



*Luther Speight & Company*  
*Certified Public Accountants and Consultants*

**INNOCENCE PROJECT NEW ORLEANS**  
**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S**  
**REPORT THEREON**  
**AS OF AND**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

**INNOCENCE PROJECT NEW ORLEANS  
TABLE OF CONTENTS**

INDEPENDENT AUDITOR’S REPORT	1 – 2
STATEMENT OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	4 – 5
STATEMENTS OF FUNCTIONAL EXPENSES	6 – 7
STATEMENT OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9 – 16
INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	17-18
SCHEDULE OF FINDINGS AND RESPONSES	19
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS	20
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD	21



*Luther Speight & Company*  
*Certified Public Accountants and Consultants*

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Innocence Project New Orleans

We have audited the accompanying financial statements of Innocence Project New Orleans (a non-profit organization), which comprise the statement of financial position as of December 31, 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.

**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 audit. We conducted our audit 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 audit to obtain reasonable assurance about whether the financial statements are free from 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 risk 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 audit opinion.

Continued,

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Innocence Project New Orleans, as of December 31, 2020 and the changes in its net assets and its cash flows for the year then ended December 31, 2020 and in accordance with accounting principles generally accepted in the United States of America.

**Prior Period Financial Statements**

The financial statements of Innocence Project New Orleans as of December 31, 2019, were audited by other auditors whose report dated September 13, 2020, expressed an unmodified opinion on those statements.

**Other Matters**

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis 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 our report dated November 19, 2021, on our consideration of Innocence Project New Orleans's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 Innocence Project New Orleans'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 Innocence Project New Orleans's internal control over financial reporting and compliance.



Luther Speight & Company CPAs  
New Orleans, Louisiana  
November 19, 2021

**INNOCENCE PROJECT NEW ORLEANS  
STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,075,461	\$ 188,180
Grants Receivable	397,701	30,000
Contract Receivable	30,806	39,197
Prepaid Expenses	5,319	5,173
Fixed Assets, net	261,783	274,150
<b>TOTAL ASSETS</b>	<u><u>\$ 1,771,070</u></u>	<u><u>\$ 536,700</u></u>
<b>LIABILITIES &amp; NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	24,802	10,792
Deposits	10,184	10,184
Mortgage Payable	164,134	172,418
PPP Loan	219,100	-
<b>TOTAL LIABILITIES</b>	<u><u>\$ 418,220</u></u>	<u><u>\$ 193,394</u></u>
<b>NET ASSETS</b>		
Without Donor Restrictions	1,052,856	219,505
With Donor Restrictions	299,994	123,801
<b>TOTAL NET ASSETS</b>	<u><u>1,352,850</u></u>	<u><u>343,306</u></u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u><u>\$ 1,771,070</u></u>	<u><u>\$ 536,700</u></u>

The accompanying notes are an integral part of these financial statements.

**INNOCENCE PROJECT NEW ORLEANS**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>
<b><u>REVENUE AND OTHER SUPPORT</u></b>			
Grant Income	\$ 689,303	\$ 299,994	\$ 989,297
Contributions Income	706,694	-	706,694
Contract Income	360,000	-	360,000
Special Event Income	252,071	-	252,071
Reimbursement Income	49,774	-	49,774
Other Income	39,208	-	39,208
Corporate Income	28,713	-	28,713
Interest Income	5,570	-	5,570
Releases from Restrictions	123,801	(123,801)	-
Total Revenues and Other Support	<u>2,255,134</u>	<u>176,193</u>	<u>2,431,327</u>
<b><u>EXPENSES</u></b>			
Program Services	944,000	-	944,000
Management and General	318,952	-	318,952
Fundraising	158,831	-	158,831
Total Expenses	<u>1,421,783</u>	<u>-</u>	<u>1,421,783</u>
<b>CHANGE IN NET ASSETS</b>	833,351	176,193	1,009,544
Net Assets, Beginning of Year	<u>219,505</u>	<u>123,801</u>	<u>343,306</u>
Net Assets, End of Year	<u>\$ 1,052,856</u>	<u>\$ 299,994</u>	<u>\$ 1,352,850</u>

The accompanying notes are an integral part of these financial statements

**INNOCENCE PROJECT NEW ORLEANS**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Total</u>
<b><u>REVENUE AND OTHER SUPPORT</u></b>			
Grant Income	\$ 147,000	\$ 250,000	\$ 397,000
Contributions Income	539,677	-	539,677
Contract Income	360,000	-	360,000
Special Event Income	179,183	-	179,183
Other Income	(2,778)	-	(2,778)
Releases from Restrictions	196,199	(196,199)	-
Total Revenues and Other Support	<u>1,419,281</u>	<u>53,801</u>	<u>1,473,082</u>
<b><u>EXPENSES</u></b>			
Program Services	1,298,858	-	1,298,858
Management and General	132,033	-	132,033
Fundraising	111,229	-	111,229
Total Expenses	<u>1,542,120</u>	<u>-</u>	<u>1,542,120</u>
<b>CHANGE IN NET ASSETS</b>	(122,839)	53,801	(69,038)
 Net Assets, Beginning of Year	 <u>342,344</u>	 <u>70,000</u>	 <u>412,344</u>
 Net Assets, End of Year	 <u>\$ 219,505</u>	 <u>\$ 123,801</u>	 <u>\$ 343,306</u>

The accompanying notes are an integral part of these financial statements

**INNOCENCE PROJECT NEW ORLEANS  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>2020 Total</b>
Salaries and Wages	686,351	159,088	107,522	952,961
Fringe Benefits	74,884	17,357	11,731	103,972
Payroll Tax	47,981	11,121	7,517	66,619
Case Related Expenses	62,695	-	-	62,695
Communications Expense	29,793	6,711	-	36,504
Fundraising Expense	-	-	32,061	32,061
Office Expense & supply	-	30,652	-	30,652
Insurance Expense	-	25,504	-	25,504
Re-entry Expense	21,301	-	-	21,301
Professional Services	-	20,326	-	20,326
Travel & Training	13,670	-	-	13,670
Repairs & Maintenance	-	11,101	-	11,101
Other Expenses	7,325	2,496	-	9,821
Interest Expense	-	9,557	-	9,557
Utilities & Household	-	6,591	-	6,591
Bank and Fiancial Charges	-	6,081	-	6,081
Total Expenses before Depreciation	<u>944,000</u>	<u>306,585</u>	<u>158,831</u>	<u>1,409,416</u>
Depreciation	<u>-</u>	<u>12,367</u>	<u>-</u>	<u>12,367</u>
Total Expenses	<u>\$ 944,000</u>	<u>\$ 318,952</u>	<u>\$ 158,831</u>	<u>\$ 1,421,783</u>

The accompanying notes are an integral part to these financial statements.



**INNOCENCE PROJECT NEW ORLEANS  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>2019 Total</b>
Salaries and Wages	820,041	85,678	76,158	981,877
Fringe Benefits	159,837	16,557	14,351	190,745
Payroll Tax	-	-	-	-
Case Related Expenses	26,179	-	-	26,179
Communications Expense	21,778	3,033	333	25,144
Fundraising Expense	3,572	46,722	-	50,294
Office Expense & supply	77,592	3,358	3,358	84,308
Insurance Expense	26,906	687	458	28,051
Re-entry Expense	53,334	-	-	53,334
Professional Services	33,954	-	11,396	45,350
Travel & Training	50,575	-	2,917	53,492
Repairs & Maintenance	6,972	303	303	7,578
Other Expenses	18,118	390	390	18,898
Interest Expense	-	-	10,789	10,789
Utilities & Household	-	-	-	-
Bank and Fiancial Charges	-	-	-	-
Total Expenses before Depreciation	<u>1,298,858</u>	<u>156,728</u>	<u>120,453</u>	<u>1,576,039</u>
Less expenses included with SoA Revenue		(45,499)		
Depreciation	<u>-</u>	<u>-</u>	<u>11,580</u>	<u>11,580</u>
Total Expenses	<u><u>\$ 1,298,858</u></u>	<u><u>\$ 111,229</u></u>	<u><u>\$ 132,033</u></u>	<u><u>\$ 1,587,619</u></u>

The accompanying notes are an integral part to these financial statements.

**INNOCENCE PROJECT NEW ORLEANS  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 1,009,544	\$ (69,038)
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss on disposal of property and equipment	-	5,362
Depreciation	12,367	11,580
(Increase) decrease in operating assets:		
Grants Receivable	(367,701)	25,000
Contract Receivable	8,391	(11,105)
Prepaid Expenses	(146)	8,847
Increase (decrease) in operating liabilities:		
Accounts Payable	14,010	(15,681)
Net Cash Provided/(Used) by Operating Activities	<u>676,465</u>	<u>(45,035)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on Mortgage Payable	(8,284)	(7,384)
Proceeds from PPP Loan	219,100	-
Net Cash Provided/(Used) by Financing Activities	<u>210,816</u>	<u>(7,384)</u>
<b>NET CHANGE IN CASH AND EQUIVALENTS</b>	887,281	(52,419)
Cash and cash equivalents - beginning of period	<u>188,180</u>	<u>240,599</u>
Cash and cash equivalents - end of period	<u><u>1,075,461</u></u>	<u><u>188,180</u></u>

The accompanying notes are an integral part to these financial statements.

**INNOCENCE PROJECT NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 1 - ORGANIZATION**

Innocence Project New Orleans (IPNO) was incorporated on May 1, 2001, pursuant to the provisions of the Louisiana Nonprofit Law, Louisiana R.S. 12:201 — 12:269 (1950 as amended). IPNO frees innocent, life-sentenced prisoners, supports their clients living well and fully in the world after their release, and advocates for sensible criminal justice policies that reduce wrongful convictions.

IPNO offers and provides the following programs and services:

- Case Review and Representation
- Education/Public Outreach and Policy Reform Program
- Life after Life Program

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Principles of Accounting

The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Reporting

In accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in FASB ASC 958, which established standards for external financial reporting by not-for-profit organizations, the organization classifies resources for accounting and reporting purposes into two net asset categories which are with donor restrictions and without donor restrictions. A description of these two net asset categories is as follows:

- Net assets without donor restrictions include funds not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the mission of the Organization are included in this category. The Organization has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of the Organization and therefore, their policy is to record those net assets as unrestricted.

**INNOCENCE PROJECT NEW ORLEANS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Basis of Reporting (Continued)

- Net assets with donor restrictions include funds that are subject to donor-imposed 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. When a restriction expires, 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 restrictions

At December 31, 2020, IPNO did not have any net assets with donor restrictions.

Revenue Recognition

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions.

A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Unconditional contributions, or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor, are recorded as revenue with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, 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 restrictions. Conditional contributions are recognized when the barriers to entitlement are overcome and the promises become unconditional. Unconditional contributions are recognized as revenue when received. Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award. Exchange transactions are reimbursed based on a predetermined rate for services performed. The revenue is recognized in the period the service is performed.

**INNOCENCE PROJECT NEW ORLEANS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Cash and Cash Equivalents

For purposes of reporting cash flows, cash consists of cash on deposit with a bank. IPNO had no cash equivalents as of December 31, 2020 and 2019.

Receivables

IPNO receives funding from various agencies for administering various grants. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Conditional promises to give are not included as support until the conditions are met. Management closely monitors outstanding receivable balances and estimates an allowance for uncollectible receivables based on prior experience. Balances that are determined to be uncollectible are written off. All receivable balances are considered fully collectible by management. Accordingly, no provision for doubtful accounts is considered necessary as of December 31, 2020 and 2019.

Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Organization is a non-profit corporation that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Contributions to IPNO are deductible under section 170 of the Code. IPNO is qualified to receive tax deductible bequests, devises, transfers or gifts under Section 2055, 2106 or 2522 of the Code. Organizations exempt under section 501(c)(3) of the IRS Code are further classified as either a public charity or private foundation. The IRS has determined that IPNO is a public charity under the Code section 170(b)(1)(a)(vi). It is exempt from Louisiana income tax under the Section 121(5) of Title 47 of the Louisiana Revised Statutes of 1950. IPNO did not pay any federal income tax for the year ended December 31, 2020. The 2017-2020 tax years remain subject to examination by the IRS.

**INNOCENCE PROJECT NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property and Equipment

Property and equipment of IPNO are recorded as assets and are stated at historical costs, if purchased, or at fair market value at the date of the gift, if donated. Additions, improvements, and expenditures greater than \$500 that significantly extend the useful life of an asset are capitalized. The cost of maintenance and repairs is charged to expense as incurred. Significant renewals and improvements are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Building	30 years
Furniture, fixtures, and office equipment	3 -5 years
Vehicles	5 years

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of IPNO.

**NOTE 3 – GRANTS RECEIVABLE**

Grants receivable represents various grant amounts earned by IPNO that were not received by December 31, 2020:

<u>Grantor</u>	<u>2020</u>	<u>2019</u>
Department of Justice	\$ 299,994	\$ -
DKT International	50,000	-
Various Donors	18,617	-
Louisiana Bar Foundation	16,547	-
Handbid	12,543	-
Louisiana Public Defender Board	-	30,000
	<u>\$ 397,701</u>	<u>\$ 30,000</u>

**INNOCENCE PROJECT NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 4 - PROPERTY AND EQUIPEMENT**

Property and equipment consisted of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Buildings and Improvements	\$ 264,413	\$ 264,413
Land	40,100	40,100
Computers and Network	22,864	22,864
Vehicles	14,445	14,445
Furniture & Equipment	14,040	14,040
Accumulated Depreciation	<u>(94,079)</u>	<u>(81,712)</u>
Fixed Assets, Net	<u>\$ 261,783</u>	<u>\$ 274,150</u>

Depreciation expense was \$12,367 and \$11,580 for the years ended December 31, 2020 and 2019, respectively.

**NOTE 5 – LINE OF CREDIT**

The organization entered into a small business, unsecured, revolving line of credit with Capital One Bank on February 18, 2016 with a credit limit of \$35,000 at an interest rate of Wall Street Prime + 4.5%. The small business, unsecured, revolving line of credit balance was \$0 at December 31, 2020 and 2019.

**NOTE 6 – MORTGAGE PAYABLE**

IPNO entered a mortgage payable agreement in March 2014 with a bank in the amount of \$209,573, due in March 2034, at 5.75% interest. Principal and interest payments are due monthly to the lender until the maturity date. The mortgage note is secured by the land and building. Total balance outstanding as of December 31, 2020 and 2019 was \$164,134 and \$172,519, respectively.

Annual principal payments on notes payable for each of the next five years and in total thereafter at December 2020 are as follows:

2021	\$ 8,453
2022	8,959
2023	9,496
2024	10,042
2025	10,588
Thereafter	<u>116,596</u>
	<u>\$ 164,134</u>

**INNOCENCE PROJECT NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**NOTE 7 – PPP LOAN**

On April 23, 2020, IPNO entered into a note payable agreement with the U.S. Small Business Administration Paycheck Protection Program in the amount of \$219,100, at 1.00% interest. After a deferral period of six months, principal and interest payments are due monthly to the lender until the maturity date. This loan is subject to an expected forgivable portion. The amount of loan forgiveness for this loan shall not exceed the principal amount of the note and is subject to the SBA Rules and Regulations consistent with the Paycheck Protection Program Rule. The outstanding balance at December 31, 2020 was \$219,100.

**NOTE 8 – IN-KIND CONTRIBUTIONS**

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under FASB ASC 958-605-50-1, *Accounting for Contributions Received and Contributions Made*.

**NOTE 9 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the IPNO’s financial assets as of December 31, 2020 and 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	<b><u>2020</u></b>	<b><u>2019</u></b>
Cash and Cash Equivalents	\$ 1,075,461	\$ 188,180
Grants Receivable	397,701	30,000
Contract Receivable	30,806	39,197
Less: Donor Imposed Restrictions	<u>(299,994)</u>	<u>(123,801)</u>
	<u>\$ 1,203,974</u>	<u>\$ 133,576</u>

**NOTE 10 – STATEMENT OF CASH FLOWS SUPPLEMENTARY DISCLOSURES**

	<b><u>2020</u></b>	<b><u>2019</u></b>
Cash Paid for Interest	9,557	10,789



**INNOCENCE PROJECT NEW ORLEANS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 11 – CONCENTRATIONS OF CREDIT RISK**

IPNO maintains its cash balances in one financial institution. The cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2020 and 2019, the uninsured portions of bank balances were \$825,448 and \$0, respectively.

For the years ended December 31, 2020 and 2019, IPNO received 16% and 24% of its total revenue from the Louisiana Public Defense Board, respectively.

**NOTE 12 – RECENT ACCOUNTING PRONOUNCEMENTS**

On June 21, 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU assist in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) subject to Subtopic 958-605 or as exchange (reciprocal) transactions subject to Accounting Standards Codification 606 and (2) determining whether a contribution is conditional. The contribution guidance in Subtopic 958-605 requires an entity to determine whether a transaction is conditional, which affects the timing of the revenue recognized. IPNO adopted this accounting standard during the year ended December 31, 2019 and it had no material impact on IPNO's financial statements.

In May 2014, the FASB issued ASU 2014-09 Revenue From Contracts with Customers (Topic 606). This ASU, as amended, provides comprehensive guidance on the recognition revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. When adopted, the amendments in this ASU must be applied using one of two retrospective methods. ASU No. 2014-09 was originally effective for nonpublic entities for annual periods beginning after December 15, 2018. On June 3, 2020, FASB issued ASU No. 2020-05, Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842) that extended the effective date for certain entities, including the Organization, to annual periods beginning after December 15, 2019. Management early adopted during the year ended December 31, 2019 and has implemented the changes and adjusted the presentation in the financial statements and footnotes accordingly.

**NOTE 13 – COVID-19 GLOBAL PANDEMIC**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) spread across multiple countries, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the United States have declared a state of emergency. It is anticipated that these impacts will continue for some time. Future potential impacts may include disruptions to operations and the ability for employees to work.

**INNOCENCE PROJECT NEW ORLEANS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 14 – SUBSEQUENT EVENTS**

Management evaluated subsequent events as of November 19, 2021, which is the date these financial statements were available to be issued. Management has noted that there are no additional disclosures or adjustments to these financial statements required.



*Luther Speight & Company*  
*Certified Public Accountants and Consultants*

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 of  
Innocence Project New Orleans, Inc.  
New Orleans, LA

We have audited, in accordance with the 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 Innocence Project New Orleans, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated November 19, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 a 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 the Organization'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 the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Luther Speight & Company CPAs  
New Orleans, Louisiana  
November 19, 2021

INNOCENCE PROJECT NEW ORLEANS  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended December 31, 2020

**SECTION I SUMMARY OF AUDITORS' REPORTS**

1. The auditors' report expresses an unmodified opinion on the financial statements of Innocence Project New Orleans.
2. No material weaknesses or significant deficiencies were noted.
3. No instances of noncompliance material to the financial statements were reported in the Independent Auditors' 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*.
4. A management letter was not issued for the year ended December 31, 2020.

**SECTION II FINANCIAL STATEMENT FINDINGS**

No findings were noted as a result of our audit.

INNOCENCE PROJECT NEW ORLEANS  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
For the Year Ended December 31, 2020

**SECTION I – FINDINGS RELATED TO FINANCIAL STATEMENTS**

Finding 2019-001 Year End Closing Procedures

Condition: IPNO failed to properly close its books for the year ended December 31, 2019

Status: Resolved

**SECTION II – MANAGEMENT LETTER COMMENTS**

Not Applicable

**INNOCENCE PROJECT NEW ORLEANS  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
TO AGENCY HEAD  
DECEMBER 31, 2020 AND 2019**

**Agency Head:**

Jee Park, Executive Director

**Time Served:**

01/01/2019 - 12/31/2020

Purpose	2020	2019
Salary	\$ 109,350	\$ 104,563
Benefits - insurance (health and dental)	7,223.52	6,978
Benefits - cell phone	446	504
Per Diem	-	300
Reimbursements	1,237	1,496
Registration Fees	485.00	375
Conference Travel	-	535
<b>Total Compensation, Benefits, and Other Payments</b>	<b>\$ 118,741</b>	<b>\$ 114,751</b>