

**NAMI ST. TAMMANY**

FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2012

TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

# **NAMI ST. TAMMANY**

## FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2012

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INDEPENDENT AUDITOR'S REPORT

Board of Directors  
NAMI St. Tammany  
Mandeville, Louisiana

We have audited the accompanying statement of financial position of NAMI St. Tammany (a Louisiana nonprofit organization) as of June 30, 2012, and the related statements of activities, functional expenses, and cash flows for the nine month period then ended. These financial statements are the responsibility of the Organization's management. 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 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NAMI St. Tammany as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 2, 2012, on our consideration of NAMI St. Tammany'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 and should be considered in assessing the results of our audit.

Jason F. Clausen  
St. Clair Shores, MI  
October 2, 2012

**NAMI ST. TAMMANY**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2012**

Assets

Cash and cash equivalents	\$ 14,465
Grant receivable	<u>30,237</u>
Total current assets	<u>44,702</u>
Total assets	<u><u>44,702</u></u>

Liabilities

Accounts payable	1,254
Accrued payroll	7,298
Payroll taxes payable	<u>1,206</u>
Total current liabilities	<u>9,758</u>
Total liabilities	<u>9,758</u>

Net assets

Unrestricted	34,944
Temporarily restricted	<u>-</u>
Total net assets	<u>34,944</u>
Total liabilities and net assets	<u><u>\$ 44,702</u></u>

See auditor's report and notes to the financial statements

**NAMI ST. TAMMANY**  
**STATEMENT OF ACTIVITIES**  
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Revenue and other support</u>			
Grant and contract revenue	\$ 163,090	\$ -	\$ 163,090
Fundraising	35,584	-	35,584
Membership	1,175	-	1,175
Contributions	4,063	-	4,063
In-kind donations	25,299	-	25,299
Temporary net asset released from restrictions	<u>5,953</u>	<u>(5,953)</u>	<u>-</u>
Total revenue and other support	<u>235,164</u>	<u>(5,953)</u>	<u>229,211</u>
 <u>Expense</u>			
Program services	156,980	-	156,980
Management and general	26,960	-	26,960
Fundraising	<u>31,450</u>	<u>-</u>	<u>31,450</u>
Total expense	<u>215,390</u>	<u>-</u>	<u>215,390</u>
 Net assets released from restriction			
Change in net assets	19,774	(5,953)	13,821
Net assets, beginning of period	<u>15,170</u>	<u>5,953</u>	<u>21,123</u>
Net assets, end of period	<u>\$ 34,944</u>	<u>\$ -</u>	<u>\$ 34,944</u>

See auditor's report and notes to the financial statements

**NAMI ST. TAMMANY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2012**

<u>Description</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 114,272	\$ 10,260	\$ 5,079	\$ 129,611
Payroll taxes	6,495	2,173	1,070	9,738
Consulting	-	-	4,500	4,500
Accounting	-	4,050	-	4,050
Audit	-	5,500	-	5,500
Educational materials	7,055	-	-	7,055
Travel / trainings	986	116	58	1,160
Telephone	1,334	157	78	1,569
Postage and shipping	-	308	-	308
Occupancy	18,062	2,125	1,062	21,249
Office expense	3,918	461	230	4,609
Meetings	608	13	6	627
Insurance	3,399	400	200	3,999
Website	244	29	14	287
Dues and subscriptions	-	1,297	-	1,297
Other fundraising costs	-	-	19,117	19,117
Other expenses	607	71	36	714
Total expenses on the statement of activities	<u>\$ 156,980</u>	<u>\$ 26,960</u>	<u>\$ 31,450</u>	<u>\$ 215,390</u>

See auditor's report and notes to the financial statements

**NAMI ST. TAMMANY**  
**STATEMENT OF CASH FLOWS**  
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 2012

Cash flows from operating activities

Change in net assets	\$ 13,821
Adjustments to reconcile change in net assets to net cash provided by operating activities	

Changes in operating assets and liabilities

(Increase) Decrease in Grants receivable	(27,187)
Increase (Decrease) in Accounts payable	(2,097)
Increase (Decrease) in Accrued payroll	7,298
Increase (Decrease) in Payroll taxes payable	<u>147</u>

Net cash provided by (used in) operating activities	<u>(8,018)</u>
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Cash flows from investing activities

Additions to fixed assets	<u>-</u>
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Net cash provided by (used in) investing activities	<u>-</u>
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Cash flows from financing activities

Borrowing (repayment) obligations	<u>-</u>
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Net cash provided by (used in) financing activities	<u>-</u>
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Net increase in cash and cash equivalents	(8,018)
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Cash and cash equivalents, beginning of period	<u>22,483</u>
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Cash and cash equivalents, end of period	<u><u>\$ 14,465</u></u>
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Cash paid for interest for the nine month period ended June 30, 2012 was \$-0-.

See auditor's report and notes to the financial statements

## NAMI ST. TAMMANY

### NOTES TO FINANCIAL STATEMENTS

#### **Note 1 – Nature of Organization**

NAMI St. Tammany, (the Organization) is a non-profit corporation located in Mandeville, Louisiana, whose 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.

#### **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.

##### **Property and Equipment**

Property and equipment are carried at cost or, if donated, at fair market value at the time of the donation. 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.

##### **Advertising**

Advertising costs are recorded as expenditures as they are incurred.

See auditor's report and financial statements

NAMI ST. TAMMANY

NOTES TO FINANCIAL STATEMENTS

**Note 2 – Summary of Significant Accounting Policies (continued)**

**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, 2012.

**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.

**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.

See auditor’s report and financial statements

NAMI ST. TAMMANY

NOTES TO FINANCIAL STATEMENTS

**Note 2 – Summary of Significant Accounting Policies (continued)**

**Income Taxes**

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

**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 – Temporarily Restricted Net Assets**

At June 30, 2012, the Organization did not have any Temporarily Restricted Net Assets.

**Note 4 – Permanently Restricted Net Assets**

At June 30, 2012, the Organization did not have any Permanently Restricted Net Assets.

**Note 5 – In-Kind Donations**

Donated contributions are reflected in the accompanying statements at their estimated values at date of receipt. The value of donated materials and services included in the financial statement and the corresponding expenses for the nine-month period are as follows:

Donated Office Space and Furniture	\$ 21,249
Donated Professional Services	<u>4,050</u>
Total In-Kind Donations	<u>\$ 25,299</u>

**Note 6 – Grant Revenue**

The grant revenues received for the fiscal nine-month period ending June 30, 2012 are as follows:

Southeast Louisiana Hospital – Liaison Service	\$ 82,116
Southeast Louisiana Hospital – Support Group	43,532
St. Tammany Parish Government	10,000
FPHSA Contracts	<u>27,442</u>
Total Grant Revenue	<u>\$ 163,090</u>

See auditor's report and financial statements

**Note 7 – Concentrations**Funding Source

The Organization is substantially supported by grants and contracts from Southeast Louisiana Hospital. The total support provided by this source is approximately 71% of total revenue.

**Note 8 – Change in Fiscal Year**

The Organization changed its fiscal year from the prior period from September 30<sup>th</sup> to June 30<sup>th</sup>. This change was made to coincide with the fiscal year ends of the Organization's primary funding sources.

**Note 9 – Subsequent Events**

Subsequent to June 30, 2012, the State of Louisiana has announced their plan to close the Southeast Louisiana Hospital. Phasing down of the Hospital operations is scheduled for October 2012. The Organization's contracts with Southeast Louisiana Hospital will continue until June 2013. Southeast Louisiana Hospital is the primary granting agency for the Organization. The closing of this Hospital could have a significant and material effect on the operations.

These financial statements have been reviewed by management through October 2, 2012.



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 the financial statements of NAMI St. Tammany (a nonprofit organization) as of and for the nine-month period ended June 30, 2012, and have issued our report thereon dated October 2, 2012. 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.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered NAMI St. Tammany's internal control over financial reporting as a basis for designing our auditing procedures 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.

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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**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.

We noted certain matters that we reported to management of NAMI St. Tammany in a separate letter dated October 2, 2012.

This report is intended solely for the information and use of the Board of Directors, governmental awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read 'J. Clausen', with a long horizontal flourish extending to the right.

Jason F. Clausen  
St. Clair Shores, MI

October 2, 2012