

NAMI COLLIER COUNTY, INC

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NAMI COLLIER COUNTY, INC.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
NAMI Collier County, Inc.
Naples, Florida

Opinion

We have audited the accompanying financial statements of NAMI Collier County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NAMI Collier County, Inc., as of June 30, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NAMI Collier County, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NAMI Collier County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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INDEPENDENT AUDITOR'S REPORT, continued

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 NAMI Collier County, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NAMI Collier County, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Rogers Wood Hill Starman & Gustason, P.A.

ROGERS WOOD HILL STARMAN & GUSTASON, P.A.
Certified Public Accountants & Advisors
Naples, Florida
November 17, 2023

NAMI COLLIER COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

ASSETS

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 314,353	\$ 23,324
Beneficial interest in assets held by Community Foundation	39,533	34,943
Grants and other miscellaneous receivables	310,456	597,939
Prepaid expenses	46,039	65,021
Deposits	51,682	35,607
Property and equipment, net	47,960	37,984
Operating right-of-use assets	<u>840,909</u>	<u>-</u>
Total assets	<u>\$ 1,650,932</u>	<u>\$ 794,818</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 164,248	\$ 86,290
Operating lease obligations	<u>840,909</u>	<u>-</u>
Total liabilities	1,005,157	86,290
Net assets:		
Without donor restrictions		
Undesignated	553,124	708,528
With donor restrictions		
Purpose restrictions	<u>92,651</u>	<u>-</u>
Total net assets	<u>645,775</u>	<u>708,528</u>
Total liabilities and net assets	<u>\$ 1,650,932</u>	<u>\$ 794,818</u>

NAMI COLLIER COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND SUPPORT:			
Grants and contracts-Outreach and SDC	\$ 1,305,121	\$ -	\$ 1,305,121
Grants and contracts-HUGS and Other	329,982	-	329,982
Contributions	430,361	92,651	523,012
Special events	18,795	-	18,795
In-kind donations	30,610	-	30,610
Other income	6,092	-	6,092
Investment income, net	4,590	-	4,590
	<u>2,125,551</u>	<u>92,651</u>	<u>2,218,202</u>
Total revenues and support			
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and support and net assets released from restrictions	<u>2,125,551</u>	<u>92,651</u>	<u>2,218,202</u>
OPERATING EXPENSES:			
Program services	1,895,174	-	1,895,174
Management and general	356,093	-	356,093
Fundraising	29,688	-	29,688
	<u>2,280,955</u>	<u>-</u>	<u>2,280,955</u>
Total expenses			
CHANGE IN NET ASSETS	(155,404)	92,651	(62,753)
NET ASSETS - Beginning of year	<u>708,528</u>	<u>-</u>	<u>708,528</u>
NET ASSETS - End of year	<u>\$ 553,124</u>	<u>\$ 92,651</u>	<u>\$ 645,775</u>

NAMI COLLIER COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND SUPPORT:			
Grants and contracts-Outreach and SDC	\$ 1,561,894	\$ -	\$ 1,561,894
Grants and contracts-HUGS and Other	335,939	-	335,939
Contributions	287,739	-	287,739
Special events	221,273	-	221,273
Other income	23,189	-	23,189
Investment income, net	<u>(6,053)</u>	<u>-</u>	<u>(6,053)</u>
Total revenues and support	2,423,981	-	2,423,981
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and support and net assets released from restrictions	<u>2,423,981</u>	<u>-</u>	<u>2,423,981</u>
OPERATING EXPENSES:			
Program services	1,907,509	-	1,907,509
Management and general	386,785	-	386,785
Fundraising	<u>64,576</u>	<u>-</u>	<u>64,576</u>
Total expenses	<u>2,358,870</u>	<u>-</u>	<u>2,358,870</u>
CHANGE IN NET ASSETS	65,111	-	65,111
NET ASSETS - Beginning of year	<u>643,417</u>	<u>-</u>	<u>643,417</u>
NET ASSETS - End of year	<u><u>\$ 708,528</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 708,528</u></u>

NAMI COLLIER COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Advertising	\$ 26,429	\$ -	\$ -	\$ 26,429
Bank fees	-	2,711	-	2,711
Benefits (taxes, insurance, pension)	205,245	26,928	598	232,771
Depreciation	2,381	1,282	-	3,663
Housing and rental assistance	274,941	-	-	274,941
HUGS participant expenses	26,702	-	-	26,702
Insurance	16,026	4,912	-	20,938
Lease expenses	133,826	42,172	-	175,998
Loss on disposal of assets	23,607	-	-	23,607
Luncheon and Walk expenses	-	-	12,344	12,344
Miscellaneous and relocation	21,243	27,434	-	48,677
Other	3,409	2,232	1,582	7,223
Payroll	955,706	87,323	9,176	1,052,205
Printing and supplies	9,117	13,456	-	22,573
Professional fees	5,250	114,095	3,613	122,958
Repairs, maintenance and cleaning	9,057	6,624	-	15,681
SAC member expenses	47,630	-	-	47,630
SDC participant expenses	67,966	-	-	67,966
Storage rent	4,496	1,499	-	5,995
Telephone, internet and technology	34,109	19,135	2,375	55,619
Training	1,110	4,278	-	5,388
Travel	18,178	69	-	18,247
Utilities	8,746	1,943	-	10,689
Total	<u>\$ 1,895,174</u>	<u>\$ 356,093</u>	<u>\$ 29,688</u>	<u>\$ 2,280,955</u>

NAMI COLLIER COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Advertising	\$ 26,366	\$ -	\$ -	\$ 26,366
Bank fees	-	3,735	-	3,735
Benefits (taxes, insurance, pension)	183,014	55,028	-	238,042
Depreciation	-	3,169	-	3,169
Housing and rental assistance	582,668	-	-	582,668
HUGS participant expenses	30,796	-	-	30,796
Insurance	-	18,593	-	18,593
Lease expenses	120,955	29,219	-	150,174
Luncheon and Walk expenses	-	-	61,263	61,263
Other	5,607	3,032	-	8,639
Outreach sub-contractors expense	7,074	-	-	7,074
Payroll	750,927	89,803	-	840,730
Printing and supplies	29,288	8,824	-	38,112
Professional fees	12,527	121,501	-	134,028
Repairs, maintenance and cleaning	7,694	11,127	-	18,821
SAC member expenses	30,239	-	-	30,239
SDC participant expenses	76,018	-	-	76,018
Storage rent	-	3,996	-	3,996
Telephone, internet and technology	21,342	30,266	3,313	54,921
Training	458	3,653	-	4,111
Travel	16,460	298	-	16,758
Utilities	6,076	4,541	-	10,617
Total	<u>\$ 1,907,509</u>	<u>\$ 386,785</u>	<u>\$ 64,576</u>	<u>\$ 2,358,870</u>

NAMI COLLIER COUNTY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from grants and contracts	\$ 1,922,586	\$ 1,612,966
Cash received from contributions	523,012	287,739
Cash received from special events	18,795	221,273
Cash paid to suppliers and employees	(2,172,820)	(2,431,709)
Other income received	36,702	23,189
Investment income	4,590	(6,053)
Net cash provided/(used) by operating activities	332,865	(292,595)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net change in Community Foundation investment	(4,590)	6,098
Purchase of property and equipment	(37,246)	-
Net cash provided/(used) by investing activities	(41,836)	6,098
CASH FLOWS FROM FINANCING ACTIVITIES:	-	-
NET INCREASE/(DECREASE) IN CASH	291,029	(286,497)
CASH - Beginning of year	23,324	309,821
CASH - End of year	\$ 314,353	\$ 23,324
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:		
Change in net assets	\$ (62,753)	\$ 65,111
Depreciation	3,663	3,169
Loss on disposal of asset	23,607	-
Changes in assets and liabilities:		
Grant and other miscellaneous receivables	287,483	(284,867)
Prepaid expenses	18,982	(30,851)
Deposits	(16,075)	(34,257)
Accounts payable and accrued expenses	77,958	(10,900)
Net cash provided/(used) by operating activities	\$ 332,865	\$ (292,595)
NON-CASH TRANSACTIONS		
In-kind donations	\$ 30,610	\$ -

NAMI COLLIER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023 AND 2022

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

NAMI Collier County, Inc. (the "Organization") commenced operations on May 1, 1986 and was incorporated on November 10, 1987 as a 501(c)(3) non-profit organization. The Organization's mission is to provide mental health support, advocacy and education that inspires resilience and strengthens communities. The Organization's sources of support and revenue are primarily obtained from government grants and contracts, individual and corporate contributions, and special events.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

Financial Statements

The financial statements and notes are a representation of the Organization's management who is responsible for their integrity and objectivity. The accounting policies conform to the basis of accounting defined above and have been consistently applied in the preparation of the financial statements.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulated that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue Recognition

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received with donor restrictions that limit the use of donated assets are treated as net assets with donor restrictions. When the restriction is met, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Donated Assets and Services

Donated assets are reflected in the accompanying statements at their estimated fair market value at the date of receipt. Volunteers have made significant contributions of their time to the Organization and its programs. The value of these services is not reflected in the accompanying financial statements since they do not meet the criteria for recognition.

Cash and Cash Equivalents

The Organization considers as cash and cash equivalents all highly liquid investments with an initial maturity of three months or less.

NAMI COLLIER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023 AND 2022

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - continued

Investments

Investments are stated at fair market value as reported by the Community Foundation of Collier County as of June 30, 2023 and 2022.

Property and Equipment

Property and equipment is carried at cost or, if donated, at the approximate fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire land, buildings or equipment are reported as restricted support.

Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service or purchased and reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment is depreciated using the straight-line method calculated over the estimated useful lives of three to forty years. All acquisitions of property and equipment in excess of \$2,500 and one year life are capitalized. All expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of the assets are capitalized.

Income Taxes

The Organization is a qualified tax exempt organization under Code Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes, except on net income derived from unrelated business activities. The Organization has no revenues derived from unrelated business activities; accordingly, no provision for income taxes has been made. The Organization follows the income tax standard for uncertain tax positions and, as a result, has evaluated its tax positions and determined it has no uncertain tax positions as of June 30, 2023 and 2022.

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.

Reclassifications

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

Expense Allocation

The costs of providing program, management and fundraising activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The majority of the Organization's expenses are directly related to specific functions and are charged accordingly. Primarily payroll and related benefits and certain other costs are allocated based on estimates of time and effort spent on each function.

NAMI COLLIER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023 AND 2022

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - continued

Leases

The Organization determines if an arrangement is a lease at inception. If an arrangement contains a lease, the Organization performs a lease classification test to determine if the lease is an operating or a finance lease. Four leases have been identified as operating leases. Right-of-use assets represent the right to use an underlying asset for the lease term and lease liabilities represent obligations to make lease payments arising from the lease. Operating lease liabilities are recognized on the commencement date of the lease based on the present value of the future lease payments over the lease term. Right-of-use assets are valued at the initial measurements of the lease liability, plus any indirect costs or rent prepayments and reduced by any lease incentives and any deferred lease payments. In determining the discount rate used to measure the right-of-use assets and lease liabilities, the Organization used the rate implicit in the leases, or if not readily available, the Organization used the incremental borrowing rate. The incremental borrowing rate is based on the estimated secured rate comprised of a risk-free rate plus a credit spread as secured by the assets.

Change in Accounting Principle: Adoption of ASC 842

Effective July 1, 2022, the Organization adopted FASB ASC 842, Leases. The Organization determines if an arrangement contains a lease at inception based on whether the Organization has the right to control the assets during the contract period and other facts and circumstances. The Organization elected the package of practical expedient permitted under the transition guidance within the new standard which allowed it to carry forward the historical lease classification.

The adoption of FASB ASC 842 resulted in the recognition of the right-of-use assets of \$887,684 and operating lease liabilities of \$887,684. Results for the periods prior to July 1, 2022 continue to be reported in accordance with the historical accounting treatment. The standard had a material impact on the statement of financial position, but did not have an impact on the statement of activities or cash flows. The most significant impact was the recognition of the operating lease right-of-use assets and operating lease liabilities.

NOTE 2 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 314,353
Beneficial interest in assets held by Community Foundation	39,533
Grants and other miscellaneous receivables	310,456
Total financial assets	<u>664,342</u>
Less: donor purpose restrictions	<u>(92,651)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u><u>\$ 571,691</u></u>

NOTE 3 - PROPERTY AND EQUIPMENT, NET

Property and equipment as of June 30, 2023 and 2022, consists of the following:

	<u>2023</u>	<u>2022</u>
Furniture and fixtures	\$ 50,551	\$ 23,250
Computer equipment	45,238	35,293
Leasehold improvements	-	32,750
Vehicles	<u>27,917</u>	<u>27,917</u>
	123,706	119,210
Less accumulated depreciation	<u>(75,746)</u>	<u>(81,226)</u>
	<u><u>\$ 47,960</u></u>	<u><u>\$ 37,984</u></u>

Depreciation expense for the years ended June 30, 2023 and 2022 was \$3,663 and \$3,169, respectively.

NAMI COLLIER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023 AND 2022

NOTE 4 - FAIR VALUE MEASUREMENTS

The Organization measures fair value as set forth in the Statement of Financial Accounting Standard FASB ASC 820, "Fair Value Measurements." FASB ASC 820 applies to reported balances that are required or permitted to be measured at fair value under an existing accounting pronouncement. FASB ASC 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 - Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 - Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics or discounted cash flows.

Level 3 - Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The following are the major categories of assets measured at fair value on a recurring basis during the years ended June 30, 2023 and 2022:

	<u>2023</u>		<u>2022</u>	
	<u>Fair Value</u>	<u>Level 3</u>	<u>Fair Value</u>	<u>Level 3</u>
Beneficial interest in assets held by Community Foundation	<u>\$ 39,533</u>	<u>\$ 39,533</u>	<u>\$ 34,943</u>	<u>\$ 34,943</u>

NOTE 5 - BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

The Community Foundation of Collier County (CFCC) maintains an agency endowment ("NAMI of Collier County Endowment Fund") for the benefit of the Organization. The Organization has granted CFCC's Board of Directors variance power which gives CFCC the power to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgement of CFCC's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The invested assets are subject to CFCC investment and spending policies. Invested assets are reported at fair value in the statements of financial position. Changes in the value of assets held by CFCC are reported as investment income in the statements of activities.

Assets held by CFCC for the benefit of the Organization are invested in pooled funds managed by JP Morgan.

The changes to the Agency Fund for the years ended June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Community Foundation endowment, beginning balance	\$ 34,943	\$ 41,041
Realized gains/(losses)	1,452	687
Unrealized gains/(losses)	3,000	(7,345)
Interest and dividends	572	1,002
Investment management fees	(165)	(136)
Administrative fees	(269)	(306)
	<u>\$ 39,533</u>	<u>\$ 34,943</u>

NAMI COLLIER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023 AND 2022

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes:

	<u>2023</u>	<u>2022</u>
Purpose restrictions:		
Supportive housing	\$ 30,000	\$ -
Healthy I.D.E.A.S	25,000	-
HUGS children	15,151	-
Food pantry	12,500	-
SAC van	10,000	-
Total	<u>\$ 92,651</u>	<u>\$ -</u>

NOTE 7 - SPECIAL EVENTS

The Organization conducts special events each year. Special event revenues and expenses consisted of the following for the years ended June 30, 2023 and 2022:

	<u>2023</u>		
	<u>NAMI Walk</u>	<u>Friends of NAMI</u>	<u>Total</u>
Revenue	\$ 18,795	\$ -	\$ 18,795
Less: Expenses	(10,767)	(1,577)	(12,344)
Special event income, net	<u>\$ 8,028</u>	<u>\$ (1,577)</u>	<u>\$ 6,451</u>
	<u>2022</u>		
	<u>NAMI Walk</u>	<u>Friends of NAMI</u>	<u>Total</u>
Revenue	\$ 17,757	\$ 203,516	\$ 221,273
Less: Expenses	(10,608)	(50,655)	(61,263)
Special event income, net	<u>\$ 7,149</u>	<u>\$ 152,861</u>	<u>\$ 160,010</u>

The Friends of NAMI event was canceled during the fiscal year ended June 30, 2023 due to Hurricane Ian.

NOTE 8 - CONCENTRATION OF CREDIT RISK

The Organization maintains accounts at financial institutions in bank deposits which, at times, may exceed federally insured limits of \$250,000. At June 30, 2023 and 2022, the Organization's uninsured cash balances totaled approximately \$98,000 and \$0, respectively.

NOTE 9 - LEASING ACTIVITIES

The Organization cancelled the existing lease agreements for the rental of office space at 3050 Horseshoe Drive N, Ste 168, Naples, Florida, 6216 and 6320 Trail Boulevard, Naples, Florida and at 1650 Commercial Lane, Fort Myers, Florida. There were no remaining obligations on these lease agreements as of March 2023.

NAMI COLLIER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023 AND 2022

NOTE 9 - LEASING ACTIVITIES - continued

The Organization has an obligation as a lessee for the rental of office space at 5025 Castello Drive, Naples, Florida, commencing March 2023. The Organization classifies the lease as an operating lease which has a term of 5 years. Payments due under the contract are \$15 per rentable square foot per year for the first floor (7,159 total square feet) during the first 12 months of the lease and \$9.24 per rentable square foot per year for the second floor (5,335 total square feet) during the first six months of the lease followed by \$12.50 per rentable square foot per year during the second six months of the lease. After the first lease year payments will increase to \$15.45 per rentable square foot for the first and second floor, respectively. Thereafter, the Organization will be subject to an annual increase of 3% per rentable square foot. Lessee shall also be obligated to pay common area maintenance fees of \$6.67 per rentable square foot.

The Organization also has obligations as a lessee for two copy machines and a postage machine. The Organization classifies these leases as operating leases with terms ranging from 4-5 years. These leases do not include termination options. Payments due under the lease contracts are fixed.

The following summarizes the lines items on the statement of financial position which include amounts for operating leases as of June 30, 2023:

Operating lease right-of-use assets - July 1, 2022	\$	887,684
Less: current year principal		(46,775)
Operating lease right-of-use assets		\$ 840,909

As of June 30, 2023, the weighted average remaining lease term for all operating leases is 3.17 years, while the weighted average discount rate for all operating leases is 3.45%.

The future maturities of the operating lease obligations, are as follows:

	Year	Amount
	2024	\$ 181,761
	2025	199,077
	2026	204,001
	2027	207,102
	2028	140,621
Total lease payments		932,562
Less: interest		(91,653)
Present value of operating lease obligations		\$ 840,909

The following summarizes the line items in the statement of activities which include components of lease expense for the year ended June 30, 2023:

	\$	148,217
Operating lease costs		27,781
CAM fees		175,998
Total operating lease costs		\$ 175,998

The following summarizes cash flow information related to leases for the year ended June 30, 2023:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	\$	175,998
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Leased assets obtained in exchange for lease obligations:

Operating leases	\$	887,684
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NAMI COLLIER COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2023 AND 2022

NOTE 10 - GIFTS IN-KIND

The Organization received gifts in-kind of the following:

	<u>2023</u>
Furniture, fixtures and equipment for new office	\$ 15,390
Food, clothing and home goods	<u>15,220</u>
	<u>\$ 30,610</u>

NOTE 11 - EMPLOYEE BENEFIT PLAN

In fiscal year 2014, the Organization adopted a 403(b) retirement plan for employees. The plan provides for tax-deferred employee contributions and discretionary employer matching contributions of the first 1% of salary deferral by full-time employees (here defined as those working at least 1,000 hours per year) at 100% and the next 4% of salary deferral at 75%. Thus, a maximum deferral of 5% of the employee's salary will result in a 4% match from the Organization. The Organization matching contributions amounted to \$14,400 and \$18,000, for the years ended June 30, 2023 and 2022.

NOTE 12 - ECONOMIC DEPENDENCY

The operations of NAMI Collier County, Inc. are dependent on the receipt of support and revenue from state, federal, and local governmental grantor agencies. Loss of these funds and/or large decreases in these types of funding would have a material effect on the Organization and a negative impact on overall operations. For the years ended June 30, 2023 and 2022, approximately 74% and 78% of total support and revenue was attributable to federal, state and local grants, respectively.

NOTE 13 - CONTINGENCIES

Grant funds received and disbursed by the Organization are for specific purposes and are subject to audit by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based on prior experience, management does not believe such disallowances, if any, would have a material effect on the financial position of the Organization.

NOTE 14 - RELATED-PARTY TRANSACTIONS

The Organization received \$38,883 and \$22,050 in contributions from members of the board of directors during the years ended June 30, 2023 and 2022, respectively.

During October 2022 the Organizations CEO loaned the Organization \$25,000 to cover operating costs. An additional \$8,500 was loaned during November 2022. In December 2022 \$33,500 was reimbursed to the Organizations CEO.

NOTE 15 - SUBSEQUENT EVENTS

Subsequent events were evaluated through November 17, 2023, which is the date the financial statements were available to be issued.