

**NAMI - GEORGIA, INC.**

Financial Statements

April 30, 2016 and 2015

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, 2016 and 2015, 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, 2016 and 2015, 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*

June 29, 2016

**NAMI - GEORGIA, INC.**  
**Statements of Financial Position**  
**April 30, 2016 and 2015**

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Cash and cash equivalents:		
Operating and savings accounts	\$ 142,215	108,892
CIT Program money market account	259,252	165,901
Investments	22,771	22,053
Grants and other receivable	113,788	106,836
Other assets	1,280	9,273
Security deposits	1,448	1,011
Office furniture and equipment, less accumulated depreciation of \$51,824 in 2016 and \$51,178 in 2015	1,293	-
 Total assets	 \$ 542,047	 413,966
<u>Liabilities and Net Assets</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 32,553	48,801
Net assets:		
Unrestricted	490,494	336,165
Temporarily restricted	-	10,000
Permanently restricted	19,000	19,000
 Total net assets	 509,494	 365,165
 Total liabilities and net assets	 \$ 542,047	 413,966

See accompanying notes to financial statements.

**NAMI - GEORGIA, INC.**

Statements of Activities

Years Ended April 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Unrestricted net assets:		
Support and revenue:		
Government grants and contracts	\$ 438,485	370,479
Contributions	142,385	135,003
Special events - NAMI Walk	61,218	48,700
Dues - net	12,140	8,688
Contributed services	12,870	-
Interest and dividends	816	955
Unrealized gains (losses) from investments	718	2,101
Net assets released from restrictions	<u>10,000</u>	<u>25,440</u>
Total	678,632	591,366
Expenses paid:		
Program services	371,455	365,223
Fundraising	67,782	29,418
Management and general	<u>85,066</u>	<u>101,680</u>
Total	<u>524,303</u>	<u>496,321</u>
Increase in unrestricted net assets	154,329	95,045
Temporarily restricted net assets:		
Contributions	-	10,000
Net assets released from restrictions	<u>(10,000)</u>	<u>(25,440)</u>
(Decrease) in temporarily restricted net assets	<u>(10,000)</u>	<u>(15,440)</u>
Increase in net assets	<u>144,329</u>	<u>79,605</u>
Net assets at beginning of year	<u>365,165</u>	<u>285,560</u>
Net assets at end of year	<u>\$ 509,494</u>	<u>365,165</u>

See accompanying notes to financial statements.

**NAMI - GEORGIA, INC.**

Statement of Functional Expenses

Year Ended April 30, 2016

	<u>Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Advertising	\$ 4,016	2,946	-	6,962
Affiliate relations	-	-	715	715
Bank and credit card fees	1,888	314	944	3,146
Contract labor	1,702	284	851	2,837
Convention expense	9,535	1,589	4,768	15,892
Dues and subscriptions	1,366	228	683	2,277
Insurance	6,313	1,052	3,156	10,521
Leased office equipment	2,942	490	1,471	4,903
Meals and entertainment	1,666	7,659	98	9,423
Miscellaneous	1,436	240	718	2,394
Office expense	2,818	470	1,409	4,697
Payment to affiliates	65,357	750	-	66,107
Postage and delivery	1,856	159	477	2,492
Print and production	-	564	-	564
Professional fees	46,864	13,910	11,686	72,460
Rent	15,220	895	1,791	17,906
Repairs and maintenance	157	26	79	262
Retreat	511	85	255	851
Salaries, taxes and benefits	87,691	14,615	43,845	146,151
Supplies	11,396	6,498	1,616	19,510
Telecommunications/website	7,272	1,212	3,636	12,120
Training and education	77,727	-	-	77,727
Travel	20,121	2,814	5,068	28,003
Utilities	3,601	600	1,800	6,001
Meeting facility	-	10,382	-	10,382
	<u>\$ 371,455</u>	<u>67,782</u>	<u>85,066</u>	<u>524,303</u>

See accompanying notes to financial statements.

## NAMI - GEORGIA, INC.

### Statement of Functional Expenses

Year Ended April 30, 2015

	Program Services	Fund- Raising	Management and General	Total
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
	\$ 365,223	29,418	101,680	496,321

See accompanying notes to financial statements.

**NAMI - GEORGIA, INC.**

Statements of Cash Flows

Years Ended April 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Change in net assets	\$ 144,329	79,605
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	647	-
Unrealized (gains) losses from investments	(718)	(2,101)
(Increase) in grants and other receivable	(6,952)	(75,741)
Decrease (increase) in other assets	7,993	(8,528)
(Increase) decrease in security deposits	(437)	737
(Decrease) in deferred revenue	-	(5,000)
(Decrease) increase in accounts payable and accrued expenses	<u>(16,248)</u>	<u>16,448</u>
Net cash provided by operating activities	128,614	5,420
Cash flows from investing activities:		
Purchase of equipment	(1,940)	-
Sales of investments	-	84,492
Purchase of investments	<u>-</u>	<u>(2,089)</u>
Net cash (used in) provided by investing activities	(1,940)	82,403
Increase in cash and cash equivalents	126,674	87,823
Cash and cash equivalents at beginning of year	<u>274,793</u>	<u>186,970</u>
Cash and cash equivalents at end of year	<u>\$ 401,467</u>	<u>274,793</u>

See accompanying notes to financial statements.

**NAMI – GEORGIA, INC.**

Notes to Financial Statements

April 30, 2016 and 2015

**(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, 2016 and 2015

**(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.

**(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, 2016 and 2015 consisted of amounts due from governments that are due within a year.

**NAMI - GEORGIA, INC.**

Notes to Financial Statements

April 30, 2016 and 2015

**(3) Investments**

Investments consist of the following at April 30, 2016 and 2015:

	<u>2016</u> Fair value	<u>2015</u> Fair value
Mutual fund - equities	\$ <u>22,771</u>	<u>22,053</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, 2016 and 2015:

	Total	Level 1	Level 2	Level 3
As of April 30, 2016:				
Publically traded securities	\$ 22,771	22,771	-	-
As of April 30, 2015:				
Publically traded securities	22,053	22,053	-	

Notes to Financial Statements

April 30, 2016 and 2015

**(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 2016 and 2015 of \$718 and \$2,338, 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 \$10,918 and \$14,599 in 2016 and 2015, respectively.

**(7) Restricted Net Assets**

Temporarily restricted net assets at April 30, 2016 and 2015 consist of funds for the following:

	<u>2016</u>	<u>2015</u>
Solstice Fdn. – Ending the Silence	\$ _____	<u>10,000</u>

Permanently restricted net assets at April 30, 2016 and 2015 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 \$17,906 for the year ended April 30, 2016.

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

Years ended April 30:

2017    13,808

**(9) Contributed Services**

Contributed services are reported as contributions at their fair value if such services create or enhance nonfinancial assets, or would have been purchased in not provided by donation, require specialized skills, and are provided by individuals possessing such skills. For 2016, probono legal services totaled \$12,870.

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Notes to Financial Statements

April 30, 2016 and 2015

**(10) Subsequent Events**

Subsequent events have been evaluated through June 29, 2016 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.