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NAMI - Eastside

Financial Statements
Independent Auditor's Report
December 31, 2020



NAMI - Eastside

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
NAMI - Eastside
Redmond, Washington

Report on the Financial Statements

We have audited the accompanying financial statements of NAMI - Eastside, which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NAMI - Eastside as of December 31, 2020, 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.

Petersen CPAs + Advisors, PLLC

January 11, 2022

NAMI - Eastside
Statement of Financial Position
December 31, 2020

Assets

Current Assets:

Cash	\$ 199,368
Accounts receivable	32,934
Prepaid expense	<u>1,453</u>
Total current assets	<u>233,755</u>

Property and Equipment:

Office equipment	7,654
Less: accumulated depreciation	<u>(7,654)</u>
Total property and equipment	<u>-</u>
Total Assets	<u><u>\$ 233,755</u></u>

Liabilities and Net Assets

Current Liabilities:

Accrued liabilities	\$ 7,519
Paycheck Protection Program loan	<u>21,890</u>
Total current liabilities	<u>29,409</u>

Net Assets:

Net assets without donor restrictions	204,346
Net assets with donor restrictions	<u>-</u>
Total net assets	<u>204,346</u>
Total Liabilities and Net Assets	<u><u>\$ 233,755</u></u>

NAMI - Eastside
Statement of Activities and Changes in Net Assets
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Contributions	150,451	\$ -	\$ 150,451
Grants from government agencies	95,451	-	95,451
Affiliate revenue	41,487	-	41,487
Special events:			
Special events revenue less \$4,926 of direct benefit to donors	31,777	-	31,777
Program income	574	-	574
Other income	135	-	135
Interest and dividend income	7	-	7
Net assets released from restrictions	-	-	-
Total revenue and support	<u>319,882</u>	<u>-</u>	<u>319,882</u>
Expenses:			
Program services	130,570	-	130,570
Management and general	60,189	-	60,189
Fundraising	21,966	-	21,966
Total expense	<u>212,725</u>	<u>-</u>	<u>212,725</u>
Changes in Net Assets	107,157	-	107,157
Net Assets, Beginning of Year	<u>97,189</u>	<u>-</u>	<u>97,189</u>
Net Assets, End of Year	<u>\$ 204,346</u>	<u>\$ -</u>	<u>\$ 204,346</u>

See accompanying notes to financial statements.

NAMI - Eastside
Statement of Functional Expenses
Year Ended December 31, 2020

	Program Services					Support Services			
	Family Programs	Connections Peer Support	Youth Activities	Communications & Outreach	Other Programs	Total Programs	Management and General	Fundraising	Total
Salaries and wages	\$ 24,859	\$ 12,132	\$ 13,686	\$ 4,171	\$ 26,529	\$ 81,377	\$ 21,906	\$ 8,626	\$ 111,909
Payroll tax	2,337	1,545	1,286	392	2,089	7,649	2,036	811	10,496
Employee benefits	76	37	42	13	81	249	67	26	342
Professional services	-	-	-	1,900	1,033	2,933	13,662	3,920	20,515
Supplies	50	-	-	260	1,761	2,071	2,010	-	4,081
Telephone	-	-	-	-	-	-	204	-	204
Postage & shipping	-	-	-	-	-	-	354	780	1,134
Information technology	360	-	-	-	3,133	3,493	9,707	-	13,200
Printing & copying	748	-	-	-	243	991	337	1,189	2,517
Dues and subscriptions	-	-	-	-	109	109	922	259	1,290
Occupancy	6,377	2,391	2,223	629	3,272	14,892	2,937	3,146	20,975
Repairs and maintenance	-	-	-	-	-	-	335	-	335
Travel	-	-	-	-	81	81	-	-	81
Conference, conventions, and meetings	-	-	-	-	-	-	588	-	588
Program expense	9,116	2,645	609	698	2,511	15,579	550	400	16,529
Insurance	-	-	-	-	-	-	2,035	-	2,035
Staff development	-	-	-	-	-	-	395	-	395
Bank fees	-	-	-	-	-	-	1,263	-	1,263
Advertising	993	-	-	153	-	1,146	-	309	1,455
Miscellaneous expense	-	-	-	-	-	-	881	2,500	3,381
Total expenses	\$ 44,916	\$ 18,750	\$ 17,846	\$ 8,216	\$ 40,842	\$ 130,570	\$ 60,189	\$ 21,966	\$ 212,725

See accompanying notes to financial statements.

NAMI - Eastside
Statement of Cash Flows
Year Ended December 31, 2020

Cash Flows From Operating Activities

Cash received from grantors and the public	\$ 313,767
Cash paid to suppliers, employees, and awards	(219,237)
Interest received	7
	<hr/>
Net cash provided by operating activities	94,537

Cash Flows From Financing Activities:

Paycheck Protection Program loan proceeds	21,890
Net cash provided by financing activities	<hr/> 21,890

Net Increase in Cash 116,427

Cash, Beginning of the Year

82,941

Cash, End of the Year

\$ 199,368

See accompanying notes to financial statements.

NAMI - Eastside
Notes to Financial Statements
December 31, 2020

Note 1 – Organization and Summary of Significant Accounting Policies:

Organization:

NAMI - Eastside (the Organization), was formed in 2001 as a Washington nonprofit corporation. The mission of NAMI-Eastside is to provide advocacy, education, support, and public awareness so that all people impacted by mental illness and mental health conditions can build better lives.

Summary of Significant Accounting Policies:

Cash – Cash consists of checking and savings accounts. For the purposes of the statements of cash flows, the Organization considers all highly-liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Concentrations of Credit Risk – The Organization maintains cash balances in financial institutions that at times during the year may exceed the federally insured limits. Management does not believe there is significant risk associated with amounts maintained in financial institutions.

Basis of Presentation – The financial statements of the Organization have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred. The Organization reports 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 – Net assets that are not subject to or no longer subject to donor-imposed stipulations.

Net Assets With Donor Restrictions – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Accounts Receivable – Accounts receivable represents billings made for reimbursements of program services under various contracts. At December 31, 2020, based on historical experience and review of accounts receivable, management has determined that no allowance is considered necessary.

Property and Equipment – Property and equipment are recorded at cost for purchased assets and at fair market value at the time of donation for donated assets. Expenditures for maintenance, repairs, and renewals are charged to expense as incurred, whereas major purchases of long-lived assets and betterments that increase the useful lives of assets are capitalized. The Organization has a capitalization threshold of \$1,000.

NAMI - Eastside
Notes to Financial Statements
December 31, 2020

Note 1 – Organization and Summary of Significant Accounting Policies (continued):

Depreciation – Depreciation is generally taken over the useful service life of the asset using the straight-line method. Asset lives range from 3 to 7 years. Depreciation expense was \$- for the year ended December 31, 2020.

Revenue and Revenue Recognition – The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been substantially met.

A portion of the Organization’s revenue is derived from cost-reimbursable state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. No amounts have been received in advance under the Organization’s federal and state contracts and grants.

The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. The Organization recognizes revenue from ticket sales at the time of admission.

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 certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenue and expenses during the period. Accordingly, actual results could differ from those estimates.

Functional Expense Allocation – The Organization allocates its expenses on a functional basis among its various programs. Expenses that can be identified with a specific program are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated according to an organization approved cost allocation plan.

Federal Income Tax – Under provisions of Section 501(c)(3) of the Internal Revenue Code, the Organization is exempt from federal income taxes, except for net income from unrelated business activities. For the year ended December 31, 2020, the Organization had no unrelated business activities subject to federal income taxes.

Management evaluated the Organization’s tax positions and concluded that the Organization has taken no uncertain tax positions that require adjustments to the financial statements or that call into question their tax-exempt status.

NAMI - Eastside
Notes to Financial Statements
December 31, 2020

Note 1 – Organization and Summary of Significant Accounting Policies (continued):

New Accounting Pronouncements – During the year ended December 31, 2020, the Organization adopted the requirements of the Financial Accounting Standards Board’s Accounting Standards Update No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14). The update addresses the complexity and understandability of net assets classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added (Note 4).

During the year ended December 31, 2020, the Organization adopted the requirement of the Financial Accounting Standards Board’s (FASB) Accounting Standard Update (ASU) No 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958). This standard assists organizations in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The provisions of ASU 2018-08 were implemented under a modified prospective basis. There was no significant impact to the Organization’s revenue recognition for this change in accounting principle. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

During the year ended December 31, 2020, the Organization adopted the requirement of the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). The new standard is effective for reporting periods beginning after December 15, 2019 and early adoption is permitted. This ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in generally accepted accounting principles. The update addresses the complexity of revenue recognition and provides sufficient information to enable financial statement users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The adoption of this standard had no effect on previously reported net assets, as the adoption of ASU No. 2014-09 did not significantly impact the Organization’s reported historical revenue. The Organization adopted the guidance as of January 1, 2020, utilizing the modified retrospective method of transition. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Subsequent Events – Subsequent events have been evaluated through January 11, 2022, which is the date the financial statements were available to be issued.

NAMI - Eastside
Notes to Financial Statements
December 31, 2020

Note 2 – Programs:

All NAMI-Eastside programs are offered free of charge. NAMI-Eastside depends on donations, grants, and sponsorships to underwrite the cost of trained volunteers and programming.

The Organization’s activities include the following significant programs:

Family Programs:

LEAP (Listen-Empathize-Agree-Partner) is a workshop provided by Bob Krulish and is based on Dr. Xavier Amador’s book “I’m Not Sick, I Don’t Need Help”. Participants learn the number one reason people refuse help (“anosognosia”) and how to create trusting relationships that lead to treatment and recovery.

Family & Friends Seminar is a 4-hour class that informs and supports people who have loved ones with a mental health condition. Participants will learn about diagnoses, treatment, recovery, communication strategies, crisis preparation, and receive NAMI resources. Seminar leaders have personal experience with mental health conditions in their families.

Family-to-Family workshop is an 8-week course for family caregivers of individuals with severe mental illnesses including schizophrenia, bipolar disorder, clinical depression, panic disorder, obsessive-compulsive disorder (OCD), and more. The course discusses the clinical treatment of these illnesses and teaches the knowledge and skills that family members need to cope more effectively.

Connections Peer Support Groups:

NAMI-Eastside Family Support Groups are peer-led support groups for any adults (18 years and older) with a loved one or a friend who has experienced symptoms of a mental health condition. Facilitators are trained and certified through a national NAMI training program.

NAMI-Eastside Peer Support Groups are safe and confidential spaces for adults living with mental illness. These groups meet weekly and are led by trained and certified facilitators with lived experience.

Compartiendo Esperanza is a Spanish language program that provides mental health information and fosters the creation of support groups for the Latino/Latina community. NAMI-Eastside is partnering with Centro Cultural Mexicano and Entre Hermanos to carry out this initiative.

Youth Activities:

NAMI Ending the Silence (ETS) is an engaging presentation that helps secondary students and school staff learn about the warning signs of mental health conditions and what steps to take if you or a loved one are showing symptoms of a mental illness. NAMI Ending the Silence presentations include a lead presenter who shares an overview on mental health and a young adult with a mental health condition who shares their journey of recovery. In this 90-minute or 50-minute presentation, audience members can ask questions and gain understanding of an often-misunderstood topic. Through dialogue, we can help end stigma and provide secondary students with mental wellness tools to guide them beyond high school.

Youth Ambassador program connects with secondary students in East King County to elevate the visibility and importance of mental wellness and support teen mental health clubs and programming.

NAMI - Eastside
Notes to Financial Statements
December 31, 2020

Note 2 – Programs (continued):

Communication & Outreach:

NAMI-Eastside sends out a weekly newsletter called “Your Mental Health Minute”. Each newsletter has a theme.

NAMI-Eastside does monthly announcements of all programs available “The Program Rundown”.

Social Media posts on Facebook, Instagram, LinkedIn, Twitter, and other platforms are utilized to announce NAMI-Eastside initiatives, new programs, events, and fundraising drives.

NAMI-Eastside has a phone line and conducts outreach with Unite US platform, faith communities, shelters serving the unhoused, and community organizations.

NAMI-Eastside works with Entre Hermanos, Centro Cultural Mexicano, and other partners in the Latinx community to develop Spanish language programming for mental health support. In addition, we help coordinate Ending the Silence presentations to schools.

NAMI-Eastside has a developed partnerships with municipal leaders and staff, law enforcement agencies, fire departments and EMT’s, local businesses, and other social service organizations to address community mental health needs

NAMI-Eastside has developed a Multicultural Steering Committee to strengthen our partnerships with leaders of Indian American, Muslim, Latinx, LGBTQ+, and other BIPOC organizations to address cultural and linguistic barriers to individuals gaining access to mental health services and education.

We are partnering with YWCA to sponsor interns who learn job skills and provide additional staff support to our affiliate.

Other Programs:

Education & Training:

Mental Health First Aid is a course that teaches how to identify, understand, and respond to signs of mental illnesses and substance use disorders. The training provides skills you need to reach out and provide initial help and support to someone who may be developing a mental health or substance use problem or experiencing a crisis.

Youth Mental Health First Aid focuses on skills to provide initial support to children and adolescents (ages 6-18) who may be developing a mental health or substance use condition.

NAMI Smarts for Advocacy is a hands-on mental health advocacy training program that helps people living with mental illness and friends and family, transform their passion and lived experience into skillful grassroots advocacy on public policy and initiatives that will support community mental health needs.

NAMI - Eastside
Notes to Financial Statements
December 31, 2020

Note 2 – Programs (continued):

Other Programs (continued):

Education & Training (continued):

In Our Own Voice (IOOV) allows adults living with mental illness to gain self-confidence and self-esteem by sharing their mental health journey. Presenters and first responders or other service providers have an opportunity to participate in a meaningful dialogue that will dispel myths and increase real understanding of mental illness and recovery. Presenters are from our local community and are trained by NAMI. The 90-minute or 50-minute presentation format consists of a 12-minute video and two speakers who share their stories with time for questions and answers. Presentations can be made to law enforcement, medical professionals, educational settings (including high school and college), civic organizations like Rotary Club, or religious groups.

NAMI-Eastside partners with Evergreen Hospital to provide a monthly educational program, called the Evergreen Forum, on the third Tuesday evening of each month. Topics have included Mental Health Crisis Response, Managing Negativity, Eating Disorders and Trauma, Psychiatric Emergencies, Special Needs Trusts, Mindfulness, and Finding Joy in Pandemic Holidays.

NAMI staff and leaders provide mental health presentations on Adverse Childhood Experiences (ACES), Resilience, and other topics to community groups, shelters, public agencies, and businesses.

Rural Expansion:

NAMI-Eastside partners with Indian American Community Services to provide support groups geared to the specific needs of the Indian American community.

NAMI-Eastside partners with the Muslim Community Resource Center to provide mental health education geared to the specific needs of the Muslim community.

Consumer Support:

NAMI Peer-to-Peer is an 8-session educational program for adults with mental illness who are looking to better understand their condition and journey toward recovery. Taught by a trained team of people who've been there, the program includes presentations, discussion, and interactive exercises.

NAMI Homefront is a 6-session program for family, friends and significant others of military Service Members and Veterans. The class helps families understand what the Service Member/Veteran is experiencing related to trauma, combat stress, civilian life transition, PTSD, and other mental health conditions. NAMI Homefront leaders have personal experience with mental health conditions impacting their Service Member/Veteran.

Our Spiritual Support Group addresses the needs of people who use spirituality in their journey to recovery. This nondenominational group is open to both individuals living with a mental illness and their family members. Spiritual mental wellness retreats are offered twice per year.

Peer Writing Support Group welcomes all forms of writing, from poetry to novels. Each weekly meeting is led by one of four leaders. Meetings are designed to be supportive of all experience levels.

NAMI - Eastside
Notes to Financial Statements
December 31, 2020

Note 2 – Programs (continued):

Other Programs (continued):

Consumer Support (continued):

The Depression Support Group, now partnered with NAMI-Eastside, has been faithfully serving those with Depression and related mental illnesses since 2008. The group meets weekly on Zoom but will resume meeting in King County libraries when public health conditions allow for in-person gatherings.

NAMI-Eastside partners with PFLAG to provide mental health resources geared to the specific needs of the LGBTQ+ community.

Note 3 – Lease

The Organization entered into a month-to-month building lease agreement on January 1, 2020 that ended on November 30, 2020. On December 3, 2020, the Organization entered into a 28-month building lease agreement that expires on April 30, 2023. Monthly base rent is \$1,748 per month. Lease expense was \$21,064 for the year ended December 31, 2020.

Future minimum lease payments under the operating lease as of December 31, 2020 are as follows:

<u>December 31,</u>	<u>Amount</u>
2021	\$ 20,976
2022	20,976
2023	6,992
	<u>\$ 48,944</u>

Note 4 – Liquidity:

The following table reflects the Organization’s financial assets as of December 31, 2020, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, or because the governing board has set aside the funds for a specific contingency reserve or a long-term investment as board designated assets. The Board designations could be drawn upon if the board approves that action.

Financial assets:	
Cash	\$ 199,368
Accounts receivable	32,934
Financial assets, at year end	<u>232,302</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 232,302</u>

The Organization’s goal is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NAMI - Eastside
Notes to Financial Statements
December 31, 2020

Note 5 – Paycheck Protection Program Loan:

The Organization received a loan from Chase Bank in the amount of \$21,890 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note dated May 1, 2020 and may be forgiven to the extent proceeds of the loan are used for eligible expenditures such as payroll and other expenses described in the CARES Act. The loan bears interest at a rate of 1% and is payable in monthly installments of principal and interest over two years beginning 6 months from the date of the note. The loan may be repaid at any time with no prepayment penalty. Subsequent to the year ended December 31, 2020, the Small Business Administration authorized full forgiveness of the Paycheck Protection Program Loan.

Note 6 – Related Parties:

The Organization is part of the National NAMI Organization and is an affiliate of NAMI Washington. The Organization receives pass through funds for membership dues, donations, and grants from both the National NAMI Organization and NAMI Washington. These are shown as affiliate revenue on the statement of activities and changes in net assets.

Note 7 – COVID-19 Uncertainty:

Beginning around March 2020, the COVID-19 virus was declared a global pandemic as it continues to spread rapidly. Business continuity, including supply chains and consumer demands across a broad range of industries and countries could be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.