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**EAST ST. TAMMANY MENTAL HEALTH ASSOCIATION, INC.
D/B/A MENTAL HEALTH ASSOCIATION OF ST. TAMMANY**

COMPILATION REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

1/28/09

EAST ST. TAMMANY MENTAL HEALTH ASSOCIATION, INC.
D/B/A MENTAL HEALTH ASSOCIATION OF ST. TAMMANY
COMPILATION REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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Board of Directors
East St. Tammany Mental Health Association, Inc.
d/b/a Mental Health Association of St. Tammany, Inc.
Slidell, LA 70458

I have compiled the accompanying statement of financial position of East St. Tammany Mental Health Association, Inc., d/b/a Mental Health Association of St. Tammany (a nonprofit organization), as of June 30, 2008, and the related statements of activities, functional expenses and cash flows for the fiscal year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Delphine A. Cuppay, CPA

Delphine A. Cuppay, CPA
Slidell, Louisiana

December 29, 2008

EAST ST. TAMMANY MENTAL HEALTH ASSOCIATION, INC.
D/B/A MENTAL HEALTH ASSOCIATION OF ST. TAMMANY
STATEMENT OF ACTIVITIES
AS OF JUNE 30, 2008

UNRESTRICTED NET ASSETS:	
Revenue and support:	
Grants and contracts	\$ 46,250
Contributions	31,807
Fundraisers and special events	3,825
Net assets released from restrictions	46,461

TOTAL UNRESTRICTED REVENUE AND SUPPORT	128,343
 EXPENSES:	
Program services	204,687
Supporting services:	
Management and general	21,436
Grant expenses	0
Fundraising expenses	850

Total expenses	226,973

DECREASE IN UNRESTRICTED NET ASSETS	(98,630)
 TEMPORARILY RESTRICTED NET ASSETS:	
State Grants - funding for current year	44,714
Interest income	1,747
Net assets released from restrictions	(46,461)

INCREASE/DECREASE IN TEMPORARILY RESTRICTED NET ASSETS	0

DECREASE IN NET ASSETS	(98,630)
NET ASSETS AT BEGINNING OF YEAR	257,243

NET ASSETS AT END OF YEAR	\$ 158,613
	=====

See accompanying notes and accountant's report.

EAST ST. TAMMANY MENTAL HEALTH ASSOCIATION, INC.
D/B/A MENTAL HEALTH ASSOCIATION OF ST. TAMMANY
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2008

ASSETS

Current Assets:

Cash and cash equivalents	\$	12,221
Prepaid expenses (Note 3)		1,306
		13,527

Property and Equipment (Note 4)

Furniture and equipment (Net of accumulated depreciation of \$11,566)		30,706
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Other Assets:

Investment securities (Note 5)		120,435
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TOTAL ASSETS	\$	164,668
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LIABILITIES AND NET ASSETS

Liabilities:

Current Liabilities:

Accounts payable	\$	1,478
Payroll taxes payable		4,577
		6,055

Net Assets:

Unrestricted net assets		
Board designated net assets for future activities (Note 6)		120,435
Undesignated net assets		38,178
		158,613

TOTAL LIABILITIES AND NET ASSETS	\$	164,668
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See accompanying notes and accountant's report.

EAST ST. TAMMANY MENTAL HEALTH ASSOCIATION, INC.
D/B/A MENTAL HEALTH ASSOCIATION OF ST. TAMMANY
STATEMENT OF CASH FLOWS
AS OF JUNE 30, 2008

CASH FLOWS FROM OPERATING ACTIVITIES:

Decrease in net assets \$ (98,630)

Adjustments to reconcile increase (decrease)
in net assets to net cash provided by
operating activities:

Depreciation expense 5,890

(Increase) Decrease in operating assets:

Accounts receivable grants and contracts 8,970

Prepaid expenses 644

Increase (Decrease) in operating liabilities:

Accounts payable (2,271)

Payroll taxes payable 2,496

NET CASH PROVIDED BY OPERATING ACTIVITIES (82,901)

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of furniture and equipment 6,964

Purchase of 2007 Van 17,795

NET CASH PROVIDED BY INVESTING ACTIVITIES 24,759

CASH FLOWS FROM FINANCING ACTIVITIES

Investment in investment securities (141,166)

NET CASH PROVIDED BY INVESTING ACTIVITIES (141,166)

**NET INCREASE (DECREASE) IN CASH AND
CASH EQUIVALENTS \$ (199,308)**

BEGINNING CASH AND CASH EQUIVALENTS 211,529

NET CASH AND CASH EQUIVALENTS \$ 12,221

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See accompanying notes and accountant's report.

EAST ST. TAMMANY MENTAL HEALTH ASSOCIATION, INC.
D/B/A MENTAL HEALTH ASSOCIATION OF ST. TAMMANY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Program Services	Managmt. & General	Grant Expense	Fund- Raising	Total
Compensation and related expenses:					
Compensation:					
Executive Director	\$ 40,400	10,100			\$ 50,500
Admin. Asst.	15,508	1,723			17,231
Clinical Director	22,500	0			22,500
Sunshine House Program:					
Program Director	9,628	0			9,628
Transportation Drivers	<u>16,087</u>	<u>0</u>			<u>16,087</u>
Total compensation	104,123	11,823			115,946
Related benefits:					
Payroll taxes	<u>8,944</u>	<u>904</u>			<u>9,848</u>
Total compensation and related expenses	113,067	12,727			125,794
Accounting	4,174	1,500			5,674
Advertising		622			622
Bank charges		129			129
Depreciation expense	5,890				5,890
Donation to other nonprofits		2,000			2,000
Dues & subscriptions	959				959
Equipment rental exp	2,334				2,334
Fundraising expenses				850	850
Grant expenses			0		0
Insurance expense	22,789	1,938			24,727
Interest expense		10			10
License & permits		20			20
Maintenance & repairs	792				792
Meals & entertainment		274			274
Meetings, seminar&conver	1,190				1,190
Miscellaneous expense		974			974
Office supplies	3,955	1,192			5,147
Operating supplies	993				993
Postage & delivery	246	50			296
Prof. counseling services	16,665				16,665
Rent expense	7,500				7,500
Sunshine House client service expenses:					
Craft supplies	1,225				1,225
Food expense	8,415				8,415
Telephone & Internet exp	2,417				2,417
Travel & transport expens	<u>12,076</u>				<u>12,076</u>
TOTALS	\$ 204,687	21,436	0	850	\$ 226,973

See accompanying notes and accountant's report.

EAST ST. TAMMANY MENTAL HEALTH ASSOCIATION, INC.
D/B/A MENTAL HEALTH ASSOCIATION OF ST. TAMMANY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 1-ORGANIZATION & SIGNIFICANT ACCOUNTING POLICIES

A. *Organization*

(1) The Organization

East St. Tammany Mental Health Association, Inc., (ESTMHA), was incorporated in July 1985 as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code to provide public education about mental illness and quality of life enrichment, structure and support for the mentally ill and operated a facility known as Sunshine House, a psychosocial clubhouse in Slidell, Louisiana that served the East St. Tammany Parish area. After Hurricane Katrina, it became apparent that there was a significant increase in individuals in need of mental health. It was then that ESTMHA realized that it could no longer serve only East St. Tammany or only those with severe mental illness. Many individuals parish-wide needed assistance coping with stress, grief, depression and loss after Hurricane Katrina. The ESTMHA Board of Directors decided to change its mission focus to one that would provide linkage between consumers and providers of mental health services throughout St. Tammany Parish. The organization adopted a new name for its current major program, a name that would better describe the level of services rendered and the population it would serve - Mental Health Association of St. Tammany.

Because of the change in focus with regard to mental health services for the whole St. Tammany Parish community, eventually the Organization became known to the general public by the name of its new major program, Mental Health Association of St. Tammany. So much so, that the Board of Directors have now resolved that it is in the best interest of the Organization to issue their financial statements and annual reports in the name of East St. Tammany Mental Health Association, Inc. d/b/a Mental Health Association of St. Tammany (ESTMHA d/b/a MHA) so that the St. Tammany Parish community would be better able to recognize the Organization's legal name as well as its program name.

East St. Tammany Mental Health Association, Inc. d/b/a Mental Health Association of St. Tammany (ESTMHA d/b/a MHAST) is currently located at 2237 First Street, Slidell, LA 70458 and the office is open from 9:00 A.M. to 5:00 P.M. Monday through Friday, except holidays.

(2) The Nature of Program Services

ESTMHA d/b/a MHAST operates a psychosocial clubhouse consumer program known as Sunshine House currently located at Sunshine Village, 2600 Mary Street, Slidell, LA 70458. The Sunshine House clubhouse meets in the recreation room at Sunshine Village from 9:30 A.M to 2:30 P.M Monday through Thursday, except holidays, and provides a caring and healing environment in which members are offered training, living skills, support groups and social experiences. Transportation is provided for those who need it and a hot lunch is served daily.

The mental health community services program known as Mental Health Association of St. Tammany provides linkage between consumers and providers of mental health services throughout St. Tammany Parish for all members of the St. Tammany Parish community by providing free assessments, referrals and short-term follow-up services, community education, client advocacy and legislative advocacy.

B. Significant Accounting Policies

(1) Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-For-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

Unrestricted net assets represent those assets which the organization may use at its discretion.

Temporarily restricted net assets result from contributions and other inflows of assets whose use by the organization is limited by donor imposed

stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

Permanently restricted net assets result from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

Net assets of the two restricted classes are created only by donor imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted and are reported as part of the unrestricted class.

The Organization does not have any temporarily restricted net assets or permanently restricted net assets for fiscal year ended June 30, 2008.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-stipulated restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

(2) Contributions

East St. Tammany Mental Health Association, Inc. d/b/a Mental Health Association of St. Tammany has adopted Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions are recognized when the donor makes a promise to give and are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

ESTMHA d/b/a MHAST reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The organization reports contributions of assets other than cash at their estimated fair value at the date of the gift and are reported as revenues of the unrestricted net asset class unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as revenues of the temporarily restricted or permanently restricted net asset classes. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net assets classes. When a qualifying expenditure occurs or a time restriction expires, temporarily restricted assets are recognized in unrestricted net assets as "net assets released from restrictions" in the statement of activities. However, if a restriction is fulfilled in the same period in which the contribution is received, the contribution is reported as an unrestricted contribution.

(3) Receivables

The Organization considers accounts receivable to be fully collectible since the balance consist of payments due under governmental contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

(4) Investments, Investment Income and Credit Risk

The carrying amounts of financial instruments approximate their fair value and consist of certificates of deposit and certain money-market accounts. The money-market accounts are reported at market value which is based upon quoted market prices and their fair values are provided by fund managers based upon the underlying net assets of the funds. The Organization is subject to some credit risk through short and long term cash investments which are placed with high credit quality financial institutions.

(5) Property and Equipment

Major renovations and major repairs and equipment are stated at cost at the date of acquisition or renovation, or, if donated, at estimated fair value at date of donation. Minor renovations or repairs are charged to operations and maintenance as incurred. Depreciation and amortization, if applicable, are provided over the estimated useful lives of the respective assets on a straight-line basis.

(6) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and revenues and expenses recognized during the reported period. Actual results could differ from those estimates. Changes in prior year estimates are accounted for within the statement of changes in net assets in the current year.

(7) Cash and Cash Equivalents and Credit Risk

For the purpose of the statement of cash flows, the Organization considers highly liquid investments purchased with a maturity of three months or less, other than those designated for future activities, to be cash equivalents. The Organization is subject to some credit risk through short term cash investments which includes bank depository account balances. These funds are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000 for each bank, therefore Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents.

(8) Functional Allocation of Expenses

The cost of providing the program and administering the related supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain expenses that benefit both program and supporting services have been allocated using management's estimates.

East St. Tammany Mental Health Association, Inc. d/b/a Mental Health Association of St. Tammany's fundraising activities in many cases include

purposes or contents related to a program service. American Institute of Certified Public Accountants Statement of Position 98-2 states that joint costs of informational materials or activities should be allocated between fundraising and the appropriate program or general function if it can be demonstrated that a program or general function has been performed in conjunction with the appeal for funds. Although the Organization has the ability to give evidence for such combined activities, it does not allocate those portions from its fundraising activities to program services.

(9) Donated Materials and Services

The Organization records the value of donated goods and services received when there is an objective basis available to measure their value. Donated furniture and fixtures and leasehold improvements, if applicable, are reflected as contributions in the accompanying statements at their estimated values at date of receipt. No amounts have been reflected in the statements for donated food, clothing or services as no objective basis is available to measure the value of such goods or services.

(10) Income Taxes

East St. Tammany Mental Health Association, Inc. has received a determination letter from the Internal Revenue Service (IRS) indicating that is a tax-exempt organization as provided for in Section 501(c)(3) of the Internal Revenue Code, except for taxes pertaining to unrelated business income, and is exempt from Federal and state income taxes. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. No provision has been made for income taxes in the accompanying financial statements since the Organization does not have a significant amount of unrelated business income for fiscal year ended June 30, 2008.

(11) Board Compensation

The Board of Directors of the Organization is a voluntary board and, therefore, no compensation was paid to any board member during the year ended June 30, 2008.

(12) Operations

Support was received from the State of Louisiana, Department of Health

and Hospitals by means of a cost reimbursement grant whereby expenses in connection with the Sunshine House psychosocial clubhouse program would be reimbursed upon presentation of expenses incurred.

Also, United Way, Phase V and Phase VI grants in the amounts of \$25,000 and \$21,250, respectively, were used to cover expenses in connection with mental health services for fiscal year ended June 30, 2008.

ESTMHA d/b/a MHAST arranged for Sunshine House, a psychosocial clubhouse consumer program, to meet at Sunshine Village, 2600 Mary Street, Slidell, Louisiana in their recreation room Monday through Thursday, except holidays, from 9:30 A.M to 2:30 P.M.

The mental health community services program known as Mental Health Association of St. Tammany provides linkage between consumers and providers of mental health services throughout St. Tammany Parish for all members of the St. Tammany Parish community by providing free assessments, referrals and short-term follow-up services, community education, client advocacy and legislative advocacy.

(13) Total Columns

Total columns are presented to facilitate financial analysis. Data in these columns do not present financial position, results of activities and changes in net assets in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation.

NOTE 2 - GRANTS FROM GOVERNMENTAL AGENCIES

Included in the grants from governmental agencies is state funds received under a cost reimbursement contract with the State of Louisiana, Department of Health and Hospitals for the time period of July 1, 2007 through June 30, 2008 in the amount of \$44,714.

NOTE 3 - PREPAID EXPENSES

Prepaid expenses consist of prepaid insurance expenses in the amount of \$1,306 as of fiscal year ended June 30, 2008.

NOTE 4 - PROPERTY AND EQUIPMENT

Depreciation is calculated using the straight line method over a useful life of five years. Furniture, fixtures and equipment consist of the following:

	Costs as of	06/30/07	Additions	Dispositions	Costs as of	06/30/08
<u>Property & Equipment</u>						
Dodge Mini Van	\$17,513	\$	0	\$	0	\$ 17,513
Ford Van	0	17,795		0		17,795
Furniture & equipment	0	6,964		0		6,964
TOTALS	\$17,513	\$ 24,759		\$	0	\$ 42,272

	Accum. Depre. as of	06/30/07	Depre. Expense	Accum. Depre. Writeoffs in connection with Dispositions	Accum. Depre. as of	06/30/08
<u>Property & Equipment</u>						
Dodge Mini Van	\$ 5,676	\$ 3,502	\$	0	\$	9,178
Ford Van	0	1,186		0		1,186
Furniture & equipment	0	1,202		0		1,202
TOTALS	\$ 5,676	\$ 5,890		\$	0	\$ 11,566

Costs of Property & Equipment as of 06/30/2008	\$ 42,272
Less Accumulated Depreciation	<u>11,566</u>
Total Net Book Value as of 06/30/2008	\$ 30,706

NOTE 5 - INVESTMENT SECURITIES

Certificates of deposit and money-market accounts are carried at fair value for the purpose of future activities and consist of the following at year ended June 30, 2008:

Investment Securities:	<u>Fair Value</u>
Certificate of deposit	\$ 104,022
Money-market accounts	<u>16,413</u>
Total	\$ 120,435

A summary of return on investments is as follows:

Interest and dividends	\$ 1,738
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**NOTE 6 - ASSETS DESIGNATED FOR FUTURE ACTIVITIES
AND NET ASSETS**

The board designated assets and net assets on the accompanying statement of financial position as of June 30, 2008 consist of the following:

Assets:	<u>Fair Value</u>
Certificates of deposit	\$ 104,022
Money-market accounts	<u>16,413</u>
Total	\$ 120,435

Net Assets:	
Unrestricted board-designated net assets for future activities	\$ 120,435

NOTE 7 - ACCRUED EMPLOYEE BENEFITS

No amount has been reflected in the financial statements for accrued compensated absences as the amount cannot be reasonably estimated.

NOTE 8 - ADVERTISING COSTS

There were advertising costs incurred in the amount of \$622 during fiscal year ended June 30, 2008 for the Organization's advertisement in the telephone directory.

NOTE 9 - RENT EXPENSES

The Organization rented office space at various locations during the year. Eventually it was decided the best location was its current location at 2237 First Street, Slidell, Louisiana. In all locations, rent was paid on a month to month basis and amounted to \$4,500 for office space for the year. Also rent was paid for the Sunshine House clubhouse consumer program location on a month to month basis and amounted to \$3,000 for the year. Therefore the total rent expense was \$7,500 for the fiscal year ended June 30, 2008.

NOTE 10 - FUNDRAISERS

An on-going fundraiser was established at Camellia City Farmer's Market located at Griffith Park on Erlanger Street, Slidell, Louisiana. After constructing a booth in the Farmer's Market location, ESTMHA d/b/a MHA

began selling fresh homemade bakery items and peach tea every Saturday from 8:00 A.M. to 12:00 P.M. Volunteers donated the ingredients and their time making these fresh homemade bakery items each week. This on-going fundraiser grossed \$3,045 and incurred \$850 in fundraising expenses in the form of the cost to construct their Farmer's Market booth for a total net proceeds of \$2,195 for this on-going fundraiser for fiscal year ended June 30, 2008.

ESTMHA, Inc. d/b/a MHAST also participated in several community events, which events helped the community to become better acquainted with the East St. Tammany Mental Health Association, Inc. d/b/a Mental Health Association of St. Tammany.

All net proceeds from these fundraisers were used at ESTMHA, Inc. d/b/a MHAST's discretion during fiscal year ended June 30, 2008.