

NAMI Greater Houston

Statements of Cash Receipts and Disbursements

December 31, 2015 and 2014

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GOMEZ & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
5177 RICHMOND AVE. SUITE 1100
HOUSTON, TX 77056
TEL: (713) 666-5900
FAX: (713) 666-1049
<http://www.gomezandco.com>

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, 2015 and 2014 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, 2015 and 2014, 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 cursive script that reads "Ramirez & Company". The signature is written in black ink and is positioned above the typed text of the firm's name and location.

Houston, Texas
February 25, 2016

NAMI Greater Houston
Statements of Cash Receipts and Disbursements
Years Ended December 31, 2015 and 2014

	2015	2014
Cash receipts		
Contributions	\$ 164,645	\$ 58,572
Special event receipts	289,767	278,377
Membership dues	9,110	8,173
Program contracts	1,890	20,875
Interest income	112	291
Total cash receipts	465,524	366,288
Cash disbursements		
Payments to affiliates	38,465	25,124
Special event expenses	24,316	33,076
Salaries	245,429	199,046
Payroll taxes & benefits	24,072	17,052
Contract services	26,679	20,582
Travel	3,363	4,534
Printing and publications	16,502	12,741
Postage	1,720	906
Office supplies	13,262	9,462
Meetings and training	18,202	13,179
Dues and subscriptions	6,919	4,758
Insurance	6,668	4,529
Miscellaneous	7,118	1,176
Total cash disbursements	432,715	346,165
Net cash receipts over		
cash disbursements	32,809	20,123
Beginning cash and cash equivalents	165,810	145,687
Ending cash and cash equivalents	\$ 198,619	\$ 165,810

See accompanying notes.

NAMI Greater Houston
Notes to Statements of Cash Receipts and Disbursements
December 31, 2015 and 2014

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.

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 \$1,211 at December 31, 2015 and \$1,179 at December 31, 2014.

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 February 25, 2016, the date which the financial statements were available to be issued.

NAMI Greater Houston
Notes to Statements of Cash Receipts and Disbursements
December 31, 2015 and 2014

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.

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, 2015 and 2014 were as follows:

	2015	2014
Program	\$ 292,951	\$ 228,954
Management and general	96,081	77,573
Fundraising	43,683	39,638
	<u>\$ 432,715</u>	<u>\$ 346,165</u>

Note 4 – Unrestricted – Board Designated Net Assets

Unrestricted net assets were designated by the Board of Directors of NAMI at December 31, 2015 and 2014 for the following purposes:

	2015	2014
Family to family program advertising	\$ 36,360	\$ 36,360
Support of housing programs	17,000	17,000
	<u>\$ 53,360</u>	<u>\$ 53,360</u>