



NAMI Multnomah

Financial Statements and Other Information
as of and for the Year Ended December 31, 2014
and Report of Independent Accountants

NAMI MULTNOMAH

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REPORT OF INDEPENDENT ACCOUNTANTS

*The Board of Directors
NAMI Multnomah:*

We have audited the accompanying financial statements of NAMI Multnomah, which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, cash flows, and functional expenses 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; 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. 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 organization'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 organization'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 Multnomah as of December 31, 2014, 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.

Summarized Comparative Information

We have previously audited NAMI Multnomah's 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 23, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Cambridge & Co. LLP

May 5, 2015

NAMI MULTNOMAH

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2014

(WITH COMPARATIVE AMOUNTS FOR 2013)

	2014	2013
Assets:		
Cash and cash equivalents	\$ 60,884	65,231
Grants and contracts receivable <i>(note 4)</i>	24,508	56,858
Prepaid expenses	6,753	7,089
Investments <i>(note 5)</i>	112,734	129,495
Property and equipment <i>(note 6)</i>	3,366	1,206
Total assets	\$ 208,245	259,879
Liabilities:		
Accounts payable and accrued expenses	11,042	26,276
Accrued compensated absences	3,963	2,794
Funds held on behalf of others	-	5,000
Total liabilities	15,005	34,070
Net assets:		
Unrestricted:		
Available for programs and general operations	179,229	212,596
Net investment in capital assets	3,366	1,206
Total unrestricted	182,595	213,802
Temporarily restricted <i>(note 7)</i>	10,645	12,007
Total net assets	193,240	225,809
Commitments and contingencies <i>(notes 4, 11 and 12)</i>		
Total liabilities and net assets	\$ 208,245	259,879

See accompanying notes to financial statements.

NAMI MULTNOMAH

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	2014			2013
	Unrestricted	Temporarily restricted	Total	
Revenues, gains, and other support:				
Private grants and contributions	\$ 54,549	4,316	58,865	30,224
Government grants and contracts	95,725	260,605	356,330	452,926
In-kind contributions	26,488	—	26,488	23,688
Special events, net of direct costs of \$286 in 2014 and \$8,409 in 2013	34,486	—	34,486	74,156
Membership dues	6,622	—	6,622	5,951
Interest and dividend income	9,065	—	9,065	6,101
Net appreciation in the fair value of investments	4,237	—	4,237	24,269
Loss on disposal of assets	—	—	—	(2,236)
Other revenues	4,785	—	4,785	3,694
Total revenues and gains	235,957	264,921	500,878	618,773
Net assets released from restrictions (<i>note 9</i>)	266,283	(266,283)	—	—
Total revenues, gains, and other support	502,240	(1,362)	500,878	618,773
Expenses (<i>note 10</i>):				
Program services:				
Family Partners/Family Support	296,306	—	296,306	296,490
Outreach and Education	96,686	—	96,686	92,545
NorthStar Clubhouse	—	—	—	119,334
Total program services	392,992	—	392,992	508,369
Supporting services:				
Management and general	102,221	—	102,221	104,959
Fundraising	38,234	—	38,234	47,262
Total supporting services	140,455	—	140,455	152,221
Total expenses	533,447	—	533,447	660,590
Decrease in net assets	(31,207)	(1,362)	(32,569)	(41,817)
Net assets at beginning of year	213,802	12,007	225,809	267,626
Net assets at end of year	\$ 182,595	10,645	193,240	225,809

See accompanying notes to financial statements.

NAMI MULTNOMAH

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	2014	2013
Cash flows from operating activities:		
Cash received from grantors, contributors, service recipients, and others	\$ 493,724	566,564
Cash received from interest and dividends	9,065	6,101
Cash paid to employees, suppliers, and others	(528,134)	(611,526)
Net cash used in operating activities	(25,345)	(38,861)
Cash flows from investing activities:		
Proceeds from the sale of investments	30,000	—
Reinvested investment earnings	(9,002)	(6,031)
Net cash provided by (used in) investing activities	20,998	(6,031)
Net decrease in cash and cash equivalents	(4,347)	(44,892)
Cash and cash equivalents at beginning of year	65,231	110,123
Cash and cash equivalents at end of year	\$ 60,884	65,231

See accompanying notes to financial statements.

NAMI MULTNOMAH

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	2014			
	Program services			Management and general
	Family Partners/ Family Support	Outreach and Education	Total program services	
Payroll expenses	\$ 207,511	32,920	240,431	104,895
Professional services	927	31,714	32,641	43,793
Occupancy	1,195	1,409	2,604	26,550
Office expenses	6,107	1,600	7,707	13,285
Supplies	3,411	6,925	10,336	1,763
Travel and meetings	12,274	236	12,510	308
Insurance	-	-	-	3,437
Grant expense	-	-	-	-
Depreciation and amortization	-	-	-	640
Other	100	631	731	1,578
<hr/>				
Total expenses before allocation of indirect costs	231,525	75,435	306,960	196,249
Allocation of indirect costs	64,781	21,251	86,032	(94,028)
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Total expenses	\$ 296,306	96,686	392,992	102,221

See accompanying notes to financial statements.

Supporting services			
Fundraising	Total supporting services	Total	2013
23,365	128,260	368,691	422,958
575	44,368	77,009	106,753
–	26,550	29,154	58,210
2,188	15,473	23,180	20,663
338	2,101	12,437	20,211
3	311	12,821	14,765
–	3,437	3,437	3,356
–	–	–	5,000
–	640	640	2,391
3,769	5,347	6,078	6,283
30,238	226,487	533,447	660,590
7,996	(86,032)	–	–
38,234	140,455	533,447	660,590

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

1. Organization

NAMI Multnomah (“NAMI”) is the Portland metro-area local affiliate office of the National Alliance on Mental Illness. NAMI Multnomah is a grassroots, non-profit organization that has been active in Multnomah County, Oregon since 1983. The organization’s mission is to improve the quality of life for individuals and families living with mental illness through support, education, and advocacy. With the support of hundreds of local members and many regular volunteers, NAMI Multnomah helps educate people in the Portland metro area about mental health issues.

The organization advocates for improved mental health services through membership on the Portland Police Crisis Intervention Training Advisory Committee, Adult Mental Health and Substance Abuse Advisory Council, Child and Adolescent Mental Health and Substance Abuse Advisory Council, and many other committees, media interviews, and meetings with city, county, and state officials.

In 2014, over 21,000 encounters were made possible with the assistance of volunteers, who contributed over 1,500 documented volunteer hours and a conservative estimate of over 8,000 undocumented volunteer hours.

2. Summary of Significant Accounting Policies

The significant accounting policies followed by the organization are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and the principles

of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

Basis of Presentation – The organization has adopted the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) No. 958-605, *Revenue Recognition*, and FASB ASC No. 958-205, *Presentation of Financial Statements*. Under these provisions, net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of NAMI and changes therein are classified and reported as follows:

- *Unrestricted net assets* – Net assets not subject to donor-imposed stipulations.
- *Temporarily restricted net assets* – Net assets subject to donor-imposed stipulations that will be met either by actions of the organization and/or the passage of time. These balances represent the unexpended portion of externally restricted contributions to be used for specific programs and activities.

Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In the opinion of management, such differences, if any, would not be significant.

Cash Equivalents – For purposes of the financial statements, the organization considers all liquid investments having initial maturities of three months or less to be cash equivalents.

Investments – Investments are carried at fair value. Net appreciation (decline) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (decline) of those investments, is reported in the statement of activities. Interest income is accrued as earned.

The organization has some exposure to investment risks, including interest rate, market, and credit risks. Due to the level of risk exposure, it is possible that near-term valuation changes for investment securities may occur to an extent that could materially affect the amounts reported in the accompanying financial statements.

Capital Assets, Depreciation, and Amortization – Property and equipment are carried at cost, and at fair value when acquired by gift. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the respective assets, which generally ranges from 3 to 7 years for office equipment. Leasehold improvements are amortized over the length of the lease, which is generally 2 years.

Contributions – Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Contributions of capital assets without donor stipulations concerning the use of such long-lived assets are reported as revenues of the unrestricted net asset class. Contributions of cash or other assets to be used to acquire capital assets with such donor stipulations are reported as revenues of the temporarily restricted net asset class; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

In-Kind Contributions – The organization receives contributed services from a large number of volunteers who assist in program and fundraising efforts through their participation in a range of activities. In accordance with FASB ASC No. 958-605, *Revenue Recognition*, the value of such services, which the organization considers not practicable to estimate, have not been recognized in the statement of activities.

Significant services received which create or enhance a non-financial asset or require specialized skills that the organization would have purchased if not donated are recognized in the statement of activities. During the year ended December 31, 2014, no donated services were recorded.

In-kind contributions of equipment and other materials, and free use of facilities are recorded where there is an objective basis upon which to value these contributions and where the contributions are an integral part of the organization's activities. During the year ended December 31, 2014, \$23,688 in the free use of administrative and program facilities and \$2,800 in donated artwork were recorded.

Revenue Recognition – All grants and contributions are considered available for the unrestricted general operations of the organization unless specifically restricted by a donor. Service revenues are recognized at the time the services are delivered and the revenues are earned. Membership payments are considered equivalent to unrestricted contributions and are recognized as revenue when received.

Advertising and Promotional Expenses – Advertising and promotional costs are charged to expense as they are incurred.

Concentrations of Credit Risk – NAMI’s financial instruments consist primarily of money market funds, mutual funds, and investments in common stock, which may subject the organization to concentrations of credit risk as, from time to time, for example, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation. In addition, the market value of securities is dependent on the ability of the issuer to honor its contractual commitments, and the investments are subject to changes in market values.

Certain receivables may also, from time to time, subject NAMI to concentrations of credit risk. To minimize its exposure to significant losses from customer or donor insolvencies, management evaluates the financial condition of its customers and donors, and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics. When necessary, receivables are reported net of an allowance for uncollectible accounts.

Subsequent Events – As required by FASB ASC No. 855-10, *Subsequent Events*, subsequent events have been evaluated by management through May 5, 2015, which is the date the financial statements were available to be issued.

Income Taxes – The organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law, and is a publicly supported organization under Sections 170(b)(1)(A)(vi) and 509(a)(1). For tax purposes, the organization’s open audit periods are for the years ended December 31, 2011 through 2013.

The organization has adopted the recognition requirements for uncertain income tax positions as required by FASB ASC No. 740-10, *Income Taxes*. Under this standard, income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities.

Summarized Financial Information for 2013 – The accompanying financial information as of and for the year ended December 31, 2013 is presented for comparative purposes only and is not intended to represent a complete financial statement presentation.

Other Significant Accounting Policies – Other significant accounting policies are set forth in the financial statements and the following notes.

3. Program Services

During the year ended December 31, 2014, the organization incurred program service expenses in the following major categories:

Family Partners/Family Support – This program provides support and educational training to families and caretakers with school-age dependents with serious mental illness. In addition, the program works to increase the involvement of family and youth in mental health policy-making groups and advocacy roles in order to create family-driven services.

Outreach and Education – This program includes an array of services, such as the publication of a quarterly newsletter and regular e-blasts providing an array of educational materials on mental illness. Information to raise awareness and education about mental illnesses and resources is made available to the community through presentations called *An Evening with An Expert*, and through events, including Mental Health Awareness Week and the annual NAMI Walk.

Other outreach and educational programs offered by the organization include the following:

- *First Step* – This NAMI Multnomah signature program provides hope and recovery information to psychiatric patients for use when they leave the hospital setting. Peer facilitators share some ideas about relapse prevention and recovery. In 2014, over 496 patients attended 93 sessions.

- *Resource Assistance* – The organization publishes a mental health resource guide, staffs a helpline, and provides peer support staff who dispense information on resources available in the community. In 2014, the Resource Help Line answered over 2,500 calls and provided direct assistance and follow-up support to individuals and families.
- *Support Groups* – The organization’s volunteers provide weekly support groups for family members. NAMI’s two signature support groups, Connection peer support groups and Drop-In Family Support groups, are led by trained facilitators who are in recovery and understand the challenges faced by individuals living with mental illness. In 2014, there were over 1,800 attendees. NAMI also hosts, without cost, several specialized peer-run mental health support groups that meet weekly in our conference room.
- *Family-to-Family* – This program offers a free twelve-week course for family caregivers of adults living with mental illness. An evidence-based practice taught by trained NAMI family members who have relatives living with mental illness, the course provides caregivers with communication and problem-solving techniques, coping mechanisms, and the self-care skills needed to deal with their loved ones and the impact on the family. In 2014, 138 individuals graduated.
- *NAMI Basics* – Offering a free six-class course for parents and other primary caregivers of children ages 13 to 18 living with mental illness, this course is taught by trained parents and caregivers who have lived similar experiences with their own children. In 2014, 38 individuals graduated.
- *Peer Support Specialist Training* – Many agencies and governmental organizations in Oregon now hire Peer Support Specialists (PSS) for peer-delivered service positions, since Medicaid now allows for billing of services by a PSS. NAMI Multnomah has secured a contract with Multnomah County to offer PSS training four times annually through June of 2015. NAMI Multnomah offers the class free of charge and is

required to give preference to community mental health agencies and NorthStar Clubhouse members. The program offered by NAMI Multnomah is conducted by Project ABLE, Inc. and is an Oregon Addictions and Mental Health Division Department-approved training for individuals to receive their Peer Support Specialist certificate of completion.

The curriculum for the “Peer Support Specialist and Wellness Training” by Project ABLE was developed over nine years of peer trainings and continuous participant feedback. It is a week-long, intensive training with the certification exam given on the final day. It covers more than 30 classroom hours, and following the training, there are an additional 40 hours in mentoring sessions available (20 two-hour sessions over the course of a year). Project ABLE runs the mentor sessions in conjunction with NAMI Multnomah and focuses on real-world applications of the principles learned in the training (“The 10 Components/Principles of Recovery”). In 2014, 60 peers graduated from NAMI’s PSS program.

- *In Our Own Voice* – A highly-acclaimed educational and recovery presentation given by trained presenters who are living full and productive lives while personally overcoming the challenges of their mental illness. The presentation is 60 to 90 minutes long and includes a short video, personal testimonies, and a question and answer period that allows honest and open dialogue. In 2014, over 400 people attended one of the 21 presentations.
- *Peer-to-Peer* – Through this program that offers a free ten-week course promoting stability for individuals with mental illness, class members who successfully complete the class can train as Mentors to lead future classes, allowing persons in recovery to develop new presentation skills and share their message with others. In 2014, 35 individuals graduated. This course is supported by a Multnomah County contract that allows NAMI to pay stipends to their volunteer class Mentors. Peer-to-Peer is offered four times a year.

4. Grants and Contracts Receivable

Grants and contracts receivable totaled \$24,508 at December 31, 2014 and are expected to be collected in less than one year.

At December 31, 2014, the organization had access to an additional \$208,958 in government grants and contracts, the receipt of which is conditioned upon the incurrence of allowable costs, and/or the performance of certain services. The revenues associated with these grants and contracts will be recorded as revenues when the expenses have been incurred and/or the services are provided.

5. Investments

Investments held by the organization at December 31, 2014, are as follows:

<i>Mutual funds:</i>	
Core funds	\$ 53,831
Large growth funds	34,447
Balanced funds	14,453
Mid-cap growth funds	6,575
Common stocks	3,266
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	112,572
Cash and cash equivalents	162
	<hr/>
	\$ 112,734
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6. Property and Equipment

A summary of property and equipment at December 31, 2014 is as follows:

Leasehold improvements	\$ 2,083
Office equipment	5,258
Artwork	2,800
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	10,141
Less accumulated depreciation and amortization	(6,775)
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	\$ 3,366
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7. Restrictions and Limitations on Net Asset Balances

Temporarily restricted net assets at December 31, 2014 totaled \$10,645 and consisted of grants, contributions, and other unexpended revenues and gains restricted by donors for the Boos Fund for Resource Assistance.

8. Concentration of Revenues

During the year ended December 31, 2014, the organization received \$356,330 in grants from Multnomah County, which represented 71% of total revenues. At December 31, 2014, receivables totaling \$23,708 were due from Multnomah County.

9. Net Assets Released from Restrictions

During the year ended December 31, 2014, the organization incurred \$266,283 in expenses in satisfaction of restricted purposes specified by donors, or satisfied the restrictions by the occurrence of other events.

10. Expenses

The costs of providing the various programs and other activities of the organization have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses by natural classification are presented in the statement of functional expenses.

11. Operating Lease Commitment

The organization leases administrative and program space for \$3 per year, under a two-year lease agreement that expires on July 31, 2016. The fair value of the free use of these facilities totaled \$23,688 and has been reported as an in-kind contribution under occupancy expense in the accompanying statement of functional expenses.

12. Contingencies

Certain amounts received or receivable under the organization's grants and contracts with Multnomah County are subject to audit and adjustment. Any expenditures or claims disallowed as a result of such audits would become a liability of NAMI's general operating fund. In the opinion of the organization's management, any adjustment that might result from such audits would not be material to the overall financial statements.

13. Fair Value Measurements

The accompanying financial statements report the organization's investments at fair value. These assets have been classified, for disclosure purposes, based on a hierarchy defined by FASB ASC No. 820, *Fair Value Measurements and Disclosures*. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3).

At December 31, 2014, the organization's financial assets that are reported at fair value on a recurring basis consist solely of investments, which are measured at fair value using quoted prices in active markets for identical assets (i.e., Level 1). See note 5 for a list of investments by type.

14. Statement of Cash Flows Reconciliation

The following presents a reconciliation of the decrease in net assets (as reported on the statement of activities) to net cash used in operating activities (as reported on the statement of cash flows):

Decrease in net assets	\$	(32,569)
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<i>Adjustments to reconcile the decrease in net assets to net cash used in operating activities:</i>		
Depreciation and amortization		640
In-kind contribution of capitalized artwork		(2,800)
Net appreciation in the fair value of investments		(4,237)
<i>Net changes in:</i>		
Grants and contracts receivable		32,350
Prepaid expenses		336
Accounts payable and accrued expenses		(15,234)
Accrued compensated absences		1,169
Funds held on behalf of others		(5,000)
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Total adjustments		7,224
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Net cash used in operating activities	\$	(25,345)
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15. Reclassification of 2013 Comparative Totals

Certain 2013 amounts presented herein have been reclassified to conform to the 2014 presentation

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NAMI MULTNOMAH

GOVERNING BOARD AND MANAGEMENT

AS OF DECEMBER 31, 2014

Board of Directors

Terri Pelham, *President*

Melissa Gonzales McNeal, *Vice President*

Barbara Besand, *Treasurer*

Bud Manley, *Secretary*

Lt. Cliff Bacigalupi

Derald Walker

Sylvia Zingesser

Management

Patricia Day TenEyck, *Executive Director*

Patty Lyons, *Associate Director*

NAMI MULTNOMAH

INQUIRIES AND OTHER INFORMATION

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