

FORM 10-K  
916,071-11/01/85

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**FRIENDS ALLIANCE FOR  
THE RESTALLI L.L. INC.**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**Year Ended June 30, 1981**

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the auditor, or reviewed, audit and other appropriate public officials. 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: JAN 27 1982

01/27

FRIENDS ALLIANCE FOR  
THE MENTALLY ILL, INC.

Year Ended June 30, 1987

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of financial position of Friends Alliance for the Mentally Ill, Inc. (a Louisiana nonprofit corporation) as of June 30, 1997, and the related statements of activities, 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 Ill, 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. 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 Friends Alliance for the Mentally Ill, Inc. as of June 30, 1997, 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 reports dated September 5, 1997 on our consideration of Friends Alliance for the Mentally Ill, Inc.'s internal control structure and on its compliance with laws and regulations.

FRIENDS ALLIANCE FOR THE MENTALLY ILL, INC.  
 STATEMENT OF FINANCIAL POSITION  
 JUNE 30, 1997  
 (With summarized financial information  
 at June 30, 1996)

	1997	1996
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 304,888	\$ 90,123
Certificates of deposit	50,000	40,000
Due from State agencies	189,289	267,674
Due from non-related working affiliates	3,930	3,888
Prepaid insurance	<u>16,567</u>	<u>28,958</u>
Total Current Assets	<u>664,724</u>	<u>628,603</u>
<b>PROPERTY AND EQUIPMENT</b>		
Land	147,000	147,000
Buildings and improvements	588,403	553,200
Office furniture and equipment	84,048	92,548
Transportation equipment	94,858	94,858
Household equipment	15,644	13,344
Educational, recreational and cultural equipment	<u>1,837</u>	<u>1,837</u>
	831,781	804,539
Less: Accumulated depreciation	<u>329,512</u>	<u>298,288</u>
Total Property and Equipment	<u>502,269</u>	<u>506,251</u>
Total Assets	<u>\$1,166,993</u>	<u>\$1,134,854</u>

See accompanying notes to financial statements.

FRIENDS ALLIANCE FOR THE MENTALLY ILL, INC.  
 STATEMENT OF FINANCIAL POSITION  
 (Continued)  
 JUNE 30, 1997  
 (With Summarized Financial Information  
 at June 30, 1996)

	1997	1996
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 8,228	\$ 8,779
Salaries payable	28,781	35,290
Payroll taxes payable	7,785	2,535
Interest payable	208	411
Loans payable - Non-related working affiliate	0	8,100
Current maturities of long-term debt	<u>81,002</u>	<u>78,165</u>
Total Current Liabilities	127,904	127,500
<b>LONG-TERM DEBT</b>		
Non-current maturities	<u>128,418</u>	<u>179,522</u>
Total Liabilities	<u>256,322</u>	<u>307,022</u>
<b>NET ASSETS</b>		
Permanently restricted	1,818	4,818
Unrestricted	<u>281,587</u>	<u>243,092</u>
Total Net Assets	<u>283,405</u>	<u>247,910</u>
Total Liabilities and Net Assets	<u>\$ 539,727</u>	<u>\$ 554,932</u>

See accompanying notes to financial statements.

FRIENDS ALLIANCE FOR THE MENTALLY ILL, INC.  
 STATEMENT OF ACTIVITIES  
 YEAR ENDED JUNE 30, 1983  
 (With Summarized Financial Information  
 for the Year Ended June 30, 1984)

	Unrestricted
<b>SUPPORT AND REVENUE</b>	
Support:	
Donations	\$ 3,849
Miscellaneous	1,244
Total Support	4,843
Revenue:	
Fees for services - OMI/JFRA	1,370,243
Interest income	3,884
Gross	3,785
Miscellaneous	0
Net assets released from restrictions:	
Satisfaction of equipment acquisition restrictions	1,822
Total Revenue	1,381,705
Total Support and Revenue	1,386,548
<b>EXPENSES</b>	
Program Services:	
Fairweather Lodge	52,678
Case management	57,432
Peer support	84,562
Housing	88,382
Employment	267,078
Drop-in Centers	18,578
Supported living	8,000
Total Program Services	617,710
Supporting Services:	
Management, general and Medicaid	678,660
Total Expenses	1,296,370
<b>INCREASE (DECREASE) IN NET ASSETS</b>	80,178
Net Assets - Beginning of Year	242,882
Net Assets - End of Year	323,060

See accompanying notes to financial statements.



FRIENDS ALLIANCE FOR THE RESTAURANT IND. INC.  
 STATEMENT OF FINANCIAL EXPENSES  
 YEAR ENDED JUNE 30, 1957  
 (With Summarized Financial Information  
 for the Year Ended June 30, 1956)

	Expense			
	Fair- weather -Lodges-	Case Management	Poor Support	Housing
Advertising	\$ 86	\$ 73	\$ 314	\$ 369
Bank charges	0	0	0	0
Depreciation	4,814	728	1,267	2,344
Donation to Friends Alliance for Housing, Inc.	0	0	0	0
Dues and subscriptions	5	3	6	221
Emergency housing cost	0	0	1,233	3,847
Field travel	0	4,378	6,818	2,466
Insurance	4,048	7,553	8,384	5,438
Interest	3,433	478	3,871	1,433
Maintenance and repairs	266	329	383	1,428
Miscellaneous	113	98	38	183
Office supplies	282	3,795	374	673
Other supplies	159	103	188	312
Payroll taxes	3,000	3,613	4,638	3,583
Postage	101	84	135	221
Printing	116	49	149	122
Professional fees	2,388	474	1,639	1,388
Retirement	2,107	1,194	1,738	3,357
Salaries	38,803	35,764	55,282	42,417
Taxes and licenses	0	0	0	0
Telephone	185	437	238	593
Training	0	242	0	325
Utilities	631	828	841	3,585
<b>Total</b>	<b>\$52,438</b>	<b>\$57,432</b>	<b>\$86,322</b>	<b>\$83,251</b>

See accompanying notes to financial statements.



<u>Services</u>				<u>Supporting Services</u>	<u>Total 1987 Program and</u>	
<u>Employ-</u>	<u>prop-in</u>	<u>Supported</u>	<u>Total</u>	<u>ment</u>	<u>Supporting</u>	<u>Total</u>
<u>ment</u>	<u>State</u>	<u>Living</u>	<u>1987</u>	<u>and</u>	<u>Services</u>	<u>1987</u>
				<u>General</u>	<u>Expenses</u>	<u>1987</u>
\$ 798	\$ 34	\$ 34	\$ 1,300	\$ 1,300	\$ 3,890	\$ 3,000
0	0	0	0	971	971	470
4,390	1,482	480	34,937	10,487	31,404	34,966
0	0	0	0	0	0	37,562
877	0	0	1,112	971	3,983	3,381
0	0	0	0,320	0	6,320	0,477
0,648	0	0	20,105	0,509	20,414	31,423
10,047	560	1,575	44,308	45,009	109,315	110,100
0,730	470	470	11,701	12,180	22,001	20,073
3,724	700	74	6,056	17,000	22,544	19,700
1,350	1,041	0	3,313	20,727	30,000	31,420
1,710	391	24	0,000	0,000	11,000	23,750
047	103	43	1,032	2,734	0,340	0,007
10,525	626	408	31,340	33,724	60,000	40,710
076	130	0	1,240	3,000	0,321	3,001
707	344	23	1,000	1,530	0,321	3,200
0,000	323	323	31,020	10,520	20,000	17,430
0,000	313	151	31,000	33,000	20,000	0
100,130	0,004	4,003	373,001	420,000	000,000	040,000
0	0	0	0	325	325	100
1,007	294	00	2,002	0,700	7,550	7,000
1,750	0	0	2,017	700	2,700	2,274
1,000	1,000	240	0,400	13,300	21,001	24,250
<u>4907,000</u>	<u>010,570</u>	<u>00,000</u>	<u>0000,121</u>	<u>0000,000</u>	<u>01,220,010</u>	<u>01,207,000</u>

TRINIDAD ALLIANCE FOR THE BENTALLS TRU, INC.  
 STATEMENT OF CASH FLOWS  
 YEAR ENDED JUNE 30, 1997  
 (With Summarized Financial Information  
 for the Year Ended June 30, 1996)

	1997	1996
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Changes in net assets	\$197,739	\$(23,648)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation	35,404	35,094
Loss on deposit	0	1,588
Net (increase) decrease in receivables and prepaid expenses	68,604	(68,555)
Net increase (decrease) in accounts payable	2,487	(8,294)
Net increase in accrued liabilities	2,490	9,629
Donated equipment	(12,500)	0
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>275,203</b>	<b>(188,286)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of certificate of deposit	(15,000)	0
Proceeds from redemption of investments	0	28,000
Purchase of property and equipment	(2,700)	0
Net (increase) decrease in loans to non-related working affiliates	(80)	24,104
Proceeds from refund of deposit on property	0	23,500
<b>Net Cash Provided by (Used for) Investing Activities</b>	<b>(17,780)</b>	<b>75,604</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Repayment of loan payable to non-related working affiliate	(4,500)	0
Repayment of notes payable	(18,286)	(88,500)
<b>Net Cash (Used for) Financing Activities</b>	<b>(22,786)</b>	<b>(88,500)</b>
<b>Net Increase (Decrease) in Cash</b>	<b>224,637</b>	<b>(91,182)</b>
Cash at Beginning of Year	80,222	171,489
<b>Cash at End of Year</b>	<b>\$304,859</b>	<b>\$80,307</b>

See accompanying notes to financial statements.

FRIENDS ALLIANCE FOR THE MENTALLY ILL, INC.  
 STATEMENT OF CASH FLOWS  
 (Continued)  
 YEAR ENDED JUNE 30, 1983  
 (With Summarized Financial Information  
 For the Year Ended June 30, 1982)

	1983	1982
<b>Supplemental Disclosures of Cash Flow Information</b>		
Cash paid during the year for -		
Interest	\$28,312	\$28,233
Income taxes	\$_____	\$_____
Non-Cash Investing and Financing Transaction -		
Depreciated Equipment	\$1,300	\$_____

See accompanying notes to financial statements.

FRIENDS ALLIANCE FOR THE MENTALLY ILL, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1987

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A. Description of Organization

Business Activity

The Friends Alliance for the Mentally Ill, Inc. ("Friends AMI"), is a non-profit organization which operates in the New Orleans Metropolitan Area. 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 grants and donations. The Organization 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.

B. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of Friends AMI have been prepared on the accrual basis of accounting, and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, Friends AMI is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Estimates

Friends AMI uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. 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.

Summary of Significant Accounting Policies (Cont'd)

Property and Equipment

Friends AMI capitalizes all expenditures for property and equipment in excess of \$500. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Net Assets

Net assets are included in one of the following three classes of net assets, depending on the presence and type of donor-imposed restrictions.

Unrestricted Net Assets - These net assets whose use is not restricted by donors.

Temporarily Restricted Net Assets - These net assets whose use has been limited by donors (a) to later periods of time or after specified dates, or (b) to specific purposes.

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.

Medicaid

The Corporation receives Medicaid funding under a fixed price arrangement. These amounts are specifically excluded from GED Circular A-133 audit requirements. Medicaid funds totaling \$380,271 were received in 1997 and are included in program service fees.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

FRIENDS ALLIANCE FOR THE RESTALLS, INC.  
NOTES TO FINANCIAL STATEMENTS  
(Continued)  
JUNE 30, 1997

C. Certificates of Deposit

Funds in Jefferson Guaranty Bank, Metairie, Louisiana, at June 30, 1997 are as follows:

8.00% Certificate of deposit due on July 17, 1998	\$25,000
9.00% Certificate of deposit due on September 15, 1997	48,000
Total	<u>\$73,000</u>

These certificates of deposit are stated at cost. The \$40,000 certificate is pledged as collateral for the Jefferson Guaranty Bank note used to acquire the Seabank Club as described in Note G.

D. Due from State Agencies

Due from State Agencies at June 30, 1997 is summarized as follows.

Office of Human Services, Division of Mental Health	\$144,355
Medicaid	-84,900
Total	<u>\$59,455</u>

Management considers all receivables for the year ended June 30, 1997 to be collectible; accordingly, no allowance for doubtful accounts was provided.

E. Due from/ta Unrelated Affiliates

The Corporation transfers monies to Friends Alliance for Housing, Inc., an unrelated affiliated corporation. At June 30, 1997, the amount receivable was \$3,228. These funds are non-interest-bearing and have no repayment terms.

In prior years, the Corporation borrowed monies from A.M.S.E., an unrelated affiliated corporation. The loan payable was non-interest-bearing and had no repayment terms. During the year ended June 30, 1997, the loan was paid in full.

UNITED ALLIANCE FOR THE MISTAKE, INC.  
NOTES TO FINANCIAL STATEMENTS  
(Continued)  
JUNE 30, 1997

F. Property and Equipment

The related lives and accumulated depreciation for each category of assets is as follows:

Asset	Life	Accumulated Depreciation
Building and improvements	7 - 10 years	\$100,780
Furniture and equipment	5 - 10 years	75,301
Transportation equipment	5 - 5 years	88,331
Household equipment, educational, recreational, and cultural equipment	5 - 7 years	11,837
	7 years	<u>1,494</u>
		\$276,713

Moveable property with a cost of \$143,818 and a book value of \$1,838 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, \$1,838 is considered permanently restricted net assets as June 30, 1997.

G. Long-term Debt

The Organization's obligations under mortgages, notes payable and lease obligations consists of the following:

FRIENDS ALLIANCE FOR THE METALS 121, 140,  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)  
 JUNE 30, 1993

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**Long-Term Debt (Cont'd)**

In October 1990, Friends AMI entered into a financing agreement on the property at 830 Audubon Street, New Orleans, Louisiana. The financing was provided by the American Bank for the amount of \$26,498, which was acquired by Eiberde National Bank in 1992. The note bears interest at the rate of Chase Manhattan's prime rate plus 2.5% per annum, with required monthly payments of interest and principal amounting to \$1,026 through January 2004. \$ 26,194

In August 1992, Friends AMI acquired the Westbank location at 2882 Eighth Street in Harvey, Louisiana. The financing was provided by Gerald E. Carr in the amount of \$150,000. The note bears interest at a rate of 18% per annum, with required monthly payments of interest and principal amounting to \$1,882 through August 2002. 95,476

On September 14, 1993, Friends AMI purchased the Eastbank Club property located at 3224 Florida Avenue in Ferrar, Louisiana. The purchase price of this property was \$137,845. The outstanding balances for the purchase of this property as of June 30, 1993 is as follows:

A first mortgage amortizable over five years bearing 7% interest per annum, and required monthly payments of interest and principal amounting to \$1,264 through June 1998. 27,026

A promissory note bearing interest at 7% above the certificate of deposit securing the loan, and payable October 15, 1997. 40,000

A second mortgage amortizable over five years, bearing 7% interest per annum, and required monthly payments of interest and principal amounting to \$475 through September 1998. 6,826

During the year ended June 30, 1993, Friends AMI acquired equipment with a lease obligation bearing 11.25% interest, due in monthly installments of \$113, including interest, through January 1998. 728

Total \$218,220



FRIENDS ALLIANCE FOR THE MENTALLY ILL, INC.  
NOTES TO FINANCIAL STATEMENTS  
(continued)  
JUNE 30, 1987

Long-Term Debt (Cont'd)

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

Year ended June 30,	
1988	\$ 81,000
1989	18,680
2000	16,384
2001	19,524
2002	32,375
Thereafter	<u>12,848</u>
	<u>\$210,811</u>

H. Permanently Restricted Net Assets

At June 30, 1987, the permanently restricted net assets consisted of custodial assets totaling \$1,828. 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.

I. Concentration of Credit Risk/Major Customers

Contracts with the State of Louisiana and Jefferson Parish, all of which are receivable annually, totaled \$873,486, or approximately 73% of service fee income.

Funds received from Medicaid totaled \$398,371, or approximately 28.5% of service fee income.

At June 30, 1987, unsecured receivables from these agencies totaled \$289,259. Financial instruments that potentially subject the Organization to credit risk include these accounts receivable.

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

The Organization maintains funds at one banking institution which has a maximum FDIC insurance limit of \$100,000. The bank balance was \$413,279 at June 30, 1987. Therefore, the FDIC uninsured amount was \$413,279.

FRIENDS ALLIANCE FOR THE MENTALLY ILL, INC.  
NOTES TO FINANCIAL STATEMENTS  
(Continued)  
JUNE 30, 1987

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**J. Retirement Plan**

On March 21, 1985, the Organization began offering a defined contribution profit-sharing plan for its employees. The employers' annual contribution will be determined each year by the Organization's net profit. The plan is administered by the employer.

The Organization contributed \$25,000 to the retirement plan for the year ended June 30, 1987.

**K. Third-Party Rate Adjustments and Revenues**

A portion of the revenue for 1987 was derived under State third-party reimbursement programs. These revenues are based, in part, on cost reimbursement principles and are subject to audits and retrospective adjustments by the third-party fiscal intermediaries. During year ended June 30, 1987, Friends AMI received approximately \$40,558 in adjustments from prior year services. This amount was included in current year revenues.

**L. Contingencies**

Friends AMI has a letter of credit for \$25,000. This letter of credit is an agreement with a bank to guarantee the compliance with a contract between Family AMI and the Louisiana Department of Health and Hospitals Region 1 - Community Services. No amounts are outstanding on the letter of credit at June 30, 1987. The letter of credit expires June 30, 1988.

SUPPLEMENTARY INFORMATION

**FRIENDS ALLIANCE FOR THE MENTALLY ILL, INC.**  
**SCHEDULE OF ACTIVITIES - BY BRANCH**  
**YEAR ENDED JUNE 30, 1987**

	Region I		Region 2		Total
	Address Friendship Club	West Jefferson Friendship Club	East Jefferson Friendship Club		
<b>SUPPORT AND REVENUE</b>					
Support:					
Donations	\$ 2,376	\$ 0	\$ 1,743	\$ 4,119	
Miscellaneous	1,344	0	0	1,344	
Revenue:					
Fees for services	701,613	321,811	344,820	1,368,244	
Interest income	1,844	0	0	1,844	
Don.	2,788	0	8	2,796	
<b>Total Support and Revenue</b>	<b>212,722</b>	<b>321,811</b>	<b>348,163</b>	<b>2,382,244</b>	
<b>OPERATING EXPENSES</b>					
Advertising	3,043	378	472	3,893	
Bank charges	871	0	0	871	
Depreciation	14,888	6,413	6,428	21,729	
Dues and subscriptions	1,888	471	821	3,180	
Emergency housing cost	8,320	0	0	8,320	
Field travel	16,486	4,771	4,353	25,610	
Insurance	63,878	23,558	23,683	111,119	
Interest	12,848	4,729	5,287	22,864	
Maintenance and repairs	11,433	4,726	4,187	20,346	
Miscellaneous	24,742	7,581	7,747	39,070	
Office supplies	6,142	4,354	2,813	13,309	
Other supplies	2,347	843	1,353	4,543	
Payroll taxes	37,794	14,383	13,856	66,033	
Postage	1,811	1,343	368	3,522	
Printing	1,078	712	764	2,554	
Professional fees	27,322	4,443	4,888	36,653	
Retirement	14,484	5,882	4,876	25,242	
Salaries	488,839	188,823	168,808	846,470	
Taxes and licenses	0	175	380	555	
Telephone	3,889	2,022	1,826	7,737	
Training	1,360	243	476	2,080	
Utilities	10,733	4,888	5,883	21,504	
<b>Total Operating Expenses</b>	<b>108,933</b>	<b>272,420</b>	<b>251,583</b>	<b>1,232,936</b>	
<b>INCREASE IN NET ASSETS</b>	<b>\$ 1,789</b>	<b>\$ 49,391</b>	<b>\$ 96,580</b>	<b>\$ 147,760</b>	

**FRIENDS ALLIANCE FOR THE MENTALLY ILL, INC.**  
**SCHEDULE OF ACTIVITIES - BY PROGRAM**  
**YEAR ENDED JUNE 30, 1972**

	Business and Administrative	West Jerusalem Friendship Club	East Jerusalem Friendship Club	Fair- view Center
<b>SUPPORT AND REVENUE</b>				
Support:				
Donations	1	0	1,343	0
Miscellaneous	40	0	0	0
Revenue:				
Fund for services	194,818	194,327	212,018	40,347
Interest income	0	0	0	0
Fees	0	0	0	0
<b>Total Support and Revenue</b>	<b>194,858</b>	<b>194,327</b>	<b>212,366</b>	<b>40,347</b>
<b>OPERATING EXPENSES</b>				
Advertising	870	100	245	88
Bank charges	571	0	0	0
Depreciation	1,273	4,194	1,801	4,028
Fees and subscriptions	321	198	344	0
Emergency housing cost	0	0	0	0
Food travel	3,421	1,153	730	0
Insurance	10,876	10,790	10,341	4,048
Interest	1,970	1,100	3,395	1,432
Maintenance and repairs	8,555	8,874	2,281	246
Miscellaneous	13,887	6,468	6,888	113
Office supplies	3,888	2,808	2,180	282
Other supplies	1,501	571	809	124
Payroll taxes	17,034	9,247	2,443	2,807
Postage	888	830	138	303
Printing	611	285	372	110
Professional fees	9,434	2,884	2,008	2,388
Relaywest	4,788	2,843	3,904	2,327
Salaries	153,374	118,851	90,480	20,880
Taxes and licenses	0	175	180	0
Telephone	4,812	2,452	2,308	181
Training	214	142	257	0
Utilities	3,373	3,488	4,140	921
<b>Total Operating Expenses</b>	<b>332,846</b>	<b>280,882</b>	<b>211,806</b>	<b>51,628</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>62,012</b>	<b>13,445</b>	<b>0,110</b>	<b>11,719</b>

Case Management		Peer Support		Respite		Employ- ment		Drop-In Classes		Supported Activities		Total	
1	0	1	0	\$	2,376	0	0	0	0	0	0	\$	2,376
	0		0		1,204		0		0		0		1,204
54,975		74,983		29,632		488,244		17,000		3,120		3,271,242	
0		0		3,848		0		0		0		3,848	
0		0		3,788		0		0		0		3,788	
54,975		74,983		36,268		488,244		17,000		3,120		3,281,242	
71		124		388		732		28		24		2,487	
0		0		0		0		0		0		0	
128		1,287		2,344		4,559		1,482		480		12,488	
3		4		221		877		8		0		2,983	
0		1,273		5,847		0		0		0		8,120	
4,378		4,419		2,480		8,440		0		0		28,414	
7,553		8,284		2,438		18,547		540		1,378		116,215	
878		1,473		1,433		8,130		478		478		22,881	
324		363		1,418		1,124		788		74		22,546	
94		88		153		1,218		1,941		14		30,208	
1,788		374		873		1,716		381		84		21,848	
183		186		212		647		183		42		4,343	
2,033		4,428		3,446		23,828		626		428		64,892	
81		125		221		316		320		8		3,325	
40		149		122		787		344		33		8,118	
674		2,820		1,888		1,382		978		323		29,557	
2,374		2,128		1,937		1,932		273		141		29,082	
18,704		55,282		42,427		296,138		9,884		4,253		800,630	
0		0		0		0		0		0		0	
417		228		593		1,247		254		84		7,854	
242		0		226		1,150		0		0		2,741	
528		843		1,828		3,183		1,012		240		21,653	
21,522		84,582		62,221		382,428		18,322		8,218		3,271,118	
712,481		518,568		1,218,428		612,244		141,422		518,568		3,211,238	

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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

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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, 1997, and have issued our report thereon dated September 5, 1997.

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, 1997, 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

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1988-1991

MEMBER OF  
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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 III, Inc.  
New Orleans, Louisiana

We have audited the financial statements of Friends Alliance for the Mentally III, Inc. (a non-profit organization) as of and for the year ended June 30, 1997, and have issued our report thereon dated September 5, 1997.

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.

Compliance with laws, regulations, contracts and grants applicable to Friends Alliance for the Mentally III, Inc. is the responsibility of the management of Friends Alliance for the Mentally III, 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 Paceda*

September 5, 1997