

NAMI NEW ORLEANS, INC.

FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

Year Ended June 30, 2020

NAMI NEW ORLEANS, INC.

Year Ended June 30, 2020

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**PACIERA, GAUTREAU & PRIEST, LLC**

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(1958-2019)

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
NAMI New Orleans, Inc.  
New Orleans, Louisiana

***Report on the Financial Statements***

We have audited the accompanying financial statements of NAMI New Orleans, Inc. ("NAMI"), a nonprofit organization, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's

**To the Board of Directors  
NAMI New Orleans, Inc.**

internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NAMI as of June 30, 2020, 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.

***Other Matters***

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, And Audit Requirements for Federal Awards*, and the schedule of compensation, benefits, and other payments to executive director, as required by the State of Louisiana, are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards and the schedule compensation, benefits, and other payments to executive director are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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. In our opinion, the accompanying schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

To the Board of Directors  
NAMI New Orleans, Inc.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2020, on our consideration of NAMI'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 the report is 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 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 NAMI's internal control over financial reporting and compliance.

**Report on Summarized Comparative Information**

The prior-period summary financial statements of NAMI as of and for the year ended June 30, 2019, were derived from financial statements audited by other auditors whose report dated December 31, 2019, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Metairie, Louisiana  
December 18, 2020

**PACIERA, GAUTREAU & PRIEST, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

NAMI NEW ORLEANS, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2020  
(With Summarized Financial Information  
at June 30, 2019)

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 775,988	\$ 537,796
Cash held on behalf of clients	48,790	38,174
Investments	918,940	866,299
Accounts receivable, net	295,498	361,002
Grants receivable	98,368	171,194
Due from related party	1,136	1,569
Prepaid expenses	<u>3,818</u>	<u>17,063</u>
<i>Total Current Assets</i>	2,142,538	1,993,097
<u>OTHER ASSETS</u>		
Charitable remainder trust	191,864	206,196
Deposits	1,331	0
Property and equipment, net	<u>603,890</u>	<u>566,129</u>
<i>Total Assets</i>	<u>\$2,939,623</u>	<u>\$2,765,422</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 27,341	\$ 28,490
Accrued payroll expenses	5,259	66,147
Unearned revenue	1,225	0
Accrued compensated absences	54,902	47,286
Funds held on behalf of clients	<u>48,790</u>	<u>38,174</u>
<i>Total Current Liabilities</i>	<u>137,517</u>	<u>180,097</u>
<u>NON-CURRENT LIABILITIES</u>		
Loan payable	300,305	0
Liability under unitrust agreement	<u>35,591</u>	<u>42,882</u>
<i>Total Non-Current Liabilities</i>	<u>335,896</u>	<u>42,882</u>
<i>Total Liabilities</i>	<u>473,413</u>	<u>222,979</u>
<u>NET ASSETS</u>		
Without donor restrictions:		
Undesignated	2,226,604	2,369,131
With donor restrictions	<u>239,606</u>	<u>173,312</u>
<i>Total Net Assets</i>	<u>2,466,210</u>	<u>2,542,443</u>
<i>Total Liabilities and Net Assets</i>	<u>\$2,939,623</u>	<u>\$2,765,422</u>

See accompanying notes to financial statements.

NAMI NEW ORLEANS, INC.  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2020  
(With Summarized Financial Information  
For the Year Ended June 30, 2019)

	Without Donor Restrictions	With Donor Restrictions	2020	2019
<u>REVENUE, GAINS, (LOSSES), AND OTHER SUPPORT</u>				
Grants and contributions	\$1,249,508	\$ 83,334	\$1,332,842	\$1,251,139
Fees for services	1,346,206	0	1,346,206	1,377,356
Management fees	37,553	0	37,553	48,619
Membership dues	71,978	0	71,978	56,520
Fundraising	93,653	0	93,653	127,474
Investment income (loss), net	(3,353)	0	(3,353)	34,898
Change in value of split interest agreement	0	(7,040)	(7,040)	(3,715)
Loss on disposal of asset	0	0	0	(5,067)
Other income	37,674	0	37,674	15,097
Net assets released from Restrictions due to satisfaction of donor-imposed requirements	<u>10,000</u>	<u>(10,000)</u>	<u>0</u>	<u>0</u>
<i>Total Revenue, Gains, (Losses), and Other Support</i>	<u>2,843,219</u>	<u>66,294</u>	<u>2,909,513</u>	<u>2,902,321</u>
<u>EXPENSES</u>				
Program Services:				
Case management	613,320	0	613,320	591,913
Housing	478,391	0	478,391	408,322
Drop-in center	1,452	0	1,452	9,773
Rehabilitation	526,245	0	526,245	566,252
Education	97,796	0	97,796	94,180
Uptown friendship club	14,808	0	14,808	87,833
Womanspace	619,613	0	619,613	539,344
Finally home	<u>132,446</u>	<u>0</u>	<u>132,446</u>	<u>151,132</u>
<i>Total Program Services</i>	<u>2,484,071</u>	<u>0</u>	<u>2,484,071</u>	<u>2,448,749</u>
Supporting Services:				
Fundraising	13,364	0	13,364	27,034
Management and general	<u>488,311</u>	<u>0</u>	<u>488,311</u>	<u>485,881</u>
<i>Total Supporting Services</i>	<u>501,675</u>	<u>0</u>	<u>501,675</u>	<u>512,915</u>
<i>Total Expenses</i>	<u>2,985,746</u>	<u>0</u>	<u>2,985,746</u>	<u>2,961,664</u>
Increase (decrease) in Net Assets	(142,527)	66,294	(76,233)	(59,343)
Net Assets - Beginning of Year	<u>2,369,131</u>	<u>173,312</u>	<u>2,542,443</u>	<u>2,601,786</u>
Net Assets - End of Year	<u>\$2,226,604</u>	<u>\$239,606</u>	<u>\$2,466,210</u>	<u>\$2,542,443</u>

See accompanying notes to financial statements.

NAMI NEW ORLEANS, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020

(With Summarized Financial Information for the Year Ended June 30, 2019)

	Case Management	Housing	Drop-in Center	Rehabili- tation	Education	Uptown Friend- ship Club
Administrative expenses	\$1,594	\$1,376	\$0	\$5,076	\$7,098	\$213
Bad debts	0	0	0	0	0	0
Client assistance	752	132,170	0	165	313	0
Depreciation	6,103	4,246	0	13,891	2,060	2,435
Dues and subscriptions	0	345	0	150	384	0
In-kind donations	0	0	0	0	0	0
Insurance	17,512	11,782	32	15,433	1,460	822
Interest expense	0	0	0	0	0	0
Lease expense	0	0	0	0	0	0
Legal fees and expenses	0	115	0	0	0	0
Miscellaneous expenses	0	0	0	0	0	0
Office supplies	4,167	1,857	182	7,616	7,534	426
Professional fees	17,836	10,852	0	63,458	867	692
Repairs and maintenance	5,248	6,099	67	17,072	1,559	816
Salaries and related	516,454	286,138	1,171	379,398	71,092	8,633
Telephone and internet	9,898	5,088	0	10,409	813	312
Training and conferences	0	0	0	83	3,537	0
Travel	30,255	14,648	0	3,946	447	85
Utilities	3,501	3,675	0	9,548	632	374
	<u>\$613,320</u>	<u>\$478,391</u>	<u>\$1,452</u>	<u>\$526,245</u>	<u>\$97,796</u>	<u>\$14,808</u>

See accompanying notes to financial statements.

Woman- space	Finally Home	Total Program Services	Fund- raising	Management and General	Total Support Services	2020 Total Expenses	2019 Total Expenses
\$2,206	\$700	\$18,263	\$4,308	\$4,088	\$8,396	\$26,659	\$35,945
0	0	0	0	52,953	52,953	52,953	39,013
65	108,179	241,644	0	0	0	241,644	229,268
1,938	1,333	32,006	0	13,861	13,861	45,867	48,167
900	255	2,034	0	852	852	2,886	3,865
69,911	1,643	71,554	0	0	0	71,554	22,961
19,245	1,833	68,119	128	5,264	5,392	73,511	67,959
0	0	0	0	0	0	0	60
5,151	0	5,151	77	0	77	5,228	4,934
0	0	115	0	3,604	3,604	3,719	22,564
0	0	0	0	6,641	6,641	6,641	2,775
39,729	1,085	62,596	8,218	10,425	18,643	81,239	86,498
11,986	1,826	107,517	597	34,077	34,674	142,191	111,686
2,030	1,426	34,317	15	11,367	11,382	45,699	39,460
457,892	12,716	1,733,494	0	337,664	337,664	2,071,158	2,111,927
6,110	479	33,109	0	2,367	2,367	35,476	31,212
199	0	3,819	0	1,133	1,133	4,952	11,112
2,251	172	51,804	21	697	718	52,522	69,524
0	799	18,529	0	3,318	3,318	21,847	22,734
<b>\$619,613</b>	<b>\$132,446</b>	<b>\$2,484,071</b>	<b>\$13,364</b>	<b>\$488,311</b>	<b>\$501,675</b>	<b>\$2,985,746</b>	<b>\$2,961,664</b>

NAMI NEW ORLEANS, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2020  
(With Summarized Financial Information  
for the Year Ended June 30, 2019)

	<u>2020</u>	<u>2019</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Increase (decrease) in net assets	\$ (76,233)	\$ (59,343)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation	45,867	48,167
Net realized and unrealized losses on investments	3,353	2,289
Charitable remainder trust	7,040	3,715
Loss on disposal of asset	0	5,067
(Increase) decrease in:		
Accounts receivable	65,505	(107,338)
Grants receivable	72,826	141,066
Due from related party	433	(433)
Prepaid expenses	13,245	17,962
Security deposits	(1,331)	0
(Decrease) increase in:		
Accounts payable	(1,148)	(13,613)
Accrued payroll expenses	(60,888)	9,797
Unearned revenue	1,225	0
Other liability	0	(16,400)
Compensated absences	7,616	4,717
Net Cash Provided by Operating Activities	<u>77,510</u>	<u>35,653</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Net purchases and sales of investments	(55,995)	31,518
Purchase of property and equipment	<u>(83,628)</u>	<u>(6,640)</u>
Net Cash Provided by (Used in) Investing Activities	<u>(139,623)</u>	<u>24,878</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Loan proceeds	300,305	0
Funds held on behalf of clients	<u>10,616</u>	<u>(9,556)</u>
Net Cash Provided by (Used in) Financing Activities	<u>310,921</u>	<u>(9,556)</u>
Net increase in Cash, Cash Equivalents, and Restricted Cash	248,808	50,975
Cash, Cash Equivalents, and Restricted Cash		
Beginning of Year	<u>575,970</u>	<u>524,995</u>
End of Year	<u>\$ 824,778</u>	<u>\$ 575,970</u>
<u>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</u>		
Cash paid during the year for:		
Interest	<u>\$ 0</u>	<u>\$ 0</u>
Income taxes	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to financial statements.

NAMI NEW ORLEANS, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

1. History and Summary of Significant Accounting Policies

**Organization**

NAMI New Orleans, Inc. ("NAMI") is a non-profit organization which operates in the New Orleans Metropolitan Area. NAMI is dedicated to creating an environment to help individuals who have been socially and vocationally disabled by mental illness to achieve or regain the confidence and skills to live vocationally productive and socially satisfying lives. The organization has several contracts with the Metropolitan Human Services District and Jefferson Parish Human Services Authority and receives other funding from fees, dues, donations, and fund-raising. NAMI is governed by a Board of Directors consisting of fifteen volunteers.

NAMI is accredited every three years by the Commission on Accreditation of Rehabilitation Facilities and affiliated with the National Alliance on Mental Illness, Inc. Accreditation is based on successfully meeting specific organizational, programmatic, and legal requirements. The affiliation allows NAMI to use the NAMI name and logo, receive grant support, and participate in conferences and supporting events conducted by the National Alliance on Mental Illness, Inc.

**Financial Statement Presentation**

The financial statements of NAMI are presented in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

**Net Assets**

The classification of a not-for-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. U.S. GAAP requires the amounts for each of the classes of net assets be displayed in the Statement of Financial Position and that the amounts of change in each of those classes of net assets be displayed in the Statement of Activities and Changes in Net Assets. In accordance U.S. GAAP, NAMI reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

- Net assets without donor restriction: net assets available for general use to support operations. The only limits on the use of net assets without donor restriction are broad limits resulting from the nature of NAMI, the environment in which it operates, and the purposes specified in its corporate documents.

NAMI NEW ORLEANS, INC.  
NOTES TO FINANCIAL STATEMENTS  
(Continued)  
JUNE 30, 2020

History and Summary of Significant Accounting Policies (Cont'd)

**Net Assets** (Cont'd)

- Net assets with donor restriction: net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or programmatic purposes specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates the resources be maintained in perpetuity.

**Restrictions**

When both net assets with donor restrictions and net assets without donor restrictions are available for use, it is NAMI's policy to use the net assets with donor restrictions first, then net assets without donor restrictions as needed.

**Prior Year Summarized Information**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with NAMI's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

**Reclassifications of Prior Year Summarized Information**

Certain accounts in the prior-year summarized comparative information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

**Cost Allocation**

The costs of program and supporting services activities have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets. The Statement of Functional Expenses present certain categories of expenses that are attributable to both program services and supporting activities. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries are allocated on the basis of estimates of time and effort and other natural costs are allocated based on management's observation and professional evaluation of the direct benefit of the cost to a particular program function or supporting function.

NAMI NEW ORLEANS, INC.  
NOTES TO FINANCIAL STATEMENTS  
(Continued)  
JUNE 30, 2020

History and Summary of Significant Accounting Policies (Cont'd)

**Use of Estimates**

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

**Cash, Cash Equivalents, and Restricted Cash**

For the purpose of the Statement of Cash Flows, NAMI considers cash, cash equivalents, and restricted cash to be amounts on hand and on deposit, as well as investment instruments purchased with an original maturity of three months or less.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position that sum to the same such amounts shown in the statement of cash flows:

Cash and cash equivalents	\$775,988
Cash held on behalf of clients	<u>48,790</u>
Total cash, cash equivalents, and restricted cash	<u>\$824,778</u>

**Accounts Receivable**

Accounts receivable are recorded at net realizable value and consist of charges for services provided by NAMI but have not been collected at year-end. Management monitors the receivable balances and assesses the collectability at year-end based upon the historical collections, knowledge of the individual or entity, and the age of the receivable balance. As a result of these reviews, management recorded \$14,683 as an allowance for doubtful accounts at year end.

**Grants Receivable**

Grants receivable are recorded at net realizable value and consist of payments due for services performed in accordance with specific contracts and programs administered. Management periodically reviews the status of all grants receivable balances for collectability. Each receivable balance is assessed based on management's knowledge of, and relationship with, the grantor and the age of the receivable balance. At year end, management has deemed grants receivable to be collectible; therefore no allowance for doubtful accounts is reported.

NAMI NEW ORLEANS, INC.  
NOTES TO FINANCIAL STATEMENTS  
(Continued)  
JUNE 30, 2020

History and Summary of Significant Accounting Policies (Cont'd)

**Investments**

NAMI invests in mutual funds which are carried at fair value. Investment income (loss) includes interest, dividends, realized and unrealized gains and losses, and investment fees. Investment income (loss) restricted by donors is reported as a change in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income (loss) is recognized.

**Grants and Contributions**

Grants and contributions, including unconditional promises, are recognized as revenue when the donor's unconditional commitment is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are donor restricted for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions.

When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Changes in Net Assets as net assets released from donor restrictions. Contributions received with donor restrictions which are fulfilled in the time period in which the contribution is received are recorded as net assets without donor restrictions in the financial statements. Conditional promises to give are recognized only when the conditions on which they depend are substantially met.

**Property and Equipment**

Property and equipment is recorded at cost, or if donated, at the fair value on the date of the donation. NAMI capitalizes all fixed assets with a purchase price or donated fair value of \$2,500 or more. Repairs and maintenance are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

<u>Description</u>	<u>Years</u>
Building and improvements	10 - 40
Office furniture and equipment	5 - 10
Transportation equipment	5
Household equipment	7
Educational, recreational, cultural equipment	5 - 7
Software	5

NAMI NEW ORLEANS, INC.  
NOTES TO FINANCIAL STATEMENTS  
(Continued)  
JUNE 30, 2020

History and Summary of Significant Accounting Policies (Cont'd)

**Compensated Absences**

NAMI's employees earn accrued vacation time at various amounts according to years of service but not to exceed 125 hours. Once an employee has accumulated 125 hours of vacation leave, the employee stops accruing vacation leave until the employee has less than 125 hours in their vacation leave balance. Upon separation from employment, an employee shall receive that amount of vacation accrued (a maximum of 125 hours) at the employee's effective rate of pay at the time of separation. At year end, NAMI had accrued compensated absences of \$54,902.

**Advertising**

Advertising costs are expensed as incurred and allocated among the programs and supporting services benefitted on the statement of functional expenses. Advertising expense was \$0 for the year.

**Retirement Plan**

NAMI offers a 401(k) plan to its employees. Employees electing to participate in the plan may elect to defer up to a maximum of 15% of compensation. The 401(k) plan allows NAMI to make a discretionary match. No discretionary match was made during the year.

**Income Taxes**

NAMI is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the code and is exempt from Louisiana income tax under the authority of R.S. 47:121(5). Accordingly, no provision for income taxes has been reported. With few exceptions, NAMI is no longer subject to federal or state examinations by tax authorities prior to the tax year ended June 30, 2017.

U.S. GAAP provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Under this guidance, NAMI may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. There were no unrecognized tax benefits or obligations identified or recorded for the year.

NAMI NEW ORLEANS, INC.  
NOTES TO FINANCIAL STATEMENTS  
(Continued)  
JUNE 30, 2020

History and Summary of Significant Accounting Policies (Cont'd)

**Implemented Accounting Standards**

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. ASU 2016-15 clarifies the classification of certain cash receipts and payments in the Statement of Cash Flow. The new standard was effective for NAMI's year beginning July 1, 2019 and was applied on a retrospective basis. This had no effect on any of the prior period information.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958) Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This update is to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. NAMI adopted ASU 2018-08 effective July 1, 2019. The prospective adoption of this pronouncement did not result in any cumulative effect adjustments to Net Assets on July 1, 2019.

2. Liquidity and Availability

NAMI strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. As part of this liquidity management, NAMI invests cash in excess of daily requirements in a money market account and mutual funds that can be withdrawn if needed. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, were comprised of the following at year end:

Cash and cash equivalents	\$ 775,988
Investments	835,606
Accounts receivable, net	295,498
Grants receivable	98,368
Due from related party	<u>1,136</u>
	<u>\$2,006,596</u>

3. Investments

Investments are carried at fair value and are comprised of mutual funds at year end.

NAMI NEW ORLEANS, INC.  
NOTES TO FINANCIAL STATEMENTS  
(Continued)  
JUNE 30, 2020

Investments (Cont'd)

The following schedule summarizes investment returns including interest and administrative fees, and its classification in the financial statements for the year:

Interest and dividends	\$ 36,418
Net realized and unrealized losses	<u>(31,255)</u>
	5,163
Investment expenses	<u>(8,516)</u>
Investment loss, net	\$ <u>(3,353)</u>

Concentration of credit risk is the risk of loss attributed to the magnitude of NAMI's investment in a single issuer. The investment policy of NAMI contains no limitations on the amount that can be invested in any one issuer.

4. Split Interest Trust

NAMI administers a charitable remainder trust (the "Trust"). The Trust provides for payment of distributions to the grantor or other designated beneficiary over the Trust's term (the designated beneficiary's lifetime). At the end of the Trust's term, the remaining assets are available for NAMI's use. Assets held in the charitable remainder trust are reported at fair value and totaled \$191,864 at year end. On an annual basis, NAMI revalues the liability to make distributions to the designated beneficiary based on actuarial assumptions. The changes in the valuation are reported as increases or decreases in net assets with donor restrictions. The present value of the estimated future payments, \$35,591 at year end, is calculated using a discount rate of 5% and applicable mortality tables.

5. Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, defines fair value and establishes a framework for measuring fair value for assets and liabilities that are measured at fair value on a recurring basis. NAMI has categorized its applicable financial instruments into a required fair value hierarchy. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value which are as follows:

- Level 1 - Inputs based on quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.

NAMI NEW ORLEANS, INC.  
NOTES TO FINANCIAL STATEMENTS  
(Continued)  
JUNE 30, 2020

Fair Value Measurements (Cont'd)

- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets.
- Level 3 - Unobservable inputs for the asset or liability, including the reporting entity's own assumption in determining the fair value measurement.

The following table sets forth by level NAMI's assets at fair value at June 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
Investments				
Mutual funds	\$ <u>918,940</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>918,940</u>
Assets held in charitable remainder trust				
Mutual funds	\$ <u>191,864</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>191,864</u>
<b>Liabilities</b>				
Loan payable	\$ 0	\$300,305	\$ 0	\$300,305
Liability under unitrust agreement	<u>0</u>	<u>0</u>	<u>35,591</u>	<u>35,591</u>
	\$ <u>0</u>	\$ <u>300,305</u>	\$ <u>35,591</u>	\$ <u>335,896</u>

Management estimates the fair value for mutual funds by reference to quoted market prices and other relevant information generated by market transactions.

Management estimates that the fair value of the obligations under the loan and the unitrust agreement approximates the carrying value by reference to similar liabilities with similar interest rates and similar repayment terms.

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used by the fund managers in determining the value at June 30, 2020.

<b>Liability</b>	
Liability under unitrust agreement	
Beginning balance	\$42,882
Change in liability under unitrust agreement	<u>(7,291)</u>
	\$ <u>35,591</u>

NAMI NEW ORLEANS, INC.  
NOTES TO FINANCIAL STATEMENTS  
(Continued)  
JUNE 30, 2020

6. Property and Equipment

Property and equipment consist of the following:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated				
Land	\$ 77,800	\$ 0	\$ 0	\$ 77,800
Capital assets being depreciated				
Building and improvements	984,914	50,348	0	1,035,262
Office furniture and equipment	83,194	16,250	0	99,444
Software	45,000	0	0	45,000
Transportation equipment	59,833	17,030	0	76,863
Household equipment	18,284	0	0	18,284
Educational, recreational, and cultural equipment	648	0	0	648
	1,191,873	83,628	0	1,275,501
Accumulated depreciation	(703,544)	(45,867)	0	(749,411)
	488,329	37,761	0	526,090
	<u>\$ 566,129</u>	<u>\$ 37,761</u>	<u>\$ 0</u>	<u>\$ 603,890</u>

Depreciation expense was \$45,867 for the year.

7. Net Assets with Donor Restrictions

At June 30, 2020, NAMI had \$239,606 of net assets with donor restrictions. The restrictions are \$156,272 for time and \$83,334 for program services. During the year, \$10,000 of donor restrictions were released by performing program services.

8. Debt

NAMI has an available revolving line of credit with Whitney Bank totaling \$100,000 that originated on May 29, 2016 and has been extended to May 20, 2021. The interest rate on the note is subject to change from time to time based on changes in an independent index which is the Prime Rate for the U.S. designated in the "Money Rates" section of the Wall Street Journal. However, under no circumstances will the interest rate on the note be less than 4.00% per annum or more than the maximum amount allowed by law. At June 30, 2020 there was no balance outstanding on the note.

NAMI has an available revolving line of credit with Iberia Bank totaling \$300,000 that originated on August 4, 2017 and has been extended to July 24, 2020. The interest rate on the note is subject to change from time to time based on changes in an independent index which is the Prime Rate for the U.S. designated in the "Money Rates" section of the Wall Street Journal. At June 30, 2020 there was no balance outstanding on the note.

NAMI NEW ORLEANS, INC.  
NOTES TO FINANCIAL STATEMENTS  
(Continued)  
JUNE 30, 2020

Debt (cont'd)

On April 15, 2020, NAMI received loan proceeds in the amount of \$300,305 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after 24 weeks if the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the 24-week period.

The unforgiven portion of the PPP loan is payable over five years at an interest rate of 1%, with a deferral of payments for the first ten months. NAMI intends to use the proceeds for purposes consistent with the PPP. While management currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, there is no absolute assurance that the Small Business Administration will deem NAMI to be eligible for forgiveness of the loan, in whole or in part. Currently, this loan is due in full July 31, 2026.

The following is a schedule of principal maturities of long-term debt as of June 30, 2020:

Year ending <u>June 30,</u>	
2021	\$ 0
2022	55,056
2023	60,061
2024	60,061
2025	60,061
Thereafter	<u>65,066</u>
Total	<u>\$300,305</u>

Interest expense for the year was \$0.

9. Concentrations

In the normal course of operations, NAMI maintains cash deposits with major financial institutions which, from time to time, may exceed federally insured limits. Management periodically assesses the financial condition of the institutions and believes the risk of incurring material losses related to this credit risk is remote. NAMI's uninsured cash balances total \$327,346.

Included in receivables are amounts due from various insurance companies, Medicaid, and Medicare for services provided to clients. NAMI requires no collateral to secure the accounts receivable. Payment of these accounts is dependent upon the insurance companies, Medicaid's, and Medicare's willingness to reimburse NAMI for the services provided for clients.

NAMI NEW ORLEANS, INC.  
NOTES TO FINANCIAL STATEMENTS  
(Continued)  
JUNE 30, 2020

10. Related Party Transactions

Friends of Alliance Housing, Inc. I

The executive director of NAMI also serves as executive director of Friends of Alliance Housing, Inc. I ("FAHI I"). NAMI and FAHI I have undertaken the following related party transactions:

- NAMI has provided FAHI I with the use of facilities and/or administrative support. In return, FAHI I reimbursed NAMI \$5,363 for the year ended June 30, 2020.
- NAMI's staff provides services for FAHI I as needed. In return, FAHI I reimbursed NAMI \$13,464 for salary expenses for the year ended June 30, 2020.

Friends of Alliance Housing, Inc. II

The executive director of NAMI also serves as executive director of Friends Alliance Housing, Inc. II ("FAHI II"). NAMI and FAHI II have undertaken the following related party transactions:

- NAMI has provided FAHI II with the use of facilities and/or administrative support. In return, FAHI II reimbursed NAMI \$7,577 for these management services for the year ended June 30, 2020.
- NAMI's staff provides services for FAHI II as needed. In return, FAHI II reimbursed NAMI \$16,464 for salary expenses for the year ended June 30, 2020.
- FAHI II paid NAMI \$5,500 to advertise at NAMI's fund raiser, NAMI Walks, for the year ended June 30, 2020.
- NAMI leases a vehicle from FAHI II at a rate of \$10 per annum. The lease is cancellable with one month's notice.

Allied Paper

A member of NAMI's Board of Directors, has a 50% ownership in Allied Paper. For the year ended June 30, 2020 NAMI purchased \$12,180 of janitorial and other supplies from Allied Paper.

11. Subsequent Events

NAMI evaluated subsequent events through December 18, 2020, which is the date the financial statements were available to be issued.

NAMI NEW ORLEANS, INC.  
NOTES TO FINANCIAL STATEMENTS  
(Continued)  
JUNE 30, 2020

12. Contingency - COVID-19

During March 2020, the World Health Organization declared the novel coronavirus (COVID-19) outbreak a global pandemic. As a result of the ongoing pandemic, economic uncertainties have arisen that could impact NAMI's operational and financial performance. The potential impact has not been recognized in these financial statements.

SUPPLEMENTARY INFORMATION

NAMI NEW ORLEANS, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020

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Federal Grantor/Pass-through Grantor Program Title	Federal CFDA Number	Grant Name/Grant Number	Federal Expenditures
<b>U. S. Department of Housing and Urban Development</b>			
Direct program			
Continuum of Care Program	14.267	Permanent Housing and Independent Living/#LA0072L6H031811	\$ <u>192,537</u>
Total direct programs			<u>192,537</u>
Pass-through program			
Unity of Greater New Orleans Continuum of Care Program	14.267	Finally Home/LA0210L6H031906	131,185
Continuum of Care Program	14.267	Womanspace Safe Haven/LA0083L6H031710	<u>507,220</u>
Total pass-through programs			<u>638,405</u>
Total U. S. Department of Housing and Urban Development			<u>830,942</u>
<b>U. S. Department of Health and Human Services</b>			
Pass-through program			
Unity of Greater New Orleans Substance Abuse and Mental Health Services	93.243	New Orleans Equity and Inclusion Initiative/#IH79SM053337-01	<u>55,890</u>
Total U. S. Department of Health and Human Services			<u>55,890</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$886,832</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

NAMI NEW ORLEANS, INC.  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2020

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**Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of NAMI under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

**Summary of Significant Accounting Policies**

The schedule of expenditures of federal awards is 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.

**Indirect Cost Rate**

NAMI did not elect to use the 10 percent de minimis indirect rate.

NAMI NEW ORLEANS, INC.  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO THE EXECUTIVE DIRECTOR  
FOR THE YEAR ENDED JUNE 30, 2020

Agency Head: Lisa Romback  
Position: Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$88,813
Benefits - Insurance	3,540
Travel	539
Cell phone allowance	<u>210</u>
Total	<u>\$93,102</u>

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(Retired)

RENE G. GAUTREAU, C.P.A.

(1958-2019)

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  
NAMI New Orleans, Inc.  
New Orleans, Louisiana

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 New Orleans, Inc. ("NAMI"), a nonprofit organization, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, 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 18, 2020.

**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") 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's internal control. Accordingly, we do not express an opinion on 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.

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

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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether NAMI'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.



Metairie, Louisiana  
December 18, 2020

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(1958-2019)

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  
NAMI New Orleans, Inc.  
New Orleans, Louisiana

**Report on Compliance for Each Major Federal Program**

We have audited NAMI New Orleans, Inc.'s ("NAMI") 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, 2020. NAMI's major federal programs are identified in the summary of auditor's results sections of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of NAMI New Orleans, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. 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 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about NAMI New Orleans, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of NAMI's compliance.

***Opinion on Each Major Federal Program***

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, 2020.

**Report on Internal Control over Compliance**

Management of NAMI is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered NAMI's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of NAMI's 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 combination of deficiencies, in internal control over compliance with a type of 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.

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

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.

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

*Paciera, Gautreau & Priest, LLC*

Metairie, Louisiana  
December 18, 2020

NAMI NEW ORLEANS, INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2020

---

**A. Summary of Auditor's Results**

**Financial Statements**

1. Type of auditor's report issued: Unmodified
2. Internal control over financial reporting:
- Material weaknesses identified \_\_\_\_\_ yes        X     no
- Significant deficiencies identified that are not considered to be material weaknesses \_\_\_\_\_ yes        X     none noted
3. Noncompliance material to financial statements noted \_\_\_\_\_ yes        X     no

**Federal Awards**

4. Type of auditor's report issued on compliance for major programs: Unmodified
5. Internal control over major programs:
- Material weaknesses identified \_\_\_\_\_ yes        X     no
- Significant deficiencies identified that are not considered to be material weaknesses \_\_\_\_\_ yes        X     none noted
6. Any audit findings disclosed that are required to be reported by *Title 2 U.S. Code of Federal Regulations Part 200*. \_\_\_\_\_ yes        X     no
7. Identification of major programs:
- CFDA #14.267 Continuum of Care Program
8. Dollar threshold used to distinguish between Type A and Type B programs:     \$750,000
9. Auditee qualified as low-risk audit        X     yes    \_\_\_\_\_ no

**B. Findings Related to the Financial Statements Reported in Accordance with Government Auditing Standards**

There were no audit findings required to be reported.

**C. Findings and Questioned Costs for Federal Awards Under the Uniform Guidance**

There were no audit findings required to be reported.

NAMI NEW ORLEANS, INC.  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020

**A. Findings in Accordance with *Government Auditing Standards***

There were no audit findings required to be reported.

**B. Findings and Questioned Costs for Federal Awards Under the Uniform Guidance**

There were no audit findings required to be reported.