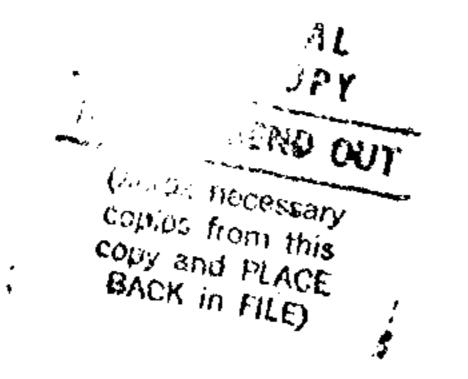
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NAMI Louisiana Baton Rouge, Louisiana June 30, 1999

under provisions of state law, this report is a public documant. A copy of the report has been submitled to the suchted, or reviewed, e. Phy are extremely oppropriate public cifficials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court

Release Date 1-19-00

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# HAWTHORN, WAYMOUTH & CARROLL, L.L.P.

H. DANIEL CARROLL, C.P.A. ROBERT E. WALES, C.P.A. J. CHARLES PARKER, C.P.A. LOUIS C. McKNIGHT, III, C.P.A. ANTHONY J. CRISTINA, III, C.P.A. OHARLES R. PEVEY, JR., C.P.A. DAVID J. BROUSSARD, C.P.A.



CERTIFIED PUBLIC ACCOUNTANTS

8555 UNITED PLAZA BLVD. BATON ROUGE, LOUISIANA 70809 (225) 923-3000 • FAX (225) 923-3008 August 30, 1999

**Independent Auditor's Report** 

The Officers and Board of Directors NAMI Louisiana Baton Rouge, Louisiana

Gentlemen:

We have audited the accompanying statement of financial position of

ROBERT B. BAWTHORN, C.P.A (1896-1977) JOHN F. WAYMOUTH, C.P.A. (1902-1987) HOWARD V. CABROLL, C.P.A. (1909-1993) WARREN C. BER, C.P.A. RENDED

ROBERT J. ZERNOTT, O.P.A. FIETIFIED

CABLE HANDOCK, G.P.A. RETIRED

# NAMI Louisiana Baton Rouge, Louisiana

as of June 30, 1999, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the NAMI Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with generally accepted auditing standards and <u>Government Auditing Standards</u>, 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 the NAMI Louisiana as of June 30, 1999, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

NAMI Louisiana has not presented the disclosures required by Governmental Accounting Standards board Technical Bulletin 98-1, "Disclosures about Year 2000 Issues", as amended by Governmental Accounting Standards Board Technical Bulletin 99-1, that the Governmental Accounting Standards Board has determined are necessary to supplement, although not be a part of,

the basic financial statements. In addition, we do not provide assurance that NAMI Louisiana is or will be year 2000 compliant, that NAMI Louisiana's year 2000 remediation efforts will be successful in whole or in part, or that parties with which NAMI Louisiana does business will be year 2000 compliant.

In accordance with Government Auditing Standards, we have also issued a report dated August 30, 1999 on our consideration of the NAMI Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Yours truly,

Humthen, Maymenth a Carrell, L. S.P.

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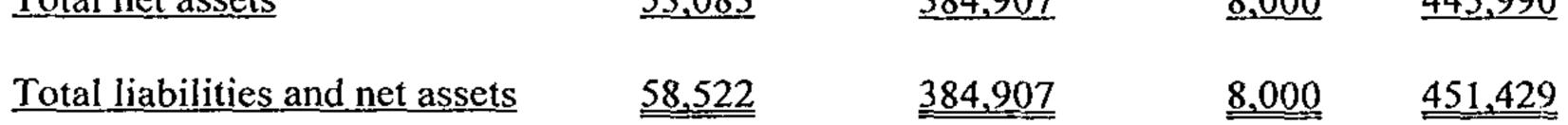
# NAMI Louisiana Statement of Financial Position June 30, 1999

Assets

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	Unrestricted	Temporarily <u>Restricted</u>	Permanently Restricted	Total
Current Assets		<u> </u>		
Cash and cash equivalents				
Cash in bank	\$36,635		\$3,183	\$39,818
Certificates of deposit	3,984		· · · · · · · · · · · · · · · · · · ·	3,984
	<u>40,619</u>		3,183	43,802
Receivables				
Grant Fund receivable	10,839			10,839
Unconditional Promises to Give			4,817	4,817
Other receivables	286			286
	<u>11,125</u>		<u>4,817</u>	<u>15,942</u>
Total current assets	<u>51,744</u>		<u>8,000</u>	<u> </u>
Noncurrent Assets				
Office equipment	10,020			10,020
Less accumulated depreciation	(3,242)			(3,242)
Unconditional Promises to Give	•	<u>\$384,907</u>	·	<u>384,907</u>
Total noncurrent assets	<u>6,778</u>	<u>384,907</u>		<u>391,685</u>
Total assets	<u>58,522</u>	<u>. 384,907</u>	<u>8,000</u>	<u>451,429</u>
Liabili	ties and Ne	t Assets		
Liabilities				
Payroll taxes payable	439			439
Deferred revenue	<u>    5,000  </u>			_5,000
Total liabilities	<u>    5,439 </u>			<u>    5,439</u>
Net Assets				
Unrestricted	53,083			53,083
Temporarily restricted		384,907		384,907
Permanently restricted	<u> </u>		<u>8,000</u>	8,000
Total net assets	<u>53,083</u>	384,907	8,000	<u>445,990</u>



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# The accompanying notes are an integral part of these statements.

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NAMI Louisiana Statement of Activities Year Ended June 30, 1999

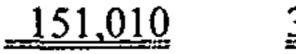
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	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Changes in Unrestricted Net Assets				<u></u>
Public support				
Grants from Governmental Agencies	\$110,664			\$110,664
Other grants	2,597		\$8,000	10,597
Contributions	12,620		<del>-</del>	12,620
Total public support	125,881		<u>8,000</u>	<u>133,881</u>
Revenue				
Conference income	11,214			11,214
Membership dues	2,955			2,955
Miscellaneous income	1,754			1,754
Interest income	1,215			1,215
Change in value of split-interest -		<b>MAC 550</b>		26 660
agreements	17 120	<u>\$26,558</u>	<b>-</b>	26,558
Total public support	<u>    17,138</u>	<u>   26,558  </u>	- <u></u>	43,696
Total public support and revenue	143,019	26,588	<u>8,000</u>	177,577
and revenue	145,012	20,000	0,000	177,577
Expenses				
Program expenses	170,794			170,794
				<u></u>
Total expenses	<u>170,794</u>	<u></u>		<u>170,794</u>
Increase (Decrease) in Net Assets	<u>(27,775)</u>	26,558	<u>8,000</u>	<u>(19,775)</u>
Transfer of Assets to JOH	(17,066)			(17,066)
Net Assets, beginning of year as previously reported	97,924			97,924
Prior Period Adjustments	<b></b>	<u>358,349</u>		<u>358,349</u>
Net Assets, beginning of year, restated	<u>97,927</u>	<u>358,349</u>	-,u-	<u>456,273</u>

# Net Assets, end of year

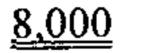
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# The accompanying notes are an integral part of these statements.

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NAMI Louisiana Statement of Cash Flows Year Ended June 30, 1999

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	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
<b>Cash Flows From Operating Activities</b>				
Increase (decrease) in net assets	(\$27,775)	\$26,558	\$8,000	\$6,783
Adjustments to reconcile change				
in net assets to net cash				
provided by operating activities				
Depreciation	879			879
(Increase) decrease in				
Grant Fund receivable	37,858		<i></i>	37,858
Unconditional Promises to Give		(26,558)	(4,817)	(4,817)
Other receivables	565			565
Increase (decrease) in	110			110
Payroll taxes payable	112			112
Deferred revenue	5,000	•	<u></u>	<u> </u>
Net cash provided by				
<u>Operating activities</u>	16,639		3,183	46,380
		- <u></u>		
<b>Cash Flows From Investing Activities</b>				
Purchase of fixed assets, net	(7,628)			(7,628)
Net cash used by				
investing activities	(7,628)		<u> </u>	<u>(7.628)</u>
Net Increase in Cash and	<b>•</b> • • • •			
Cash Equivalents	9,011		3,183	12,194
Cash and Cash Fauivalants				
Cash and Cash Equivalents Beginning of year	21 600			21 200
Deginning of year	<u>31,608</u>	<u></u>	<u></u>	<u>31,608</u>
End of year	<u>40,619</u>		<u>3,183</u>	<u>43,802</u>

# The accompanying notes are an integral part of these statements.

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NAMI Louisiana Statement of Functional Expenses Year Ended June 30, 1999

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Supporting <u>Services</u> \$83,648

Salaries Payroll taxes Rent Insurance 5,400

Insurance	5,400
Conference travel	590
Supplies	12,940
Printing and publications	3,450
Legal and accounting	7,338
Telephone	9,823
Dues and subscriptions	4,554
Postage	105
Other	2,997
Depreciation	18,221
Contract services	879
	<u>_13,922</u>

<u>Total</u>

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<u>170,794</u>

# The accompanying notes are an integral part of these statements.

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NAMI Louisiana Notes to Financial Statements June 30, 1999

### Note 1-Nature of Organization and Significant Accounting Policies

#### A. Nature and Purpose

NAMI Louisiana is a nonprofit entity organized for the purpose of providing a focal point for statewide mental illness activities and issues and to provide a central point for dissemination of information on activities and issues affecting persons with mental illness. The major programs include statewide support to family educators and support facilitators. This is accomplished by providing educational courses which present the Journey of Hope Program. The Journey of Hope Program is also made available to other state mentally ill associations.

#### B. Basis of Accounting

The organization utilizes the accrual method of accounting, wherein revenue is recognized as earned and expenses are recognized as they are incurred whether or not cash is received or paid out at that time.

# C. Cash and Cash Equivalents

For the purposes of the statement of financial position presentation, cash equivalents are considered to be highly liquid investments with maturities of three months or less. At various times during the year cash and cash equivalents on deposit with one banking institution exceeded the \$100,000 insured by the Federal Deposit Insurance Corporation. Management monitors the financial condition of the financial institution on a regular basis, along with their balances in cash and cash equivalents to minimize this potential risk.

### D. <u>Uncollectible Revenue</u>

NAMI Louisiana considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

# E. Property and Equipment

Office equipment is recorded at original cost less an allowance for depreciation. Depreciation is recorded using the straight-line method over the assets' useful lives, which range from 5 - 7 years.



# NAMI Louisiana is classified as a nontaxable organization, not a private foundation, under Section 501(c)(3) of the Internal Revenue Code.



# NAMI Louisiana Notes to Financial Statements June 30, 1999

#### Note 1-Nature of Organization and Significant Accounting Policies (Continued)

#### G. Use of Estimates

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

#### H. Grant Contracts

NAMI Louisiana depends significantly on grant contract reimbursements to carry out its program activities. This revenue is disclosed as program revenue on the statement of activities.

Grant revenue is recorded as related expenses are incurred, and the reimbursement requests are submitted to the grantor agency.

#### I. <u>Functional Expenses</u>

NAMI Louisiana allocates functional expenses primarily by specific identification of program expenses which include salaries of personnel assigned to specific programs.

# **Note 2-Related Party Transaction**

NAMI Louisiana rents office space from a company owned by the Executive Director under an informal agreement. Total rent paid for the year ended June 30, 1999 was \$5,400.

#### Note 3-Unconditional Promises to Give

# A. <u>Temporarily Restricted</u>

The Organization was named as a one-third beneficiary of the Anderson Charitable Remainder Unitrusts. Payments to the Organization will be made upon the death of the income recipients. Bank One Trust Company of Baton Rouge, Louisiana has been named as Trustee.

# B. <u>Permanently Restricted</u>

Legacy of Hope is a trust established to fund the Organization with investment proceeds while protecting the principle. As of June 30, 1999, pledges had been made that will be paid over a period not to exceed two years.

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# NAMI Louisiana Notes to Financial Statements June 30, 1999

#### **Note 4-Prior Period Adjustment**

The prior period adjustment is the fair market value of the Organization's share of the Anderson Charitable Remainder Unitrusts at June 30, 1998.

#### **Note 5-Statement of Cash Flows**

In prior years, Journey of Hope was included in the financial statements of NAMI Louisiana. In 1999, management decided that Journey of Hope should be separated for financial statement purposes. While the organizations have always been separate entities, NAMI Louisiana no longer has a controlling or financial interest in Journey of Hope. At June 30, 1998, Journey of Hope had net assets of \$17,066.

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# HAWTHORN, WAYMOUTH & CARROLL, L.L.P.

H. DANIEL GARROLL, C.P.A. ROBERT E. WATES, G.P.A. J. CHARLES PARKER, C.P.A. LOUIS C. McKNIGET, III, C.P.A. ANTHONY J. CRISTINA, III, C.P.A. CHARLES R. PEVEY, JR., C.P.A. DAVID J. BROUSSARD, C.P.A.

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8555 UNITED PLAZA BLVD. BATON ROUGE, LOUISIANA 70809 (225) 923-3000 • FAX (225) 923-3008

August 30, 1999

ROBERT B. HAWTHORN, C.P.A. [1896-1977] JOHN F. WAYMOUTH, C.P.A. (1902-1987) HOWARD V. CARROLL, C.P.A. [1909-1993]

WARREN G. BER, C.P.A. RETIRED ROBERT J. ZERNOTT, G.P.A RETIRED CARL L. HANGOOK, G.P.A RETIRED

### Report on Compliance and on Internal Control over Financial Reporting based on an Audit of Financial Statements Performed In Accordance With <u>Government Auditing Standards</u>

The Officers and Board of Directors NAMI Louisiana Baton Rouge, Louisiana

Gentlemen:

We have audited the financial statements of NAMI Louisiana as of and for the year ended June 30, 1999, and have issued our report thereon dated August 30, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States.

#### **Compliance**

As part of obtaining reasonable assurance about whether NAMI Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered NAMI Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report in intended for the information of management and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

Yours truly,

Hundton, Maymonth Serred, L.S.P.

