

Financial Report
Judges and Lawyers Assistance Program, Inc.
June 30, 2017



Financial Report

Judges and Lawyers Assistance Program, Inc.

June 30, 2017

TABLE OF CONTENTS

Judges and Lawyers Assistance Program, Inc. Mandeville, Louisiana

June 30, 2017 and 2016

	<u>Page Number</u>
Independent Auditor's Report	1 - 3
Exhibits	
A - Statements of Financial Position	4
B - Statements of Activities	5
C-1 - Statement of Functional Expenses For The Year Ended June 30, 2017	6
C-2 - Statement of Functional Expenses For The Year Ended June 30, 2016	7
D - Statements of Cash Flows	8
E - Notes to Financial Statements	9 - 13
Supplemental Information	
Schedule	
1 - Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	14
Special Reports of Certified Public Accountants	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15 - 16
Schedule of Findings and Responses	17
St. Tammany Act 774 Agreed-Upon Procedures	
Independent Accountant's Report on Applying Agreed-Upon Procedures	18 - 22

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 statement of financial position as of June 30, 2017, 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 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, 2017, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Prior Period Financial Statements

The financial statements of Judges and Lawyers Assistance Program, Inc. as of June 30, 2016 and for the year then ended were audited by other auditors, whose report dated December 28, 2016, expressed an unmodified opinion on those statements.

Other 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 required by Louisiana Revised Statute 24:513(A)(3), 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 a report dated December 21, 2017 on our consideration of Judges and Lawyers Assistance Program, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 effectiveness of Judges and Lawyers Assistance Program, Inc.'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 Judges and Lawyers Assistance Program, Inc.'s internal control over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana.
December 21, 2017.

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

June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Assets		
Current assets:		
Cash	\$ 264,627	\$ 230,014
Accounts receivable	31,675	30,400
Prepaid expenses	<u>-</u>	<u>7,295</u>
Total current assets	296,302	267,709
Property and equipment, net	10,130	15,878
Deposits	<u>2,250</u>	<u>2,250</u>
Total assets	<u>\$ 308,682</u>	<u>\$ 285,837</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 4,827	\$ 3,257
Accrued salaries and payroll taxes	<u>13,888</u>	<u>2,470</u>
Total current liabilities	18,715	5,727
Net Assets		
Unrestricted	<u>289,967</u>	<u>280,110</u>
Total liabilities and net assets	<u>\$ 308,682</u>	<u>\$ 285,837</u>

See notes to financial statements.

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

For the years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues:		
Grants and other awards	\$ 547,892	\$ 440,578
Monitoring fees	46,150	43,875
Seminars	2,650	5,012
Contributions	28,487	4,690
Interest income	<u>26</u>	<u>30</u>
Total revenues	<u>625,205</u>	<u>494,185</u>
Expenses:		
Program services	448,694	533,921
Support services	<u>166,654</u>	<u>136,376</u>
Total expenses	<u>615,348</u>	<u>670,297</u>
Change in net assets	9,857	(176,112)
Net assets at beginning of year	<u>280,110</u>	<u>456,222</u>
Net assets at end of year	<u>\$ 289,967</u>	<u>\$ 280,110</u>

See notes to financial statements.

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

For the year ended June 30, 2017

	<u>Program Services</u> Substance Abuse Counseling	<u>Support Services</u> Management and General	<u>Totals</u>
Salaries and related taxes	\$ 301,602	\$ 95,367	\$ 396,969
Employee benefits	45,755	15,272	61,027
Legal and professional fees	896	26,338	27,234
Education programs	25,375	-	25,375
Office lease	20,251	6,749	27,000
Professional development seminars	17,906	-	17,906
Marketing and promotion	-	11,937	11,937
Utilities	10,567	2,125	12,692
Repairs, maintenance, and small equipment	7,461	2,487	9,948
Insurance	2,384	2,898	5,282
Office supplies and services	5,663	1,578	7,241
Depreciation	4,311	1,437	5,748
Intervention services	4,423	-	4,423
Medical consultant	2,100	-	2,100
Miscellaneous	-	466	466
	<u> </u>	<u> </u>	<u> </u>
Total functional expenses	<u>\$ 448,694</u>	<u>\$ 166,654</u>	<u>\$ 615,348</u>

See notes to financial statements.

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

For the year ended June 30, 2016

	<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	\$ 345,395	\$ 42,994	\$ 388,389
Employee benefits	59,854	7,248	67,102
Legal and professional fees	31,415	31,840	63,255
Education programs	38,030	-	38,030
Office lease	22,950	4,050	27,000
Professional development seminars	18,709	-	18,709
Marketing and promotion	-	14,201	14,201
Utilities	2,408	10,312	12,720
Repairs, maintenance, and small equipment	-	9,962	9,962
Insurance	3,795	4,206	8,001
Office supplies and services	3,543	3,887	7,430
Depreciation	-	5,862	5,862
Intervention services	5,022	-	5,022
Medical consultant	2,800	-	2,800
Miscellaneous	-	1,814	1,814
	<u> </u>	<u> </u>	<u> </u>
Total functional expenses	<u>\$ 533,921</u>	<u>\$ 136,376</u>	<u>\$ 670,297</u>

See notes to financial statements.

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

For the years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 9,857	\$ (176,112)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	5,748	5,862
(Increase) decrease in operating assets:		
Accounts receivable	(1,275)	250
Prepaid expenses	7,295	(2,332)
Decrease (increase) in operating liabilities:		
Accounts payable	1,570	3,257
Accrued salaries and payroll taxes	<u>11,418</u>	<u>(666)</u>
Net Increase (Decrease) in Cash	34,613	(169,741)
Cash		
Beginning of year	<u>230,014</u>	<u>399,755</u>
End of year	<u>\$ 264,627</u>	<u>\$ 230,014</u>

See notes to financial statements.

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

June 30, 2017 and 2016

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 of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

d. Classification of 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:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

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

d. Classification of Net Assets (Continued)

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met by actions of JLAP and/or the passage of time.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by the actions of JLAP.

e. 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, 2017 and 2016.

f. 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.

g. Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided over the estimated useful lives of the respective assets on the straight-line method. Furniture and equipment is estimated to have a useful life of 5 to 7 years.

h. Grants

Revenues from grants are recorded when awarded.

i. Contributions

Contributions and unconditional promises to give are recorded when pledges are made by the respective donors. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

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

j. Monitoring Fees

Revenue derived from monitoring fees is recognized in the period to which the fees relate.

k. Marketing and Promotion

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

l. Compensated Absences

Employees of JLAP are entitled to paid leave depending upon length of service and other factors. JLAP's policy is to recognize the costs of compensated absences when paid to employees.

m. 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, 2017 and 2016, management of JLAP believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

n. Allocated Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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

o. 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 21, 2017, which is the date the financial statements were available to be issued.

Note 2 - CONCENTRATIONS

Financial instruments that potentially subject JLAP to concentrations of credit risk consist principally of cash.

JLAP maintains its cash balances at a financial institution where the balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The balances, at times, may exceed federally insured limits. As of June 30, 2017, there were approximately \$17,400 of deposits in excess of federally insured amounts. JLAP has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

For the years ended June 30, 2017 and 2016, JLAP received grants and other awards totaling 75% of total revenues from two organizations.

Note 3 - PROPERTY AND EQUIPMENT

A summary of property and equipment as of June 30, 2017 and 2016, respectively, is as follows:

	2017	2016
Furniture and equipment	\$ 32,532	\$ 36,076
Less accumulated depreciation	(22,402)	(20,198)
Property and equipment, net	\$ 10,130	\$ 15,878

Depreciation expense for the years ended June 30, 2017 and 2016 was \$5,748 and \$5,862, respectively.

Note 4 - OPERATING LEASE COMMITMENT

JLAP leases office facilities under a 60 month operating lease agreement that commenced on December 1, 2012 and expired November 30, 2017. On September 8, 2017, this lease was extended through November 30, 2022. Future minimum rent payments are as follows:

Year Ended June 30,	
2018	\$ 27,000
2019	27,000
2020	27,000
2021	27,000
2022	27,000
Thereafter	<u>11,250</u>
Total	<u>\$ 146,250</u>

Note 5 - 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 2 years of employment. JLAP contributed \$25,311 and \$33,513 to the plan for the years ended June 30, 2017 and 2016, respectively.

Note 6 - 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. During the years ended June 30, 2017 and 2016, LSBA funding totaled \$351,250 and \$250,000, respectively.

Additionally, LSBA collects donations from its members on behalf of JLAP. Amounts collected and remitted to JLAP by LSBA totaled \$14,765 and \$8,700 during the years ended June 30, 2017 and 2016, respectively.

JLAP offers employee benefits which are administered by the LSBA. As of June 30, 2017 and 2016, \$13,318 and \$0, 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, 2017

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

Purpose

Salary	\$ 131,364
Benefits - insurance	7,486
Benefits - retirement	13,136
Benefits - other	2,222
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	152
Travel	4,822
Registration fees	1,966
Conference travel	9,429
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0
Other	<u>448</u>
	<u>\$ 171,025</u>

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

**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,
Judges and Lawyers Assistance Program, Inc.,
Mandeville, Louisiana.

We have audited, 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, the financial statements of Judges and Lawyers Assistance Program, Inc. (JLAP), which comprise the statement of financial position as of June 30, 2017, 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 21, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered JLAP's internal control over financial reporting (internal control) 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 JLAP's internal control. Accordingly, we do not express an opinion on the effectiveness of JLAP'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 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 JLAP'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 JLAP's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering JLAP's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Bourgeois Bennett, L.L.C." in a cursive script.

Certified Public Accountants.

New Orleans, Louisiana.
December 21, 2017.

ST. TAMMANY PARISH ACT 774 AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below as they are a required part of the engagement. We are required to perform each procedure and report the results, including any exceptions. Management is required to provide a corrective action plan that addresses all exceptions noted. For any procedures that do not apply, we have marked "not applicable."

Management of the Judges and Lawyers Assistance Program, Inc. (JLAP) is responsible for its financial records, establishing internal controls over financial reporting, and compliance with applicable laws and regulations. These procedures were agreed to by management of JLAP and the Legislative Auditor, State of Louisiana, solely to assist the users in assessing certain controls and in evaluating management's assertions about the JLAP's compliance with certain laws and regulations during the period of July 1, 2016 through June 30, 2017, in accordance with Act 774 of 2014 Regular Legislative Session.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Collections

1. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

JLAP receives public funds only by check mailed to its Mandeville, Louisiana office, its sole location.

Collections (Continued)

2. Using the listing provided by management, select all of the entity's public funds cash collection locations (all locations that collect public funds). For each cash collection location selected:

- a. Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

JLAP has designated a single employee, the Outreach Coordinator, as responsible for collecting all cash. (1) We noted that the employee was covered by a \$10,000 employee dishonesty policy. (2) We note that this employee is not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account. We note that these procedures are all performed by the Office Assistant, and that all reconciliations are reviewed by the Executive Director, the Board Treasurer, and an outside Accountant. (3) No cash registers or drawers are used and no public monies are collected in cash.

- b. Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

JLAP has a formal process whereby cash collections are reconciled to the general ledger, which is broken out by revenue source by the Office Assistant, who is not responsible for cash collections. We reviewed these reconciliations for the month of June 2017, noting no exceptions.

- c. Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - i. Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Collections (Continued)

We traced all collections for the highest (dollar) week of cash collections to the corresponding bank statement. Because JLAP does not list or mark checks with the date of receipt, we were unable to determine if checks received were deposited within one day of collection.

- ii. Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

We agreed all collections for the highest (dollar) week of cash collections to the supporting documentation provided by JLAP. We note that all daily cash collections were supported by adequate documentation, except as noted in #2ci above.

3. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source by a person who is not responsible for collections.

JLAP does not have written policies and procedures for the determination of completeness of all collections, including electronic transfers, for each revenue source; however, public funds are substantially received from one revenue source via monthly checks of the same amount; therefore, completeness of collections of public funds is evident from monitoring budget to actual results. See Written Policies and Procedures #1a.

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a. Budgeting, including preparing, adopting, monitoring, and amending the budget.

There are no formal written policies concerning budgeting, but through inquiry, we noted that in practice, the Executive Director, Office Assistant, and Outside Accountant meet annually to prepare a budget. This budget is then approved by the Board of Directors, and is monitored as part of the monthly review of financial results performed by the Executive Committee.

Written Policies and Procedures (Continued)

- b. 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.

Other than the stipulation that the Executive Director must secure pre-approval from the Treasurer for extraordinary purchases exceeding \$5,000, there are no formal written policies addressing purchasing. Through inquiry and observation: (1) We noted that the Executive Director may initiate and approve purchases not exceeding \$5,000. (2) We noted that JLAP does not employ a vendor list. (3) We noted that JLAP does not use purchase requisitions and purchase orders. (4) We noted that JLAP did not make any purchases from July 1, 2016 through June 30, 2017 which would be subject to the requirements of public bid law. (5) This is not applicable since there were no purchases made which were subject to the requirements of public bid law.

- c. Disbursements, including processing, reviewing, and approving.

We noted written policies and procedures which address each of these areas.

- d. Receipts, including receiving, recording, and preparing deposits.

We noted written policies and procedures which address each of these areas.

- e. Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

We noted that JLAP has written personnel policies covering employment, benefits, and leave. JLAP has limited written policies and procedures for payroll processing. Through inquiry and observation we noted that JLAP uses a third party payroll processing service and that all employees are salaried. Per inquiry, we learned that the Executive Director, who is responsible for processing payroll, is the only employee with access to the third-party payroll processor. As all employees are compensated on a salary basis, time records and overtime worked records are not applicable.

- f. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

We noted written policies and procedures which address each of these areas.

Written Policies and Procedures (Continued)

- g. 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, and (5) monitoring card usage.

We noted written policies and procedures which address each of these areas.

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

We noted written policies and procedures which address each of these areas.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Judges and Lawyers Assistance Program, Inc. and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
December 21, 2017.