

**LOUISIANA MENTAL HEALTH ASSOCIATION
FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

**LOUISIANA MENTAL HEALTH ASSOCIATION
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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, 2024, 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, 2024, 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.

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.

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, 2024, 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.

Report on Summarized Comparative Information

We have previously audited the Associations’ June 30, 2023 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated October 25, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Daigrepoint & Brian, APAC
Baton Rouge, LA
October 25, 2024

**Louisiana Mental Health Association
Statements of Financial Position
June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 303,915	\$ 332,746
Certificates of deposit	94,535	91,885
Contractual reimbursements receivable	116,522	118,830
Other current assets	9,264	7,811
Total Current Assets	<u>524,236</u>	<u>551,272</u>
Non-Current Assets		
Property and equipment, net	51,406	61,511
Right of use asset - operating	152,003	23,728
Total Non-current Assets	<u>203,409</u>	<u>85,239</u>
Total Assets	<u><u>\$ 727,645</u></u>	<u><u>\$ 636,511</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 19,156	\$ 1,711
Line of credit	-	39,477
Payroll liabilities	5,188	6,222
Accrued expenses	39,936	41,994
Lease liability - operating, short term	40,394	23,728
Total Current Liabilities	<u>104,674</u>	<u>113,132</u>
Long Term Liabilities		
Lease liability - operating, net of short term	111,609	-
Net Assets		
Without donor restrictions	465,565	523,379
With donor restrictions	45,797	-
Total Net Assets	<u>511,362</u>	<u>523,379</u>
Total Liabilities and Net Assets	<u><u>\$ 727,645</u></u>	<u><u>\$ 636,511</u></u>

See accompanying notes and independent auditors' report.

**Louisiana Mental Health Association
Statements of Activities
Year Ended June 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total	Summarized Comparative Amounts June 30, 2023
Revenue				
Public Support				
Contributions and grants	\$ 152,126	\$ 83,018	\$ 235,144	\$ 256,816
Conference revenue	5,000	-	5,000	31,720
Other income	2,681	-	2,681	1,554
Net assets released from restriction	37,221	(37,221)	-	-
Total public support	<u>197,028</u>	<u>45,797</u>	<u>242,825</u>	<u>290,090</u>
Contractual governmental revenue	<u>911,416</u>	<u>-</u>	<u>911,416</u>	<u>983,835</u>
Total Revenue	1,108,444	45,797	1,154,241	1,273,925
Expenses				
Program Services	993,879	-	993,879	1,124,424
Supporting Services				
Management and general	135,306	-	135,306	145,978
Fundraising	37,073	-	37,073	37,227
Total Expenses	<u>1,166,258</u>	<u>-</u>	<u>1,166,258</u>	<u>1,307,629</u>
Change in Net Assets	(57,814)	45,797	(12,017)	(33,704)
Net Assets, beginning of year	<u>523,379</u>	<u>-</u>	<u>523,379</u>	<u>557,083</u>
Net Assets, end of year	<u><u>\$ 465,565</u></u>	<u><u>\$ 45,797</u></u>	<u><u>\$ 511,362</u></u>	<u><u>\$ 523,379</u></u>

See accompanying notes and independent auditors' report.

**Louisiana Mental Health Association
Statements of Functional Expenses
Year Ended June 30, 2024**

	Program Services					Supporting Services			Total Expenses	Summarized Comparative Amounts June 30, 2023
	Drop-In Center	Target Health	Advocacy, Education, and Referral	Fisher Project	Recovery Center	Total Program Services	Management and General	Fundraising		
Salaries and Related Expenses										
Salaries	\$ 128,736	\$ 106,902	\$ 59,013	\$ 165,518	\$ 158,186	\$ 618,355	\$ 62,570	\$ 26,816	\$ 707,741	\$ 783,029
Payroll taxes and other	10,335	8,694	5,080	13,166	11,761	49,036	5,447	2,334	56,817	62,610
Employee health and retirement benefits	5,629	4,035	3,202	6,579	10,231	29,676	3,520	1,509	34,705	30,712
Total salaries and related benefits	144,700	119,631	67,295	185,263	180,178	697,067	71,537	30,659	799,263	876,351
Other Expenses										
Depreciation	9,260	-	-	-	-	9,260	3,000	-	12,260	14,024
Insurance	7,497	5,817	5,817	7,497	6,096	32,724	28	-	32,752	31,851
Maintenance and repair	14,895	1,125	-	644	4,675	21,339	11,323	-	32,662	41,069
Miscellaneous expense	594	201	13,346	1,675	79	15,895	10,810	-	26,705	18,846
Professional fees and contract services	21,606	21,522	22,394	17,541	4,733	87,796	13,746	3,436	104,978	153,346
Rent and utilities	45,162	-	-	12,291	200	57,653	7,304	1,826	66,783	65,289
Supplies	4,342	10,621	11,381	10,056	5,638	42,038	11,037	-	53,075	47,353
Telephone and internet	2,407	-	1,789	4,277	1,685	10,158	4,606	1,152	15,916	16,529
Training	-	1,576	2,200	704	-	4,480	-	-	4,480	27,587
Travel and meetings	-	2,730	11,013	-	1,726	15,469	1,915	-	17,384	15,384
Total other expenses	105,763	43,592	67,940	54,685	24,832	296,812	63,769	6,414	366,995	431,278
Total Expenses	\$ 250,463	\$ 163,223	\$ 135,235	\$ 239,948	\$ 205,010	\$ 993,879	\$ 135,306	\$ 37,073	\$ 1,166,258	\$ 1,307,629

See accompanying notes and independent auditors' report.

Louisiana Mental Health Association
Statements of Cash Flows
Year Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (12,017)	\$ (33,704)
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	12,260	14,024
(Increase) decrease in:		
Contractual reimbursements receivable	2,308	100,750
Other current assets	(1,453)	-
Increase (decrease) in:		
Accounts payable	17,445	(22,152)
Payroll liabilities	(1,034)	1,207
Accrued expenses	(2,058)	(2,018)
Net Cash Provided by Operating Activities	<u>15,451</u>	<u>58,107</u>
Cash Flows from Investing Activities		
Purchases of property and equipment	(2,155)	(10,408)
Certificates of deposit, reinvested	(2,650)	(1,523)
Net Cash Used in Investing Activities	<u>(4,805)</u>	<u>(11,931)</u>
Cash Flows from Financing Activities		
Draws on line of credit	-	50,000
Payments on line of credit	(39,477)	(10,523)
Net Cash (Used in) Provided by Financing Activities	<u>(39,477)</u>	<u>39,477</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(28,831)	85,653
Cash and Cash Equivalents at Beginning of Year	<u>332,746</u>	<u>247,093</u>
Cash and Cash Equivalents at End of Year	<u>\$ 303,915</u>	<u>\$ 332,746</u>

See accompanying notes and independent auditors' report.

**Louisiana Mental Health Association
Notes to the Financial Statements
June 30, 2024 and 2023**

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 action 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 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.

Fisher Project

The Fisher Project is a comprehensive suicide prevention and recovery support program for those at increased risk of suicide. It includes case management and evaluation of risks for suicide. The Fisher Project is funded by the Louisiana Office of Behavioral Health.

Louisiana Mental Health Association
Notes to the Financial Statements
June 30, 2024 and 2023

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. This program has been terminated as of June 30, 2024.

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, 2023 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 credit losses. The Association determines its allowance for credit losses based on prior years' experiences and management's analysis of possible credit losses or bad debt. 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, 2024 and 2023 to be fully collectible and, therefore, did not provide an allowance for credit losses.

Louisiana Mental Health Association
Notes to the Financial Statements
June 30, 2024 and 2023

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 of the transaction price to performance obligations, and (v) recognize revenue when (or as) performance obligations are satisfied.

The majority of the Association's 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, 2024 and 2023

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.

The Association is no longer subject to federal information return examinations by tax authorities beyond three years from the filing of those returns.

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

In June 2016, the FASB issued ASU 2016-03, *Financial Instrument – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, effective July 1, 2023. The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. The CECL methodology utilizes a lifetime “expected credit loss” measurement objective for the recognition of credit losses for loans, held-to-maturity securities and other receivables at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods in current GAAP, which generally require that a loss be incurred before it is recognized.

The adoption of this standard did not have an effect on the Association's financial statement presentation.

Louisiana Mental Health Association
Notes to the Financial Statements
June 30, 2024 and 2023

Note 3 - Contractual Governmental Revenue

Contractual governmental revenue consisted of the following at for the years ended June 30, 2024 and 2023.

	<u>2024</u>	<u>2023</u>
Office of Behavioral Health - Target Health	\$ 165,234	\$ 95,463
Office of Behavioral Health - Advocacy	183,807	215,080
Office of Behavioral Health - Fisher Project	231,050	219,969
Capital Area Human Services District - Drop in Center	144,660	144,660
S. Central Louisiana HSA - Recovery Center	186,665	308,663
	<u>\$ 911,416</u>	<u>\$ 983,835</u>

Note 4 - Contractual Reimbursements Receivable

Contractual reimbursements receivable consisted of the following at June 30, 2024 and 2023.

	<u>2024</u>	<u>2023</u>
Office of Behavioral Health	\$ 103,261	\$ 81,340
Capital Area Human Services District	13,261	7,934
S. Central Louisiana HSA	-	29,556
	<u>\$ 116,522</u>	<u>\$ 118,830</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, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Office of Behavioral Health	50%	42%
Capital Area Human Services District	13%	11%
S. Central Louisiana Human Services Authority	16%	24%

Concentrations of contractual reimbursements receivable greater than or equal to 10% for the years ended June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Office of Behavioral Health	89%	68%
S. Central Louisiana Human Services Authority	11%	25%

Louisiana Mental Health Association
Notes to the Financial Statements
June 30, 2024 and 2023

Note 6 - Property and Equipment

A summary of property and equipment at June 30, 2024 and 2023 is as follows:

	2024	2023
Land	\$ 24,000	\$ 24,000
Office Building	128,536	128,536
Office Equipment	65,821	63,666
Program Equipment	17,103	17,103
Vehicles	67,957	67,957
Software	3,600	3,600
	<u>307,017</u>	<u>304,862</u>
Less: Accumulated Depreciation	(255,611)	(243,351)
Property and Equipment, Net	<u>\$ 51,406</u>	<u>\$ 61,511</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%. The note is secured by cash and certificates of deposit held with the lender. At June 30, 2024 and 2023 there was \$0 and \$39,477 outstanding balance on this line of credit, respectively.

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, 2024 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 \$152,003. Lease expense related to this leases was \$48,000 for the year ending June 30, 2024.

Futuer payments on this operating lease as of June 30, 2024 is as follows:

Year End June 30, 2025	\$ 48,000
Year End June 30, 2026	48,000
Year End June 30, 2027	48,000
Year End June 30, 2028	24,000
Present Value Discount	(15,997)
Net Lease Liabilities	<u>\$ 152,003</u>

Louisiana Mental Health Association
Notes to the Financial Statements
June 30, 2024 and 2023

Note 9 - Net Assets with Donor Restrictions

The Association has net assets with donor restrictions at of June 30, 2024 as follows:

Emergency Response Suicide Program (Fisher Project)	\$ 20,797
Advocacy, Education, and Referral Program	25,000
	<u>\$ 45,797</u>

As of June 30, 2023 there were no net assets with donor restrictions.

Note 10 - Liquidity Management

As of June 30, 2024, 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	\$ 303,915
Certificates of deposit	94,535
Contractual reimbursements receivable	116,522
	<u>\$ 514,972</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 \$50,00 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. 2024 and 2023 were \$15,728 and \$16,617, 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, 2024

Agency Head

Melissa Silva, Executive Director

Salary	\$	142,819
Payroll taxes		10,926
Insurance benefits		96
Retirement benefits		7,141
Cellphone		1,392
Total	\$	<u>162,374</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, 2024, 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, 2024.

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.

 **dnbcpas.com**

 910 S Acadian Thwy

 225-927-3760

Baton Rouge, LA 70806  contact@dnbcpas.com

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, 2024

**Louisiana Mental Health Association
Schedule of Findings and Responses
Year Ended June 30, 2024**

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, 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 prior year.

Management Letter

- No management letter was issued for the prior year.