

Financial Report
Judges and Lawyers Assistance Program, Inc.
June 30, 2018



Financial Report

Judges and Lawyers Assistance Program, Inc.

June 30, 2018

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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, 2018 and 2017, 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 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 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, 2018 and 2017, 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.

Other Matters

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 20, 2018 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.



Certified Public Accountants.

New Orleans, Louisiana.
December 20, 2018.

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

Mandeville, Louisiana

June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Current assets:		
Cash	\$ 287,103	\$ 264,627
Grants and contributions receivable	37,209	30,000
Accounts receivable	6,900	1,675
Prepaid expenses	<u>8,196</u>	<u>-</u>
Total current assets	339,408	296,302
Property and equipment, net	4,902	10,130
Deposits	<u>2,250</u>	<u>2,250</u>
Total assets	<u>\$ 346,560</u>	<u>\$ 308,682</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 6,297	\$ 4,827
Accrued salaries and payroll taxes	<u>21,608</u>	<u>13,888</u>
Total current liabilities	27,905	18,715
Net Assets		
Unrestricted	<u>318,655</u>	<u>289,967</u>
Total liabilities and net assets	<u>\$ 346,560</u>	<u>\$ 308,682</u>

See notes to financial statements.

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

For the years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenues:		
Grants and other awards	\$ 498,332	\$ 547,892
Monitoring fees	47,700	46,150
Seminars	5,650	2,650
Contributions	35,646	28,487
Interest income	<u>30</u>	<u>26</u>
Total revenues	<u>587,358</u>	<u>625,205</u>
Expenses:		
Program services	384,317	448,694
Support services	<u>174,353</u>	<u>166,654</u>
Total expenses	<u>558,670</u>	<u>615,348</u>
Change in net assets	28,688	9,857
Net assets at beginning of year	<u>289,967</u>	<u>280,110</u>
Net assets at end of year	<u>\$ 318,655</u>	<u>\$ 289,967</u>

See notes to financial statements.

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

For the year ended June 30, 2018

	<u>Program Services</u> Substance Abuse Counseling	<u>Support Services</u> Management and General	<u>Totals</u>
Salaries and related taxes	\$ 260,362	\$ 105,924	\$ 366,286
Employee benefits	43,317	16,313	59,630
Office lease	20,251	6,749	27,000
Legal and professional fees	864	24,718	25,582
Education programs	15,989	-	15,989
Professional development seminars	13,438	-	13,438
Utilities	10,895	2,263	13,158
Marketing and promotion	-	10,107	10,107
Office supplies and services	4,721	1,616	6,337
Repairs, maintenance, and small equipment	4,263	1,421	5,684
Depreciation	3,921	1,307	5,228
Intervention services	4,608	356	4,964
Insurance	1,248	2,644	3,892
Miscellaneous	-	935	935
Medical consultant	440	-	440
	<u>\$ 384,317</u>	<u>\$ 174,353</u>	<u>\$ 558,670</u>
Total functional expenses	<u>\$ 384,317</u>	<u>\$ 174,353</u>	<u>\$ 558,670</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.

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

For the years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 28,688	\$ 9,857
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,228	5,748
(Increase) decrease in operating assets:		
Accounts receivable	(5,225)	(1,275)
Grants and contributions receivable	(7,209)	-
Prepaid expenses	(8,196)	7,295
Increase in operating liabilities:		
Accounts payable	1,470	1,570
Accrued salaries and payroll taxes	<u>7,720</u>	<u>11,418</u>
Net Increase in Cash - Provided by Operating Activities	22,476	34,613
Cash		
Beginning of year	<u>264,627</u>	<u>230,014</u>
End of year	<u>\$ 287,103</u>	<u>\$ 264,627</u>

See notes to financial statements.

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

June 30, 2018 and 2017

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. As of June 30, 2018 and 2017, JLAP did not have any temporarily restricted net assets.

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. As of June 30, 2018 and 2017, JLAP did not have any permanently restricted net assets.

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, 2018 and 2017.

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

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

i. Contributions (Continued)

unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

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. During the year ended June 30, 2018, JLAP revised its policy to recognize the costs of compensated absences when accrued, rather than when paid to employees. Compensated absences as of June 30, 2017 were not material; therefore, management has elected to apply this change on a prospective basis. Accrued compensated absences were \$5,080 as of June 30, 2018 and are included in accrued salaries and payroll taxes on the Statement of Financial Position and in salaries and related taxes on the Statement of Functional Expenses.

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, 2018 and 2017, management of JLAP believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

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

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 benefitted.

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 20, 2018, which is the date the financial statements were available to be issued.

p. New Accounting Pronouncements

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, 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 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, 2018, with certain early adoption provisions available. Management is evaluating the impact of this new standard on the financial statements.

In August 2016, FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* which changes the presentation requirements for financial statements of not-for-profit entities (NFPs). The ASU is intended to improve the guidance on net asset classification as well as the information presented in the financial statements and disclosures regarding liquidity, financial performance, and cash flows for NFPs. The ASU is effective for fiscal years beginning after December 15, 2017 and for interim periods in fiscal years beginning after December 15, 2018, with early adoption permitted. Management is evaluating the impact of this new standard on the financial statements.

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

p. New Accounting Pronouncements (Continued)

In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU clarifies guidance on how entities should determine whether to account for a transfer of assets as an exchange transaction or as a contribution and how to determine whether a contribution is conditional. This ASU is effective for annual periods beginning after December 15, 2018 for resource recipients, and for annual periods beginning after December 15, 2019 for resource providers. Management is evaluating the impact of this new standard on the financial statements.

q. Reclassifications

Certain amounts in the 2017 financial statements have been reclassified to conform to the 2018 financial statement presentation.

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, 2018, there were approximately \$41,910 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, 2018 and 2017, 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, 2018 and 2017, is as follows:

	2018	2017
Furniture and equipment	\$ 32,532	\$ 32,532
Less accumulated depreciation	(27,630)	(22,402)
Property and equipment, net	\$ 4,902	\$ 10,130

Depreciation expense for the years ended June 30, 2018 and 2017 was \$5,228 and \$5,748, respectively.

Note 4 - NET ASSETS

JLAP's Board of Directors has elected to designate all private contributions from attorneys and one-time contributions from outside sources for the Scholarship Fund to provide financial assistance to individuals who would otherwise be unable to afford treatment. Unrestricted net assets as of June 30, 2018 and 2017 includes \$77,146 and \$33,170, respectively, of net assets which are Board-designated for the Scholarship Fund.

Note 5 - 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,	
2019	\$ 27,000
2020	27,000
2021	27,000
2022	27,000
2023	11,250
Total	\$ 119,250

Note 6 - 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 \$26,736 and \$25,311 to the plan for the years ended June 30, 2018 and 2017, respectively.

Note 7 - 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, 2018 and 2017, LSBA funding totaled \$300,000 and \$351,250, respectively.

Additionally, LSBA collects donations from its members on behalf of JLAP. Amounts collected by LSBA totaled \$22,814 and \$14,765 for the years ended June 30, 2018 and 2017, respectively. As of June 30, 2018, \$6,359 of these funds were receivable from LSBA. No amounts were receivable as of June 30, 2017.

JLAP offers employee benefits which are administered by the LSBA. As of June 30, 2018 and 2017, \$16,528 and \$13,318, 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, 2018

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

Purpose

Salary	\$ 131,364
Benefits - insurance	5,257
Benefits - retirement	13,136
Benefits - other	1,625
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	5,046
Registration fees	1,550
Conference travel	10,721
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0
Other	0
	<u>0</u>
	<u>\$ 168,699</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, 2018, 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 20, 2018.

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 cursive script that reads "Bourgeois Bennett, L.L.C.".

Certified Public Accountants.

New Orleans, Louisiana.
December 20, 2018.

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.
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by Judges and Lawyers Assistance Program, Inc. (JLAP) and the Louisiana Legislative Auditor 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 fiscal year ended June 30, 2018, in accordance with Act 774 of 2014 Regular Legislative Session. Management of JLAP is responsible for its financial records, establishing internal controls over financial reporting, and compliance with applicable laws and regulations.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the Association of Independent Certified Professional 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.

The procedures and associated findings are as follows:

Collections

1. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5).

We obtained a listing of bank accounts for the fiscal period from management. Management represented that the list was complete and identified a checking account as JLAP's main operating account. We noted that JLAP has three bank accounts; therefore, we performed the following procedures on each of the three accounts.

Collections (Continued)

2. Randomly select two deposit dates for each of the bank accounts selected (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the deposits and:
 - a. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

We randomly selected two deposit dates for each of the 3 bank accounts and obtained supporting documentation for each deposit on those dates. Per inquiry of client personnel, we learned that the depository is less than 10 miles from the collection location. We noted that none of the deposits were made within one business day of receipt. The timeframe for making the deposits we tested ranged from 3 business days to 22 business days from the date of receipt.

Management Response - We will instate a policy that requires all daily collections exceeding \$100 to be deposited within one business day and smaller collections to be deposited within one week.

Written Policies and Procedures

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:

1. 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.

2. Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; and (3) the preparation and approval process of purchase requisitions and purchase orders.

Written Policies and Procedures (Continued)

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.

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

We noted that JLAP's written policies and procedures address payroll processing and employee leave policies. All employees are compensated on a salary basis; therefore, time records and overtime worked records are not applicable.

Payroll and Personnel (Leave Administration)

1. Obtain and inspect the entity's written policies and procedures over payroll/personnel and observe that they address (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

We noted that JLAP's written policies and procedures address payroll processing and employee leave policies. All employees are compensated on a salary basis; therefore, time records and overtime worked records are not applicable.

2. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

We obtained a list of employees employed during the fiscal period and management represented that the list is complete. JLAP employed only 5 employees during the year ended June 30, 2018. We obtained approved pay rates for each employee and agreed paid salaries to approved pay rates for each without exception.

3. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #2 above, obtain attendance records and leave documentation for the pay period, and:
 - a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Payroll and Personnel (Leave Administration) (Continued)

Since all employees are salaried and receive the same pay each pay period regardless of whether leave is taken during the period or not, there is no formal documentation of daily attendance and payroll records do not indicate when leave is taken. We obtained the vacation and sick leave tracking log and noted that it documented vacation and sick leave taken by each employee.

- b. Observe that supervisors approved the attendance and leave of the selected employees/officials.

We obtained the vacation and sick leave approval log and noted that, in each instance, leave was approved by the Executive Director.

- c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

We noted that the vacation and sick leave tracking log documents the cumulative hours of vacation and sick leave accrued and taken by each employee.

We were not engaged to perform, and did not perform, an audit or review, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion or conclusion, respectively, on the control and compliance areas identified in the procedures enumerated below. 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.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
December 20, 2018.