

NAMI NEW ORLEANS, INC.

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Year Ended June 30, 2021

NAMI NEW ORLEANS, INC.

Year Ended June 30, 2021

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KEITH T. HAMILTON, C.P.A.
(1932-2003)
LEROY P. LEGENDRE, C.P.A.
(Retired)
RENE G. GAUTREAU, C.P.A.
(1958-2019)

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
NAMI New Orleans, Inc.
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of NAMI New Orleans, Inc. ("NAMI"), a nonprofit organization, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, 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 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 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

**To the Board of Directors
NAMI New Orleans, Inc.**

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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NAMI as of June 30, 2021, 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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedule of compensation, benefits, and other payments to executive director, as required by the State of Louisiana, are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards and the schedule compensation, benefits, and other payments to executive director are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

To the Board of Directors
NAMI New Orleans, Inc.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2021, on our consideration of NAMI'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 solely 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 the effectiveness of NAMI's 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 NAMI's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited NAMI's 2020 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 23, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Metairie, Louisiana
December 23, 2021

PACIERA, GAUTREAU & PRIEST, LLC
CERTIFIED PUBLIC ACCOUNTANTS

NAMI NEW ORLEANS, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021
(With Summarized Financial Information
at June 30, 2020)

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 439,682	\$ 775,988
Cash held on behalf of clients	64,395	48,790
Investments	1,223,003	918,940
Accounts receivable, net	192,640	295,498
Grants receivable	74,565	98,368
Due from related party	0	1,136
Prepaid expenses	<u>14,879</u>	<u>3,818</u>
<i>Total Current Assets</i>	2,009,164	2,142,538
<u>OTHER ASSETS</u>		
Charitable remainder trust	209,587	191,864
Deposits	0	1,331
Property and equipment, net	<u>554,249</u>	<u>603,890</u>
<i>Total Assets</i>	<u>\$2,773,000</u>	<u>\$2,939,623</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 16,987	\$ 27,341
Accrued payroll expenses	10,287	5,259
Unearned revenue	11,325	1,225
Accrued compensated absences	51,664	54,902
Funds held on behalf of clients	64,395	48,790
Line of credit	<u>45,000</u>	<u>0</u>
<i>Total Current Liabilities</i>	<u>199,658</u>	<u>137,517</u>
<u>NON-CURRENT LIABILITIES</u>		
Loan payable	0	300,305
Liability under unitrust agreement	<u>36,667</u>	<u>35,591</u>
<i>Total Non-Current Liabilities</i>	<u>36,667</u>	<u>335,896</u>
<i>Total Liabilities</i>	<u>236,325</u>	<u>473,413</u>
<u>NET ASSETS</u>		
Without donor restrictions:		
Undesignated	2,363,756	2,226,604
With donor restrictions	<u>172,919</u>	<u>239,606</u>
<i>Total Net Assets</i>	<u>2,536,675</u>	<u>2,466,210</u>
<i>Total Liabilities and Net Assets</i>	<u>\$2,773,000</u>	<u>\$2,939,623</u>

See accompanying notes to financial statements.

NAMI NEW ORLEANS, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2021
(With Summarized Financial Information
For the Year Ended June 30, 2020)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021</u>	<u>2020</u>
<u>REVENUE, GAINS, (LOSSES), AND OTHER SUPPORT</u>				
Grants and contributions	\$1,002,943	\$ 0	\$1,002,943	\$1,261,288
In-kind contributions of materials	59,521	0	59,521	71,554
Fees for services	1,536,967	0	1,536,967	1,346,206
Management fees	38,653	0	38,653	37,553
Membership dues	71,415	0	71,415	71,978
Fundraising	78,957	0	78,957	93,653
Investment income (loss), net	164,983	0	164,983	(3,353)
Change in value of split interest agreement	0	16,647	16,647	(7,040)
Gain on disposal of asset	10,000	0	10,000	0
Other income	9,889	0	9,889	37,674
Forgiveness of debt	300,305	0	300,305	0
Net assets released from Restrictions due to satisfaction of donor-imposed requirements	<u>83,334</u>	<u>(83,334)</u>	<u>0</u>	<u>0</u>
<i>Total Revenue, Gains, (Losses), and Other Support</i>	<u>3,356,967</u>	<u>(66,687)</u>	<u>3,290,280</u>	<u>2,909,513</u>
<u>EXPENSES</u>				
Program Services:				
Case management	661,854	0	661,854	613,320
Housing	1,044,621	0	1,044,621	478,391
Drop-in center	1,939	0	1,939	1,452
Rehabilitation	247,914	0	247,914	526,245
Education	97,600	0	97,600	97,796
Uptown friendship club	0	0	0	14,808
Womanspace	569,307	0	569,307	619,613
Finally home	<u>147,710</u>	<u>0</u>	<u>147,710</u>	<u>132,446</u>
<i>Total Program Services</i>	<u>2,770,945</u>	<u>0</u>	<u>2,770,945</u>	<u>2,484,071</u>
Supporting Services:				
Fundraising	20,809	0	20,809	13,364
Management and general	<u>428,061</u>	<u>0</u>	<u>428,061</u>	<u>488,311</u>
<i>Total Supporting Services</i>	<u>448,870</u>	<u>0</u>	<u>448,870</u>	<u>501,675</u>
<i>Total Expenses</i>	<u>3,219,815</u>	<u>0</u>	<u>3,219,815</u>	<u>2,985,746</u>
Increase (decrease) in Net Assets	137,152	(66,687)	70,465	(76,233)
Net Assets - Beginning of Year	<u>2,226,604</u>	<u>239,606</u>	<u>2,466,210</u>	<u>2,542,443</u>
Net Assets - End of Year	<u>\$2,363,756</u>	<u>\$172,919</u>	<u>\$2,536,675</u>	<u>\$2,466,210</u>

See accompanying notes to financial statements.

NAMI NEW ORLEANS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(With Summarized Financial Information for the Year Ended June 30, 2020)

	Case Management	Housing	Drop-in Center	Rehabili- tation	Education	Woman- space
Administrative expenses	\$2,442	\$4,268	\$850	\$1,568	\$1,638	\$1,848
Bad debts	80,776	89,028	63	32,644	740	19,334
Client assistance	1,141	422,257	130	195	3,100	401
Depreciation	6,773	20,730	0	1,891	3,215	4,646
Dues and subscriptions	0	1,175	0	0	0	518
In-kind donations	0	8,979	0	0	0	42,643
Insurance	25,343	30,640	0	6,158	3,793	14,004
Interest expense	0	0	0	0	0	0
Janitorial supplies	524	480	0	129	39	8,053
Lease expense	0	0	0	0	0	5,151
Legal fees and expenses	0	95	0	0	0	0
Miscellaneous expenses	2,326	2,800	0	563	0	737
Office supplies	2,086	5,795	74	1,589	1,901	18,352
Professional fees	18,989	18,666	0	59,404	2,360	8,580
Repairs and maintenance	5,952	17,534	762	3,637	2,657	1,993
Salaries and related	488,502	390,974	60	135,262	75,652	434,942
Telephone and internet	6,794	7,444	0	2,212	1,093	5,353
Training and conferences	0	0	0	0	0	0
Travel	16,728	15,007	0	1,363	117	2,312
Utilities	3,478	8,749	0	1,299	1,295	440
	<u>\$661,854</u>	<u>\$1,044,621</u>	<u>\$1,939</u>	<u>\$247,914</u>	<u>\$97,600</u>	<u>\$569,307</u>

See accompanying notes to financial statements.

Finally Home	Total Program Services	Fund-raising	Management and General	Total Support Services	2021 Total Expenses	2020 Total Expenses
\$618	\$13,232	\$750	\$3,728	\$4,478	\$17,710	\$26,659
7,469	230,054	0	0	0	230,054	52,953
78,496	505,720	0	407	407	506,127	241,644
1,811	39,066	0	10,575	10,575	49,641	45,867
307	2,000	0	470	470	2,470	2,886
7,899	59,521	0	0	0	59,521	71,554
6,751	86,689	0	8,956	8,956	95,645	73,511
0	0	0	801	801	801	0
139	9,364	0	124	124	9,488	0
0	5,151	0	0	0	5,151	5,228
0	95	0	2,457	2,457	2,552	3,719
619	7,045	0	238	238	7,283	6,641
349	30,146	241	6,445	6,686	36,832	81,239
3,105	111,104	19,818	46,433	66,251	177,355	142,191
1,601	34,136	0	9,022	9,022	43,158	45,699
34,967	1,560,359	0	329,742	329,742	1,890,101	2,071,158
917	23,813	0	4,174	4,174	27,987	35,476
0	0	0	0	0	0	4,952
1,762	37,289	0	105	105	37,394	52,522
900	16,161	0	4,384	4,384	20,545	21,847
<u>\$147,710</u>	<u>\$2,770,945</u>	<u>\$20,809</u>	<u>\$428,061</u>	<u>\$448,870</u>	<u>\$3,219,815</u>	<u>\$2,985,746</u>

NAMI NEW ORLEANS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021
(With Summarized Financial Information
for the Year Ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Increase (decrease) in net assets	\$ 70,465	\$ (76,233)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation	49,641	45,867
Forgiveness of debt	(300,305)	0
Net realized and unrealized (gains) losses on investments	(151,690)	3,353
Charitable remainder trust	(16,647)	7,040
(Gain) on disposal of asset	(10,000)	0
(Increase) decrease in:		
Accounts receivable	102,858	65,505
Grants receivable	23,803	72,826
Due from related party	1,136	433
Prepaid expenses	(11,060)	13,245
Security deposits	1,331	(1,331)
(Decrease) increase in:		
Accounts payable	(10,355)	(1,148)
Accrued payroll expenses	5,028	(60,888)
Unearned revenue	10,100	1,225
Compensated absences	(3,238)	7,616
Net Cash Provided by (Used In) Operating Activities	<u>(238,933)</u>	<u>77,510</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Net purchases and sales of investments	(152,373)	(55,995)
Purchase of property and equipment	0	(83,628)
Proceeds from sale of asset	<u>10,000</u>	<u>0</u>
Net Cash (Used in) Investing Activities	<u>(142,373)</u>	<u>(139,623)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Loan proceeds	45,000	300,305
Funds held on behalf of clients	<u>15,605</u>	<u>10,616</u>
Net Cash Provided by Financing Activities	<u>60,605</u>	<u>310,921</u>
Net increase (decrease) in Cash, Cash Equivalents, and Restricted Cash	(320,701)	248,808
Cash, Cash Equivalents, and Restricted Cash		
Beginning of Year	<u>824,778</u>	<u>575,970</u>
End of Year	<u>\$ 504,077</u>	<u>\$ 824,778</u>
<u>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</u>		
Cash paid during the year for:		
Interest	\$ <u>407</u>	\$ <u>0</u>
Income taxes	\$ <u>0</u>	\$ <u>0</u>
<u>SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING ACTIVITIES</u>		
Loan payable forgiven	\$ <u>300,305</u>	\$ <u>0</u>

See accompanying notes to financial statements.

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

1. History and Summary of Significant Accounting Policies

(a) Organization

NAMI New Orleans, Inc. ("NAMI") is a non-profit organization which operates in the New Orleans Metropolitan Area. NAMI is dedicated to creating an environment to help individuals who have been socially and vocationally disabled by mental illness to achieve or regain the confidence and skills to live vocationally productive and socially satisfying lives. The organization has several contracts with the Metropolitan Human Services District and Jefferson Parish Human Services Authority and receives other funding from fees, dues, donations, and fund-raising. NAMI is governed by a Board of Directors consisting of fifteen volunteers.

NAMI is accredited every three years by the Commission on Accreditation of Rehabilitation Facilities and affiliated with the National Alliance on Mental Illness, Inc. Accreditation is based on successfully meeting specific organizational, programmatic, and legal requirements. The affiliation allows NAMI to use the NAMI name and logo, receive grant support, and participate in conferences and supporting events conducted by the National Alliance on Mental Illness, Inc.

(b) Financial Statement Presentation

The financial statements of NAMI are presented in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

(c) Net Assets

The classification of a not-for-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. U.S. GAAP requires the amounts for each of the classes of net assets be displayed in the Statement of Financial Position and that the amounts of change in each of those classes of net assets be displayed in the Statement of Activities and Changes in Net Assets. In accordance U.S. GAAP, NAMI reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

- Net assets without donor restriction: net assets available for general use to support operations. The only limits on the use of net assets without donor restriction are broad limits resulting from the nature of NAMI, the environment in which it operates, and the purposes specified in its corporate documents.

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2021

History and Summary of Significant Accounting Policies (Cont'd)

(c) Net Assets (Cont'd)

- Net assets with donor restriction: net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or programmatic purposes specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates the resources be maintained in perpetuity.

(d) Restrictions

When both net assets with donor restrictions and net assets without donor restrictions are available for use, it is NAMI's policy to use the net assets with donor restrictions first, then net assets without donor restrictions as needed.

(e) Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with NAMI's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

(f) Cost Allocation

The costs of program and supporting services activities have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets. The Statement of Functional Expenses present certain categories of expenses that are attributable to both program services and supporting activities. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries are allocated on the basis of estimates of time and effort and other natural costs are allocated based on management's observation and professional evaluation of the direct benefit of the cost to a particular program function or supporting function.

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2021

History and Summary of Significant Accounting Policies (Cont'd)

(g) Use of Estimates

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

(h) Cash, Cash Equivalents, and Restricted Cash

For the purpose of the Statement of Cash Flows, NAMI considers cash, cash equivalents, and restricted cash to be amounts on hand and on deposit, as well as investment instruments purchased with an original maturity of three months or less.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position that sum to the same such amounts shown in the statement of cash flows:

Cash and cash equivalents	\$439,682
Cash held on behalf of clients	<u>64,395</u>
Total cash, cash equivalents, and restricted cash	<u>\$504,077</u>

(i) Accounts Receivable

Accounts receivable are recorded at net realizable value and consist of charges for services provided by NAMI but have not been collected at year end. Management monitors the receivable balances and assesses the collectability at year end based upon the historical collections, knowledge of the individual or entity, and the age of the receivable balance. As a result of these reviews, management has determined that no allowance for doubtful accounts is required at year end.

The opening and closing balances of receivables from contracts with customers are as follows:

Beginning of the year	<u>\$295,498</u>
End of the year	<u>\$192,640</u>

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2021

History and Summary of Significant Accounting Policies (Cont'd)

(j) Grants Receivable

Grants receivable are recorded at net realizable value and consist of payments due for services performed in accordance with specific contracts and programs administered. Management periodically reviews the status of all grants receivable balances for collectability. Each receivable balance is assessed based on management's knowledge of, and relationship with, the grantor and the age of the receivable balance. At year end, management has deemed grants receivable to be collectible; therefore no allowance for doubtful accounts is reported.

(k) Investments

NAMI invests in mutual funds which are carried at fair value. Investment income (loss) includes interest, dividends, realized and unrealized gains and losses, and investment fees. Investment income (loss) restricted by donors is reported as a change in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income (loss) is recognized.

(l) Grants and Contributions

Grants and contributions, including unconditional promises, are recognized as revenue when the donor's unconditional commitment is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are donor restricted for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions.

When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Changes in Net Assets as net assets released from donor restrictions. Contributions received with donor restrictions which are fulfilled in the time period in which the contribution is received are recorded as net assets without donor restrictions in the financial statements. Conditional promises to give are recognized only when the conditions on which they depend are substantially met.

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2021

History and Summary of Significant Accounting Policies (Cont'd)

(m) Property and Equipment

Property and equipment is recorded at cost, or if donated, at the fair value on the date of the donation. NAMI capitalizes all fixed assets with a purchase price or donated fair value of \$2,500 or more. Repairs and maintenance are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

<u>Description</u>	<u>Years</u>
Building and improvements	10 - 40
Office furniture and equipment	5 - 10
Transportation equipment	5
Household equipment	7
Educational, recreational, cultural equipment	5 - 7
Software	5

(n) Compensated Absences

NAMI's employees earn accrued vacation time at various amounts according to years of service but not to exceed 125 hours. Once an employee has accumulated 125 hours of vacation leave, the employee stops accruing vacation leave until the employee has less than 125 hours in their vacation leave balance. Upon separation from employment, an employee shall receive that amount of vacation accrued (a maximum of 125 hours) at the employee's effective rate of pay at the time of separation. At year end, NAMI had accrued compensated absences of \$51,664.

(o) Unearned Revenue

Unearned revenue of \$1,225 and \$11,325 as of July 1, 2020 and June 30, 2021, respectively represents performance obligations associated with payments received in advance. The unearned revenue is recognized as revenue when the services are provided.

(p) Advertising

Advertising costs are expensed as incurred and allocated among the programs and supporting services benefitted on the statement of functional expenses. There was no advertising expense for the year.

(q) Retirement Plan

NAMI offers a 401(k) plan to its employees. Employees electing to participate in the plan may elect to defer up to a maximum of 15% of compensation. The 401(k) plan allows NAMI to make a discretionary match. No discretionary match was made during the year.

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2021

History and Summary of Significant Accounting Policies (Cont'd)

(r) Income Taxes

NAMI is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the code and is exempt from Louisiana income tax under the authority of R.S. 47: 121(5). Accordingly, no provision for income taxes has been reported. With few exceptions, NAMI is no longer subject to federal or state examinations by tax authorities prior to the tax year ended June 30, 2018.

U.S. GAAP provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Under this guidance, NAMI may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. There were no unrecognized tax benefits or obligations identified or recorded for the year.

(s) Revenue Recognition

NAMI recognizes revenue in accordance with FASB ASC Topic 606 as follows:

Fees for Service - NAMI recognizes revenues within the fiscal year in which services are provided. Payments received in advance are recorded as deferred revenue until the performance obligations are met.

Management Fees - NAMI recognizes management fee revenues as the services are provided.

Membership Dues - NAMI recognizes membership dues revenue evenly over the period of the membership as NAMI satisfies its performance obligation and members receive and consume membership benefits over that time frame.

Fundraising - NAMI recognizes fundraising revenue from special event exchange transactions upon the completion of the fundraising event.

(t) Contributed Services and Materials

The value of contributed services and materials meeting the requirements for recognition was \$59,521 and has been recorded as "In-kind contributions" in the accompanying financial statements. These contributed materials have been utilized during the reporting period to achieve NAMI's program mission. Additionally, a number of volunteers have donated a significant number of hours to NAMI. Although these services do not meet the criteria for recognition

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2021

History and Summary of Significant Accounting Policies (Cont'd)

(t) Contributed Services and Materials (Cont'd)

under generally accepted accounting principles, they are integral to NAMI's mission. Accordingly, no contributed services have been recognized.

(u) Reclassifications of Prior Year Summarized Information

Certain accounts in the prior-year summarized comparative information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

2. Description of Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

(a) Case Management

NAMI case management services seek to ensure that a system of supports, and services are available to people with mental illness in order to provide the opportunity to become successful in all aspects of their lives.

(b) Housing

NAMI PSH services aim to maximize the independent living of each member. Housing support may be provided to members living in NAMI managed apartments, as well as to members holding leases in the community, depending on the needs of the individual. Levels and areas of support are program specific and determined on an individual basis. Assistance is provided to develop independent living skills, particularly in the areas of money management, housekeeping, safety and emergency procedures, social and leisure activities, following a lease, personal hygiene, and the ability to utilize transportation systems. Housing staff also provide information and referrals to other community resources such as food banks, food stamp office, representative payee services, mental health and/or co-occurring disorder treatment, and other assistance programs.

(c) Drop-In Center

NAMI provides consumer run drop-in-center services to individuals that want to increase socialization opportunities. Any consumer of mental health services regardless of insurance or location of mental health treatment participation is welcome to drop in during drop-in-center hours in order to socialize, meet others, and develop natural supports within the community.

Description of Program and Supporting Services (Cont'd)

(d) Rehabilitation

NAMI is a psychosocial rehabilitation (PSR) facility offering services designed to meet the needs of the chronically mentally ill. These services include, but are not limited to psychosocial skills training, mental health rehabilitation, case management, supported employment, and supported living services.

(e) Education

The NAMI Education Program provides awareness, support, and educational activities for the community including programs such as support groups, Mental Health First Aid, Help Line, and community presentations.

(f) Womanspace

Womanspace is a safe haven residential program for females who are chronically homeless and have mental illness or substance addiction at a confidential location.

(g) Finally Home

Finally Home is a housing placement and case management program for individuals who are homeless with mental illness and/or substance use or other disabilities. This program is provided through a contract with Unity of Greater New Orleans that is funded by HUD.

(h) Fundraising

Fundraising provides the structure necessary to encourage and secure financial support from individuals, foundations, and corporations.

(i) Management and General

Management and general includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of NAMI's program strategy through the Office of the Executive Director; secure proper administrative functioning of the Board of Directors; maintain competent professional services for the program administration of NAMI; and manage the financial and budgetary responsibilities of NAMI.

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2021

3. Liquidity and Availability

NAMI strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. As part of this liquidity management, NAMI invests cash in excess of daily requirements in a money market account and mutual funds that can be withdrawn if needed. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, were comprised of the following at year end:

Cash and cash equivalents	\$ 439,682
Investments	1,223,003
Accounts receivable, net	192,640
Grants receivable	<u>74,565</u>
	<u>\$1,929,890</u>

4. Investments

Investments are carried at fair value and are comprised of mutual funds at year end.

The following schedule summarizes investment returns including interest and administrative fees, and its classification in the financial statements for the year:

Interest and dividends	\$ 22,000
Net realized and unrealized losses	<u>151,690</u>
	173,690
Investment expenses	<u>(8,707)</u>
Investment income, net	<u>\$164,983</u>

Concentration of credit risk is the risk of loss attributed to the magnitude of NAMI's investment in a single issuer. The investment policy of NAMI contains no limitations on the amount that can be invested in any one issuer.

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2021

5. Split Interest Trust

NAMI administers a charitable remainder trust (the "Trust"). The Trust provides for payment of distributions to the grantor or other designated beneficiary over the Trust's term (the designated beneficiary's lifetime). At the end of the Trust's term, the remaining assets are available for NAMI's use. Assets held in the charitable remainder trust are reported at fair value and totaled \$191,864 at year end. On an annual basis, NAMI revalues the liability to make distributions to the designated beneficiary based on actuarial assumptions. The changes in the valuation are reported as increases or decreases in net assets with donor restrictions. The present value of the estimated future payments, \$36,667 at year end, is calculated using a discount rate of 5% and applicable mortality tables.

6. Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, defines fair value and establishes a framework for measuring fair value for assets and liabilities that are measured at fair value on a recurring basis. NAMI has categorized its applicable financial instruments into a required fair value hierarchy. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value which are as follows:

- Level 1 - Inputs based on quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets.
- Level 3 - Unobservable inputs for the asset or liability, including the reporting entity's own assumption in determining the fair value measurement.

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2021

Fair Value Measurements (Cont'd)

The following table sets forth by level NAMI's assets at fair value at June 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Investments				
Mutual funds	\$ <u>1,223,003</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>1,223,003</u>
Assets held in charitable remainder trust				
Mutual funds	\$ <u>209,587</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>209,587</u>
Liabilities				
Liability under unitrust agreement	\$ <u>0</u>	\$ <u>0</u>	\$ <u>36,667</u>	\$ <u>36,667</u>

Management estimates the fair value for mutual funds by reference to quoted market prices and other relevant information generated by market transactions.

Management estimates that the fair value of the obligation under the unitrust agreement approximates the carrying value by reference to similar liabilities with similar interest rates and similar repayment terms.

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used by the fund managers in determining the value at June 30, 2021.

Liability	
Liability under unitrust agreement	
Beginning balance	\$35,591
Change in liability under unitrust agreement	<u>1,076</u>
	<u>\$36,667</u>

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2021

7. Property and Equipment

Property and equipment consist of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land	\$ 77,800	\$ 0	\$ 0	\$ 77,800
Capital assets being depreciated				
Building and improvements	1,035,262	0	0	1,035,262
Office furniture and equipment	99,444	0	0	99,444
Software	45,000	0	0	45,000
Transportation equipment	76,863	0	(20,834)	56,479
Household equipment	18,284	0	0	18,284
Educational, recreational, and cultural equipment	648	0	0	648
	<u>1,275,501</u>	<u>0</u>	<u>0</u>	<u>1,255,117</u>
Accumulated depreciation	<u>(749,411)</u>	<u>(49,641)</u>	<u>20,384</u>	<u>(778,668)</u>
	<u>526,090</u>	<u>(49,641)</u>	<u>0</u>	<u>476,449</u>
	<u>\$ 603,890</u>	<u>\$(49,641)</u>	<u>\$ 0</u>	<u>\$ 554,249</u>

Depreciation expense was \$49,641 for the year.

8. Net Assets with Donor Restrictions

At June 30, 2021, NAMI had \$172,919 of net assets with donor restrictions. The restrictions are for time. During the year, \$83,334 of donor restrictions were released by performing program services.

9. Debt

NAMI has an available revolving line of credit with Hancock Whitney Bank totaling \$100,000 that renews annually in May. The interest rate on the note is subject to change from time to time based on changes in an independent index which is the Prime Rate for the U.S. designated in the "Money Rates" section of the Wall Street Journal. However, under no circumstances will the interest rate on the note be less than 4.00% per annum or more than the maximum amount allowed by law. At June 30, 2021 the balance outstanding on the line of credit was \$45,000.

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2021

Debt (Cont'd)

NAMI has an available revolving line of credit with Iberia Bank totaling \$300,000 that renews annually in July. The interest rate on the note is subject to change from time to time based on changes in an independent index which is the Prime Rate for the U.S. designated in the "Money Rates" section of the Wall Street Journal. At June 30, 2021 there was no balance outstanding on the line of credit.

On April 15, 2020, NAMI received loan proceeds in the amount of \$300,305 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. In 2021, this PPP loan was fully forgiven. The amount forgiven is included in "Grants and Contributions" in the Statement of Activities.

Interest expense for the year was \$801.

10. Concentrations

In the normal course of operations, NAMI maintains cash deposits with major financial institutions which, from time to time, may exceed federally insured limits. Management periodically assesses the financial condition of the institutions and believes the risk of incurring material losses related to this credit risk is remote. NAMI's uninsured cash balances total \$126,431.

Included in receivables are amounts due from various insurance companies, Medicaid, and Medicare for services provided to clients. NAMI requires no collateral to secure the accounts receivable. Payment of these accounts is dependent upon the insurance companies, Medicaid's, and Medicare's willingness to reimburse NAMI for the services provided for clients.

11. Related Party Transactions

Friends of Alliance Housing, Inc. I

The executive director of NAMI also serves as executive director of Friends of Alliance Housing, Inc. I ("FAHI I"). NAMI and FAHI I have undertaken the following related party transactions:

- NAMI has provided FAHI I with the use of facilities and/or administrative support. In return, FAHI I reimbursed NAMI \$5,363 for the year ended June 30, 2021.

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2021

Related Party Transactions (Cont'd)

- NAMI's staff provides services for FAHI I as needed. In return, FAHI I reimbursed NAMI \$13,464 for salary expenses for the year ended June 30, 2021.

Friends of Alliance Housing, Inc. II

The executive director of NAMI also serves as executive director of Friends Alliance Housing, Inc. II ("FAHI II"). NAMI and FAHI II have undertaken the following related party transactions:

- NAMI has provided FAHI II with the use of facilities and/or administrative support. In return, FAHI II reimbursed NAMI \$8,266 for these management services for the year ended June 30, 2021.
- NAMI's staff provides services for FAHI II as needed. In return, FAHI II reimbursed NAMI \$17,765 for salary expenses for the year ended June 30, 2021.
- FAHI II paid NAMI \$5,500 to advertise at NAMI's fund raiser, NAMI Walks, for the year ended June 30, 2021.

Effective August 1, 2021, NAMI is no longer the Management Agent for FAHI I and FAHI II.

Allied Paper

A member of NAMI's Board of Directors, has a 50% ownership in Allied Paper. For the year ended June 30, 2021 NAMI purchased \$8,533 of janitorial and other supplies from Allied Paper.

12. Subsequent Events

NAMI evaluated subsequent events through December 23, 2021, which is the date the financial statements were available to be issued.

13. Contingency - COVID-19

During March 2020, the World Health Organization declared the novel coronavirus (COVID-19) outbreak a global pandemic. As a result of the ongoing pandemic, economic uncertainties have arisen that could impact NAMI's operational and financial performance. The potential impact has not been recognized in these financial statements.

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2021

14. Adoption of New Accounting Standards

ACCOUNTING STANDARDS UPDATE 2014-09 REVENUE FROM CONTRACTS WITH CUSTOMERS (TOPIC 606)

In May 2014, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification (ASC) 606, Revenue from Contracts with Customers) which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in the United States of America generally accepted accounting principles. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. NAMI adopted ASC 606 with a date of the initial application of July 1, 2020.

As part of the adoption of ASC 606, NAMI elected to use the following transition practical expedients: (1) all contract modifications that occurred prior to the date of initial application when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price have been reflected in the aggregate; and (2) ASC 606 is applied only to contracts that are not completed at the initial date of application. Because contract modifications are minimal, there is not a significant impact as a result of electing these practical expedients.

Management of NAMI has analyzed the provisions of ASU 2014-09, and has concluded that no changes are necessary to conform with the new standard, therefore the implementation of ASU 2014-09 had no impact on beginning net assets or the Change in Net Assets. Also, NAMI does not expect the adoption of the new revenue standard to have a material impact on its Change in Net Assets on an ongoing basis.

ACCOUNTING STANDARDS UPDATE 2018-13—FAIR VALUE MEASUREMENT (TOPIC 820): DISCLOSURE FRAMEWORK—CHANGES TO THE DISCLOSURE REQUIREMENTS FOR FAIR VALUE MEASUREMENT

On August 28, 2018, the FASB issued ASU 2018-13, which changes the fair value measurement disclosure requirements of ASC 820. The amendments in this ASU are the result of a broader disclosure project called FASB Concepts Statement, Conceptual Framework for Financial Reporting – Chapter 8: Notes to Financial Statements, which the Board finalized on August 28, 2018. The Board used the guidance in the Concepts Statement to improve the effectiveness of ASC 820's disclosure requirements. The

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2021

Adoption of New Accounting Standards (Cont'd)

ASU is effective for all entities for fiscal years beginning after December 15, 2019. NAMI adopted ASC 820 with a date of the initial application of July 1, 2020.

ASU 2018-13 includes the new, eliminated, and modified disclosure requirements of ASC 820. The amendments in this Update were applied on a prospective basis. NAMI's fair value measurements are disclosed in Note 6.

SUPPLEMENTARY INFORMATION

NAMI NEW ORLEANS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-through Grantor Program Title	Federal CFDA Number	Grant Name/Grant Number	Federal Expenditures
U. S. Department of Housing and Urban Development			
Direct program			
Continuum of Care Program	14.267	Permanent Housing and Independent Living/LA0072L6H031811	\$ <u>184,566</u>
Total direct programs			<u>184,566</u>
Pass-through program			
Unity of Greater New Orleans			
Continuum of Care Program	14.267	Ciara House/LA0053L6H031912	61,340
Continuum of Care Program	14.267	Voyage House/LA0075L6H031912	302,057
Continuum of Care Program	14.267	Womanspace Safe Haven/LA0083L6H031912	312,859
Continuum of Care Program	14.267	Womanspace Safe Haven/LA0083L6H032013	95,834
Continuum of Care Program	14.267	Sponsor Based Rental Assistance	
Continuum of Care Program	14.267	Shelter Plus Care/LA0086L6H031912	10,621
Continuum of Care Program	14.267	Finally Home/LA0210L6H031906	<u>124,898</u>
Total pass-through programs			<u>907,609</u>
Total Continuum of Care Program			<u>1,092,175</u>
Total U. S. Department of Housing and Urban Development			<u>1,092,175</u>
U. S. Department of Health and Human Services			
Direct program			
Provider Relief Fund	93.498	Covid-19 Grants/CR-41121233417	<u>45,688</u>
Total U. S. Department of Health and Human Services			<u>45,688</u>
Total Expenditures of Federal Awards			<u>\$1,137,863</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

NAMI NEW ORLEANS, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of NAMI under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

Summary of Significant Accounting Policies

The schedule of expenditures of federal awards is reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

NAMI did not elect to use the 10 percent de minimis indirect rate.

NAMI NEW ORLEANS, INC.
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO THE EXECUTIVE DIRECTOR
FOR THE YEAR ENDED JUNE 30, 2021

Agency Head: Lisa Romback
Position: Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$68,266
Benefits - Insurance	4,265
Travel	0
Cell phone allowance	<u>0</u>
Total	<u>\$72,531</u>

Agency Head: Joseph Bodenmiller
Position: Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$28,385
Benefits - Insurance	8
Travel	0
Cell phone allowance	<u>0</u>
Total	<u>\$28,393</u>

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(1932-2003)
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RENE G. GAUTREAU, C.P.A.
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INDEPENDENT AUDITOR'S 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

To the Board of Directors
NAMI New Orleans, Inc.
New Orleans, Louisiana

We have audited, in accordance with the 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 New Orleans, Inc. ("NAMI"), a nonprofit organization, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 23, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered NAMI's internal control over financial reporting ("internal control") as a basis for designing 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's internal control. Accordingly, we do not express an opinion on the effectiveness of NAMI'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.

INDEPENDENT AUDITOR'S 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

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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control 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's financial statements are free from 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 financial statements. 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Metairie, Louisiana
December 23, 2021

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
NAMI New Orleans, Inc.
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

We have audited NAMI New Orleans, Inc.'s ("NAMI") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of NAMI's major federal programs for the year ended June 30, 2021. NAMI's major federal programs are identified in the summary of auditor's results sections of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of NAMI's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about NAMI's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of NAMI's compliance.

Opinion on Each Major Federal Program

In our opinion, NAMI complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of NAMI is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered NAMI's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of NAMI's internal control over compliance.

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Metairie, Louisiana
December 23, 2021

PACIERA, GAUTREAU & PRIEST, LLC
CERTIFIED PUBLIC ACCOUNTANTS

NAMI NEW ORLEANS, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2021

A. Summary of Auditor's Results

Financial Statements

1. Type of auditor's report issued: Unmodified
2. Internal control over financial reporting:
- Material weaknesses identified _____ yes X no
- Significant deficiencies identified that are not considered to be material weaknesses _____ yes X none noted
3. Noncompliance material to financial statements noted _____ yes X no

Federal Awards

4. Type of auditor's report issued on compliance for major programs: Unmodified
5. Internal control over major programs:
- Material weaknesses identified _____ yes X no
- Significant deficiencies identified that are not considered to be material weaknesses _____ yes X none noted
6. Any audit findings disclosed that are required to be reported by *Title 2 U.S. Code of Federal Regulations Part 200*. _____ yes X no
7. Identification of major programs:
 CFDA #14.267 Continuum of Care Program
8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000
9. Auditee qualified as low-risk audit X yes _____ no

B. Findings Related to the Financial Statements Reported in Accordance with Government Auditing Standards

There were no audit findings required to be reported.

C. Findings and Questioned Costs for Federal Awards Under the Uniform Guidance

There were no audit findings required to be reported.

NAMI NEW ORLEANS, INC.
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

A. Findings in Accordance with *Government Auditing Standards*

There were no audit findings required to be reported.

B. Findings and Questioned Costs for Federal Awards Under the Uniform Guidance

There were no audit findings required to be reported.