



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, 2021 AND DECEMBER 31, 2020

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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

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, 2021 and December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Innocence Project New Orleans as of December 31, 2021 and December 31, 2020, 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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Continued

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 6, 2022 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's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Innocence Project New Orleans' internal control over financial reporting and compliance.



Luther Speight & Company CPAs

New Orleans, Louisiana
June 6, 2022

**INNOCENCE PROJECT NEW ORLEANS
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and Cash Equivalents	\$ 1,911,919	\$ 1,075,461
Grants Receivable	238,367	397,701
Contract Receivable	115,200	30,806
Prepaid Expenses	6,593	5,319
Fixed Assets, net	250,080	261,783
Investments	12,594	-
TOTAL ASSETS	<u>\$ 2,534,753</u>	<u>\$ 1,771,070</u>
LIABILITIES & NET ASSETS		
LIABILITIES		
Accounts Payable	37,022	24,802
Deposits	-	10,184
Mortgage Payable	155,500	164,134
JLWOP - State Funds	421,331	-
PPP Loan	-	219,100
Credit Cards	17,443	-
TOTAL LIABILITIES	<u>\$ 631,296</u>	<u>\$ 418,220</u>
NET ASSETS		
Without Donor Restrictions	1,903,457	1,052,856
With Donor Restrictions	-	299,994
TOTAL NET ASSETS	<u>1,903,457</u>	<u>1,352,850</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 2,534,753</u>	<u>\$ 1,771,070</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 Assset 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 ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

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

The accompanying notes are an integral part of these financial statements

**INNOCENCE PROJECT NEW ORLEANS
STATEMENTS 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
Training & Education	242,584	-	-	242,584
Case Related Expenses	100,211	-	-	100,211
Re-Entry Program Expense	82,225	-	-	82,225
Communications Expense	54,989	-	-	54,989
Office Expense & supply	-	36,881	-	36,881
Fundraising Expense	-	-	28,821	28,821
Insurance Expense	-	25,868	-	25,868
Repairs & Maintenance	-	21,394	-	21,394
Other Expenses	-	16,300	-	16,300
Utilities & Household	-	16,294	-	16,294
Professional Services	-	11,148	-	11,148
Interest Expense	-	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 FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

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

INNOCENCE PROJECT NEW ORLEANS
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 848,440	\$ 1,009,544
Net Assets Adjustment	(297,833)	-
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	11,703	12,367
(Increase) decrease in operating assets:		
Grants Receivable	159,334	(367,701)
Contract Receivable	(84,394)	8,391
Prepaid Expenses	(1,274)	(146)
Increase (decrease) in operating liabilities:		
Accounts Payable	12,220	14,010
Deposit	(10,184)	-
Credit Card	17,443	-
Net Cash Provided by Operating Activities	655,455	676,465
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(12,594)	-
Net Cash Used by Investing Activities	(12,594)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Mortgage Payable	(8,634)	(8,284)
Proceeds from PPP Loan	202,231	219,100
Net Cash Provided by Financing Activities	193,597	210,816
NET CHANGE IN CASH AND EQUIVALENTS	836,458	887,281
Cash and cash equivalents - beginning of period	1,075,461	188,180
Cash and cash equivalents - end of period	\$ 1,911,919	\$ 1,075,461

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

**INNOCENCE PROJECT NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND DECEMBER 31, 2020**

NOTE 1 - ORGANIZATION

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

IPNO offers and provides the following programs and services:

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Accounting

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

Basis of Reporting

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

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

**INNOCENCE PROJECT NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND DECEMBER 31, 2020**

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, 2021, 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, 2021 AND DECEMBER 31, 2020

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, 2021 and 2020.

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, 2021 and 2020.

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, 2021. The 2017-2020 tax years remain subject to examination by the IRS.

**INNOCENCE PROJECT NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND DECEMBER 31, 2020**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

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

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

Functional Allocation of Expenses

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

NOTE 3 – GRANTS RECEIVABLE

Grants receivable represents various grant amounts earned by IPNO that were not received by December 31, 2021 and 2020:

<u>Grantor</u>	<u>2021</u>	<u>2020</u>
Department of Justice	\$ 178,343	\$ 299,994
Jewish Communal Fund	50,000	-
Various Donors	8,185	18,617
Greater New Orleans Foundation	1,000	-
Louisiana Bar Foundation	840	16,547
DKT International	-	50,000
Handbid	-	12,543
	<u>\$ 238,367</u>	<u>\$ 397,701</u>

**INNOCENCE PROJECT NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND DECEMBER 31, 2020**

NOTE 4 - PROPERTY AND EQUIPEMENT

Property and equipment consisted of the following at December 31, 2021 and 2020:

<u>Categories</u>	<u>2021</u>	<u>2020</u>
Buildings and Improvements	\$ 264,413	\$ 264,413
Land	40,100	40,100
Computers and Network	22,864	22,864
Vehicles	14,445	14,445
Furniture & Equipment	14,040	14,040
Accumulated Depreciation	(105,782)	(94,079)
Fixed Assets, Net	<u>\$ 250,080</u>	<u>\$ 261,783</u>

Depreciation expense was \$ 11,703 and \$12,367 for the years ended December 31, 2021 and 2020 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. Total balance outstanding as of December 31, 2021 and 2020 was \$155,500 and \$164,134 respectively.

Annual principal payments on notes payable for each of the next five years and in total thereafter at December 2021 are as follows:

<u>Year</u>	<u>Balance</u>
2022	\$ 8,959
2023	9,496
2024	10,042
2025	10,588
2026	11,198
Thereafter	105,217
	<u>\$ 155,500</u>

**INNOCENCE PROJECT NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND DECEMBER 31, 2020**

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 958-605-50-1, *Accounting for Contributions Received and Contributions Made*.

NOTE 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the IPNO’s financial assets as of December 31, 2021 and 2020, 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>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 1,911,919	\$ 1,075,461
Grants Receivable	238,367	397,701
Contract Receivable	115,200	30,806
Less: Donor Imposed Restrictions	-	(299,994)
	<u>\$ 2,265,486</u>	<u>\$ 1,203,974</u>

NOTE 8 – STATEMENT OF CASH FLOWS SUPPLEMENTARY DISCLOSURES

	<u>2021</u>	<u>2020</u>
Cash Paid for Interest	\$ 8,941	\$ 9,557

NOTE 9 – CONCENTRATIONS OF CREDIT RISK

IPNO maintains its cash balances in one financial institution. The cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2021 and 2020 the uninsured portions of bank balances were \$1,665,262 and \$825,448 respectively.

**INNOCENCE PROJECT NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND DECEMBER 31, 2020**

NOTE 10 – NET ASSET ADJUSTMENT

During the year ended December 31, 2021, management identified grant revenue that was recorded in the prior year that related to current period revenues. Management recorded a net asset adjustment totaling \$297,833 for the year ended December 31, 2021 to correct the prior year revenue accrual.

NOTE 11 – SUBSEQUENT EVENTS

Management evaluated subsequent events as of June 6, 2022, which is the date these financial statements were available to be issued. Management has noted that there are no additional disclosures or adjustments to these financial statements required.



Luther Speight & Company, 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

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 statement of financial position as of December 31, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 6, 2022.

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.

New Orleans Office: 1100 Poydras Street, Suite 1225/New Orleans, LA 70163/(504) 561-8600

Memphis Office: 1661 International Drive, Suite 400/Memphis, TN 38120/(901) 202-4688

Atlanta Office: Five Concourse Pkwy/Atlanta, GA 30328/(770) 399-8808

Continued,

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 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.



Luther Speight & Company CPAs

New Orleans, Louisiana

June 6, 2022

**INNOCENCE PROJECT NEW ORLEANS
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2021**

SECTION I SUMMARY OF AUDITORS' REPORTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Innocence Project New Orleans.
2. No material weaknesses or significant deficiencies were noted.
3. No instances of noncompliance material to the financial statements were reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
4. A management letter was not issued for the year ended December 31, 2021.

SECTION II FINANCIAL STATEMENT FINDINGS

No findings were noted as a result of our audit.

**INNOCENCE PROJECT NEW ORLEANS
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2021**

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

**INNOCENCE PROJECT NEW ORLEANS
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD
DECEMBER 31, 2021 AND DECEMBER 31, 2020**

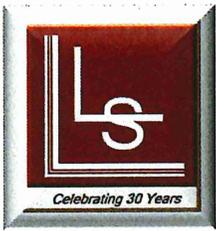
Agency Head:

Ms. Jee Park,
Executive
Director

Time Served:

1/1/2020 to
12/31/2021

<u>Purpose</u>	<u>2021</u>	<u>2020</u>
Salary	\$ 111,395	\$ 109,350
Benefits - Insurance (health and dental)	8,197	7,224
Benefits - Cell Phone	504	446
Per Diem	-	-
Reimbursements	4,599	1,237
Registration Fees	435	485
Conference Travel	-	-
Total Compensation, Benefits, and Other Payments	<u>\$ 125,130</u>	<u>\$ 118,741</u>



Luther Speight & Company
Certified Public Accountants and Consultants

INNOCENCE PROJECT OF NEW ORLEANS
AGREED UPON PROCEDURES REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021



Luther Speight & Company
Certified Public Accountants and Consultants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by Innocence Project (entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021, through December 31, 2021. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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 appear to 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: Per review of the Entity's Accounting Manual 2021 document, we noted information included adequately addressed the required procedures related to 1) how purchases are initiated, 3) the preparation and approval process of purchase requisitions and purchase orders. The documented procedures did not include adequate information related to 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: 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 is 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 appear to 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 appear to 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 appear to 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: Per review of the Entity's Accounting Manual 2021 document, we noted information included adequately addressed the required procedures related to 1) types of services requiring written contracts, 2) standard terms and conditions, and 4) approval process. The documented procedures did not include adequate information related to 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: Per review of the Entity's Accounting Manual 2021 document, we noted information included adequately addressed the required procedures related to 1) how cards are to be controlled, 2) allowable business uses, 3) documentation requirements, and 5) monitoring card usage. The documented procedures did not include required approvers of statements.

Management's Response: Only directors and supervisors receive an IPNO credit cards 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 appear to 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: *Per review of the Entity's Accounting Manual 2021 document, we noted information included adequately addressed the required procedures related to 1) identification of critical data, 2) storage of backups in a separate physical location isolated from the network. The documented procedures did not include 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's Response: *Director of operations works with our IT contractor to ensure that our server is secured.*

- 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: *Information regarding agency responsibilities and prohibitions, annual employee training and annual reporting was not mentioned and could not be found in client provided documents.*

Management's Response: *IPNO is a non-profit legal office. We are not public offices or employees as defined by 42:342-344; however, we do have a policy in our employee manual that covers harassment, complaint procedure, violence in the workplace, whistleblower and misconduct.*

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 committee appear to appropriately meet the required elements above.*

- 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 appear to appropriately meet the required elements above.*

- 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.*

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 appear to 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 appear to appropriately address the required elements above.*

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

Results: *The bank reconciliations appear to 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).

Management's Response: *Director of development prepares deposits at IPNO located at 4051 Ulloa Street.*

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:

Management's Response: *IPNO does not deal in cash. We 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: *Client provided a copy of a fidelity bond 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:

Management's Response: *IPNO does not deal in cash. We do not collect cash for services rendered.*

- 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).

Management's Response: *We use bill.com to process payments. We work with a contract bookkeeper but he comes into the IPNO office to cut checks when he needs to do so.*

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:

Management's Response: *Cat Forrester, Director of Operations & Communications; Ceisha James Hayes, Operations Manager*

- 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.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

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:

Management's Response: *We use bill.com to process payments. We work with a contract bookkeeper but he comes into the IPNO office to cut checks when he needs to do so.*

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

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

11. 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: *LSC received a listing of three active credit cards. Employees do not have bank debit, fuel, or P-cards.*

12. 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: *There is evidence showing that the statement was reviewed or approved.*

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

Results: *Finance charges and late fees were not assessed on selected statement.*

13. 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: Need receipts and documentation for 10 transactions on December 2021 statement. Please provide.

Management's Response: We noted no exceptions. Client supplied receipts and documentation for the selected transactions.

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

14. 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:

Results: Client did not have any travel-related expense reimbursements during the fiscal period.

- 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).
- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased
- 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).
- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. 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 that none of the vendors selected were subject to Louisiana Public Bid Law.*

- 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 that of the selected contracts, there were no amendments or change orders.*

- 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 supporting invoice for each of the contracts and agreed the payment to the contract terms without exception.*

Payroll and Personnel

16. 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 employees listing appear to appropriately address the required elements above.

17. 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. We were able to obtain offer letters and bonus documents.

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 able to obtain offer letters and bonus documents.

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 able to obtain offer letters and bonus documents.

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 agree to the authorized salary/pay rate.

18. 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.

Management's Response: None

19. 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.

Management's Response: Yes

Ethics

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

Debt Service

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

Fraud Notice

20. 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.

21. 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: Website does not mention any reporting of misappropriation, fraud, waste, or abuse of public funds.

Management's Response: Management is seeking clarification as to whether or not IPNO is a quasi-public agency that must abide by R.S. 24:523.1. Regardless, the notice is posted on IPNO's premises.

Information Technology Disaster Recovery/Business Continuity

22. 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 no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

Results: We noted no exception. LSC obtained documents showing the client has backed up its critical data with the most recent date being 6/23/2022.

- 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 6/23/2022.*

- 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 exception. Client's operating system and AV has Windows 10 and Webroot Antivirus with both, currently, being supported by the vendor. Client's accounting system, which is Quickbooks Online, is also currently supported by the vendor.*

Sexual Harassment

23. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Management's Response: *We had an office wide sexual harassment training in August 18, 2020 from Maggie Spell at Jones walker.*

24. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Results: *Website does not mention sexual harassment policy or complaint procedure.*

Management's Response: *IPNO's sexual harassment policy is in our Employee Handbook which is provided to every staff member. The staff members verifies in writing that they have received the employee handbook and that they have read through and understand the employee policies of IPNO.*

25. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

Results: *There is no annual sexual harassment report.*

Management's Response: *We do not produce an annual sexual harassment report.*

1. Number and percentage of public servants in the agency who have completed the training requirements;

Management's Response: *In 2021, we did not have an office wide sexual harassment training. The last office-wide training occurred in 2020.*

2. Number of sexual harassment complaints received by the agency;

Management's Response: *0*

3. Number of complaints which resulted in a finding that sexual harassment occurred;

Management's Response: *0*

4. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

Management's Response: *0*

5. Amount of time it took to resolve each complaint.

Management's Response: *None since none were reported.*

We were not engaged to and did not conduct an examination or review, 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.

The purpose of this report is 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.

Luther Speight & Co

Luther Speight & Company CPAs
New Orleans, Louisiana
June 6, 2022