

Financial Report

Judges and Lawyers Assistance Program, Inc.

June 30, 2020



Financial Report

Judges and Lawyers Assistance Program, Inc.

June 30, 2020

TABLE OF CONTENTS

Judges and Lawyers Assistance Program, Inc.

Mandeville, Louisiana

June 30, 2020 and 2019

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, 2020 5
C-2 - Statement of Functional Expenses - For the year ended June 30, 2019 6
D - Statements of Cash Flows 7
E - Notes to Financial Statements 8 - 15

Supplemental Information

Schedule

1 - Schedule of Compensation, Benefits, and Other Payments to
Agency Head or Chief Executive Officer 16

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, 2020 and 2019, 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, 2020 and 2019, 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 22, 2020.

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

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current assets:		
Cash	\$281,274	\$203,923
Grants and contributions receivable	30,000	30,000
Accounts receivable	15,781	20,921
Prepaid expenses	<u>3,927</u>	<u>5,937</u>
Total current assets	330,982	260,781
Property and equipment, net	-	1,082
Deposits	<u>2,250</u>	<u>2,250</u>
Total assets	<u><u>\$333,232</u></u>	<u><u>\$264,113</u></u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 5,541	\$ 16,350
Accrued salaries and payroll taxes	<u>19,485</u>	<u>20,027</u>
Total current liabilities	25,026	36,377
Long-term liability:		
Note payable	<u>75,200</u>	<u>-</u>
	100,226	36,377
Net Assets		
Without donor restrictions	<u>233,006</u>	<u>227,736</u>
Total liabilities and net assets	<u><u>\$333,232</u></u>	<u><u>\$264,113</u></u>

See notes to financial statements.

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

For the years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenues and Support Without Donor Restrictions:		
Grants and contributions	\$433,907	\$436,185
Governmental grant	61,877	61,877
Monitoring fees	50,270	43,195
Seminars	200	17,625
Interest income	21	28
	<u>546,275</u>	<u>558,910</u>
Expenses:		
Program services	370,864	485,324
Support services	170,141	164,505
	<u>541,005</u>	<u>649,829</u>
Change in net assets without donor restrictions	5,270	(90,919)
Net assets at beginning of year	<u>227,736</u>	<u>318,655</u>
Net assets at end of year	<u><u>\$233,006</u></u>	<u><u>\$227,736</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, 2020

	<u>Program Services</u> Substance Abuse Counseling	<u>Support Services</u> Management and General	<u>Totals</u>
Salaries and related taxes	\$266,808	\$ 106,760	\$373,568
Employee benefits	44,872	19,104	63,976
Office lease	20,251	6,749	27,000
Legal and professional fees	931	19,547	20,478
Utilities	10,513	2,643	13,156
Repairs, maintenance, and small equipment	6,856	1,910	8,766
Marketing and promotion	-	8,524	8,524
Office supplies and services	5,487	975	6,462
Education programs	4,852	-	4,852
Professional development seminars	4,198	-	4,198
Insurance	1,458	2,639	4,097
Intervention services	2,104	773	2,877
Medical consultant	1,722	-	1,722
Depreciation	812	270	1,082
Miscellaneous	-	247	247
	<u> </u>	<u> </u>	<u> </u>
Total functional expenses	<u>\$370,864</u>	<u>\$ 170,141</u>	<u>\$ 541,005</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> Substance Abuse Counseling	<u>Support Services</u> Management and General	<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>\$485,324</u>	<u>\$164,505</u>	<u>\$649,829</u>

See notes to financial statements.

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

For the years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 5,270	\$ (90,919)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,082	3,820
(Increase) decrease in operating assets:		
Accounts receivable	5,140	(14,021)
Grants and contributions receivable	-	7,209
Prepaid expenses	2,010	2,259
Increase (decrease) in operating liabilities:		
Accounts payable	(10,809)	10,053
Accrued salaries and payroll taxes	(542)	(1,581)
	<u>2,151</u>	<u>(83,180)</u>
Net Increase (Decrease) in Cash - Provided by (Used in) Operating Activities	2,151	(83,180)
Cash Flows From Financing Activities		
Proceeds from loan	<u>75,200</u>	<u>-</u>
Net Increase (Decrease) in Cash	77,351	(83,180)
Cash		
Beginning of year	<u>203,923</u>	<u>287,103</u>
End of year	<u>\$281,274</u>	<u>\$203,923</u>

See notes to financial statements.

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

June 30, 2020 and 2019

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 statements 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, 2020 and 2019.

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.

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

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, 2020 and 2019.

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.

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

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 \$1,817 and \$2,888 as of June 30, 2020 and 2019, 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, 2020 and 2019, management of JLAP believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

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. Such allocations are determined by management on an equitable basis.

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

l. Functional Expenses (Continued)

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 22, 2020, which is the date the financial statements were available to be issued.

n. Reclassifications

Certain amounts in the 2019 financial statements have been reclassified to conform to the 2020 financial statement presentation.

o. New Accounting Pronouncement

Statement of Cash Flows

In November 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-18, *Statement of Cash Flows* (Topic 230). ASU No. 2016-18 requires that a statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of

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

o. New Accounting Pronouncement (Continued)

Statement of Cash Flows (Continued)

cash flows. ASU No. 2016-18 is effective for fiscal years beginning after December 15, 2018. JLAP adopted the provisions of ASU No. 2016-18 during the year ended June 30, 2020. The adoption of the standard and its retrospective application had no impact on the June 30, 2020 or 2019 financial statements.

Contributions Received and Made

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU No. 2018-08 should assist entities in (1) evaluation whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. This new guidance is effective for fiscal years beginning after December 15, 2018 for contributions received. JLAP adopted the provisions of ASU No. 2018-08 during the year ended June 30, 2020. The adoption of the standard and its retrospective application had no impact on the June 30, 2020 or 2019 financial statements.

Revenue from Contracts with Customers

In May 2014, the ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), which provides a single comprehensive model for entities to use in accounting for revenue from contracts with customers and supersedes most current revenue recognition models. Subsequent to the issuance of ASU No. 2014-09, FASB issued several additional ASUs which amended and clarified the guidance and deferred the effective date. The new revenue standard is now effective for annual reporting periods beginning after December 15, 2019, with certain early adoption provisions available. JLAP is currently evaluating the effect that adoption of this standard will have on its financial statements.

Note 2 - CONCENTRATIONS

For the years ended June 30, 2020 and 2019, JLAP received grants and other awards totaling approximately 77% and 75%, respectively, of total revenues from two organizations.

Note 3 - PROPERTY AND EQUIPMENT

A summary of property and equipment as of June 30, 2020 and 2019, is as follows:

	2020	2019
Furniture and equipment	\$ 30,219	\$ 32,532
Less accumulated depreciation	(30,219)	(31,450)
Property and equipment, net	\$ -	\$ 1,082

Depreciation expense for the years ended June 30, 2020 and 2019 was \$1,082 and \$3,820, respectively.

Note 4 - LOANS PAYABLE

On April 29, 2020, JLAP received a \$75,200 loan from Hancock Whitney Bank under the Paycheck Protection Program (PPP) of the U.S. Small Business Administration (SBA). Interest on the loan is 1%. Management expects that all expenditures paid from the loan proceeds will be approved as eligible for loan forgiveness under the requirements of the PPP and that the loan will be repaid by the SBA. Any amounts not forgiven will be repaid by JLAP over the two year term of the loan. In the event that none of the loan is forgiven, estimated annual principal payments will be \$41,466 and \$33,734 for the years ended June 30, 2022 and 2023, respectively.

Note 5 - 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 a 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.

There were no Board-designated net assets as of June 30, 2020 and 2019.

Note 6 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects JLAP's financial assets as of June 30, 2020:

Financial assets:	
Cash	\$ 281,274
Grants and contributions receivable	30,000
Accounts receivable	<u>15,781</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 327,055</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 7 - 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 June 30,	
2021	\$ 27,000
2022	27,000
2023	<u>11,250</u>
Total	<u>\$ 65,250</u>

Note 8 - 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 \$31,268 and \$29,540 to the plan for the years ended June 30, 2020 and 2019, respectively.

Note 9 - 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, 2020 and 2019.

Additionally, LSBA collects donations from its members on behalf of JLAP. Amounts collected by LSBA totaled \$12,369 and \$12,539 for the years ended June 30, 2020 and 2019, respectively. As of June 30, 2020 and 2019, \$5,056 and \$6,386, respectively, of these funds were receivable from LSBA.

JLAP offers employee benefits which are administered by the LSBA. As of June 30, 2020 and 2019, \$17,668 and \$17,139, respectively, was due to LSBA for those benefits.

Note 10 - SUBSEQUENT EVENT

The COVID-19 pandemic has continued to develop rapidly throughout 2020. Measures taken by Federal, state, and local governments to contain the virus have affected economic activity. JLAP has taken measures to monitor and mitigate the effects of COVID-19 on its clients and employees, such as social distancing, working from home, and canceling in-person seminars. The impacts on JLAP's operations and liquidity have not been significant and based on its experience to-date, JLAP expects this to remain the case. JLAP will continue to follow government advice and policies and will continue its operations in the best and safest way possible to protect the health of its clients and employees.

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, 2020

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

Purpose

Salary	\$140,041
Benefits - insurance	6,823
Benefits - retirement	14,004
Benefits - other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	3
Travel	0
Registration fees	530
Conference travel	2,289
License fees	0
Continuing professional education fees	88
Housing	0
Unvouchered expenses	0
Special meals	0
Other	0
	<hr/>
	<u>\$163,778</u>