

REPORT

ST. BERNARD PARISH JUVENILE  
DRUG COURT, INC.

JUNE 30, 2020

ST. BERNARD PARISH JUVENILE  
DRUG COURT, INC.

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

December 28, 2020

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

We have reviewed the accompanying financial statements of St. Bernard Parish Juvenile Drug Court, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**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.

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## **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

## **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

## **Supplementary Information**

The accompanying schedule of compensation, benefits and other payments to agency head on page 12 is presented for purposes of additional analysis and are not a required part of the basic 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 supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

*Duplantier, Sharpness, Hogan and Gruber, LLP*

New Orleans, Louisiana

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2020

ASSETS

Cash	\$	22,988
Contract receivable		<u>3,064</u>
TOTAL ASSETS		<u><u>\$ 26,052</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts payable	\$	642
Payroll liabilities		2,623
Due to affiliates		13,342
Paycheck Protection Program (PPP) Loan		<u>22,500</u>
Total liabilities		<u><u>39,107</u></u>

NET ASSETS:

Without donor restrictions		<u>(13,055)</u>
Total net assets		<u><u>(13,055)</u></u>

TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>26,052</u></u>
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See accompanying notes.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

SUPPORT AND REVENUES:

Grant revenue	\$ 120,000
Contract income	7,657
Donations	110
Interest income	<u>123</u>
Total support and revenues	<u>127,890</u>

EXPENSES:

Program	135,888
General and administrative	<u>12,477</u>
Total expenses	<u>148,365</u>

Change in net assets without donor restrictions	(20,475)
Net assets - beginning of year	<u>7,420</u>
Net assets - end of year	<u><u>\$ (13,055)</u></u>

See accompanying notes.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Program</u>	<u>Administrative</u>	<u>Total</u>
Accounting and auditing	\$ -	\$ 9,626	\$ 9,626
Bank service charges	-	2	2
Dues and subscriptions	1,010	-	1,010
Incentives and rewards	862	-	862
Insurance	907	101	1,008
Miscellaneous	866	-	866
Office expense	9,492	1,055	10,547
Payroll and payroll taxes	95,753	1,693	97,446
Professional development	6,538	-	6,538
Professional fees	4,800	-	4,800
Testing and laboratory	8,257	-	8,257
Transportation costs	425	-	425
Travel and meals	175	-	175
Treatment expense	<u>6,803</u>	<u>-</u>	<u>6,803</u>
	<u>\$ 135,888</u>	<u>\$ 12,477</u>	<u>\$ 148,365</u>

See accompanying notes.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ (20,475)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Decrease in accounts receivable	441
Increase in grants receivable	(2,505)
Increase in accounts payable	638
Increase in due to affiliates	404
Increase in payroll liabilities	<u>92</u>
Net cash used by operating activities	<u>(21,405)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Loan proceeds - PPP	<u>22,500</u>
Net cash provided by financing activities	<u>22,500</u>
NET CHANGE IN CASH	1,095
CASH AT BEGINNING OF YEAR	<u>21,893</u>
CASH AT END OF YEAR	<u><u>\$ 22,988</u></u>

See accompanying notes.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NATURE OF ORGANIZATION

St. Bernard Parish Juvenile Drug Court, Inc. (JDC) is a nonprofit entity established to provide an alternative to the singularly directed traditional criminal justice case management system of pursuing only punitive based sanctions in response to drug addiction of incarceration and its resultant increased costs in public resources to little or no avail in addressing, diminishing, or reducing criminal activity related to drug addiction and its consequences. This program includes the administration of the St. Bernard Parish Juvenile Drug Court, which is a part of the 34<sup>th</sup> Judicial District Court. At June 30, 2020, the JDC consisted of two full-time employees and three part-time employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

Basis of Accounting and Presentation:

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

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

Cash:

Cash includes demand deposit accounts

Income Taxes:

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

The JDC's Federal Return of Organization Exempt from Income Tax (Form 990) for 2019, 2018, 2017, and 2016 are subject to examination by the IRS, generally for three years after they were filed.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Estimates: (Continued)

the financial statements and the reported amounts of support and revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncement:

Beginning January 1, 2019, St. Bernard Parish Adult Drug Court, Inc., adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions made*. The update clarifies and improves guidance for contributions received and contributions made, and provides guidance to organizations on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for certain exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profits entities.

Statement of Cash Flows:

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

Support and Revenue:

The JDC receives as revenue and support grant revenues which management has determined are contributions. The JDC recognizes contributions when cash, securities, or other assets; an unconditional promise to give or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Once the condition is met, contributions are recorded as increases in net assets without donor restrictions or increases in net assets with donor restriction, depending on the existence and/or nature of any donor restrictions. When a restriction expires (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 statement of activities as net assets released from donor restrictions. Contributions received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

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

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Support and Revenue: (Continued)

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

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

2. CASH:

The JDC's cash balance consists of interest-bearing demand deposits maintained at a local financial institution. Deposits are insured up to \$250,000 per depositor by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2020, the JDC's bank balance totaling \$22,988 was fully covered by FDIC insurance.

3. RECEIVABLES:

Receivables include contract receivable from the NCJFCJ in the amount of \$3,064 as of June 30, 2020.

These receivables are considered to be fully collectible.

4. CONTRACT INCOME:

The JDC entered into an agreement with the National Council of Juvenile and Family Court Judges (NCJFCJ) on March 1, 2018 to provide research information for the NCJFCJ's Creating Juvenile Drug Court Communities of Practice: Sharing Information Across Courts to Improve Practice Project. The agreement runs through September 30, 2021. On April 1, 2020, the agreement was amended. The amendment extended the contract to conclude on September 30, 2021 and changed the method of payment to a flat quarterly rate. Effective April 1, 2020, the contract amount is \$3,064 per quarter.

5. RELATED PARTY TRANSACTIONS:

The St. Bernard Parish Adult Drug Court (ADC) and St. Bernard Parish Juvenile Drug Court (JDC) share common control as both entities' share an administrator and employees. The ADC advances money to the JDC to cover general operating expenses. As of June 30, 2020, the JDC owed \$13,342 to the St. Bernard Parish Adult Drug Court, Inc. (ADC). The JDC will reimburse the ADC as funding is received and available.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

5. RELATED PARTY TRANSACTIONS: (Continued)

The JDC shares office space with the ADC. Shared expenses are allocated between the JDC and ADC, and include telephone, internet charges, supplies and health insurance. During the year ended June 30, 2020, shared expenses paid for by ADC was \$10,602 and shared expenses paid for by JDC was \$11,555.

6. PAYROLL PROTECTION PROGRAM LOAN:

JDC received \$22,500 under the Small Business Administration (SBA) Payroll Protection Program (PPP). The funds were received from a bank through a loan dated May 10, 2020. The loan is unsecured and can be forgiven if certain criteria as promulgated by the SBA are met. If any or all of the PPP loan is not forgiven, the portion of the loan not forgiven will be paid in twelve installments starting June 10, 2021 with interest at 1% per annum. The JDC believes it used all of the proceeds from the note for qualifying expenses and thus expects to receive approval of its application for the loan to be forgiven in the future, at which time the JDC will recognize a gain on forgiveness of the loan.

7. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

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

Financial assets, at year end:	
Cash and cash equivalents	\$ 22,988
Grant receivable	3,064
Total financial assets at year end	26,052
Current Liabilities, at year end:	
Payroll liabilities	2,623
Refundable advance	22,500
Accounts payable	642
Due to affiliates	13,342
Current Liabilities at year end	39,107
Less contracted or donor-imposed restrictions:	
Total contractual or donor-imposed restrictions	-
Financial assets available to meet cash needs for general expenditures within one year	\$(13,055)

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

8. UNCERTAINTIES:

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which could possibly impact the JDC. Management of the JDC has evaluated these events and the financial impact and duration cannot be reasonably estimated at this time.

9. DATE OF MANAGEMENT'S REVIEW:

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 28, 2020, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in the financial statements.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF COMPENSATION, BENEFITS, AND  
OTHER PAYMENTS TO AGENCY HEAD  
FOR THE YEAR ENDED JUNE 30, 2020

Agency Head Name: Nicolle Tourdot

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 15,635
Benefits - Cell Phone	607
Benefits - Insurance	1,008
Travel and Training	1,078
Reimbursements - Miscellaneous	261
Reimbursements - Travel and Training	<u>4,226</u>
	\$ <u>22,815</u>

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.  
SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020

CURRENT YEAR AUDIT FINDINGS:

NONE

PRIOR YEAR AUDIT FINDINGS:

NONE