

NAMI ST. TAMMANY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

NAMI ST. TAMMANY

FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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Jason F. Clausen, P.C.

C e r t i f i e d P u b l i c A c c o u n t a n t

REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
NAMI St. Tammany
Mandeville, Louisiana

We have audited, 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. the financial statements of NAMI St. Tammany (a nonprofit organization) as of and for the year ended June 30, 2015, and the related notes to the financial statements have issued our report thereon dated September 29, 2015.

Internal Control over Financial Reporting

In planning and performing our audit, we considered NAMI St. Tammany's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NAMI St. Tammany's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether NAMI St. Tammany's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Jason F. Clausen
St. Clair Shores, MI

September 29, 2015

NAMI ST. TAMMANY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015

Assets

Current assets	
Cash and cash equivalents	\$ 175,815
Cash - restricted	30,469
Grant receivable	88,434
Prepaid expenses	<u>2,387</u>
Total current assets	<u>297,105</u>
Property and equipment	
Office equipment	5,477
Equipment	4,703
Furniture and fixtures	21,429
Leasehold improvements	59,839
Less accumulated depreciation	<u>(12,374)</u>
Total property and equipment	<u>79,074</u>
Total assets	<u><u>376,179</u></u>

Liabilities

Current Liabilities	
Accounts payable	3,158
Accrued payroll	37,588
Payroll taxes payable	<u>5,769</u>
Total current liabilities	<u>46,515</u>
Total liabilities	<u>46,515</u>

Net assets

Unrestricted	299,195
Board Designated Reserve	25,000
Temporarily restricted	<u>5,469</u>
Total net assets	<u>329,664</u>
Total liabilities and net assets	<u><u>\$ 376,179</u></u>

See auditor's report and notes to the financial statements

NAMI ST. TAMMANY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Unrestricted	Temporarily Restricted	Total
<u>Revenue and other support</u>			
Grant and contract revenue	\$ 1,010,547	\$ -	\$ 1,010,547
Fundraising	44,336	-	44,336
Membership	1,173	-	1,173
Contributions	35,443	4,244	39,687
Rentals	72,590	-	72,590
In-kind donations	37,800	-	37,800
Temporary net asset released from restrictions	4,468	(4,468)	-
	1,206,357	(224)	1,206,133
 <u>Expense</u>			
Program services	989,985	-	989,985
Management and general	93,076	-	93,076
Fundraising	43,661	-	43,661
	1,126,722	-	1,126,722
Change in net assets	79,635	(224)	79,411
Net assets, beginning of period	244,560	5,693	250,253
Net assets, end of period	\$ 324,195	\$ 5,469	\$ 329,664

See auditor's report and notes to the financial statements

NAMI ST. TAMMANY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<u>Description</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 672,283	\$ 60,362	\$ 29,881	\$ 762,526
Employee benefits	16,353	1,468	727	18,548
Payroll taxes	55,883	5,017	2,484	63,384
Advertising	-	-	3,404	3,404
Accounting	-	7,800	-	7,800
Audit	-	6,500	-	6,500
Bank charges	1,793	211	106	2,110
Donations	75	-	-	75
Travel / trainings	8,438	993	496	9,927
Telephone	7,613	896	445	8,954
Postage and shipping	-	870	-	870
Occupancy	25,500	3,000	1,500	30,000
Repairs and maintenance	8,986	1,057	528	10,571
Office expense	11,446	1,347	672	13,465
Meetings	16,401	351	162	16,914
Insurance	8,669	1,020	510	10,199
Website	1,460	174	84	1,718
Dues and subscriptions	-	1,910	-	1,910
Licenses	1,915	-	-	1,915
Mileage	12,292	-	-	12,292
Direct operating costs	130,898	-	-	130,898
Direct fundraising costs	-	-	2,612	2,612
Other expenses	320	37	19	376
Depreciation	9,660	63	31	9,754
 Total expenses on the statement of activities	 <u>\$ 989,985</u>	 <u>\$ 93,076</u>	 <u>\$ 43,661</u>	 <u>\$ 1,126,722</u>

See auditor's report and notes to the financial statements

NAMI ST. TAMMANY
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Cash flows from operating activities

Change in net assets	\$	79,411
Adjustments to reconcile change in net assets to net cash provided by operating activities		

Add: Depreciation		9,754
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Changes in operating assets and liabilities

Increase in Grants receivable		(12,096)
Decrease in Prepaid expenses		10,479
Decrease in Accounts payable		(3,005)
Increase in Accrued payroll		7,626
Increase in Payroll taxes payable		<u>453</u>

Net cash provided by operating activities		<u>92,622</u>
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Cash flows from investing activities

Additions to fixed assets		<u>(22,017)</u>
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Net cash used for investing activities		<u>(22,017)</u>
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Net increase in cash and cash equivalents		70,605
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Cash and cash equivalents, beginning of period		<u>135,679</u>
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Cash and cash equivalents, end of period	\$	<u><u>206,284</u></u>
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Cash paid for interest for the fiscal year ended June 30, 2015 was \$-0-.

NAMI ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Note 1 – Nature of Activities

NAMI St. Tammany, (the Organization) is a non-profit corporation located in Mandeville, Louisiana, and is affiliated with National Alliance on Mental Illness. The Organization's mission is to increase awareness and advocate for families and persons with mental health illnesses in St. Tammany Parish. The Organization's source of revenue is principally derived from grant revenue and fundraising events. The Organization operates the following major programs:

Peer and Family Education

Providing education, awareness, and understanding of mental illnesses and establishing wellness through Peer-to-Peer, NAMI Basics, and Family-to-Family Education programs.

Peer and Family Support Groups

Providing a forum for recovery support for adults living with mental health challenges through ongoing support groups NAMI Connection and Family-to-Family Support.

Community Programs

Providing forums for effectively communication of mental health related concerns, advocacy for individuals struggling with mental illness, and a comprehensive web-based directory that provides resources for individuals living with mental illness. These programs are delivered through Parents and Teachers as Allies, NAMI Smarts for Advocacy, Community Education Events, and Mental Health Resource and Provider Directories.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and accordingly, reflect all significant receivables, payables, and other liabilities.

The financial statements are presented in accordance with FASB ASC 958, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments with maturities of three months or less when purchased are considered cash equivalents and recorded at cost, which approximates fair value. The Organization places its temporary cash investments with high credit quality financial institutions.

Donated Materials and Services

The Organization receives donations of material and services from various sources. The donated materials and services received are reflected in the accompanying financial statements at their fair market value.

See auditor's report and financial statements

NAMI ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Note 2 – Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are carried at cost or, if donated, at fair market value at the time of the donation. Property with an original cost of \$500 or greater and a useful life of 3 years or greater are capitalized. Depreciation is provided on a straight-line basis over the estimated useful life of the assets. Expenditures for maintenance and repairs are charged to expense as incurred. Useful lives for the different classes of assets is as follows:

Office equipment	3 – 5 years
Equipment, furniture, and fixtures	5 – 7 years
Leasehold improvements	10 – 15 years

Advertising

Advertising costs are recorded as expenditures as they are incurred.

Income Taxes

The Organization is a private, not-for-profit organization operating in accordance with Section 501(c)(3) of the Internal Revenue Code.

Classification of Net Assets

Net assets and revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets are classified as temporarily restricted, permanently restricted, or unrestricted. Donor-imposed restrictions that expire with the passage of time or that can be removed by meeting certain requirements results in temporarily restricted net assets.

Unrestricted Net Assets – This portion of the Organization’s net assets is available for general obligations and is not subject to any donor-imposed restrictions. Revenues earned, program services provided, unrestricted contributions and all operating expenses are reported in this category. The Organization records donor-restricted contributions, whose restrictions have been satisfied in the same reporting period, as unrestricted support in such year.

Temporarily Restricted Net Assets – This portion of the Organization’s net assets is limited to use specified by donor-imposed restrictions. When donor restrictions expire, or the nature and purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and report in the accompanying statement of activities and changes in net assets as net assets released from restrictions.

Permanently Restricted Net Assets – net assets subject to “donor-imposed” restrictions that they be maintained in perpetuity. Restrictions that require an asset be invested and only allow the income to be used are classified as permanently restricted net assets. The Organization has no permanently restricted net assets at June 30, 2015.

See auditor’s report and financial statements

NAMI ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Note 2 – Summary of Significant Accounting Policies (continued)

Functional Expenses

The costs of providing program and supporting services have been reported on a functional basis in the statement of activities and changes in net assets. Direct and indirect costs have been allocated between program, and general and administrative, and fundraising based on estimates from management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Note 3 – Restricted Cash

As of June 30, 2015, the Organization has cash restricted in the amount of \$30,469.

Temporarily restricted net assets (Note 5)	\$ 5,469
Board designated cash reserve (Note 10)	<u>25,000</u>
Total	<u>\$ 30,469</u>

Note 4 – Compensated absences

The amount liability for compensated absences cannot be reasonably determined, therefore no accrual has been made.

Note 5 – Temporarily Restricted Net Assets

At June 30, 2015, the Organization held the following amounts in temporarily restricted net assets:

Residential Community Group Home on Hummingbird	\$ 3,659
Magellen Health Services	458
NAMI Grant	537
Trueheart campaign	<u>815</u>
Total Temporarily Restricted Net Assets	<u>\$ 5,469</u>

Note 6 – Permanently Restricted Net Assets

At June 30, 2015, the Organization did not have any Permanently Restricted Net Assets.

Note 7 – Concentrations

Funding Sources

The Organization is substantially supported by government grants and contracts from federal, state, and local authorities. The total support provided by these sources is approximately 82% of total revenue.

See auditor's report and financial statements

NAMI ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Note 8 – Grant Revenue and Receivables

The grant revenues received for the fiscal year ending June 30, 2015 are as follows:

U.S. Department of Housing and Urban Development	\$ 488,995
St. Tammany Parish Government	240,398
State of Louisiana - Department of Health & Hospitals	227,162
Florida Parish Human Services Authority	37,992
MBH of Louisiana, LLC	<u>16,000</u>
 Total Grant Revenue	 <u>\$ 1,010,547</u>

The total amounts receivable on these grants as of June 30, 2015 was \$88,434. As of the date of this report, this entire balance was collected, therefore, no reserve has been recorded.

Note 9 – In-Kind Donations

Donated contributions are reflected in the accompanying statements at their estimated values at date of receipt. The organization receives many hours of volunteer work. Much of this volunteer work does not meet the requirements for recognition in GAAP, and are therefore not included in the financial statements. The value of donated materials and services included in the financial statement and the corresponding expenses for the year are as follows:

Donated Office Space and Furniture	\$ 30,000
Donated Professional Services	<u>7,800</u>
 Total In-Kind Donations	 <u>\$ 37,800</u>

Note 10 – Board Designated Cash Reserve

For the year ended June 30, 2015, NAMI St. Tammany established a Board designated cash reserve in the amount of \$25,000. These funds are restricted for operating costs, and may not be drawn upon without Board consent.

Note 11 – Date of Management Review

These financial statements and all subsequent events have been reviewed by management through the date of this report.

See auditor's report and financial statements

Jason F. Clausen, P.C.

C e r t i f i e d P u b l i c A c c o u n t a n t

REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
NAMI St. Tammany
Mandeville, Louisiana

We have audited, 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. the financial statements of NAMI St. Tammany (a nonprofit organization) as of and for the year ended June 30, 2015, and the related notes to the financial statements have issued our report thereon dated September 29, 2015.

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Purpose of this Report

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Jason F. Clausen
St. Clair Shores, MI

September 29, 2015