

SUPPLEMENTARY INFORMATION

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**FRIENDS ALLIANCE FOR
THE MENTALLY ILL, INC.**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

Year Ended June 30, 1990

Under provisions of state law, this report is a public document. A copy of the report has been distributed to the auditor, the clerk of court, and other responsible public officials. The report is available for public inspection at the Public Storage Division of the Legislative Building and, where appropriate, at the office of the parish clerk of court.

Release Date: 4-2-97

SPLASBERG, HAMILTON, LEGGERS & PADENA

CERTIFIED PUBLIC ACCOUNTANTS

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October 18, 1996

Executive Director and
Board of Directors
Friends Alliance for the Mentally Ill, Inc.
New Orleans, Louisiana

We have audited the financial statements of the Friends Alliance for the Mentally Ill, Inc. ("FAMI") for the year ended June 30, 1996, and have issued our report thereon dated October 18, 1996. As a part of our audit, we made a study and evaluation of the system of internal accounting control to the extent we considered necessary as required by generally accepted auditing standards for the purpose of determining the nature, timing, and extent of auditing procedures necessary for expressing an opinion on the financial statements.

The purpose of this letter is to communicate to you our observations and comments on the condition of the internal accounting control policies and procedures. Therefore, by its nature, it is critical but meant nevertheless to be constructive. It goes without saying that there are aspects of the policies and procedures not included or commented upon here that constitute strong features of the internal accounting control system.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Our study and evaluation as described in the first paragraph above would not necessarily disclose all material weaknesses in the system. We noted no matter involving the internal accounting control system that we considered to be material weaknesses. However, we believe that the recommendations outlined below will provide more effective internal controls with a minimum of effort.

General Ledger

We noted that FAMI's general ledger was not in balance as of June 30, 1996. We understand that the Organization will be acquiring a new accounting system for the year ended June 30, 1997. As previously commented on for the year ended June 30, 1995, similar mispostings occurred early in fiscal year 1996. These mispostings were not corrected as of June 30, 1996; however, they have subsequently been corrected. We strongly recommend that the Administrative Assistant be responsible for maintaining the integrity of the accounting information, and that the general ledger be reconciled monthly to the various subsidiary ledgers and/or supporting schedules.

Executive Director and Board of Directors
Friends Alliance for the Mentally Ill, Inc.
October 18, 1994
Page 2

This report is intended solely for the information and use of the Executive Director, Board of Directors, management and others within the Organization.

We would like to express our appreciation to Mrs. Bea Fiker, Ms. Malissa Brady and the FAMI staff for the assistance and cooperation afforded us during our audit.

We would be pleased to discuss the contents of this letter with you at your convenience.

Sincerely,

Spilbury, Hamilton, Lechner & Paces
SPILSBURY HAMILTON, LECHNER AND PACES
Certified Public Accountants

FRIENDS ALLIANCE FOR
THE MENTALLY ILL, INC.

Year Ended June 30, 1993

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INDEPENDENT AUDITOR'S REPORT

**Executive Director and Board of Directors
Friends Alliance for the Mentally III, Inc.
New Orleans, Louisiana**

We have audited the accompanying statement of financial position of Friends Alliance for the Mentally III, Inc. (a Louisiana non-profit corporation) as of June 30, 1998, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the management of Friends Alliance for the Mentally III, Inc. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These 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 Friends Alliance for the Mentally III, Inc. as of June 30, 1998, and the changes in its net assets and cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated October 10, 1998 on our consideration of Friends Alliance for the Mentally III, Inc. internal control structure and a report dated October 10, 1998 on its compliance with laws and regulations.

Prepared and Forwarded
Legislatively


Executive Director and Board of Directors
Friends Alliance for the Mentally Ill, Inc.

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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the corporation's financial statements for the year ended June 30, 1995, from which the summarized information was derived.

Our audit has been made primarily for the purpose of expressing an opinion on the financial statements taken as a whole. The accompanying Statements of Activities by Branch and by Program, although not considered necessary for a fair presentation of financial position, changes in net assets or cash flows, is presented for supplementary analysis purposes. It has been subjected to the tests and other auditing procedures applied in the audits of the financial statements mentioned above, and in our opinion is fairly stated in all respects material in relation to the financial statements taken as a whole.

Epitaphy Hamilton, Lizandra L. Pavia

October 10, 1996

FRIENDS ALLIANCE FOR THE MENTALLY ILL, INC.
 STATEMENT OF FINANCIAL POSITION
 JUNE 30, 1996
With Comparative Totals for June 30, 1995

	1996	1995
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 50,323	\$ 171,489
Certificates of deposit	40,800	71,000
Due from State agencies	267,876	191,335
Due from non-related working affiliate	3,880	18,458
Prepaid insurance	28,850	1,742
Total Current Assets	428,629	454,024
PROPERTY AND EQUIPMENT		
Land	167,000	167,000
Building and improvements	565,200	565,200
office furniture and equipment	82,848	82,848
transportation equipment	94,850	94,899
Household equipment	13,144	13,144
Educational, recreational and cultural equipment	1,827	1,827
	824,879	824,879
Less: Accumulated depreciation	298,108	298,113
Total Property and Equipment	526,771	526,766
OTHER ASSET		
Deposit on purchase of property	8	25,980
Total Assets	\$1,055,028	\$1,047,630

See accompanying notes to financial statements.

SPILSBURY, HAMILTON, LEGENDRE & PACEIRA

MEMBER FIDELITY & BOND
CORPORATION
MEMBER S&P
RATED A-1

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.

Executive Director and Board of Directors
Friends Alliance for the Mentally Ill, Inc.
New Orleans, Louisiana

We have audited the financial statements of Friends Alliance for the Mentally Ill, Inc. (a non-profit organization) as of and for the year ended June 30, 1996, and have issued our report thereon dated October 10, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to Friends Alliance for the Mentally Ill, Inc. is the responsibility of the management of Friends Alliance for the Mentally Ill, Inc. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Organization's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the Executive Director, Board of Directors, management, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Spilbury, Hamilton, Legendre & Paceira

October 10, 1996

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation described in the schedule of reportable conditions on page 21 that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Organization's ability to record, process, summarize, and report financial data in a manner that is consistent with the assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that the reportable condition described above is not a material weakness.

We noted other matters involving the internal control structure and its operation that we have communicated to the management of Friends Alliance for the Mentally Ill, Inc. in a separate letter dated October 18, 1994.

This report is intended for the information of the Executive Director, Board of Directors, management, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Spitzberg, Hamilton, Legendre & Poirier

October 18, 1994

SPILSBURY, HAMILTON, LEVINSKY & PATERA

MEMBER OF SPILSBURY, HAMILTON,
LEVINSKY & PATERA, L.L.P.
MEMBER OF SPILSBURY, HAMILTON,
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LEVINSKY & PATERA, L.L.P.
MEMBER OF SPILSBURY, HAMILTON,
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**INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL
CONTROL STRUCTURE BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Executive Director and Board of Directors
Friends Alliance for the Mentally Ill, Inc.
New Orleans, Louisiana

We have audited the financial statements of Friends Alliance for the Mentally Ill, Inc. (a Louisiana non-profit organization) as of and for the year ended June 30, 1998, and have issued our report thereon dated October 19, 1998.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Friends Alliance for the Mentally Ill, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of Friends Alliance for the Mentally Ill, Inc. for the year ended June 30, 1998, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and

THEYMEN ALLIANCE FOR THE MENTALLY ILL, INC.
STATEMENT OF ACTIVITIES - BY PROGRAM
YEAR ENDING JUNE 30, 1978

	Includes and Administration	West Jefferson FRIENDSHIP Club	East Jefferson FRIENDSHIP Club	Fair- weather Inland
SUPPORT AND REVENUE				
Support:				
Donations	\$ 3,380	\$ 0	\$ 0	\$ 0
Miscellaneous	3,381	0	0	0
Revenue:				
Fees for services	207,954	114,800	117,600	50,496
Interest income	3,140	0	0	0
Rents	3,780	0	0	0
Miscellaneous	628	873	0	0
Total Support and Revenue	215,533	115,673	117,600	50,496
OPERATING EXPENSES				
Advertising	439	0	11	0
Bank charges	470	0	0	0
Depreciation	12,084	4,144	3,804	1,367
Donation to Friends Alliance for Hearing, Inc.	37,881	0	0	0
Dues and subscriptions	3,448	488	671	11
Emergency housing cost	0	0	0	0
Field travel	8,880	833	230	682
Insurance	48,184	11,459	14,354	6,877
Interest	8,484	3,808	3,138	877
Maintenance and repairs	7,884	4,784	8,290	182
Miscellaneous	17,130	308	8,217	0
Office supplies	8,884	3,828	3,744	484
Other supplies	3,881	703	3,160	238
Payroll taxes	18,441	8,800	8,888	3,388
Postage	809	3,078	824	184
Printing	428	284	374	134
Professional fees	3,883	388	308	1,818
Salaries	203,977	88,488	74,380	48,112
Taxes and licenses	0	174	180	0
Telephone	5,487	3,784	3,778	138
Training	387	180	140	0
Utilities	4,882	7,212	8,880	482
Total Operating Expenses	618,383	233,738	238,892	82,312
EXCESS SUPPORT, REVENUE OR EXPENSES	1,637,180	817,882	812,788	112,818

<u>Services</u>				<u>Supporting Services Management and General</u>	<u>Total 1996 Program and Supporting Services Expenses</u>	<u>Total 1995</u>
<u>Employment</u>	<u>Drop-In Centers</u>	<u>Supported Living</u>	<u>Total 1996</u>			
\$ 336	\$ 325	\$ 0	\$ 361	\$ 485	\$ 1,226	\$ 2,483
0	0	0	0	473	473	388
8,437	344	773	20,162	29,834	29,996	49,726
0	0	0	0	27,561	27,561	0
289	0	0	428	2,953	2,283	3,420
0	0	0	8,477	0	8,477	4,534
5,314	180	1,543	25,210	6,613	31,823	56,980
17,541	403	1,420	49,138	67,481	225,529	214,889
9,919	242	842	14,282	23,925	28,073	32,793
814	53	0	1,523	17,693	19,286	19,842
492	4,863	0	5,543	25,685	21,428	25,783
3,888	41	8	3,889	20,288	22,788	14,224
750	373	20	1,848	4,281	5,927	5,477
14,282	791	1,398	24,380	21,228	65,718	56,848
451	0	0	775	2,523	3,288	6,742
848	0	0	1,284	957	2,863	3,423
3,282	0	0	14,728	2,487	17,423	13,880
0	0	0	0	8	0	25,800
160,861	9,284	15,248	426,720	433,948	840,670	603,284
0	0	0	0	525	385	331
1,537	38	31	2,745	5,193	7,942	6,269
1,424	0	20	1,727	557	3,224	3,483
<u>2,544</u>	<u>808</u>	<u>30</u>	<u>8,824</u>	<u>18,282</u>	<u>24,226</u>	<u>22,852</u>
5227,325	618,085	621,840	5634,321	5883,611	61,287,224	51,129,566

FRIENDS ALLIANCE FOR THE MENTALLY ILL, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 1996

E. Permanently Restricted Net Assets

At June 30, 1996, the permanently restricted net assets consisted of custodial assets totaling \$4,809. These custodial assets, comprised of furniture and equipment (stated net of accumulated depreciation) purchased with state funds, would revert to the State in the event of the dissolution of Friends Alliance for the Mentally Ill, Inc.

F. Concentration of Credit Risk/Major Customers

Contracts with the State of Louisiana and Jefferson Parish, all of which are renewable annually, totaled \$928,375, or 77.94 of service fee income.

Funds received from Medicaid totaled \$268,973, or 21.53% of service fee income.

At June 30, 1996, unsecured receivables from these agencies totaled \$267,478. Financial instruments that potentially subject the Corporation to credit risk include these accounts receivable.

The Corporation extends unsecured credit to the State of Louisiana. Financial instruments that potentially subject the Corporation to credit risk include these accounts, which are shown as Due from State Agencies.

The Corporation maintains funds at one banking institution which has a maximum FDIC insurance limit of \$100,000. The bank balance for the Corporation was \$128,332, and the bank balance was \$144,153 for the year ended June 30, 1996. Therefore, the FDIC uninsured amount was \$44,153.

G. Retirement Plan

On March 21, 1995, the Corporation began offering a Defined contribution profit-sharing plan for its employees. The employers' annual contribution will be determined each year by the corporation's net profit. The plan is administered by the employer.

The corporation did not contribute to the retirement plan for the year ended June 30, 1996.

FRIENDS ALLIANCE FOR THE NEUTRALLY ILL, INC.
 NOTES TO FINANCIAL STATEMENTS
 (Continued)
JUNE 30, 1998

Long-term Debt (Cont'd)

Mortgages and Note Payable: (Cont'd)

a.	A first mortgage ascertainable over five years bearing 9% interest per annum, and required monthly payments of interest and principal amounting to \$1,304	\$29,395
b.	One note bearing interest at 2% above the certificate of deposit securing the loan, and payable October 19, 1998	49,000
c.	A second mortgage ascertainable over five years, bearing 9% interest per annum, and required monthly payments of interest and principal amounting to \$475	12,833
		<u>\$91,228</u>

Capital Lease Obligations:

The Corporation is obligated for equipment acquired on two capital leases as follows:

Lessor	Amount	Interest Rate	Term
D.E. Capital	\$105	12.12%	36 months
WEC Enterprises	\$115	12.30%	36 months

Principal payments on these capital leases at June 30, 1998 are as follows:

Current maturities	\$1,301
Non-current maturities	1,831
Total	<u>\$3,132</u>

Mortgage, Note and Capital Lease Maturities:

Following is the schedule of future maturities of long-term debt:

Year ended June 30,	
1997	\$ 18,149
1998	41,284
1999	18,989
2000	18,436
2001 and beyond	<u>92,822</u>
	<u>\$187,680</u>

FRIENDS ALLIANCE FOR THE MENTALLY ILL, INC.
 NOTES TO FINANCIAL STATEMENTS
 (Continued)
JUNE 30, 1986

D. Longterm Debt

The following is a list of the respective balances of mortgages payable by property location for the organization as of June 30, 1986.

Mortgages and Note Payable:

	<u>Total</u>	<u>Current Maturities</u>	<u>Non-Current Maturities</u>
1. Judson mortgage	\$ 65,118	\$ 5,988	\$ 59,131
2. Westbank mortgages	189,154	13,478	175,676
3. Eastbank mortgages	<u>21,225</u>	<u>21,241</u>	<u>21,888</u>
	<u>\$255,505</u>	<u>\$30,707</u>	<u>\$224,798</u>

1. In October 1982 the corporation entered into a financing agreement on the property at 833 Judson Street, New Orleans, Louisiana. The financing was provided by the American Bank for the amount of \$85,408, which was acquired by Hibbard National Bank in 1986. The note bears interest at the rate of Chase Manhattan's prime rate plus 3.2% per annum, and requires monthly payments of interest and principal amounting to \$1,859.
2. In August 1982 the corporation acquired the Westbank location at 2823 Eighth Street in Harvey, Louisiana. The financing was provided by Gerald S. Carr in the amount of \$180,000. The note bears interest at a rate of 18% per annum, with required monthly payments of interest and principal amounting to \$1,842. In addition, a Dearer note was executed for \$8,150 to facilitate the purchase. This note bears interest at the rate of 8%, and requires annual payments of \$1,000 plus interest. Final payment was made on this note in fiscal year ended June 30, 1986.
3. On September 14, 1983, the corporation purchased the Eastbank Club property located at 1324 Florida Avenue in Harvey, Louisiana. The purchase price of this property was \$127,245. The outstanding balances for the purchase of this property as of June 30, 1986 is as follows:

FRIENDS ALLIANCE FOR THE HEMIPALY ELL, Inc.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 1988

Summary of Significant Accounting Policies (Cont'd)

Medicaid

The Corporation receives Medicaid funding under a fixed price arrangement. These amounts are specifically excluded from cost circular A-110 audit requirements. Medicaid funds totaling \$380,873 were received in 1988 and are included in program service fees.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Cash and Cash Equivalents

Friends AMI considers all investment instruments purchased with an original maturity of three months or less to be cash equivalents.

B. Certification of Deposit

Funds in Jefferson Guaranty Bank, Metairie, Louisiana, at June 30, 1988 are as follows:

- | | |
|--|----------|
| 1. 5.88% Certificate of deposit due on
September 15, 1988 | \$48,500 |
|--|----------|

The certificate of deposit is stated at cost, and is pledged as collateral for the Jefferson Guaranty Bank note used to acquire the Eastbank Club as described in Note D.

C. Due from/in Unrelated Affiliates

The Corporation transfers monies to Friends Alliance for Housing, Inc., an unrelated affiliated corporation. At June 30, 1988, the amount due was \$3,800. These funds are non-interest-bearing and have no repayment terms.

In 1988, the Corporation donated \$17,563 to Friends Alliance for Housing, Inc., which represented advances to begin operations.

The Corporation borrowed monies from A.M.I.S., an unrelated affiliated corporation. At June 30, 1988, the amount due to A.M.I.S. was \$4,000. The loan payable was non-interest-bearing and had no repayment terms.

FRIENDS ALLIANCE FOR THE MENTALLY ILL, INC.
NOTES TO FINANCIAL STATEMENTS
(continued)
JUNE 30, 1996

Summary of Significant Accounting Policies (Cont'd)

Due From State Agencies

Due from State Agencies at June 30, 1996 is summarized as follows.

Office of Human Services,	\$213,224
Division of Mental Health	54,518
Medicaid	281,828
	<u>\$549,570</u>

Management considers all receivables for the year ended June 30, 1996 to be collectible; accordingly, no allowance for doubtful accounts was provided.

Property and Equipment

Property and equipment is stated at cost.

Depreciation is provided over the estimated useful lives of the respective assets on a straight line basis. The related lives and accumulated depreciation for each category of assets is as follows:

Asset	Life	Accumulated Depreciation
Building and improvements	7 - 38 years	\$153,749
Furniture and equipment	5 - 18 years	63,875
Transportation equipment	5 years	88,818
Household equipment	3 - 7 years	9,738
Educational, recreational, and cultural equipment	7 years	1,201
		<u>\$397,381</u>

Movable property with a cost of \$345,819 and a book value of \$4,818 has been acquired with State grant funds, and has been capitalized as a component of property and equipment. Title and disposition control over such assets rests with the State of Louisiana. Accordingly, \$4,858 has been appropriated from the unrestricted net assets at June 30, 1996.

FRIENDS ALLIANCE FOR THE MENTALLY ILL, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

A. Summary of Significant Accounting Policies

Business Activity

The Friends Alliance for the Mentally Ill, Inc. ("Friends AMI"), is a non-profit organization. It is exempt from Federal income taxes under IRC 501(c)(3), and is listed in the Treasury's charitable contribution directory. It has several "Fee for Services" contracts with the Louisiana Office of Mental Health and also receives other funding from dues and donations. The corporation is dedicated to creating an environment in which individuals who have been socially and vocationally disabled by mental illness can be helped to achieve or regain the confidence and skills to live vocationally productive and socially satisfying lives.

In the year ended June 30, 1999, Friends AMI opened locations at 3081 Eighth Street in Harvey, LA, and 3028 20th Street, Metairie, LA. In the year ended June 30, 1998, Friends AMI closed the Eastbank location at 3028 20th Street, and opened another location for Jefferson Eastbank residents at 1824 Florida Avenue in Kenner, LA. The details of these operations are disclosed in the supplemental information.

Basis of Presentation

During the year ended June 30, 1999, the Corporation adopted Statement of Financial Accounting Standards (SFAS) No. 114, "Accounting for Contributions Received and Contributions Made," and SFAS No. 117, "Financial Statements of Not-for-Profit Organizations," and applied these standards on a retroactive basis. Under these provisions, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the agency and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations. Designated net assets are used to account for resources allocated to specific purposes by action of the governing board.

Permanently Restricted Net Assets - Net assets subject to state-imposed stipulations that resources be maintained permanently, but permits the organization to use up the economic benefit derived from these assets.

FRIENDS ALLIANCE FOR THE MENTALLY ILL, INC.
 STATEMENT OF CASH FLOWS
 (Continued)
 YEAR ENDED JUNE 30, 1990
With Comparative Totals for June 30, 1989

	1990	1989
<u>Supplemental Disclosure of Non-Cash Investing and Financing Activity</u>		
Acquisition of equipment in exchange for capital lease	\$ _____	\$2,942
 <u>Supplemental Disclosures of Cash Flow Information</u>		
Cash paid during the year for -		
Interest	\$28,728	\$22,288
Income taxes	\$ _____	\$ _____

See accompanying notes to financial statements.

FRIENDS ALLIANCE FOR THE MENTALLY ILL, INC.
 STATEMENT OF FINANCIAL POSITION
 (Continued)
 JUNE 30, 1988
With Comparative Totals for June 30, 1985

	1988	1985
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 6,779	\$ 15,075
Salaries payable	26,280	26,444
Payroll taxes payable	2,578	1,883
Interest payable	431	1,117
Loan payable - Non-related working affiliate	4,800	0
Current maturities of long-term debt	<u>78,360</u>	<u>82,528</u>
Total Current Liabilities	137,700	136,157
LONG-TERM DEBT		
Non-current maturities	<u>179,322</u>	<u>219,826</u>
Total Liabilities	<u>317,022</u>	<u>355,983</u>
NET ASSETS		
Permanently restricted	4,850	14,424
Unrestricted	<u>142,807</u>	<u>165,281</u>
Total Net Assets	<u>147,657</u>	<u>179,705</u>
Total Liabilities and Net Assets	<u>\$4,642,879</u>	<u>\$4,535,688</u>

See accompanying notes to financial statements.

FRENCH ALLIANCE FOR THE MENTALLY ILL, INC.
 STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
 YEAR ENDED JUNE 30, 1986
 With Comparative Totals for June 30, 1985

	RESTRICTED
SUPPORT AND REVENUE	
Support:	
Donations	\$ 1,380
Miscellaneous	2,831
Total Support	3,211
Revenues:	
Fees for services - OMI/JFSA	1,331,888
Interest income	3,143
Rents	3,750
Miscellaneous	1,800
Net gain on disposition of property and equipment	0
Net assets released from restrictions:	
Satisfaction of equipment acquisition restrictions	11,366
Total Revenue	1,351,047
Total Support and Revenue	1,354,258
EXPENSES	
Program Services:	
Fairweather Lodge	82,311
Case management	135,046
Peer support	84,973
Housing	64,802
Employment	327,105
Therapy	0
Louisiana Rehabilitation Service	0
consultation	0
Prop-In Centers	18,084
Supported living	23,882
Total Program Services	834,321
Supporting Services:	
Management, general and Medicaid	482,922
Total Expenses	1,317,243
INCREASE (DECREASE) IN NET ASSETS	(42,985)
Net Assets - Beginning of Year	782,281
Net Assets - End of Year	\$ 739,296

See accompanying notes to financial statements.

FRIENDS ALLIANCE FOR THE MENTALS INC., INC.
STATEMENT OF ACTIVITIES - BY BRANCH
YEAR ENDED JUNE 30, 1988

	Region I		Region X		Total
	Audabon Friendship Club	West Jefferson Friendship Club	East Jefferson Friendship Club		
SUPPORT AND REVENUE					
Support:					
Donations	\$ 1,380	\$ 0	\$ 0	\$ 0	\$ 1,380
Miscellaneous	2,551	0	0	0	2,551
Revenue:					
Fees for services - CMB	675,316	264,284	291,899		1,231,499
Interest income	3,242	0	0		3,242
Dues	3,280	0	0		3,280
Miscellaneous	828	874	0		1,702
Total Support and Revenue	683,847	265,228	291,899		1,241,074
OPERATING EXPENSES					
Advertising	640	380	199		1,219
Bank charges	473	0	0		473
Depreciation	23,786	7,589	8,221		39,596
Donation to Friends Alli- ance for Housing, Inc.	37,561	0	0		37,561
Dues and subscriptions	1,501	768	784		3,053
Emergency housing cost	4,015	831	831		5,677
Field travel	28,827	4,878	4,118		37,823
Insurance	71,384	28,428	23,804		123,616
Interest	18,683	5,607	5,771		29,061
Maintenance and repairs	8,684	5,049	5,473		19,206
Miscellaneous	17,860	2,844	28,824		49,528
Office supplies	7,359	4,392	3,318		15,069
Other supplies	3,419	3,022	2,488		8,929
Payroll taxes	28,272	13,528	13,918		55,718
Postage	1,141	3,198	843		5,182
Printing	1,384	428	448		2,260
Professional fees	34,921	3,299	1,232		43,452
Salaries	228,482	144,668	148,517		521,667
Taxes and licenses	0	178	188		366
Telephone	1,987	2,394	2,899		7,280
Training	1,301	442	583		2,326
Utilities	8,118	8,288	7,270		23,676
Total Operating Expenses	581,824	248,128	284,285		1,114,237
NETS: SUPPORT, REVENUE					
OR EXPENSES:	\$ (100,587)	\$ 17,100	\$ 17,614		\$ 134,127

1994		1995
Permanently Restricted	Total	Total
\$ 0	\$ 1,388	\$ 3,776
<u>0</u>	<u>2,953</u>	<u>868</u>
<u>0</u>	<u>3,833</u>	<u>4,740</u>
0	1,331,468	1,147,721
0	3,143	3,565
0	3,780	4,804
0	1,883	3,371
0	0	8,865
(11,566)	<u>0</u>	<u>0</u>
(11,566)	2,249,343	2,162,026
(11,566)	1,244,834	1,188,768
0	62,333	33,499
0	135,846	73,218
0	84,973	82,138
0	64,832	57,772
0	337,338	223,874
0	0	34,847
0	0	20,781
0	0	4,335
0	18,886	0
<u>0</u>	<u>71,840</u>	<u>0</u>
0	614,325	569,438
<u>0</u>	<u>682,611</u>	<u>621,328</u>
<u>0</u>	<u>1,292,934</u>	<u>1,130,688</u>
(11,844)	(51,844)	16,188
16,816	<u>681,682</u>	<u>768,883</u>
<u>4,4,816</u>	<u>\$ 747,682</u>	<u>\$ 801,683</u>

FINNISH ALLIANCE FOR THE MENTALLY ILL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 1966
With Comparative Totals for June 30, 1965

	EXPENSE			
	Fair- weather Lodge	Cass Managers	Peer Support	Housing
Advertising	\$ 0	\$ 0	\$ 0	\$ 0
Bank charges	0	0	0	0
Depreciation	1,192	4,704	2,424	2,069
Donation to Friends Alliance for Housing, Inc.	0	0	0	0
Dues and subscriptions	21	11	24	11
Emergency housing cost	0	0	2,824	4,163
Field travel	292	2,605	5,707	2,299
Insurance	4,877	14,340	7,535	4,052
Interest	977	2,101	2,701	1,474
Maintenance and repairs	192	87	299	148
Miscellaneous	0	0	0	58
Office supplies	494	229	391	248
Other supplies	329	103	228	142
Payroll taxes	2,359	7,973	4,183	3,565
Postage	188	49	118	48
Printing	125	98	182	88
Professional fees	2,815	444	7,715	482
Retirement	0	0	0	0
Salaries	45,312	98,914	80,847	44,262
Taxes and licenses	0	0	0	0
Telephone	128	488	229	220
Training	0	120	82	200
Utilities	432	255	845	557
Total	\$62,111	\$125,244	\$64,812	\$68,622

see accompanying notes to financial statements.

FRIENDS ALLIANCE FOR THE PHYSICALLY ILL, INC.
 STATEMENT OF CASH FLOWS
 YEAR ENDED JUNE 30, 1988
With Comparative Totals for June 30, 1987.

	1988	1987
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$(50,840)	\$ 36,100
Non-cash expenses, revenue and gains included in income:		
Depreciation	39,996	48,720
Loss on deposit	1,500	0
Net (increase) in receivables and prepaid expenses	(50,850)	(49,021)
Net increase (decrease) in accounts payable	(8,280)	3,640
Net increase in accrued liabilities	9,820	7,475
Net (gain) on disposal of property and equipment	0	(6,882)
Net Cash Provided by (Used for) Operating Activities	(200,266)	_88,028
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from redemption of investments	30,800	(30,000)
Purchase of property and equipment	0	(25,544)
Net (Increase) Decrease in loans to non-related working affiliates	39,185	(1,280)
Proceeds from refund of deposit on property	33,580	22,850
Deposit on purchase of property	0	(28,028)
Net Cash Provided by (Used for) Investing Activities	_72,565	188,928
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of notes payable	(44,882)	(38,874)
Net Cash (Used for) Financing Activities	(44,882)	(38,874)
Net (Decrease) in Cash	(81,266)	(48,768)
Cash at Beginning of Year	331,885	328,230
Cash at End of Year	\$ 250,619	\$ 279,462

See accompanying notes to financial statements.

Base Salary		Year Expense	Refrige	Employ- ment	Employm- ent	Supported Living	TOTAL
\$	\$	\$	\$	\$	\$	\$	\$
0	0	0	0	0	0	0	1,380
0	0	0	0	0	0	0	2,554
142,384	80,848	59,081	486,848	17,494	14,898	1,221,448	
0	0	0	0	0	0	0	2,382
0	0	0	0	0	0	0	2,150
0	0	0	0	0	0	0	3,822
142,384	82,848	59,081	486,848	17,494	14,898	1,224,098	
0	0	0	226	222	0	2,006	
0	0	0	0	0	0	478	
4,188	2,424	2,099	8,427	344	172	38,994	
0	0	0	0	0	0	27,841	
31	26	12	329	0	0	2,341	
0	2,524	4,282	0	0	0	8,977	
7,688	4,207	3,258	1,354	280	1,543	32,823	
18,342	7,428	4,822	17,321	452	1,420	112,529	
2,281	2,701	1,474	1,928	282	882	28,072	
87	229	248	824	52	0	19,284	
0	0	88	482	8,892	0	22,428	
229	291	248	2,089	41	4	12,158	
122	288	242	120	272	20	5,927	
7,917	4,287	2,848	14,282	791	1,288	48,728	
47	114	48	451	0	0	2,288	
22	145	68	448	0	0	2,082	
488	7,128	482	2,282	0	0	17,422	
98,924	54,947	44,242	148,991	8,884	14,248	840,478	
0	0	0	0	0	0	224	
444	228	212	1,827	28	21	7,742	
128	82	222	1,424	0	22	2,274	
222	248	221	2,248	222	22	24,284	
222,244	94,922	64,822	222,222	18,284	22,242	1,222,924	
0	222,222	222,222	222,222	222,222	222,222	222,222	

FRENCH ALLIANCE FOR THE METALS, INC., INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 1984

H. Third-Party Rate Adjustments and Expenses

A portion of the revenue for 1984 was derived under state third-party reimbursement programs. These revenues are based, in part, on cost reimbursement principles and are subject to audit and retroactive adjustments by the third-party fiscal intermediaries. Management believes that retroactive adjustments, if any, would not be material to the financial position or results of activities of the Corporation.

I. Fair Values of Financial Instruments

The Corporation's financial instruments, none of which are held for trading purposes, include cash, a certificate of deposit, amounts due from non-related working affiliates and due to non-related working affiliate, and long-term debt. The Corporation estimates that the fair value of all financial instruments at June 30, 1984 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position. The estimated fair value amounts have been determined by the Corporation using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Corporation could realize in a current market exchange.

FRIENDS ALLIANCE FOR THE MENTALLY ILL, INC.
SCHEDULE OF REPORTABLE CONDITIONS
YEAR ENDED JUNE 30, 1998

Reportable Condition

The condition noted was the absence of appropriate review of the financial records to the extent that the Corporation's general ledger was not in balance.

Management's Response

During 1998, the Corporation attempted to convert to a new accounting system. Due to circumstances beyond the control of management, the new system was not in service at June 30, 1998. The out-of-balance general ledger was not corrected in a timely manner because of management's attempt to keep two accounting systems current. The necessary adjustment has been posted to the general ledger and it is currently in balance.