

Financial Report
Judges and Lawyers Assistance Program, Inc.
June 30, 2019



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TABLE OF CONTENTS

Judges and Lawyers Assistance Program, Inc. Mandeville, Louisiana

June 30, 2019 and 2018

Page Numbers

Financial Section

Independent Auditor's Report 1 - 2

Exhibits

A - Statements of Financial Position 3
B - Statements of Activities 4
C-1 - Statement of Functional Expenses - For the year ended June 30, 2019 5
C-2 - Statement of Functional Expenses - For the year ended June 30, 2018 6
D - Statements of Cash Flows 7
E - Notes to Financial Statements 8 - 14

Supplemental Information

Schedule

1 - Schedule of Compensation, Benefits, and Other Payments to
Agency Head or Chief Executive Officer 15

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Judges and Lawyers Assistance Program, Inc.,
Mandeville, Louisiana.

Report on the Financial Statements

We have audited the accompanying financial statements of Judges and Lawyers Assistance Program, Inc., which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Judges and Lawyers Assistance Program, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer (Schedule 1), is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplementary information required by Louisiana Revised Statute 24:513(A)(3). Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information on is fairly stated, in all material respects, in relation to the financial statements as a whole.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana.
December 20, 2019.

STATEMENTS OF FINANCIAL POSITION**Judges and Lawyers Assistance Program, Inc.**
Mandeville, Louisiana

June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current assets:		
Cash	\$203,923	\$287,103
Grants and contributions receivable	30,000	37,209
Accounts receivable	20,921	6,900
Prepaid expenses	5,937	8,196
Total current assets	<u>260,781</u>	<u>339,408</u>
Property and equipment, net	1,082	4,902
Deposits	2,250	2,250
Total assets	<u>\$264,113</u>	<u>\$346,560</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 16,350	\$ 6,297
Accrued salaries and payroll taxes	20,027	21,608
Total current liabilities	<u>36,377</u>	<u>27,905</u>
Net Assets		
Without donor restrictions	<u>227,736</u>	<u>318,655</u>
Total liabilities and net assets	<u>\$264,113</u>	<u>\$346,560</u>

See notes to financial statements.

STATEMENTS OF ACTIVITIES**Judges and Lawyers Assistance Program, Inc.**
Mandeville, Louisiana

For the years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues and Support Without Donor Restrictions:		
Grants and contributions	\$ 498,062	\$ 533,978
Monitoring fees	43,195	47,700
Seminars	17,625	5,650
Interest income	28	30
	<u>558,910</u>	<u>587,358</u>
Expenses:		
Program services	485,324	383,453
Support services	164,505	175,217
	<u>649,829</u>	<u>558,670</u>
Change in net assets without donor restrictions	(90,919)	28,688
Net assets at beginning of year	<u>318,655</u>	<u>289,967</u>
Net assets at end of year	<u><u>\$ 227,736</u></u>	<u><u>\$ 318,655</u></u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES**Judges and Lawyers Assistance Program, Inc.**
Mandeville, Louisiana

For the year ended June 30, 2019

	<u>Program Services</u> <u>Substance Abuse</u> <u>Counseling</u>	<u>Support Services</u> <u>Management</u> <u>and General</u>	<u>Totals</u>
Salaries and related taxes	\$254,804	\$ 99,232	\$354,036
Scholarship fund grant	91,342	-	91,342
Employee benefits	42,149	17,223	59,372
Education programs	33,349	-	33,349
Office lease	20,251	6,749	27,000
Legal and professional fees	-	21,388	21,388
Utilities	10,543	2,731	13,274
Professional development seminars	13,073	-	13,073
Marketing and promotion	-	9,332	9,332
Repairs, maintenance, and small equipment	5,467	1,679	7,146
Office supplies and services	4,705	1,163	5,868
Intervention services	3,820	533	4,353
Insurance	1,446	2,800	4,246
Depreciation	2,865	955	3,820
Medical consultant	1,510	-	1,510
Miscellaneous	-	720	720
	<u> </u>	<u> </u>	<u> </u>
Total functional expenses	<u>\$485,324</u>	<u>\$164,505</u>	<u>\$649,829</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES**Judges and Lawyers Assistance Program, Inc.**
Mandeville, Louisiana

For the year ended June 30, 2018

	<u>Program Services</u> <u>Substance Abuse</u> <u>Counseling</u>	<u>Support Services</u> <u>Management</u> <u>and General</u>	<u>Totals</u>
Salaries and related taxes	\$260,362	\$105,924	\$366,286
Employee benefits	43,317	16,313	59,630
Office lease	20,251	6,749	27,000
Legal and professional fees	-	25,582	25,582
Education programs	15,989	-	15,989
Professional development seminars	13,438	-	13,438
Utilities	10,895	2,263	13,158
Marketing and promotion	-	10,107	10,107
Office supplies and services	4,721	1,616	6,337
Repairs, maintenance, and small equipment	4,263	1,421	5,684
Depreciation	3,921	1,307	5,228
Intervention services	4,608	356	4,964
Insurance	1,248	2,644	3,892
Miscellaneous	-	935	935
Medical consultant	440	-	440
	<u>\$383,453</u>	<u>\$175,217</u>	<u>\$558,670</u>

See notes to financial statements.

STATEMENTS OF CASH FLOWS**Judges and Lawyers Assistance Program, Inc.**
Mandeville, Louisiana

For the years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities		
Change in net assets	\$ (90,919)	\$ 28,688
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,820	5,228
(Increase) decrease in operating assets:		
Accounts receivable	(14,021)	(5,225)
Grants and contributions receivable	7,209	(7,209)
Prepaid expenses	2,259	(8,196)
Increase (decrease) in operating liabilities:		
Accounts payable	10,053	1,470
Accrued salaries and payroll taxes	(1,581)	7,720
	<u> </u>	<u> </u>
Net Increase (Decrease) in Cash - Provided by (Used in) Operating Activities	(83,180)	22,476
Cash		
Beginning of year	<u>287,103</u>	<u>264,627</u>
End of year	<u><u>\$203,923</u></u>	<u><u>\$287,103</u></u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Judges and Lawyers Assistance Program, Inc.**
Mandeville, Louisiana

June 30, 2019 and 2018

Note 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a. Organization**

Judges and Lawyers Assistance Program, Inc. (JLAP) was organized on February 8, 1992 as a Louisiana not-for-profit organization. The goal of JLAP is to serve the public, the Louisiana State Bar Association, and the profession by assisting, on a confidential basis, lawyers and judges whose professional impairment may stem from alcoholism, drug abuse, mental health, or gambling.

b. Basis of Accounting

The financial statements of JLAP have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

c. 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 assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

d. Cash and Cash Equivalents

For the purposes of the statement of cash flows, JLAP considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents. There were no cash equivalents as of June 30, 2019 and 2018.

Note 1 - **ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(Continued)

e. Accounts Receivable

JLAP uses the allowance method to determine uncollectible accounts receivable. Management periodically reviews the status of all accounts receivable balances for collectability. Based on past experience and analysis of receivable collectability, management has determined that no allowance for doubtful accounts is necessary.

f. Property and Equipment

Property and equipment are recorded at cost, net of accumulated depreciation. Repairs and maintenance are charged to expense as incurred. Major renewals and replacements and betterments are capitalized. JLAP follows a policy of capitalizing all expenditures of property and equipment in excess of \$1,000. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the respective assets which range from five to seven years.

g. Net Assets

JLAP classifies its net assets, revenues, and expenses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restriction - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization.

Net Assets with Donor Restrictions - Net assets subject to stipulations imposed by the grantor or donor to be used for a certain purpose, to benefit a specific accounting period, or to be maintained in perpetuity. Contributions that are restricted by grantors or donors are reported as an increase in net assets without donor restrictions if the restrictions expire in the reporting period in which the contributions are recognized. All other donor-restricted support is reported as increases in net assets with donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. There were no net assets with donor restriction as of June 30, 2019 and 2018.

Note 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

h. Revenue and Revenue Recognition

Revenue is recognized when earned. Revenue from grants is recognized when notification of the grant award is received. Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Revenue derived from monitoring fees is recognized in the period to which the fees relate.

i. Marketing and Promotion

All costs relating to the marketing and promotion of JLAP's services are expensed as incurred.

j. Compensated Absences

Employees of JLAP are entitled to paid leave depending upon length of service and other factors. Compensated absences are recognized when accrued. Accrued compensated absences were \$2,888 and \$5,080 as of June 30, 2019 and 2018, respectively, and are included in accrued salaries and payroll taxes on the statements of financial position and in salaries and related taxes on the statements of functional expenses.

k. Income Taxes

JLAP is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income taxes under Section 121(5) of Title 47 of the Louisiana Revised Statutes of 1950.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. They require an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained on examination. As of June 30, 2019 and 2018, management of JLAP believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

**Note 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

l. Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and related taxes and employee benefits	Time and effort
Office lease, utilities, and depreciation	Square footage
Office supplies and services and repairs maintenance, and small equipment	Estimated employee usage

m. Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through December 20, 2019, which is the date the financial statements were available to be issued.

n. Reclassifications

Certain amounts in the 2018 financial statements have been reclassified to conform to the 2019 financial statement presentation.

Note 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. New Accounting Pronouncement

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*. The update addresses the complexity and understandability of net assets classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. JLAP has adjusted the presentation of these financial statements accordingly. The ASU has been applied retrospectively to all periods presented.

Note 2 - CONCENTRATIONS

For the years ended June 30, 2019 and 2018, JLAP received grants and other awards totaling approximately 75% of total revenues from two organizations.

Note 3 - PROPERTY AND EQUIPMENT

A summary of property and equipment as of June 30, 2019 and 2018, is as follows:

	2019	2018
Furniture and equipment	\$32,532	\$32,532
Less accumulated depreciation	(31,450)	(27,630)
Property and equipment, net	\$ 1,082	\$ 4,902

Depreciation expense for the years ended June 30, 2019 and 2018 was \$3,820 and \$5,228, respectively.

Note 4 - BOARD DESIGNATIONS

JLAP's Board of Directors elected to designate all private contributions from attorneys and one-time contributions from outside sources for a period of time to the Scholarship Fund to provide financial assistance to individuals who would otherwise be unable to afford treatment. On June 14, 2019, JLAP transferred \$91,342, the Board-designated fund balance as of that date, to the Ed Blewer Assistance Foundation.

Board-designations and net assets totaled \$77,146 as of June 30, 2018. There were no Board-designated net assets as of June 30, 2019.

Note 5 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects JLAP's financial assets as of June 30, 2019:

Financial assets:	
Cash	\$203,923
Grants and contributions receivable	30,000
Accounts receivable	<u>20,921</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$254,844</u></u>

JLAP maintains funds in cash accounts sufficient to meet its operating needs. In the event that JLAP has funds in excess of its operating needs, such funds may be invested in a prudent manner as determined by the Board.

Note 6 - OPERATING LEASE COMMITMENT

JLAP leases office facilities under a 60 month operating lease agreement that commenced on December 1, 2017 and expires November 30, 2022. Future minimum rent payments are as follows:

Year Ended <u>June 30,</u>	
2020	\$27,000
2021	27,000
2022	27,000
2023	<u>11,250</u>
Total	<u><u>\$92,250</u></u>

Note 7 - RETIREMENT PLAN

JLAP offers a 401(k) retirement plan to its employees. The plan, which is sponsored by the Louisiana State Bar Association, requires JLAP to contribute 10% of participants' salaries into the plan after two years of employment. JLAP contributed \$29,540 and \$26,736 to the plan for the years ended June 30, 2019 and 2018, respectively.

Note 8 - RELATED PARTY TRANSACTIONS

The Louisiana State Bar Association (LSBA) is the sole member of JLAP; therefore, JLAP is a consolidated entity in the financial statements of LSBA. Transactions between the two entities are considered to be related party transactions.

LSBA provides support to JLAP in the form of unrestricted contributions. LSBA funding totaled \$300,000 for each of the years ended June 30, 2019 and 2018.

Additionally, LSBA collects donations from its members on behalf of JLAP. Amounts collected by LSBA totaled \$12,539 and \$22,814 for the years ended June 30, 2019 and 2018, respectively. As of June 30, 2019 and 2018, \$6,386 and \$6,359, respectively, of these funds were receivable from LSBA.

JLAP offers employee benefits which are administered by the LSBA. As of June 30, 2019 and 2018, \$17,139 and \$16,528, respectively, was due to LSBA for those benefits.

SUPPLEMENTAL INFORMATION

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

Judges and Lawyers Assistance Program, Inc.
Mandeville, Louisiana

For the year ended June 30, 2019

Agency Head Name: Joseph E. Stockwell III, Executive Director

Purpose

Salary	\$135,962
Benefits - insurance	6,896
Benefits - retirement	13,596
Benefits - other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	2,753
Registration fees	810
Conference travel	5,457
License fees	897
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0
Other	0
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	\$166,371
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