

# **NAMI Metropolitan Houston**

## **Financial Statements**

**December 31, 2011 and 2010**

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# GOMEZ & COMPANY

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## CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

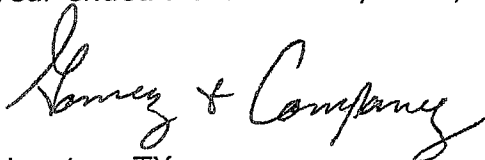
Board of Directors  
NAMI Metropolitan Houston  
Houston, Texas

We have audited the accompanying statements of cash receipts and disbursements of NAMI Metropolitan Houston (NAMI) for the year ended December 31, 2011. These financial statements are the responsibility of NAMI's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of NAMI as of December 31, 2010 were audited by other auditors whose report dated March 8, 2011, expressed an unqualified opinion on those statements.

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 audit to obtain reasonable assurance about whether the statement of cash receipts and disbursements is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of cash receipts and disbursements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of cash receipts and disbursements. We believe that our audit provide a reasonable basis for our opinion.

As described in Note 1, this financial statement has been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the cash receipts and disbursements of NAMI for the year ended December 31, 2011, on the basis of accounting described in Note 1.



Houston, TX  
May 9, 2012

**NAMI Metropolitan Houston**  
**Statements of Cash Receipts and Disbursements**  
**Years Ended December 31, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
<b>Cash receipts</b>		
Contributions	\$ 45,072	\$ 26,401
Special event receipts	207,712	130,743
Membership dues	7,391	7,118
Interest income	795	607
<b>Total cash receipts</b>	<b>260,970</b>	<b>164,869</b>
<b>Cash disbursements</b>		
Payments to affiliates	26,996	27,564
Special event expenses	17,771	18,439
Salaries	146,029	33,719
Payroll taxes & benefits	16,403	3,163
Contract services	29,340	46,713
Travel	6,100	2,984
Printing and publications	10,563	10,536
Postage	1,017	3,242
Office supplies	6,333	8,077
Meetings and training	20,910	19,140
Dues and subscriptions	1,783	2,419
Insurance	2,930	2,930
Miscellaneous	861	446
Contributions	400	-
<b>Total cash disbursements</b>	<b>287,436</b>	<b>179,372</b>
<b>Net cash disbursements over cash receipts</b>	<b>(26,466)</b>	<b>(14,503)</b>
Beginning cash and cash equivalents	303,978	318,481
<b>Ending cash and cash equivalents</b>	<b>\$ 277,512</b>	<b>\$ 303,978</b>

See accompanying notes.

**NAMI Metropolitan Houston**  
**Notes to Statements of Cash Receipts and Disbursements**  
**December 31, 2011 and 2010**

**Note 1 – Nature of Organization and Summary of Significant Accounting Policies**

Nature of Organization

NAMI Metropolitan Houston (NAMI) is a nonprofit, tax-exempt corporation chartered in 1988 to improve the lives of all persons affected by mental illness by providing support, education and advocacy through a grassroots network. NAMI Metropolitan Houston is an affiliate of the national and state National Alliance for Mental Illness.

Significant Accounting Policies

Basis of Accounting – The accompanying financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under the cash basis, the only asset recognized is cash and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements and noncash transactions are not recognized. The cash receipts and disbursements basis differs from generally accepted accounting principles primarily because dues, grants, fees and other revenue are recognized as the cash is received. Also expenses are recognized when paid rather than when the obligations are incurred.

Restricted Contributions - Contributions that are restricted by the donor are reported increases in unrestricted net assets if the restrictions expire in the reporting period in which the revenue is recognized. NAMI has no temporary or permanently restricted net assets at December 31, 2011 and 2010.

Federal Income Taxes - NAMI Metropolitan Houston is a nonprofit, charitable corporation as described in Internal Revenue Code Section 501(c)(3) and is exempt from federal income taxes on related income. The Foundation is not a private foundation. Gifts to the Foundation are tax deductible to the extent allowed by law.

Date of Management's Review - Management has evaluated subsequent events through May 9, 2012, the date which the financial statements were available to be issued.

## NAMI Metropolitan Houston

### Notes to Statements of Cash Receipts and Disbursements

December 31, 2011 and 2010

#### Note 2 -- Cash and Cash Equivalents

NAMI considers its cash and cash equivalents to include all cash in bank and certificates of deposit if available for current operations. NAMI cash and cash equivalents are held in banks with FDIC insurance protection. At times such cash and cash equivalents may be in excess of FDIC insurance limits. Cash and cash equivalents at December 31, 2011 and 2010 were as follows:

	2011	2010
Cash in bank account	\$ 182,512	\$ 229,605
Certificates of deposit	95,000	74,373
	<u>\$ 277,512</u>	<u>\$ 303,978</u>

#### Note 3 -- Functional Classification of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. The majority of expenses can generally be identified with the program or supporting services to which they relate and are charged accordingly. Other expenses have been allocated among program and supporting service classifications by time expended in each area. Expenses by function for the years ended December 31, 2011 and 2010 were as follows:

	2011	2010
Program	\$ 192,960	\$ 100,337
Management and general	60,462	29,152
Fundraising	34,014	49,883
	<u>\$ 287,436</u>	<u>\$ 179,372</u>

#### Note 4 -- Unrestricted -- Board Designated Net Assets

Unrestricted net assets were designated by the Board of Directors of NAMI at December 31, 2011 and 2010 for the following purposes:

	2011	2010
Family to family program advertising	\$ 40,000	\$ 40,000
Support of housing programs	17,000	
	<u>\$ 57,000</u>	<u>\$ 40,000</u>