

**NAMI OF DUPAGE COUNTY, ILLINOIS  
REPORT ON THE AUDIT  
OF THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
JUNE 30, 2016 AND 2015**

**NAMI OF DUPAGE COUNTY, ILLINOIS**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
NAMI of Dupage County, Illinois

We have audited the accompanying financial statements of NAMI of Dupage County, Illinois (an Illinois not-for-profit corporation), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, functional expenses and cash flows for the years 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 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NAMI of Dupage County, Illinois as of June 30, 2016 and 2015, and the changes in its net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Other Matter**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Program Services Expenses on pages 21 and 22 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Knuttle & Associates, P.C.*

**NAMI OF DUPAGE COUNTY, ILLINOIS  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2016 AND 2015**

**ASSETS**

	<b>2016</b>	<b>2015</b>
<b>CURRENT ASSETS</b>		
Cash	\$ 224,737	\$ 254,023
Investments	168,032	201,844
Accounts Receivable (Net of Allowance for Doubtful Accounts of \$0)	34,190	13,685
Grants Receivable (Net of Allowance for Doubtful Accounts of \$0)	145,200	15,200
Prepaid Expenses	9,325	618
<b>TOTAL CURRENT ASSETS</b>	<b>581,484</b>	<b>485,370</b>
<b>FIXED ASSETS</b>		
Buildings and Improvements	779,833	721,005
Land	119,396	119,396
Furniture and Fixtures	65,405	65,405
Equipment	16,160	7,807
	980,794	913,613
Less -- Accumulated Depreciation and Amortization	536,162	505,888
<b>TOTAL FIXED ASSETS</b>	<b>444,632</b>	<b>407,725</b>
<b>OTHER ASSETS</b>		
Beneficial Interest in Assets Held by Others	238,072	369,795
Security Deposit	22,200	0
<b>TOTAL OTHER ASSETS</b>	<b>260,272</b>	<b>369,795</b>
 <b>TOTAL ASSETS</b>	 <b>\$ 1,286,388</b>	 <b>\$ 1,262,890</b>

## LIABILITIES AND NET ASSETS

	2016	2015
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 32,514	\$ 21,694
Notes Payable	5,453	5,142
Accrued Liabilities	10,148	9,494
Deferred Revenue	5,200	5,200
<b>TOTAL CURRENT LIABILITIES</b>	<u>53,315</u>	<u>41,530</u>
<b>LONG-TERM LIABILITIES</b>		
Notes Payable	<u>329,458</u>	<u>334,140</u>
<b>TOTAL LONG-TERM LIABILITIES</b>	<u>329,458</u>	<u>334,140</u>
<b>TOTAL LIABILITIES</b>	<u>382,773</u>	<u>375,670</u>
<b>NET ASSETS</b>		
Unrestricted	535,543	517,425
Temporarily Restricted	130,000	0
Permanently Restricted	238,072	369,795
<b>TOTAL NET ASSETS</b>	<u>903,615</u>	<u>887,220</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u><u>\$ 1,286,388</u></u>	 <u><u>\$ 1,262,890</u></u>

See The Accompanying Notes To The Financial Statements.

**NAMI OF DUPAGE COUNTY, ILLINOIS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUES</b>				
Grants and Donations	\$ 561,070	\$ 221,500	\$ 0	\$ 782,570
In-Kind Donations	121,585	0	0	121,585
Program Fees	107,209	0	0	107,209
Special Events	105,487	0	0	105,487
Rental Income	62,400	0	0	62,400
Membership Dues	4,593	0	0	4,593
Dividends and Interest	3,012	0	0	3,012
Change in Value of Beneficial Interest	0	0	(10,044)	(10,044)
Net Assets Released from Restrictions	213,179	(91,500)	(121,679)	0
<b>TOTAL PUBLIC SUPPORT AND REVENUES</b>	<u>1,178,535</u>	<u>130,000</u>	<u>(131,723)</u>	<u>1,176,812</u>
<b>EXPENSES AND LOSSES</b>				
Functional Expenses				
Program Services	894,371	0	0	894,371
Management and General	134,822	0	0	134,822
Fundraising	125,778	0	0	125,778
Total Functional Expenses	1,154,971	0	0	1,154,971
Realized Loss on Investments	1,286	0	0	1,286
Unrealized Loss on Investments	4,160	0	0	4,160
<b>TOTAL EXPENSES AND LOSSES</b>	<u>1,160,417</u>	<u>0</u>	<u>0</u>	<u>1,160,417</u>
<b>CHANGE IN NET ASSETS</b>	18,118	130,000	(131,723)	16,395
<b>NET ASSETS,</b>				
<b>BEGINNING OF YEAR</b>	<u>517,425</u>	<u>0</u>	<u>369,795</u>	<u>887,220</u>
<b>END OF YEAR</b>	<u>\$ 535,543</u>	<u>\$ 130,000</u>	<u>\$ 238,072</u>	<u>\$ 903,615</u>

**See The Accompanying Notes To The Financial Statements.**

**NAMI OF DUPAGE COUNTY, ILLINOIS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUES</b>				
Grants and Donations	\$ 461,658	\$ 99,016	\$ 0	\$ 560,674
In-Kind Donations	169,844	0	0	169,844
Special Events	156,104	0	0	156,104
Rental Income	62,000	0	0	62,000
Program Fees	15,071	0	0	15,071
Dividends and Interest	4,048	0	0	4,048
Membership Dues	3,426	0	0	3,426
Realized Gain on Investments	718	0	0	718
Change in Value of Beneficial Interest	0	0	6,751	6,751
Net Assets Released from Restrictions	109,699	(99,016)	(10,683)	0
<b>TOTAL PUBLIC SUPPORT AND REVENUES</b>	<u>982,568</u>	<u>0</u>	<u>(3,932)</u>	<u>978,636</u>
<b>EXPENSES AND LOSSES</b>				
Functional Expenses				
Program Services	714,580	0	0	714,580
Management and General	81,888	0	0	81,888
Fundraising	145,556	0	0	145,556
Total Functional Expenses	<u>942,024</u>	<u>0</u>	<u>0</u>	<u>942,024</u>
Unrealized Loss on Investments	384	0	0	384
<b>TOTAL EXPENSES AND LOSSES</b>	<u>942,408</u>	<u>0</u>	<u>0</u>	<u>942,408</u>
<b>CHANGE IN NET ASSETS</b>	40,160	0	(3,932)	36,228
<b>NET ASSETS,</b>				
<b>BEGINNING OF YEAR</b>	268,427	112,050	373,727	754,204
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>208,838</u>	<u>(112,050)</u>	<u>0</u>	<u>96,788</u>
<b>BEGINNING OF YEAR, RESTATE</b>	<u>477,265</u>	<u>0</u>	<u>373,727</u>	<u>850,992</u>
<b>END OF YEAR</b>	<u>\$ 517,425</u>	<u>\$ 0</u>	<u>\$ 369,795</u>	<u>\$ 887,220</u>

See The Accompanying Notes To The Financial Statements.



**NAMI OF DUPAGE COUNTY, ILLINOIS  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2016**

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
<b>Functional Expenses</b>				
Bank Charges	\$ 83	\$ 4,997	\$ 1,751	\$ 6,831
Books and Materials	35	490	0	525
Computer	9,626	38	4,188	13,852
Conferences and Meetings	76	1,037	0	1,113
Consumer Support	4,147	0	0	4,147
Contractual Services	72,782	5,475	0	78,257
Depreciation and Amortization	27,523	1,986	765	30,274
Donations and Memberships	0	2,488	3,568	6,056
Employee Benefits	2,768	6,196	0	8,964
Fundraising	0	0	56,098	56,098
Hospitality	3,131	1,763	234	5,128
In-Kind Donations - Goods	20,130	1,453	559	22,142
In-Kind Donations - Services	90,406	6,524	2,513	99,443
Insurance	3,446	7,372	0	10,818
Interest	20	2,804	0	2,824
Miscellaneous	762	2,097	79	2,938
Office	21,579	1,411	535	23,525
Payroll Taxes	18,479	12,507	11,305	42,291
Postage and Shipping	248	349	2,634	3,231
Printing and Copying	13,530	1,079	14,445	29,054
Professional Development	3,761	164	0	3,925
Rent	73,942	13,196	12,707	99,845
Repairs and Maintenance	7,890	670	0	8,560
Salaries and Wages	481,545	49,001	14,156	544,702
Supplies	34,394	2,330	220	36,944
Telephone	650	9,395	0	10,045
Travel	3,418	0	21	3,439
<b>Total Functional Expenses</b>	<u>\$ 894,371</u>	<u>\$ 134,822</u>	<u>\$ 125,778</u>	<u>\$ 1,154,971</u>

**See The Accompanying Notes To The Financial Statements.**

**NAMI OF DUPAGE COUNTY, ILLINOIS  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2015**

<b>Functional Expenses</b>	<b>PROGRAM SERVICES</b>	<b>MANAGEMENT AND GENERAL</b>	<b>FUNDRAISING</b>	<b>TOTAL</b>
Bank Charges	\$ 65	\$ 2,086	\$ 3,845	\$ 5,996
Books and Materials	1,083	362	80	1,525
Computer	6,972	2,208	756	9,936
Conferences and Meetings	1,171	908	80	2,159
Consumer Support	23,660	0	0	23,660
Contractual Services	23,583	11,806	0	35,389
Depreciation and Amortization	23,999	781	3,023	27,803
Donations and Memberships	6,892	1,065	2,112	10,069
Employee Benefits	1,177	1,576	0	2,753
Fundraising	0	0	42,451	42,451
Hospitality	2,809	361	1,885	5,055
In-Kind Donations - Goods	18,562	602	2,627	21,791
In-Kind Donations - Services	140,968	1,456	5,629	148,053
Insurance	2,921	5,437	0	8,358
Interest	9,354	1,888	0	11,242
Marketing	0	179	1,213	1,392
Miscellaneous	894	748	574	2,216
Office	0	2,130	0	2,130
Payroll Taxes	12,874	10,811	7,809	31,494
Postage and Shipping	2,719	0	4,188	6,907
Printing and Copying	21,543	2,905	5,339	29,787
Professional Development	1,698	423	333	2,454
Rent	57,918	0	6,656	64,574
Repairs and Maintenance	5,924	0	0	5,924
Salaries and Wages	334,996	27,729	45,982	408,707
Supplies	9,376	106	10,921	20,403
Telephone	1,045	3,697	0	4,742
Travel	2,377	0	53	2,430
Utilities	0	2,624	0	2,624
<b>Total Functional Expenses</b>	<b>\$ 714,580</b>	<b>\$ 81,888</b>	<b>\$ 145,556</b>	<b>\$ 942,024</b>

**See The Accompanying Notes To The Financial Statements.**

**NAMI OF DUPAGE COUNTY, ILLINOIS  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Received from Grantors and Supporters	\$ 1,033,433	\$ 858,903
Interest Received	3,012	4,048
Paid to Suppliers and Employees	(1,019,721)	(738,743)
Interest Paid	(2,824)	(11,242)
Taxes Paid	0	0
	<hr/>	<hr/>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	13,900	112,966
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from the Sale of Investments	28,366	72,566
Payments for the Purchase of Fixed Assets	(67,181)	(48,753)
	<hr/>	<hr/>
<b>NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES</b>	(38,815)	23,813
	<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advances on Line of Credit	57,000	0
Repayments on Line of Credit	(57,000)	0
Principal Payments on Notes Payable	(4,371)	(4,334)
	<hr/>	<hr/>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(4,371)	(4,334)
	<hr/>	<hr/>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(29,286)	132,445
<b>CASH AND CASH EQUIVALENTS,</b>		
<b>BEGINNING OF YEAR</b>	254,023	121,578
<b>END OF YEAR</b>	<u>\$ 224,737</u>	<u>\$ 254,023</u>
	<hr/>	<hr/>
<b>NON-CASH OPERATING ACTIVITIES</b>		
Donated Services	\$ 99,443	\$ 148,053
Donated Goods	22,142	21,791
	<hr/>	<hr/>
<b>TOTAL NON-CASH OPERATING ACTIVITIES</b>	<u>\$ 121,585</u>	<u>\$ 169,844</u>

See The Accompanying Notes To The Financial Statements.

**NAMI OF DUPAGE COUNTY, ILLINOIS  
STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	<b>2016</b>	<b>2015</b>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 16,395	\$ 36,228
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities		
Depreciation and Amortization	30,274	27,803
Realized Loss (Gain) on Investments	1,286	(718)
Unrealized Loss on Investments	4,160	384
Changes in Certain Assets and Liabilities:		
Accounts Receivable	(20,505)	65,745
Grant Receivable	(130,000)	(15,200)
Prepaid Expenses	(8,707)	7,542
Change in Value of Beneficial Interest in Assets Held by Others	131,723	3,932
Security Deposit	(22,200)	0
Accounts Payable	10,820	(4,298)
Accrued Liabilities	654	(8,852)
Deferred Revenue	0	400
Total Adjustments	(2,495)	76,738
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 13,900</b>	<b>\$ 112,966</b>

See The Accompanying Notes To The Financial Statements.

**NAMI OF DUPAGE COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

**NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

NAMI of Dupage County, Illinois (the "Organization") is an Illinois not-for-profit corporation formed for the purpose of providing support, advocacy and education in order to improve the quality of life of individuals with mental illnesses and their families. The Organization was formed in 1985.

A) Method of Accounting

The Organization's accounts are maintained on the accrual basis of accounting. Grants and other contributions are reported as temporarily restricted support if they are received with stipulations that limit the use of the funding. When the restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Expenses are recorded when incurred. The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization does not use fund accounting.

B) Accounting Policies

Cash and Cash Equivalents - For purposes of reporting cash flows, cash is defined as cash on hand, amounts held at financial institutions, and short-term highly liquid investments that are readily convertible to known amounts of cash. Investments with an original maturity of three months or less are considered short-term for these purposes.

Investments - Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values. Fair value is determined by reference to quoted market prices and other relevant information generated by market transactions. Unrealized and realized gains and losses are included in the change in net assets.

Allowance for Doubtful Accounts - The Organization carries its accounts and grants receivable at the amount that management expects to be collected. Management provides for probable uncollectible amounts through bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable accounts receivable. The allowance for doubtful accounts is \$0 at June 30, 2016 and 2015, respectively.

**NAMI OF DUPAGE COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

**NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

B) Accounting Policies (Continued)

Fixed Assets - Fixed assets are recorded at cost. Expenditures for repairs and maintenance are charged to expense as incurred, whereas renewals and betterments that extend the lives of property are capitalized. Depreciation and amortization is computed on the straight-line method over various useful lives. Depreciation and amortization expense is \$30,274 and \$27,803 for the years ended June 30, 2016 and 2015, respectively.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

Income Taxes - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, a provision for income taxes has not been made on the financial statements. It is also classified as other than a private foundation. Accordingly, a provision for income taxes has not been made on the financial statements. With few exceptions, the Organization is no longer subject to examinations by major tax jurisdictions for tax years 2012 and prior.

Donated Services - Donated services are recognized as revenues at their estimated fair value when they create or enhance nonfinancial assets or they require specialized skills which would need to be purchased if they were not donated. For the years ended June 30, 2016 and 2015, respectively, the Organization received donated services totaling \$99,443 and \$148,053, which are reflected in the statement of activities as in-kind donations revenue and allocated between program services, management and general and fundraising expenses. Services donated include professional and administrative services in connection with the Organization's operations.

Donated Goods - Donated goods are recognized as revenues at their estimated fair value when they are contributed to the Organization. For the years ended June 30, 2016 and 2015, respectively, donated goods were \$22,142 and \$21,791, and are reflected in the statement of activities as in-kind donations revenue and allocated between program services, management and general and fundraising expenses. Goods donated include purchase credits, household items, clothing, and various other items.

**NAMI OF DUPAGE COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

**NOTE 2 - GRANTS RECEIVABLE**

Grants receivable are deemed to be fully collectible within one year by management and are composed of the following amounts:

	<b>2016</b>	<b>2015</b>
Community Memorial Foundation	\$ 110,000	\$ 0
The Alfred Bersted Foundation	20,000	0
United Way of Metropolitan Chicago	15,200	15,200
	<u>\$ 145,200</u>	<u>\$ 15,200</u>

**NOTE 3 - INVESTMENTS AND BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS**

Investments are stated at fair value and consist of mutual funds as follows for the years ended June 30, 2016 and 2015, respectively:

	<u>Balance at June 30, 2016</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
Mutual Funds	<u>\$ 168,032</u>	<u>\$ 168,032</u>
	<u>Balance at June 30, 2015</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
Mutual Funds	<u>\$ 201,844</u>	<u>\$ 201,844</u>

The Organization has transferred assets to a Community Foundation which holds funds for its benefit. When a not-for-profit transfers assets to a charitable trust or community foundation in which the resource provider names itself as the beneficiary, the economic benefit of the transferred asset remains with the resource provider. The asset received in exchange is a beneficial interest in assets held by others, measured at the fair value of the asset contributed. Changes in the value of the beneficial interest in assets held by others are recognized in the Statement of Activities.

**NAMI OF DUPAGE COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

**NOTE 3 - INVESTMENTS AND BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS  
(CONTINUED)**

Beneficial interest in assets held by others consist of investments in securities that are summarized as follows for the years ended June 30, 2016 and 2015, respectively:

	Balance at June 30, 2016	Significant Unobservable Inputs (Level 3)
Endowment Funds		
Martens Agency Fund	\$ 216,815	\$ 216,815
DuPage Agency Fund	11,975	11,975
DuPage Designated Fund	9,282	9,282
	<u>\$ 238,072</u>	<u>\$ 238,072</u>

	Balance at June 30, 2015	Significant Unobservable Inputs (Level 3)
Endowment Funds		
Martens Agency Fund	\$ 231,403	\$ 231,403
DuPage Agency Fund	128,547	128,547
DuPage Designated Fund	9,845	9,845
	<u>\$ 369,795</u>	<u>\$ 369,795</u>

Generally accepted accounting principles provide the definition of fair value for financial reporting, establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, and require disclosure about the use of fair value measurements. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used when Level 1 or Level 2 inputs were not available. No Level 2 inputs were used.

**Level 1 Fair Value Measurements**

The fair value of mutual funds is based on unadjusted quoted market prices in active markets for identical assets.



**NAMI OF DUPAGE COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

**NOTE 3 - INVESTMENTS AND BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS  
(CONTINUED)**

Level 3 Fair Value Measurement

The Organization has three investment accounts with DuPage Foundation which consist of funds contributed by the Organization or donors and includes earnings thereon, net of distributions received. Distributions of income earned from beneficial interest are received once a year based on the spending policy adopted by the Board of Directors of DuPage Foundation. The beneficial interest in assets held by others are valued using Level 3 measurements, as the Organization's interest is not redeemable in the near term.

The following tables summarize the investment return and its classification in the statement of activities for the years ended June 30, 2016 and 2015:

*June 30, 2016*

	<b>Total</b>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>
Dividends and Interest	\$ 2,925	\$ 2,925	\$ 0	\$ 0
Realized Loss on Investments	(1,286)	(1,286)	0	0
Change in Value of Beneficial Interest	(131,723)	0	0	(131,723)
Unrealized Loss on Investments	(4,160)	(4,160)	0	0
	<u>\$ (134,244)</u>	<u>\$ (2,521)</u>	<u>\$ 0</u>	<u>\$ (131,723)</u>

*June 30, 2015*

	<b>Total</b>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>
Dividends and Interest	\$ 4,048	\$ 4,048	\$ 0	\$ 0
Realized Gain on Investments	718	718	0	0
Change in Value of Beneficial Interest	(3,932)	0	0	(3,932)
Unrealized Loss on Investments	(384)	(384)	0	0
	<u>\$ 450</u>	<u>\$ 4,382</u>	<u>\$ 0</u>	<u>\$ (3,932)</u>

**NAMI OF DUPAGE COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

**NOTE 3 - INVESTMENTS AND BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS  
(CONTINUED)**

The following is a summary of activity in the beneficial interest in assets held by others at June 30:

	<b>2016</b>	<b>2015</b>
Beginning Balance	\$ 369,795	\$ 373,727
Contributions	0	10,000
Gain on Beneficial Interest, Inclusive of Realized Gains (Losses), Unrealized Gains (Losses) and Interest	(10,044)	6,751
Distributions	(121,679)	(20,683)
Ending Balance	<u>\$ 238,072</u>	<u>\$ 369,795</u>

**NOTE 4 - NOTES PAYABLE**

Notes payable consist of the following at June 30:

	<b>2016</b>	<b>2015</b>
\$191,018 note payable to BMO Harris Bank dated May 2, 2003 with 360 monthly payments of \$1,141 inclusive of interest at 5.875%, through May 2, 2033, secured by real estate of the Organization.	\$ 146,173	\$ 150,544
\$87,238 note payable to County of DuPage dated July 8, 2005 with no monthly payments, bearing no interest, with all remaining principal forgivable on September 13, 2025 unless the property is sold, secured by real estate of the Organization.	87,238	87,238
\$52,500 note payable to County of DuPage dated July 22, 2013 with no monthly payments, bearing no interest, with all remaining principal forgivable February 5, 2033 unless the property is sold, secured by real estate of the Organization.	52,500	52,500
\$49,000 note payable to County of DuPage dated July 17, 2006 with no monthly payments, bearing no interest, through April 1, 2026, secured by real estate of the Organization.	49,000	49,000
Total Debt	<u>334,911</u>	<u>339,282</u>
Less: Current Portion	5,453	5,142
Total Long-Term Debt	<u>\$ 329,458</u>	<u>\$ 334,140</u>

**NAMI OF DUPAGE COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

**NOTE 4 - NOTES PAYABLE (CONTINUED)**

Future maturities of long-term debt are as follows:

For the year ended June 30, 2018	\$	5,782
		2019      6,131
		2020      6,501
		2021      6,893
		2022      7,309
		2023 - 2027      179,959
		2028 - 2032      58,608
		2033      58,275
		\$ 329,458
		\$ 329,458

**NOTE 5 - LINE OF CREDIT**

The Organization has a \$100,000 revolving line of credit with Wheaton Bank and Trust. Advances bear interest at the prime rate. The balance is \$0 at June 30, 2016 and 2015, respectively.

**NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes or period at June 30:

	<b>2016</b>	<b>2015</b>
Mental Health First Aid	\$ 65,000	\$ 0
Peer Support	45,000	0
Educational and Supportive Services	20,000	0
	\$ 130,000	\$ 0
	\$ 130,000	\$ 0

**NAMI OF DUPAGE COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

**NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)**

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors:

	<b>2016</b>	<b>2015</b>
Purpose Restriction Accomplished:		
School Connections	\$ 71,500	\$ 37,500
Peer Support	20,000	0
Education and Supportive Services	0	33,616
Hospital Recovery	0	23,750
Executive Coaching	0	4,150
Total Restrictions Released	<u>\$ 91,500</u>	<u>\$ 99,016</u>

**NOTE 7 - PERMANENTLY RESTRICTED NET ASSETS**

The Organization's permanently restricted net assets consist of three donor-restricted endowments invested in cash and investments. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. All investment return from these three donor-restricted endowments was permanently restricted during the year ended June 30, 2016 and 2015, respectively, and released from restrictions in accordance with the following policy.

The State of Illinois adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective June 30, 2009. The Organization accounts for endowments in accordance with U.S. GAAP. This provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to UPMIFA.

*Interpretation of Relevant Law:*

The Organization has interpreted the Illinois 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 classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) any 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.



**NAMI OF DUPAGE COUNTY, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

**NOTE 9 - PRIOR PERIOD ADJUSTMENT**

The accompanying financial statements for 2015 have been restated to correct errors in the recording of notes payable and temporarily restricted net assets. Net assets at the beginning of 2015 has been adjusted \$96,788 for the effects of the restatement on prior years.

**NOTE 10 - RECLASSIFICATIONS**

Certain prior period amounts have been reclassified to conform to current year presentation.

**NOTE 11 - SUBSEQUENT EVENTS**

The date to which events occurring after June 30, 2016, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosure is September 27, 2016, the date the financial statements were available to be issued.

**NAMI OF DUPAGE COUNTY, ILLINOIS  
SCHEDULE OF PROGRAM SERVICES EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2016**

Program Services

	Employment Program	Living Room	Consumer Services	School Education	Hospital Recovery	Recreation	General Education	Housing	Mental Health First Aid	Peer Support	Community Center	Total
<b>Program Services</b>												
Bank Charges	\$ 74	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9	\$ 83
Books and Materials	0	0	35	0	0	0	0	0	0	0	0	35
Computer Expense	8,970	0	0	15	0	0	641	0	0	0	0	9,626
Conferences and Meetings	0	0	0	0	0	0	0	0	76	0	0	76
Consumer Support	0	0	4,147	0	0	0	0	0	0	0	0	4,147
Contractual Services	7,461	37,541	0	8,325	10,730	120	3,070	0	30	5,460	45	72,782
Depreciation and Amortization	6,961	3,063	2,868	5,838	2,526	2,807	1,389	2,071	0	0	0	27,523
Employee Benefits	0	0	1,414	0	0	0	1,354	0	0	0	0	2,768
Hospitality	0	333	524	88	27	55	222	0	1,333	517	32	3,131
In-Kind Donations - Goods	5,091	2,240	2,098	4,270	1,848	2,053	1,016	1,514	0	0	0	20,130
In-Kind Donations - Services	22,864	10,062	9,421	19,177	8,298	9,220	4,563	6,801	0	0	0	90,406
Insurance	0	0	0	0	0	0	0	3,446	0	0	0	3,446
Interest	0	0	0	0	0	0	0	20	0	0	0	20
Miscellaneous	0	0	470	0	0	20	100	0	160	0	12	762
Office	6,327	2,273	2,128	3,297	1,876	2,075	2,063	1,540	0	0	0	21,579
Payroll Taxes	2,554	0	4,844	3,136	2,113	2,040	3,179	0	613	0	0	18,479
Postage and Shipping	238	0	0	0	0	0	10	0	0	0	0	248
Printing and Copying	786	707	733	937	0	1,548	8,372	0	0	447	0	13,530
Professional Development	42	0	0	225	0	199	3,295	0	0	0	0	3,761
Rent	14,033	9,040	11,962	7,132	6,220	4,822	6,325	11,148	0	3,260	0	73,942
Repairs and Maintenance	0	0	0	0	0	0	0	7,890	0	0	0	7,890
Salaries and Wages	96,501	72,661	65,454	63,884	61,997	55,897	44,756	12,374	8,021	0	0	481,545
Supplies	14,304	1,079	356	737	0	1,533	407	0	11,192	35	4,751	34,394
Telephone	0	0	0	650	0	0	0	0	0	0	0	650
Travel	48	29	0	1,853	0	0	1,156	0	332	0	0	3,418
<b>Total Program Services</b>	<b>\$ 186,254</b>	<b>\$ 139,028</b>	<b>\$ 106,454</b>	<b>\$ 119,564</b>	<b>\$ 95,635</b>	<b>\$ 82,389</b>	<b>\$ 81,918</b>	<b>\$ 46,804</b>	<b>\$ 21,757</b>	<b>\$ 9,719</b>	<b>\$ 4,849</b>	<b>\$ 894,371</b>

**NAMI OF DUPAGE COUNTY, ILLINOIS  
SCHEDULE OF PROGRAM SERVICES EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2015**

	Program Services										
	Consumer Services	School Education	Hospital Recovery	General Education	Housing	NAMI Print Shop	Employment Program	Living Room	Community Center	Recreation	Total
<b>Program Services</b>											
Bank Charges	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 65	\$ 0	\$ 65
Books and Materials	294	0	0	789	0	0	0	0	0	0	1,083
Computer Expense	1,510	1,708	1,236	1,986	120	412	0	0	0	0	6,972
Conferences and Meetings	0	1,171	0	0	0	0	0	0	0	0	1,171
Consumer Support	23,660	0	0	0	0	0	0	0	0	0	23,660
Contractual Services	0	9,300	8,850	1,753	0	0	0	180	3,500	0	23,583
Depreciation and Amortization	6,030	6,899	4,918	3,806	608	1,738	0	0	0	0	23,999
Donations and Memberships	55	0	0	0	0	0	0	6,837	0	0	6,892
Employee Benefits	606	0	0	571	0	0	0	0	0	0	1,177
Hospitality	994	223	156	319	0	0	0	895	222	0	2,809
In-Kind Donations - Goods	4,641	5,309	3,785	2,929	561	1,337	0	0	0	0	18,562
In-Kind Donations - Services	66,018	24,498	19,595	0	6,262	9,955	6,720	7,920	0	0	140,968
Insurance	0	0	0	0	2,921	0	0	0	0	0	2,921
Interest	0	0	0	0	9,354	0	0	0	0	0	9,354
Miscellaneous	0	0	0	50	0	8	0	0	836	0	894
Payroll Taxes	3,182	3,037	2,059	3,069	0	775	752	0	0	0	12,874
Postage and Shipping	571	168	404	630	335	37	0	0	574	0	2,719
Printing and Copying	8,990	3,083	3,049	6,421	0	0	0	0	0	0	21,543
Professional Development	125	389	0	1,184	0	0	0	0	0	0	1,698
Rent	24,100	9,788	10,454	11,963	1,613	0	0	0	0	0	57,918
Repairs and Maintenance	0	0	0	0	5,924	0	0	0	0	0	5,924
Salaries and Wages	91,140	72,606	66,031	70,755	14,705	9,535	10,224	0	0	0	334,996
Supplies	1,323	3,508	1,020	1,745	113	6	412	299	930	20	9,376
Telephone	0	1,000	0	0	0	0	0	0	45	0	1,045
Travel	0	1,529	56	773	0	19	0	0	0	0	2,377
<b>Total Program Services</b>	<b>\$ 233,239</b>	<b>\$ 144,216</b>	<b>\$ 121,613</b>	<b>\$ 108,743</b>	<b>\$ 42,516</b>	<b>\$ 23,822</b>	<b>\$ 18,108</b>	<b>\$ 16,131</b>	<b>\$ 6,172</b>	<b>\$ 20</b>	<b>\$ 714,580</b>