

NAMI Colorado

(a nonprofit Colorado corporation)

Financial Statements

December 31, 2019 and 2018

DRAFT

NAMI Colorado

Table of Contents

Independent Accountant's Review Report	Pages 1-2
Statements of Financial Position December 31, 2019 and 2018	Page 3
Statement of Activities Year ended December 31, 2019	Page 4
Statement of Activities Year ended December 31, 2018	Page 5
Statement of Functional Expenses Year ended December 31, 2019	Page 6
Statement of Functional Expenses Year ended December 31, 2018	Page 7
Statements of Cash Flows Years ended December 31, 2019 and 2018	Page 8
Notes to Financial Statements	Pages 9-16

Independent Accountants' Review Report

To the Board of Directors
NAMI Colorado
Denver, Colorado

We have reviewed the accompanying financial statements of NAMI Colorado (a Colorado nonprofit corporation), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, 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 entity 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.

Independent Accountant's Review Report (continued)

Report on 2018 Financial Statements

The financial statements of NAMI Colorado as of December 31, 2018, were reviewed by other accountants whose report dated August 30, 2019, stated that based on their procedures, they are not aware of any material modifications that should be made to those financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Certified Public Accountants

Longmont, Colorado
Date Pending

DRAFT

NAMI Colorado

Statements of Financial Position

December 31	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 127,047	\$ 23,547
Pledges receivable	900	700
Prepaid expenses	1,483	-
Total current assets	<u>129,430</u>	<u>24,247</u>
Other Assets		
Beneficial interest in assets held at foundation	84,346	76,315
Deposit	2,967	-
Total other assets	<u>87,313</u>	<u>76,315</u>
Total assets	<u>\$ 216,743</u>	<u>\$ 100,562</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ -	\$ 5,291
Accrued compensation and benefits	2,049	2,102
Total current liabilities	<u>2,049</u>	<u>7,393</u>
Net Assets		
Without donor restrictions	122,634	16,318
With donor restrictions	92,060	76,851
Total net assets	<u>214,694</u>	<u>93,169</u>
Total liabilities and net assets	<u>\$ 216,743</u>	<u>\$ 100,562</u>

The accompanying Notes which are an integral part of these financial statements and the Independent Accountant's Review Report on Pages 1 and 2 should be read with these financial statements

NAMI Colorado

Statement of Activities

Year ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating Support			
Contributions and grants	\$ 169,134	\$ 24,900	\$ 194,034
Special event, net	137,945	-	137,945
Net assets released from restrictions			
Satisfaction of purpose restrictions	8,991	(8,991)	-
Expiration of time restrictions	700	(700)	-
Total operating support	<u>316,770</u>	<u>15,209</u>	<u>331,979</u>
Operating Expenses			
Program services	158,392	-	158,392
Supporting services			
General and administrative	42,484	-	42,484
Fundraising	21,607	-	21,607
Total operating expenses	<u>222,483</u>	<u>-</u>	<u>222,483</u>
Total operating support in excess (deficit) of operating expenses	94,287	15,209	109,496
Other Changes			
Interest	4	-	4
Change in value of beneficial interest in assets held at foundation	12,025	-	12,025
Total other changes	<u>12,029</u>	<u>-</u>	<u>12,029</u>
Change in Net Assets	106,316	15,209	121,525
Net Assets, Beginning of Year	<u>16,318</u>	<u>76,851</u>	<u>93,169</u>
Net Assets, End of Year	<u>\$ 122,634</u>	<u>\$ 92,060</u>	<u>\$ 214,694</u>

The accompanying Notes which are an integral part of these financial statements and the Independent Accountant's Review Report on Pages 1 and 2 should be read with these financial statements

NAMI Colorado

Statement of Activities

Year ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support			
Contributions and grants	\$ 129,580	\$ 20,700	\$ 150,280
Special event, net	100,711	-	100,711
Net assets released from restrictions			
Satisfaction of purpose restrictions	18,209	(18,209)	-
Total operating support	<u>248,500</u>	<u>2,491</u>	<u>250,991</u>
Operating Expenses			
Program services	235,681	-	235,681
Supporting services			
General and administrative	48,403	-	48,403
Fundraising	26,092	-	26,092
Total operating expenses	<u>310,176</u>	<u>-</u>	<u>310,176</u>
Total operating support in excess (deficit) of operating expenses	(61,676)	2,491	(59,185)
Other Changes			
Interest	33	-	33
Change in value of beneficial interest in assets held at foundation	(4,902)	-	(4,902)
Other income	1,624	-	1,624
Total other changes	<u>(3,245)</u>	<u>-</u>	<u>(3,245)</u>
Change in Net Assets	(64,921)	2,491	(62,430)
Net Assets, Beginning of Year	<u>81,239</u>	<u>74,360</u>	<u>155,599</u>
Net Assets, End of Year	<u>\$ 16,318</u>	<u>\$ 76,851</u>	<u>\$ 93,169</u>

The accompanying Notes which are an integral part of these financial statements and the Independent Accountant's Review Report on Pages 1 and 2 should be read with these financial statements

NAMI Colorado

Statement of Functional Expenses

Year ended December 31, 2019

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Salaries and wages	\$ 74,354	\$ 8,365	\$ 10,224	\$ 92,943
Payroll taxes	8,998	1,012	1,237	11,247
Total personnel costs	<u>83,352</u>	<u>9,377</u>	<u>11,461</u>	<u>104,190</u>
Contract labor	18,087	3,165	1,357	22,609
Printing and postage	15,414	1,541	2,312	19,267
Program expenses	17,341	-	-	17,341
Occupancy	10,409	2,974	1,487	14,870
Legal and professional	-	11,752	-	11,752
Travel	9,389	626	417	10,432
Technology and communication	2,964	3,458	3,458	9,880
Miscellaneous	-	5,048	-	5,048
Insurance	-	3,084	-	3,084
Dues and fees	951	95	856	1,902
Office expense	301	902	-	1,203
Bank and credit card fees	-	446	-	446
Marketing	-	-	255	255
Training and education	184	16	4	204
Total operating expenses	<u>\$ 158,392</u>	<u>\$ 42,484</u>	<u>\$ 21,607</u>	<u>\$ 222,483</u>

The accompanying Notes which are an integral part of these financial statements and the Independent Accountant's Review Report on Pages 1 and 2 should be read with these financial statements

NAMI Colorado

Statement of Functional Expenses

Year ended December 31, 2018

	Program Services	Supporting Services		Total
		General and Administrative	Fundraising	
Salaries and wages	\$ 106,078	\$ 11,934	\$ 14,586	\$ 132,598
Payroll taxes	14,337	1,613	1,971	17,921
Total personnel costs	<u>120,415</u>	<u>13,547</u>	<u>16,557</u>	<u>150,519</u>
Program expenses	55,392	-	-	55,392
Travel	19,806	1,320	880	22,006
Printing and postage	14,772	1,477	2,216	18,465
Legal and professional	-	14,616	-	14,616
Contract labor	11,432	2,001	857	14,290
Occupancy	9,629	2,751	1,376	13,756
Technology and communication	2,549	2,974	2,974	8,497
Insurance	-	3,929	-	3,929
Office expense	671	2,014	-	2,685
Miscellaneous	-	2,146	-	2,146
Marketing	-	-	948	948
Meetings	-	930	-	930
Training and education	717	64	16	797
Bank and credit card fees	-	604	-	604
Dues and fees	298	30	268	596
Total operating expenses	<u>\$ 235,681</u>	<u>\$ 48,403</u>	<u>\$ 26,092</u>	<u>\$ 310,176</u>

The accompanying Notes which are an integral part of these financial statements and the Independent Accountant's Review Report on Pages 1 and 2 should be read with these financial statements

NAMI Colorado

Statements of Cash Flows

Increase (Decrease) in Cash and Cash Equivalents

Years ended December 31	2019	2018
Cash Flows From Operating Activities		
Change in net assets	\$ 121,525	\$ (62,430)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Change in value of beneficial interest in assets held at foundation	(12,025)	4,902
Increase (decrease) from changes in assets and liabilities		
Pledges receivable	(200)	(700)
Prepaid expenses	(1,483)	-
Deposit	(2,967)	-
Accounts payable	(5,291)	5,291
Accrued compensation and benefits	(53)	2,102
Net cash provided (used) by operating activities	<u>99,506</u>	<u>(50,835)</u>
Cash Flows From Investing Activities		
Transfers from endowment	<u>3,994</u>	<u>4,009</u>
Net cash provided by investing activities	<u>3,994</u>	<u>4,009</u>
Net Increase (Decrease) in Cash and Cash Equivalents	103,500	(46,826)
Cash and Cash Equivalents, Beginning of Year	<u>23,547</u>	<u>70,373</u>
Cash and Cash Equivalents, End of Year	<u>\$ 127,047</u>	<u>\$ 23,547</u>

The accompanying Notes which are an integral part of these financial statements and the Independent Accountant's Review Report on Pages 1 and 2 should be read with these financial statements

NAMI Colorado

Notes to Financial Statements

December 31, 2019 and 2018

Note 1 - Nature of Organization and Significant Accounting Policies

Nature of Organization. NAMI Colorado ("the Organization") was established in 1981 as a Colorado nonprofit corporation. The Organization trains, educates and provides support to family members, who are primary care givers of people with mental illness. Funding for the Organization is obtained primarily through contributions, grants, and net special event revenue.

Basis of Accounting. The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation. 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 resulting from revenues generated by receiving contributions that have no donor stipulations, investment earnings and other income, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

Net Assets With Donor Restrictions. Net assets resulting from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished.

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 and disclosures. Accordingly, actual results could differ from those estimates.

Changes in Accounting Principles. On January 1, 2019, the Organization adopted FASB ASU No. 2018-08 - *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies and improves the scope of accounting guidance for contributions received and contributions made. The Organization adopted ASU 2018-08 under the modified retrospective approach, applying the amendments to prospective reporting periods. Results from reporting periods beginning after January 1, 2019, are presented under the clarified standard, while prior period amounts are not adjusted and continue to be reported in accordance with previous guidance. The adoption would not have had any material effect on the change in net assets for the year ended December 31, 2018, or on net assets as of December 31, 2018

Cash and Cash Equivalents. Cash and cash equivalents consists of checking and savings accounts held at a financial institution. For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents.

Pledges Receivable. Unconditional promises to give are recognized as revenue in the period received. Pledges receivable are recorded at the amount the Organization expects to receive, allowing for estimated uncollectible pledges.

NAMI Colorado

Notes to Financial Statements

December 31, 2019 and 2018

Note 1 - Nature of Organization and Significant Accounting Policies (continued)

Pledges Receivable (continued). The allowance for uncollectible pledges is estimated based on management's review of specific contributions outstanding. As of December 31, 2019 and 2018, management believes all pledges receivable are fully collectible, and accordingly, no allowance for doubtful accounts has been recorded. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Investments. The Organization's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization's management determines the valuation policies utilizing information provided by the investment advisors and custodians.

Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Fair Value Measurements. The Organization reports using fair value measurements, which requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Institute has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

NAMI Colorado

Notes to Financial Statements

December 31, 2019 and 2018

Note 1 - Nature of Organization and Significant Accounting Policies (continued)

The Organization values the beneficial interest in assets held at foundation at the net asset value ("NAV") of units held by the Organization at year end. The NAV, as provided by Community First Foundation (the Foundation), is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the Foundation less its liabilities. This practical expedient is not used when it is determined to be probable that the Foundation will sell the investment for an amount different than the reported NAV.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodology used at December 31, 2019 and 2018.

Contributions. Contributions are recognized when the donation is received. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions and grants that are restricted by the donor or grantor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Contributed Services. Contributed services are recognized if the services received satisfy the criteria for recognition. The contributions of services are recognized if services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. No contributed services were recorded during the years ended December 31, 2019 and 2018. Certain other volunteer services are not recorded in these financial statements as they do not meet the criteria for recognition.

Functional Allocation of Expenses. The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, direct expenses have been allocated to the applicable program for which the expenses were incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

Income Taxes. The Organization is a nonprofit corporation exempt from income taxes as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made.

Subsequent Events. The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through *Date Pending*, the date at which the financial statements were available for release.

NAMI Colorado

Notes to Financial Statements

December 31, 2019 and 2018

Note 2 - Fair Value Measurements

The following table summarizes the Organization's fair value of assets measured on a recurring basis by fair value hierarchy as of December 31, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial interest in assets held at foundation	<u>\$ -</u>	<u>\$ 84,346</u>	<u>\$ -</u>	<u>\$ 84,346</u>

The following table summarizes the Organization's fair value of assets measured on a recurring basis by fair value hierarchy as of December 31, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial interest in assets held at foundation	<u>\$ -</u>	<u>\$ 76,315</u>	<u>\$ -</u>	<u>\$ 76,315</u>

Changes in Fair Value Levels. The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Organization evaluated the significance of transfers between levels based upon the nature of the financial instruments and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2019 and 2018, there were no significant transfers in or out of fair value levels.

The following sets forth a summary of the Organization's beneficial interest in assets held at foundation reported at NAV at December 31:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Other Redemption Restrictions</u>	<u>Redemption Notice Period</u>
2019					
\$	84,346	N/A	Immediate	Redemptions will only be made upon written request of the Organization	None
2018					
\$	76,315	N/A	Immediate	Redemptions will only be made upon written request of the Organization	None

Net investment income (loss) consisted of the following for the years ended December 31:

	<u>2019</u>	<u>2018</u>
Interest	<u>\$ 4</u>	<u>\$ 33</u>
Change in value of beneficial interest in assets held at foundation	<u>12,025</u>	<u>(4,902)</u>
	<u>\$ 12,029</u>	<u>\$ (4,869)</u>

NAMI Colorado

Notes to Financial Statements

December 31, 2019 and 2018

Note 3 - Net Assets With Donor Restrictions

The following summarizes the changes in net assets with donor restrictions for the years ended December 31, 2019 and 2018:

	Purpose Restrictions			
	Arts and Strategic Planning	Time Restrictions	Endowment Fund	Total
Balance, January 1, 2018	\$ -	\$ -	\$ 74,360	\$ 74,360
Additions	20,000	700	-	20,700
Releases	(18,209)	-	-	(18,209)
Balance, December 31, 2018	\$ 1,791	\$ 700	\$ 74,360	\$ 76,851
Additions	24,000	900	-	24,900
Releases	(8,991)	(700)	-	(9,691)
Balance, December 31, 2019	\$ 16,800	\$ 900	\$ 74,360	\$ 92,060

Note 4 - Endowment Fund

The Board of Directors of the Organization has interpreted the State of Colorado enacted Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization generally classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the endowment fund that is not classified as net assets with donor restrictions is classified as net assets without donor restrictions as appropriations for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Interpretation of Relevant Law. The Board of Directors has determined that a portion of the Organization's net assets meet the definition of endowment funds under the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA), adopted by the State of Colorado in 2008. The Organization is governed subject to the Articles of Incorporation and Bylaws for the Organization and contributions are received subject to the terms of the governing documents.

NAMI Colorado

Notes to Financial Statements

December 31, 2019 and 2018

Note 4 - Endowment Fund (continued)

The following summarizes the changes in endowment net assets for the year ended December 31, 2019:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Beginning balance	\$ 1,955	\$ 74,360	\$ 76,315
Net transfers from			
donor-restricted funds	10,492	-	10,492
Interest and dividends	261	1,789	2,050
Net appreciation (depreciation)	1,377	9,422	10,799
Investment fees	(105)	(719)	(824)
Appropriated for expenditure	-	(10,492)	(10,492)
Net transfers to			
non-endowed funds	(3,994)	-	(3,994)
Ending balance	<u>\$ 9,986</u>	<u>\$ 74,360</u>	<u>\$ 84,346</u>

The following summarizes the changes in endowment net assets for the year ended December 31, 2018:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Beginning balance	\$ 10,866	\$ 74,360	\$ 85,226
Interest and dividends	89	1,615	1,704
Net appreciation (depreciation)	(285)	10,492	10,207
Investment fees	(41)	(796)	(837)
Appropriated for expenditure	-	(11,311)	(11,311)
Net transfers to			
non-endowed funds	(8,674)	-	(8,674)
Ending balance	<u>\$ 1,955</u>	<u>\$ 74,360</u>	<u>\$ 76,315</u>

Endowment Investment Policies. The Organization has adopted investment policies that include a very conservative risk tolerance to ensure the long-term stability of its endowment fund. To achieve the objective of the endowment, the Organization has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well diversified asset mix that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make annual distributions, while growing the fund if possible. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Endowment Spending Policies. Provided that there are annual earnings from the investments of the endowment fund, the Organization expends the earnings in accordance with the direction of the applicable donor gift instrument.

NAMI Colorado

Notes to Financial Statements

December 31, 2019 and 2018

Note 5 - Operating Leases

The Organization leases office space in Denver, Colorado under a noncancelable operating lease. The lease requires monthly payments of \$1,483, and expires in December 2021. Rent expense under the lease totaled \$170 for the year ended December 31, 2019.

The Organization leases a copier under a noncancelable operating lease, which expires April 2021. Rent expense, including maintenance, under the lease totaled \$11,268 and \$11,568 for the years ended December 31, 2019 and 2018, respectively.

Future annual minimum lease payments required under the noncancelable operating leases are as follows at December 31, 2019:

Year	Facility	Equipment	Total
2020	\$ 17,800	\$ 11,268	\$ 29,068
2021	18,400	3,756	22,156
	<u>\$ 36,200</u>	<u>\$ 15,024</u>	<u>\$ 51,224</u>

Note 6 - Special Event

The Organization derived net support from the NAMI Walks special fundraising event during the years ended December 31:

	2019	2018
Contributions and sponsorships	\$ 149,584	\$ 112,637
In-kind contributions	8,500	-
	<u>158,084</u>	<u>112,637</u>
Direct costs	(20,139)	(11,926)
Net support	<u>\$ 137,945</u>	<u>\$ 100,711</u>

Note 7 – Affiliate Transactions

The Organization is an affiliate partner of National Alliance on Mental Illness (NAMI). The Organization shared support by paying affiliation fees to NAMI and other affiliates in the area of \$16,248 and \$31,490 for the years ended December 31, 2019 and 2018, respectively.

Note 8 - Liquidity and Availability

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability; maintaining adequate liquid assets to fund near-term operating needs; and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. To achieve these guiding principles, the Organization forecasts its future cash flows and monitors its liquidity monthly. During the years ended December 31, 2019 and 2018, the level of liquidity and reserves was managed within the guiding principles.

NAMI Colorado

Notes to Financial Statements

December 31, 2019 and 2018

Note 8 - Liquidity and Availability (continued)

The Organization's financial assets available for general expenditures within one year are as follows at December 31:

	<u>2019</u>	<u>2018</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 127,047	\$ 23,547
Pledges receivable	900	700
Beneficial interest in assets held at foundation	84,346	76,315
	<u>212,293</u>	<u>100,562</u>
Less amounts not available to be used within one year:		
Donor-imposed restrictions making financial assets unavailable for general expenditure	(74,360)	(74,360)
Quasi-endowment fund, primarily for long-term investing	(9,986)	(1,955)
	<u>(84,346)</u>	<u>(76,315)</u>
Financial assets available for general expenditures within one year	<u>\$ 127,947</u>	<u>\$ 24,247</u>

Note 9 – Concentrations

Major Event. The Organization had a special event that comprised 48% and 45% of total support for the years ended December 31, 2019 and 2018, respectively.

Major Grantor. The Organization had a single grantor that comprised 11% and 15% of total support for the years ended December 31, 2019 and 2018, respectively.

Geographical. The Organization receives a substantial amount of their support from Denver, Colorado and the surrounding areas.

Note 10 – Uncertainty and Subsequent Event

During 2020, a health care pandemic has occurred in the United States and internationally. In response to the crisis, the federal, state, and municipal governments have enacted various policies to curtail group gatherings until the risk has diminished. Certain activities of the Organization are subject to closure or substantially modified operations. Additionally, the global economy has been negatively impacted. No reliable estimate of the potential future financial impacts of this uncertainty on the Organization can be made at this time.

During April 2020, the Organization received the proceeds of a Payroll Protection Program loan of \$20,100. The note is unsecured and bears interest at 1%. Payments are scheduled to begin in November 2020. Proceeds of the loan are forgivable if at least 60% of the proceeds are spent on eligible payroll, with the remaining 40% allowed to be spent for other narrowly specified expenses.