

NAMI MONTGOMERY COUNTY (MD)

FINANCIAL STATEMENTS

JUNE 30, 2009

Richard L. LeFever, Inc

Certified Public Accountant

3910 Woodrow Street NW
Ellicott City, Maryland 21043
Telephone (410) 465-4739
Fax (410) 465-7399

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS
NAMI MONTGOMERY COUNTY (MD)
ROCKVILLE, MARYLAND

I have audited the accompanying statement of financial position of NAMI Montgomery County (MD) (a non-profit organization) as of June 30, 2009 and 2008 and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organizations management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audit in accordance with the auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NAMI Montgomery County (MD) as of June 30, 2009 and 2008 and the changes in its nets assets and its cash flows for the years then ended in conformity with the accounting principles generally accepted in the United States of America.



Richard L. LeFever, Inc

October 22, 2009

NAMI MONTGOMERY COUNTY (MD)
(A MARYLAND NON-PROFIT ORGANIZATION)
STATEMENTS OF FINANCIAL POSITION

ASSETS	JUNE 30,	
	<u>2009</u>	<u>2008</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 73,928	\$ 86,994
Certificates of Deposit	55,249	39,324
Accounts Receivable	12,851	22,678
Prepaid Expenses	15,786	5,751
Investments	4,011	5,859
Inventory	149,434	145,696
TOTAL CURRENT ASSETS	311,259	306,302
PROPERTY AND EQUIPMENT, NET	42,113	48,867
TOTAL ASSETS	\$ 353,372	\$ 355,169
	=====	=====
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 7,946	\$ 19,297
Deferred Income	-	5,000
TOTAL LIABILITIES	7,946	24,297
NET ASSETS, UNRESTRICTED	345,426	330,872
TOTAL LIABILITIES AND NET ASSETS	\$ 353,372	\$ 355,169
	=====	=====

The accompanying notes are an integral part of these statements.

NAMI MONTGOMERY COUNTY (MD)
(A MARYLAND NON-PROFIT ORGANIZATION)
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009
(with comparative totals for 2008)

	2009		2008	
	Unrestricted	Temporarily Restricted	Total	Total
SUPPORT AND REVENUE				
Public Support	\$ 88,462	\$ -	\$ 88,462	\$ 63,535
Membership Dues	16,805		16,805	19,132
Grants	-	49,867	49,867	105,656
Sales, Net of Sales Tax	304,200		304,200	289,405
Change in Inventory	3,738		3,738	12,583
Investment Income	1,911		1,911	4,010
Heroes Dinner	17,264		17,264	17,624
Other Fundraising Events	14,066		14,066	13,071
Net Assets Released from Restrictions	49,867	(49,867)	-	-
TOTAL SUPPORT AND REVENUE	496,313	-	496,313	525,016
EXPENSES				
Program Services				
Family Service and Education	115,484		115,484	140,150
Thrift Shop	258,860		258,860	253,075
Total Program Services	374,344	-	374,344	393,225
Supporting Services				
Management and General	75,143		75,143	73,738
Fundraising	32,272		32,272	23,539
Total Supporting Services	107,415	-	107,415	97,277
TOTAL EXPENSES	481,759	-	481,759	490,502
INCREASE (DECREASE) IN NET ASSETS	14,554	-	14,554	34,514
NET ASSETS AT BEGINNING OF YEAR	330,872	-	330,872	296,358
NET ASSETS AT END OF YEAR	\$ 345,426	\$ -	\$ 345,426	\$ 330,872
	=====	=====	=====	=====

The accompanying notes are an integral part of these statements

NAMI MONTGOMERY COUNTY (MD)
(A MARYLAND NON-PROFIT ORGANIZATION)
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009
(with comparative totals for 2008)

	Program Services			Supporting Services			Total Expenses	
	Education	Thrift Shop	Total	Management and General	Fundraising	Total	FOR THE YEAR ENDED 2009	2008
Salaries and Wages	\$ 74,334	\$ 109,577	\$ 183,911	\$ 38,030	\$ 20,777	\$ 58,807	\$ 242,718	\$ 241,078
Payroll Taxes	5,646	8,323	13,969	2,889	1,576	4,465	18,434	18,934
Total Payroll and Related Costs	79,980	117,900	197,880	40,919	22,353	63,272	261,152	260,012
Rent	7,813	96,900	104,713	15,431	981	16,412	121,125	116,850
Social Programs	23,196	-	23,196	-	-	-	23,196	39,072
Utilities	616	7,645	8,261	1,217	77	1,295	9,556	10,428
Supplies	117	4,255	4,372	231	15	245	4,617	7,901
Consultants	-	-	-	-	7,700	7,700	7,700	-
Travel and Conventions	183	500	684	94	51	145	829	1,745
Accounting Fees	-	-	-	6,435	-	6,435	6,435	6,841
Depreciation	-	2,452	2,452	5,638	-	5,638	8,090	9,208
Telephone/Internet	1,374	2,025	3,399	703	383	1,086	4,485	5,033
Bank and Credit Card Fees	-	4,563	4,563	1,382	-	1,382	5,945	4,919
Repairs and Maintenance	490	6,079	6,569	968	62	1,030	7,599	9,214
Miscellaneous	49	685	733	96	308	405	1,138	3,202
Trash Removal	333	4,131	4,464	658	42	700	5,164	4,577
Medical	-	4,614	4,614	-	-	-	4,614	3,325
Insurance	316	3,922	4,238	625	40	664	4,902	4,710
Postage and Shipping	785	1,157	1,942	402	219	621	2,563	2,113
Pest Control	-	-	-	-	-	-	-	624
Security	-	-	-	-	-	-	-	451
Moving Expenses	155	1,920	2,075	306	19	325	2,400	120
Printing and Publications	53	79	132	27	15	42	174	125
Dues and Subscriptions	23	34	57	12	6	18	75	32
Advertising	-	-	-	-	-	-	-	-
Total Expenses	\$ 115,484	\$ 258,860	\$ 374,344	\$ 75,143	\$ 32,272	\$ 107,415	\$ 481,759	\$ 490,502

The accompanying notes are an integral part of these statements

NAMI MONTGOMERY COUNTY (MD)
(A MARYLAND NON-PROFIT ORGANIZATION)
STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED JUNE 30,	
	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
INCREASE (DECREASE) IN NET ASSETS	\$ 14,554	\$ 34,514
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation	8,090	9,208
CHANGES IN ASSETS AND LIABILITIES		
Accounts Receivable	9,827	(10,299)
Prepaid Expenses	(10,035)	(717)
Deferred Income	(5,000)	(18,990)
Unrealized losses - Investments	1,848	246
Inventory	(3,738)	(12,583)
Accounts Payable	<u>(11,351)</u>	<u>3,688</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>4,195</u>	<u>5,067</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,336)	(14,799)
Purchase of Certificates of Deposit	(40,523)	(24,097)
Redemption of Certificates of Deposits	24,598	60,002
	<u>-</u>	<u>-</u>
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	<u>(17,261)</u>	<u>21,106</u>
NET INCREASE IN CASH	(13,066)	26,173
CASH AT BEGINNING OF YEAR	<u>86,994</u>	<u>60,821</u>
CASH AT END OF YEAR	\$ 73,928 =====	\$ 86,994 =====

The accompanying notes are an integral part of these statements

NAMI MONTGOMERY COUNTY (MD)
(A MARYLAND NON-PROFIT ORGANIZATION)
JUNE 30, 2009

NOTES TO FINANCIAL STATEMENTS

NOTE 1–NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES

Nature of Activities–The NAMI Montgomery County (MD) (the Organization) provides support, education, and advocacy for persons with mental illness, their families and friends. The Organization is supported primarily through revenue generated from a thrift shop located in Kensington, Maryland.

Basis of Accounting–The financial statements of NAMI Montgomery County (MD) have been prepared on the accrual basis of accounting and accordingly reflect all significant receivable and payables.

Basis of Presentation–Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial statements for Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Expense Allocation–The costs of providing various services have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Tax Status–The Organization is a not-for-profit organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization did not have any unrelated business income.

Accounts Receivable–Accounts receivable are stated at the amount management expects to collect from outstanding balances. Accounts receivable consists of balance due from a county grant and money raised through the NAMI walk. All balances are deemed collectible, therefore, there is no provision for bad debt expense.

Property and Equipment–Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of the donation. Depreciation is computed using the accelerated and straight-line methods over the estimated useful lives of the assets, which range from 3 to 39 years.

NAMI MONTGOMERY COUNTY (MD)
(A MARYLAND NON-PROFIT ORGANIZATION)
JUNE 30, 2009

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (CONTINUED)

Inventory – Inventory is donated and stated at fair market value at date of donation.

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.

Cash and Cash Equivalents - Cash and Cash Equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months.

NOTE 2 – DESCRIPTION OF PROGRAM AND SUPPORT SERVICES

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

Education – Provide support, education and advocacy for persons with mental illness, their families and friends.

Thrift Shop – Operation of its own thrift shop, which employs but does not train persons who are mentally ill.

Management and General – Includes the functions necessary to maintain an adequate working environment and manage the financial responsibilities of the organization.

NAMI MONTGOMERY COUNTY (MD)
(A MARYLAND NON-PROFIT ORGANIZATION)
JUNE 30, 2009

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – PROPERTY AND EQUIPMENT

Components of property and equipment include the following as of June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Equipment	\$ 39,795	\$ 38,459
Leasehold Improvements	<u>37,152</u>	<u>37,152</u>
Total Property and Equipment	76,947	75,611
Less: Accumulated Depreciation	<u>34,834</u>	<u>(26,744)</u>
Net Property and Equipment	<u>\$ 42,113</u>	<u>\$ 48,867</u>

Depreciation expense for the years ended June 30, 2009 and 2008, amounted to \$8,090 and \$9,208 respectively.

NOTE 4 – COMMITMENTS AND SUBSEQUENT EVENTS

The organization leases its office space under a noncancelable operating lease with a 5 year term that expires August 31, 2013 with an option for the Organization to terminate the lease with 6 months notice. The monthly rental is \$10,450. The lease was terminated as of December 19, 2009.

A new lease for office space at a new location under a non cancelable operating lease was signed June 19, 2009. The term is for August 1, 2009 through July 31, 2019. There is also a payment for a share of the shopping center’s real estate taxes. There are no rent payments for the period August 1, 2009 through January 31, 2010.

Minimum lease payments under operating leases are as follows

Year ending June 30,2010	\$ 109,786
Year ending June 30,2011	126,089
Year ending June 30,2012	129,872
Year ending June 30,2013	133,769
Years ending June 30,2014 Through June 30, 2020	<u>904,571</u>
Total	<u>\$ 1,404,087</u>

Rent expense charged to operation amounted to \$121,125 and \$116,850 for the years ended June 30, 2009 and 2008, respectively.

NAMI MONTGOMERY COUNTY (MD)
(A MARYLAND NON-PROFIT ORGANIZATION)
JUNE 30, 2009

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – CONCENTRATION OF CREDIT RISK

As of June 30, 2009, no cash balances exceeded the Federal Deposit Insurance Corporation coverage limit of \$250,000.

NOTE 6 – CERTIFICATES OF DEPOSTS

The organization currently holds the following certificates of deposits covered by FDIC Insurance with various banks

Amount	Maturity Date	Interest Rate
\$20,010	February 27, 2012	3.05%
\$20,000	January 29, 2016	4.00%
\$15,239	November 27, 2017 (Callable on 11/27/09)	5.25%