

NAMI NEW ORLEANS, INC.

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Year Ended June 30, 2023

NAMI NEW ORLEANS, INC.

Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2023, 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of NAMI as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the NAMI 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 opinions.

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

To the Board of Directors
NAMI New Orleans, Inc.

Auditor's Responsibility for 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 NAMI'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 NAMI'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 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

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

additional analysis and are not a required part of the financial statements. The Schedule of Expenditures of Federal Awards and the Schedule of Compensation, Benefits, and Other Payments to Executive Director are the responsibility of management and were derived from and related 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. In our opinion, the accompanying schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023, 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 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 NAMI'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 NAMI's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited NAMI's 2022 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 9, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Metairie, Louisiana
December 21, 2023

NAMI NEW ORLEANS, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023
(With Summarized Financial Information
at June 30, 2022)

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 264,400	\$2,751,154
Cash held on behalf of clients	13,954	13,954
Investments	1,522,401	1,004,236
Accounts receivable, net	274,822	141,933
Grants receivable, net	47,375	5,410
Prepaid expenses	<u>20,872</u>	<u>10,444</u>
<i>Total Current Assets</i>	<u>2,143,824</u>	<u>3,927,131</u>
<u>OTHER ASSETS</u>		
Charitable remainder trust	0	169,705
Property and equipment, net	<u>1,748,602</u>	<u>121,634</u>
<i>Total Other Assets</i>	<u>1,748,602</u>	<u>291,339</u>
<i>Total Assets</i>	<u>\$3,892,426</u>	<u>\$4,218,470</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 14,906	\$ 9,771
Accrued payroll expenses	11,408	14,558
Unearned revenue	87,028	60,064
Accrued compensated absences	34,301	40,603
Funds held on behalf of clients	13,954	13,954
Line of credit	<u>0</u>	<u>0</u>
<i>Total Current Liabilities</i>	<u>161,597</u>	<u>138,950</u>
<u>NON-CURRENT LIABILITIES</u>		
Liability under unitrust agreement	<u>0</u>	<u>27,976</u>
<i>Total Non-Current Liabilities</i>	<u>0</u>	<u>27,976</u>
<i>Total Liabilities</i>	<u>161,597</u>	<u>166,926</u>
<u>NET ASSETS</u>		
Without donor restrictions:		
Undesignated	3,730,829	3,909,816
With donor restrictions	<u>0</u>	<u>141,728</u>
<i>Total Net Assets</i>	<u>3,730,829</u>	<u>4,051,544</u>
<i>Total Liabilities and Net Assets</i>	<u>\$3,892,426</u>	<u>\$4,218,470</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, 2023
(With Summarized Financial Information
For the Year Ended June 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	2023	2022
REVENUE, GAINS, (LOSSES), AND OTHER SUPPORT				
Grants and contributions	\$ 890,634	\$ 0	\$ 890,634	\$ 574,231
In-kind contributions:				
Food and drink	7,035	0	7,035	13,207
Supplies	2,064	0	2,064	6,525
Professional fees	0	0	0	3,000
Fees for services	1,312,997	0	1,312,997	1,630,859
Management fees	0	0	0	3,188
Membership dues and donations	145,150	0	145,150	227,143
Fundraising	205,240	0	205,240	77,221
Investment income (loss), net	69,386	0	69,386	(66,752)
Change in value of split interest agreement	27,976	0	27,976	(31,191)
Gain on disposal of asset	0	0	0	1,983,307
Other income	2,224	0	2,224	390
Net assets released from Donor Restrictions	<u>141,728</u>	<u>(141,728)</u>	<u>0</u>	<u>0</u>
<i>Total Revenue, Gains, (Losses), and Other Support</i>	<u>2,804,434</u>	<u>(141,728)</u>	<u>2,662,706</u>	<u>4,421,128</u>
EXPENSES				
Program Services:				
Case management	692,213	0	692,213	624,981
Drop-in center	882	0	882	3,029
Education	102,619	0	102,619	107,423
Finally home	551,004	0	551,004	164,324
Hospital Coordination & Transition	75,990	0	75,990	91,472
Housing	620,313	0	620,313	1,096,027
Law Enforcement Assisted Diversion	362,762	0	362,762	317,590
Rehabilitation	242,819	0	242,819	245,702
Womanspace	<u>0</u>	<u>0</u>	<u>0</u>	<u>80,764</u>
<i>Total Program Services</i>	<u>2,648,602</u>	<u>0</u>	<u>2,648,602</u>	<u>2,731,312</u>
Supporting Services:				
Fundraising	35,048	0	35,048	9,465
Management and general	<u>299,771</u>	<u>0</u>	<u>299,771</u>	<u>165,482</u>
<i>Total Supporting Services</i>	<u>334,819</u>	<u>0</u>	<u>334,819</u>	<u>174,947</u>
<i>Total Expenses</i>	<u>2,983,421</u>	<u>0</u>	<u>2,983,421</u>	<u>2,906,259</u>
Increase (decrease) in Net Assets	(178,987)	(141,728)	(320,715)	1,514,869
Net Assets - Beginning of Year	<u>3,909,816</u>	<u>141,728</u>	<u>4,051,544</u>	<u>2,536,675</u>
Net Assets - End of Year	<u>\$3,730,829</u>	<u>\$ 0</u>	<u>\$3,730,829</u>	<u>\$4,051,544</u>

See accompanying notes to financial statements.

NAMI NEW ORLEANS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
(With Summarized Financial Information for the Year Ended June 30, 2022)

	Case Management	Drop-in Center	Education	Finally Home	Hospital Coordination & Transition	Housing	Law Enforcement Assisted Diversion	Rehabilitation	Total Program Services	Fund-raising	Management and General	Total Support Services	2023 Total Expenses	2022 Total Expenses
Administrative expenses	\$ 5,738	\$ 0	\$ 3,868	\$ 1,307	\$ 471	\$ 2,214	\$ 2,890	\$ 1,860	\$ 18,349	\$ 3,519	\$ 10,014	\$ 13,533	\$ 31,881	\$ 25,016
Advertising	0	0	0	0	0	0	0	0	0	3,421	465	3,886	3,886	0
Bad debts	15,242	0	0	3,517	0	16,927	0	12,705	48,391	0	5,151	5,151	53,542	48,345
Client assistance	520	0	0	276,951	0	253,063	386	0	530,920	0	75	75	530,995	544,193
Depreciation	6,527	0	548	8,892	446	6,434	6,360	1,913	31,120	0	0	0	31,120	35,166
Dues and subscriptions	0	0	0	500	0	0	0	0	500	340	35	375	875	2,114
Food and drink	0	0	0	6,380	0	655	0	0	7,035	0	0	0	7,035	0
Insurance	10,941	0	1,172	17,380	4,312	17,008	13,595	3,450	67,858	0	11,586	11,586	79,444	86,705
Interest expense	0	0	0	0	0	0	0	0	0	0	300	300	300	513
Janitorial supplies	496	0	17	352	28	327	198	565	1,983	0	329	329	2,312	2,845
Legal fees and expenses	0	0	0	0	0	0	0	0	0	0	561	561	561	3,577
Miscellaneous expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	11,348
Office supplies	963	882	3,539	1,115	765	3,296	10,134	2,052	22,776	3,714	6,442	10,156	32,932	23,750
Printing	0	0	0	0	0	0	0	0	0	3,809	0	3,809	3,809	3,228
Professional fees	20,549	0	6,173	13,905	1,671	13,903	11,969	55,844	124,014	273	15,039	15,312	139,326	108,487
Rental expense	0	0	133	788	597	1,979	1,227	166	4,890	0	1,309	1,309	6,199	6,429
Repairs and maintenance	5,979	0	457	8,023	1,168	6,944	5,300	4,226	32,097	0	6,111	6,111	38,208	39,969
Salaries and related	585,399	0	85,516	193,705	60,218	276,725	283,857	155,335	1,640,755	0	233,704	233,704	1,874,459	1,840,453
Software	0	0	0	0	0	0	0	0	0	1,442	1,373	2,815	2,815	2,173
Supplies	0	0	0	1,410	0	654	0	0	2,064	15,793	94	15,887	17,951	21,998
Taxes and licenses	0	0	0	0	0	0	0	0	0	1,038	0	1,038	1,038	1,135
Telephone and internet	6,779	0	561	3,221	1,234	3,978	5,026	2,019	22,818	0	2,558	2,558	25,376	25,235
Training	0	0	25	0	0	0	14,563	0	14,588	1,699	276	1,975	16,563	0
Travel	27,255	0	207	7,103	3,831	9,311	2,591	1,023	51,321	0	478	478	51,799	51,338
Utilities	5,825	0	403	6,455	1,249	6,895	4,666	1,631	27,124	0	3,871	3,871	30,995	22,242
	<u>\$ 692,213</u>	<u>\$ 882</u>	<u>\$ 102,619</u>	<u>\$ 551,004</u>	<u>\$ 75,990</u>	<u>\$ 620,313</u>	<u>\$ 362,762</u>	<u>\$ 242,819</u>	<u>\$ 2,648,602</u>	<u>\$ 35,048</u>	<u>\$ 299,771</u>	<u>\$ 334,819</u>	<u>\$ 2,983,421</u>	<u>\$ 2,906,259</u>

See accompanying notes to financial statements.

NAMI NEW ORLEANS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023
(With Summarized Financial Information
for the Year Ended June 30, 2022)

	<u>2023</u>	<u>2022</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Increase (decrease) in net assets	\$ (320,715)	\$ 1,514,869
Adjustments to reconcile change in net assets to net cash (used for) operating activities:		
Depreciation	31,119	35,166
Net realized and unrealized (gains) losses on investments	(12,351)	101,616
Charitable remainder trust (Gain) on disposal of asset	(27,976)	31,191
(Increase) decrease in:	0	(1,983,307)
Accounts receivable	(132,889)	50,707
Grants receivable	(41,965)	69,155
Prepaid expenses	(10,428)	4,435
(Decrease) increase in:		
Accounts payable	5,135	(7,216)
Accrued payroll expenses	(3,150)	4,271
Unearned revenue	26,964	48,739
Compensated absences	(6,302)	(11,061)
Net Cash (Used for) Operating Activities	<u>(492,558)</u>	<u>(141,435)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Net purchases and sales of investments	(336,109)	117,151
Proceeds from sale of asset	0	2,380,756
Purchases of property and equipment	<u>(1,658,087)</u>	<u>0</u>
Net Cash Provided by (Used for) Investing Activities	<u>(1,994,196)</u>	<u>2,497,907</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Loan payments	0	(45,000)
Funds held on behalf of clients	<u>0</u>	<u>(50,441)</u>
Net Cash (Used for) Financing Activities	<u>0</u>	<u>(95,441)</u>
Net increase (decrease) in Cash, Cash Equivalents, and Restricted Cash	(2,486,754)	2,261,031
Cash, Cash Equivalents, and Restricted Cash		
Beginning of Year	<u>2,765,108</u>	<u>504,077</u>
End of Year	<u>\$ 278,354</u>	<u>\$ 2,765,108</u>
<u>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</u>		
Cash paid during the year for:		
Interest	<u>\$ 300</u>	<u>\$ 513</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, 2023

1. History and Summary of Significant Accounting Policies

(a) 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 contracts and receives 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.

(b) 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.

(c) 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, 2023

1. History and Summary of Significant Accounting Policies (Continued)

(c) Net Assets (Continued)

- 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.

(d) 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.

(e) 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, 2022, from which the summarized information was derived.

(f) 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.

(g) 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.

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2023

1. History and Summary of Significant Accounting Policies (Continued)

(h) 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.

(i) 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 has determined that no allowance for doubtful accounts is required at year end.

(j) 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.

(k) Investment Income (Loss)

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.

(l) 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.

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2023

1. History and Summary of Significant Accounting Policies (Continued)

(l) Grants and Contributions (Continued)

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.

(m) In-kind Contributions

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, NAMI reports expirations of donor restrictions when the donated or acquired assets are placed in service. NAMI reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Donations of facilities are recorded as contributions at fair value at date of donation. Donated facilities are valued and reported at estimated fair value in the financial statements based on current rates for similar facilities. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the use of the donated facility to a specific purpose.

Donated services are recognized as contributions if the services (i) create or enhance nonfinancial assets or (ii) require specialized skills, are performed by people with those skills, and would otherwise be purchased by NAMI. Donated services are valued and reported at estimated fair value in the financial statements based on current rates for similar services.

(n) 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.

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2023

1. History and Summary of Significant Accounting Policies (Continued)

(n) Property and Equipment (Continued)

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

(o) 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.

(p) Advertising

Advertising costs are expensed as incurred and allocated among the programs and supporting services benefitted on the statement of functional expenses.

(q) 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.

(r) 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. Generally, tax returns remain open for three years for federal and state income tax examination.

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2023

1. History and Summary of Significant Accounting Policies (Continued)

(r) Income Taxes (Continued)

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.

(s) Revenue Recognition

NAMI recognizes revenue in accordance with FASB ASC Topic 606 as follows:

Fees for Service - NAMI recognizes revenues within the fiscal year in which services are provided. Payments received in advance are recorded as deferred revenue until the performance obligations are met.

Management Fees - NAMI recognizes management fee revenues as the services are provided.

Membership Dues - NAMI recognizes membership dues revenue evenly over the period of the membership as NAMI satisfies its performance obligation and members receive and consume membership benefits over that time frame.

Fundraising - NAMI recognizes fundraising revenue from special event exchange transactions upon the completion of the fundraising event.

(t) Leases

Effective July 1, 2022, NAMI adopted FASB ASC 842, Leases. NAMI determines if an arrangement contains a lease at inception based on whether NAMI has the right to control the asset during the contract period and other facts and circumstances. The adoption of this standard did not have an impact on NAMI's financial statements.

(u) 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.

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2023

2. Description of Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

(a) Case Management

NAMI case management services seek to ensure that a system of supports, and services are available to people with mental illness in order to provide the opportunity to become successful in all aspects of their lives.

(b) Housing

NAMI permanent supportive housing services aim to maximize the independent living of each member. Housing support may be provided to members living in NAMI managed apartments, as well as to members holding leases in the community, depending on the needs of the individual. Levels and areas of support are program specific and determined on an individual basis. Assistance is provided to develop independent living skills, particularly money management, housekeeping, safety and emergency procedures, social and leisure activities, following leases, personal hygiene, and the ability to utilize transportation systems. Housing staff also provide information and referrals to other community resources such as food banks, food stamp offices, representative payee services, mental health and/or co-occurring disorder treatment, and other assistance programs.

(c) Drop-In Center

NAMI provides consumer run drop-in-center services to individuals that want to increase socialization opportunities. Any consumer of mental health services regardless of insurance or location of mental health treatment participation is welcome to drop in during drop-in-center hours in order to socialize, meet others, and develop natural supports within the community.

(d) Rehabilitation

NAMI is a psychosocial rehabilitation (PSR) facility offering services designed to meet the needs of the chronically mentally ill. These services include, but are not limited to psychosocial skills training, mental health rehabilitation, case management, supported employment, and supported living services.

(e) Education

The NAMI Education Program provides awareness, support, and educational activities for the community including programs such as support groups, Mental Health First Aid, Help Line, and community presentations.

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2023

2. Description of Program and Supporting Services (Continued)

(f) Womanspace

Womanspace is a safe haven residential program for females who are chronically homeless and have mental illness or substance addiction at a confidential location.

(g) Finally Home

Finally Home is a housing placement and case management program for individuals who are homeless with mental illness and/or substance use or other disabilities. This program is provided through a contract with Unity of Greater New Orleans that is funded by HUD.

(h) Hospital Coordination and Transition (HCT)

HCT is a program to assist in a client's transition from one care setting to another.

(i) Law Enforcement Assisted Diversion (LEAD)

LEAD is a program to improve public safety and reduce the use of jail and other criminal justice resources for those whose needs are better met by social services.

(j) Fundraising

Fundraising provides the structure necessary to encourage and secure financial support from individuals, foundations, and corporations.

(k) Management and General

Management and general includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of NAMI's program strategy through the Office of the Executive Director; secure proper administrative functioning of the Board of Directors; maintain competent professional services for the program administration of NAMI; and manage the financial and budgetary responsibilities of NAMI.

3. Cash, Cash Equivalents, and Restricted Cash

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	\$264,400
Cash held on behalf of clients	<u>13,954</u>
Total cash, cash equivalents, and restricted cash	<u>\$278,354</u>

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2023

4. Accounts Receivable

The opening and closing balances of receivables from contracts with customers are as follows:

Beginning of the year	<u>\$141,933</u>
End of the year	<u>\$274,822</u>

5. 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 investments 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	\$ 264,400
Investments	1,522,401
Accounts receivable, net	274,822
Grants receivable	<u>47,375</u>
	<u>\$2,108,998</u>

6. Investments

Investments are carried at fair value and are comprised of the following:

Mutual funds	\$ 680,602
Exchange-traded products	<u>841,799</u>
	<u>\$1,522,401</u>

The following schedule summarizes investment income (loss) and its classification in the financial statements for the year:

	<u>Without Donor Restrictions</u>
Interest and dividends	\$ 80,391
Net realized and unrealized gains	12,351
Investment expenses	<u>(24,943)</u>
Investment income, net	<u>\$ 67,799</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.

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2023

7. Split Interest Trust

NAMI administered a charitable remainder trust (the "Trust"). The Trust provided 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, which occurred during the year ended June 30, 2023, the remaining \$169,705 of assets were made available for NAMI's use in accordance with the Trust agreement.

8. 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.
- 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, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Investments:				
Mutual funds	\$ 680,602	\$ 0	\$ 0	\$ 680,602
Exchange-traded products	<u>841,799</u>	<u>0</u>	<u>0</u>	<u>841,799</u>
	<u>\$1,522,401</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$1,522,401</u>

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

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2023

9. Property and Equipment

Property and equipment consist of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 31,800	\$ 318,469	\$ 0	\$ 350,269
Capital assets being depreciated:				
Building and improvements	256,536	1,339,618	0	1,596,154
Office furniture and equipment	99,445	0	0	99,445
Software	45,000	0	0	45,000
Transportation equipment	39,451	0	0	39,451
Household equipment	18,284	0	0	18,284
Educational, recreational, and cultural equipment	648	0	0	648
	<u>459,364</u>	<u>1,339,618</u>	<u>0</u>	<u>1,798,982</u>
Accumulated depreciation	<u>(369,530)</u>	<u>(31,119)</u>	<u>0</u>	<u>(400,649)</u>
Subtotal	<u>89,834</u>	<u>1,308,499</u>	<u>0</u>	<u>1,398,333</u>
Total	<u>\$ 121,634</u>	<u>\$ 1,626,958</u>	<u>\$ 0</u>	<u>\$ 1,748,602</u>

Depreciation expense was \$31,119 for the year.

10. Unearned Revenue

Unearned revenue of \$60,064 and \$87,028 as of the beginning of the year and end of the year, respectively represents performance obligations associated with payments received in advance. The unearned revenue is recognized as revenue when the services are provided.

11. Debt

NAMI has an available revolving line of credit with a financial institution totaling \$100,000 that renews annually in May. 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, 2023 there was no balance outstanding on the line of credit.

NAMI NEW ORLEANS, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)
JUNE 30, 2023

11. Debt (Continued)

NAMI had an available revolving line of credit with a financial institution totaling \$300,000 that expired in July 2023. The interest rate on the note was subject to change from time to time based on changes in an independent index which was the Prime Rate for the U.S. designated in the "Money Rates" section of the Wall Street Journal. At June 30, 2023 there was no balance outstanding on the line of credit. This line of credit was not renewed.

Interest expense for the year was \$300.

12. Net Assets With Donor Restrictions

At June 30, 2023, NAMI had no net assets with donor restrictions.

13. In-Kind Contributions

Contributed services received and provided were recorded as revenue and expenses accordingly, in the *Statement of Activities* at the fair value of the support.

No amounts have been reflected in the financial statements for volunteer services. However, many individuals volunteer their time and perform a variety of tasks that assist in NAMI's mission.

In-kind contributions, received and provided for the year ended June 30, 2023 consisted of the following:

	<u>Program</u>		<u>Total</u>
	<u>Housing</u>	<u>Finally Home</u>	
Food and drink	\$ 655	\$6,380	\$7,035
Supplies	<u>654</u>	<u>1,410</u>	<u>2,064</u>
Total	<u>\$1,309</u>	<u>\$7,790</u>	<u>\$9,099</u>

14. 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 had no cash balances in excess of federally-insured limits at June 30, 2023.

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, 2023

15. Subsequent Events

NAMI evaluated subsequent events through December 21, 2023, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

NAMI NEW ORLEANS, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-through Grantor Program Title	Federal Assistance Number	Grant Name/Grant Number	Federal Expenditures
U. S. Department of Housing and Urban Development			
Direct program			
Continuum of Care Program	14.267	Permanent Housing and Independent Living/LA0072L6H031811	\$ <u>188,629</u>
Total direct programs			<u>188,629</u>
Pass-through program			
Unity of Greater New Orleans			
Continuum of Care Program	14.267	Ciara House/LA0053L6H031912	55,806
Continuum of Care Program	14.267	Voyage House/LA0075L6H031912	90,589
Continuum of Care Program	14.267	Sponsor Based Rental Assistance Shelter Plus Care/LA0086L6H031912	16,771
Continuum of Care Program	14.267	Finally Home/LA0210L6H031906	<u>448,048</u>
Total pass-through programs			<u>611,214</u>
Total Continuum of Care Program			<u>799,843</u>
Total U. S. Department of Housing and Urban Development			<u>799,843</u>
Total Expenditures of Federal Awards			<u>\$799,843</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

AMT NEW ORLEANS, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

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, 2023. 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, 2023

Agency Head: Calvin Johnson
 Position: Executive Director

Purpose	Amount
Salary	\$17,308
Benefits - Insurance	0
Travel	0
Cell phone allowance	0
Total	\$17,308

Agency Head: Gyl Wadge Switzer
 Position: Executive Director

Purpose	Amount
Salary	\$39,014
Benefits - Insurance	687
Travel	0
Cell phone allowance	0
Total	\$39,701

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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, 2023, 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 21, 2023.

Report on 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 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.

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

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.

Report on 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 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.



Metairie, Louisiana
December 21, 2023

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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

Opinion on 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, 2023. NAMI's major federal programs are identified in the summary of auditor's results sections 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, 2023.

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 2 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.

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

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 agreements 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 judgment 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 auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment 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.

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

- 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.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance in the accompanying Schedule of Findings and Questioned Costs.

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 a 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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

To the Board of Directors
NAMI New Orleans, Inc.

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 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.

A handwritten signature in blue ink that reads "Paciera, Gautreau & Priest, LLC". The signature is written in a cursive style.

Metairie, Louisiana
December 21, 2023

NAMI NEW ORLEANS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

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. Qualified as low-risk auditee 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, 2023

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.

NAMI NEW ORLEANS AND THE
LOUISIANA LEGISLATIVE AUDITOR

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

YEAR ENDED JUNE 30, 2023

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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

NAMI New Orleans and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022, through June 30, 2023. NAMI New Orleans' (NAMI) management is responsible for those C/C areas identified in the SAUPs.

NAMI has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022, through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. *Written Policies and Procedures*

A. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

Results: No exceptions were noted as a result of applying these procedures.

ii. ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are 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.

Results: No exceptions were noted as a result of applying these procedures.

iii. ***Disbursements***, including processing, reviewing, and approving.

Results: No exceptions were noted as a result of applying these procedures.

iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the

completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Results: No exceptions were noted as a result of applying these procedures.

- 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(s) rate of pay or approval and maintenance of pay rate schedules.

Results: No exceptions were noted as a result of applying these procedures.

- 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.

Results: No exceptions were noted as a result of applying these procedures.

- vii. ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Results: No exceptions were noted as a result of applying these procedures.

- viii. ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Results: No exceptions were noted as a result of applying these procedures.

- 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.

Results: Procedures were not performed. The Louisiana Code of Ethics is not applicable to a nonprofit entity. This is not an exception.

- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: Procedures were not performed. NAMI, a nonprofit entity, does not have debt service. This is not an exception.

- 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.

Results: No exceptions were noted as a result of applying these procedures.

- 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: Procedures were not performed. R.S. 42:342-344 applies to public officers, employees, etc. This is not applicable to NAMI, a nonprofit entity. NAMI does have a sexual harassment policy, but it does not conform to the requirements of R.S. 42.342-344. This is not an exception.

2. *Board or Finance Committee*

- A. Obtain and inspect 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. Observe 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.

Results: No exceptions were noted as a result of applying these procedures.

- ii. For those entities reporting on the not-for-profit accounting model, observe 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.

Results: No exceptions were noted as a result of applying these procedures.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results: This procedure does not apply to NAMI. It is a nonprofit entity. This is not an exception.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit findings(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: This procedure does not apply to NAMI. There were no findings present. This is not an exception.

3. *Bank Reconciliations*

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain, and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
- ii. Bank reconciliations include evidence that a member of management/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 that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: No exceptions were noted as a result of applying these procedures.

4. *Collections (excluding electronic funds transfers)*

A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results: No exceptions were noted as a result of applying these procedures.

B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- i. Employees that are responsible for cash collections do not share cash drawers/registers.

- ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- 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, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: No exceptions were noted as a result of applying these procedures.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

Results: No exceptions were noted as a result of applying these procedures.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.

Results: NAMI does not use sequentially pre-numbered receipts. NAMI has compensating controls that mitigate the underlying control risk. This is not an exception.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Results: NAMI does not use sequentially pre-numbered receipts. NAMI receives funds via ACH and deposit slips are not used. NAMI has compensating controls that mitigate the underlying control risk. This is not an exception.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

Results: No exceptions were noted as a result of applying these procedures.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection

location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Results: No exceptions were noted as a result of applying these procedures.

- v. Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were noted as a result of applying these procedures.

5. *Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)*

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results: No exceptions were noted as a result of applying these procedures.

- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- ii. At least two employees are involved in processing and approving payments to vendors.
- iii. The employee responsible for processing payments is 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.
- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether, through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Results: No exceptions were noted as a result of applying these procedures.

- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and

- i. Observe that the disbursement matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
- ii. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.

Results: No exceptions were noted as a result of applying these procedures.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

Results: No exceptions were noted as a result of applying these procedures.

6. *Credit cards/Debit Cards/Fuel Cards/P-Cards*

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Results: No exceptions were noted as a result of applying these procedures.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and
- i. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.

Results: No exceptions were noted as a result of applying these procedures.

- C. Using the monthly statements or combined statements selected under #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe 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). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Results: No exceptions were noted as a result of applying these procedures.

7. *Travel and Travel-Related Expense Reimbursements (excluding card transactions)*

A. Obtain 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 is complete. Randomly select 5 reimbursements, obtain 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. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Results: No exceptions were noted as a result of applying these procedures.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Results: No exceptions were noted as a result of applying these procedures.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Results: No exceptions were noted as a result of applying these procedures.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were noted as a result of applying these procedures.

8. *Contracts*

A. Obtain 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. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:

- i. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Results: These procedures were not performed because NAMI New Orleans did not have any contracts subject to the Louisiana Public Bid Law. This is not an exception.

- ii. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

Results: No exceptions were noted as a result of applying these procedures.

- iii. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).

Results: These procedures were not performed because NAMI New Orleans did not have any contracts amended. This is not an exception.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were noted as a result of applying these procedures.

9. *Payroll and Personnel*

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results: No exceptions were noted as a result of applying these procedures.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
- ii. Observe that supervisors approved the attendance and leave of the selected employees or officials.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- iv. Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: No exceptions were noted as a result of applying these procedures.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Results: No exceptions were noted as a result of applying these procedures.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: No exceptions were noted as a result of applying these procedures.

10. Ethics

- A. Using the 5 randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - i. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42.1170.
 - ii. Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results: These procedures were not performed because NAMI New Orleans is a nonprofit entity. These procedures do not apply. This is not an exception.

11. Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission

approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Results: These procedures were not performed because NAMI New Orleans is a nonprofit entity. These procedures do not apply. This is not an exception.

B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: These procedures were not performed because NAMI New Orleans is a nonprofit entity. These procedures do not apply. This is not an exception.

12. *Fraud Notice*

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Results: No exceptions were noted as a result of applying these procedures.

B. Observe that the entity has 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 were noted as a result of applying these procedures.

13. *Information Technology Disaster Recovery/Business Continuity*

A. Perform the following procedures and verbally discuss the results with management:

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the entity's local server or network, and (c) was encrypted..
- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

- iii. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates 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.

Results: We performed the procedures and discussed the results with management. No exceptions were noted as a result of applying these procedures.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results: No exceptions were noted as a result of applying these procedures.

14. Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Results: Procedures were not performed. R.S. 42:342-344 applies to public officers, employees, etc. This is not applicable to NAMI, a nonprofit entity. NAMI does have a sexual harassment policy, but it does not conform to the requirements of R.S. 42:342-344. This is not an exception.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Results: Procedures were not performed. R.S. 42:342-344 applies to public officers, employees, etc. This is not applicable to NAMI, a nonprofit entity. NAMI does have a sexual harassment policy, but it does not conform to the requirements of R.S. 42:342-344. This is not an exception.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344.

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

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- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

Results: Procedures were not performed. R.S. 42:342-344 applies to public officers, employees, etc. This is not applicable to NAMI, a nonprofit entity. NAMI does have a sexual harassment policy, but it does not conform to the requirements of R.S. 42:342-344. This is not an exception.

We were engaged by NAMI to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of NAMI and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Paciera, Gautreau & Priest, LLC
Metairie, Louisiana
December 18, 2023