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**JUSTICE AND ACCOUNTABILITY CENTER OF LOUISIANA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors  
Justice and Accountability Center of Louisiana

Management is responsible for the accompanying financial statements of the Justice and Accountability Center of Louisiana (a nonprofit organization) (the Organization), which comprise the statements of financial position as of December 31, 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 in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

*Postlethwaite & Netterville*

Metairie, Louisiana  
June 11, 2021

**JUSTICE AND ACCOUNTABILITY CENTER OF LOUISIANA**

**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2020 AND 2019**

**ASSETS**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash	\$ 537,585	\$ 189,505
Grants and contributions receivable	158,186	209,810
Prepaid expenses	<u>-</u>	<u>2,478</u>
Total assets	<u>\$ 695,771</u>	<u>\$ 401,793</u>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>		
Accounts payable	\$ 32,649	\$ 25,438
Accrued expenses	2,901	-
Paycheck Protection Program loan	<u>28,927</u>	<u>-</u>
Total liabilities	<u>64,477</u>	<u>25,438</u>
<b>NET ASSETS</b>		
Without donor restrictions	262,106	120,067
With donor restrictions	<u>369,188</u>	<u>256,288</u>
Total net assets	<u>631,294</u>	<u>376,355</u>
Total liabilities and net assets	<u>\$ 695,771</u>	<u>\$ 401,793</u>

See accompanying notes and independent accountants' compilation report.

**JUSTICE AND ACCOUNTABILITY CENTER OF LOUISIANA**

**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
<b><u>REVENUES AND SUPPORT</u></b>			
Grants	\$ 100,535	\$ 639,009	\$ 739,544
Contributions	18,320	-	18,320
Fees for services	11,141	-	11,141
Interest income	-	36	36
Net assets released from restriction	526,145	(526,145)	-
	<u>656,141</u>	<u>112,900</u>	<u>769,041</u>
<b><u>EXPENSES</u></b>			
Program services	457,640	-	457,640
Support services	56,462	-	56,462
	<u>514,102</u>	<u>-</u>	<u>514,102</u>
Change in net assets	142,039	112,900	254,939
<b><u>NET ASSETS AT BEGINNING OF YEAR</u></b>	<u>120,067</u>	<u>256,288</u>	<u>376,355</u>
<b><u>NET ASSETS AT END OF YEAR</u></b>	<u>\$ 262,106</u>	<u>\$ 369,188</u>	<u>\$ 631,294</u>

(continued)

See accompanying notes and independent accountants' compilation report.

**JUSTICE AND ACCOUNTABILITY CENTER OF LOUISIANA**

**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
<b><u>REVENUES AND SUPPORT</u></b>			
Grants	\$ 9,500	\$ 597,646	\$ 607,146
Contributions	8,642	-	8,642
Fees for services	17,301	-	17,301
Net assets released from restriction	363,068	(363,068)	-
Total revenues and other support	398,511	234,578	633,089
<b><u>EXPENSES</u></b>			
Program services	270,924	-	270,924
Support services	49,023	-	49,023
Total expenses	319,947	-	319,947
Change in net assets	78,564	234,578	313,142
<b><u>NET ASSETS AT BEGINNING OF THE YEAR</u></b>	41,503	21,710	63,213
<b><u>NET ASSETS AT END OF THE YEAR</u></b>	<u>\$ 120,067</u>	<u>\$ 256,288</u>	<u>\$ 376,355</u>

See accompanying notes and independent accountants' compilation report.

**JUSTICE AND ACCOUNTABILITY CENTER OF LOUISIANA**

**STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020				2019			
	Support Services				Support Services			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and benefits	\$ 245,242	\$ 25,415	\$ 5,058	\$ 275,715	\$ 122,410	\$ 23,032	\$ 4,583	\$ 150,025
Professional fees	168,574	9,393	-	177,967	111,848	10,368	-	122,216
Rent	12,272	5,260	-	17,532	6,101	2,615	-	8,716
Books and subscriptions	14,902	1,656	-	16,558	6,913	768	-	7,681
Office supplies	4,743	1,186	-	5,929	579	139	-	718
Insurance	-	4,484	-	4,484	-	4,452	-	4,452
Technology expense	3,126	781	-	3,907	431	108	-	539
Travel and meeting expense	3,559	236	-	3,795	11,090	325	-	11,415
Printing and postage	2,231	248	-	2,479	1,293	323	-	1,616
Telephone	1,891	473	-	2,364	669	167	-	836
Other general and administrative	-	2,272	-	2,272	-	2,143	-	2,143
Training and court costs	1,100	-	-	1,100	9,590	-	-	9,590
Total expenses	<u>\$ 457,640</u>	<u>\$ 51,404</u>	<u>\$ 5,058</u>	<u>\$ 514,102</u>	<u>\$ 270,924</u>	<u>\$ 44,440</u>	<u>\$ 4,583</u>	<u>\$ 319,947</u>

See accompanying notes and independent accountants' compilation report.



**JUSTICE AND ACCOUNTABILITY CENTER OF LOUISIANA**

**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b><u>OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 254,939	\$ 313,142
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Grants and contributions receivable	51,624	(191,028)
Prepaid expenses	2,478	(2,478)
Accounts payable	7,211	25,132
Accrued expenses	2,901	-
Net cash provided by operating activities	<u>319,153</u>	<u>144,768</u>
<b><u>FINANCING ACTIVITIES</u></b>		
Paycheck Protection Program proceeds	<u>28,927</u>	-
Net cash provided by financing activities	<u>28,927</u>	-
Net increase in cash	348,080	144,768
Cash, beginning of year	<u>189,505</u>	<u>44,737</u>
Cash, end of year	<u>\$ 537,585</u>	<u>\$ 189,505</u>

See accompanying notes and independent accountants' compilation report.

# JUSTICE AND ACCOUNTABILITY CENTER OF LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### Organization

The Justice and Accountability Center of Louisiana (the Organization) is a 501(c)(3) non-profit corporation incorporated on December 3, 2012 under the laws of the State of Louisiana. The Organization's mission is to eliminate obstacles to opportunity for people harmed by the systemic racism and economic impacts of the criminal legal system through legal services, public education, and policy advocacy.

The Organization received \$0 and \$35,580 of federal funds, which passed through the housing authority of a city government based in Louisiana, in 2020 and 2019, respectively. The Organization additionally received \$35,000 of municipal funds in 2019. The Organization did not receive any other government funding in 2020 and 2019.

#### Basis of Accounting and Presentation of Net Assets

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (U.S. GAAP) which requires the Organization to report its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions:* 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. These net assets may be used at the discretion of the Organization's management and board of directors.

*Net assets with donor restrictions:* Net assets subject to donor (or certain grantor) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

#### Cash

Cash consists of amounts held at financial institutions. The Organization considers all highly investments with initial maturity of three months or less to be cash equivalents. The Organization had no cash equivalents as of December 31, 2020 and 2019.

**JUSTICE AND ACCOUNTABILITY CENTER OF LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (continued)**

Grant and Contributions Receivable

Grants and contributions receivable are stated at the amount the Organization expects to collect from outstanding balances. The Organization determines the allowance for uncollectable receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectable. At December 31, 2020 and 2019, the Organization did not deem any receivable to be uncollectable; therefore, no allowance was recorded.

Revenue and Revenue Recognition

The Organization recognizes nongovernmental grants and contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give – that is, those with measurable performance or other barriers and right of return (or release) – are not recognized until the conditions on which they depend have been substantially met. The Organization did not have any conditional promises to give at December 31, 2020.

Revenues from governmental grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Revenue is recognized when the Organization has met the performance requirements and/or incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization recognized as revenue all funds related to these grants during the year ended December 31, 2019. The Organization did not receive any governmental grants in 2020.

Contributed Services

Members of the Organization’s board of directors and other volunteers have made contributions of their time to assist in the Organization’s operations and related charitable programs. In accordance with U.S. GAAP, the value of this contributed time is not recorded in these financial statements.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions.

The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

**JUSTICE AND ACCOUNTABILITY CENTER OF LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies (continued)**

Functional Allocation of Expenses

The costs of program and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Expenses are charged directly to program or support service categories based on specific identification where possible. Salaries and benefits are allocated on the basis of estimates of time and effort. Remaining indirect costs are allocated based on the relative staffing expense allocated to the program or functional area.

Accounting Pronouncements Issued but Not Yet in Effect

On September 17, 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. The ASU requires the new standard to be applied retrospectively, with amendments taking effect for the Organization's fiscal year ending December 31, 2022.

In February 2016, the FASB issued ASU 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. In July 2018, the FASB issued ASU 2018-11, *Leases (Topic 842): Targeted Improvements*, to simplify the lease standard's implementation. On June 3, 2020, the FASB deferred the effective date of this standard for certain entities. This standard will be effective for the Organization's fiscal year ending December 31, 2022.

The Organization is currently assessing the impact of these pronouncement on its financial statements.

**JUSTICE AND ACCOUNTABILITY CENTER OF LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**2. Liquidity and Availability**

The Organization receives significant contributions with donor restrictions, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization's financial assets available for general expenditures within one year of the date of the statements of financial position are as follows:

	<u>2020</u>	<u>2019</u>
Financial assets at year end:		
Cash	\$ 537,585	\$ 189,505
Grants and contributions receivable	<u>158,186</u>	<u>209,810</u>
Total financial assets	695,771	399,315
Less amounts unavailable for general expenditures within one year due to:		
Restricted by donors with purpose restriction	-	-
Net assets with time restrictions	<u>-</u>	<u>50,000</u>
	<u>-</u>	<u>50,000</u>
Total financial assets available to meet general expenditures within one year	<u>\$ 695,771</u>	<u>\$ 349,315</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$30,000). As part of its liquidity plan, excess cash is separated and kept in a savings account to generate interest.

**3. Economic Dependency**

The primary sources of revenues and support for the Organization are grants and contributions provided through various funding sources. In 2020, the Organization had two major grantors that accounted for approximately 56% of revenue. In 2019, the Organization had two major grantors that accounted for approximately 46% of revenue. The continued operations of the Organization are dependent upon the renewal of grants and contributions from current funding sources as well as obtaining new funding.

**4. Net Assets with Donor Restrictions**

Net assets with donor restrictions at December 31, 2020, of \$302,764 and \$66,421 are restricted by for limited purposes approved by the donor and for time restrictions, respectively. Net assets with donor restrictions at December 31, 2019, of \$127,856 and \$128,432 are restricted for limited purposes approved by the donor and for time restrictions, respectively. Net assets released from restriction during the year ended December 31, 2020, were primarily through the satisfaction of the donor restricted purpose.

**JUSTICE AND ACCOUNTABILITY CENTER OF LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS**

**5. Lease**

The Organization leases its operating facilities under an agreement effective November 1, 2019, which was automatically extended on a month-to-month basis subsequent to May 1, 2020. Total lease expense for the year ended December 31, 2020 and 2019, was \$17,532 and \$8,716 respectively.

**6. Paycheck Protection Program**

During the year ended December 31, 2020, the Organization applied for and was approved for a \$28,927 loan under the Paycheck Protection Program (PPP) administered by the Small Business Administration (SBA) as part of the relief efforts related to COVID-19. The loan accrues interest at a fixed rate of 1.00% but payments are not required to begin for ten months. The Organization is eligible for forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal Government.

The Organization was notified in May 2021 by the SBA that the loan was forgiven.

**7. Subsequent Events**

Management of the Organization has evaluated subsequent events through the date that the financial statements were available to be issued, June 11, 2021, and determined that the following matter required additional disclosure in the financial statements. No events occurring after this date have been evaluated for inclusion in these financial statements.

In March 2021, the Organization applied for and was approved for a \$53,380 Second Draw PPP loan. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements.