

REPORT

ST. BERNARD PARISH JUVENILE
DRUG COURT, INC.

JUNE 30, 2021

ST. BERNARD PARISH JUVENILE
DRUG COURT, INC.

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Duplantier Hrapmann Hogan & Maher, LLP

A.J. Duplantier, Jr., CPA
(1919-1985)

Felix J. Hrapmann, Jr., CPA
(1919-1990)

William R. Hogan, Jr., CPA
(1920-1996)

James Maher, Jr., CPA
(1921-1999)

Lindsay J. Calub, CPA, LLC
Guy L. Duplantier, CPA
Michelle H. Cunningham, CPA
Dennis W. Dillon, CPA
Grady C. Lloyd, III CPA

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

January 3, 2022

Heather M. Jovanovich, CPA
Terri L. Kitto, CPA

Robynn P. Beck, CPA
John P. Butler, CPA
Jason C. Montegut, CPA
Paul M. Novak, CPA, AVB, CVA
Wesley D. Wade, CPA

Michael J. O'Rourke, CPA
David A. Burgard, CPA
Clifford J. Giffin, Jr., CPA
William G. Stamm, CPA

New Orleans

1615 Poydras Street,
Suite 2100
New Orleans, LA 70112
Phone: (504) 586-8866
Fax: (504) 525-5888

Northshore

1290 Seventh Street
Slidell, LA 70458
Phone: (985) 641-1272
Fax: (985) 781-6497

Houma

247 Corporate Drive
Houma, LA 70360
Phone: (985) 868-2630
Fax: (985) 872-3833

Napoleonville

5047 Highway 1
P.O. Box 830
Napoleonville, LA 70390
Phone: (985) 369-6003
Fax: (985) 369-9941

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, 2021, 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 is 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, Sharpman, Hogan and Greiner, LLP

New Orleans, Louisiana

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

ASSETS

Cash	\$ 17,619
Contract receivable	26,784
Due from St. Bernard Parish Adult Drug Court	<u>3,691</u>
 TOTAL ASSETS	 \$ <u><u>48,094</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES:	
Accounts payable	\$ 484
Payroll liabilities	<u>2,663</u>
Total liabilities	<u>3,147</u>
 NET ASSETS:	
Without donor restrictions	<u>44,947</u>
Total net assets	<u>44,947</u>
 TOTAL LIABILITIES AND NET ASSETS	 \$ <u><u>48,094</u></u>

See accompanying notes.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

SUPPORT AND REVENUES:

Grant revenue	\$ 156,020
Contract income	34,758
Donations	305
Interest income	<u>60</u>
Total support and revenues	<u>191,143</u>

EXPENSES:

Program	121,682
General and administrative	<u>11,459</u>
Total expenses	<u>133,141</u>

Change in net assets without donor restrictions	58,002
Net deficit - beginning of year	<u>(13,055)</u>
Net assets - end of year	<u><u>\$ 44,947</u></u>

See accompanying notes.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Program</u>	<u>Administrative</u>	<u>Total</u>
Accounting and auditing	\$ -	\$ 9,126	\$ 9,126
Bank service charges	-	19	19
Dues and subscriptions	15	-	15
Fees	27	273	300
Insurance	2,871	319	3,190
Office expense	2,144	238	2,382
Payroll and payroll taxes	103,165	1,484	104,649
Professional fees	4,800	-	4,800
Testing and laboratory	3,544	-	3,544
Travel and meals	556	-	556
Treatment expense	4,560	-	4,560
	<u>\$ 121,682</u>	<u>\$ 11,459</u>	<u>\$ 133,141</u>

See accompanying notes.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 58,002
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Increase in grants receivable	(23,720)
Decrease in accounts payable	(158)
Increase in due from St. Bernard Parish Adult Drug Court	(17,033)
Increase in payroll liabilities	40
Decrease in refundable advances	<u>(22,500)</u>
Net cash used by operating activities	<u>(5,369)</u>
NET CHANGE IN CASH	(5,369)
CASH AT BEGINNING OF YEAR	<u>22,988</u>
CASH AT END OF YEAR	<u><u>\$ 17,619</u></u>

See accompanying notes.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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 34th Judicial District Court. At June 30, 2021, 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 2020, 2019, 2018, and 2017 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, 2021

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.

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.

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.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021, the JDC's cash balance totaling \$17,619 was fully covered by FDIC insurance.

3. RECEIVABLES:

Receivables include a grant receivable from the State of Louisiana Supreme Court in the amount of \$23,720 and a contract receivable from the NCJFCJ in the amount of \$3,064 as of June 30, 2021.

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. The total received during the year ended June 30, 2021 was \$34,758.

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 JDC shares office space with the ADC. Shared expenses include telephone, internet charges, supplies and medical insurance and totaled \$25,448 for the year ended June 30, 2021. The shared expense obligation for the year ended June 30, 2021 for the JDC was \$5,068 and for the ADC it was \$20,380. At June 30, 2021, \$3,691 was due from the ADC for a portion of shared expenses paid by the JDC. The ADC expects to repay the JDC for this amount within the year.

6. PAYROLL PROTECTION PROGRAM:

The JDC received two loans from through the Small Business Administration (SBA) each in the amount of \$22,500 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The first loan was subject to a note dated May 10, 2020, and the second loan was subject to a note dated March 17, 2021. These loans may be forgiven to the extent proceeds of the loan are used for eligible

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

6. PAYROLL PROTECTION PROGRAM: (continued)

expenditures such as payroll and other expenses described in the CARES Act. The loans bear an interest at a rate of 1%. The first loan was due June 10, 2021 and payable in twenty-four monthly installments. The second loan is due April 10, 2022 and payable in sixty monthly installments.

The JDC has recorded the PPP loans and subsequent forgiveness in accordance with ASC 958-605, *Not-for-Profit Entities – Revenue Recognition*, and has considered the PPP loans to be a conditional contribution. In accordance with ASC 958-605, conditional contributions are not recognized until the conditions are substantially met or explicitly waived. In cases where conditions are met over time or in stages, contributions should be recognized as qualifying expenses are incurred. Under this model, the JDC will recognize the proceeds from the PPP loans as a governmental grants in the amounts of \$22,500 and \$22,500 since the conditions for forgiveness were met during the fiscal year ended June 30, 2021 and forgiveness was received on May 7, 2021 and September 28, 2021 respectively.

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	\$ 17,619
Grant receivable	26,784
Due from ADC	3,691
Total financial assets at year end	48,094
Less those unavailable for expenses within one year	\$ -
Total contractual restrictions	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 48,094

8. UNCERTAINTIES:

As a result of the continued COVID-19 coronavirus pandemic, economic uncertainties remain 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.

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

9. DATE OF MANAGEMENT'S REVIEW:

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 3, 2022, 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, 2021

Agency Head Name: Nicolle Tourdot

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 13,711
Benefits - Cell Phone	372
Benefits - Insurance	<u>3,190</u>
	<u>\$ 17,273</u>

ST. BERNARD PARISH JUVENILE DRUG COURT, INC.
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

CURRENT YEAR AUDIT FINDINGS:

NONE

PRIOR YEAR AUDIT FINDINGS:

NONE