



Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
National Council for Behavioral Health and Subsidiary

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the National Council for Behavioral Health and Subsidiary (collectively referred to as the Council), which comprise the consolidated statement of financial position as of September 30, 2015, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Continued

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the National Council for Behavior Health and Subsidiary as of September 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We have previously audited the Council's 2014 consolidated financial statements, and we expressed an unmodified opinion on those consolidated financial statements in our report dated February 24, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating information on pages 17 to 18 is presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual entities, and is not a required part of the consolidated financial statements. The accompanying schedule of federal awards on page 23, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 February 18, 2016, on our consideration of the Council's internal control over financial reporting and on 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 the Council's internal control over financial reporting and compliance.

Raffa, P.C.

Raffa, P.C.

Washington, DC
February 18, 2016

**NATIONAL COUNCIL FOR BEHAVIORAL HEALTH
AND SUBSIDIARY**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
September 30, 2015
(With Summarized Financial Information as of September 30, 2014)**

	2015	2014
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,643,310	\$ 1,700,966
Receivables, net	6,346,345	3,773,788
Prepaid expenses and other assets	335,034	289,094
Total Current Assets	8,324,689	5,763,848
Investments	17,647,082	15,335,336
Property and equipment, net	1,448,977	357,870
Other assets	147,913	153,504
TOTAL ASSETS	\$ 27,568,661	\$ 21,610,558
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 3,623,572	\$ 2,190,284
Accrued vacation	375,429	310,339
Deferred revenue	2,871,673	2,813,020
Deferred rent and lease incentive	1,409,508	3,097
TOTAL LIABILITIES	8,280,182	5,316,740
Net Assets		
Unrestricted	17,140,617	14,319,721
Temporarily restricted	2,147,862	1,974,097
TOTAL NET ASSETS	19,288,479	16,293,818
TOTAL LIABILITIES AND NET ASSETS	\$ 27,568,661	\$ 21,610,558

The accompanying notes are an integral part of these consolidated financial statements.

**NATIONAL COUNCIL FOR BEHAVIORAL HEALTH
AND SUBSIDIARY**

**CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2015**

(With Summarized Financial Information for the Year Ended September 30, 2014)

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
OPERATING REVENUE AND SUPPORT				
Grants and contracts	\$ 11,044,382	\$ 2,619,052	\$ 13,663,434	\$ 11,317,235
Training and support	6,183,889	-	6,183,889	4,754,126
Consulting services	4,570,120	-	4,570,120	4,419,951
Registration fees	2,806,798	-	2,806,798	2,819,315
Membership dues	2,561,637	-	2,561,637	2,355,402
Exhibit fees	810,050	-	810,050	684,872
Publication sales and royalties	408,169	-	408,169	388,501
Other	312,694	-	312,694	277,031
Net assets released from restrictions:				
Satisfaction of program restrictions	2,445,287	(2,445,287)	-	-
TOTAL OPERATING REVENUE AND SUPPORT	31,143,026	173,765	31,316,791	27,016,433
EXPENSES				
Program Services:				
Educational and consulting services	7,959,688	-	7,959,688	7,310,146
Public education	5,750,693	-	5,750,693	3,773,324
Practice improvement	4,812,278	-	4,812,278	1,878,363
Public policy	3,020,821	-	3,020,821	2,104,254
Integrated health	1,973,602	-	1,973,602	1,727,326
Membership services	1,971,722	-	1,971,722	1,514,490
Communications	738,515	-	738,515	551,021
Total Program Services	26,227,319	-	26,227,319	18,858,924
Supporting Service:				
Management and general	2,095,888	-	2,095,888	1,709,277
TOTAL EXPENSES	28,323,207	-	28,323,207	20,568,201
Change in net assets before nonoperating activities	2,819,819	173,765	2,993,584	6,448,232
NONOPERATING ACTIVITIES				
Net investment income	1,077	-	1,077	167,994
CHANGE IN NET ASSETS	2,820,896	173,765	2,994,661	6,616,226
NET ASSETS, BEGINNING OF YEAR	14,319,721	1,974,097	16,293,818	9,677,592
NET ASSETS, END OF YEAR	\$ 17,140,617	\$ 2,147,862	\$ 19,288,479	\$ 16,293,818

The accompanying notes are an integral part of these consolidated financial statements.