

Lawyers' Assistance Program, Inc.

Financial Statements
And Independent Auditor's Report
December 31, 2011

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lawyers' Assistance Program, Inc.
Mandeville, Louisiana

I have audited the accompanying statement of financial position of Lawyers' Assistance Program, Inc. (a nonprofit organization) as of December 31, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lawyers' Assistance Program, Inc. as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Deborah Rollo, CPA

Deborah Rollo CPA

June 25, 2012

Member of the American Institute of Certified Public Accountants

And

The Society of Louisiana Certified Public Accountants

Lawyers' Assistance Program, Inc.

Statement of Financial Position
December 31, 2011

ASSETS

Current Assets:

Cash and cash equivalents	\$	182,224
Accounts receivable		20,000
Prepaid insurance		1,560
Prepaid rent		<u>850</u>

Total Current Assets 204,634

Property and equipment,
net of accumulated depreciation of \$1,481 5,763

Other Asset:

Deposit 750

TOTAL ASSETS 211,147

LIABILITIES AND NET ASSETS

Current Liabilities:

Accrued expenses 2,361

Total Current Liabilities 2,361

Net Assets:

Unrestricted net assets 208,786

TOTAL LIABILITIES AND NET ASSETS \$ 211,147

The accompanying notes are an integral part of these financial statements

Lawyers' Assistance Program, Inc.

Statement of Activities
For the Year Ended December 31, 2011

REVENUES AND OTHER SUPPORT

Tobacco settlement	\$ 80,000
Louisiana State Bar Foundation	50,000
Self - generated	42,211
State funds (judiciary)	30,000
Interest income	69
Other	<u>1,437</u>
TOTAL REVENUES AND OTHER SUPPORT	203,717

FUNCTIONAL EXPENSES

Program services	
Substance abuse counseling	170,621
Supporting services	
Management and general	<u>55,825</u>
TOTAL FUNCTIONAL EXPENSES	<u>226,446</u>

DECREASE IN NET ASSETS	(22,729)
NET ASSETS, BEGINNING	<u>231,515</u>
NET ASSETS, ENDING	<u><u>\$ 208,786</u></u>

The accompanying notes are an integral part of these financial statements

Lawyers' Assistance Program, Inc.

Statement of Functional Expenses
For the Year Ended December 31, 2011

	<u>Program Services</u>	<u>Supporting Services</u>	
	Substance Abuse Counseling	Management and General	<u>Total</u>
Salaries, executive director	\$ 111,547	\$ -	\$ 111,547
Salaries, other	-	34,400	34,400
Pensions contributions	5,098	742	5,840
Payroll taxes	8,569	2,642	11,211
Accounting fees	-	8,108	8,108
Advertising & promotions	471	-	471
Automobile expense	-	-	-
Bank fees	-	40	40
Continuing education	877	-	877
Depreciation	-	1,206	1,206
Dues and subscriptions	685	-	685
Insurance	9,945	5,937	15,882
Meals and lodging	2,237	-	2,237
Medical consultant	600	-	600
Mileage reimbursement	5,436	-	5,436
Moving services	-	200	200
Office expense	1,264	-	1,264
Postage	-	1,416	1,416
Printing	2,804	-	2,804
Rent	9,100	-	9,100
Repairs and maintenance	-	197	197
Miscellaneous expenses	-	937	937
Telephone	5,301	-	5,301
Training	3,734	-	3,734
Travel	913	-	913
Utilities	2,040	-	2,040
	<u>170,621</u>	<u>55,825</u>	<u>226,446</u>
Total	\$ <u>170,621</u>	\$ <u>55,825</u>	\$ <u>226,446</u>

The accompanying notes are an integral part of these financial statements

Lawyers' Assistance Program, Inc.

Statement of Cash Flows
For the Year Ended December 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:

Decrease in net assets	\$ (22,729)
Adjustments to reconcile decrease in net cash flows used in operating activities:	
Depreciation	(1,206)
Decrease in prepaid expenses	(526)
Decrease in accrued expenses	<u>11,832</u>
Net cash flow used in operating activities	10,100

CASH FLOWS USED IN INVESTING ACTIVITIES:

Purchases of property and equipment	<u>1,383</u>
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NET DECREASE IN CASH AND CASH EQUIVALENTS (34,212)

CASH AND CASH EQUIVALENTS, BEGINNING 216,436

CASH AND CASH EQUIVALENTS, ENDING \$ 182,224

The accompanying notes are an integral part of these financial statements

Lawyers' Assistance Program, Inc.

Notes to the Financial Statements
For the Year Ended December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lawyers' Assistance Program, Inc. was organized in Louisiana as a non-profit organization to provide substance abuse counseling and referral services to members of the Louisiana legal profession battling alcoholism or other substance abuse conditions.

Significant accounting policies are as follows:

A. BASIS OF ACCOUNTING

The Financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

B. CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

C. FAIR VALUES OF FINANCIAL INSTRUMENTS

The Organization's financial instruments, none of which are held for trading purposes, include cash and cash equivalents, accounts receivable, and accounts payable. Management estimates that the fair value of all financial instruments as of December 31, 2011 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

D. PROPERTY AND EQUIPMENT

Property and equipment is stated at cost. Depreciation is computed utilizing the straight-line method over estimated useful lives of three to seven years. Property and equipment acquisitions are capitalized if the purchase price exceeds \$200 and the asset has a useful life of greater than one year.

Expenditures for maintenance and repairs are charged to operations as incurred. Expenditures for betterments and major renewals are capitalized. The cost of assets sold or retired and the related amounts of accumulated depreciation are eliminated from the accounts in the year of disposal and the resulting gains or losses are recognized.

E. 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. Accordingly, actual results could differ from those estimates.

Lawyers' Assistance Program, Inc.

Notes to the Financial Statements
For the Year Ended December 31, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

F. INCOME TAXES

The Organization operates as a non-profit entity and has been granted tax exempt status by Internal Revenue Service (IRS) under Section 501(c) (3) of the Internal Revenue Code and has been determined by IRS not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. The Organization's exempt status is recognized by the State of Louisiana. Accordingly, no provision has been made in these statements for federal or state income taxes.

G. DONATED SERVICES

Certain members of the Board of Directors have donated significant amounts of time to the Organization. The value of this contributed time is not reflected in these statements as it is not susceptible to recording as per FASB 116.

H. REVENUE RECOGNITION

Under the standards contained in the AICPA Audit and Accounting Guide, Audits of Voluntary Health and Welfare Organizations, contributions are recorded when received unless susceptible to accrual. For the year ended December 31, 2011, \$20,000 was receivable and expected to be collected within a year.

I. NET ASSETS

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Lawyers' Assistance Program, Inc. and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets are subject to donor-imposed stipulations that may or will be met, either by action of Lawyers' Assistance Program, Inc. and/or the passage of time. When a restriction expires, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

NOTE 2 – CONTINGENCIES

Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

The Organization maintains its cash in two financial institutions located in Louisiana. The Federal Deposit Insurance Corporation (FDIC) insures the interest – bearing balances up to \$250,000 at these institutions. The Organization's deposits exceeded FDIC coverage at times during the year.

Lawyers' Assistance Program, Inc.

Notes to the Financial Statements
For the Year Ended December 31, 2011

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31, 2011:

		<u>Depreciable Lives</u>	
Office Equipment	5-7 years		\$ 7,244
Accumulated depreciation			<u>(1,481)</u>
Net property and equipment			<u>\$ 5,763</u>

Depreciation expense for all property and equipment is charged to management and general expense and totaled \$1,206 for the year ended December 31, 2011.

NOTE 4 – GRANT/STATE FUNDS

The Organization is the recipient of appropriated funds from the State of Louisiana Judicial Branch to pay for program professional services provided by the Organization. The amount of state funds received during the year ended December 31, 2011 was \$30,000.

NOTE 5 – RELATED PARTY TRANSACTIONS

The Organization has entered into an agreement with an attorney with extensive experience in substance abuse counseling to serve as Executive Director. The management agreement states in part that the attorney will provide all program administrative functions. The Executive Director is an employee of the Organization and receives a salary as compensation for his services. Additionally, the Organization provides reimbursement to the Executive Director for expenses incurred in the operations of the program. During 2011, The Executive Director received a total of \$4,460 as reimbursement for expenses incurred. All reimbursements are reviewed and approved by the Treasurer before any payment may be made to the Director.

NOTE 6 – PENSION PLAN

The Organization sponsors a simplified employee pension plan for its employees. Under the terms and conditions of the plan, the Organization contributes an amount equal to ten percent (10%) of the salary of two of its employees and six percent (6%) of the salary of a new Executive Director. Pension expense for the year ended December 31, 2011 was \$5,840.

Lawyers' Assistance Program, Inc.

Notes to the Financial Statements
For the Year Ended December 31, 2011

NOTE 7 – ECONOMIC DEPENDENCY

Approximately forty percent (40%) of the Organization's public support for the year ended December 31, 2011 was derived from funds provided by a tobacco settlement, which was disbursed from the Louisiana Outside Counsel Health and Ethics Foundation. As of December 31, 2011, \$20,000 was receivable related to the tobacco settlement.

NOTE 8 – SUBSEQUENT EVENTS

Subsequent events were evaluated through June 25, 2012, which is that date the financial statements were available to be issued. No subsequent events were noted.