

**NAMI ST. TAMMANY**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

# **NAMI ST. TAMMANY**

## FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

### CONTENTS

Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
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	9



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
NAMI St. Tammany  
Mandeville, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of NAMI St. Tammany (a Louisiana nonprofit organization), which comprise of the statement of financial positions as of June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions 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 from 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 risks 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 opinions.

## **Opinions**

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, 2013, 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 Reporting Required by Governmental Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated October 2, 2013, 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, 2013

**NAMI ST. TAMMANY**  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2013

Assets

Current assets	
Cash and cash equivalents	\$ 66,944
Grant receivable	52,527
Prepaid expenses	<u>1,900</u>
Total current assets	<u>121,371</u>
Property and equipment	
Office equipment	2,000
Less accumulated depreciation	<u>(133)</u>
Total property and equipment	<u>1,867</u>
Total assets	<u><u>123,238</u></u>

Liabilities

Current Liabilities	
Accounts payable	-
Accrued payroll	11,623
Payroll taxes payable	<u>1,677</u>
Total current liabilities	<u>13,300</u>
Total liabilities	<u>13,300</u>

Net assets

Unrestricted	109,938
Temporarily restricted	<u>-</u>
Total net assets	<u>109,938</u>
Total liabilities and net assets	<u><u>\$ 123,238</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, 2013

	Unrestricted	Temporarily Restricted	Total
<u>Revenue and other support</u>			
Grant and contract revenue	\$ 245,945	\$ -	\$ 245,945
Fundraising	69,301	-	69,301
Membership	2,953	-	2,953
Contributions	54,870	-	54,870
In-kind donations	37,800	-	37,800
Total revenue and other support	410,869	-	410,869
 <u>Expense</u>			
Program services	256,899	-	256,899
Management and general	41,357	-	41,357
Fundraising	37,619	-	37,619
Total expense	335,875	-	335,875
Change in net assets	74,994	-	74,994
Net assets, beginning of period	34,944	-	34,944
Net assets, end of period	\$ 109,938	\$ -	\$ 109,938

See auditor's report and notes to the financial statements

**NAMI ST. TAMMANY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

<u>Description</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 180,576	\$ 16,213	\$ 8,026	\$ 204,815
Payroll taxes	14,730	1,323	655	16,708
Consulting	-	-	4,200	4,200
Accounting	-	7,800	-	7,800
Audit	-	5,000	-	5,000
Travel / trainings	16,814	1,978	989	19,781
Telephone	2,786	328	163	3,277
Postage and shipping	-	894	-	894
Occupancy	25,500	3,000	1,500	30,000
Office expense	8,023	944	471	9,438
Insurance	7,745	912	456	9,113
Dues and subscriptions	-	2,880	-	2,880
Other fundraising costs	-	-	21,116	21,116
Other expenses	612	72	36	720
Depreciation	113	13	7	133
Total expenses on the statement of activities	<u>\$ 256,899</u>	<u>\$ 41,357</u>	<u>\$ 37,619</u>	<u>\$ 335,875</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, 2013**

Cash flows from operating activities

Change in net assets	\$ 74,994
Adjustments to reconcile change in net assets to net cash provided by operating activities	

Add: Depreciation	133
-------------------	-----

Changes in operating assets and liabilities

Increase in Grants receivable	(22,290)
Increase in Prepaid expenses	(1,900)
Decrease in Accounts payable	(1,254)
Increase in Accrued payroll	4,325
Increase in Payroll taxes payable	471

Net cash provided by (used in) operating activities	54,479
---	--------

Cash flows from investing activities

Additions to fixed assets	(2,000)
---------------------------	---------

Net cash provided by (used in) investing activities	(2,000)
---	---------

Net increase in cash and cash equivalents	52,479
---	--------

Cash and cash equivalents, beginning of period	14,465
--	--------

Cash and cash equivalents, end of period	\$ 66,944
--	-----------

Cash paid for interest for the fiscal year ended June 30, 2013 was \$-0-.

See auditor's report and notes to the financial statements

**NAMI ST. TAMMANY**  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

**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.

**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.

See auditor's report and financial statements

**NAMI ST. TAMMANY**  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2013

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

**Advertising**

Advertising costs are recorded as expenditures as they are incurred.

**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.

**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, 2013.

**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  
FOR THE YEAR ENDED JUNE 30, 2013

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

**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, 2013, the Organization did not have any Temporarily Restricted Net Assets.

**Note 4 – Permanently Restricted Net Assets**

At June 30, 2013, 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 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 6 – Grant Revenue**

The grant revenues received for the fiscal year ending June 30, 2013 are as follows:

Southeast Louisiana Hospital – Liaison Service	\$ 83,340
Southeast Louisiana Hospital – Support Group	50,000
St. Tammany Parish Government	87,765
FPHSA Contracts	<u>24,840</u>
Total Grant Revenue	<u>\$ 245,495</u>

**Note 7 – Concentrations**

**Funding Source**

The Organization is substantially supported by grants and contracts from Southeast Louisiana Hospital and the St. Tammany Parish Government. The total support provided by these sources is approximately 90% of total revenue.

**Note 8 – Date of Management Review**

These financial statements and all subsequent events have been reviewed by management through October 2, 2013.

See auditor's report and financial statements



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, 2013, and the related notes to the financial statements have issued our report thereon dated October 2, 2013.

**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

October 2, 2013