

NAMI - GEORGIA, INC.

Financial Statements

April 30, 2015 and 2014

With Independent Auditor's Report Thereon

Independent Auditor's Report

The Board of Directors
NAMI - Georgia, Inc.:

Report on the Financial Statements

I have audited the accompanying financial statements of NAMI - Georgia, Inc. which comprise the statements of financial position as of April 30, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NAMI - Georgia, Inc. as of April 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

James Dykhouse, CPA

August 28, 2015

NAMI - GEORGIA, INC.
Statements of Financial Position
April 30, 2015 and 2014

<u>Assets</u>	<u>2015</u>	<u>2014</u>
Cash and cash equivalents:		
Operating and savings accounts	\$ 108,892	73,073
CIT Program money market account	165,901	113,897
Investments	22,053	102,355
Grants and other receivable	106,836	31,095
Other assets	9,273	745
Security deposits	1,011	1,748
Office furniture and equipment, less accumulated depreciation of \$51,178 in 2015 and 2014	-	-
 Total assets	 \$ 413,966	 322,913
<u>Liabilities and Net Assets</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 48,801	32,353
Deferred revenue	-	5,000
 Total liabilities	 48,801	 37,353
Net assets:		
Unrestricted	336,165	241,120
Temporarily restricted	10,000	25,440
Permanently restricted	19,000	19,000
 Total net assets	 365,165	 285,560
 Total liabilities and net assets	 \$ 413,966	 322,913

See accompanying notes to financial statements.

NAMI - GEORGIA, INC.

Statements of Activities

Years Ended April 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Unrestricted net assets:		
Support and revenue:		
Government grants and contracts	\$ 370,479	418,315
Contributions	135,003	9,120
Special events - NAMI Walk	48,700	66,725
CIT Conference	-	8,401
Dues - net	8,688	9,999
Interest and dividends	955	5,782
Unrealized gains (losses) from investments	2,101	955
Net assets released from restrictions	<u>25,440</u>	<u>6,686</u>
Total	591,366	525,983
Expenses paid:		
Program services	365,223	470,285
Fundraising	29,418	47,033
Management and general	<u>101,680</u>	<u>96,721</u>
Total	<u>496,321</u>	<u>614,039</u>
Increase (decrease) in unrestricted net assets	95,045	(88,056)
Temporarily restricted net assets:		
Contributions	10,000	-
Net assets released from restrictions	<u>(25,440)</u>	<u>(6,686)</u>
(Decrease) in temporarily restricted net assets	<u>(15,440)</u>	<u>(6,686)</u>
Increase (decrease) in net assets	<u>79,605</u>	<u>(94,742)</u>
Net assets at beginning of year	<u>285,560</u>	<u>380,302</u>
Net assets at end of year	<u>\$ 365,165</u>	<u>285,560</u>

See accompanying notes to financial statements.

NAMI - GEORGIA, INC.

Statement of Functional Expenses

Year Ended April 30, 2015

	<u>Program Services</u>	<u>Fund- Raising</u>	<u>Management and General</u>	<u>Total</u>
Advertising	\$ 419	1,088	-	1,507
Bank and credit card fees	175	-	893	1,068
Dues and subscriptions	2,105	40	194	2,339
Insurance	6,669	392	785	7,846
Meals and entertainment	11,897	-	1,322	13,219
Miscellaneous	2,188	137	490	2,815
Payment to affiliates	66,769	-	-	66,769
Postage and delivery	2,729	-	337	3,066
Professional fees	14,035	6,076	7,266	27,377
Rent	14,883	875	1,751	17,509
Utilities	4,051	238	476	4,765
Repairs and maintenance	90	5	11	106
Salaries, taxes and benefits	88,349	15,360	69,428	173,137
Supplies	21,224	2,896	16,015	40,135
Telecommunications	10,091	894	1,788	12,773
Training and education	105,079	-	-	105,079
Travel	14,470	-	924	15,394
Meeting facility	-	1,417	-	1,417
	<u>\$ 365,223</u>	<u>29,418</u>	<u>101,680</u>	<u>496,321</u>

See accompanying notes to financial statements.

NAMI - GEORGIA, INC.

Statement of Functional Expenses

Year Ended April 30, 2014

	<u>Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Bank and credit card fees	\$ 171	-	875	1,046
Depreciation expense	-	-	410	410
Dues and subscriptions	9,432	180	863	10,475
Equipment not capitalized	1,440	404	146	1,990
Equipment rental	5,647	199	488	6,334
Insurance	5,801	341	683	6,825
Literature from NAMI	1,836	-	-	1,836
Media campaign	528	-	-	528
Meals and entertainment	7,988	4	895	8,887
Miscellaneous	2,289	110	(1,398)	1,001
Postage and delivery	5,796	18	702	6,516
Printing and reproduction	10,474	991	756	12,221
Professional fees	61,570	20,320	26,781	108,671
Rent	14,633	861	1,721	17,215
Utilities	1,375	81	162	1,618
Repairs and maintenance	279	-	-	279
Salaries, taxes and benefits	144,926	22,145	58,062	225,133
Supplies	10,472	61	1,774	12,307
Telecommunications	13,825	1,236	2,464	17,525
Training and education	149,497	-	15	149,512
Travel	22,006	82	1,322	23,410
Meeting facility	300	-	-	300
	<u>\$ 470,285</u>	<u>47,033</u>	<u>96,721</u>	<u>614,039</u>

See accompanying notes to financial statements.

NAMI - GEORGIA, INC.

Statements of Cash Flows

Years Ended April 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$ 79,605	(94,742)
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	-	410
Unrealized (gains) losses from investments	(2,101)	(955)
(Increase) decrease in grants and other receivable	(75,741)	18,355
Increase in other assets	(8,528)	(745)
Decrease (increase) in security deposits	737	(178)
(Decrease) increase in deferred revenue	(5,000)	5,000
Increase (decrease) in accounts payable and accrued expenses	<u>16,448</u>	<u>(30,938)</u>
Net cash provided by (used in) operating activities	5,420	(103,793)
Cash flows from investing activities:		
Sales of investments	84,492	-
Purchase of investments	<u>(2,089)</u>	<u>(5,702)</u>
Net cash provided by (used in) investing activities	82,403	(5,702)
Increase (decrease) in cash and cash equivalents	87,823	(109,495)
Cash and cash equivalents at beginning of year	<u>186,970</u>	<u>296,465</u>
Cash and cash equivalents at end of year	<u>\$ 274,793</u>	<u>186,970</u>

See accompanying notes to financial statements.

NAMI – GEORGIA, INC.

Notes to Financial Statements

April 30, 2015 and 2014

(1) Summary of Significant Accounting Policies

(a) Organization

NAMI – Georgia, Inc. (the “Organization”) is a non-profit grassroots, support and advocacy organization, consisting of persons diagnosed with severe mental illness, their parents, children, spouses, siblings, partners, treatment professionals and friends. The Organization’s purpose is to relieve the suffering and improve the quality of life for Georgians with brain disorders (mental illness) and their families, through support, advocacy, education and research.

(b) Basis of Accounting and Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as unrestricted, temporarily or permanently restricted.

Unrestricted net assets include amounts that are not subject to donor-imposed stipulations which are used to account for resources available to carry out the purposes of the Organization in accordance with the limitations of its charter and bylaws.

Temporarily restricted net assets are those resources currently available for use, but expendable only for purposes specified by the donor or grantor. Such resources originate from grants and contributions restricted for specific purposes. When a donor or grantor 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. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

Permanent restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use the income earned on related investments for general purposes.

(c) Cash and Cash Equivalents

For the purpose of these statements, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to cash and having original maturities of three months or less, when purchased.

(d) Investments

Investments are stated at fair value. Securities are carried at market value, as quoted on major stock exchanges. Net realized and unrealized gains or losses on sales of investments are recognized in the period in which they occur.

NAMI - GEORGIA, INC.

Notes to Financial Statements

April 30, 2015 and 2014

(e) *Property and equipment*

Expenditures for furniture and equipment are capitalized at cost. Contributed assets are recorded at their fair value at the date of gift. Equipment is capitalized if it has a cost of \$500 or more and a useful life when acquired of more than 1 year. Depreciation is provided on a straight-line basis over the estimated useful lives of the related assets.

(f) *Functional Allocation of Expense*

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

(g) *Income Taxes*

The Organization is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Contributions to the organization are tax deductible to donors under Section 170 of the IRC. The tax years ending 2014, 2013, and 2012 are still open to audit for both federal and state purposes. The organization is not classified as a private foundation.

(h) *Advertising*

The Organization expenses advertising costs as incurred.

(i) *Use of Estimates*

Management of the Organization has made certain estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

(2) *Grants and Other Receivables*

Grants and other receivables at April 30, 2015 and 2014 consisted of amounts due from governments that are due within a year.

NAMI - GEORGIA, INC.

Notes to Financial Statements

April 30, 2015 and 2014

(3) Investments

Investments consist of the following at April 30, 2015 and 2014:

	<u>2015</u> Fair value	<u>2014</u> Fair value
Mutual fund - equities	\$ 22,053	102,179
Equity securities	_____ -	___ 176
	\$ <u>22,053</u>	<u>102,355</u>

(4) Fair Value Measurements

The Organization follows the provisions of Statement of Financial Accounting Standards Board (FASB) Accounting Standards Codification ASC 820, Fair Value Measurements and Disclosures, for financial assets and liabilities. Under ASC 820, fair value is based on the 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. In order to increase consistency and comparability in fair value measurements, ASC 820 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels. These levels, in order of highest priority to lowest priority, are described as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Other significant observable inputs not quoted on active markets, but corroborated by market data.

Level 3: Significant unobservable inputs for the asset that are supported by little or no market activity and that are significant to the fair value of the underlying asset.

The following table summarized the Organization's financial instruments measured at fair value on a recurring basis in accordance with ASC 820 as of April 30, 2015 and 2014:

As of April 30, 2015:				
	Total	Level 1	Level 2	Level 3
Publicly traded securities	\$ 22,053	22,053	-	-
As of April 30, 2014:				
Publicly traded securities	102,355	102,355	-	-

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Notes to Financial Statements

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(5) Accounting for Endowments

The Organization's endowments consist of funds established by donors, the income on which is unrestricted. All endowment funds are invested in mutual funds. Earnings on endowment funds in 2015 and 2014 of \$2,338 and \$1,321, respectively, were expended for operations.

(6) Related Party Transactions

The Organization has agreements with the National Alliance on Mental Illness. Cooperative billing payments to the national organization totaled \$14,599 and \$16,031 in 2015 and 2014, respectively.

(7) Restricted Net Assets

Temporarily restricted net assets at April 30, 2015 and 2014 consist of funds for the following:

	<u>2015</u>	<u>2014</u>
Multi-Cultural - NAMI	\$ -	8,574
Open Access Media Campaign	-	12,816
Faith Outreach	-	1,050
Janssen - Continuity of Care	-	3,000
Solstice Fdn. - Ending the Silence	<u>10,000</u>	<u>-</u>
	\$ <u>10,000</u>	<u>25,440</u>

Permanently restricted net assets at April 30, 2015 and 2014 were \$19,000 and consist of endowment funds for which the income is unrestricted.

(8) Commitments

The Organization leases office space under an operating lease that expires on January 31, 2017. Rent expense was \$17,509 for the year ended April 30, 2015.

Future minimum rental payments under this operating lease are as follows:

Years ended April 30:

2016	18,031
2017	13,808

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Notes to Financial Statements

April 30, 2015 and 2014

(9) Subsequent Events

Subsequent events have been evaluated through August 28, 2015, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.