

NAMI DANE COUNTY, INC.

FINANCIAL STATEMENTS

December 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
NAMI Dane County, Inc.
Madison, Wisconsin

We have audited the accompanying financial statements of NAMI Dane County, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, 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

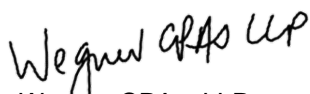
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 Dane County, Inc. as of December 31, 2020 and 2019, 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.


Wegner CPAs, LLP
Madison, Wisconsin
July 29, 2021

NAMI DANE COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash	\$ 525,499	\$ 417,965
Accounts receivable	2,391	1,950
Unconditional promise to give	-	15,545
Prepaid expenses	3,443	4,035
Office equipment (less accumulated depreciation of \$10,465 and \$9,596)	195	1,064
Beneficial interest in assets held by Madison Community Foundation	<u>63,847</u>	<u>52,960</u>
Total assets	<u><u>\$ 595,375</u></u>	<u><u>\$ 493,519</u></u>
LIABILITIES		
Accounts payable	\$ 14,564	\$ 10,764
Accrued vacation and payroll liabilities	8,881	5,344
Deferred revenue	<u>2,500</u>	<u>-</u>
Total liabilities	25,945	16,108
NET ASSETS		
Without donor restrictions	569,430	472,017
With donor restrictions	<u>-</u>	<u>5,394</u>
Total net assets	<u>569,430</u>	<u>477,411</u>
Total liabilities and net assets	<u><u>\$ 595,375</u></u>	<u><u>\$ 493,519</u></u>

See accompanying notes.

NAMI DANE COUNTY, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2020 and 2019

	2020	2019
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
SUPPORT AND REVENUE		
United Way of Dane County	\$ 23,778	\$ 46,646
NAMIWalks event	222,636	216,985
Contributions	101,141	191,762
Grants	32,746	13,623
Paycheck Protection Program	29,082	-
Banquet income	-	41,608
Membership dues	3,789	2,447
Interest income	229	782
Change in value of beneficial interest in assets held by Madison Community Foundation	3,830	6,070
Miscellaneous income	-	351
Total support and revenue without donor restrictions	417,231	520,274
EXPENSES		
Education and advocacy	236,183	257,968
Management and general	74,494	67,922
Fundraising	14,535	22,890
Total expenses	325,212	348,780
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of purpose restrictions	5,394	484
Change in net assets without donor restrictions	97,413	171,978
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	-	3,378
Net assets released from restrictions	(5,394)	(484)
Change in net assets with donor restrictions	(5,394)	2,894
Change in net assets	92,019	174,872
Net assets at beginning of year	477,411	302,539
Net assets at end of year	\$ 569,430	\$ 477,411

See accompanying notes.

NAMI DANE COUNTY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2020 and 2019

	2020			
	Education and Advocacy	Management and General	Fundraising	Total Expenses
Personnel	\$ 139,858	\$ 39,495	\$ 6,505	\$ 185,858
Rent	8,239	2,327	383	10,949
Insurance	2,134	602	99	2,835
Postage	601	605	91	1,297
Travel and conference	24	-	19	43
Equipment maintenance	652	6,480	-	7,132
Printing and copying	1,354	-	256	1,610
Office supplies	6,790	2,434	747	9,971
Newsletter	6,318	-	-	6,318
Telephone	99	2,151	118	2,368
Miscellaneous	8,073	2,717	2,757	13,547
Professional services	16,717	17,489	1,850	36,056
Education	14,383	9	-	14,392
Depreciation	654	185	30	869
Library	41	-	-	41
Advertising	15,120	-	1,680	16,800
Payments to affiliates	15,126	-	-	15,126
Total expenses	\$ 236,183	\$ 74,494	\$ 14,535	\$ 325,212
	2019			
	Education and Advocacy	Management and General	Fundraising	Total Expenses
Personnel	\$ 113,864	\$ 32,154	\$ 5,296	\$ 151,314
Rent	8,080	2,282	376	10,738
Insurance	2,354	664	109	3,127
Postage	566	2,683	245	3,494
Travel and conference	16,981	503	6,594	24,078
Equipment maintenance	218	4,124	24	4,366
Printing and copying	6,310	1,152	1,334	8,796
Office supplies	7,926	1,160	937	10,023
Newsletter	4,145	-	-	4,145
Telephone	103	1,724	96	1,923
Miscellaneous	5,888	4,976	515	11,379
Professional services	37,593	16,291	5,750	59,634
Education	12,509	-	-	12,509
Depreciation	741	209	34	984
Advertising	14,220	-	1,580	15,800
Payments to affiliates	26,470	-	-	26,470
Total expenses	\$ 257,968	\$ 67,922	\$ 22,890	\$ 348,780

See accompanying notes.

NAMI DANE COUNTY, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 92,019	\$ 174,872
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	869	984
Change in value of beneficial interest in assets held by Madison Community Foundation	(3,830)	(6,070)
(Increase) decrease in assets		
Accounts receivable	(441)	244
Unconditional promise to give	15,545	(15,545)
Prepaid expenses	592	(942)
Increase (decrease) in liabilities		
Accounts payable	3,800	(9,180)
Accrued vacation and payroll liabilities	3,537	(3,709)
Deferred revenue	2,500	-
Net cash flows from operating activities	114,591	140,654
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to beneficial interest in assets held by Madison Community Foundation	(7,057)	(7,100)
Distributions from beneficial interest in assets held by Madison Community Foundation	-	1,419
Net cash flows from investing activities	(7,057)	(5,681)
Change in cash	107,534	134,973
Cash at beginning of year	417,965	282,992
Cash at end of year	<u>\$ 525,499</u>	<u>\$ 417,965</u>

See accompanying notes.

NAMI DANE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

NAMI Dane County, Inc. (NAMI) was organized to establish, encourage, and perpetuate an organization of family and friends of people with mental illness and to protect the rights and promote the welfare of the mentally ill through programs and services.

Accounts Receivable

Accounts receivable represents amounts due for membership dues. Accounts receivable are stated at the amount management expects to be collected from outstanding balances. As of December 31, 2020 and 2019, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received as assets, decreases of liabilities, or expenses depending on the form the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Office Equipment

Acquisitions of office equipment in excess of \$500 are capitalized. Purchases of office equipment are recorded at cost. Donations of office equipment are recorded as contributions at their estimated fair value on the date of donation. Depreciation is provided using the straight-line method.

Advertising Costs

NAMI uses advertising to promote its programs and other activities among the audiences it serves. Advertising costs are expensed as incurred. Advertising costs totaled \$16,800 and \$15,800 for the years ended December 31, 2020 and 2019, respectively.

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

NAMI DANE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants

NAMI receives grants from government agencies to train law enforcement and corrections personnel on improving their interactions with people who experience mental health crises. Revenue from these grants is recognized as recognized on a reimbursement basis, that is, when qualifying expenses are incurred by NAMI, both a receivable from the grantor agency and revenue are recorded. Grants are also generally restricted by the grantor for a specified purpose. Grants whose conditions and restrictions are met in the same reporting period that the revenue is recognized are reported as increases in net assets without grantor restrictions.

Income Tax Status

NAMI is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Expense Allocation

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, rent, insurance, postage, telephone, miscellaneous, and depreciation, which are allocated on the basis of estimates of time and effort.

The following program services and supporting activities are included in the accompanying financial statements:

Education and advocacy—Provides education, support, and advocacy for people affected by mental illness in Dane County.

Management and general—Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the NAMI's program strategy; secure proper administrative functioning of the board of directors; maintain; and manage the financial and budgetary responsibilities of NAMI.

Fundraising—Provides the structure necessary to encourage and secure private financial support from individuals, foundations, and corporations.

Beneficial Interest in Assets Held by Madison Community Foundation

NAMI's beneficial interest in assets held by Madison Community Foundation (Foundation) represents an agreement between NAMI and the Foundation in which NAMI transfers assets to the Foundation in exchange for future distributions. The beneficial interest is not actively traded, and significant other observable inputs are not available. The fair value of the beneficial interest is based on the fair value of the underlying assets as reported to NAMI by the Foundation. Little information about those assets is released publicly. The estimated fair value does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

NAMI DANE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Date of Management's Review

Management has evaluated subsequent events through July 29, 2021, the date which the financial statements were available to be issued.

Paycheck Protection Program Loan

NAMI received loans under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security Act and administered by the U.S. Small Business Administration. The loans will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities. NAMI expects to meet the PPP's eligibility criteria and believes the loans are, in substance, a grant that is expected to be forgiven. NAMI recognizes amounts expected to be forgiven as revenue when it incurs qualifying expenses.

NOTE 2—CONCENTRATION OF CREDIT RISK

NAMI maintains its cash balances in one financial institution in Madison, Wisconsin. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2020 and 2019, NAMI's uninsured balances totaled approximately \$274,000 and \$166,000, respectively.

NOTE 3 – AGENCY ENDOWMENT

As of December 31, 2020 and 2019, NAMI's board of directors has designated \$63,847 and \$52,960, respectively, of net assets without donor restrictions as a general endowment fund to support the mission of NAMI. Since those amounts resulted from an internal designation and are not donor-restricted, they are classified and reported as net assets without donor restrictions.

NAMI established a fund at the Madison Community Foundation (Foundation) to invest its endowment assets. The agreement between NAMI and the Foundation states that the transfer of assets is irrevocable and that the transferred assets will not be returned to NAMI. However, the Foundation will make annual distributions of the income earned on the fund subject to the Foundation's spending policy. The agreement also grants variance power to the Foundation, which permits the Foundation to substitute another beneficiary in place of NAMI if NAMI ceases to exist or if the Foundation's board of governors votes that support of NAMI either is no longer necessary or is inconsistent with the needs of the community.

NAMI DANE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 3 – AGENCY ENDOWMENT (continued)

The Foundation’s primary investment goal is to deliver long-term investment returns sufficient to cover both spending and inflation to preserve the purchasing power of the investment portfolio. The Foundation seeks to achieve this goal through cost-effective implementation at an appropriate level of risk, diversification of asset classes and strategies to provide consistent returns, capital preservation in down market cycles to provide stability in spending support, and long-term capital appreciation through the incorporation of risk-based assets, including non-marketable, illiquid alternatives

Composition of and changes in agency endowment net assets for the years ended December 31, 2020 and 2019 are as follows:

	2020	2019
Board-designated endowment net assets at beginning of year	\$ 52,960	\$ 41,209
Contributions	7,057	7,100
Distributions	-	(1,859)
Change in value of beneficial interest	3,830	6,510
 Board-designated endowment net assets at end of year	 \$ 63,847	 \$ 52,960

NOTE 4 – ECONOMIC DEPENDENCY

NAMI received approximately 53% and 41% of its support from NAMIWalks event for the years ended December 31, 2020 and 2019, respectively.

NOTE 5 – IN-KIND CONTRIBUTIONS

In-kind contributions totaled \$18,600 and \$46,013 for the years ended December 31, 2020 and 2019, respectively. For the year ended December 31, 2020, total in-kind contributions consisted of donated services of \$18,600 related to personnel. For the year ended December 31, 2019, total in-kind contributions consisted of donated services of \$15,843 related to personnel, donated goods and services related to the NAMIWalks event of \$25,170, and donated services of \$5,000 related to the banquet. For the years ended December 31, 2020 and 2019, 60% of in-kind expense for NAMIWalks was allocated to education and advocacy and the remaining 40% to fundraising. 90% of in-kind expenses for personnel was allocated to education and advocacy and the remaining 10% to fundraising. All in-kind expenses for education were allocated to education and advocacy.

NAMI DANE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 6 – NET ASSETS

Net assets without donor restrictions have been designated for the following purposes:

	2020	2019
Board-designated endowment	\$ 63,847	\$ 52,960
Undesignated	505,583	419,057
Net assets without donor restrictions	\$ 569,430	\$ 472,017

Net assets with donor restrictions are available for the following:

	2020	2019
Resource guide	\$ -	\$ 1,620
Crisis intervention team	-	3,774
Net assets with donor restrictions	\$ -	\$ 5,394

NOTE 7 – RETIREMENT PLAN

NAMI sponsors a Simplified Employee Pension plan covering all employees who have at least one year of service and are age 21 or older. NAMI makes a contribution to the plan each year equal to 5% of all participants' compensation. Employer contributions to the plan are 100% vested to employees from the time they are eligible to participate. Total expense was \$3,823 and \$1,756 for the years ended December 31, 2020 and 2019, respectively.

NOTE 8 – LEASES

NAMI leases space in Madison, Wisconsin from the 818 W. Badger, under a noncancelable operating lease that expires December 31, 2023. NAMI leases a printer with monthly payments of \$279, that expires July 31, 2023. NAMI leases a postage machine with monthly payments of \$115 that expires December 31, 2021. Total lease expense was \$10,949 and \$10,738 for the years ended December 31, 2020 and 2019, respectively.

Future minimum lease payments for years ending December 31 are as follows:

2021	\$ 14,528
2022	13,442
2023	12,350

NAMI DANE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 9 – JOINT COSTS

NAMI achieves some of its programmatic goals in the NAMIWalks event that include requests for contributions. For the years ended December 31, 2020 and 2019, the costs of NAMIWalks included a total of \$46,736 and \$57,135, respectively, of joint costs that are not directly attributable to either the program or the fundraising component of the activities. Those joint costs were allocated as follows:

	2020	2019
Education and advocacy	\$ 42,062	\$ 51,422
Fundraising	4,674	5,713
Total	\$ 46,736	\$ 57,135

NOTE 9 JOINT COSTS (continued)

NAMI achieves some of its programmatic goals in the banquet event that include an auction to raise funds to support the organization. For the years ended December 31, 2020 and 2019, the costs of the banquet included a total of \$2,030 and \$21,417 of joint costs that are not directly attributable to either the program or the fundraising component of the activities. Those joint costs were allocated as follows:

	2020	2019
Education and advocacy	\$ 1,218	\$ 12,850
Fundraising	812	8,567
Total	\$ 2,030	\$ 21,417

NOTE 10 – LIQUIDITY AND AVAILABILITY

The following table reflects NAMI's financial assets as of the dates of the statements of financial position reduced by amounts that are not available to meet cash needs for general expenditures within one year of the dates of the statements of financial position because of contractual or donor-imposed restrictions.

NAMI DANE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 10 – LIQUIDITY AND AVAILABILITY (continued)

	2020	2019
Cash	\$ 525,499	\$ 417,965
Accounts receivable	2,391	1,950
Unconditional promises to give	-	15,545
Beneficial interest in assets held by Madison Community Foundation	63,847	52,960
 Total financial assets at end of year	 591,737	 488,420
 Less amounts not available for general expenditures within one year due to:		
Restricted by donor with purpose restrictions	-	(5,394)
Board-designated endowment	(63,847)	(52,960)
	 (63,847)	 (52,960)
 Financial assets available to meet cash needs for general expenditures within one year	 \$ 527,890	 \$ 430,066

As a non-profit, donor-funded organization, NAMI receives significant contributions each year from donors on a regular basis, which are available to meet annual cash needs for general operating expenditures. NAMI's contributions can include restrictions on timing or use. Thus, financial assets may not be available for general expenditure within one year. Because a donor's restriction requires resources to be used in a particular manner or in a future period, NAMI must maintain sufficient resources to meet those responsibilities to its donors. NAMI is structured to pay all obligations as soon as due. NAMI strives to maintain liquid financials assets sufficient to cover 90 days of general expenditures. Distributions for the beneficial interest in assets held by the Madison Community Foundation are available for general expenditures.

NOTE 11 – PAYCHECK PROTECTION PROGRAM

On April 23, 2020, NAMI received a \$29,082 loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). On December 15, 2020, the SBA preliminarily approved forgiveness of the loan. NAMI must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review NAMI's good-faith certification concerning the necessity of its loan request, whether NAMI calculated the loan amount correctly, whether NAMI used loan proceeds for the allowable uses specified in the CARES Act, and whether NAMI is entitled to loan forgiveness in the amount claimed on its application. If SBA determines NAMI was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.

On March 1, 2021, NAMI received a second in the amount of \$35,720 loan.

NAMI DANE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 12—EFFECTS OF COVID-19

NAMI's operations may be affected by the ongoing COVID-19 outbreak that was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption and effect on the NAMI are uncertain and the related financial impact and duration cannot be reasonably estimated at this time.