

**LOUISIANA MENTAL HEALTH ASSOCIATION  
FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**LOUISIANA MENTAL HEALTH ASSOCIATION  
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**Daigrepoint & Brian**  
Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Louisiana Mental Health Association

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Louisiana Mental Health Association (a nonprofit organization) (hereafter "the Association"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Association as of June 30, 2023, 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.

#### ***Basis for Opinion***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Prior Period Financial Statements***

The financial statements of the Association as of June 30, 2022 were audited by other auditors whose report dated November 10, 2022 expressed an unmodified opinion on those statements.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of compensation, benefits, and other payments to the agency head is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2023, on our consideration of the Association'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 the Association'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 the Association's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Daigrepont & Brian APAC".

Daigrepont & Brian, APAC  
Baton Rouge, LA

October 25, 2023

**Louisiana Mental Health Association**  
**Statements of Financial Position**  
**June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 332,746	\$ 247,093
Certificates of deposit	91,885	90,362
Contractual reimbursements receivable	118,830	219,580
Other current assets	7,811	7,811
Total Current Assets	<u>551,272</u>	<u>564,846</u>
<b>Non-Current Assets</b>		
Property and equipment, net	61,511	65,127
Right of use asset - operating	23,728	-
Total Non-current Assets	<u>85,239</u>	<u>65,127</u>
<b>Total Assets</b>	<u><u>\$ 636,511</u></u>	<u><u>\$ 629,973</u></u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 1,711	\$ 23,863
Line of credit	39,477	-
Payroll liabilities	6,222	5,015
Accrued expenses	41,994	44,012
Lease liability - operating	23,728	-
Total Current Liabilities	<u>113,132</u>	<u>72,890</u>
<b>Net Assets</b>		
Without donor restrictions	523,379	497,083
With donor restrictions	-	60,000
Total Net Assets	<u>523,379</u>	<u>557,083</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 636,511</u></u>	<u><u>\$ 629,973</u></u>

See accompanying notes and independent auditors' report.

**Louisiana Mental Health Association  
Statements of Activities  
Year Ended June 30, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Summarized Comparative Amounts June 30, 2022</u>
<b>Revenue</b>				
Public Support				
Contributions and grants	\$ 256,816	\$ -	\$ 256,816	\$ 293,063
Conference revenue	31,720	-	31,720	41,656
Other income	1,554	-	1,554	5,552
Net assets released from restriction	<u>60,000</u>	<u>(60,000)</u>	<u>-</u>	<u>-</u>
Total public support	350,090	(60,000)	290,090	340,271
Contractual governmental revenue	<u>983,835</u>	<u>-</u>	<u>983,835</u>	<u>1,010,323</u>
Total Revenue	1,333,925	(60,000)	1,273,925	1,350,594
<b>Expenses</b>				
Program Services	1,124,424	-	1,124,424	1,088,974
Management and general	145,978	-	145,978	123,897
Fundraising	<u>37,227</u>	<u>-</u>	<u>37,227</u>	<u>29,697</u>
Total Expenses	1,307,629	-	1,307,629	1,242,568
<b>Change in Net Assets</b>	26,296	(60,000)	(33,704)	108,026
<b>Net Assets, beginning of year</b>	<u>497,083</u>	<u>60,000</u>	<u>557,083</u>	<u>449,057</u>
<b>Net Assets, end of year</b>	<u>\$ 523,379</u>	<u>\$ -</u>	<u>\$ 523,379</u>	<u>\$ 557,083</u>

See accompanying notes and independent auditors' report.

**Louisiana Mental Health Association  
Statements of Functional Expenses  
Year Ended June 30, 2023**

	Program Services					Supporting Services			Summarized Comparative Amounts June 30, 2022	
	Drop-In Center	Target Health	Advocacy/ Education and Referral	Emergency Response Suicide Program	Recovery Center	Total Program Services	Management and General	Fundraising		Total Expenses
<b>Salaries and Related Expenses</b>										
Salaries	\$ 107,137	\$ 106,120	\$ 99,448	\$ 208,181	\$ 178,684	\$ 699,570	\$ 58,421	\$ 25,038	\$ 783,029	\$ 474,590
Payroll taxes and other	8,625	8,716	8,198	16,604	13,213	55,356	5,078	2,176	62,610	12,834
Employee health and retirement benefits	8,536	5,578	3,965	4,309	4,494	26,882	2,682	1,148	30,712	33,528
Total salaries and related benefits	124,298	120,414	111,611	229,094	196,391	781,808	66,181	28,362	876,351	520,952
<b>Other Expenses</b>										
Depreciation	4,116	-	-	-	-	4,116	9,908	-	14,024	12,834
Insurance	6,150	6,133	6,133	6,150	1,492	26,058	5,793	-	31,851	25,384
Interest expense	-	-	-	-	-	-	-	-	-	236
Maintenance and repair	10,334	1,422	629	1,568	9,071	23,024	18,045	-	41,069	26,179
Miscellaneous expense	480	308	5,520	1,726	241	8,275	10,571	-	18,846	18,370
Postage	-	-	-	-	-	-	-	-	-	2,790
Professional fees and contract services	33,490	8,833	20,041	25,625	48,762	136,751	13,276	3,319	153,346	350,465
Rent and utilities	58,548	-	-	-	-	58,548	4,045	2,696	65,289	65,209
Supplies	5,312	5,394	15,100	836	11,407	38,049	9,304	-	47,353	147,262
Telephone and internet	3,393	-	465	3,046	2,500	9,404	4,275	2,850	16,529	13,026
Training	-	48	26,152	-	518	26,718	869	-	27,587	27,749
Travel and meetings	457	2,046	5,690	163	3,317	11,673	3,711	-	15,384	9,030
Total other expenses	122,280	24,184	79,730	39,114	77,308	342,616	79,797	8,865	431,278	698,534
<b>Total Expenses</b>	<b>\$ 246,578</b>	<b>\$ 144,598</b>	<b>\$ 191,341</b>	<b>\$ 268,208</b>	<b>\$ 273,699</b>	<b>\$ 1,124,424</b>	<b>\$ 145,978</b>	<b>\$ 37,227</b>	<b>\$ 1,307,629</b>	<b>\$ 1,219,486</b>

See accompanying notes and independent auditors' report.



**Louisiana Mental Health Association**  
**Statements of Cash Flows**  
**Year Ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (33,704)	\$ 108,026
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Loss on disposal of property and equipment	-	1,030
Depreciation	14,024	12,834
(Increase) decrease in:		
Contributions receivable	-	7,449
Contractual reimbursements receivable	100,750	(138,024)
Other current assets	-	883
Increase (decrease) in:		
Accounts payable	(22,152)	(11,559)
Payroll liabilities	1,207	(19)
Accrued expenses	(2,018)	20,436
Net Cash Provided by (Used in) Operating Activities	<u>58,107</u>	<u>1,056</u>
<b>Cash Flows from Investing Activities</b>		
Purchases of property and equipment	(10,408)	(7,500)
Certificates of deposit, reinvested	(1,523)	(416)
Net Cash Used in Investing Activities	<u>(11,931)</u>	<u>(7,916)</u>
<b>Cash Flows from Financing Activities</b>		
Draws on line of credit	50,000	-
Payments on line of credit	(10,523)	(7,311)
Net Cash Provided by Financing Activities	<u>39,477</u>	<u>(7,311)</u>
Net Decrease in Cash and Cash Equivalents	85,653	(14,171)
Cash and Cash Equivalents at Beginning of Year	<u>247,093</u>	<u>261,264</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 332,746</u></u>	<u><u>\$ 247,093</u></u>

See accompanying notes and independent auditors' report.

**Louisiana Mental Health Association  
Notes to the Financial Statements  
June 30, 2023 and 2022**

**Note 1 - Nature of the Organization**

Louisiana Mental Health Association (the Association) is a not-for-profit corporation organized under the laws of the State of Louisiana to promote citizen interest and activity to bring about prevention of mental illness, promotion of good mental health, and improved services for the mentally ill. Services are provided across the state; however, the majority of services are provided in the greater Baton Rouge and Morgan City metropolitan areas. The Association was formerly named Mental Health Association for Greater Baton Rouge, Inc. The name change was effective November 18, 2021. Louisiana Mental Health Association's program services are funded by public support and contractual governmental revenue from the State of Louisiana. As the Association depends primarily on contractual governmental revenue, future operating results are contingent on the Association's continuing ability to secure contracts and grants from the State of Louisiana and others. The Association operates the following programs:

**Alliance House Drop-In Center**

The Alliance House Drop-In Center provides a consumer-controlled self-help service, which supplements medical mental health services. The Drop-In Center assists persons with mental illnesses by offering both organized and informal recreational and social activities. Consumers assist each other in solving their social, recreational, housing, transportation, and vocational needs. Consumer staff is available on site to ensure the continuing operation of the center through the provision of material resources and technical support while maintaining a low profile in daily operations. The Drop-In Center is a program funded in part by the Capital Area Human Services District.

**Target Health**

Target Health is a statewide training program and Peer Support group model developed to increase resiliency, wellness, and self-management of health and behavioral health among people with serious mental illnesses and substance use disorders. The program trains facilitators in order to conduct eight (8) week long support groups in each of the ten (10) Local Governing Entities (LGE). The Target Health program is funded by the Louisiana Office of Behavioral Health.

**Advocacy and Behavioral Health 911/Education and Referral**

The Association educates local and statewide leaders through Mental Health Day and one-on-one meetings. The Association also hosts a series of statewide informational meetings, called Behavioral Health 911. These forums are intended to help individuals and families learn about the behavioral health system and the related resources in their communities. The advocacy and Behavioral Health program is funded by the Louisiana Office of Behavioral Health.

**Emergency Response Suicide Program (ERSP)**

In October 2020, the Association began a regional suicide prevention program (The Fisher Project). The program includes case management for those who have attempted suicide or shown chronic suicide ideation. It also features statewide suicide prevention training for the general public and specialized training for first responders. The Fisher Project is funded by the Louisiana Office of Behavioral Health.

**Louisiana Mental Health Association**  
**Notes to the Financial Statements**  
**June 30, 2023 and 2022**

**Note 1 - Nature of the Organization - Continued**

**Recovery Center**

In the Summer of 2022 the Association opened the Morgan City Recovery Center. The Center provides a consumer controlled self help service which supplements medical health services. The Recovery Center is funded in part by the South Central Louisiana Human Services Authority.

**Note 2 - Summary of Significant Accounting Policies**

**Basis of Accounting and Presentation**

The Association's financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

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 presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2022 from which the summarized information was derived.

**Use of 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 those estimates.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Association considers all cash accounts and all highly liquid debt instruments purchased with an original maturity of three months or less to be cash and cash equivalents.

**Certificates of Deposit**

Certificates of deposit purchased with a maturity greater than three months are carried at cost plus accrued interest, which approximates market value.

**Contractual Reimbursements Receivable**

Contractual reimbursements receivables are recorded at net realizable value consisting of the carrying amount less an allowance for doubtful accounts. The Association determines its allowance for doubtful accounts based on prior years' experiences and management's analysis of possible bad debts. The Association uses specific identification, charging off old receivables on a case-by-case basis. The Association considers all contractual reimbursements receivable at June 30, 2023 and 2022 to be fully collectible and, therefore, did not provide an allowance for doubtful accounts.

**Louisiana Mental Health Association**  
**Notes to the Financial Statements**  
**June 30, 2023 and 2022**

**Note 2 - Summary of Significant Accounting Policies - Continued**

**Property and Equipment**

Expenditures for the acquisition of property and equipment equal to or greater than \$500 are capitalized at cost, while maintenance and repairs are expensed when incurred. Donations of property and equipment are recorded as in-kind contributions at their estimated fair value. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets, as follows:

Buildings and improvements	3 to 39.5 years
Equipment	3 to 10 years
Leasehold improvements	7 to 10 years
Vehicles	5 years
Software	3 years

**Net Assets**

The Center reports information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and are available for use at the Association's discretion.

Net assets with donor restrictions: Net assets that are subject to donor-imposed restrictions that may or will be met, either by actions of the organization and/or passage of time. Once restrictions are met they are reclassified to net assets without donor restrictions.

**Revenue Recognition**

The Association recognizes contractual revenue in accordance with ASC Topic 606, Revenue from Contracts with Customers, which provides a five-step model for recognizing revenue from contracts with customers, which are: (i) identify the contract with the customer, (ii) identify performance obligations in the contract, (iii) determine the transaction price, (iv) allocation the transaction price to performance obligations, and (v) recognize revenue when (or as) performance obligations are satisfied.

The majority of the Associations revenue from contracts with customers is derived from cost reimbursable state contracts, which are conditioned upon certain performance requirements and or the incurrence of allowable qualifying expenses. Revenue is recognized when the Association has incurred expenditures in compliance with specific contract provisions.

Unconditional contributions and grants are recognized when received. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Contributions that are designated for future periods or restricted by the donor for specific purposes are reported as donor restricted contributions based on the nature of the restriction. Donor restricted contributions whose restrictions are met in the same year are shown as without donor restrictions.

Conference registrations are recognized when the conferences are held, which is when the performance obligations are satisfied.

**Louisiana Mental Health Association**  
**Notes to the Financial Statements**  
**June 30, 2023 and 2022**

**Note 2 - Summary of Significant Accounting Policies - Continued**

**Functional Allocation of Expenses**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include rent and utilities, which are allocated on a square-footage basis; supplies and depreciation, which are allocated based on periodic studies of supply and asset usage; as well as salaries and related benefits, which are allocated based on the relative proportion of various staff members time and effort between program and administrative functions. Other expenses are allocated based on use.

**Income Taxes**

The Association has been recognized by the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes. Accordingly, no provision has been made for income taxes.

The Association follows the provisions of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management believes it has no material uncertain tax positions and, accordingly has not recognized a liability for any unrecognized tax benefits.

**Subsequent Events**

In preparing these financial statements management has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditors' report, which is the date the consolidated financial statements were available to be issued.

**Reclassifications**

Certain reclassifications have been made to the prior years financial statements to conform with the current year's financial statement presentation. The reclassifications had no effect on net assets or the change in net assets of the prior year.

**Recently Issued Accounting Standards**

As of July 1, 2022, the Association adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842) and all subsequent amendments. The objective of this ASU is to increase transparency and comparability in financial reporting by requiring balance sheet recognition of leases and note disclosure of certain information about lease arrangements. For all leases with terms greater than 12 months, the new guidance requires lessees to recognize right-of-use assets and corresponding lease liabilities on the balance sheet and to disclose qualitative and quantitative information about lease transactions. The new standard maintains a distinction between finance leases and operating leases.

The Association adopted the requirements of ASU 2016-02 using the transition provisions at the date of adoption instead of at the earliest comparative period presented in the financial statements. The Association elected the group of practical expedients that allowed the Association to not reassess the following: whether any expired or existing contracts represent leases, the classification of any expired or existing leases, and the initial direct costs for any expired or existing leases.

**Louisiana Mental Health Association**  
**Notes to the Financial Statements**  
**June 30, 2023 and 2022**

**Note 3 - Contractual Governmental Revenue**

Contractual governmental revenue consisted of the following at for the years ended June 30, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Office of Behavioral Health - Target Health	\$ 95,463	\$ 84,853
Office of Behavioral Health - Advocacy	215,080	220,243
Office of Behavioral Health - ERSP	219,969	376,359
Capital Area Human Services District - Drop in Center	144,660	144,660
S. Central Louisiana Human Services Authority - Recovery Center	308,663	184,208
	<u>\$ 983,835</u>	<u>\$ 1,010,323</u>

**Note 4 - Contractual Reimbursements Receivable**

Contractual reimbursements receivable consisted of the following at June 30, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Office of Behavioral Health	\$ 81,340	\$ 114,594
Capital Area Human Services District	7,934	12,129
S. Central Louisiana Human Services Authority	29,556	92,857
	<u>\$ 118,830</u>	<u>\$ 219,580</u>

**Note 5 - Concentrations**

Financial instruments which subject the Association to concentrations of credit risk consist of cash deposits held with local banks. Cash deposits are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. The Association maintains cash in local and regional financial institutions which often exceed the FDIC limits. Management does not believe that it is exposed to any significant credit risk on uninsured amounts.

Concentrations of revenue greater than or equal to 10% for the years ended June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Office of Behavioral Health	42%	50%
Capital Area Human Services District	11%	11%
S. Central Louisiana Human Services Authority	24%	14%

Concentrations of contractual reimbursements receivable greater than or equal to 10% for the years ended June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Office of Behavioral Health	68%	52%
S. Central Louisiana Human Services Authority	25%	42%

**Louisiana Mental Health Association**  
**Notes to the Financial Statements**  
**June 30, 2023 and 2022**

**Note 6 - Property and Equipment**

A summary of property and equipment at June 30, 2022 and 2021 is as follows:

	2023	2022
Land	\$ 24,000	\$ 24,000
Office Building	128,536	127,151
Office Equipment	63,666	54,643
Program Equipment	17,103	17,103
Vehicles	67,957	67,957
Software	3,600	3,600
	<u>304,862</u>	<u>294,454</u>
Less: Accumulated Depreciation	(243,351)	(229,327)
Property and Equipment, Net	<u>\$ 61,511</u>	<u>\$ 65,127</u>

**Note 7 - Line of Credit**

The Association has a \$50,000 available line of credit with a local bank that bears interest at 3.9% which matures June 13, 2024. The note is secured by cash and certificates of deposit held with the lender. At June 30, 2023 there was a balance of \$39,477 outstanding on this line of credit.

**Note 8 - Operating Lease**

The Association has a multiyear operating lease for the drop-in-center that applies under Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842). This lease was effective January 1, 2020 and has a lease term of four (4) years with monthly payments of \$4,000 per month. While the lease does not state an explicit rate, a discount rate of 3.9% was determined using financing arrangements available to the company at the date of adoption.

The Association has a right of use asset related to this lease in the amount of \$23,728. Lease expense related to this leases was \$48,000 for the year ending June 30, 2023.

The following is a schedule, by year, of the future minimum lease payments required under the operating lease:

Year End June 30, 2024	\$ 24,000
Present Value Discount	(272)
Net Lease Liabilities	<u>\$ 23,728</u>

**Note 9 - Net Assets with Donor Restrictions**

The Association had net assets with donor restrictions as of June 30, 2022 for the advocacy and education program in the amount of \$60,000 whose restrictions were satisfied in the current year. As of June 30, 2023 there were no net assets with donor restrictions.

**Louisiana Mental Health Association**  
**Notes to the Financial Statements**  
**June 30, 2023 and 2022**

**Note 10 - Liquidity Management**

As of June 30, 2023, the following financial assets could be made readily available to meet general expenditures within one year of the date of the statement of financial position:

Cash and cash equivalents	\$ 332,746
Certificates of deposit	91,885
Contractual reimbursements receivable	118,830
	<u>\$ 543,461</u>

As part of its liquidity management, the Association has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due. In addition to the above amounts, the Association has a \$50,000 line of credit with a financial institution of which \$10,523 is available at year end.

**Note 11 - Retirement Plan**

The Association has a defined contribution retirement plan covering employees who meet eligibility requirements. The Association contributes 5% of each covered employees compensation. The pension plan is funded in accordance with the requirements of the Employee Retirement Income Security Act of 1974. Contributions to the plan for the years ended June 30, 2023 and 2022 were \$16,617 and \$16,500, respectively.

**Note 12 - Economic Dependency**

The Association receives the majority of its revenue from funds provided through programs contracted with and administered by the State of Louisiana. The program amounts are appropriated each year by the Federal and State governments. If significant budget cuts are enacted at the Federal and/or State level, the amount of the funds the Association receives could be reduced significantly and have an adverse impact on its operations.



**Louisiana Mental Health Association**  
**Schedule of Compensation Benefits and Other Payments to Agency Head**  
**Year Ended June 30, 2023**

**Agency Head**

Melissa Silva, Executive Director

Salary	\$	136,018
Payroll taxes		10,881
Insurance benefits		96
Retirement benefits		6,801
Cellphone		1,392
Total	\$	<u>155,188</u>



**Daigrepoint & Brian**  
Certified Public Accountants

**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  
Louisiana Mental Health Association

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 Louisiana Mental Health Association (a nonprofit organization) (hereafter “the Association”), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, 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 October 25, 2023.

**Report on Internal Control over Financial Reporting**

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

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 or significant deficiencies may exist that were not identified.

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## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether The Association'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.



Daigrepoint & Brian, APAC  
Baton Rouge, LA

October 25, 2023

**Louisiana Mental Health Association  
Schedule of Findings and Responses  
Year Ended June 30, 2023**

**Summary of Auditors' Results**

- The auditors' report expressed an unmodified opinion on the financial statements.
- No significant deficiencies relating to the audit of the financial statements are reported in the *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*.
- No instances of noncompliance material to the financial statements were noted.

**Financial Statement Findings**

- There were no findings for the current year.

**Management Letter**

- No management letter was issued for the current year.

**Louisiana Mental Health Association  
Schedule of Prior Year Findings and Responses  
Year Ended June 30, 2022**

**Summary of Auditors' Results**

- The auditors' report expressed an unmodified opinion on the financial statements.
- No significant deficiencies relating to the audit of the financial statements are reported in the *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*.
- No instances of noncompliance material to the financial statements were noted.

**Financial Statement Findings**

- There was one finding related to excess salaries billed to contracts that was resolved in the current year.

**Management Letter**

- No management letter was issued for the prior year.