

NAMI DAVIDSON COUNTY, INC.
FINANCIAL STATEMENTS AND INDEPENDENT
ACCOUNTANT'S REVIEW REPORT

JUNE 30, 2020

NAMI DAVIDSON COUNTY, INC.

TABLE OF CONTENTS

Independent Accountant's Review Report	3
Financial Statements:	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8

**BELLENFANT**

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Trustees
NAMI Davidson County, Inc.
Nashville, TN

We have reviewed the accompanying financial statements of NAMI Davidson County, Inc., which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Bellenfant, PLLC

December 10, 2020

NAMI DAVIDSON COUNTY, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2020

ASSETS

Current Assets

Cash	\$ 127,147
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Total Current Assets	127,147
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Fixed Assets	11,763
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Less: Accumulated Depreciation	(10,200)
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Fixed Assets - Net	1,563
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Total Assets	128,710
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LIABILITIES AND NET ASSETS

Net Assets

Without Donor Restrictions	128,710
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Total Liabilities and Net Assets	\$ 128,710
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The accompanying notes and independent accountant's review report are an integral part of this statement.

NAMI DAVIDSON COUNTY, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2020

Revenues

Bequests and Memorials	\$ 17,500
Contributions	141,412
Memberships	1,332
Fundraising	107,786
Program Revenue	450
Other Revenue	838
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Total Revenues	269,318

Expenses

Program Services	106,261
Management & General	26,936
Fundraising	17,477
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Total Expenses	150,674
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Change in Net Assets	118,644
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Net Assets, Beginning of Year	10,066
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Net Assets, End of Year	<u>\$ 128,710</u>
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The accompanying notes and independent accountant's review report are an integral part of this statement.

NAMI DAVIDSON COUNTY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2020

	Program Services	Management and General	Fundraising	Total
Admin/Management	\$ -	\$ 314	\$ -	\$ 314
Bank Fees	-	224	-	224
Community Engagement	1,292	-	-	1,292
Conferences/Staff Development	-	30	-	30
Depreciation Expense	-	832	-	832
Equipment Expense	1,645	411	-	2,056
Event Expense	5,587	-	5,629	11,216
Insurance	3,784	387	-	4,171
Interest Expense	-	94	-	94
Internet	1,726	120	-	1,846
Meals and Entertainment	93	-	-	93
Membership Dues	703	-	-	703
Mileage Reimbursement	1,419	-	-	1,419
Miscellaneous Expense	-	28	-	28
NAMI Membership Expense	128	-	-	128
Postage and Shipping	2	-	6	8
Printing and Publications	1,822	-	608	2,430
Professional Fees	527	5,944	127	6,598
Rent/Occupancy	13,004	2,438	813	16,255
Staff Development	-	152	-	152
Subscriptions	-	79	-	79
Supplies	1,762	105	207	2,074
Telephone	2,974	330	-	3,304
Travel	-	759	-	759
Uncategorized Expense	-	1,600	-	1,600
Volunteer/Board Expense	884	60	265	1,209
Benefits	7,936	496	1,488	9,920
Bonus	9,219	-	-	9,219
Payroll Taxes	3,932	1,121	802	5,855
Wages	47,822	11,412	7,532	66,766
Total Expenses	<u>\$ 106,261</u>	<u>\$ 26,936</u>	<u>\$ 17,477</u>	<u>\$ 150,674</u>

The accompanying notes and independent accountant's review report are an integral part of this statement.

NAMI DAVIDSON COUNTY, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 118,644
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Accounts Payable	<u>(2,874)</u>
Net Cash Provided (Used) by Operating Activities	<u>115,770</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Gain (Loss) on Purchase of Assets	<u>(1,563)</u>
Net Cash Provided (Used) by Investing Activities	<u>(1,563)</u>
Net Increase (Decrease) in Cash	114,207
Cash, Beginning of Year	<u>12,940</u>
Cash, End of Year	<u><u>\$ 127,147</u></u>

The accompanying notes and independent accountant's review report are an integral part of this statement.

NAMI DAVIDSON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

NAMI Davidson County, Inc. ("the Organization") is incorporated in the State of Tennessee as a not-for-profit membership organization. The Organization was formed to educate the public to understanding mental illnesses and raise public awareness along with social and peer support and education.

Basis of Presentation

The Organization prepares its financial statements and maintains its financial and accounting records on the accrual basis of accounting. Revenues are generally recognized when earned. Expenses are generally recognized when incurred.

Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Presentation of Financial Statements of Not-for-Profit Organizations. Under the FASB Accounting Standards Codification, the Organization is required to report information regarding its financial position and activities according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - These are net assets that are not subject to donor-imposed stipulations. The Organization had \$128,710 of net assets without donor restrictions as of June 30, 2020

Net assets with donor restrictions - These are net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. This classification also includes net assets subject to donor-imposed stipulations that may be maintained permanently by the Organization. Generally, donors of these assets permit the Organization to use all or part of the income earned for general or specific purposes. The Organization had no net assets with donor restrictions as of June 30, 2020.

The Organization accounts for contributions in accordance with the requirements of the FASB Accounting Standards Codification Revenue Recognition Topic. In accordance with the FASB Accounting Standards Codification, contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions.

NAMI DAVIDSON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization has evaluated its tax positions in accordance with the Codification Standard relating to Accounting for Uncertainty in Income Taxes. The Organization believes that it has taken no uncertain tax positions.

The Organization files a U.S. Federal Form 990-*Return of Organization Exempt from Income Tax*. The Organization's returns for the years prior to fiscal year 2016 are no longer open for examination.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Change in Accounting Principle

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. ASU 2014-09 clarifies the principles for recognizing revenue and develops a common revenue standard under U.S. GAAP under which an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 is effective for the Organization for the year ended June 30, 2020.

NAMI DAVIDSON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2020

Change in Accounting Principle (Continued)

In June 2018, FASB issued ASU 2018-08, *Not-for-Profit Entities Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The standard provides guidance on determining whether a transaction should be accounted for as a contribution or as an exchange transaction. A primary aspect of this determination is whether the two parties receive and sacrifice commensurate value. The standard also provides guidance on determining whether a contribution is conditional, helping entities better distinguish a donor-imposed condition from a donor-imposed restriction. ASU 2018-08 is effective for the Organization for the year ended June 30, 2020.

Accounting Policies for Future Pronouncements

In February 2016, FASB issued ASU 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right of use asset and lease liability on the balance sheet at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the income statement. This standard will be effective for the fiscal year ending June 30, 2021. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

Fixed Assets

Fixed assets are recorded at cost or, if donated, at their estimated fair value at the date of donation, if cost or fair value is greater than \$5,000. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Estimated useful lives of major classes of fixed assets range from 5-7 years.

Fixed assets is composed of the following as of June 30, 2020:

Computer Equipment	\$	7,150
Equipment		1,900
Furniture & Fixtures		2,713
Fixed Assets, Gross		<u>11,763</u>
Less: Accumulated Depreciation		<u>(10,200)</u>
Fixed Assets, Net		1,563

NAMI DAVIDSON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2020

2. DONATED SERVICES

Officers, members of the Board of Directors, and other members of the Organization have assisted the Organization in the accomplishment of its goals and objectives by the donation of their time and services. No amounts have been reflected in the financial statements as it was not practicable to determine the valuation of such services to the Organization, and the Organization exercises no significant control over the major elements of donated services.

3. COMPENSATED ABSENCES

Employees of the Organization are entitled to paid vacation days. It is impractical to estimate the amount of compensation for future absences, and, accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the cost of compensated absences when actually paid to employees.

4. FUNDING

The Organization receives a substantial amount of funds through contributions and fundraising. A major reduction of these funds, should this occur, may have a significant effect on future operations.

5. LEASES

The Organization leases its office space under non-cancelable operating lease expiring February 2023. Future minimum rental payments required under this non-cancelable lease as of June 30, 2020 are as follows:

	<u>Total</u>
2021	17,600
2022	18,000
2023	<u>12,000</u>
Total	<u>\$ 47,600</u>

Total rental expense incurred by the Organization under the operating lease was \$16,255 for the year ended June 30, 2020.

NAMI DAVIDSON COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2020

6. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 10, 2020 which is the date the financial statements were available to be issued.

On March 11, 2020, the World Health Organization characterized the outbreak of the COVID-19 coronavirus as a pandemic. Since the Organization receives the majority of its revenue from contributions and fundraising, this may significantly impact the Organization's ability to generate revenue.