

NAMI

Southeast Louisiana

Audited Financial Statements

For the year ended
June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Management of
of NAMI Southeast Louisiana

Opinion

We have audited the accompanying financial statements of NAMI Southeast Louisiana (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, 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 referred to above present fairly, in all material respects, the financial position of NAMI Southeast Louisiana as of June 30, 2025, 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. 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 NAMI Southeast Louisiana 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.

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 NAMI Southeast Louisiana's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 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, including omissions, 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, 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 NAMI Southeast Louisiana 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 NAMI Southeast Louisiana'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.

Other Matter

Supplementary Information

The accompanying schedule of compensation, benefits, and other payments to the agency head, political subdivision head, or chief executive officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the responsibility of management, was derived from, and relates directly to the underlying accounting and other records used to prepare the schedule. The information included in this schedule has been subjected to the auditing procedures applied in the audit of the financial statements, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

Jason F. Clausen, P.C.

Fraser, MI

December 30, 2025

NAMI SOUTHEAST LOUISIANA
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025

Assets

Current assets	
Cash and cash equivalents	\$ 776,840
Cash - board designated	25,000
Certificate of deposit	100,000
Investments	1,414,593
Accounts receivable, net	335,970
Grants receivable	292,075
Other assets	<u>69,455</u>
Total current assets	3,013,933
Property and equipment	
Land	362,270
Land improvements	15,186
Building	1,466,819
Improvements	239,641
Office equipment	81,408
Equipment	23,635
Furniture and fixtures	206,808
Vehicles	39,451
Less accumulated depreciation	<u>(631,663)</u>
Net property and equipment	<u>1,803,555</u>
Total assets	<u><u>4,817,488</u></u>

Liabilities

Current liabilities	
Accounts payable	29,296
Accrued salaries and payroll liabilities	139,952
Accrued expenses	40,430
Other current liabilities	<u>7,112</u>
Total liabilities	<u>216,790</u>

Net assets

Net assets without donor restrictions	4,394,271
Board designated reserve	25,000
Net assets with donor restrictions	<u>181,427</u>
Total net assets	<u>4,600,698</u>
Total liabilities and net assets	<u><u>\$ 4,817,488</u></u>

See independent auditor's report and financial statements

NAMI SOUTHEAST LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	Net assets without donor restrictions	Net assets with donor restrictions	Total
<u>Revenue and other support</u>			
Grants and contracts	\$2,382,583	\$ -	\$2,382,583
Fundraising	305,140	-	305,140
Membership	14,965	-	14,965
Contributions	197,180	-	197,180
Program service revenue	1,398,857	-	1,398,857
Investment	143,471	-	143,471
Other income	675,873	-	675,873
In-kind donations	104,584	-	104,584
 Total revenue and other support	 5,222,653	 -	 5,222,653
 <u>Expense</u>			
Program services	4,403,957	-	4,403,957
Management and general	399,976	-	399,976
Fundraising	174,306	-	174,306
 Total expense	 4,978,239	 -	 4,978,239
 Change in net assets	 244,414	 -	 244,414
 Net assets, beginning of period	 4,174,857	 181,427	 4,356,284
 Net assets, end of period	 \$4,419,271	 \$ 181,427	 \$4,600,698

See independent auditor's report and financial statements

NAMI SOUTHEAST LOUISIANA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

<u>Description</u>	<u>Program services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 2,449,780	\$ 222,707	\$ 111,354	\$ 2,783,841
Payroll taxes	186,498	16,954	8,477	211,929
Employee benefits	40,987	3,726	1,863	46,576
Direct operating costs	796,858	-	-	796,858
Insurance	324,737	38,204	19,103	382,044
Professional fees	93,803	11,036	5,518	110,357
Mileage	92,999	-	-	92,999
Office expense	72,413	8,519	4,260	85,192
Occupancy	51,000	6,000	3,000	60,000
Maintenance and repair	49,959	5,878	2,938	58,775
Depreciation	46,170	5,432	2,716	54,318
Utilities	39,971	4,703	2,351	47,025
Accounting	-	46,000	-	46,000
Telephone	36,201	4,259	2,129	42,589
Travel / trainings	28,103	3,306	1,653	33,062
Consultant expense	22,511	2,648	1,324	26,483
Bank charges	22,063	2,596	1,297	25,956
Office supplies	18,281	2,151	1,075	21,507
Meetings	10,791	223	111	11,125
In Kind Expense	7,296	858	430	8,584
Postage and shipping	-	8,197	-	8,197
Dues and subscriptions	-	4,987	-	4,987
Advertising	-	-	3,910	3,910
Information technology	1,140	134	67	1,341
Other expenses	12,396	1,458	730	14,584
Total expenses on the statement of activities	<u>\$ 4,403,957</u>	<u>\$ 399,976</u>	<u>\$ 174,306</u>	<u>\$ 4,978,239</u>

See independent auditor's report and financial statements

NAMI SOUTHEAST LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

Cash flows from operating activities

Change in net assets	\$ 244,414
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	54,318
Investment gains	(89,392)
 <u>Changes in operating assets and liabilities</u>	
(Increase)/Decrease in:	
Receivables, net	(70,652)
Other assets	(69,305)
Increase/(Decrease) in:	
Accounts payable	19,559
Accrued payroll taxes	(8,246)
Other liabilities	(1,358)
Accrued expenses	17,829
Payroll liabilities	(93,397)
Net cash provided by (used in) by operating activities	<u>3,770</u>

Cash flows from investing activities

Cash paid for certificates of deposit	(100,000)
Net cash paid for fixed assets	(44,455)
Net sale (purchase) of investments	436,130
Net cash provided by (used in) investing activities	<u>291,675</u>
Net increase (decrease) in cash and cash equivalents	295,445
Cash and cash equivalents, beginning of period	<u>506,395</u>
Cash and cash equivalents, end of period	<u>\$ 801,840</u>

Cash paid for interest during the year was \$165.

NAMI SOUTHEAST LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – NATURE OF ACTIVITIES

NAMI Southeast Louisiana, (the Organization) is a non-profit corporation headquartered in Mandeville, Louisiana, and is affiliated with National Alliance on Mental Illness. The Organization’s mission is to increase awareness and advocate for families and persons with mental health illnesses in the 9 parishes of Southeast Louisiana. The Organization’s source of revenue is principally derived from grant revenue and fundraising events. The Organization operates the following major programs:

Peer and Family Education

Providing education, awareness, and understanding of mental illnesses and establishing wellness through Peer-to-Peer, NAMI Basics, and Family-to-Family Education programs.

Peer and Family Support Groups

Providing a forum for recovery support for adults living with mental health challenges through ongoing support groups NAMI Connection and Family-to-Family Support.

Community Programs

Providing forums for effective communication of mental health related concerns, advocacy for individuals struggling with mental illness, and a comprehensive web-based directory that provides resources for individuals living with mental illness. These programs are delivered through Parents and Teachers as Allies, NAMI Smarts for Advocacy, Community Education Events, and Mental Health Resource and Provider Directories.

Housing Program

Providing supportive housing in a combination of long-term rental assistance and intensive support services to individuals experiencing homelessness to help individuals achieve and maintain stable housing, improve their overall well-being, and integrate into the community.

Clinical Services

Providing therapeutic support and case management services. The therapeutic support is offered by licensed clinicians through in-person and telehealth options. Both programs provide links to resources, access to behavioral and medical supports, illness management and skills training.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and accordingly, reflect all significant receivables, payables, and other liabilities.

Classification of Net Assets

The Organization prepares its financial statements in accordance with FASB ASC 958-205, “Financial Statements of Not-for-Profit Organizations”. Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions. As permitted under the provisions of FASB 958-605, the Organization

See independent auditor's report and financial statements

NAMI SOUTHEAST LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

records donor-restricted contributions whose restrictions have been satisfied in the same reporting period as unrestricted support in such year.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments with maturities of three months or less when purchased are considered cash equivalents and recorded at cost, which approximates fair value. The Organization places its temporary cash investments with high credit quality financial institutions, and at times may maintain balances that exceed federally insured limits. As of June 30, 2025, the Organization has bank deposits of \$105,421 in excess of federally insured limits.

Accounts Receivable, Net

The Organization carries its accounts and grants receivable at the lower of cost or market, less an allowance for doubtful accounts. On a periodic basis, the Organization evaluates its accounts receivable and establishes an allowance for doubtful accounts, when deemed necessary, based upon specific delinquent accounts. When receivables are deemed uncollectible, they are charged against the allowance account. At June 30, 2025, the allowance for doubtful accounts was \$279,154.

Current Financial Assets

The Organization has \$2,583,508 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$776,840, certificate of deposit totaling \$100,000, investments totaling \$1,414,593, and grants receivable totaling \$292,075. The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$820,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Donated Materials and Services

The Organization receives donations of material and services from various sources. The donated materials and services received are reflected in the accompanying financial statements at their fair market value.

Property and Equipment

Property and equipment are carried at cost or, if donated, at fair market value at the time of the donation. Property with an original cost of \$500 or greater and a useful life of 3 years or greater are capitalized. Depreciation is computed on a straight-line basis over the estimated useful life of the assets. Expenditures for maintenance and repairs are charged to expense as incurred. Useful lives for the different classes of assets is as follows:

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NAMI SOUTHEAST LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Office equipment	3 – 5 years
Equipment, vehicles, furniture, and fixtures	5 – 7 years
Leasehold improvements	10 – 15 years

Grants and Contributions

Support from grantors and contributors is recognized when promised and recorded as unrestricted or donor-restricted support, depending on the existence and/or nature of any donor restrictions. Support from grantors with restrictions is reported as net assets with donor restrictions and is then reclassified to net assets without donor restrictions upon satisfaction of the restrictions.

Revenue Recognition

The Organization reports revenue in accordance with Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Grant awards accounted for as exchange transactions are recorded as revenue when the performance obligations of services provided, and expenditures incurred are satisfied and recognizes revenue for the transfer of promised services in an amount that reflects the consideration for which the Organization expects to be entitled according to the terms and conditions of the grant awards.

From time to time there are services performed, and expenses incurred that are unpaid at the end of a period. Unpaid balances on revenues earned under the terms of grant awards are carried as accounts receivable. Refer to Note 6 for additional information.

Advertising

Advertising costs are recorded as expenditures as they are incurred.

Income Taxes

The Organization is a private, not-for-profit organization operating in accordance with Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

Functional 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 salaries and benefits, office and occupancy, general and administrative, interest, and depreciation, all of which are allocated on the basis of management’s estimate of time and effort. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

NOTE 3 – MERGER OF NAMI NEW ORLEANS AND NAMI ST. TAMMANY – NAMI SOUTHEAST LOUISIANA

Effective July 1, 2024, a Joint Merger Agreement (“the Merger”) was entered into pursuant to the provisions of La. R.S. § 12:242, et seq., of the Louisiana Nonprofit Corporation Law by and between NAMI St. Tammany, Inc., a Louisiana nonprofit corporation (hereinafter referred to as the “Surviving Entity”) and NAMI New Orleans, Inc., a Louisiana nonprofit corporation

See independent auditor's report and financial statements

NAMI SOUTHEAST LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 3 – MERGER OF NAMI NEW ORLEANS AND NAMI ST. TAMMANY – NAMI SOUTHEAST LOUISIANA (CONTINUED)

(hereinafter referred to as the “Constituent Entity”). The Articles of Incorporation and the Bylaws of the Surviving Entity were not altered or otherwise affected by virtue of the Merger, except to the extent necessary to change the name of the Surviving Entity to “NAMI Southeast Louisiana”. The Merger was accounted for under the carryover method in accordance with Accounting Standards Codification (ASC) 958-805, Not-for-Profit Entities – Business Combinations.

In a merger, the historical carrying amounts of the assets and liabilities of both entities are carried forward to the financial statements of the combined entity. No assets or liabilities were remeasured to fair value, and no goodwill or bargain purchase gain was recognized as a result of the Merger.

The net assets of the combined entity at the date of the Merger consisted of the sum of the net assets of NAMI New Orleans and NAMI St. Tammany as previously reported in their respective financial statements immediately prior to the Merger.

The following table summarizes the net assets of each entity immediately prior to the Merger and the resulting net assets of the combined entity:

<u>Description</u>	<u>NAMI St. Tammany</u>	<u>NAMI New Orleans</u>	<u>NAMI Southeast Louisiana</u>
Net assets without donor restrictions	\$ 806,260	\$ 3,368,597	\$ 4,174,857
Net assets with donor restrictions	<u>-0-</u>	<u>181,427</u>	<u>181,427</u>
Total net assets	<u>\$ 806,260</u>	<u>\$ 3,550,024</u>	<u>\$ 4,356,284</u>

All significant accounting policies of NAMI Southeast Louisiana are consistent with those previously applied by NAMI New Orleans and NAMI St. Tammany. The financial statements for the year ended June 30, 2025, includes the results of operations of both entities from the date of the Merger forward.

The Merger was approved by the respective governing boards of NAMI New Orleans and NAMI St. Tammany and, where required, by applicable regulatory authorities. The purpose of the Merger was to enhance mission impact through combined resources, eliminate duplication of services, and improve operational efficiency.

No consideration was transferred by either entity as part of the Merger.

NOTE 4 – BOARD-DESIGNATED CASH

As of June 30, 2025, the Board has designated cash for the following purposes:

Cash reserve (see Note 10)	<u>\$ 25,000</u>
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See independent auditor's report and financial statements

NAMI SOUTHEAST LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 5 - FAIR VALUE MEASUREMENTS

Generally Accepted Accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under Generally Accepted Accounting Principles are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means.
 - If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of this asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lower level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Money market funds: Valued at the fair value of the fund at the close of the stock market on the last business day of the year.

Mutual Funds: Valued at the accumulated unit value of the units held at the end of the year.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments are stated at their fair values, and consist of money market and equity investments as follows:

See independent auditor's report and financial statements

NAMI SOUTHEAST LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 5 - FAIR VALUE MEASUREMENTS (CONTINUED)

<u>June 30, 2025</u>	<u>Fair Value</u>	In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Levels 3)
Money Market	\$ 29,833	\$ 29,833	\$ -0-	\$ -0-
Mutual Funds	604,358	604,358	-0-	-0-
ETFs	<u>780,402</u>	<u>780,402</u>	<u>-0-</u>	<u>-0-</u>
Total	<u>\$1,414,593</u>	<u>\$1,414,593</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Investment income for the year ended June 30, 2025, reported as a net of realized gains and losses, dividends and interest, brokerage fees, and unrealized market fluctuations was \$143,471.

NOTE 6 – GOVERNMENT GRANTS AND CONTRACTS REVENUE AND RECEIVABLES

The revenues received for the fiscal year ending June 30, 2025 are as follows:

U.S. Department of Housing and Urban Development	\$ 1,596,040
U.S Department of Health and Human Services	<u>133,218</u>
Total Government Grant and Contract Revenue	<u>\$ 1,729,258</u>

The total amounts receivable on these grants as of June 30, 2025 was \$292,075.

NOTE 7 – IN-KIND DONATIONS

Donated contributions are reflected in the accompanying statements at their estimated values at date of receipt. The organization receives many hours of volunteer work. Much of this volunteer work does not meet the requirements for recognition in GAAP and are therefore not included in the financial statements. The value of donated materials and services included in the financial statement and the corresponding expenses for the year are as follows:

Donated use of land, housing, office space and furniture	\$ 60,000
Donated professional services	36,000
Donated office supplies	<u>8,584</u>
Total in-kind donations	<u>\$ 104,584</u>

NOTE 8 – COMPENSATED ABSENCES

The amount liability for compensated absences cannot be reasonably determined, therefore no accrual has been made.

NOTE 9 – DATE OF MANAGEMENT REVIEW

These financial statements are inclusive of all subsequent events as reviewed by management

See independent auditor's report and financial statements

NAMI SOUTHEAST LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 – DATE OF MANAGEMENT REVIEW (CONTINUED)

through the date of this report, which is the date the financial statements were available to be issued.

NOTE 10 – SUBSEQUENT EVENT

The Organization has evaluated subsequent events through the date which the financial statements were available to be issued.

See independent auditor's report and financial statements

SUPPLEMENTARY INFORMATION

NAMI SOUTHEAST LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Agency & Cluster / Program Name	"Assistance Listing Number"	Contract/Grant Number	Federal Revenue Recognized	Program Expenditures
<u>U.S. Department of Housing and Urban Development</u>				
Direct:				
Continuum of Care Program – Permanent Supportive Housing (Rental Assistance)	14.267	LA0072L6H032316	\$209,722	\$211,831
Pass Through Programs:				
Greater New Orleans, Inc. - UNITY Continuum of Care - Finally Home	14.267	LA0210L6H032210	918,809	926,657
Greater New Orleans, Inc. - UNITY 2022 HUD Continuum of Care Supplemental to Address Unsheltered and Rural Homelessness	14.267	LA0400H6H032200	379,021	\$309,882
Greater New Orleans, Inc. - UNITY 2023 HUD Continuum of Care Sponsor Based Rental Assistance Shelter Plus Care	14.267	LA0086L6H032316	31,674	20,297
St. Tammany Parish Governemt - Department of Grants Community Development Block Grant (CDBG)	14.218	N/A	56,814	120
Total U.S. Department of Housing and Urban Development			1,596,040	1,468,787
<u>U.S Department of Health and Human Services</u>				
Direct:				
Substance Abuse and Mental Health Services Administration (SAMHSA) Substance abuse and mental health services of regional and national significance	93.243	H79SM084468	133,218	51,363
Total U.S. Department of Health and Human Services				
Total Expenditures of Federal Contracts			\$1,729,258	\$1,520,150

See independent auditor's report and notes to the financial statements.



NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the federal award activity of NAMI Southeast Louisiana under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of NAMI Southeast Louisiana, it is not intended to and does not present the financial position, changes in net assets, or cash flows of NAMI Southeast Louisiana.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST RATE

NAMI Southeast Louisiana has a negotiated indirect cost rate agreement (NICRA) with the U.S. Department of Health and Human Services. The Organization applies this negotiated rate to applicable federal awards in accordance with the terms of the agreement. The Organization has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – PASS-THROUGH ENTITIES

Pass-through entity identifying numbers are presented where available.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIALS STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors and Management of
NAMI Southeast Louisiana
New Orleans, LA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of NAMI Southeast Louisiana (NAMI) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, 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 December 30, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered NAMI's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of NAMI's internal control. Accordingly, we do not express an opinion of the effectiveness of NAMI's internal control.

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

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 weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether NAMI's financial statements are free from material misstatements, 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 Organizations' internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the NAMI's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jason F Clausen, P.C.

Fraser, MI

December 30, 2025



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

To the Board of Directors and Management of
NAMI Southeast Louisiana
New Orleans, LA

OPINION ON EACH MAJOR FEDERAL PROGRAM

We have audited NAMI Southeast Louisiana (NAMI)'s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of NAMI's major federal programs for the year ended June 30, 2025. NAMI's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, NAMI complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

BASIS FOR OPINION ON EACH MAJOR FEDERAL PROGRAM

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the comptroller General of the United States; and the audit requirements of Title U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of NAMI and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of NAMI's compliance with the compliance requirements referred to above.

RESPONSIBILITIES OF MANAGEMENT FOR COMPLIANCE

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreement applicable to NAMI's federal programs.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF COMPLIANCE

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on NAMI's compliance based on our audit. 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, Government Auditing Standards, and the Uniform guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about NAMI's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted accounting standards, Government Auditing Standards, and the Uniform Guidance we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 NAMI's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of NAMI's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of NAMI's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

that is less severe than a material weakness in internal control over compliance yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Jason F Clausen, P.C.

Fraser, MI
December 30, 2025

NAMI SOUTHEAST LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

A. SUMMARY OF AUDIT RESULTS

1. The Auditor's Report expresses an unmodified opinion on whether the financial statements of NAMI Southeast Louisiana were prepared in accordance with GAAP.
2. No significant deficiencies were disclosed during the audit of the financial statements. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of NAMI Southeast Louisiana were disclosed during the audit.
4. No significant deficiencies were disclosed in internal control over major Federal Awards Program during the audit. No material weaknesses are reported.
5. The Auditor's Report on compliance or the major federal award programs for NAMI Southeast Louisiana expresses an unmodified opinion on all federal programs.
6. Audit findings that are required to be reported in accordance with 2CFR Section 200.516(a) are reported in this Schedule.
7. The programs tested as major programs were:
 - 14.267 – U.S. Department of Urban and Housing Development
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. NAMI Southeast Louisiana was not determined to be a low-risk auditee.

B. FINDINGS-FINANCIAL STATEMENTS AUDIT

No matters were reported.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAM AUDIT

No matters were reported.

NAMI SOUTHEAST LOUISIANA
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2025

No matters were noted, therefore no corrective action plan is necessary.

NAMI SOUTHEAST LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

There were no prior year findings.



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 of
NAMI Southeast Louisiana
Mandeville, LA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of NAMI Southeast Louisiana (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, 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 December 30, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered NAMI Southeast Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NAMI Southeast Louisiana internal control. Accordingly, we do not express an opinion on the effectiveness of NAMI Southeast Louisiana 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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether NAMI Southeast Louisiana'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. 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.

Jason F. Clausen, P.C.

Fraser, MI
December 30, 2025



SUPPLEMENTARY INFORMATION

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Agency head name: **Nicholas Richard**

<u>Purpose</u>	<u>Amount</u>
Salary	\$122,395
Benefits (Cell phone allowance)	4,750
Car allowance	11,750
Total	<u>\$138,895</u>

See independent auditor's report and financial statements

NAMI
Southeast Louisiana

Agreed Upon Procedures
with Independent
Accountant's Report.

For the year ended
June 30, 2025

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INDEPENDENT ACCOUNTANT'S REPORT

ON APPLYING AGREED UPON PROCEDURES

NAMI Southeast Louisiana
Mandeville, LA

We have performed the procedures listed in the attached supplement to selected accounting records and transactions identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs), ACT 706, for NAMI Southeast Louisiana for the year ended June 30, 2025. The procedures, which were agreed to by NAMI Southeast Louisiana, are solely to assist you with respect to the accounting records listed in the attachment. NAMI Southeast Louisiana's management is responsible for the Company's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of NAMI Southeast Louisiana. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached supplement either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Also, we express no opinion on the effectiveness of internal control over financial reporting or any part thereof. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of NAMI Southeast Louisiana and the Louisiana Legislative Auditor's office and should not be used by anyone other than these specified parties.

Jason F. Clausen, P.C.

Fraser, MI

December 30, 2025

Procedure 1: Written Policies and Procedures

A. Obtained and inspected the entity's written policies and procedures and observed whether they addressed each of the following categories and subcategories where applicable to public funds and the entity's operations:

- i. *Budgeting*, including preparing, adopting, monitoring, and amending the budget.
- ii. *Purchasing*, including (1) how purchases were initiated, (2) how vendors were added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
- iii. *Disbursements*, including processing, reviewing, and approving.
- iv. *Receipts/Collections*, including receiving, recording, and preparing deposits. Policies and procedures included management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.
- v. *Payroll/Personnel*, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. *Travel and Expense Reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. *Credit Cards (and debit cards, fuel cards, purchase cards, where applicable)*, including (1) how cards were controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitored card usage.
- ix. *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. *Information Technology Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. *Prevention of Sexual Harassment*, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: No exceptions.

Procedure 2: Board or Finance Committee

A. Obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

- i. Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- ii. Observed that the minutes referenced or included financial activity relating to public funds. If those public funds comprised more than 10% of the entity's collections during the fiscal period.
- iii. There were no audit findings to follow up with.

Results: No exceptions.

Procedure 3: Bank Reconciliations

A. Obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing was complete. Asked management to identify the entity's main operating account. Selected the entity's main operating account and randomly selected one month from the fiscal period, obtained, and inspected the corresponding bank statement and reconciliation for each selected account, and observed that:

- i. Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date;
- ii. Bank reconciliations included written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, where applicable.

Results: No exceptions.

Procedure 4: Collections (excluding electronic funds transfers)

A. Obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) were prepared and management's representation that the listing was complete. Randomly selected 5 deposit sites.

B. For each deposit site selected, obtained a listing of collection locations and management's representation that the listing was complete. Randomly selected one collection location for each deposit site, obtained and inspected written policies and procedures relating to employee job duties at each collection location, and observed that job duties were properly segregated at each collection location such that

- i. Employees responsible for cash collections did not share cash drawers/registers;
- ii. Each employee responsible for collecting cash was not also responsible for preparing/making bank deposits, unless another employee/official was responsible for reconciling collection documentation to the deposit;
- iii. Each employee responsible for collecting cash was not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official was responsible for reconciling ledger postings to each other and to the deposit; and
- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, was not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

- C. Obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observed that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly selected two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A. Obtained supporting documentation for each of the 10 deposits and:
- i. Observed that receipts are sequentially pre-numbered.
 - ii. Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Traced the deposit slip total to the actual deposit per the bank statement.
 - iv. Observed that the deposit was made within one business day of receipt at the collection location.
 - v. Traced the actual deposit per the bank statement to the general ledger.

Results: No exceptions.

Procedure 5: Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtained a listing of locations that processed payments for the fiscal period and management's representation that the listing was complete. There was only 1 location.
- B. For each location selected under procedure #5A above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties, and observed that job duties were properly segregated such that
- i. At least two employees were involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees were involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments was prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approved the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under procedure #5A above, obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population was complete. Randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction, and
- i. Observed whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicated that deliverables included on the invoice were received by the entity, and
 - ii. Observed whether the disbursement documentation included evidence of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly selected 5 non-payroll-related electronic disbursements and observed that each electronic

disbursement was (a) approved by only those persons authorized to disburse funds per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

Results: No exceptions.

Procedure 6: Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtained management's representation that the listing was complete.
- B. Using the listing prepared by management, selected all cards that were used during the fiscal period. Randomly selected one monthly statement or combined statement for each card. Obtained supporting documentation, and
- a) Observed whether there is evidence that the monthly statement or combined statement and supporting documentation were reviewed and approved, in writing by someone other than the authorized card holder; and
 - b) Observed that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B below, excluding fuel cards, randomly selected 10 transactions from each statement, and obtained supporting documentation for the transactions. For each transaction, observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Results: No exceptions.

Procedure 7: Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger was complete. Randomly selected 5 reimbursements and obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- i. Observed that the approved reimbursement rate was no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. Observed that the reimbursement was supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observed that each reimbursement was supported by documentation of the business/public purpose (for meal charges, observed that the documentation included the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iv. Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions.

Procedure 8: Contracts

- A. Obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtained management's representation that the listing was complete. Randomly selected 5 contracts from the listing, excluding the practitioner's contract, and
- i. Observed whether the contract was bid in accordance with the Louisiana Public Bid Law, if required by law;
 - ii. Observed whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. No amended contracts
 - iv. Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed that the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions.

Procedure 9: Payroll and Personnel

- A. Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing was complete. Randomly selected 5 employees or officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtained attendance records and leave documentation for the pay period, and
- i. Observed that all selected employees or officials documented their daily attendance and leave;
 - ii. Observed whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observed the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtained a listing of the employees or officials that received termination payments during the fiscal period and management's representation that the list was complete. Randomly selected two employees or officials and obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agreed that the hours to the employee's or official's cumulative leave records, agreed that the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agreed that the termination payment to entity policy.
- D. Obtained management's representation that employer and employee portions of third-party payroll related amounts were paid, and any associated forms have been filed, by required deadlines.

Results: No exceptions.

Procedure 10: Ethics

The organization does not fit the criteria for R.S. 42:1170.

Results: Not applicable.

Procedure 11: Debt Service

The organization does not have any bonds, notes, or other debt.

Results: Not applicable.

Procedure 12: Fraud Notice

- A. The organization has no documented cases of misappropriation of public funds.
- B. Observed that the entity had posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions.

Procedure 13: Information Technology Disaster Recovery/Business Continuity

- A. Performed the following procedures, verbally discussed the results with management, and report "We performed the procedure and discussed the results with management."
 - i. Obtained and inspected the entity's most recent documentation that it had backed up its critical data and observed evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. Obtained and inspected the entity's most recent documentation that it had tested/verified that its backups can be restored and observed evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing was complete. Randomly selected 5 computers and observed while management demonstrated that the selected computers had current and active antivirus software and that the operating system and accounting system software in use was currently supported by the vendor.
- B. Selected all terminated employees using the list of terminated employees obtained in procedure #9C. Observed evidence that the selected terminated employees had been removed or disabled from the network.
- C. Obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly selected 5 computers and observed while management demonstrated that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- D. Randomly select all terminated employees using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observed evidence that the selected terminated employees have been removed or disabled from the network.

Results: No exceptions.

Procedure 14: Prevention of Sexual Harassment

- A. The organization does not fit the criteria under L.A.R.S. 42:343.
- B. Observed that the entity has sexual harassment policies and complaint procedures in employee handbook, and posted on wall in a central location.
- C. There were no documented claims or complaints of sexual harassment during the year.

Results: No exceptions.