



*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, 2023 AND 2022**

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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, 2023 and 2022, 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, 2023 and 2022, 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.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which 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.

### **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, which 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.

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 25, 2024 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 25, 2024

**INNOCENCE PROJECT NEW ORLEANS  
STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash	\$ 1,516,449	\$ 1,902,902
Restricted Cash	551,880	508,966
Certificates of Deposit	506,104	-
Grants Receivable	109,134	7,803
Contract Receivable	30,000	192,348
Prepaid Expenses	30,350	12,119
Fixed Assets, net	243,626	238,378
Investments	22,740	7,324
<b>TOTAL ASSETS</b>	<u>3,010,283</u>	<u>2,869,840</u>
<b>LIABILITIES &amp; NET ASSETS</b>		
Accounts Payable	\$ 9,455	\$ 61,619
Credit Cards	60,527	31,309
Payroll Liabilities	6,409	172
Deferred Revenue	70,000	-
JLWOP - State Funds	551,880	509,009
<b>TOTAL LIABILITIES</b>	<u>698,271</u>	<u>602,109</u>
<b>NET ASSETS</b>		
Without Donor Restrictions	\$ 2,312,012	\$ 2,267,731
<b>TOTAL NET ASSETS</b>	<u>\$ 2,312,012</u>	<u>\$ 2,267,731</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u>\$ 3,010,283</u>	<u>\$ 2,869,840</u>

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

**INNOCENCE PROJECT NEW ORLEANS**  
**STATEMENTS ACTIVITIES AND CHANGES IN NET ASSETS**  
**AS OF DECEMBER 31, 2023 AND 2022**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2023 Total</b>
<b><u>REVENUE AND OTHER SUPPORT</u></b>			
Grant Income	\$ 1,264,862	\$ -	\$ 1,264,862
Contributions Income	437,248	-	437,248
Contract Income	360,000	-	360,000
Special Event Income	227,974	-	227,974
Other Income	51,686	-	51,686
Corporate Income	44,641	-	44,641
Interest Income	15,227	-	15,227
Total Revenues and Other Support	<u>2,401,638</u>	<u>-</u>	<u>2,401,638</u>
<b><u>EXPENSES</u></b>			
Program Services	1,796,461	-	1,796,461
Management and General	376,421	-	376,421
Fundraising	184,475	-	184,475
Total Expenses	<u>2,357,357</u>	<u>-</u>	<u>2,357,357</u>
<b>CHANGE IN NET ASSETS</b>	44,281	-	44,281
Net Assets, Beginning of Year	2,267,731	-	2,267,731
Net Assets, End of Year	<u>\$ 2,312,012</u>	<u>\$ -</u>	<u>\$ 2,312,012</u>

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

**INNOCENCE PROJECT NEW ORLEANS**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**AS OF DECEMBER 31, 2023 AND 2022**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2022 Total</b>
<b><u>REVENUE AND OTHER SUPPORT</u></b>			
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>
<b><u>EXPENSES</u></b>			
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>
<b>CHANGE IN NET ASSETS</b>	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  
STATEMENTS OF FUNCTIONAL EXPENSES  
AS OF DECEMBER 31, 2023 AND 2022**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2023 Total</u>
Salaries and Wages	\$ 1,179,814	\$ 127,967	\$ 63,668	\$ 1,371,449
Fringe Benefits	107,780	11,279	6,266	125,325
Payroll Tax	93,231	9,757	5,420	108,408
Training & Education	119,005	30,614	-	149,619
Case Related Expenses	198,097	-	-	198,097
Re-Entry Program Expense	62,899	-	-	62,899
Communications Expense	24,501	3,912	-	28,413
Office Expense & Supplies	-	42,023	-	42,023
Fundraising Expense	-	-	109,121	109,121
Insurance Expense	-	44,134	-	44,134
Repairs & Maintenance	-	14,411	-	14,411
Other Expenses	930	7,206	-	8,136
Professional Services	4,056	63,041	-	67,097
Bank and Financial Charges	-	3,345	-	3,345
Rent Expense	-	12,584	-	12,584
Total Expenses before Depreciation	<u>1,790,313</u>	<u>370,273</u>	<u>184,475</u>	<u>2,345,061</u>
Depreciation	<u>6,148</u>	<u>6,148</u>	<u>-</u>	<u>12,296</u>
Total Expenses	<u>\$ 1,796,461</u>	<u>\$ 376,421</u>	<u>\$ 184,475</u>	<u>\$ 2,357,357</u>

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

**INNOCENCE PROJECT NEW ORLEANS  
STATEMENTS OF FUNCTIONAL EXPENSES  
AS OF DECEMBER 31, 2023 AND 2022**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>2022 Total</b>
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 & Supplies	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
Professional Services	3,645	845	572	5,062
Interest Expense	5,008	1,162	786	6,956
Bank and Financial 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	-	11,703	-	11,703
Total Expenses	<u><u>\$ 1,751,588</u></u>	<u><u>\$ 420,316</u></u>	<u><u>\$ 274,902</u></u>	<u><u>\$ 2,446,806</u></u>

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

**INNOCENCE PROJECT NEW ORLEANS  
STATEMENTS OF CASH FLOWS  
AS OF DECEMBER 31, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 44,281	\$ 364,274
Interest Received	(6,104)	-
Depreciation Expense	12,296	11,703
(Increase) decrease in operating assets:		
Grants Receivable	(101,331)	230,564
Contract Receivable	162,348	(77,148)
Prepaid Expenses	(18,231)	(5,526)
Increase (decrease) in operating liabilities:		
Accounts Payable	(52,164)	24,596
Deferred Revenue	70,000	-
Deposit	6,237	172
Credit Card	29,218	13,866
Net Cash Provided/(Used) by Operating Activities	146,550	562,501
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Investments	-	5,270
Purchase of Certificates of Deposit	(500,000)	-
Purchase of Fixed Assets	(17,544)	-
Purchases of Investments	(15,416)	-
Net Cash Provided/(Used) by Investing Activities	(532,960)	5,270
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on Mortgage Payable	-	(155,500)
Proceeds from JLWOP - State Funds	42,871	87,678
Net Cash Provided/(Used) by Financing Activities	42,871	(67,822)
 <b>NET CHANGE IN CASH AND RESTRICTED CASH</b>	(343,539)	499,949
 <b>Cash and Restricted Cash - Beginning of Period</b>	2,411,868	1,911,919
 <b>Cash and Restricted Cash - End of Period</b>	\$ 2,068,329	\$ 2,411,868

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

**INNOCENCE PROJECT NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**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, IPNO 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 IPNO are included in this category. IPNO has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of IPNO and therefore, their policy is to record those net assets as unrestricted.

**INNOCENCE PROJECT NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**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 those 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, 2023, 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, which is more than trivial, 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, 2023 AND 2022**

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

Cash and Cash Equivalents

For purposes of reporting cash flows, cash consists of cash in demand deposits and investments purchased with a maturity date of three months or less to be cash equivalents. IPNO had no cash equivalents as of December 31, 2023 and 2022.

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, 2023 and 2022.

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

IPNO 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 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, 2023. The 2019-2022 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, 2023 AND DECEMBER 31, 2022**

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

New Accounting Pronouncements (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 exemption per 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, 2023, 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, 2023 AND DECEMBER 31, 2022**

**NOTE 3 – GRANTS RECEIVABLE**

Grants receivable represents various grant amounts earned by IPNO that were not received by December 31, 2023:

<u>Grantor</u>	<u>2023</u>	<u>2022</u>
BJA - ROL/WCR	68,594	-
BJA - LSU and A&M College	\$ 33,040	\$ -
Louisiana Bar Foundation	7,500	-
OPDA - CIU - BJA	-	7,803
	<u>\$ 109,134</u>	<u>\$ 7,803</u>

**NOTE 4 – PROPERTY AND EQUIPEMENT**

Property and equipment consisted of the following at December 31, 2023 and 2022:

<u>Categories</u>	<u>2023</u>	<u>2022</u>
Buildings and Improvements	\$ 264,414	\$ 264,414
Land	40,100	40,100
Computers and Network	22,864	22,864
Vehicles	31,990	14,445
Furniture & Equipment	14,040	14,040
Accumulated Depreciation	(129,782)	(117,485)
Fixed Assets, Net	<u>\$ 243,626</u>	<u>\$ 238,378</u>

Depreciation expenses were \$12,296 and \$11,703 for the years ended December 31, 2023 and 2022, respectively.

**INNOCENCE PROJECT NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 5 – 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 6 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the IPNO’s financial assets as of December 31, 2023 and 2022, 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>2023</u>	<u>2022</u>
Cash	\$ 1,516,449	\$ 1,902,902
Restricted Cash	551,880	508,966
Certificates of Deposit	506,104	-
Grants Receivable	109,134	7,803
Contract Receivable	30,000	192,348
Less: Donor Imposed Restrictions	-	-
	<u>\$ 2,713,567</u>	<u>\$ 2,612,019</u>

**NOTE 7 – STATEMENT OF CASH FLOWS SUPPLEMENTARY DISCLOSURES**

	<u>2023</u>	<u>2022</u>
Cash Paid for Interest	\$ -	\$ 6,956

**NOTE 8 – CONCENTRATIONS OF CREDIT RISK**

As of December 31, 2023, IPNO maintained its cash balances at multiple financial institutions. The cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank per ownership category. In 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, 2023 and 2022, the uninsured portions of bank balances were \$1,088,040 and \$783,155, respectively.

**INNOCENCE PROJECT NEW ORLEANS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 9 – RESTRICTED CASH**

Restricted cash at December 31, 2023 and 2022, of \$551,880 and \$508,966, 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 \$551,880 and \$509,009 as of December 31, 2023 and 2022, respectively.

**NOTE 10 – SUBSEQUENT EVENTS**

Management evaluated subsequent events as of June 25, 2024, which is the date these financial statements were available to be issued. Management has noted that there are no additional disclosures or adjustments required to these financial statements. No subsequent events have been evaluated for inclusion 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, 2023 and 2022, 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 25, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Innocence Project New Orleans' (IPNO) 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 IPNO's internal control. Accordingly, we do not express an opinion on the effectiveness of IPNO'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.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether IPNO’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 IPNO’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering IPNO’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Luther Speight & Company CPAs  
New Orleans, Louisiana  
June 25, 2024

**INNOCENCE PROJECT NEW ORLEANS  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

**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, 2023.

**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, 2023 AND 2022**

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, 2023 AND DECEMBER 31, 2022**

**Agency Head:**

Jee Park, Executive Director

**Time Served:**

01/01/2023 - 12/31/2023

Purpose	2023	2022
Salary	\$ 120,050	\$ 115,362
Benefits - insurance (health and dental)	3,601	8,992
Benefits - cell phone	-	761
Per Diem	-	125
Reimbursements	914	2,242
Registration Fees	-	435
Conference Travel	-	171
<b>Total Compensation, Benefits, and Other Payments</b>	<b>\$ 124,565</b>	<b>\$ 128,088</b>



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

**INNOCENCE PROJECT OF NEW ORLEANS**

**AGREED UPON PROCEDURES REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2023**



*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, 2023 through December 31, 2023. 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, 2023 through December 31, 2023. 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***

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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.

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*New Orleans Office: 1100 Poydras Street, Suite 1225/New Orleans, LA 70163/ (504)561-8600*  
*Memphis Office: 1661 International Drive, Suite 441/Memphis, TN 38120/ (901)202-4688*  
*Atlanta Office: 1201 Peachtree St. NE, Suite 200-363/Atlanta, GA 30328/ (678)971-3700*

**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.*

**Management's Response:** *IPNO's Managing Director is responsible for and oversees all purchases for IPNO. The Managing Director is assisted by the Office Administrator. Purchases above \$500 must be approved by the Executive Director and either the Deputy Director or the Legal Director. Computers and other technology are purchased by IPNO's IT contractor in consultation with the Managing Director. Procurement of specific services, i.e. cleaning, lawn care, printing, etc., are managed by the Managing Director who typically procures different estimates from various service providers and vets them in consultation with Executive Director.*

- 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 nonprofit legal office, we at times contract with legal experts (i.e., DNA analysts) to provide legal support to our clients' cases. We typically enter into a separate, individualized contract with each expert we consult with and/or retain that is tailored to the services the expert will be providing as necessitated by the specific facts and legal issues of the case. We do not currently have any contracts for monitoring our legal representation process. We have to provide regular grant activities report and financials to our funders (foundations, state, and local governments) so that they can monitor how we are expending the resources provided to us and that we are doing so in line with the grant agreements.*

- 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: Every month, the Managing Director pulls the credit card statements and sends them to staff with credits cards (just management) so they can submit their receipts and backups. The receipts and the statements are reviewed by the Managing Director then forwarded to our contract bookkeeper who reconciles them. The Executive Director reviews monthly a detailed P&L that includes credit card expenses.*

- 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:** *Managing Director works with our IT contractor Don Dovey on data backups, antivirus software, and any other data related events and incidents, including data breach. Don Dovey is on call 24/7 to assist as needed.*

- 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**

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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 no audit findings were reported in the prior year audit report.*

### ***Bank Reconciliations***

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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 appear to appropriately address the required elements above.*

- b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged)

**Results:** *We were unable to observe written evidence that each bank reconciliation was reviewed by someone who does not handle cash, post ledgers, or issue checks within one month of the preparation date.*

**Management's Response:** *Bank reconciliations are reviewed monthly by the Executive Director who does not handle cash, post ledgers or issue 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 appear to appropriately address the required elements above.*

### ***Collections***

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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)***

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- 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) at 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***

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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've 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 debit cards, fuel cards, or 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:** *We received the monthly credit card statements and noted that they do not contain evidence that they were reviewed and approved, in writing by someone other than the authorized card holder.*

**Management's Response:** *The Managing Director reviews the monthly credit card statements and back-up. She may not currently approve them in writing but that can be changed.*

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

**Results:** *We noted that in the month tested, no finance charges or late fees were assessed on any of the cards.*

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 observed original itemized receipts for all the selected transactions. However, we were unable to observe written documentation of the business/public purpose.*

**Management's Response:** *All expenses receipts are for business purposes. There is a bookkeeping code associated with every expense demonstrating for what business purpose the expense was expended.*

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

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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](http://www.gsa.gov)).

*Results: We noted one of the selected samples were reimbursed using the mileage rates established by the U.S. General Services Administration. No exceptions noted.*

- 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

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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***

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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:** *We have maintained management's representation that all employees are salaried and do not have daily 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:** *Management's representation obtained. All employer and employee portions of third-party payroll related amounts were paid, and forms filed by required deadlines. No exceptions were noted.*

### **Ethics**

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

### **Debt Service**

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

### **Fraud Notice**

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17. 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.*

18. 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***

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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 4/16/2024.*

- 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 4/16/2024.*

- 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 obtained a list of employees that were terminated during the fiscal year but were unable to observe evidence that each employee was removed from the network.*

*Management's Response: It is our practice to cut off access to our network and email immediately following an employee's termination. We typically send an email to the IT contractor Don Dovey instructing him to remove the employee.*

25. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:126. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

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

### ***Sexual Harassment***

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*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 & Company CPAs".

Luther Speight & Company CPAs  
New Orleans, Louisiana  
June 25, 2024