

NAMI ST. TAMMANY AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

NAMI ST. TAMMANY AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

CONTENTS

Independent Auditor's Report	1
Consolidated Financial Statements	
Consolidated Statement of Financial Position	2
Consolidated Statement of Activities	3
Consolidated Statement of Functional Expenses	4
Consolidated Statement of Cash Flows	5
Notes to Financial Statements	6
Report on Internal Control over Financial Reporting and Compliance based on an audit of financial statements performed in accordance with Government Auditing Standards	11
Supplementary information	13
Schedule of Compensation, Benefits, and Other Payments to Agency Head	14

NAMI ST. TAMMANY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017

Assets

Current assets	
Cash and cash equivalents	\$ 178,529
Cash - restricted	76,000
Grants receivable	165,106
Prepaid expenses	<u>2,387</u>
 Total current assets	 <u>422,022</u>
Property and equipment	
Office equipment	16,422
Equipment	4,703
Furniture and fixtures	24,424
Vehicles	27,000
Leasehold improvements	75,195
Less accumulated depreciation	<u>(40,699)</u>
 Total property and equipment	 <u>107,045</u>
 Total assets	 <u><u>529,067</u></u>

Liabilities

Current Liabilities	
Accounts payable	2,657
Current portion of long term debt	4,908
Accrued payroll	35,567
Payroll taxes payable	<u>5,781</u>
 Total current liabilities	 48,913
 Notes payable	 <u>20,125</u>
 Total liabilities	 <u>69,038</u>

Net assets

Unrestricted	384,029
Board Designated Reserve	25,000
Temporarily restricted	<u>51,000</u>
 Total net assets	 <u>460,029</u>
 Total liabilities and net assets	 <u><u>\$ 529,067</u></u>

See auditor's report and notes to the financial statements

NAMI ST. TAMMANY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Revenue and other support</u>			
Grant and contract revenue	\$ 1,055,107	\$ 52,000	\$ 1,107,107
Fundraising	143,883	-	143,883
Membership	2,669	-	2,669
Contributions	26,569	-	26,569
Rentals	67,861	-	67,861
Other income	4,356	-	4,356
In-kind donations	37,800	-	37,800
Temporary net asset released from restrictions	10,000	(10,000)	-
	<u>1,348,245</u>	<u>42,000</u>	<u>1,390,245</u>
 Total revenue and other support			
<u>Expense</u>			
Program services	1,068,769	-	1,068,769
Management and general	106,483	-	106,483
Fundraising	81,336	-	81,336
	<u>1,256,588</u>	<u>-</u>	<u>1,256,588</u>
 Total expense			
 Change in net assets	91,657	42,000	133,657
 Net assets, beginning of period	<u>317,372</u>	<u>9,000</u>	<u>326,372</u>
 Net assets, end of period	<u>\$ 409,029</u>	<u>\$ 51,000</u>	<u>\$ 460,029</u>

See auditor's report and notes to the financial statements

NAMI ST. TAMMANY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<u>Description</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 744,384	\$ 66,835	\$ 33,085	\$ 844,304
Employee benefits	7,477	671	332	8,480
Payroll taxes	61,299	5,504	2,725	69,528
Advertising	-	-	545	545
Accounting	-	7,800	-	7,800
Audit	-	7,633	-	7,633
Bank charges	2,247	264	132	2,643
Donations	437	-	-	437
Travel / trainings	6,322	744	372	7,438
Telephone	14,280	1,681	835	16,796
Postage and shipping	-	1,198	-	1,198
Occupancy	25,501	3,000	1,499	30,000
Repairs and maintenance	7,945	935	467	9,347
Office expense	17,243	2,029	1,012	20,284
Meetings	10,251	219	101	10,571
Insurance	23,189	2,729	1,364	27,282
Interest	589	69	35	693
Website	535	64	31	630
Dues and subscriptions	-	3,224	-	3,224
Licenses	2,085	-	-	2,085
Mileage	12,046	-	-	12,046
Direct operating costs	116,834	-	-	116,834
Direct fundraising costs	-	-	37,845	37,845
Other expenses	2,032	238	121	2,391
Depreciation	14,073	1,646	835	16,554
Total expenses on the statement of activities	<u>\$ 1,068,769</u>	<u>\$ 106,483</u>	<u>\$ 81,336</u>	<u>\$ 1,256,588</u>

See auditor's report and notes to the financial statements

NAMI ST. TAMMANY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Cash flows from operating activities

Change in net assets	\$ 133,657
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Add: Depreciation	16,554
<u>Changes in operating assets and liabilities</u>	
Increase in grants receivable	(89,004)
Decrease in accounts payable	(1,988)
Decrease in accrued payroll	157
Decrease in payroll taxes payable	176
	<hr/>
Net cash provided by operating activities	59,552

Cash flows from investing activities

Additions to fixed assets	<hr/> (43,023)
Net cash used for investing activities	<hr/> (43,023)

Cash flows from financing activities

Proceeds from note payable, net of repayments	<hr/> 25,033
Net cash provided by financing activities	<hr/> 25,033
Net increase in cash and cash equivalents	41,562
Cash and cash equivalents, beginning of period	<hr/> 212,967
Cash and cash equivalents, end of period	<hr/> <hr/> \$ 254,529

Cash paid for interest for the fiscal year ended June 30, 2017 was \$693.

NAMI ST. TAMMANY AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 – NATURE OF ACTIVITIES

NAMI St. Tammany and Subsidiary, (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.

Principles of Consolidation

The financial statements include the accounts of NAMI ST Transportation, Inc., a wholly owned subsidiary of the Organization. All intercompany balances have been eliminated.

Use of 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.

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,

See auditor's report and financial statements

NAMI ST. TAMMANY AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

which approximates fair value. The Organization places its temporary cash investments with high credit quality financial institutions.

Accounts Receivable, Net

The Organization carries its accounts and grants receivable at the lower of cost or market, less an allowance for doubtful accounts. On a periodic basis, the Organization evaluates its accounts receivable and establishes an allowance for doubtful accounts, when deemed necessary, based upon specific delinquent accounts. When receivables are deemed uncollectible, they are charged against the allowance account. At June 30, 2017, the allowance for doubtful accounts was \$0.

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.

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 computed 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, vehicles, 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

See auditor’s report and financial statements

NAMI ST. TAMMANY AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2017.

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.

NOTE 3 – RESTRICTED CASH

As of June 30, 2017, the Organization has cash restricted in the amount of \$76,000.

Temporarily restricted net assets (Note 6)	\$ 51,000
Board designated cash reserve (Note 11)	<u>25,000</u>
Total	<u>\$ 76,000</u>

NOTE 4 – NOTES PAYABLE

Note Payable – Vehicles

The Organization maintains a note payable dated January 20, 2017, with an original amount of \$27,000. The note calls for 60 monthly payments of \$520, and bears interest at a rate of 5.75%. The note matures January 20, 2022, and is secured by specific assets of the company.

Principal payments due on this note for the next five years are as follows:

2018	\$ 4,908
2019	5,202
2020	5,511
2021	5,843
2022	<u>3,569</u>
<u>TOTAL</u>	<u>\$ 25,033</u>

NOTE 5 – COMPENSATED ABSENCES

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

See auditor’s report and financial statements

NAMI ST. TAMMANY AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 6 – TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2017, the Organization held the following amounts in temporarily restricted net assets:

Northshore Community Foundation Grant	\$ 30,000
Salman Family Foundation	<u>21,000</u>
Total Temporarily Restricted Net Assets	<u>\$ 51,000</u>

NOTE 7 – PERMANENTLY RESTRICTED NET ASSETS

At June 30, 2017, the Organization did not have any Permanently Restricted Net Assets.

NOTE 8 - 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 74% of total revenue.

NOTE 9 – GRANT REVENUE AND RECEIVABLES

The grant revenues received for the fiscal year ending June 30, 2017 are as follows:

U.S. Department of Housing and Urban Development	\$ 253,382
St. Tammany Parish Government	281,714
State of Louisiana - Department of Health & Hospitals	361,178
Florida Parish Human Services Authority	98,459
MBH of Louisiana, LLC	10,885
City of Mandeville, Louisiana	10,000
City of Covington, Louisiana	6,000
City of Slidell, Louisiana	<u>10,000</u>
Total Grant Revenue	<u>\$ 1,031,618</u>

The total amounts receivable on these grants as of June 30, 2017 was \$165,106. As of the date of this report, this entire balance was collected, therefore, no reserve has been recorded.

NOTE 10 – 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>

See auditor's report and financial statements

NAMI ST. TAMMANY AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 11 – BOARD-DESIGNATED CASH RESERVE

At June 30, 2017, the Organization maintained 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 12 – DATE OF MANAGEMENT REVIEW

These financial statements and all subsequent events have been reviewed by management through the date of this report, which is the date the financial statements were available to be issued.

See auditor's report and financial statements



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), which comprise the financial statement position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements have issued our report thereon dated December 13, 2017.

Internal Control over Financial Reporting

In planning and performing our audit, we considered NAMI St. Tammany's internal control over financial reporting (internal control) 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. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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 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

December 13, 2017

NAMI ST. TAMMANY AND SUBSIDIARY

SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2017

NAMI ST. TAMMANY AND SUBSIDIARY
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Agency head name: **Nicholas Richard**

<u>Purpose</u>	<u>Amount</u>
Salary + \$100 Christmas Bonus	\$ 71,508
Benefits (Cell phone allowance)	2,400
Car allowance	<u>4,800</u>
Total	<u>\$ 78,708</u>

See auditor's report and notes to the financial statements