

# **NAMI Greater Houston**

## **Statements of Cash Receipts and Disbursements**

**December 31, 2014 and 2013**

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**Report of Independent Auditors**

Board of Directors  
NAMI Greater Houston  
Houston, Texas

We have audited the accompanying statements of cash receipts and disbursements of NAMI Greater Houston (NAMI) for the years ended December 31, 2014 and 2013 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 the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 auditor's judgment, including the assessment of the risk 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 statements of cash receipts and disbursements referred to above presents fairly, in all material respects, the cash receipts and disbursements of NAMI Greater Houston for the years ended December 31, 2014 and 2013, in accordance with the cash basis of accounting as described in Note 1.

***Basis of Accounting***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

A handwritten signature in black ink that reads "Ramirez & Company". The signature is written in a cursive, flowing style.

Houston, TX  
April 22, 2015

**NAMI Greater Houston**  
**Statements of Cash Receipts and Disbursements**  
**Years Ended December 31, 2014 and 2013**

	<b>2014</b>	<b>2013</b>
<b>Cash receipts</b>		
Contributions	\$ 58,572	\$ 43,496
Special event receipts	278,377	219,812
Membership dues	8,173	10,406
Program contracts	20,875	-
Interest income	291	980
<b>Total cash receipts</b>	<b>366,288</b>	<b>274,694</b>
<b>Cash disbursements</b>		
Payments to affiliates	25,124	27,338
Special event expenses	33,076	36,662
Salaries	199,046	175,334
Payroll taxes & benefits	17,052	20,881
Contract services	20,582	16,775
Travel	4,534	2,779
Printing and publications	12,741	17,582
Postage	906	1,138
Office supplies	9,462	9,594
Meetings and training	13,179	26,772
Dues and subscriptions	4,758	3,329
Insurance	4,529	4,251
Miscellaneous	1,176	5,019
<b>Total cash disbursements</b>	<b>346,165</b>	<b>347,454</b>
<b>Net cash receipts over</b>		
<b>(under) cash disbursements</b>	<b>20,123</b>	<b>(72,760)</b>
Beginning cash and cash equivalents	145,687	218,447
<b>Ending cash and cash equivalents</b>	<b>\$ 165,810</b>	<b>\$ 145,687</b>

See accompanying notes.

**NAMI Greater Houston**  
**Notes to Statements of Cash Receipts and Disbursements**  
**December 31, 2014 and 2013**

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

Nature of Organization

NAMI Greater 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 Greater Houston is an affiliate of the national and state National Alliance on Mental Illness.

On January 1, 2013 NAMI West Houston merged into NAMI Metropolitan Houston and the name of the merged organizations was changed to NAMI Greater Houston. The purpose of the merger was to combine the West side Houston organization with the other Houston organization to improve services to all persons in the greater Houston area. On January 1, 2013 NAMI West Houston's cash balance was \$58,182 and NAMI Metropolitan Houston's cash balance was \$160,265 which totaled to \$218,447.

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 as increases in unrestricted net assets if the restrictions expire in the reporting period in which the revenue is recognized. Net assets temporarily restricted for program activities were \$1,179 at December 31, 2014 and zero at December 31, 2013.

Federal Income Taxes - NAMI Greater 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. NAMI Greater Houston is not a private foundation. Gifts to NAMI are tax deductible to the extent allowed by law.

Date of Management's Review - Management has evaluated subsequent events through April 22, 2015, the date which the financial statements were available to be issued.

**NAMI Greater Houston**  
**Notes to Statements of Cash Receipts and Disbursements**  
**December 31, 2014 and 2013**

**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, 2014 and 2013 were as follows:

	2014	2013
Cash in bank account	\$ 165,810	\$ 50,687
Certificate of deposit	-	95,000
	<u>\$ 165,810</u>	<u>\$ 145,687</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, 2014 and 2013 were as follows:

	2014	2013
Program	\$ 228,954	\$ 230,960
Management and general	77,573	79,916
Fundraising	39,638	39,578
	<u>\$ 346,165</u>	<u>\$ 347,454</u>

**Note 4 – Unrestricted – Board Designated Net Assets**

Unrestricted net assets were designated by the Board of Directors of NAMI at December 31, 2014 and 2013 for the following purposes:

	2014	2013
Family to family program advertising	\$ 36,360	\$ 40,000
Support of housing programs	17,000	17,000
	<u>\$ 53,360</u>	<u>\$ 57,000</u>