

REPORT

ST. BERNARD PARISH JUVENILE
DRUG COURT, INC.

JUNE 30, 2017

ST. BERNARD PARISH JUVENILE
DRUG COURT, INC.

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INDEPENDENT AUDITOR'S REPORT

December 19, 2017

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, 2017, and the related statements of activities 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, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The supplementary information as listed in the index to report 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary 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, 2017 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, Hrapmann, Hogan & Maher, LLP

New Orleans, Louisiana

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017

ASSETS

Cash and cash equivalents	\$ 31
Grants receivable	<u>21,161</u>
 TOTAL ASSETS	 <u>\$ 21,192</u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts payable	\$ 8,786
Payroll liabilities	1,660
Due to Adult Drug Court	6,442
Due to Pre Trial Drug Testing Program	<u>2,600</u>
Total liabilities	<u>19,488</u>

NET ASSETS:

Unrestricted	<u>1,704</u>
Total net assets	<u>1,704</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 21,192</u>
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See accompanying notes.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

UNRESTRICTED NET ASSETS:

SUPPORT AND REVENUES:

Grant revenue	\$ 86,530
Program fees	4,576
Interest income	<u>2</u>
Total support and revenues	<u>91,108</u>

EXPENSES:

Program services - Drug Court	71,394
General and administrative	<u>11,978</u>
Total expenses	<u>83,372</u>

Change in net assets	7,736
Net deficit at beginning of year	<u>(6,032)</u>
Net assets at end of year	<u><u>\$ 1,704</u></u>

See accompanying notes.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 7,736
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
(Increase) decrease in accounts receivable	1,162
(Increase) decrease in grants receivable	(19,648)
(Increase) decrease in prepaid expenses	710
Increase (decrease) in accounts payable	3,435
Increase (decrease) in due to Adult Drug Court	3,750
Increase (decrease) in payroll liabilities	<u>198</u>
Net cash provided by operating activities	<u>(2,657)</u>
NET CHANGE IN CASH	(2,657)
CASH AT BEGINNING OF YEAR	<u>2,688</u>
CASH AT END OF YEAR	<u><u>\$ 31</u></u>

See accompanying notes.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

DESCRIPTION OF OPERATIONS:

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 addition and its consequences. This program includes the administration of the St. Bernard Parish Juvenile Drug Court, which is a part of the 34th Judicial District Court. At June 30, 2017, the JDC consisted of one full-time employee 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.

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 deposits.

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 result.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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, all investments with an original maturity of 90 days or less from the date of purchase are considered to be cash equivalents.

Financial Statement Presentation:

The JDC follows FASB Accounting Standards Codification (ASC) 958-205, *Financial Statements for Not-for-Profit Organizations*. Under FASB ASC 958-205, the JDC 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 assets. The JDC does not currently have any temporarily or permanently restricted net assets.

Contributions:

The JDC records its public support in accordance with FASB ASC 958-605, *Revenue Recognition*. In accordance with FASB ASC 958-605, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

All contributions are considered to be unrestricted 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 temporarily restricted or permanently restricted support that increases these net asset classes. However, if a restriction is fulfilled in the same reporting period in which the contribution is received, the JDC reports the support as unrestricted.

2. CASH:

Cash at June 30, 2017 consisted of the following:

Interest bearing demand deposits	<u>\$ 31</u>
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ST. BERNARD PARISH JUVENILE DRUG COURT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

3. RECEIVABLES:

Receivables include grants receivable from the State of Louisiana in the amount of \$21,161 as of June 30, 2017.

4. UNCERTAINTY IN INCOME TAXES:

The JDC elected to adopt the provisions of FASB ASC 740, *Accounting for Uncertainty in Income Taxes*. The JDC files information returns in the U.S. federal jurisdiction. The JDC has taken no tax positions that it considers to be an uncertain tax position.

5. RELATED PARTY TRANSACTIONS:

As of June 30, 2017, the JDC owed \$6,442 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 34th Judicial District Court.

The St. Bernard Parish Juvenile Drug Court, Inc. shares office space with the St. Bernard Parish Adult Drug Court, Inc. The St. Bernard Parish Adult Drug Court, Inc. paid for one hundred percent of the office expenses, including telephone and internet charges. During the year ended June 30, 2017, office expenses incurred by ADC related to the shared office space was \$7,802. Office expenses incurred by JDC during the year ended June 30, 2017 was \$0.

Also, as of June 30, 2017, the JDC owed \$2,600 to the St. Bernard Parish Pre-Trial Drug Testing Program (PTDT). The money from PTDT was used to pay general operating expenses in a previous fiscal year. JDC reimburses PTDT as funds are available. The PTDT works in conjunction with the JDC and utilizes the same staff to perform the drug testing tasks.

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, 2017, 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
 STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Program</u>	<u>Administrative</u>	<u>Total</u>
Accounting and auditing	\$ -	\$ 8,670	\$ 8,670
Bank service charges	-	12	12
Fees and finance charges	-	51	51
Incentives and rewards	407	-	407
Payroll and payroll taxes	23,080	3,245	26,325
Professional development	357	-	357
Testing and laboratory	9,512	-	9,512
Treatment expense	<u>38,038</u>	<u>-</u>	<u>38,038</u>
	<u>\$ 71,394</u>	<u>\$ 11,978</u>	<u>\$ 83,372</u>

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, 2017

Agency Head Name: Nicolle Tourdot

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 20,000
Benefits - insurance	-
Benefits - retirement	-
Benefits - cell phone	-
Car allowance	-
Registration fees	-
Reimbursements	<u>30</u>
	<u>\$ 20,030</u>



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

December 19, 2017

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, 2017, and the related statements of activities, 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, 2017.

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, Hrapmann, Hogan & Maher, LLP

New Orleans, Louisiana

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017

Auditor's Opinion:

The opinion issued on the financial statements of St. Bernard Parish Juvenile Drug Court, Inc. for the year ended June 30, 2017 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.