

**NAMI FRANKLIN COUNTY, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2020 AND 2019**

Board of Trustees  
NAMI Franklin County, Inc.  
Columbus, OH

## INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of NAMI Franklin County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, the related statements of activities and changes in net assets, 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.

### **Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 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 opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NAMI Franklin County, Inc. as of June 30, 2020 and 2019, and the changes in net assets, functional expenses and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Key Performance Indicators is presented for purposes of additional analysis and is 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.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2020, on our consideration of NAMI Franklin County, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NAMI Franklin County, Inc.'s internal control over financial reporting and compliance.

HHH CPA Group, LLC

December 27, 2020

**NAMI FRANKLIN COUNTY, INC.**

**STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2020 AND 2019**

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 310,926	\$ 202,040
Cash restricted for establishing foundation	70,118	70,055
Accounts receivable	8,276	51,205
Prepaid expenses	8,028	8,313
Amounts held in trust for others	<u>70,600</u>	<u>53,706</u>
 Total current assets	 467,948	 385,319
 Property and equipment		
Equipment and furniture	31,317	29,732
Accumulated depreciation	<u>(28,968)</u>	<u>(25,418)</u>
 Net property and equipment	 <u>2,349</u>	 <u>4,314</u>
	<u>\$ 470,297</u>	<u>\$ 389,633</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Accounts payable	\$ 10,563	\$ 16,060
Accrued expenses	22,369	18,251
Deferred revenue	24,045	2,010
Amounts held in trust for others	<u>70,600</u>	<u>53,707</u>
 Total current liabilities	 127,577	 90,028
 Long-term liabilities	 <u>-</u>	 <u>-</u>
 Total liabilities	 127,577	 90,028
 Net assets:		
With donor restriction	79,718	71,055
Without donor restriction	<u>263,002</u>	<u>228,550</u>
 Total net assets	 <u>342,720</u>	 <u>299,605</u>
	<u>\$ 470,297</u>	<u>\$ 389,633</u>

See accompanying notes to financial statements

**NAMI FRANKLIN COUNTY, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUES</b>			
ADAMH	\$ 526,020	\$ -	\$ 526,020
Contributions	75,170	-	75,170
Grants	-	9,108	9,108
Special events	20,211	-	20,211
Membership	1,269	-	1,269
Investment income	183	-	183
Miscellaneous revenue	41,106	-	41,106
TOTAL REVENUES	<u>663,959</u>	<u>9,108</u>	<u>673,067</u>
Net assets released from restrictions	<u>445</u>	<u>(445)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUES	664,404	8,663	673,067
<b>EXPENSES</b>			
Program services:	559,426	-	559,426
Fundraising	17,377	-	17,377
Management and general	53,149	-	53,149
TOTAL EXPENSES	<u>629,952</u>	<u>-</u>	<u>629,952</u>
CHANGE IN NET ASSETS	34,452	8,663	43,115
NET ASSETS AT BEGINNING OF YEAR	<u>228,550</u>	<u>71,055</u>	<u>299,605</u>
NET ASSETS AT END OF YEAR	<u>\$ 263,002</u>	<u>\$ 79,718</u>	<u>\$ 342,720</u>

See accompanying notes and independent accountant's review report

NAMI FRANKLIN COUNTY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
JUNE 30, 2020

	<u>Program Services</u>	<u>Fundraising Activities</u>	<u>Management and General</u>	<u>Total Expenses</u>
Salaries	\$ 283,529	\$ 757	\$ 9,458	\$ 293,744
Payroll taxes and benefits	22,218	64	725	23,007
Fundraising and development	-	5,739	-	5,739
Rent and facility	15,389	1,571	6,143	23,103
Printing and reproduction	33,773	3,422	2,261	39,456
Insurance	-	-	4,870	4,870
Office expenses and postage	32,882	-	2,884	35,766
Accounting/legal/consulting	50,372	4,000	1,906	56,278
Dues and subscriptions	1,001	-	1,143	2,144
Telephone	7,119	726	695	8,540
Bank charges/fees	-	-	3,721	3,721
Depreciation	-	-	3,550	3,550
Training	92,739	900	14,697	108,336
Advertising	15,012	198	1,065	16,275
Travel	5,392	-	31	5,423
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 559,426</u>	<u>\$ 17,377</u>	<u>\$ 53,149</u>	<u>\$ 629,952</u>

See accompanying notes and independent accountant's review report

**NAMI FRANKLIN COUNTY, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUES</b>			
ADAMH	\$ 413,944	\$ -	\$ 413,944
Contributions	66,366	-	66,366
Grants	-	71,410	71,410
Special events	81,013	-	81,013
Membership	1,060	-	1,060
Investment income	56	-	56
Miscellaneous revenue	43,495	-	43,495
TOTAL REVENUES	<u>605,934</u>	<u>71,410</u>	<u>677,344</u>
Net assets released from restrictions	<u>1,062</u>	<u>(1,062)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUES	606,996	70,348	677,344
<b>EXPENSES</b>			
Program services:	467,279	-	467,279
Fundraising	22,059	-	22,059
Management and general	63,458	-	63,458
TOTAL EXPENSES	<u>552,796</u>	<u>-</u>	<u>552,796</u>
CHANGE IN NET ASSETS	54,200	70,348	124,548
NET ASSETS AT BEGINNING OF YEAR	<u>174,350</u>	<u>707</u>	<u>175,057</u>
NET ASSETS AT END OF YEAR	<u>\$ 228,550</u>	<u>\$ 71,055</u>	<u>\$ 299,605</u>

NAMI FRANKLIN COUNTY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
JUNE 30, 2019

	<u>Program Services</u>	<u>Fundraising Activities</u>	<u>Management and General</u>	<u>Total Expenses</u>
Salaries	\$ 207,158	\$ 317	\$ 4,639	\$ 212,114
Payroll taxes and benefits	15,597	25	254	15,876
Fundraising and development	-	2,651	-	2,651
Rent and facility	11,457	2,254	7,434	21,145
Printing and reproduction	29,529	4,315	3,149	36,993
Insurance	-	-	4,993	4,993
Office expenses and postage	34,459	-	12,287	46,746
Accounting/legal/consulting	47,936	4,000	2,618	54,554
Dues and subscriptions	1,533	1,231	1,153	3,917
Telephone	7,204	1,188	1,129	9,521
Bank charges/fees	-	-	3,837	3,837
Depreciation	-	-	4,836	4,836
Training	74,901	6,078	14,828	95,807
Advertising	27,915	-	1,655	29,570
Travel	9,590	-	646	10,236
Total	<u>\$ 467,279</u>	<u>\$ 22,059</u>	<u>\$ 63,458</u>	<u>\$ 552,796</u>

See accompanying notes and independent accountant's review report



**NAMI FRANKLIN COUNTY, INC.**

**STATEMENTS OF CASH FLOWS**

**YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 43,115	\$ 124,548
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation	3,550	4,836
Collections of contributions restricted for long-term purposes:		
Funds for establishing foundation	(63)	(70,055)
 (Increase) decrease in assets:		
Accounts receivable	42,929	1,930
Prepaid expenses	285	(1,871)
Increase (decrease) in liabilities:		
Accounts payable	(5,497)	(5,360)
Accrued expenses	4,118	3,658
Deferred revenue	22,035	2,010
 Total adjustments	67,357	(64,852)
 Net cash provided by operating activities	110,472	59,696
 Cash flows from investing activities:		
Purchases of property and equipment	(1,586)	(1,558)
 Net cash provided by investing activities	(1,586)	(1,558)
 Cash flows from financing activities:	-	-
 Net increase (decrease) in cash	108,886	58,138
 Cash at beginning of year	202,040	143,902
 Cash at end of year	\$ 310,926	\$ 202,040
 Supplemental disclosures:		
Interest paid	\$ -	\$ -
 Income taxes paid	\$ -	\$ -

See accompanying notes to financial statements

## **NAMI FRANKLIN COUNTY, INC.**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### Note 1 - Organization

NAMI Franklin County, Inc. (the Organization) is an Ohio nonprofit organization established to provide advocacy and support for the families of mentally ill persons and for those who have suffered from mental illness themselves.

#### Note 2 - Summary of Significant Accounting Policies

##### Financial Statements

Preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. Actual results could differ from the estimates.

##### Cash

For purposes of the statements of cash flows, the Organization considers all cash in checking accounts, savings accounts and highly liquid investments money market accounts with original maturities of less than 90 days to be cash equivalents. The Federal Deposit Insurance Corporation insures depositors up to \$250,000 in each bank. The bank account balances contain cash deposits that are under the federal insurance limit as of June 30, 2020.

##### Accounts Receivable

Provisions are made for estimated uncollectible accounts receivable. The Organization's estimate of the allowance is based on historical collection experience, a review of current status of receivables and judgment. Decisions to charge off receivables are based on management's judgment after consideration of facts and circumstances surrounding potential uncollectible accounts. As of June 30, 2020 there were no provisions for uncollectible accounts.

##### Depreciation

The Organization follows the practice of capitalizing furniture and equipment which have a cost \$1,000 or more and having a useful life in excess of one year. Property and equipment are stated at cost and depreciated over the estimated useful lives of the assets using the straight-line method. Purchased furniture and equipment are valued at acquisition cost. Contributed furniture and equipment are recorded at estimated fair market value at the date received. Total depreciation expense was \$4,836 and \$4,255 for the year ended June 30, 2020 and 2019, respectively.

(Continued)

**NAMI FRANKLIN COUNTY, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

Note 2 - Summary of Significant Accounting Policies - Continued

Revenues

The Organization receives support principally from the Franklin County Alcohol, Drug and Mental Health Board (ADAMH). The revenue is recognized when eligible expenses are incurred. The Organization received 78% of its total support and revenues from the ADAMH Board.

Memberships – recognized when received. Memberships are paid both by credit cards and checks.

Grants – received from various government agencies and foundations. Revenue is recognized when related services are performed, or when qualifying expenses are incurred in compliance with provisions of the grants. Grant receipts in excess of expenses incurred are reported as deferred revenue.

Contributions – Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

NAMI Walks – registration fees are recognized as revenues on the day the event is held. Fees received in advance are deferred when received and recognized when earned.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization at the residents' facilities, but these services do not meet the criteria for recognition as contributed services. The Organization receives more than 3,000 volunteer hours per year.

Deferred Revenues

Current deferred revenues are attributable to the Organization receiving grant money without incurring the related expenses.

Advertising Costs

The Organization's policy is to expense advertising costs as incurred. Advertising costs were \$16,276 and \$29,570 in 2020 and 2019, respectively. The costs are included in the advertising, training, office expense, and printing and postage categories on the 2019 statement of functional expenses.

(Continued)

**NAMI FRANKLIN COUNTY, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

Note 2 - Summary of Significant Accounting Policies - Continued

Functional Allocation of Expenses

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

Note 3 - Contingency

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, or expenditures which may be disallowed by the grantor cannot be determined at this time, although, the Organization expects such amounts, if any, to be immaterial.

Note 4 - Commitments

The Organization leases its current office location under a sublease agreement with NAMI Ohio, who is the official tenant on the Lease Agreement with the Landlord. Sublease term requests a monthly payment of \$1,500 through June 30, 2020. The sublease was subsequently renewed for one year at the same terms with a \$1,500 monthly rate.

Rent expense totaled \$18,000 for the year ended June 30, 2020.

Future minimum payments under the leases are as follows for fiscal years ended June 30:

2021	\$ 18,000
Thereafter	<u>-</u>
	<u>\$ 18,000</u>

Note 5 - Federal Income Taxes

The Organization has been determined, by the Internal Revenue Service, to be exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It is classified by the Internal Revenue Service as an entity that is not a private foundation within the meaning of section 509(a) and, as a result, a provision for taxes is not required.

The Organization has adopted the provisions of the Accounting for Uncertainty in Income Taxes topic of the FASB Accounting Standards Codification, which became effective for years beginning after December 26, 2008. The Organization's tax returns for the last three years are subject to examination by taxing authorities. During the year ended June 30, 2020, the Organization did not have any unrelated income that was subject to federal taxes.

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## **NAMI FRANKLIN COUNTY, INC.**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### Note 6 – Subsequent Events

During March 2020, the state and federal government issued stay at home and social distancing recommendations to combat the COVID-19 global pandemic. As a result, numerous local businesses were closed and employees were laid off. The Organization has made operational modifications to comply with the above recommendations, but continues to offer its services as of the audit report date. There has been a reduction of meetings and shows as result of these regulations. The Organization believes it has enough capital reserves to withstand the effects as of the pandemic through the following 12 months from the report date. We are unable to project what other effects this pandemic will have beyond the subsequent 12 month from the date of the audit report, but management has no plans to cease operations.

The Organization has evaluated events subsequent to June 30, 2020, to assess the need for potential recognition or disclosures in the financial statements. Such events were evaluated through December 27, 2020, the date these financial statements were available to be issued. Based upon this evaluation, it was determined that no other subsequent events occurred that require recognition or additional disclosure in the financial statements.

#### Note 7 – Fiscal Agent

The Organization acts as a fiscal agent for the Special Docket Assistance Fund, which was a non-governmental fund established to subsidize the Specialized Docket Programs in order to address the needs not otherwise provided for of those involved in the programs. The Organization records these funds as Amounts Held in Trust For Others. The cash of the Special Docket Assistance Fund is held in a separate bank account. At June 30, 2020, the Special Docket Assistance Funds held by the Organization are \$6,151.

The Organization also acts a fiscal agent for the Franklin County Youth Leadership Council (the Council), which is a cooperative effort between the Council and the Franklin County Department of Job and Family Services. The Organization records these funds as Amounts Held in Trust For Others. The cash of the Council is held in a separate bank account. At June 30, 2020, the Council's funds held by the Organization are \$64,449.

#### Note 8 – Concentrations

The Organization receives its support from various sources. During the year ended June 30, 2020, 61% of combined receipts were attributed to the Alcohol, Drug and Mental Illness Board of Franklin County grant. If this program was to end in the near term, it would have a significant negative impact on the Organization's operations.

(Continued)

**NAMI FRANKLIN COUNTY, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

Note 9 – Net Assets

At the respective year-end, net assets were restricted by donors:

	<u>2020</u>	<u>2019</u>
Youth MOVE	\$ 2,000	\$ -
C.I.T. Training Program	7,600	1,000
NAMI Foundation	<u>70,118</u>	<u>70,055</u>
	<u>\$ 79,718</u>	<u>\$ 71,055</u>

Note 10 – Liquidity

The Organization does have donor and board restrictions on assets listed on the statement of financial position. There aren't any contractual limitations on use. There are no contractual agreements beyond those listed in the Notes. Detailed below are assets available to meet next year's expenditures as of June 30, 2020:

Cash and cash equivalents	\$ 310,926
Deferred revenues	(24,045)
	<u>\$ 286,881</u>

The Organization operates with a balanced budget and anticipates covering its operating expenditures by collection of sufficient revenues from donations and other sources. The Organization's operating expenses average approximately \$50,000 per month. The financial assets above are sufficient to support the Organizations operating expenses for approximately 5 months.

Note 11 – Recent Accounting Pronouncement

The Company adopts all applicable, new accounting pronouncements as of the specified effective dates.

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-09, Revenue from Contracts with Customers, as a new Accounting Standards Codification Topic 606 ("ASC Topic 606"), which will supersede nearly all existing revenue recognition guidance under GAAP. The core principal of the new accounting guidance is that an entity should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the Consideration to which the entity expects to be entitled in exchange for those goods or services.

(Continued)

**NAMI FRANKLIN COUNTY, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

Note 11 – Recent Accounting Pronouncement - Continued

The guidance also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract, where applicable. The standard is effective for us for annual periods beginning January 1, 2018. We adopted ASC Topic 606 as of July 1, 2018. An assessment to determine the impacts of the new accounting standard has been performed. Based on our assessment, the adoption of ASC Topic 606 did not have a material impact on our financial statements.

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU No. 2016-02, Leases, as a new Accounting Standards Codification Topic 842 ("ASC Topic 842"), which will supersede nearly all existing revenue recognition guidance under GAAP. Under the new provisions, all lessees will report a right-of-use asset and a liability for the obligation to make payments for all leases with the exception of those leases with a term of 12 months or less. All other leases will fall into one of two categories:

- Financing leases, similar to capital leases, will require the recognition of an asset and liability, measured at the present value of the lease payments.
  - Interest on the liability will be recognized separately from amortization of the asset.
  - Principal repayments will be classified as financing outflows and payments of interest as operating outflows on the statement of cash flows.
- Operating leases will also require the recognition of an asset and liability measured at the present value of the lease payments.
  - A single lease cost, consisting of interest on the obligation and amortization of the asset, calculated such that the amortization of the asset will increase as the interest amount decreases resulting in a straight-line recognition of lease expense.
  - All cash outflows will be classified as operating on the statement of cash flows.

The standard is effective for us for annual periods beginning December 15, 2020. We will adopt ASC Topic 842 as of July 1, 2020.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on our financial statements upon adoption.

**SUPPLEMENTARY INFORMATION**



NAMI FRANKLIN COUNTY, INC.  
SCHEDULES OF KEY PERFORMANCE INDICATORS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>		<u>2019</u>	
	<u>Amount</u>	<u>Ratios</u>	<u>Amount</u>	<u>Ratios</u>
1.) <u>Current Ratio</u>				
<u>Current Assets</u>	467,948	3.67	385,319	4.28
Current Liabilities	127,577		90,028	
2.) <u>Debt to Equity Ratio</u>				
<u>Total Liabilities</u>	127,577	0.37	90,028	0.30
Total Net Assets	342,720		299,605	
3.) <u>Administrative Costs to Expenses</u>				
<u>Total Administrative Costs</u>	53,149	0.08	63,458	0.11
Total Expenses	629,952		552,796	
4.) <u>Revenue to Expenses</u>				
<u>Total Revenue</u>	673,067	1.07	677,344	1.23
Total Expenses	629,952		552,796	
5.) <u>Net Asset Reserve</u>				
<u>Total Net Assets</u>	342,720	7.44	299,605	5.71
Total Expense / 12	46,066		52,496	
6.) <u>Percent of Funding from ADAMH Board</u>				
<u>Total Revenue from ADAMH</u>	526,020	0.78	413,944	0.61
Total Revenue	673,067		677,344	
7.) <u>Cash to Average Days Expenses</u>				
<u>Cash</u>	310,926	205.30	202,040	117.06
Expenses / 365	1,515		1,726	

See accountant's report and accompanying notes.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Trustees  
NAMI Franklin County, Inc.  
Columbus, OH

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of NAMI Franklin County, Inc. (a nonprofit organization), which comprise the statements of financial condition as of June 30, 2020 and 2019, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 27, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered NAMI Franklin County, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NAMI Franklin County, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the NAMI Franklin County, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal controls that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the NAMI Franklin County, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not identify any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of NAMI Franklin County, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NAMI Franklin County, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**HHH CPA GROUP, LLC**

December 27, 2020