious mental health dollars. Despite these challenges, NMHA successfully advocated for \$20 million in funding to address the mental health needs of children and adults affected by September 11, secured an additional \$50 million in funding for youth violence prevention, and ensured start-up funds for new programs serving older adults and a new jail diversion program. NMHA led and was active in coalitions that obtained a \$145 million increase for the National Institute of Mental Health (NIMH), a \$95 million increase for the Center for Substance Abuse Treatment (CSAT) and a \$23 million increase for the Center for Substance Abuse Prevention (CSAP).

Mental Health Parity: Equal Access for All

Great strides were made this year to advance the Mental Health Equitable Treatment Act, which would outlaw most disparities between mental and physical health insurance coverage and give Americans access to the mental health care they need. Although this bill did not pass in 2001, it received more broad-based support than ever before from legislators and a number of national organizations representing millions of Americans.

With a narrow defeat of parity legislation, by a mere two-vote margin, its proponents pledged to renew the fight in 2002. NMHA will continue its fight in the halls of Congress until this needed legislation becomes law. Throughout the parity battle, we have worked to ensure that legislators understand the importance of mental health and of breaking down the insurance barriers for those seeking treatment.

At a July 11 Senate hearing for the Mental Health Equitable Treatment Act, Lisa Cohen, recruited by the MHA of Southeastern Pennsylvania, testified to persuade federal lawmakers to pass parity legislation. Lisa recounted her struggles with the health insurance company that provides full coverage for her blood disorder but limits coverage for her bipolar disorder. As a result, Lisa's family rather than her insurer has shouldered the financial burden of her mental health care. Lisa's brave testimony was instrumental in illustrating the plight of many Americans who face such insurance discrimination and conveying to lawmakers the urgency of this bill.



MHA of Indiana staff and volunteers met with Sen. Richard Lugar, R-Ind., during the 2001 Annual Meeting's Capitol Hill visits.



Hundreds of mental health insurance parity supporters took part in a bipartisan rally on Capitol Hill Nov. 29 urging Congress to pass parity, including former first lady Rosalynn Carter.

advocacy

State and Local Efforts

Tremendous cracks in the nation's already fragile community-based mental health system surfaced in 2001 as state budget surpluses turned into deficits when funding increased for security and crisis response as a result of September 11. In many cases, this jeopardized the funds potentially available for mental health services.

To address this looming crisis, NMHA and the affiliate field worked closely to launch community-based initiatives to preserve funding for mental health services through 20 healthcare reform trainings held with state coalitions across the country. The trainings focused on providing skill-based training to support state and local advocacy. In addition, our Advocacy Resource Center responded to approximately 3,000 requests for technical assistance on policy issues.

Through policy-related training and technical assistance, NMHA helped coordinate a network of MHA advocates working to expand or protect funding for mental health services, ensure access to needed treatment, and better coordinate care across multiple systems. In many cases, these efforts resulted in powerful new investments in community-based services.

Communities in Action

Even during a time of decreased resources and increased reliance on cost restrictions in public and private sector health plans, NMHA and its affiliate field continued to win victories in preserving and expanding resources for community-based mental health. Although the MHAs' accomplishments are too numerous to name, a few highlights in 2001 include:

- A restrictive state formulary bill that would have prevented access to certain prescription mental health medications in the state's Medicaid program was blocked through work with the Florida Coalition for Access to Quality Medicine.

- Legislation passed forbidding the Medicaid Department from restricting access to psychotropic medications in Indiana.
- Advocates in Maryland garnered \$30 million to address a deficit in the state's public mental health system. These funds represented the largest increase in a single year for community mental health services in the state.
- The mental health department in Oklahoma was protected from a proposed 5 percent budget cut.

Also in 2001, Rhode Island, Colorado, Indiana, Arizona, Arkansas, West Virginia and Illinois passed parity legislation bringing the national total to 33 states that have passed some form of parity. As the federal government considers parity, we will build on the success of states in ending insurance discrimination against people with mental illnesses.



EDUCATION



RIGHT: NMHA President and CEO Mike Faenza talks with U.S. Surgeon General David Satcher, MD, PhD, at the 2001 Annual Meeting Capitol Hill reception.

Knowledge is power, and with more knowledge, communities will have more power to erase the stigma surrounding mental illness, increase public awareness about the importance of mental health and help people receive treatment. NMHA and its affiliates educate diverse audiences about the importance of mental health and the realities of mental illness through broad-based media campaigns; May is Mental Health Month; and national and grassroots public education programs.

Campaign for America's Mental Health

Since its initial inception as a depression awareness program more than 10 years ago, the Campaign for America's Mental Health has evolved into one of the nation's most wide-reaching public health campaigns.

Focused on a variety of mental health issues, from depression and anxiety to substance abuse and children's mental health, the Campaign has significantly improved America's understanding of mental health issues and increased the number of people who seek and receive treatment. In addition, the Campaign has developed programs and materials that specifically reach out to key audiences, such as women, African-Americans, Hispanics and Latinos, older adults, college-aged youth, and those who care for children.

In 2001, the Campaign for America's Mental Health generated nearly 300 million media impressions, educated more than 440,000 people about mental health, and screened over 260,000 people for depression. In addition, close to 400,000 copies of campaign materials were disseminated.

NMHA launched Children's Mental Health Matters in 2001, a national and grassroots initiative that helps parents/caregivers, educators, healthcare providers and policy-makers understand the importance of mental health to a child's overall well-being. Together with local affiliates and more than 35 national partners, Children's Mental Health Matters communicates that childhood mental health disorders are real, common and treatable, and encourages families to seek help, when necessary, for their children.

The children's project was launched at NMHA's Annual Health Writers Symposium, where children and families joined the nation's leading medical experts and advocates to discuss the newest research, share stories of personal impact and confront the pervasive misinformation and stigma that surround conditions such as ADHD and childhood depression.

Nine affiliate pilot sites rolled out the campaign reaching more than 10,000 students through school presentations, distributing more than 7,000 resource cards, and partnering with local bookstores and libraries. Children's Mental Health Matters achieved a strong presence in national media, with nearly half of the total media impressions NMHA realized in 2001 focused on children's issues.

National partners for Children's Mental Health Matters include the American Academy of Pediatrics, Child Welfare League of America, Federation of Families, and the National PTA.



Communities in Action

Through the Campaign, affiliates across the country have successfully developed innovative activities to educate their local communities about the importance of good mental health, the warning signs of mental health problems, and how to get help. The following are a few examples of activities conducted through the Campaign for America's Mental Health.

The MHA of Middle Tennessee sponsored a trip to the Nashville Zoo for area children and adolescents as the finale to a week of mental health programming. Free screenings were offered and all participants received information about children's mental health.

The MHA in North Dakota presented 14 hours of training to help improve awareness and understanding of mental health issues within the justice system. The MHA trained a total of 45 staff at two state institutions: James River Prison and North Dakota State Penitentiary.

The MHA in Greater Knoxville (Tenn.) created a suicide prevention quilt for use in mental health training in middle and high schools, memorializing those who lost their lives to suicide.

The MHA in Hawaii sponsored the *Beyond the Blues* festival. In collaboration with 25 partners representing consumers and area health providers, the community was educated about the importance of maintaining good mental and physical health.

Teen Night, sponsored by the MHA in Reno County, featured a fair at the local water park. Ten booths were set up for teens to receive mental health information and sign up for door prizes.

Outreach to Colleges

College outreach programs, including *Finding Hope and Help* and suicide prevention, grew in priority for NMHA and its affiliates. Working with key partners, the National Panhellenic Conference, the American College Health Association, the American College Counseling Association, the Bacchus and Gamma Peer Education Network, and the American College Personnel Association, program sites sponsored educational events, promoted on-campus and community-based resources, and trained key student groups and faculty members on recognizing the signs and symptoms of mental health problems.

In 2001, NMHA took a leadership role in developing suicide prevention public education and advocacy programs for young people. In partnership with the JED Foundation, a nonprofit group devoted to improving mental health support provided to college students, NMHA sponsored a roundtable of suicide prevention experts from major universities, national organizations, the Centers for Disease Control and the National Institute of Mental Health. The roundtable developed recommendations that colleges can implement to reduce suicidal behaviors.

Communities in Action

The MHA of Maryland completed its first college initiative training at Towson University. This training included modules on types and symptoms of depression, what to say to someone who is depressed, how to improve help-seeking behavior, and resource information.

The MHA in Cincinnati formed a coalition with Miami University of Ohio consisting of faculty and staff. The coalition organized small discussion groups led by student health educators to talk about a variety of mental health issues, including eating disorders.

Several MHAs sponsored mental health screenings, fairs and speeches in conjunction with local universities, reaching hundreds of students. Participating MHAs included New Jersey, Montgomery, Ala., New York City, and Licking County, Ohio.

Exploring Recovery

An increasingly important goal for NMHA is to educate the public that the symptoms of a mental illness can go into remission and that people treated for mental disorders can recover. To promote this message, NMHA sponsored *The Science of Remission, The Art of Recovery* roundtable, bringing together mental health clinicians, researchers, consumers and advocates to discuss recovery from the consumer and provider perspectives.

Although the medical community has incorporated concepts of recovery and remission into treatment practices, there is still a great disconnect between practitioners and those they treat. The roundtable experts agreed the mental health community must recognize remission as a step on the way to recovery for the whole person. They also agreed that this journey requires improved evaluation of illness severity, greater consumer input into setting the recovery goals and standards, acceptance of remission and recovery as the desired outcome, and improved understanding of how the consumer is affected by culture, age, gender and quality of life.

Recovery is also a growing issue in the affiliate field.

The MHA of Essex County (N.J.) sponsored *Relapse Prevention in Schizophrenia*, a continuing education presentation about preventing relapse and optimizing long-term outcomes in schizophrenia.

The MHA in Los Angeles created *Project Return*, a consumer-operated program employing 75 consumers that offers social opportunities to promote self-esteem and life management skills.

RESEARCH AND SERVICES



NMHA is dedicated to supporting community-based services that address the mental health needs of adults and children, and issues regarding prevention, juvenile justice, and substance abuse/co-occurring disorders. Through technical assistance, NMHA has worked closely with the affiliate field in changing community dynamics and replicating many proven community-based programs. Our joint efforts to put sound research into practice have moved communities across the country towards improved services.

Affordable Housing

In partnership with the Habitat for Humanity International and the National Alliance for the Mentally Ill, NMHA launched *A Partnership to Open Doors*, chaired by former first lady Rosalynn Carter. This program, using the Habitat model, provides affordable housing for families coping with mental illness.

The first project for *A Partnership to Open Doors* was to build a home for the Wiggins family of Fort Worth, Texas. With 300 volunteers and help from the MHA in Tarrant County, the Wiggins' dream of becoming homeowners came true.

NMHA also addressed housing needs by providing technical assistance on homelessness and developing a how-to manual for affiliates to implement exemplary housing programs in local communities across the country.

Partners in CARE

The Partners in Community Access to Recovery and Empowerment (*CARE*) program, founded in 1998, provides support so that individuals with serious mental illnesses can live fulfilling, productive, independent lives within their communities. This program improves community-based care and promotes state-of-the-art treatment by implementing three strategies in local communities: public education, advocacy and program replication. Since its inception, Partners in *CARE* has leveraged more than \$3 million dollars to build coalitions that implement and replicate community-based services; the program has served over 45 communities.

The President's Committee on Employment of People with Disabilities recognized three Partners in *CARE* programs in 2001 as exemplary initiatives that help people with serious mental illness to secure employment: Fast Track to Employment, The Village ISA and Consumer Connections. NMHA also provided technical assistance that resulted in six affiliates receiving \$900,000 in Community Action Grants from the Center for Mental Health Services (CMHS) to replicate Partners in *CARE* programs in local communities. NMHA collaborated with affiliates to guide issues of supported employment and mental health courts, and addressed issues of homelessness by creating materials and organizing a committee for CMHS' Summit on Homelessness.

Community leaders in Broome County attended the Child Watch Tour sponsored by the MHA of the Southern Tier, Inc., at the Haskins non-secure detention facility in Binghamton, N.Y.



Communities in Action

The year 2001 brought many accomplishments in the Partners in *CARE* program.

By replicating the Partners in *CARE* program, Fast Track to Employment, the MHA of Northern Kentucky assisted 23 individuals with serious mental illness to find employment, facilitated 236 visits for job information and helped 218 individuals find vocational training opportunities.

MHA of South Central Kansas replicated the Village ISA to serve 175 individuals in its Adult Services Division. Since 2000, 77 percent of individuals residing in group homes moved into more independent living arrangements.

MHA of the Heartland replicated Vinfen to open an eight-unit apartment complex for persons with mental illnesses. The MHA also provides services to help consumers remain active in the community.

Additional Research and Services Programs

Research and Services staff works in conjunction with affiliates on a broad range of issues, including prevention, substance abuse, children's mental health and juvenile justice. Following are a few highlights from 2001.

Juvenile Justice

NMHA partnered with affiliates in Vermont, North Carolina, Indiana, New York and Louisiana to implement the Child Watch Program. As part of this program, affiliates escorted community leaders on tours of juvenile justice facilities to expose poor living conditions and inferior mental health services provided to youth who are incarcerated. The overall goal was to bring about greater community awareness of the problems of children with mental health disorders in the juvenile justice system. The sites developed effective community-based alternatives to detention and incarceration. Examples of successful programs include the following.

The MHA of the Southern Tier (N.Y.) provided mental health education to juvenile detention facility staff in the community. The coalition focused its advocacy efforts on diverting funds for treatment and mental health services.

The MHA of Southwest Louisiana successfully gained support from local decision-makers for providing mental health treatment to youth in the juvenile justice system. One local state representative participated on the Child Watch tour, an encouraging sign.

Children's Programs

NMHA has been working with an Advisory Committee to establish a model system of care for children with mental health needs and their families. Plans are to use the list of attributes to design a simplified "report card" or checklist that can assess the progress of state efforts to develop comprehensive systems of care for children with mental health needs.

Documenting the realities faced by children and families with mental health service needs is a concrete step toward establishing a comprehensive, values-based service system. NMHA and the Federation of Families for Children's Mental Health conducted a study of the unmet mental health service needs of children in 14 states. Emphasis was placed on exploring the needs of children and youth who are struggling with serious emotional disturbances, co-occurring substance abuse problems, and juvenile justice system contact or risk.

Mental Health and Substance Abuse

MHAs across the country are also focused on model programs that successfully work with persons with both mental health and substance abuse disorders. In 2001, NMHA worked closely with the Mental Health Association in Rhode Island and the Rhode Island Coalition for the Homeless (RICH) to adopt the exemplary ACCESS West Philly model to eliminate homelessness among persons with dual diagnoses.

Safe Schools/Healthy Students Action Center

In its third year, the Safe Schools/Healthy Students Action Center (SSHSAC), operated by NMHA and the National Association of School Psychologists and funded by the U.S. Departments of Justice, Education, and Health and Human Services, continues to use creative solutions to prevent school violence and promote good mental health in youth around the country.

In 2001, the Action Center served 77 school district sites and more than 11,000 professionals through technical assistance efforts. Action Center staff also conducted

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over 200 site visits to school districts across the country and fielded more than 3,500 inquiries about school-based mental health, substance abuse and violence prevention and education reform issues. SSSHAC also enlisted the support of more than 50 expert consultants and community-based entities to offer in-depth, content-specific technical assistance to grantees based on their needs. The Action Center continues to provide assistance on cultural competency issues with an appreciation for the unique needs of communities across the country.

National Consumer Support Technical Assistance Center

In 2001, NCSTAC continued its mission to assist grassroots mental health organizations across the country in their organizational and program development. NCSTAC provides a unique blend of services – from ad hoc technical assistance to information resources, funding and training.

Cultural competency—the ability to reach out effectively and appropriately to individuals of different cultural backgrounds—was a continuing focus of NCSTAC’s programs. One important accomplishment in 2001 was the development and distribution of the Cultural Competency Toolkit. Each chapter of the over 200-page toolkit provides an overview of one of ten model programs. NCSTAC also presented a well-received cultural competency workshop at the 2001 Annual Meeting.

Believing that keeping consumers apprised of their voting rights should be an ongoing process, NCSTAC continued its voter empowerment activities throughout the year. NCSTAC provided empowerment trainings at four national and regional conferences, and delivered related technical assistance to organizations across the country.

NCSTAC continued its outreach through publications, the website (www.ncstac.org), and technical assistance. The new publication, *Meeting the Challenge*, was posted on the website along with the *Cultural Competency Toolkit*. A new web-based initiative on women and trauma was introduced. During the year, NCSTAC responded to 1,600 technical assistance requests.

Surveying America

NMHA regularly surveys public opinion and tracks trends in how our nation addresses mental health care. In 2001, we found encouraging signs of change in public perception and also some startling results that indicate more work needs to be done.

NMHA’s second annual *America’s Mental Health Survey* demonstrated three commonly held views that hinder Americans with clinical depression and/or generalized anxiety disorder from being diagnosed and treated. Ninety-three percent of undiagnosed people do not associate their symptoms with a mental health disorder. Forty-four percent of undiagnosed people believe their symptoms are self-manageable and would not go to a health professional. Finally, diagnosis itself is stigmatized: 42 percent of people with a formal diagnosis say they are embarrassed or ashamed by their symptoms.

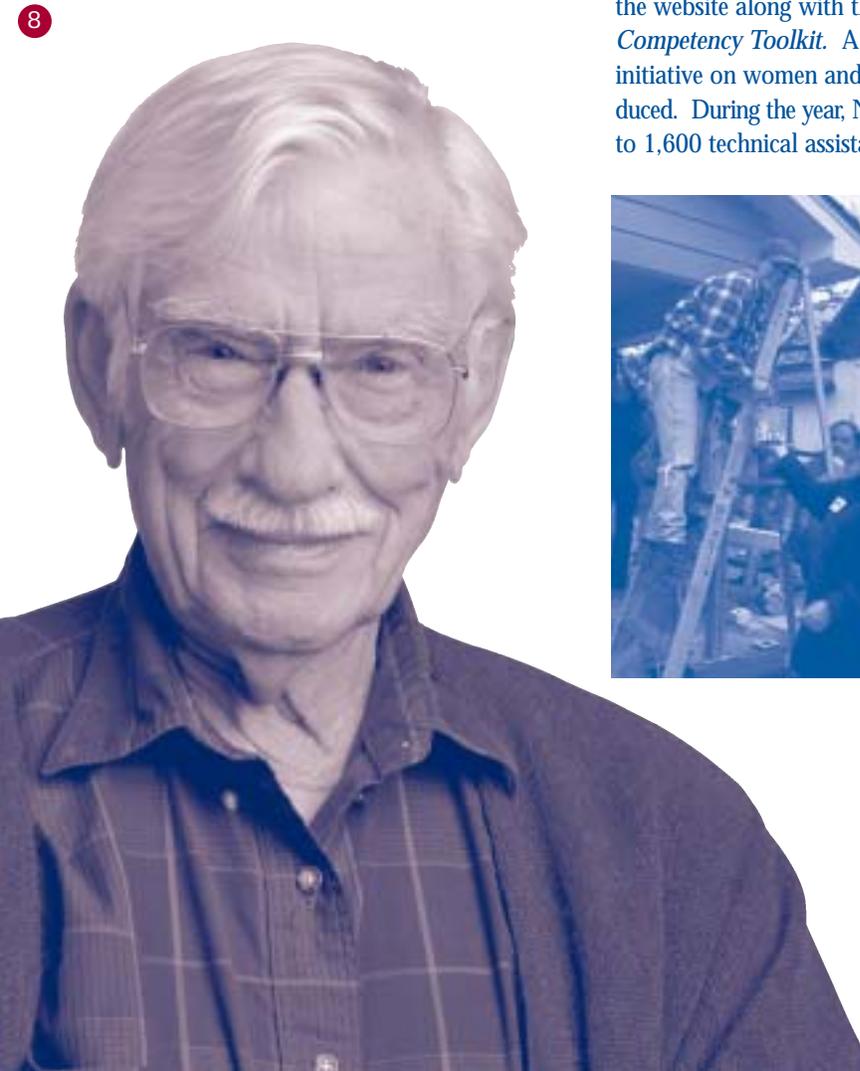
Survey results indicate the continuing need to educate the public about the meaning and implications of terms associated with the recovery process, including treatment response and the ultimate treatment goal, remission.

Another important NMHA survey to define public understanding of depression revealed that 55 percent of those polled perceive depression as a disease and not “a state of mind that a person can snap out of.” This represents a significant improvement over 1991 when only 38 percent recognized depression as an illness. The survey also pointed out a troubling representation of the socio-economic lives of some people with depression. Survey respondents with depression reported higher levels of unemployment and divorce than respondents without the disorder.

Results from these studies are important to NMHA planning and identifying priorities to drive future action.



ABOVE LEFT: Volunteers recruited by the MHA of Tarrant County (Texas) built a Habitat for Humanity house for a woman and her granddaughter, who has a mental illness.



AFFILIATE NETWORK

ALASKA

Alaska Mental Health Association

ALABAMA

MHA of Etowah County
MHA in Madison County
MHA in Morgan County
MHA in Montgomery
MHA in Southwest Alabama
MHA in Tuscaloosa County

ARKANSAS

MHA in Northwest Arkansas

ARIZONA

MHA in Arizona
MHA of Arizona-Southern Arizona
Office

CALIFORNIA

MHA of California
MHA of Alameda County
MHA in Los Angeles County
Riverside Mental Health
Advocacy Program
MHA in Sacramento
MHA in San Diego County
MHA of Santa Barbara
MHA of San Francisco

COLORADO

MHA in El Paso County
MHA of the Midwest
MHA in Pueblo
MHA in Colorado

CONNECTICUT

MHA of Connecticut

DISTRICT OF COLUMBIA

MHA of the District of Columbia

DELAWARE

MHA in Delaware

FLORIDA

MHA of Bay County
MHA of Broward County
MHA of Central Florida, Inc.
MHA of Collier County, Inc.
MHA of Greater Tampa Bay, Inc.
MHA of Indian River County
MHA in Northeast Florida, Inc.
MHA of Okaloosa & Walton Counties
MHA of Palm Beach County, Inc.
MHA of Volusia & Flagler Counties
MHA of West Florida, Inc.

GEORGIA

NMHA of Georgia
MHA of Greater Augusta, Inc.
MHA of Clayton County
MHA of Middle Flint
MHA of Newton County
MHA of North Georgia Mountains
MHA of Northeast Georgia
MHA of South Coastal Georgia
MHA of Wayne County

HAWAII

MHA in Hawaii
MHA in Hawaii County
MHA in Maui County
MHA in Kauai County

IDAHO

MHA of Idaho

IOWA

MHA of Dubuque County
MHA of Hamilton County

ILLINOIS

MHA in Illinois
MHA in Mclean County
MHA of the North Shore
MHA of Fayette County
MHA of Illinois Valley, Inc.
MHA of Macon County, Inc.
MHA DuPage County
MHA of the Rock River Valley
MHA of Southwestern Illinois

INDIANA

MHA In Indiana
MHA in Allen County
MHA in Blackford County
MHA in Boone County
MHA in Cass County
MHA in Clark County
MHA in Clay County
MHA in Clinton County
MHA in Daviess County
MHA in Dekalb County
MHA in Delaware County
MHA in Dubois County
MHA in Elkhart County
MHA in Floyd County
MHA in Franklin County
MHA in Fulton County of Indiana
MHA in Gibson
MHA in Greene County
MHA in Hamilton County
MHA in Hancock County
MHA in Hendricks County
MHA in Henry County
MHA in Howard County
MHA in Jackson County
MHA in Jay County
MHA in Knox County
MHA in Kosciusko County
MHA in Lake County
MHA in Lawrence County
MHA in Marion County (Indiana)
MHA in Marshall County
MHA in Monroe County
MHA in Morgan County
MHA in Porter County, Inc.
MHA in Putnam County
MHA in Randolph County
MHA in Rush County
MHA of Spencer County
MHA in St. Joseph County
MHA in Steuban County
MHA in Tippecanoe County
MHA in Vanderburgh County
MHA in Vigo County
MHA of Wabash County
MHA in Wayne County
MHA of Wells County
MHA in White County
MHA in Parke County
MHA in Johnson County
MHA in Perry County

KANSAS

MHA in Reno County
MHA of South Central Kansas
MHA of Kansas
MHA of the Heartland (Kansas)

KENTUCKY

MHA of Kentucky
MHA of Northern Kentucky

LOUISIANA

MHA In Louisiana
MHA in Caddo-Bossier
MHA in Caldwell Parish
MHA in Catahoula Parish
MHA in Franklin Parish
MHA in Metropolitan New Orleans
MHA in Red River County
MHA in Southwest Louisiana
MHA in Acadiana
Tri-Parish MHA

MARYLAND

MHA of Maryland
MHA of the Lower Shore
MHA of Montgomery County
MHA of Prince George's County
MHA of Southern Maryland
MHA of Metropolitan Baltimore
MHA of Howard County
MHA in Talbot County
MHA of Washington County

MICHIGAN

MHA in Michigan

MISSOURI

MHA of Greater St. Louis
MHA of the Heartland (Missouri)

MISSISSIPPI

MHA of Mississippi

MONTANA

MHA of Montana
MHA of Sweet Grass County
MHA of Billings
MHA of Daniels County
MHA of Great Falls
MHA of Sheridan County

NORTH CAROLINA

MHA in North Carolina
MHA of Mecklenburg/Cabarrus Counties
MHA in Nash-Rocky Mount
MHA in New Hanover
MHA in Orange County
MHA in Pitt County
MHA and Help Line in Randolph, Inc.
MHA of Rowan County
MHA in Rutherford County
MHA in Vance County
MHA in Wake County
MHA in Wayne County
MHA in Wilson County
MHA in Yancey
MHA in Onslow County
MHA in Cleveland County
Alamance/Outreach & Prevention
MHA in Beaufort
MHA in Carteret County
MHA in Columbus County
MHA in Craven County
MHA in Cumberland County
MHA in Davidson County
MHA in Forsyth County, Inc.
MHA in Greensboro, Inc.
MHA in High Point
MHA in Johnston County
MHA in Pamlico County

NORTH DAKOTA

MHA in North Dakota
North Valley MHA
South Valley MHA
Souris Valley MHA
Southwest MHA
Tri-County MHA
South Central MHA
Lake Region MHA

NEBRASKA

MHA of Nebraska

NEW JERSEY

MHA in New Jersey
MHA in Atlantic County
MHA of Essex County
MHA of Monmouth County
MHA of Hudson County
MHA of Ocean County
MHA of Morris County
MHA of Passaic County
MHA in Southwestern New Jersey
MHA of Union County
Trenton Advocacy Association

NEW MEXICO

MHA in New Mexico

NEW YORK

Mental Health Association in
New York State, Inc.
MHA in Essex County, Inc.
MHA in Fulton/Montgomery Counties
MHA in Genesee County
MHA in Albany County
MHA in Allegany County
MHA in Cattaraugus County, Inc.
MHA in Cayuga County
MHA in Chautauqua County
MHA in Clinton County
MHA of Columbia/Green Counties
MHA in Dutchess County
MHA of Erie County, Inc.
MHA in Franklin County
MHA in Jefferson County, Inc.
MHA of Nassau County, Inc.
MHA of Rochester/Monroe Counties, Inc.
MHA of Rockland County, Inc.
MHA of Westchester County, Inc.
MHA of New York City, Inc.
MHA in Niagara County, Inc.
MHA of Onondaga County
MHA in Orange County
MHA in Orleans County
MHA of Oswego County
MHA in Putnam County, Inc.
MHA in Steuben County
MHA of the Southern Tier, Inc.
MHA in Suffolk County
MHA in Tompkins County
MHA in Ulster County, Inc.
Warren/Washington Association for
Mental Health, Inc.
MHA of Cortland County, Inc.

OHIO

MHA of Franklin County
MHA of Knox County
MHA of Licking County
MHA in Lucas County
MHA of Miami County
MHA of Ottawa County
MHA of Summit County
MHA in Union County
MHA of the Cincinnati Area, Inc.

OKLAHOMA

MHA in Tulsa

PENNSYLVANIA

MHA in Pennsylvania
MHA of Southeastern Pennsylvania
MHA in Westmoreland County
MHA of York County
MHA of Adams County, Inc.
MHA of Reading and Berks County
MHA of the Central Susquehanna Valley
MHA in the Capitol Region
MHA in Franklin/Fulton Counties
MHA in Lancaster County
MHA in Lebanon County
MHA of Allegheny County
MHA of Mercer County, Inc.
MHA of Northwestern PA
The Advocacy Alliance a Mental Health
Association

RHODE ISLAND

MHA of Rhode Island

SOUTH CAROLINA

MHA in South Carolina
MHA in Calhoun County
MHA in Colleton County
MHA in Lee County
MHA in McCormick County
MHA in Oconee County
MHA in Aiken
MHA in Abbeville County

MHA in Anderson County
MHA in Bamberg County
MHA in Barnwell County
MHA in Beaufort/Jasper Counties
MHA in Cherokee County
MHA in Chester County
MHA in Clarendon County
MHA in Darlington County
MHA in Florence County
MHA in Georgetown County
MHA in Greenville County
MHA in Horry County
MHA in Camden-Kershaw County
MHA in Lancaster County
MHA in Laurens County
MHA of the Low Country
MHA in Marion County
MHA in Marlboro County
MHA in Mid-Carolina
MHA in Orangeburg County
MHA in Pickens County
MHA of the Piedmont
MHA in Saluda County
MHA in Sumter County

TENNESSEE

MHA of Tennessee
MHA of Greater Knoxville
MHA of the Mid-South
MHA of Middle Tennessee

TEXAS

MHA in Texas
MHA in Beaumont/Jefferson Counties
MHA in Fort Bend County
MHA of Greater Dallas
MHA in Greater San Antonio
MHA of Greater Houston, Inc.
MHA in Tarrant County
MHA in Abilene
MHA in Tyler

UTAH

MHA in Utah

VIRGINIA

MHA of Virginia
MHA of Augusta
MHA of Central Virginia
MHA of Charlottesville/Albemarle, Inc.
Chesterfield MHA
MHA in Martinsville/Henry Counties
MHA of Roanoke Valley
MHA of Rockbridge County
MHA of Warren County
MHA in Danville/Pittsylvania Co
MHA of Fauquier County
MHA of Fredericksburg Virginia
MHA of Halifax County
MHA in South Hampton Roads
Hanover MHA
MHA of the New River Valley, Inc.
Peninsula MHA

VERMONT

Vermont Association for Mental Health

WISCONSIN

MHA in Brown County
MHA in Calumet County
MHA in Milwaukee County
MHA in Sheboygan County, Inc.

WEST VIRGINIA

MHA in the Greater Kanawha Valley, Inc.
MHA in Monongalia County

FINANCIAL SUPPORT AND RECOGNITION

Government Agencies, Foundations and Corporations

\$700,000 and above

Eli Lilly and Company

U.S. Department of Health and Human Services/

U.S. Department of Justice/

U.S. Department of Education

\$500,000–699,999

Center for Mental Health Services/
Substance Abuse and Mental Health Services Administration

Pfizer Inc.

\$400,000–499,999

Janssen Pharmaceutica Products, Inc.

McNeil Consumer and Specialty Pharmaceuticals

Wyeth

\$300,000–399,999

Forest Laboratories, Inc.

The John D. and Catherine T. MacArthur Foundation

\$200,000–299,000

AstraZeneca Pharmaceuticals LP

Bristol-Myers Squibb Company

Substance Abuse and Mental Health Services Administration

\$100,000–199,999

Annie E. Casey Foundation

The E.H.A. Foundation, Inc.

W.K. Kellogg Foundation

Organon Inc.

\$50,000–99,999

Eli Lilly and Company Foundation

William H. Donner Foundation, Inc.

\$10,000–49,999

Cyberonics, Inc.

GlaxoSmithKline

Health Resources and Services Administration

Merck & Co., Inc.

Abraham and Beverly Sommer Foundation

\$5,000–9,999

Abbott Laboratories

Fannie Mae

\$4,999 and below

PhRMA

Arter & Hadden

In Kind Contributors

Leros Technologies Corporation

Xerox

Dean Bonney

Lerch, Early and Brewer

Individuals

Bell Ringer
(\$100,000.00 +)

Estate of David Block

Estate of Julian Block

Estate of Doris Chase

Estate of Sylvia Kassan Cushman

Estate of Emily D'Antonio

Isadore E. Delappe '72 Trust

Estate of Anna Bell Edwards

Key Classic Anglers Tournament, Inc.

Estate of Elsie Langstroth

Estate of Rosina McKenzie

Estate of Edna Grey Thomas

Estate of Doris Carolyn Vaughn

Roberta L. Zuhlke Charitable Trust

Benefactor
(\$50,000.00 +)

Estate of Robert C. Fischer

Estate of Helen Procter

Estate of Mildred N. Shultz

Estate of Joseph Simon, Jr.

Humanitarian
(\$20,000.00 +)

Madelene Y. Bassett Trust

Ambassador
(\$5,000.00 +)

Anonymous (2)

Estate of Arnold Auerbach

Ms. Lynn Babicka

Mrs. Areta Crowell, Ph.D.

Estate of June Marilyn Gegner

George and Dorothy Guignon

Mr. and Mrs. Eugene L. Inman

Mr. Daniel Jasinski

Estate of Dorothy Perry

Mr. Andrew E. Rubin

Mr. Gary L. Tauscher

Champion
(\$2,500.00 +)

Mr. J. Richard Elpers, M.D.

Grace K. Culbertson

Charitable Lead Unitrust

Mr. Samuel G. Gross

Mr. and Mrs. Arnold Heimler

Mr. and Mrs. Pender R. McElroy

Mr. and Mrs. Jim and Elizabeth Preminger

Mrs. Paula C. Sandidge, M.D.

Ms. Nancy Starnes, Ph.D.

Mr. and Mrs. David M. Theobald

The Texaco Key West Classic, an annual catch-and-release fishing tournament, has raised over \$1 million for NMHA since its start in 1989. Organized by NMHA Board of Directors member Hayden Blaylock, the event is now the largest annual fundraiser for mental health in the United States.



Advocate - (\$1,000.00 +)

Mr. Reid G. Adler and Ms. Jacqueline Arnold
Ms. Charlotte G. Bryson
Mr. and Mrs. Philip Carin
Mrs. Faye O. Conaway
Grace K. Culbertson Charitable Lead Unitrust
Mr. Angus Donnelley
Mrs. Margaret Donnelley
Mr. Willard Donnelley
Ms. Mary J. England, M.D.
Mr. Michael M. Faenza, MSSW
Mrs. Jui-Ling H. Fang
Ms. Meghen Fitzgibbons
Mr. Benjamin Fitzpatrick
Ms. Marilyn Hubbard
Ms. Elizabeth Jacobs
Mrs. Robyn D. Loup
Estate of Annie Vinson Lloyd
Mr. Monty Moeller
Mr. David Nelson
Mrs. Ann Nerad
Gary W. Nyman, M.D.
Mr. John C. Porterfield
Gordon and Phyllis Rubin
Mr. and Mrs. Dennis L. Shears
Mr. and Mrs. Stephen B. Sheperd
Ms. Jamie Smith
Ms. Mary Ann Soehnen
Mr. and Mrs. Joseph Sontz
Mr. and Mrs. Tom Starko
Mr. William F. Sum
Cynthia Morss Truitt, Ph.D.
Dr. Andre Ungar
Mr. and Mrs. Richard Van Horn
Mrs. Cynthia A. Wainscott
Ms. Carolyn M. Wallace
Ms. Kathryn L. Ward, CFRE
Ms. Roma R. Wehde
Mrs. Rena D. Wrenn

Friend - (\$250.00 +)

Mr. and Mrs. Jeffrey and Sarah Amirani
Mr. and Mrs. Milan and Kay Andrus
Mr. and Mrs. Michael and Ruth Berry
Ms. Linda Blade
Mr. and Mrs. Charles C. Boyer
Mr. and Mrs. David Bunch
Mr. James A. Carruthers
Mr. and Mrs. Michael Chen
Mr. Ed Cohen
Ms. Rosemary A. Cook
Ms. Eilene Cummins
Mr. Dennis Deely
Dr. Roy C. DeLamotte
Ms. Cynthia S. Edstrom
Mr. and Mrs. Richard and Harriet Fein
Mr. Don Fowls
Mr. Kenneth S. Gallant
Ms. Stephanie Garber and Mr. David M. Collins
Mr. and Mrs. Mark and Kelly Giura
Mr. and Mrs. Lee and Doris Greenbaum
Ms. Merryl Greenwald
Mrs. Brenda R. Grinnell
Dr. Joseph H. Groveman
Mr. Thomas P. Gullotta
Mr. and Mrs. Neal C. Hansen
Ms. Frances Higgins
Mr. William E. Hines
Dr. Annette Hollander and Mr. Myron M. Kaplan
Estate of Jacob Krasnow
Dr. Irving S. Johnson
Mr. and Mrs. Suryaram and Sushila Joshi
Mr. Allen R. La Liberty
Mr. Christopher Leighton
Ms. Deolinda Leipao-Greene

Mr. Ken Libertoff
Mr. and Mrs. Gregory P. Moore
Mr. Michael Morin and Ms. Stephanie Fleck
Mr. and Mrs. Brian O'Connell
Mr. Edward O'Neill
Mrs. Elizabeth Pennisi
Mr. and Mrs. Peter D. Phippen
Mr. and Mrs. James L. Pollock
William Pritchard Trust
Mr. Eric Rangell
Mrs. Alicia Reeve
Mr. Sean Reilly
Mrs. Jean Richards
Mr. Reymundo Rodriguez
Mr. Paul S. Rothstein
Mr. and Mrs. Manfred and Patricia Schach von Wittenau
Ms. Debra F. Scharping
Ms. Julia L. Schmidt
Mr. Jon C. Scott
Mr. Bradley W. Segal
Mr. and Mrs. Mukesh and Paru Shah
Mr. and Ms. Lawrence Sims
Dr. Daniel Storch, M.D.
Ms. Ardis A. Sussell
Seble Tareke
Mr. Daniel Tate
Mr. Francis J. Trombetta
Mr. and Mrs. Dale and Molly Van Ort
Mr. Sheldon Vidibor and Dr. Betty L. Seidmon
Mr. Richard W. Weber
Ms. Barbara Webster
Mr. David L. West
Dr. and Mrs. Graeme A. Williams
Ms. Gloris Wilson

Clifford W. Beers Legacy Society

Gifts committed and/or received through bequests and other estate plans.

Our heartfelt thanks to those individuals who have notified us that NMHA is in their estate plan and to those who have made memorial and tribute gifts in honor of loved ones.

Estate of Arnold Auerbach
Madeline Y. Bassett Trust
Mrs. Suzanne Bishop
Mr. William Bishop
Estate of David Block
Estate of Julian Block
Stephen and Margaret Corsello
Elizabeth McGarvie Crowley
Estate of Doris Chase
Estate of Sylvia Kassan Cushman
Estate of Emily D'Antonio
Isadore E. Delappe '72 Trust
Estate of Anna Bell Edwards
Estate of Samuel Epstein
Mr. and Mrs. Robert and Della Ewart
Mr. and Mrs. Philip M. and Marian E. Ewing
Estate of Robert C. Fisher
Estate of June Marilyn Gegner
Dr. and Mrs. Hyman C. and Deena M. Goldman
Mr. and Mrs. Muriel E. and Marvin C. Goldman
Mr. and Mrs. David and Eileen Hardy
Mr. and Mrs. James A. and Marion S. Hawkins
Mrs. Charlotte A. Humphrey
Barbara F. Hyams, Ph.D.
Mr. Jeff Jones

FINANCIAL SUPPORT
AND RECOGNITION
continued from page 11

Kathy Sue Keuning and
Eleanor Kohn

Estate of Jacob Krasnow

Mrs. Claire Laing

Estate of LaVerne W. Lang

Mrs. Constance Langtry

Estate of Annie Vinson Lloyd

Mrs. C. MacDonald

Ms. Karen Metzger

Mrs. Sandra J. McElhanev

Estate of Rosina McKenzie

Ms. Page R. O'Brien

Estate of Dorothy Perry

William Pritchard Trust

Mrs. Alicia Reeve

Angela and George B. Rittenberg

Estate of Marian Brewer Rock

Mr. and Mrs. Paul and
Pat Romani

Mr. Andrew E. Rubin

Ms. Patricia Rutledge

Mr. and Mrs. Dale and
Deborah Schuerman

Estate of Mildred N. Shultz

Estate of Joseph Simon, Jr.

Mr. Paul M. Spring

Mrs. Gloria Sosniak

Estate of Edna Grey Thomas

Laurinda Tilley Trust

Estate of Ned Tyler

Estate of Doris Carolyn Vaughn

Mr. Jack Williams

Mrs. Rena Wrenn

Mrs. Ann K. Utley

Roberta L. Zuhlke
Charitable Trust

Ways You Can Help

Become a member of the National Mental Health Association or your local MHA.

For only \$35, you will receive NMHA's newsletter, *The Bell*, and remain informed about the most crucial issues facing our nation. Join online at www.nmha.org or call 800-969-NMHA (6642).

Contribute a tax-deductible gift of cash, stock, or appreciated securities.

Use the enclosed envelope to send in your donation today or donate online at www.nmha.org.

Remember NMHA in your will or other tax-saving planned gift.

Help continue the legacy Clifford Beers started over 90 years ago. Request free information on planned gifts to NMHA and learn more about how you can make a difference through a bequest or other planned gift.

Donate in memory of a friend or family member.

Make a gift to NMHA that will memorialize a loved one. We can help you create a donor-designated memorial fund that will honor their life and memory. NMHA's Suicide Prevention Memorial Funds provide the opportunity to tribute those lost to suicide. Go to www.nmha.org/memorial for more information.

Designate NMHA in your employee payroll deduction program.

If your employee participates in the Combined Federal Campaign or Community Health Charities, choose #0548 to donate a portion of your paycheck to NMHA.

Donate gifts of property.

NMHA now accepts in-kind donations of new, used, or novelty items for auction on www.missionfish.com.

Ask your employer to match your gift.

Most companies already donate a portion of their income to charitable organizations, both for the tax benefits they receive and to help the causes they believe in. Why not put these dollars to work for the cause closest to your heart?

Please call the NMHA gift office at (800) 969-NMHA to make a difference today!

Bequests to the National Mental Health Association

The following statement is all you need to include the National Mental Health Association in your will:

I give, devise and bequeath to the National Mental Health Association, a tax-exempt organization incorporated in the State of New York in 1950, IRS identification number 13-1614906, _____ % of my estate or the sum of \$_____ (describe stocks, bonds, life insurance or other assets), to be used for the general purpose of the Association at the discretion of its Board of Directors.

Worth magazine, Money magazine, The Chronicle of Philanthropy, The Nonprofit Times, Smart Money magazine and The American Institute of Philanthropy ranked NMHA as a top nonprofit in 2001.

FINANCIAL STATEMENTS

NATIONAL MENTAL
HEALTH ASSOCIATION
AND SUBSIDIARY

Consolidated Financial Statements

*For the Year Ended
December 31, 2001
(With Summarized Financial Information
for the Year Ended December 31, 2000)*

and Report Thereon

*For the Year Ended
December 31, 2001*

Independent Auditor's Report To the Board of Directors of the National Mental Health Association

We have audited the accompanying consolidated statement of financial position of the National Mental Health Association (NMHA) and subsidiary (collectively referred to as the Association) as of December 31, 2001, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Association's 2000 financial statements and, in our report dated May 10, 2001, we expressed an unqualified opinion on those financial statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of December 31, 2001, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Raffa & Associates, P.C.

Washington, DC
May 8, 2002

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2001 (With Summarized Financial Information as of December 31, 2000)

	2001	2000
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 317,401	\$ 92,639
Accounts receivable	202,184	229,139
Due from NAMHPAC	-	77,831
Grants and contracts receivable, current portion	918,971	1,729,609
Bequests receivable	750,218	895,575
Prepaid expenses	182,321	129,106
Inventory	160,088	171,107
Total Current Assets	2,531,183	3,325,006
Grants and contracts receivable, net of current portion	77,000	405,935
Bequests receivable, net of current portion	150,000	198,360
Investments	484,460	399,967
Property and equipment, net	2,348,822	2,553,848
TOTAL ASSETS	\$5,591,465	\$6,883,116
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 563,669	\$ 1,206,387
Note payable, current portion	65,711	60,711
Capital lease obligations, current portion	84,180	78,910
Total Current Liabilities	713,560	1,346,008
Note payable, net of current portion	955,757	1,021,724
Capital lease obligations, net of current portion	162,211	248,149
Deposits held	16,833	4,708
TOTAL LIABILITIES	1,848,361	2,620,589
Risks and Contingencies		
NET ASSETS		
Unrestricted		
Undesignated	660,493	668,543
Board designated as reserve funds	586,386	326,538
Net investment in property and equipment	1,080,963	1,144,354
Jo Blaylock memorial fund	52,055	50,000
Total Unrestricted	2,379,897	2,189,435
Temporarily restricted	1,074,236	1,784,121
Permanently restricted	288,971	288,971
TOTAL NET ASSETS	3,743,104	4,262,527
TOTAL LIABILITIES AND NET ASSETS	\$5,591,465	\$6,883,116

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2001 (With Summarized Financial Information for the Year Ended December 31, 2000)
Increase (Decrease) in Cash and Cash Equivalents

	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$(519,423)	\$ 952,938
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	237,868	239,645
Unrealized loss on investments	2,165	9,548
Realized loss on investments	1,471	-
Changes in assets and liabilities		
Accounts receivable	26,955	(81,143)
Due from NAMHPAC	77,831	(73,779)
Grants and contracts receivable	1,139,573	(907,407)
Bequests receivable	193,717	(824,920)
Prepaid expenses	(53,215)	(27,477)
Inventory	11,019	(15,518)
Accounts payable and accrued expenses	(642,718)	1,037,159
Deposits held	12,125	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	487,368	309,046
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(32,842)	(175,345)
Proceeds from sales of investments	210,930	36,295
Purchases of investments	(299,059)	(318,701)
NET CASH USED IN INVESTING ACTIVITIES	(120,971)	(457,751)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	(60,967)	(56,665)
Principal payments on capital lease obligations	(80,668)	(79,006)
NET CASH USED IN FINANCING ACTIVITIES	(141,635)	(135,671)
Net Increase (Decrease) in Cash and Cash Equivalents	224,762	(284,376)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	92,639	377,015
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 317,401	\$ 92,639
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ 83,663	\$ 88,536
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Capital lease obligation for equipment	\$ -	\$ 107,050

CONSOLIDATED STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2001 (With Summarized Financial Information for the Year Ended December 31, 2000)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2001 Total	2000 Total
REVENUE AND SUPPORT					
Grants and contributions	\$ 4,444,467	\$ 5,398,355	\$ -	\$ 9,842,822	\$ 9,674,236
Bequests	729,490	-	-	729,490	1,206,981
Affiliate support	713,925	-	-	713,925	609,226
Sales	123,845	-	-	123,845	124,840
Special events	109,750	-	-	109,750	190,414
In-kind contributions	57,759	-	-	57,759	16,735
Combined federal campaign	52,382	-	-	52,382	52,233
Investment income	12,329	3,224	-	15,553	33,388
Rental income	7,800	-	-	7,800	6,996
Subscriptions income	1,910	-	-	1,910	248
Net assets released from restrictions:					
Satisfaction of program restrictions	6,111,464	(6,111,464)	-	-	-
TOTAL REVENUE AND SUPPORT	12,365,121	(709,885)	-	11,655,236	11,915,297
EXPENSES					
Program Services					
Constituency services	4,911,715	-	-	4,911,715	3,803,560
Education	3,244,960	-	-	3,244,960	3,217,705
Research	1,651,932	-	-	1,651,932	1,686,082
Advocacy	1,351,005	-	-	1,351,005	1,256,376
Total Program Services	11,159,612	-	-	11,159,612	9,963,723
Management and general	689,294	-	-	689,294	618,760
Fundraising	325,753	-	-	325,753	379,876
TOTAL EXPENSES	12,174,659	-	-	12,174,659	10,962,359
Change in Net Assets	190,462	(709,885)	-	(519,423)	952,938
NET ASSETS, BEGINNING OF YEAR	2,189,435	1,784,121	288,971	4,262,527	3,309,589
NET ASSETS, END OF YEAR	\$2,379,897	\$1,074,236	\$288,971	\$3,743,104	\$4,262,527

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2001 (With Summarized Financial Information for the Year Ended December 31, 2000)

	Constituency Services	Education	Research	Advocacy	Total Program Services
Salaries and benefits	\$ 2,820,245	\$ 2,305,330	\$ 1,092,944	\$ 1,093,264	\$ 7,311,783
Professional fees and contract service payments	436,686	144,385	179,540	30,181	790,792
Conference and meetings	402,059	211,270	90,823	14,017	718,169
Grants	611,550	-	-	-	611,550
Travel	202,343	61,529	97,419	31,618	392,909
Outside printing and art work	53,450	295,519	1,819	27,669	378,457
Occupancy	82,760	66,208	33,104	43,035	225,107
Depreciation and amortization	59,467	47,573	23,787	30,923	161,750
Telephone	88,497	38,867	52,788	26,844	206,996
Postage and shipping	45,284	28,225	42,139	21,073	136,721
Supplies	60,425	14,096	11,171	4,885	90,577
Interest	20,916	16,733	8,366	10,876	56,891
Miscellaneous	28,033	15,225	18,032	16,620	77,910
TOTAL	\$4,911,715	\$3,244,960	\$1,651,932	\$1,351,005	\$11,159,612

	Management and General	Fundraising	2001 Total	2000 Total
Salaries and benefits	\$ 424,831	\$ 194,405	\$ 7,931,019	\$ 5,756,260
Professional fees and contract service payments	74,960	27,301	893,053	1,077,716
Conference and meetings	-	3,937	722,106	1,131,893
Grants	-	-	611,550	573,341
Travel	6,127	16,126	415,162	736,588
Outside printing and art work	2,561	-	381,018	384,885
Occupancy	72,829	33,104	331,040	233,477
Depreciation and amortization	52,331	23,787	237,868	239,645
Telephone	18,827	-	225,823	216,713
Postage and shipping	1,693	9,051	147,465	182,169
Supplies	16,729	6,691	113,997	243,063
Interest	18,406	8,366	83,663	88,536
Miscellaneous	-	2,985	80,895	98,073
TOTAL	\$689,294	\$325,753	\$12,174,659	\$10,962,359

Notes to Consolidated Financial Statements

1. Organization and Summary of Significant Accounting Policies

Organization

Organized in 1950, the National Mental Health Association, Inc. (NMHA) is a private voluntary health and human services advocacy organization which promotes a wide range of mental health issues through advocacy leadership, public and professional education, community and consumer services, and ongoing research. NMHA's primary sources of revenue are grants and contributions from foundations, government agencies and private industry and membership dues received from affiliated organizations nationwide.

The Musicians for Mental Health, LLC is a limited liability corporation incorporated in Virginia by NMHA in 2001. The Musicians for Mental Health, LLC is organized to raise awareness of mental health through concerts and other special events.

Principles of Consolidation

The consolidated financial statements include the account balances of NMHA and the Musicians for Mental Health, LLC (collectively referred to as the Association). NMHA and the Musicians for Mental Health, LLC have been consolidated due to the presence of common control and economic interest as required under accounting principles generally accepted in the United States of America. All significant intercompany balances and transactions have been eliminated in the consolidation.

Each of the mental health associations affiliated with the Association elects its own board of directors, conducts service programs independent of the Association, and maintains its own financial accounts. Accordingly, the financial statements of the Association do not include the accounts and activities of these affiliated organizations.

Cash and Cash Equivalents

The Association considers money market funds and certificates of deposit purchased with an original maturity of three months or less to be cash and cash equivalents. Money market funds held in certain investment portfolios are not considered cash and cash equivalents as these amounts are not available for the general operating purposes of the Association.

Inventory

Inventory is stated at cost on a first-in, first-out (FIFO) basis and consists of publications on hand at the end of the year.

Investments

Investments are comprised of equity and bond mutual funds and money market funds and are recorded in the financial statements at fair value. Investments that are part of the board designated reserve fund or that have been permanently restricted by the donor are classified as long-term investments.

Property and Equipment and Related Depreciation and Amortization

Land, building, building improvements, furniture and equipment are stated at cost and are depreciated or amortized using the straight-line method over the estimated useful lives of the assets as follows:

Building	45 years
Furniture and Equipment	3-5 years

Building improvements are depreciated on the straight-line basis over the remaining life of the building. Equipment purchased under capital leases is amortized on the straight-line basis over the life of the lease. Expenditures for major repairs and improvements are capitalized; expenditures for minor repairs and maintenance costs are expensed when incurred. Upon the retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the respective accounts and the resulting gain or loss is included in revenue or expenses.

Classification of Net Assets

The net assets of the Association are reported in three self-balancing groups as follows:

- Unrestricted net assets represent the portion of expendable funds that are available for support of the Association's operations. It also includes the net assets of the reserve fund which are designated by the Board of Directors.
- Temporarily restricted net assets represent amounts that are specifically restricted by donors for various programs.
- Permanently restricted net assets represent amounts that include donor-imposed restrictions that stipulate that the resources be maintained in perpetuity and that only the interest earned on such amounts be used in the manner specified by the donor.

Revenue Recognition

The Association reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor-imposed restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Unrestricted contributions and grants are reported as revenue in the year in which payments are received and/or unconditional promises are made. Revenue recognized on grants that have been committed to the Association, but have not been received, is reflected as grants and contracts receivable in the accompanying consolidated statement of financial position.

The Association has grants and contracts from United States government agencies. Revenue from these grants and contracts is recognized as costs are incurred on the basis of direct costs plus allowable indirect expenses at a provisional rate. Revenue rec-

ognized on grants for which billings have not been presented to or collected from grantors is reflected as grants and contracts receivable in the accompanying consolidated statement of financial position.

Affiliate support is recognized in the period received.

The Association recognizes bequests in the year the promise to give becomes unconditional, which is at the time the probate court declares the will valid and the proceeds are measurable in amount.

In-Kind Contributions

Donated materials, services and facilities are recorded as in-kind contributions at their estimated fair market value as of the date of the donation.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on direct costs.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Grants and Contracts Receivable

Grants and contracts receivable include \$779,407 of unconditional promises to give from foundations and corporations. Also included in grants and contracts receivable is \$216,564 of grant and contract revenue receivable from United States government agencies which represents billings that have been presented to grantors but remain unpaid at year end. All amounts are considered fully collectible and are due as follows:

Due in less than one year	\$ 918,971
Between one to three years	77,000
Total grants and contracts receivable	\$ 995,971

3. Investments

Investments as of December 31, 2001 consisted of the following:

	Cost	Fair Value
Bond mutual funds	\$114,000	\$123,015
Equity mutual funds	76,558	63,971
Money market funds	297,474	297,474
Total	\$488,032	\$484,460

4. Property and Equipment and Accumulated Depreciation and Amortization

Property and equipment are comprised of the following as of December 31, 2001:

Building and improvements	\$2,128,516
Land	545,700
Office furniture and equipment	859,578
Equipment under capital lease	397,605
Total	3,931,399
Less: accumulated depreciation and amortization	(1,582,577)
Net property and equipment	\$2,348,822

5. Note Payable

The Association entered into a note payable agreement with First Virginia Bank for \$1,265,000. This loan is collateralized by a first deed of trust on the building at 1021 Prince Street and the related improvements and is repaid in monthly installments of \$12,052 of principal and interest, which accrues at 7.96% for the first five years.

On October 24, 2001, the Association entered into an agreement to sell its building at 1021 Prince Street. This agreement was contingent upon the Association obtaining a replacement facility for its operations. In the event the Association did not inform the buyer whether a replacement facility was obtained within 135 days, the agreement automatically terminated. On May 2, 2002, the Association accepted and signed the agreement to sell the building for \$3,800,000. A portion of the proceeds from the sale of the building will be used to repay the note payable to First Virginia Bank and other closing costs. Management intends to invest the remaining portion on the proceeds, \$2,686,000, in U.S. Government bonds and the funds will be used to purchase a new building in future years.

6. Capital Leases

NMHA leases office equipment under six leases which expire through 2005. The leased equipment is included in property and equipment at a cost of \$397,605 with accumulated amortization of \$197,165 as of December 31, 2001.

The future minimum lease payments required for these capital leases at December 31, 2001 are as follows:

For the Year Ending December 31,	
2002	\$ 98,544
2003	98,544
2004	75,644
2005	777
Total future minimum lease payments	273,509
Less: amount representing interest	(27,118)
Present value of net minimum lease payments	246,391
Less: current portion	(84,180)
Long-term portion	\$ 162,211

7. Net Assets

Board Designated Unrestricted Net Assets

The Board of Directors of the Association has designated unrestricted net assets for the purpose of establishing a reserve fund. The Board has approved annual contributions to the fund in an amount that equals 20% of the change in unrestricted net assets before depreciation, which for the year ended December 31, 2001 totaled \$86,386. The Board of Directors may approve annual contributions in excess of the amount prescribed by the funding policy. For the year ended December 31, 2001, the Board of Directors approved an additional contribution of \$173,462. Board designated unrestricted net assets as of December 31, 2001 totaled \$586,386, of which \$390,897 has been temporarily loaned to the Association's general fund against an outstanding receivable as permitted by the NMHA Board Reserve Fund Policy. The objective of the reserve fund is to meet expenses occurring during times of financial shortfall and to provide a method of funding programs not supported by other funding sources.

Board Designated Unrestricted Net Assets (continued)

The Board of Directors of the Association has also designated \$50,000 of unrestricted net assets to create the Jo Blaylock Memorial Fund. The fund was created to recognize Mr. and Mrs. Blaylock's contribution to mental health and will be used for educational purposes.

Also included in unrestricted net assets is the Association's investment in property and equipment. This amount is calculated by subtracting the amount owed on the property and equipment (i.e. the note payable and the capital lease obligations) from the net book value of total property and equipment.

Temporarily Restricted

Certain temporarily restricted net assets are available for use among the programs of the Association based on specific donor restrictions. Other amounts with donor restrictions that can be interpreted to cover more than one program were allocated to such programs based on prior years' experience. The amounts available as of December 31, 2001 are as follows:

Constituency services	\$377,159
Education	294,206
Research	100,315
Advocacy	302,556
Total	\$1,074,236

Permanently Restricted Net Assets

Permanently restricted net assets includes the following:

The Quayle Bequest which requires that the principal be invested in perpetuity and that only the income be expended to support the training and use of volunteers and/or to pay hospital attendants servicing those who are mentally ill.

The Anna Belle Edwards Bequest which requires that the principal be invested in perpetuity and that only the income be expended to support research as to the cause and cure of mental illness giving attention to the therapeutic use of megavitamins for such illness.

Because the interest income earned on the above bequests is restricted for stated purposes, it is recorded as temporarily restricted revenue on the statement of activities and is released from restriction as the program restrictions are met. Interest income earned on permanently restricted net assets totaled \$3,224 for 2001.

8. Line of Credit

The Association has an unsecured \$600,000 line of credit with First Virginia Bank to provide interim funding for payroll and operating expenses which expires August 16, 2002. Funds drawn against this line accrue interest at prime, which as of December 31, 2001 was 4.75%. The terms of the line of credit require the Association to maintain a depository account with First Virginia as long as the commitment is in effect. As of December 31, 2001, the Association had no outstanding balance on the line of credit.

9. Pension Plan

The Association has a noncontributory, defined contribution retirement plan which is available to all employees who have completed one year of service and attained 21 years of age. Employer contributions are made to the plan according to the employee's years of service based on percentages as defined in the plan document. Employees are vested in the employer contributions according to the employee's years of service with the Association as defined in the plan document. The Association's pension expense for the year ended December 31, 2001 totaled \$242,275 and is included in salary and benefits on the accompanying consolidated statement of functional expenses.

10. Risks and Contingencies**Cash**

Cash is comprised of amounts in accounts at various financial institutions. While the amount at a given bank at times exceeds the amount guaranteed by the Federal Deposit Insurance Corporation (FDIC) and, therefore, bears some risk, the Association has not experienced, nor does it anticipate any loss of funds. As of December 31, 2001, the amount in excess of the FDIC limit was \$66,860.

Indirect cost

Billings under cost reimbursable government grants are calculated using provisional rates which permit recovery of indirect costs. These rates are subject to a final audit and approval by the Federal government. For the year ended December 31, 2001, the government has not audited and issued a final approval of the Association's indirect cost rate. In the opinion of management, adjustments, if any, from such an audit will not have any material effect on the Association's financial position as of December 31, 2001 or results of operations for the year then ended.

11. Musicians for Mental Health, LLC

The Musicians for Mental Health, LLC, was incorporated during the year ended December 31, 2001. During the year ended December 31, 2001, costs were incurred to set up the organization. In addition, period related costs were incurred in preparation for a fundraising event that will take place in May 2002. The financial statements of the Musicians for Mental Health, LLC prior to the elimination of intercompany balances, as of and for the year ended December 31, 2001 are as follows:

	Balance Sheet	Statement of Operations
Assets	\$ -	Revenue \$45,350
Liabilities	\$79,299	<u>Expenses (124,649)</u>
Accumulated Deficit	(79,299)	Net loss \$(79,299)
Total	\$ -	

12. Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code, NMHA is exempt from the payment of taxes on income other than unrelated business income. The Musicians for Mental Health, LLC is considered a disregarded entity by the Internal Revenue Service for tax purposes and therefore any net unrelated business income is reported on NMHA's federal tax return. For the year ended December 31, 2001 no provision for income taxes was made as neither NMHA nor the Musicians for Mental Health, LLC had any net unrelated business income.

13. Prior Year 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended December 31, 2001, from which the summarized information was derived.

14. Reclassifications

Certain 2000 amounts have been reclassified to conform with the 2001 presentation.

BOARD OF DIRECTORS

Sergio Aguilar-Gaxiola, MD, PhD
Fresno, Calif.

Janice Beal, EdD
Houston, Texas

Hayden Blylock
Homestead, Fla.

Charlotte Bryson
Nashville, Tenn.

Representative Garnet Coleman
Houston, Texas

Cheryl Collier
Scottsdale, Ariz.

Raymond Crowl, PsyD
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Areta Crowl, PhD
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Lazaro Diaz
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J. Richard Elpers, MD
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Mary Jane England, MD
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Gary Tauscher
Hilton Head Island, S.C.

Cynthia Morss Truitt, PhD
Denver, Colo.

Cynthia Wainscott
Marietta, Ga.

The Meaning of the Bell

Nearly 50 years ago, the National Mental Health Association issued a nationwide call to asylums across the country for the chains and shackles they had used to restrain patients. NMHA then took these tools of mistreatment and forged them into a powerful beacon of freedom: the 300-pound Mental Health Bell. Today, as the symbol of NMHA and affiliates, the Bell continues to ring out hope for the millions of individuals living with mental illnesses.



vision
vision
vision
Vision

The National Mental Health Association envisions a just, humane and healthy society in which all people are accorded respect, dignity and the opportunity to achieve their full potential free from stigma and prejudice.

For further information and to support NMHA, contact:



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The National Mental Health Association is dedicated to promoting mental health, preventing mental disorders and achieving victory over mental illnesses through advocacy, education, research and service.