



Luther Speight & Company, LLC
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, 2022 AND DECEMBER 31, 2021

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Luther Speight & Company, LLC
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Innocence Project New Orleans
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Innocence Project New Orleans (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, 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 our opinion, the financial statements present fairly, in all material respects, the financial position of Innocence Project New Orleans as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Innocence Project New Orleans and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Innocence Project New Orleans' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Innocence Project New Orleans' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Innocence Project New Orleans' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary 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.

Continued,

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 schedule of compensation, benefits and other payments to agency head 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 June 23, 2023 on our consideration of the Innocence Project New Orleans' 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 the Innocence Project New Orleans' 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 the Innocence Project New Orleans' internal control over financial reporting and compliance.



Luther Speight & Company CPAs
New Orleans, Louisiana
June 23, 2023

**INNOCENCE PROJECT NEW ORLEANS
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022 AND 2021**

	2022	2021
ASSETS		
Cash	\$ 1,902,902	\$ 1,491,337
Restricted Cash	508,966	420,582
Grants Receivable	7,803	238,367
Contract Receivable	192,348	115,200
Prepaid Expenses	12,119	6,593
Fixed Assets, net	238,378	250,080
Investments	7,324	12,594
TOTAL ASSETS	\$ 2,869,840	\$ 2,534,753
 LIABILITIES & NET ASSETS		
LIABILITIES		
Accounts Payable	61,619	37,022
Credit Cards	31,309	17,443
Payroll Liabilities	172	-
Mortgage Payable	-	155,500
JLWOP - State Funds	509,009	421,331
TOTAL LIABILITIES	\$ 602,109	\$ 631,296
 NET ASSETS		
Without Donor Restrictions	2,267,731	1,903,457
TOTAL NET ASSETS	2,267,731	1,903,457
TOTAL LIABILITIES & NET ASSETS	\$ 2,869,840	\$ 2,534,753

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, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>
<u>REVENUE AND OTHER SUPPORT</u>			
Grant Income	\$ 1,823,900	\$ -	\$ 1,823,900
Contributions Income	352,204	-	352,204
Contract Income	360,000	-	360,000
Special Event Income	197,229	-	197,229
Other Income	39,885	-	39,885
Corporate Income	32,392	-	32,392
Interest Income	5,470	-	5,470
Total Revenues and Other Support	<u>2,811,080</u>	<u>-</u>	<u>2,811,080</u>
<u>EXPENSES</u>			
Program Services	1,751,588	-	1,751,588
Management and General	420,316	-	420,316
Fundraising	274,902	-	274,902
Total Expenses	<u>2,446,806</u>	<u>-</u>	<u>2,446,806</u>
CHANGE IN NET ASSETS	364,274	-	364,274
Net Assets, Beginning of Year	1,903,457	-	1,903,457
Net Assets, End of Year	<u>\$ 2,267,731</u>	<u>\$ -</u>	<u>\$ 2,267,731</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, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>
<u>REVENUE AND OTHER SUPPORT</u>			
Grant Income	\$ 1,415,216	-	\$ 1,415,216
Contributions Income	572,614	-	572,614
Contract Income	360,000	-	360,000
Special Event Income	172,299	-	172,299
Reimbursement Income	12,446	-	12,446
Other Income	31,079	-	31,079
Corporate Income	262,861	-	262,861
Interest Income	3,946	-	3,946
Total Revenues and Other Support	<u>2,830,461</u>	<u>-</u>	<u>2,830,461</u>
<u>EXPENSES</u>			
Program Services	1,432,537	-	1,432,537
Management and General	371,170	-	371,170
Fundraising	178,314	-	178,314
Total Expenses	<u>1,982,021</u>	<u>-</u>	<u>1,982,021</u>
CHANGE IN NET ASSETS	848,440	-	848,440
Net Assets, Beginning of Year	1,052,856	299,994	1,352,850
Net asset adjustment	2,161	(299,994)	(297,833)
Net Assets, End of Year	<u>\$ 1,903,457</u>	<u>\$ -</u>	<u>\$ 1,903,457</u>

The accompanying notes are an integral part of these financial statements

**INNOCENCE PROJECT NEW ORLEANS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$ 972,308	\$ 225,521	\$ 152,598	\$ 1,350,427
Fringe Benefits	96,364	22,351	15,124	133,839
Payroll Tax	72,364	16,784	11,357	100,505
Training & Education	240,728	55,835	37,781	334,344
Case Related Expenses	120,586	27,969	18,925	167,480
Re-Entry Program Expense	53,570	12,425	8,408	74,403
Communications Expense	40,941	9,496	6,425	56,862
Office Expense & supply	37,945	8,801	5,955	52,701
Fundraising Expense	54,324	12,600	8,526	75,450
Insurance Expense	23,227	5,387	3,645	32,259
Repairs & Maintenance	13,793	3,199	2,165	19,157
Other Expenses	4,105	3,297	645	8,047
Utilities & Household	-	-	-	-
Professional Services	3,645	845	572	5,062
Interest Expense	5,008	1,162	786	6,956
Bank and Fiancial Charges	541	125	85	751
Fees, Taxes, and Assessments	646	150	101	897
Rent Expense	11,493	2,666	1,804	15,963
Total Expenses before Depreciation	<u>1,751,588</u>	<u>408,613</u>	<u>274,902</u>	<u>2,435,103</u>
Depreciation	<u>-</u>	<u>11,703</u>	<u>-</u>	<u>11,703</u>
Total Expenses	<u>\$ 1,751,588</u>	<u>\$ 420,316</u>	<u>\$ 274,902</u>	<u>\$ 2,446,806</u>

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

**INNOCENCE PROJECT NEW ORLEANS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$ 814,640	\$ 188,951	\$ 127,853	\$ 1,131,444
Fringe Benefits	75,825	17,588	11,900	105,313
Payroll Tax	62,063	14,396	9,740	86,199
Case Related Expenses	242,584	-	-	242,584
Communications Expense	100,211	-	-	100,211
Fundraising Expense	82,225	-	-	82,225
Office Expense & supply	54,989	-	-	54,989
Insurance Expense	-	36,881	-	36,881
Re-entry Expense	-	-	28,821	28,821
Professional Services	-	25,868	-	25,868
Travel & Training	-	21,394	-	21,394
Repairs & Maintenance	-	16,300	-	16,300
Other Expenses	-	16,294	-	16,294
Interest Expense	-	11,148	-	11,148
Utilities & Household	-	8,941	-	8,941
Bank and Fiancial Charges	-	1,706	-	1,706
Total Expenses before Depreciation	<u>1,432,537</u>	<u>359,467</u>	<u>178,314</u>	<u>1,970,318</u>
Depreciation	<u>-</u>	<u>11,703</u>	<u>-</u>	<u>11,703</u>
Total Expenses	<u>\$ 1,432,537</u>	<u>\$ 371,170</u>	<u>\$ 178,314</u>	<u>\$ 1,982,021</u>

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

**INNOCENCE PROJECT NEW ORLEANS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 364,273	\$ 848,440
Net Assets Adjustment	-	(297,833)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	11,703	11,703
(Increase) decrease in operating assets:		
Grants Receivable	230,564	159,334
Contract Receivable	(77,148)	(84,394)
Prepaid Expenses	(5,526)	(1,274)
Increase (decrease) in operating liabilities:		
Accounts Payable	24,597	12,220
Deposit	172	(10,184)
Credit Card	13,866	17,443
Net Cash Provided/(Used) by Operating Activities	562,501	655,455
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	-	(12,594)
Proceeds from Sale of Investments	5,270	-
Net Cash Provided/(Used) by Investing Activities	5,270	(12,594)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Mortgage Payable	(155,500)	(8,634)
Proceeds from PPP Loan	-	202,231
Proceeds from JLWOP - State Funds	87,678	-
Net Cash Provided/(Used) by Financing Activities	(67,822)	193,597
NET CHANGE IN CASH AND RESTRICTED CASH	499,949	836,458
Cash and Restricted Cash - Beginning of Period	1,911,919	1,075,461
Cash and Restricted Cash - End of Period	\$ 2,411,868	\$ 1,911,919

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

**INNOCENCE PROJECT NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND DECEMBER 31, 2021**

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 people sentenced to life in prison and those serving unjust sentences. IPNO recognizes the root causes of wrongful convictions and unjust sentences as systemic racism and inequities. IPNO works to expose and address these root causes by sharing the clients' stories in court, the legislature, the community, and the media. IPNO supports their clients living well and fully in the world after their release.

IPNO offers and provides the following programs and services:

- Case Review and Representation
- Education/Public Outreach and Policy Reform Program
- Life after Life Program
- Louisiana Law Enforcement Accountability Database (LLEAD)

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, 2022 AND DECEMBER 31, 2021**

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, 2022, 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, 2022 AND DECEMBER 31, 2021**

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, 2022 and 2021.

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, 2022 and 2021.

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, 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, 2022. The 2018-2021 tax years remain subject to examination by the IRS.

New Accounting Pronouncements

In 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which is intended to improve financial reporting on leasing transactions. ASU No. 2016-02 will require lessees to recognize right of use assets and lease obligations for operating and finance leases under terms greater than 12 months. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2020, with early adoption permitted.

**INNOCENCE PROJECT NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND DECEMBER 31, 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASU No. 2016-02 must be applied modified retrospectively. 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 IPNO, to annual periods beginning after December 15, 2021. IPNO’s leases are short-term in nature (less than 12 months), which is an exception to ASC 842. Therefore, no changes to the financial statements are considered necessary.

On September 17, 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The Update is expected to increase transparency around contributed nonfinancial assets (also known as “gifts-in-kind) received by not-for-profit organizations, including transparency on how those assets are used and how they are valued. The Update requires that contributed nonfinancial assets be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. It also requires additional disclosures. The ASU is applicable for periods beginning after June 15, 2021. During the year ended December 31, 2022, IPNO did not receive any contributions of nonfinancial assets.

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.

**INNOCENCE PROJECT NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND DECEMBER 31, 2021**

NOTE 3 – GRANTS RECEIVABLE

Grants receivable represents various grant amounts earned by IPNO that were not received by December 31, 2022:

<u>Grantor</u>	<u>2022</u>	<u>2021</u>
Department of Justice	\$ -	\$ 178,343
OPDA - CIU - BJA	7,803	-
Jewish Communal Fund	-	50,000
Greater New Orleans Foundation	-	1,000
Louisiana Bar Foundation	-	840
Various Donors	-	8,184
	<u>\$ 7,803</u>	<u>\$ 238,367</u>

NOTE 4 - PROPERTY AND EQUIPEMENT

Property and equipment consisted of the following at December 31, 2022 and 2021:

<u>Categories</u>	<u>2022</u>	<u>2021</u>
Buildings and Improvements	\$ 264,414	\$ 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	(117,485)	(105,782)
Fixed Assets, Net	<u>\$ 238,378</u>	<u>\$ 250,080</u>

Depreciation expense was \$ 11,703 for both the years ended December 31, 2022 and 2021 respectively.

NOTE 5 – 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 and has been fully repaid during the year. Total balance outstanding as of December 31, 2022 and 2021 was \$0 and \$155,500 respectively.

**INNOCENCE PROJECT NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND DECEMBER 31, 2021**

NOTE 6 – 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.

NOTE 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the IPNO’s financial assets as of December 31, 2022 and 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

<u>Account Name</u>	<u>2022</u>	<u>2021</u>
Cash	\$ 1,902,902	\$ 1,491,337
Restricted Cash	508,966	420,582
Grants Receivable	7,803	238,367
Contract Receivable	192,348	115,200
Less: Donor Imposed Restrictions	-	-
	<u>\$ 2,612,019</u>	<u>\$ 2,265,486</u>

NOTE 8 – STATEMENT OF CASH FLOWS SUPPLEMENTARY DISCLOSURES

	<u>2022</u>	<u>2021</u>
Cash Paid for Interest	\$ 6,956	\$ 8,941

NOTE 9 – CONCENTRATIONS OF CREDIT RISK

As of December 31, 2021, IPNO maintained its cash balances in one financial institution. The cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank per ownership category. During the year ended December 31, 2022, IPNO took steps to reduce bank deposit credit risk by opening an additional account that spreads the money across different banks. At December 31, 2022 and 2021 the uninsured portions of bank balances were \$783,155 and \$1,665,262 respectively.

**INNOCENCE PROJECT NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND DECEMBER 31, 2021**

NOTE 10 – RESTRICTED CASH

Restricted cash at December 31, 2022 and 2021 of \$508,966 and \$420,582 respectively represents the cash received from Louisiana Public Defender Board (LPDB). IPNO has an ancillary contract with the Louisiana Public Defender Board (LPDB) to serve as the administrator of LPDB's Expert Funds for Juvenile Life Without Parole (LWOP) cases and serve purely in an administrative capacity and none of these funds are directed to any of its own programming. In addition, IPNO has a payable for this program totaling \$509,009 and \$421,331 as of December 31, 2022 and 2021, respectively.

NOTE 11 – SUBSEQUENT EVENTS

Management evaluated subsequent events as of June 23, 2023, 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. No events have been evaluated for including in the financial statements after this date.



Luther Speight & Company, LLC
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
New Orleans, Louisiana

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 (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 23, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Innocence Project New Orleans' (the Organization) internal control over financial reporting (internal control) as a basis for designing 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 or significant deficiencies may exist that were not identified.

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Atlanta Office: 715 Peachtree St. NE, Suite 100/Atlanta, GA 30328/ (678)971-3700

Continued,

Report on 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 financial statements. 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.

A handwritten signature in blue ink, appearing to read "Luther Speight & Co".

Luther Speight & Company CPAs
New Orleans, Louisiana
June 23, 2023

**INNOCENCE PROJECT NEW ORLEANS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

SECTION I SUMMARY OF AUDITORS' REPORTS

1. The auditor's 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 separate management letter was not issued for the year ended December 31, 2022.

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 YEARS ENDED DECEMBER 31, 2022 AND 2021**

There were no findings reported for the prior year audit report.

**INNOCENCE PROJECT NEW ORLEANS
SCHEDULES OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEARS ENDED
DECEMBER 31, 2022 AND DECEMBER 31, 2021**

Agency Head:

Ms. Jee Park,
Executive Director

Purpose	2022	2021
Salary	\$ 115,362	\$ 111,395
Benefits - Insurance (health and dental)	8,992	8,197
Benefits - Cell Phone	761	504
Per Diem	125	-
Reimbursements	2,242	4,599
Registration Fees	435	485
Conference Travel	171	-
Total Compensation, Benefits, and Other Payments	<u>\$ 128,088</u>	<u>\$ 125,130</u>



Luther Speight & Company, LLC
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INNOCENCE PROJECT OF NEW ORLEANS

AGREED UPON PROCEDURES REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Innocence Project of New Orleans
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. Innocence Project New Orleans' management is responsible for those C/C areas identified in the SAUPs.

Innocence Project of New Orleans has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget

Results: *The policies and procedures appropriately address the required elements above.*

b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Results: *The policies and procedures appropriately address the required elements above except for how vendors are added to the vendor list, controls to ensure compliance with the public bid law and documentation required to be maintained for all bids and price quotes.*

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Management's Response: Working with IPNO's operations manager and contract bookkeeper, the director of operations is responsible for and oversees all purchases for IPNO. Purchases above \$500 must be approved by the Executive Director. Computers and other technology are purchased by IPNO 's IT contractor in consultation with the director of operations. Procurement of specific services, i.e., cleaning, lawn care, printing, etc., are managed by the operations manager who typically procures different estimates from various service providers and vets them in consultation with director of operations.

- c) **Disbursements**, including processing, reviewing, and approving.

Results: The policies and procedures appropriately address the required elements above.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Results: The policies and procedures appropriately address the required elements above.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Results: The policies and procedures appropriately address the required elements above.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

Results: The policies and procedures appropriately address the required elements above except for legal review and monitoring process.

Management's Response: As a non-profit legal office, we provide direct client representation. As such, we regularly enter into representation agreements with our clients. The other most common agreements we enter into are contracts with foundations that have awarded us grant funding. IPNO 's board must approve any changes related to IPNO 's banking, credit cards and other financial services.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

Results: The policies and procedures appropriately address the required elements above

except for required approvers of statements.

Management's Response: *Only directors and supervisors receive an IPNO credit card for work related travel expenses, equipment, services and supplies. All expenses above \$500 must be approved by two individuals, including the executive director, legal director and/or the director of special projects. A completed expense form with backup must accompany the expense incurred on an IPNO credit card and submitted to the staff member's respective supervisor to be approved then processed by the bookkeeper.*

- h) Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Results: *The policies and procedures appropriately address the required elements above.*

- i) Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Results: *Not applicable, as the Entity is a nonprofit.*

- j) Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: *Not applicable, as the Entity is a nonprofit.*

- k) Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results: *The policies and procedures appropriately address the required elements above except for frequency of data backups, periodic testing/verification that backups can be restored, use of antivirus software on all systems, timely application of all available system and software patches/updates, and identification of personnel, processes, and tools needed to recover operations after a critical event.*

Management Response: *Director of operations works with our IT contractor to ensure that our server is secure.*

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: *Not applicable, as the Entity is a nonprofit.*

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Results: *The board met every quarter. No exceptions noted.*

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Results: *The board committee appropriately met the required elements above. No exceptions noted.*

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results: *Not applicable, as the Entity is a nonprofit.*

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: *Not applicable, as there were no audit findings reported in the prior year's audit report.*

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Results: *The bank reconciliations appropriately address the required elements above.*

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Results: *The bank reconciliations were electronically generated and do not contain evidence or logs of review by a member of management/board member who does not handle cash, post ledgers, or issue checks.*

Management's Response: *Bank reconciliations are reviewed by the ED who do not handle cash, post ledgers or issues checks.*

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement's closing date, if applicable.

Results: *The bank reconciliations appropriately address the required elements above.*

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results: *Per management, IPNO has one deposit site which is located at 4051 Ulloa Street, New Orleans, LA 70119. However, the Entity stated that it does not deal in cash. They do not collect cash for services rendered.*

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Results: *Per management, IPNO has one deposit site which is located at 4051 Ulloa Street, New Orleans, LA 70119. However, the Entity stated that it does not deal in cash. They do not collect cash for services rendered.*

- a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Results: *The Entity provided a copy of a Travelers Insurance Liability and Crime policy that was in force during the fiscal period.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

Results: *Per management, IPNO has one deposit site which is located at 4051 Ulloa Street, New Orleans, LA 70119. However, the Entity stated that it does not deal in cash. They do not collect cash for services rendered. Thus, the procedures below were not performed.*

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results: Per management, IPNO uses the service bill.com to process payments. Most payments are handled electronically by bill.com. If a check needs to be cut, it is done in the office located at 4051 Ulloa Street, New Orleans, LA 70115. The check must be approved via bill.com approval process before it can be physically cut in the office.

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Results: The job duties below are appropriately segregated between the Director of Operations & Communications and the Operations Manager. The Director of Operations & Communications purchases subscriptions and pays vendors via check request and her own card with written permission from the Executive Director for purchases over \$500. The Operations Manager purchases office and kitchen supplies and pays vendors via the card belonging to the Legal Director after receiving his written permission. No exceptions noted.

- a) least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

- e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

Results: The disbursements matched the original invoices and supporting documentation indicated deliverables included on the invoice were received by the Entity. No exceptions noted.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: Disbursement documentation includes evidence of segregation of duties. No exceptions noted.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3(a), randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Results: Our examination of disbursements showed no exceptions.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Results: We obtained a listing of all active cards, which consisted of only credit cards, and management's representation that the listing is complete. Employees do not have bank debit, fuel cards, and P-cards.

13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

Results: LSC received electronic credit card statements and we noted monthly combined statements do not have any evidence that they were reviewed and approved in writing by someone other than the authorized card holder.

Management's Response: Director of Operations and the ED both review and approve credit card statements.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: We observed no finance charges or late fees assessed on the selected statements.

14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: We have performed procedures listed above and noted no exceptions.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is

complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Results: We noted none of the selected samples were reimbursed using a per diem.

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Results: Reimbursements using actual costs were supported by the original itemized receipts.

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Results: Each reimbursement was supported by documentation detailing the business/public purchase for the charge.

- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: Each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Results: We noted the selected contracts were obtained through RFP in accordance with the Louisiana Public Bid Law. The vendors provided a proposal and estimate to the Entity.

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

Results: We noted that all contracts have supporting documentation that the Board has approved them.

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

Results: We noted none of the selected contracts were amended.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Results: We obtained a supporting invoice for each of the contracts and agreed the payment to the contract terms and conditions. We noted no exceptions.

Payroll and Personnel

- 17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results: The Entity provided a listing of employees and management confirmed the listing was complete. We obtained paid salaries and personnel files for a selection of five (5) employees. The paid salaries agreed to the authorized salaries in each employee's personnel file. We noted no exceptions.

- 18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

Results: The employees are salaried and do not have daily attendance sheets.

Management's Response: Yes, salaried employees and no attendance sheets.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

Results: The employees are salaried and do not have daily attendance sheets. We were unable to verify the supervisor's approval.

Management's Response: Employees must get supervisor approval for vacation to ensure their work is adequately covered while they are out of the office.

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Results: The employees are salaried and do not have daily attendance sheets. We were unable to verify leave accrued or taken during the selected pay period.

Management's Response: All vacation time is noted on a master IPNO calendar.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: The rate paid to the employees or officials agrees to the authorized salary pay rate.

19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours, and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Results: No exceptions were noted. The termination payments coincided with the related records and documentation of the two terminated employees selected.

20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: We obtained management's representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines. No exceptions were noted.

Ethics

Results: Section is not applicable, as the Entity is a non-profit.

Debt Service

Results: Section is not applicable, as the Entity is a non-profit.

Fraud Notice

21. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results: No misappropriations of public funds and assets were noted.

22. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: We noted the Entity has the required notice regarding the reporting of misappropriation, fraud, waste, or abuse of public funds posted on its premises.

Information Technology Disaster Recovery/Business Continuity

23. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

Results: We noted no exception. LSC obtained documents showing the client has backed up its critical data with the most recent date being 4/24/2023.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel

responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Results: We noted no exception. LSC obtained documents showing the client has verified that its backups can be restored with the most recent date being 4/24/2023.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We noted no exceptions. LSC obtained a listing of the Entity's computers currently in use along with their locations. All 5 selected computers have current and active antivirus software and the operating system and accounting system software in use are currently supported.

- 24. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results: We performed the listed procedures above and noted no exceptions.

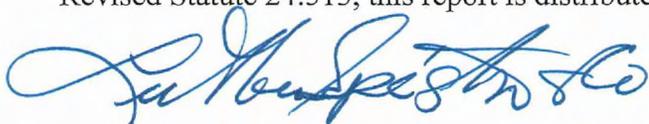
Sexual Harassment

Results: Section is not applicable, as the Entity is a non-profit.

We were engaged by Innocence Project of New Orleans to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Innocence Project of New Orleans and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

A handwritten signature in blue ink, appearing to read "Luther Speight & Co".

Luther Speight & Company CPAs
New Orleans, Louisiana
June 23, 2023