

NAMI Greater Houston
Statements of Cash Receipts and Disbursements
December 31, 2018 and 2017

Table of Contents

	<u>Page</u>
Report of Independent Auditors	2-3
Statements of Cash Receipts and Disbursements	4
Notes to Statements of Cash Receipts and Disbursements	5-6

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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, 2018 and 2017 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.

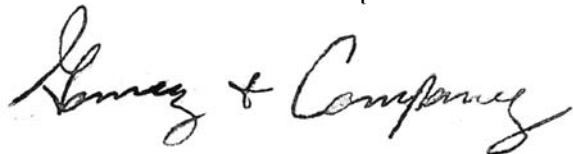
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the statements of cash receipts and disbursements referred to above present fairly, in all material respects, the cash receipts and disbursements of NAMI Greater Houston for the years ended December 31, 2018 and 2017, 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 "Hamez + Company". The signature is written in dark ink and is positioned above the printed text of the firm's location and date.

Houston, Texas
March 12, 2019

NAMI Greater Houston
Statements of Cash Receipts and Disbursements
Years Ended December 31, 2018 and 2017

	2018	2017
Cash receipts		
Contributions	\$ 231,764	\$ 114,728
Special event receipts	304,638	313,703
Membership dues	8,086	8,595
Interest income	38	175
Total cash receipts	544,526	437,201
Cash disbursements		
Payments to affiliates	31,956	39,805
Special event expenses	48,009	29,218
Salaries	251,496	262,801
Payroll taxes & benefits	20,391	20,556
Contract services	51,722	21,227
Travel	4,490	6,060
Printing and publications	10,984	16,546
Postage	668	1,139
Supplies	20,266	17,717
Meetings and training	19,741	24,164
Dues and subscriptions	7,800	2,628
Advertising	7,596	8,549
Insurance	13,242	5,683
Grants	17,400	-
Total cash disbursements	505,761	456,093
Net cash receipts over (under)		
cash disbursements	38,765	(18,892)
Beginning cash and cash equivalents	196,255	215,147
Ending cash and cash equivalents	\$ 235,020	\$ 196,255

See accompanying notes.

NAMI Greater Houston
Notes to Statements of Cash Receipts and Disbursements
December 31, 2018 and 2017

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 \$22,074 at December 31, 2018 and \$5,129 at December 31, 2017.

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 March 12, 2019, the date which the financial statements were available to be issued.

NAMI Greater Houston
Notes to Statements of Cash Receipts and Disbursements
December 31, 2018 and 2017

Note 2 – Cash and Cash Equivalents

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, 2018 and 2017 were as follows:

	2018	2017
Program	\$ 342,188	\$ 328,217
Management and general	50,129	49,735
Fundraising	113,444	78,141
	<u>\$ 505,761</u>	<u>\$ 456,093</u>

Note 4 – Unrestricted – Board Designated Net Assets

Unrestricted net assets were designated by the Board of Directors of NAMI at December 31, 2018 and 2017 for the following purposes:

	2018	2017
Family to family program advertising	\$ 24,020	\$ 25,640
Support of housing programs		17,000
	<u>\$ 24,020</u>	<u>\$ 42,640</u>