

AUDITED FINANCIAL STATEMENTS

**NAMI SOUTH CAROLINA**  
Columbia, South Carolina

December 31, 2016

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
NAMI South Carolina, Inc.  
Columbia, South Carolina

### **Report on the Financial Statements**

We have audited the accompanying statement of financial position of NAMI South Carolina, Inc. (the Organization) as of December 31, 2016 and the related statements of activities, cash flows, functional expenses and the related notes to the financial statements for the year then ended.

### **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 that 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 South Carolina, Inc., and the changes in its net assets, cash flows, and the statement of functional expenses for the years then ended in conformity with generally accepted accounting principles.

August 9, 2017  
Lexington, South Carolina

STATEMENT OF FINANCIAL POSITION

NAMI SOUTH CAROLINA

December 31, 2016

ASSETS

Current Assets

Cash and cash equivalents - Note C \$ 248,527

Grants receivable - Note F 53,180

Total Current Assets 301,707

Equipment, less accumulated depreciation - Note D -

TOTAL ASSETS \$ 301,707

LIABILITIES AND NET ASSETS

Liabilities

Current Liabilities

Accrued expenses \$ 348

Total Current Liabilities 348

TOTAL LIABILITIES 348

Net Assets

Unrestricted 301,359

TOTAL NET ASSETS 301,359

TOTAL LIABILITIES AND NET ASSETS \$ 301,707

STATEMENT OF ACTIVITIES

NAMI SOUTH CAROLINA

For the Year Ended December 31, 2016

Changes in unrestricted net assets	
Revenue	
Contributions	\$ 17,900
State grants	446,949
Other grants	8,147
Interest income	68
Dues	7,164
Conference & retreat	12,775
Other	<u>5,723</u>
	498,726
Net assets released from restrictions	<u>-</u>
	498,726
Expenses	
Program services	420,189
Management and general	67,369
Fund raising	<u>12,765</u>
	<u>500,323</u>
INCREASE/(DECREASE) IN UNRESTRICTED NET ASSETS	(1,597)
Changes in temporarily restricted net assets	
Net assets released from restrictions	<u>-</u>
INCREASE/(DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	<u>-</u>
INCREASE/(DECREASE) IN NET ASSETS	(1,597)
Net Assets, Beginning of Year	<u>302,956</u>
NET ASSETS, END OF YEAR	<u><u>\$ 301,359</u></u>

STATEMENTS OF CASH FLOWS

NAMI SOUTH CAROLINA

Year Ended December 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (1,597)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	581
Changes in operating assets and liabilities - increase/(decrease) in cash flow	
Accounts receivable	67,906
Accrued expenses	<u>(4,698)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>62,192</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of equipment	<u>-</u>
NET CASH FLOWS USED BY INVESTING ACTIVITIES	<u>-</u>
NET CHANGE IN CASH	62,192
Cash and cash equivalents, Beginning of Year	<u>186,335</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 248,527</u>

STATEMENT OF FUNCTIONAL EXPENSES

NAMI SOUTH CAROLINA

Year Ended December 31, 2015

	Program Services	Management and General	Fund Raising	Total
Gross salaries and taxes	\$ 252,688	\$ 55,191	\$ 9,130	\$ 317,009
Health and dental	2,583	564	93	3,240
Office and printing	8,678	1,601	534	10,813
Telephone	7,037	879	879	8,795
Postage	1,946	243	243	2,432
General occupancy	9,198	1,150	1,149	11,497
Liability insurance	2,816	352	352	3,520
Assessments - Note B	1,675	-	-	1,675
Miscellaneous	1,839	-	-	1,839
Accounting and banking	-	6,231	-	6,231
Travel	6,180	1,158	385	7,723
Depreciation	581	-	-	581
Direct program expenses				
IOOV	3,672	-	-	3,672
NAMI Basics	5,128	-	-	5,128
NAMI Connections	7,644	-	-	7,644
Conference	20,537	-	-	20,537
Crisis Intervention Training	51,196	-	-	51,196
Provider education and family coordinators	8,901	-	-	8,901
Family to Family	6,020	-	-	6,020
Peer to Peer	1,232	-	-	1,232
Consumer Council	7,183	-	-	7,183
Palmetto System of Care	3,719	-	-	3,719
Other	9,736	-	-	9,736
	<u>\$ 420,189</u>	<u>\$ 67,369</u>	<u>\$ 12,765</u>	<u>\$ 500,323</u>
	<u>83.98%</u>	<u>13.47%</u>	<u>2.55%</u>	<u>100.00%</u>

## NOTES TO FINANCIAL STATEMENTS

### NAMI SOUTH CAROLINA, INC.

December 31, 2016

#### NOTE A – OVERVIEW AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting principles followed by NAMI South Carolina, Inc. (the Organization) and the methods of applying those principles that materially affect the determination of financial position, changes in net assets and cash flows are summarized below:

##### Nature of Activities

NAMI South Carolina, Inc. is a nonprofit corporation organized under the laws of the State of South Carolina. The Organization is dedicated to the eradication of mental illness and to the improvement of the quality of life of all lives affected by these diseases. The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

##### Program/Activity Summaries

The costs of providing the various programs and activities have been summarized on the statement of functional expenses. Certain costs have been allocated among the programs and services expenses. General and administrative expenses are those not related to a specific program.

##### Cash and Cash Equivalents

For financial statement reporting purposes, the Organization considers all short-term cash investments and other highly liquid investments such as treasury bills, commercial paper and money market funds with a maturity of three months or less to be cash and cash equivalents.

##### Equipment

Equipment is maintained on the basis of historical cost less accumulated depreciation. Costs of additions and major improvements are capitalized. The costs of assets retired or otherwise disposed and the related accumulated depreciation are eliminated from the accounts. The net book value of assets traded is added to the cost of the replacement asset. Expenditures for maintenance and repairs are charged directly to operations as incurred. Depreciation charged to operations for financial statement reporting is computed on the straight-line method over the estimated useful lives of the respective assets ranging from 5-12 years.

## NOTES TO FINANCIAL STATEMENTS

### NAMI SOUTH CAROLINA, INC.

December 31, 2016

#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--CONTINUED

##### Revenue Recognition

Donations and allocations from other organizations are recognized as income in the period in which they are received unless they are received under contractual agreement, in which case they are recognized when earned.

A substantial number of volunteers have donated time to the Organization's program services. However, since no objective basis exists for recording and assigning values to their services, they are not reflected in the accompanying financial statements. Similarly, the value of various "in-kind" contributions by individuals and organizations to the Organization's activities, where such contributions are not subject to measurement or control, has not been recorded.

All contributions, donations, and other support are considered available for unrestricted use unless specifically restricted by the donor. The Organization reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations 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 assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

##### Program/Activity Summaries

###### *Family to Family*

The "Family to Family" Education Course consists of a series of twelve classes for the families of persons with serious psychiatric disorders. The course teachers are family members themselves, and the course has been designed and written by an experienced family member/mental health professional. The program balances basic education about the disorders along with skill training, self care, emotional support and empowerment. Pre-registration is necessary.

###### *Family Conference*

The Family Conference is an annual event, bringing together families of those who suffer from mental illness. The conference features experts in a range of medical fields, as well as elected officials who are supportive of mental health issues. It is also an opportunity for caregivers to learn about new research, share challenges and success stories, and discover new treatments for brain disorders.

## NOTES TO FINANCIAL STATEMENTS

### NAMI SOUTH CAROLINA, INC.

December 31, 2016

#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—CONTINUED

##### Program/Activity Summaries – continued

###### *NAMI Basics*

The “NAMI Basics” Education Course is a series of six classes, 2.5 hours each, designed for families or caregivers of children or adolescents with mental illness. Trained NAMI family members that have children with mental illness teach the course. The course includes: the trauma of mental illness for the child and the family, the biology of mental illness: getting an accurate diagnosis, the latest research on the medical aspects of the illness and advances in treatment, an overview of treatment options – treatment works, the impact of the child’s mental illness on the rest of the family, an overview of the systems involved in caring for children and teens, and the importance of keeping records.

###### *Provider Education*

As the Family to Family course made its way across the county, mental health professionals requested similar training for professional provider staff. This course, which contains five sessions adapted from the family course and five new sessions written specifically for provider staff, is our answer to those requests. As with all NAMI courses, this course is evergreen, that is, updated regularly to contain the latest medical/scientific information.

###### *Crisis Intervention Training (CIT) on the Move Across America*

Crisis Intervention Training (CIT) programs are designed to educate and prepare police officers who come into contact with people with severe mental illnesses to recognize the signs and symptoms of these illnesses, and to respond effectively and appropriately to people who are experiencing a psychiatric crisis. Because police officers are often the first responders in these incidents, it is essential that they know how critical periods of mental illness alter behaviors and perceptions, can assess what is needed in the moment, and can bring understanding and compassion to bear when they are handling these difficult situations.

CIT training provides them with the skills to make a safer intervention for themselves, for the consumer in a crisis, for the consumer’s family and for the community. A key feature of the training teaches police officers effective methods of de-escalating the crisis situation and "reaching" the person in crisis. This approach allows consumers in distress to participate in the decisions about their treatment and facilitates consensus about the immediate safe course to follow.

NOTES TO FINANCIAL STATEMENTS

NAMI SOUTH CAROLINA, INC.

December 31, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—CONTINUED

Affiliated Organizations

The accompanying financial statements only reflect the accounts of the state organization and do not include any its affiliates and chapters. Each affiliate is considered a separate entity.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Concentration

Approximately 89.6% of the Organization's revenues are generated through the South Carolina Department of Mental Health. This concentration of revenue could be a risk for the Organization if the State of South Carolina reduces grant allocations.

Subsequent Events

Management has evaluated the effects of any subsequent events through the date of the auditor's report.

Accrued Compensated Absences

The Organization has not recorded an amount for accrued compensated absences. No amounts are due when an employee leaves service.

NOTES TO FINANCIAL STATEMENTS

NAMI SOUTH CAROLINA, INC.

December 31, 2016

NOTE B – AFFILIATED ORGANIZATIONS

NAMI South Carolina, Inc. is accredited annually by the National Alliance for the Mentally Ill. Accreditation is based on successfully meeting specific organizational, programmatic, and legal requirements. The accreditation allows NAMI South Carolina, Inc. to use the NAMI name and logo, receive grant support, and participate in conferences and supporting events conducted by NAMI, Inc.

NAMI South Carolina, Inc. paid \$1,675 to NAMI National during the year ended December 31, 2016 for their share of membership dues.

NOTE C – CASH AND CASH EQUIVALENTS

The Organization had cash of \$248,527 at December 31, 2016, which consisted of a business banking account (\$111,739) and a money market account (\$136,788) at a commercial institution. The money market currently earns 0.50% interest annually.

NOTE D – PROPERTY, PLANT & EQUIPMENT

The following is a summary of changes in property, plant, and equipment for the year ended December 31, 2016:

	<u>Balance, January 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, December 31, 2016</u>
Furniture & Equipment	\$ 4,063	\$ --	\$ --	\$ 4,063
Accumulated Depreciation	(3,482)	(581)	--	(4,063)
Net Equipment	<u>\$ 581</u>	<u>\$ (581)</u>	<u>\$ --</u>	<u>\$ --</u>

NOTES TO FINANCIAL STATEMENTS

NAMI SOUTH CAROLINA, INC.

December 31, 2016

NOTE E – COMMITMENTS AND CONTINGENCIES

Rent

The Organization has leased its current office facilities through December 2016. The Organization paid \$11,497 in 2016. Estimated future payments of rent are as follows:

2017	\$	<u>12,000</u>
Total	\$	<u>12,000</u>

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State and Federal Governments. Any disallowed claims, including amounts previously collected, may constitute a liability of the applicable funds. The amount, if any, of the expenses, which may be disallowed by the grantor, cannot be determined at this time. Management expects such amounts to be immaterial.

NOTE F – GRANTS RECEIVABLE

Grants receivable consists of payments due for services performed in accordance with specific contracts and programs administered. At December 31, 2016, the Organization had \$53,180 in grants receivable for three different programs sponsored by the South Carolina Department of Mental Health.