

REPORT

ST. BERNARD PARISH JUVENILE  
DRUG COURT, INC.

JUNE 30, 2019

ST. BERNARD PARISH JUVENILE  
DRUG COURT, INC.

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Duplantier  
Hrapmann  
Hogan &  
Maher, LLP

Lindsay J. Calub, CPA, LLC  
Guy L. Duplantier, CPA  
Michelle H. Cunningham, CPA  
Dennis W. Dillon, CPA  
Grady C. Lloyd, III CPA

Heather M. Jovanovich, CPA  
Terri L. Kitto, CPA

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William G. Stamm, CPA

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Felix J. Hrapmann, Jr., CPA  
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William R. Hogan, Jr., CPA  
(1920-1996)

James Maher, Jr., CPA  
(1921-1999)

**New Orleans**

1615 Poydras Street,  
Suite 2100  
New Orleans, LA 70112  
Phone: (504) 586-8866  
Fax: (504) 525-5888

**Northshore**

1290 Seventh Street  
Slidell, LA 70458  
Phone: (985) 641-1272  
Fax: (985) 781-6497

**Houma**

247 Corporate Drive  
Houma, LA 70360  
Phone: (985) 868-2630  
Fax: (985) 872-3833

**Napoleonville**

5047 Highway 1  
P.O. Box 830  
Napoleonville, LA 70390  
Phone: (985) 369-6003  
Fax: (985) 369-9941

INDEPENDENT AUDITOR'S REPORT

December 19, 2019

To the Board of Directors of  
St. Bernard Parish Juvenile Drug Court, Inc.  
Chalmette, Louisiana

We have audited the accompanying financial statements of St. Bernard Parish Juvenile Drug Court, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Bernard Parish Juvenile Drug Court, Inc. as of June 30, 2019, and the changes in its net assets, functional expenses and its cash flows for the year then ended in accordance 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 schedule of compensation, benefits and other payments to agency head on page 11 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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 19, 2019 on our consideration of St. Bernard Parish Juvenile Drug Court, Inc.'s internal control over financial reporting and on our tests of its compliance with laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the 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 St. Bernard Parish Juvenile Drug Court, Inc.'s internal control over financial reporting and compliance.

*Duplantier, Sharpman, Hogan and Parker, LLP*

New Orleans, Louisiana

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2019

ASSETS

Cash	\$ 21,892
Accounts receivable	441
Grants receivable	<u>559</u>
 TOTAL ASSETS	 \$ <u><u>22,892</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Payroll liabilities	\$ 2,531
Due to affiliates	<u>12,942</u>
Total liabilities	<u>15,473</u>

NET ASSETS:

Net assets without restrictions	<u>7,419</u>
Total net assets	<u>7,419</u>

TOTAL LIABILITIES AND NET ASSETS	\$ <u><u>22,892</u></u>
----------------------------------	-------------------------

See accompanying notes.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

SUPPORT AND REVENUES:

Grant revenue	\$ 159,345
Program fees	4,967
Contributions	2,500
Interest income	<u>78</u>

Total support and revenues 166,890

EXPENSES:

Program	148,823
General and administrative	<u>13,353</u>

Total expenses 162,176

Change in net assets without restrictions 4,714

Net assets - beginning of year 2,705

Net assets - end of year \$ 7,419

See accompanying notes.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Program</u>	<u>Administrative</u>	<u>Total</u>
Accounting and auditing	\$ -	\$ 9,800	\$ 9,800
Bank service charges	-	17	17
Incentives and rewards	1,006	-	1,006
Miscellaneous	309	-	309
Office expense	5,546	616	6,162
Payroll and payroll taxes	119,546	2,920	122,466
Professional development	6,068	-	6,068
Professional fees	800	-	800
Testing and laboratory	11,228	-	11,228
Treatment expense	<u>4,320</u>	<u>-</u>	<u>4,320</u>
	<u>\$ 148,823</u>	<u>\$ 13,353</u>	<u>\$ 162,176</u>

See accompanying notes.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 4,714
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Increase in accounts receivable	(273)
Decrease in grants receivable	16,724
Decrease in accounts payable	(3,611)
Increase in due to affiliates	3,900
Decrease in payroll liabilities	<u>(284)</u>
Net cash provided by operating activities	<u>21,170</u>
NET CHANGE IN CASH	21,170
CASH AT BEGINNING OF YEAR	<u>722</u>
CASH AT END OF YEAR	<u><u>\$ 21,892</u></u>

See accompanying notes.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NATURE OF ORGANIZATION

St. Bernard Parish Juvenile Drug Court, Inc. (JDC) is a nonprofit entity established to provide an alternative to the singularly directed traditional criminal justice case management system of pursuing only punitive based sanctions in response to drug addiction of incarceration and its resultant increased costs in public resources to little or no avail in addressing, diminishing, or reducing criminal activity related to drug addiction and its consequences. This program includes the administration of the St. Bernard Parish Juvenile Drug Court, which is a part of the 34<sup>th</sup> Judicial District Court. At June 30, 2019, the JDC consisted of three full-time employees and three part-time employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A summary of the major accounting policies followed in the preparation of the accompanying financial statements is set forth below:

Basis of Accounting and Presentation:

The financial statements have been prepared on an accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when they are incurred.

The statement of functional expenses charges expenses directly to supporting program services or general and administrative categories based on specific identification. Expenses which cannot be functionally categorized are allocated between functions based upon management's estimate of usage applicable to conducting those functions.

Support and Revenue:

As the State of Louisiana is the JDC's major source of revenue, all grant receivables are expected to be fully collectible. Therefore, no provision for uncollectible grant income has been recognized in the accompanying financial statements. A significant reduction in the level of support provided by the State of Louisiana could have a significant impact on the JDC's activities.

The JDC charges a \$35 drug testing fee to individuals applying for early entry into the JDC's Drug Court Program. This fee is charged and payable at the time of testing when the individual is referred by the St. Bernard Parish Sheriff's Office as a condition to their jail bond.

In addition, the JDC provides some drug testing supplies to a local St. Bernard Parish public school. The school reimburses the JDC for these supplies.

Cash:

Cash includes demand deposit accounts.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Income Taxes:

The JDC qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. However, should the JDC engage in activities unrelated to its exempt purpose, taxable income could be earned.

The JDC's Federal Return of Organization Exempt from Income Tax (Form 990) for 2018, 2017, 2016, and 2015 are subject to examination by the IRS, generally for three years after they were filed.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of support and revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Statement of Cash Flows:

For the purposes of the statement of cash flows, the JDC considers cash and cash equivalents to be all items designated as cash on the statement of financial position.

New Accounting Pronouncement

As of July 1, 2018, the St. Bernard Parish Juvenile Drug Court adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14)*. This Update addresses the complexity and understandability of net asset 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 between not-for-profit entities. A key change required by ASU 2016-14 is a change in the net asset classes used in the financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with restrictions. A footnote on liquidity and availability of financial statements has also been added to the financial statements.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Contributions:

All contributions are considered to be without donor restrictions and available for 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 with donor restrictions. However, if a restriction is fulfilled in the same reporting period in which the contribution is received, the JDC reports the support as without restrictions.

2. CASH:

The JDC's cash balance consists of interest bearing demand deposits maintained at a local financial institution. Deposits are insured up to \$250,000 per depositor by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2019, the JDC's bank balance totaling \$25,624 was fully covered by FDIC insurance.

3. RECEIVABLES:

Receivables include accounts receivable of \$441 as of June 30, 2019. This receivable amount is made up of \$336 from the St. Bernard Parish public school for drug testing supplies and \$105 from Chalmette Refining for drug testing.

Receivables also include grants receivable from the State of Louisiana in the amount of \$559 as of June 30, 2019.

These receivables are considered to be fully collectible.

4. RELATED PARTY TRANSACTIONS:

As of June 30, 2019, the JDC owed \$12,942 to the St. Bernard Parish Adult Drug Court, Inc. (ADC). The ADC advances money to the JDC to cover general operating expenses. The JDC then reimburses the ADC as funding is received and available. The ADC and JDC share common control as both entities' board of directors are made up of the Judges of the 34<sup>th</sup> Judicial District Court.

The St. Bernard Parish Juvenile Drug Court, Inc. shares office space with the St. Bernard Parish Adult Drug Court, Inc. Office expenses, including telephone and internet charges, are allocated between the JDC and ADC based on the number of participants in each program during the month. During the year ended June 30, 2019, office expenses incurred by ADC related to the shared office space was \$6,749. Office expenses incurred by JDC during the year ended June 30, 2019 was \$6,162.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
 NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

5. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the drug court's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts available include donor restricted amounts that are available for general expenditure in the following year.

Financial assets, at year end:	
Cash and cash equivalents	\$ 21,892
Accounts receivable	441
Grant receivable	<u>559</u>
Total financial assets at year end	22,892
Current Liabilities, at year end:	
Payroll liabilities	2,531
Due to affiliates	<u>12,942</u>
Current Liabilities at year end	15,473
Less contracted or donor-imposed restrictions:	
Total contractual or donor-imposed restrictions	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 7,419</u></u>

6. DATE OF MANAGEMENT'S REVIEW:

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 19, 2019, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in the financial statements.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF COMPENSATION, BENEFITS, AND  
OTHER PAYMENTS TO AGENCY HEAD  
FOR THE YEAR ENDED JUNE 30, 2019

Agency Head Name: Nicolle Tourdot

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 27,076
Benefits - cell phone	900
Registration Fees	880
Reimbursements - incentives and rewards	842
Reimbursements - office	91
Reimbursements - licenses and permits	<u>832</u>
	\$ <u><u>30,621</u></u>



Duplantier  
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**New Orleans**

1615 Poydras Street,  
Suite 2100  
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Phone: (504) 586-8866  
Fax: (504) 525-5888

**Northshore**

1290 Seventh Street  
Slidell, LA 70458  
Phone: (985) 641-1272  
Fax: (985) 781-6497

**Houma**

247 Corporate Drive  
Houma, LA 70360  
Phone: (985) 868-2630  
Fax: (985) 872-3833

**Napoleonville**

5047 Highway 1  
P.O. Box 830  
Napoleonville, LA 70390  
Phone: (985) 369-6003  
Fax: (985) 369-9941

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

December 19, 2019

To the Board of Directors of  
St. Bernard Parish Juvenile Drug Court, Inc.  
Chalmette, 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 St. Bernard Parish Juvenile Drug Court, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 19, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered St. Bernard Parish Juvenile Drug Court, Inc.'s internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Bernard Parish Juvenile Drug Court, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of St. Bernard Parish Juvenile Drug Court, Inc.'s internal control.

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A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether St. Bernard Parish Juvenile Drug Court, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Bernard Parish Juvenile Drug Court, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Duplantier, Chapman, Hogan and Gruber, LLP*

New Orleans, Louisiana

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2019

Auditor's Opinion:

The opinion issued on the financial statements of St. Bernard Parish Juvenile Drug Court, Inc. for the year ended June 30, 2019 was unmodified.

Internal Control over Financial Reporting:

Material weaknesses: None noted.

Significant deficiencies: None noted.

Noncompliance material to financial statements: None noted.

Summary of Prior Year Findings:

None noted.