



NAMI GREATER ORLANDO, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
NAMI Greater Orlando, Inc.

We have audited the accompanying financial statements of NAMI Greater Orlando, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2015 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

To the Board of Directors of
NAMI Greater Orlando, Inc.
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NAMI Greater Orlando, Inc. as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

BKHM, P.A.

Winter Park, Florida
July 19, 2016

NAMI GREATER ORLANDO, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015

ASSETS

Current assets:	
Cash and cash equivalents	\$ 217,499
Accounts receivable	7,887
Prepaid expenses	1,613
Total current assets	226,999
Furnishings, fixtures and equipment	4,859
Less accumulated depreciation	(4,234)
Furnishings, fixtures and equipment, net	625
Total assets	\$ 227,624

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable and accrued expenses	\$ 3,518
Total liabilities	3,518
Net assets:	
Unrestricted	217,962
Temporarily restricted	6,144
Total net assets	224,106
Total liabilities and net assets	\$ 227,624

See accompanying notes to financial statements.

NAMI GREATER ORLANDO, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
Contributions	\$ 37,576	\$ -	\$ 37,576
Fundraisers	151,374	6,144	157,518
Program income	2,500	-	2,500
Membership dues	7,659	-	7,659
Government grants	28,365	-	28,365
Other income	176	-	176
Net assets released from restrictions:			
Satisfaction of program restrictions	23,774	(23,774)	-
Total support, revenue and net assets released from restrictions	<u>251,424</u>	<u>(17,630)</u>	<u>233,794</u>
Expenses:			
Program services	<u>118,336</u>	<u>-</u>	<u>118,336</u>
Supporting services:			
Management and general	33,417	-	33,417
Fundraising	<u>68,662</u>	<u>-</u>	<u>68,662</u>
Total supporting services	<u>102,079</u>	<u>-</u>	<u>102,079</u>
Total expenses	<u>220,415</u>	<u>-</u>	<u>220,415</u>
Change in net assets	31,009	(17,630)	13,379
Net assets at beginning of year	<u>186,953</u>	<u>23,774</u>	<u>210,727</u>
Net assets at end of year	<u>\$ 217,962</u>	<u>\$ 6,144</u>	<u>\$ 224,106</u>

See accompanying notes to financial statements.

NAMI GREATER ORLANDO, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries, wages and benefits	\$ 32,701	\$ 5,031	\$ 12,577	\$ 50,309
Education and support groups	24,956	-	-	24,956
Community involvement	17,819	-	-	17,819
Fundraising costs	-	-	40,968	40,968
Rent	9,360	1,440	3,600	14,400
Insurance	494	1,482	-	1,976
Printing and postage	2,482	3,182	-	5,664
Travel	742	185	-	927
Office expenses	2,880	3,877	109	6,866
Professional fees	22,300	14,829	10,752	47,881
Training and development	388	60	149	597
Telephone	-	2,379	-	2,379
Computer maintenance	3,894	154	384	4,432
Miscellaneous	320	530	123	973
Depreciation expense	-	268	-	268
Total expenses	\$ 118,336	\$ 33,417	\$ 68,662	\$ 220,415

See accompanying notes to financial statements.

NAMI GREATER ORLANDO, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 13,379
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	268
Changes in assets and liabilities:	
Accounts receivable	(395)
Prepaid expenses	(201)
Accounts payable and accrued expenses	173
Deferred membership revenue	<u>(2,342)</u>
Net cash provided by operating activities	<u>10,882</u>
Net increase in cash and cash equivalents	10,882
Cash and cash equivalents at beginning of year	<u>206,617</u>
Cash and cash equivalents at end of year	<u><u>\$ 217,499</u></u>

See accompanying notes to financial statements.

NAMI GREATER ORLANDO, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

1 DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization and nature of operations

The National Alliance on Mental Illness (“NAMI”) is the nation’s largest grassroots mental health organization dedicated to building better lives for the millions of Americans affected by mental illness. NAMI Greater Orlando, Inc. (“NAMIGO”) is an affiliate of NAMI and was incorporated in January 1985. NAMIGO is a non-profit organization serving the central Florida community by assisting individuals, their families and loved ones with education and support tools which are essential for recovery.

NAMIGO offers a variety of Educational programs for the community as a whole, in which certified teachers, presenters and mentors actively educate participants about mental illness and recovery in an environment where participants feel understood and supported. NAMIGO also provides support groups within the community for families, friends and those who are diagnosed with mental illness.

NAMIGO combats stigma and discrimination, supports increased funding for research, and advocates for whole health, recovery and wellness for those who are diagnosed and their families. NAMIGO is focused on the elimination of stigma surrounding mental illness, and on the early identification and intervention so that all who are affected achieve and maintain the highest levels of support for recovery and full integration into their communities of choice.

Basis of accounting

NAMIGO has adopted the provisions of FASB ASC 958-605, *Contributions Received* (“ASC 958-605”), and FASB ASC 958-205, *Not-for-Profit Entities: Presentation of Financial Statements* (“ASC 958-205”). ASC 958-605 requires that contributions received, including unconditional promises to give, be recognized as increases in net assets in the period received at their fair value. ASC 958-205 establishes the standards for external financial reporting for not-for-profit organizations, which includes a statement of financial position, a statement of activities, a statement of functional expenses and a statement of cash flows. It also requires the classification of resources into three classes of net assets based on the absence or existence of donor-imposed restrictions.

The accompanying financial statements have been prepared on the accrual basis of accounting. Contributions are generally available for unrestricted use in the related fiscal year. The majority of support is received through fundraising, local grants from government agencies and community donations. Based upon the collectibility of funds from these sources, no allowance for doubtful receivables is provided for by management in the accompanying financial statements.

Gifts of cash and other assets are reported as restricted support if they are received with donor restrictions that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net

NAMI GREATER ORLANDO, INC.

**NOTES TO FINANCIAL STATEMENTS
(continued)**

assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

There were no permanently restricted net assets as of December 31, 2015.

Cash and cash equivalents

Cash and cash equivalents includes demand deposits in an FDIC insured bank and petty cash on hand.

Accounts receivable

NAMIGO has a contract with Aspire Health Partners (“Aspire”) which requires NAMIGO staff to provide 77.4 hours per month of community services. Aspire’s funding for this contract is derived from the Florida Department of Children and Families (“DCF”). Under the terms of the agreement, Aspire pays NAMIGO \$1,954 per month. The contract term is for the twelve-month period ended June 30, 2016, and may be terminated by either party with a 30-day notice.

Accounts receivable includes \$3,908 related to the Aspire contract. The remaining receivables consist of United Way campaign pledges and receivable from Orange County, Florida for services rendered in 2015.

Furnishings, fixtures, equipment and depreciation

Furnishings, fixtures and equipment are recorded at cost less accumulated depreciation. Repairs and maintenance costs which do not extend asset lives are expensed in the period incurred. Donated property and equipment are typically recorded at fair value at the date on which they are received.

Depreciation is determined using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Furnishings, fixtures and equipment	3-5

Support and revenue

All items of support and revenue are stated on the accrual basis, including revenues receivable as reimbursements for incurred costs. Contributions with donor-imposed restrictions that are met within the same reporting period are recorded as unrestricted support and revenue at the time of receipt.

NAMI GREATER ORLANDO, INC.

NOTES TO FINANCIAL STATEMENTS (continued)

Donations-in-kind and contributed services

Material donations-in-kind items or donated goods distributed (e.g. facilities rent, food, services, etc.) are recorded as revenue and expense at the time the items are placed into service. Contributed services are reported as contributions at their fair value if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. In addition, the appropriate value of donated services of individuals is recorded as an expense when such services qualify for cost reimbursement from third-party providers.

Effective June 30, 2014, NAMIGO entered into a two-year office lease agreement with Aspire for space at their Seminole Behavioral Health facility in Fern Park. The estimated monthly rental of \$1,200 was waived and NAMIGO is obligated to pay a \$100 monthly cleaning fee. The financial statements reflect the value of the donated space (\$14,400) as revenue with an offsetting expense. The contract may be terminated by either party with a 30-day notice. Subsequent to year-end, the lease agreement with Aspire was renewed for one year and reflects the value of the donated space at \$1,800 monthly, effective July 2016.

Functional allocation of expenses

Expenses are charged to program services and supporting services based on direct expenses incurred. Indirect expenses are allocated based on management's estimate of related determinable factors such as time and space.

Membership dues

Membership dues are recognized as revenue in the period received. The amount recorded in the statement of activities is net of dues paid to NAMI and affiliates as described in Note 9.

Fair value

NAMIGO has adopted FASB ASC 820, *Fair Value Measurement*, which provides guidance for assets and liabilities that are required to be measured at fair value and requires expanded disclosure for fair value measurement. The standard applies whenever other standards require or permit assets or liabilities to be measured at fair value and does not require any new fair value measurements.

The fair value of short-term financial instruments, including cash, accounts receivable and accounts payable and accrued expenses, approximate the carrying value in the accompanying financial statements due to the short maturity of such instruments.

NAMI GREATER ORLANDO, INC.

**NOTES TO FINANCIAL STATEMENTS
(continued)**

Income taxes

NAMIGO is an organization exempt from income taxation under Section 501(a) as an entity described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Accordingly, no provision for federal income taxes is reflected in the accompanying financial statements.

NAMIGO has adopted guidance related to accounting for uncertainty in income taxes, which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position that an entity takes or expects to take in a tax return. This guidance is applicable to not-for-profit organizations that may be conducting unrelated business activities, which are potentially subject to income taxes, including state income taxes.

NAMIGO assesses its income tax positions, including its continuing tax status as a not-for-profit entity, and recognizes tax benefits only to the extent that NAMIGO believes it is “more likely than not” that its tax positions will be sustained upon an examination by the Internal Revenue Service (“IRS”) or the applicable state taxing authority. Accordingly, there is no provision for federal income taxes in the financial statements, as NAMIGO believes all tax positions, including its continuing status as a not-for-profit entity, have a greater than 50% chance of realization in the event of an IRS audit. State income taxes, which may be due in certain jurisdictions, have been assessed following the same “more likely than not” measurement threshold. With few exceptions, NAMIGO is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for years before 2012.

Use of 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 the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Subsequent events

NAMIGO has evaluated subsequent events through July 19, 2016, the date these financial statements were available to be issued.

2 NET ASSET CLASSIFICATIONS

Temporarily restricted net assets are available for the following purposes or periods:

Periods after December 31, 2015:	
NAMIGO Walk contributions 2016	\$ 6,144
Total temporarily restricted net assets	<u>\$ 6,144</u>

NAMI GREATER ORLANDO, INC.

**NOTES TO FINANCIAL STATEMENTS
(continued)**

3 NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by the donors during the fiscal year:

Purpose restriction accomplished:	
NAMIGO Walk contributions 2015	\$ 10,439
Ending the Silence, CIT Youth and Basics Programs	7,335
Family-to-Family and Basics Program	<u>6,000</u>
Total net assets released from restrictions	<u>\$ 23,774</u>

4 DONATED SUPPLIES, SERVICES AND FACILITIES USE

Unrestricted donations of supplies, services and facilities used are recorded as support and expenses in the period donated and include the following for the year ended December 31, 2015:

Auction resale items, food, and supplies donated for the walk (Note 8)	\$ 8,389
Donated lease space (Note 1)	<u>14,400</u>
	<u>\$ 22,789</u>

5 CONCENTRATIONS AND CONTINGENCIES

Concentration of support and revenue

NAMIGO receives a significant portion of the revenue for its operations from its annual walk event. Additionally, NAMIGO receives a significant portion of revenue for its program events from a government grant from DCF and receives donated office space from Aspire. Accordingly, discontinuation of these revenue sources could have a material effect on the ability of NAMIGO to maintain the quality and extent of services provided.

Legal matters

In the normal course of conducting its business and programs, NAMIGO occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

NAMI GREATER ORLANDO, INC.
NOTES TO FINANCIAL STATEMENTS
(continued)

6 EDUCATION AND SUPPORT GROUPS

Education and support groups for the year ended December 31, 2015 consist of the following:

Family-to-Family program	\$ 4,767
Peer-to-Peer program	3,670
Ending the Silence program	3,529
Mental Health Awareness Week	3,510
Support groups	1,993
Basics program	1,426
CIT youth	1,134
Provider education	656
Health fairs and promotional materials	391
Training and other	<u>3,880</u>
Total	<u>\$ 24,956</u>

7 COMMUNITY INVOLVEMENT

Community involvement expenses for the year ended December 31, 2015 consist of the following:

Consumer related community programs	\$ 7,194
Sponsorship of Central Florida Crisis Intervention Team event	5,000
Donation to Pathways Drop-in Center ("Pathways")	3,000
Other contributions to community groups	<u>2,625</u>
Total	<u>\$ 17,819</u>

NAMI GREATER ORLANDO, INC.

**NOTES TO FINANCIAL STATEMENTS
(continued)**

8 FUNDRAISERS

Fundraising activities for the year ended December 31, 2015 consist of the following:

Fundraising revenues:	
NAMI Walk	\$ 145,992
Auction resale items donated for Walk	8,389
Other fundraisers	3,137
Total fundraising revenues	<u>157,518</u>
Fundraising expenses:	
Payments to NAMI related to 2015 Walk (Note 9)	14,052
Auction resale items donated for Walk	8,389
2015 Walk chair	9,078
2015 Walk expenses	3,713
Credit card processing fees	2,787
Other direct fundraising costs	1,769
2016 Walk expenses	1,180
Total direct fundraising expenses	<u>40,968</u>
Indirect fundraising expenses	27,694
Total fundraising expenses	<u>68,662</u>
Net fundraising income	<u>\$ 88,856</u>

9 RELATED PARTY AND AFFILIATE TRANSACTIONS

Pathways and the Central Florida Crisis Intervention Team ("CIT") as reflected in Note 7 are organizations that serve similar clients and have common volunteers and board members.

Individual memberships cost \$35, of which \$15 is retained by NAMIGO and the remaining \$20 is split between NAMI and NAMI Florida. Professional memberships cost \$100, of which \$80 is retained by NAMIGO and \$20 is split between NAMI and NAMI Florida. Consumer memberships cost \$3, of which \$2 is due NAMI.

During 2015, NAMIGO paid \$3,696 to NAMI and affiliates for their share of the membership dues. This amount offsets the membership dues in the accompanying statement of activities. In addition, NAMIGO received \$1,135 of membership dues from NAMI for NAMIGO's share of memberships collected by the parent affiliate. This amount is included in membership dues in the accompanying statement of activities.

NAMIGO also paid NAMI \$14,052 for fundraising expenses associated with the annual Walk, which includes the use of their fundraising website.