

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT

CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

DECEMBER 31, 2019

CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS:	
STATEMENT OF FINANCIAL POSITION	5
STATEMENT OF ACTIVITIES	6
STATEMENT OF CHANGES IN NET ASSETS	7
STATEMENT OF CASH FLOWS	8
STATEMENT OF FUNCTIONAL EXPENSES	9
NOTES TO FINANCIAL STATEMENTS	10
SUPPLEMENTARY INFORMATION:	
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD, OR CHIEF EXECUTIVE OFFICER	20
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	21
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	23
SCHEDULE OF PRIOR YEAR FINDINGS	24

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Capital Post-Conviction Project of Louisiana

**Report on the Financial Statements**

We have audited the accompanying financial statements of Capital Post-Conviction Project of Louisiana (a non-profit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Capital Post-Conviction Project of Louisiana as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note D to the financial Statements, net assets at the beginning of the year have been restated to exclude the activity of the trial counsel expert witness fund within the operations of Capital Post-Conviction Project of Louisiana. Our opinion is not modified with respect to that matter.

### **Other Matters**

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The schedule of functional expenses on page 9, and the Schedule of Compensation, Benefits and Other Payments to Agency Head, or Chief Executive Officer on page 20, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2020, on our consideration of Capital Post-Conviction Project of Louisiana's internal control over financial reporting and 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 Capital Post-Conviction Project of Louisiana'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 Capital Post-Conviction Project of Louisiana's internal control over financial reporting and compliance.

*LeBlanc & Associates CPAs, L.L.C.*

Metairie, Louisiana  
September 21, 2020

CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2019

Assets:

Cash and cash equivalents	\$	419,049
Cash and cash equivalents - restricted for TCEW		271,147
Grants receivable		961,992
Due from TCEW restricted fund		204
Property & equipment, net		<u>4,125</u>
Total assets		<u><u>1,656,517</u></u>

Liabilities:

Accounts payable		93,677
Accounts payable - restricted for TCEW		271,351
Deferred revenue		<u>961,992</u>
Total liabilities		<u><u>1,327,020</u></u>

Net assets without donor restrictions

329,497

Total liabilities and net assets

\$ 1,656,517

See independent auditor's report and notes to financial statements.

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Changes in net assets without donor restrictions:

Revenues and gains:

Government grants	\$ 1,535,158
Other revenue	101,662
Interest income	<u>1,799</u>
Total revenue without donor restrictions	<u>1,638,619</u>

Expenses

Program services	1,579,807
Supporting services	<u>118,518</u>
Total expenses without donor restrictions	<u>1,698,325</u>

Increase (decrease) in net assets without donor restrictions (59,706)

Net assets at beginning of year as originally stated

Restatement - Note D (446,676)

Net assets at beginning of year as restated 389,203

Net assets at end of year \$ 329,497

See independent auditor's report and notes to financial statements.

CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

STATEMENT OF CHANGES IN NET ASSETS

DECEMBER 31, 2019

Net assets without donor restrictions:

Total revenues and gains	\$ 1,638,619
Total expenses and losses	<u>(1,698,325)</u>
Increase (decrease) in net assets without donor restrictions	<u>(59,706)</u>
Net assets at beginning of year - without donor restrictions	<u>389,203</u>
Net assets at end of year - without donor restrictions	<u>329,497</u>

Net assets with donor restrictions:

Net assets at beginning of year - with donor restrictions	446,676
Restatement - Note D	<u>(446,676)</u>
Net assets at end of year - with donor restrictions	<u>-</u>
Net assets at end of year	<u>\$ 329,497</u>

See independent auditor's report and notes to financial statements.

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Cash flows from operating activities:	
Increase (decrease) in net assets	\$ (59,706)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:	
Depreciation and amortization	3,456
(Increase) decrease in operating assets:	
Grants receivable	(140,598)
Grants receivable- Restricted	145,833
Due from others	(115)
Increase (decrease) in operating liabilities:	
Accounts payable	74,740
Accounts payable - restricted	(175,414)
Deferred revenue	140,598
Total adjustments	<u>48,500</u>
Net cash provided (used) by operating activities	<u>(11,206)</u>
Net increase (decrease) in cash and equivalents	(11,206)
Cash, cash equivalents, and restricted cash at beginning of year	<u>701,402</u>
Cash, cash equivalents, and restricted cash at end of year	<u>\$ 690,196</u>
Reconciliation of cash, cash equivalents, and restricted cash at end of year:	
Cash, cash equivalents	\$ 419,049
Cash and cash equivalents - restricted for TCEW	271,147
Cash, cash equivalents, and restricted cash at end of year	<u>\$ 690,196</u>

See independent auditor's report and notes to financial statements.



**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Total</u>	<u>Program Services</u>	<u>Supporting Services</u>
Salaries & wages	\$ 644,476	\$ 580,028	\$ 64,448
Payroll taxes	52,123	46,911	5,212
Fringe benefits	105,334	94,801	10,533
Grants to others	157,564	157,564	-
Expert witness fees	32,141	32,141	-
Investigator fees	126,616	126,616	-
Case expenses - general	80,754	80,754	-
PC Pro Bono Expert Witness Fees	277,640	277,640	-
Accounting/audit fees	19,500	-	19,500
Computer consultant	37,012	33,311	3,701
Occupancy	76,122	68,510	7,612
Telephone	12,870	11,583	1,287
Depreciation	3,456	3,110	346
Computer expenses	8,308	7,477	831
Office expenses	37,959	34,163	3,796
Publications	6,833	6,833	-
Conferences and meetings	474	474	-
Continuing education/dues	6,627	6,627	-
Insurance Expense:Supporting Services	<u>12,516</u>	<u>11,264</u>	<u>1,252</u>
 Total expenses	 <u>\$ 1,698,325</u>	 <u>1,579,807</u>	 <u>\$ 118,518</u>
 Percentage of total expenses		 0.93 %	 0.07 %

The above statement reports certain categories of expenses that are attributable to both program services and supporting services. The expenses allocated to both program services and supporting services are allocated based on percentages of professional staff and administrative staff, which has been determined to be 90%/10% respectively.

See independent auditor's report and notes to financial statements.

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

Capital Post-Conviction Project of Louisiana (the organization) is a non-profit corporation organized exclusively for charitable, scientific and educational purposes, including, but not limited to, providing legal representation to indigent persons in Louisiana under the sentence of death, and to providing consultation services, educational materials, and seminars to lawyers who represent indigent persons facing or under a sentence of death.

The organization is supported primarily through government contracts and private grants and does not engage in fundraising activities.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The organization has adopted FASB ASC No. 958-605-25-2, *Accounting for Contributions Received*. All unconditional contributions are to be measured at fair market value on the date received and be recognized currently as revenue or gains.

Cash Restricted to Trial Counsel Expert Witness Fund (TCEW) and Citizens Fund

The organization is the fiscal agent for the TCEW funds and Citizen Funds on behalf of the Louisiana Public Defender Board (LPDB). These are restricted funds to be used exclusively for ancillary service for indigents accused of capital crimes. None of the funds received from the LPDB under this contract can be used by the organization for its operations or for defense of its capital post-conviction cases. Under the terms of the contract, the funds are to be maintained in a separate bank account.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-205, *Presentation of Financial Statements for Not-for-profit Entities*. During the current year the organization has adopted ASU 2016-14 which is effective for fiscal years beginning after December 15, 2017. Under ASU 2016-14, the

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

organization is required to report information regarding its financial position and activities according to whether the activity is with or without donor restrictions.

The statement of activities presents expenses of the organization's operations functionally between program services and supporting services. On the statement of functional expenses the organization presents the natural classification of expenses for program services and supporting services. Those expenses which cannot be functionally categorized are allocated between functions based upon management's estimate of usage applicable to conducting those functions.

Property and Equipment

It is the organization's policy to capitalize property and equipment with an expected life of three or more years and a cost of \$1,500 or more. Capital assets purchased are recorded at cost. Donated assets are recorded at the estimated fair market value as of the date of donation. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Absent donor stipulations regarding how long those donated assets must be maintained, the organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over a five to ten year depreciable life.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The organization generally pays for services requiring specific expertise.

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Income Taxes

The organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Cash and Cash Equivalents

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

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

Revenue Recognition

Grants received from the LPDB are considered available for the organization's general programs unless specifically restricted by the state contract. Amounts received that are designated for future periods or restricted by the contract are reported as increases to net assets with donor restrictions and net assets without donor restrictions. Grants received with temporary restrictions that are met in the same reporting period are reported as net assets without donor restrictions. As of December 31, 2019, there were no funds received that temporarily or permanently restricted support.

Grants receivable and deferred revenue in the accompanying statement of financial position consist of balances remaining on State of Louisiana contracts applicable to future periods.

**NOTE B - FINANCIAL ASSISTANCE & CONTRACTS**

**STATE OF LOUISIANA CONTRACTS**

The organization has been awarded grants from the LPDB to be used exclusively to defray the expenses of establishing and maintaining a capital post-conviction office, including contract amounts for attorneys, staff, office expenses, overhead and out-of-pocket expenses. The Funds from these grants cannot be used to defray, in whole or in part, the expenses associated with any trial or appeal as of right filed by or on behalf of a defendant who has not been sentenced to death. The scope of the contracts does not include litigation or proceedings arising out of or involving tort or worker's compensation. For the year ended December 31, 2019, the following LPDB agreements are reflected in the financial statements:

**Contract for Criminal Defense Services on Behalf of Indigents Seeking Capital Post Conviction Relief (Operating Contract):**

Contract period July 1, 2018 through June 30, 2019:

The organization received a grant from the LPDB in the amount of \$1,154,096 for post-conviction services on behalf of indigents in Louisiana. The grant was paid through monthly installments of \$96,508.66 from January through June 2019, with an extra payment received in July (in the prior year only 5 payments were received under the contract) for a total received in the amount of \$675,561 during 2019.

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE B - FINANCIAL ASSISTANCE & CONTRACTS (continued)**

Contract period July 1, 2019 through June 30, 2020:

The organization received a grant from the LPDB in the amount of \$1,260,036 for post-conviction services on behalf of indigents in Louisiana. During the year ended December 31, 2019, the contract amount was recorded as income and received in monthly installments of \$92,501 in August and September, and \$332,057 from October through December 2019, for a total of \$517,059 received during 2019. The remaining balance of the award in the amount of \$742,977, applicable to 2020, is shown on the Statement of Financial Position as a grant receivable in assets, and as deferred revenue in the liabilities.

**Pro Bono Expert Witness Grant:**

The ancillary criminal defense services grants shall be used exclusively by the organization to:

- a) Review and take action upon applications to the LPDB by indigents not represented by the organization for funding of reasonably necessary ancillary services associated with legal representation of indigents seeking post-conviction relief of a capital conviction in Louisiana. The organization, using the *ABA Guidelines for the Appointment and Performance of Defense Counsel in Death Penalty Cases* (2003) for evaluation, shall take action upon an application for funding within 30 days of receipt of the application either by approval of the application, denial of the application, or by the request of additional information regarding the application. Should the organization request additional information from the applicant, the organization shall take action by approval or denial of the application within 30 days of the receipt of the additional information requested; and
- b) Provide funding of reasonably necessary services of expert witnesses, costs of specialized scientific testing, and/or other ancillary services associated with legal representation of indigents not represented by the organization seeking post-conviction relief of a capital conviction in Louisiana upon approval of hereinafter mentioned applications.
- c) The organization may apply for reimbursement from the expert witness funds in its own cases up to an aggregate of \$93,750 during the 2018/2019 contract period, and \$136,875 during the 2019/2020 contract period.

The scope of these expert fund grants does not include litigation or proceedings arising out of or involving tort or worker's compensation. The following ancillary services contracts were in effect during the current period:

Contract period July 1, 2018 through June 30, 2019 - contract for ancillary criminal defense services:

The organization received a grant from LPDB in the amount of \$250,000 for the funding of ancillary services such as expert witnesses and specialized scientific testing to represent indigents in Louisiana. During the period January through June of 2019, the balance of this contract was paid in 7 monthly installments of \$20,833.33, for revenue recognized in the amount of \$145,833, with deferred revenue and grant receivable eliminated.

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE B - FINANCIAL ASSISTANCE & CONTRACTS (continued)**

Contract period July 1, 2019 through June 30, 2020 - contract for ancillary criminal defense services:

The organization received a grant from LPDB in the amount of \$365,000 for the funding of ancillary services such as expert witnesses and specialized scientific testing to represent indigents in Louisiana. During the period July through December of 2019, an incremental payment of \$20,833 was made in August and incremental payments of \$31,288 were made from September through December, for revenue recognized in the amount of \$145,985. The remaining balance of the award in the amount of \$219,015, applicable to 2020, is shown on the Statement of Financial Position as a grant receivable in assets, and as deferred revenue in the liabilities.

**Angola 5-DB Contract**

The organization has entered into a contract with the LPDB to be used exclusively for the representation of one of the "Angola 5" defendants on direct appeal and in related matters following his conviction and death sentence. This is a reimbursable contract for payment to be made upon services rendered. The rates for services provided are determined by the LPDB and outlined in the contract.

Contract period May 1, 2018 through June 30, 2019

The organization entered into a contract with the LPDB in the amount of \$75,288. Amendment # 1 to this contract increased the total amount of payments available to \$125,288 and extended the contract period to June 30, 2020. The total amount paid to the organization under this contract in 2019 was \$50,720. The remaining balance available for use in 2020, including a carryforward in the amount of \$11,525 from the previous contract, is \$86,094.

As of December 31, 2019, there were no outstanding invoices for reimbursement, therefore no receivable has been recorded.

The scope of this Contract does not include representation of the state of any department and/or agency of state government in litigation or proceedings arising out of or involving tort or worker's compensation.

**Federal Reimbursements**

The organization billed certain amounts to the US District Court for time worked in the federal court system. These amounts are reimbursable upon the Courts being invoiced by the organization. During 2019, the amounts for these reimbursements totaled \$96,714 and is included in other revenue in the Statement of Activities.

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE C - CASH AND EQUIVALENTS**

At December 31, 2019 the organization had cash and cash equivalents (book balances) totaling \$690,196 in demand deposits, which includes cash with donor restrictions. These deposits are stated at cost, which approximates market. As of December 31, 2019, the organization had \$696,159 in deposits (collected bank balances) of which \$276,147 were funds with donor restrictions. These deposits were secured by \$250,000 in Federal Deposit Insurance and \$455,081 in pledged securities.

**NOTE D - RESTATEMENT**

In prior years, the TCEW funds (Note A) were reflected in the financial statements of CPCPL as net assets with donor restrictions in error. A restatement was necessary to remove the net assets with donor restrictions in the amount of \$446,676 as of January 1, 2019. Since CPCPL is not to use any portion of these funds for indigents represented by CPCPL itself, the revenue and any related expenses should not be reflected in accounting records of CPCPL, but instead CPCPL should reflect a liability corresponding to the TCEW cash account balance at year end.

The following sets forth the previously reported and restated amounts of selected items within the statement of operations and cash flows for the year ended December 31, 2018:

	<b>As previously reported</b>	<b>As Restated</b>
<b>Selected Data: Statement of Financial Position for 2018:</b>		
Accounts Payable - restricted for TCEW	<u>\$ 89</u>	<u>\$ 446,676</u>
<b>Selected Data: Statement of Activities and Statement of Changes in Net Assets for 2018:</b>		
Net Assets at end of year - without donor restrictions	\$ 389,203	\$ 389,203
Net Assets at end of year - with donor restrictions	<u>446,676</u>	<u>-</u>
Net Assets at end of year	<u>\$ 835,879</u>	<u>\$ 389,203</u>

**NOTE E - PROPERTY AND EQUIPMENT**

As of December 31, 2019, the Organization had property, plant, and equipment and depreciation as follows:

Equipment and furniture	\$ 202,094
Accumulated depreciation	(197,969)
Total property and equipment	<u>\$ 4,125</u>
 Depreciation expense	 <u>\$ 3,456</u>

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE F - GRANTS TO OTHERS**

During the year ended December 31, 2019, various attorneys have been engaged under contract to work on specific cases. The contracts are for a stated period of time with payment due upon the submission of invoices by the attorney to the organization. Quarterly status reports are to be submitted to the organization within 15 days of the end of each quarter. As of December 31, 2019 there were no outstanding amounts due to attorneys under these contracts.

**NOTE G - LEASES**

Equipment Lease

The organization is party to one lease with Gulf Coast Office Products financed through US Bank for the lease of a digital copier/scanner. The lease was entered into on November 2018, with a lease term of five years, and monthly lease installments of \$532. Upon expiration of the minimum term commitment, the organization will have the option to purchase the equipment at its then fair market value.

Minimum lease payments are as follows:

2020	6,384
2021	6,384
2022	6,384
2023	5,852
2024	0
Thereafter	0
Total	<u>\$ 25,004</u>

Commercial Property Lease

The organization has a lease for office space with Orleans Tower, LLC. The monthly base rent is \$5,536. In addition to the base rent, the organization pays \$85 per employee per month for parking and common area charges, both of which could fluctuate from month to month. The current lease agreement expires in December 2021.

Minimum payments for the base rent under the lease are as follows:

2020	66,435
2021	66,435
2022	-
2023	-
2024	-
Thereafter	-
Total	<u>\$ 132,870</u>



**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE H - 401(K) PLAN**

The organization became a participant in the ABA Members Retirement Program with an effective date of January 1, 2003. Eligible employees were allowed to make deferred compensation contributions to the plan beginning in 2003, and there were no employer contributions made during the year. All employees who have attained the age of 21 are allowed to participate.

The ABA conducted discrimination testing on the plan, and reported full compliance for the year ended December 31, 2019.

**NOTE I - LIQUIDITY AND AVAILABILITY**

The following reflects the organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Amounts not available include cash and accounts receivable with donor restrictions for payments of TCEW funds in accordance with the contract between the organization and the LPDB. The organization has financial assets available within one year of the balance sheet date to meet cash needs for general expenditures in the amount of \$1,381,041, determined as follows:

Total assets, statement of financial position at December 31, 2019	\$ 1,656,517
Less: cash and cash equivalents restricted for TCEW	(271,147)
net property and equipment	(4,125)
due from TCEW restricted fund	<u>(204)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year, December 31, 2019	<u>\$ 1,381,041</u>

The organization has cash in the amount of \$419,049, grants receivable due on the current contract with the LPDB in the amount of \$961,992, and \$204 due from the TCEW fund for interest earned, for use to meet the cash needs for general expenditures within one year of the balance sheet date.

**NOTE J - CONCENTRATION OF SUPPORT**

The organization receives a substantial amount of their revenue from government grants. A significant reduction in the level of this support, if this were to occur, may have an effect on the organization's ability to fulfill their programs. Approximately 94% of the organization's support for the year ended December 31, 2019 came from the LPDB, a Louisiana governmental agency.

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE K - SUBSEQUENT EVENTS**

FASB Accounting Standards Codification Topic 855, "Subsequent Events" addresses events which occur after the balance sheet date but before the issuance of financial statements. An entity must record the effects of subsequent events that provide evidence about conditions that existed at the balance sheet date and must disclose but not record the effects of subsequent events which provide evidence about conditions that existed after the balance sheet date. Additionally, Topic 855 requires disclosure relative to the date through which subsequent events have been evaluated and whether that is the date on which the financial statements were issued or were available to be issued. Management evaluated the activity of the organization through September 21, 2020, the date the financial statements were issued, and concluded that the following subsequent events have occurred that would require disclosure in the Notes to the Financial Statements.

Covid 19 Impact:

In the early months of 2020, an outbreak of a novel strain of coronavirus (COVID-19) has emerged globally, including the United States. In response to this outbreak, there have been mandates from federal, state and local authorities requiring forced closures of certain businesses and limiting travel, which could have material adverse effects to the Organization. At this time, it is not possible to reliably estimate the length or severity of this outbreak and hence its financial impact.

In April 2020 CPCPL applied for and was awarded a Payroll Protection Program loan through the Small Business Administration in the amount of \$156,300. Based upon the current loan forgiveness guidelines, CPCPL anticipates the entire loan will be forgiven.

State of Louisiana Budget Crisis:

As indicated in Note J, the organization's support is primarily from State of Louisiana government grants. The primary source of funding is through the LPDB. Due to funding reductions to the LPDB by the State of Louisiana over the past few years, the organization has been impacted as well. Over the last several years the organization's operating budget has declined from FY15-16 levels due to these reductions in state funding. The organization's anticipates it's 20-21 operating budget to be maintained at a level that approximates the funding for FY19-20.

In April 2020, the LPDB cancelled it's contract with CPCPL for the Post-Conviction Expert Witness Fund. This cancellation jeopardized anticipated funding by CPCPL for FY 20-21 by approximately \$137,000. As a result, the funding available to CPCPL from the Post-Conviction Expert Witness Fund at the time of cancellation was \$98,000 which has been authorized by the LPDB to be transferred to CPCPL's operating account.

In 2016, the Louisiana Legislature changed the mandatory statutory distribution between public defender offices and all other entities contracting with the LPDB (including non-profit organizations) to a 65%/35% split. The public defender offices would receive 65% of LPDB available funds and all other organizations (including non-profits such as CPCPL) would receive 35% of available funds. For FY 20-21, the State of Louisiana increased the annual budget of the LPDB by over \$7M, and at the same time changing the split to 80% going to the public defender offices and 20% to all other organizations. At this time CPCPL is unsure of how this change will effect its funding for the FY20-21.

## SUPPLEMENTARY INFORMATION

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
TO AGENCY HEAD, OR CHIEF EXECUTIVE OFFICER  
FOR THE YEAR ENDED DECEMBER 31, 2019**

AGENCY HEAD NAME: Gary P. Clements, ESQ., Executive Director

<b>PURPOSE</b>		<b>AMOUNT</b>
Salary	\$	105,000
Benefits - insurance		20,211
Dues (bar dues & court admissions)		629
Travel		803

See independent auditor's report and notes to financial statements.

**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  
Capital Post-Conviction Project of 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 Capital Post-Conviction Project of Louisiana (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, 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 September 21, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Capital Post-Conviction Project of Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Capital Post-Conviction Project of Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Capital Post-Conviction Project of Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*LeBlanc & Associates CPAs, L.L.C.*

Metairie, Louisiana  
September 21, 2020

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**SECTION I –SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements:**

- A. The auditor's report expresses an unmodified opinion on the financial statements of Capital Post-Conviction Project of Louisiana.
- B. There was no material weaknesses and no significant deficiency disclosed during the audit of the financial statements of Capital Post-Conviction Project of Louisiana.
- C. There were no instances of noncompliance material to the financial statements of Capital Post-Conviction Project of Louisiana which would be required to be reported in accordance with Government Auditing Standards.

**Federal Awards**

- D. The type of report issued on compliance for major programs: N/A.
- E. Any audit findings which are required to be reported under section 510(a) of OMB Circular A-13: N/ A
- F. Major programs: N/A.
- G. Dollar threshold used to distinguish between Type A and Type B programs: N/A.
- H. Auditee qualified as a low-risk auditee under section 530 of OMB Circular A-133: N/A.
- I. A management letter was issued: No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Not applicable.

**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

NO PRIOR YEAR FINDINGS



**CAPITAL POST-CONVICTION PROJECT OF LOUISIANA**

**Statewide Agreed-Upon Procedures Report  
For the period January 1, 2019 through December 31, 2019**

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

**For the Period of January 1, 2019 – December 31, 2019**

**To Gary Clements, Executive Director**

**and to the Louisiana Legislative Auditor:**

We have performed the procedures enumerated below, which were agreed to by the Capital Post Conviction Project of Louisiana (hereafter "CPCPL"), and the Louisiana Legislative Auditor (hereafter "LLA") on the control and compliance (hereafter "C/C") areas identified in the LLA's Statewide Agreed-Upon Procedures (hereafter "SAUPs") for the fiscal period January 1, 2019 thru December 31, 2019. CPCPL'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**

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

**WRITTEN POLICIES AND PROCEDURES (continued)**

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- (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.
- (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).
- (h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- (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. Note: Ethics requirements are not applicable to nonprofits (*not applicable to CPCPL*).
- (j) Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements (*not applicable to CPCPL*).
- (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: We obtained the CPCPL written policies and procedures directly from the Project Coordinator, and found that CPCPL did have written policies for all of the above financial / business functions, with the exception of (k); CPCPL does not have a written policy related to disaster recover / business continuity.***

**Management's response on procedure 1(k):**  
See attached letter dated September 21, 2020.

**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.
  - (b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
    - ◆ *Alternately, for those entities reporting on the non-profit 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.*

### **BOARD OR FINANCE COMMITTEE (continued)**

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- (c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund (*not applicable to CPCPL*).

**Results:** *This section is not applicable.*

### **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 each selected 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);
  - (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
  - (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:** *This section is not applicable.*

### **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:** *Management has represented that there is only one cash deposit site location for CPCPL.*

- 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:
  - (a) Employees that are 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.

**COLLECTIONS (continued)**

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- (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 verifies the reconciliation.

**Results:** *L&A obtained and reviewed written policies and procedures and discussed job duties with applicable employees and determined the following; (a) This is N/A for CPCPL, there are no cash drawers or registers. Most cash collections are direct deposits to the operating bank account from the Louisiana Public Defender Board (LPDB); (b) Due to the small size of the accounting department, the person responsible for preparing/making bank deposits is the same person responsible for cash collections and reconciling collection documentation to the deposit; (c) & (d) Posting and reconciling the cash collections to the general ledger is the same person responsible for cash collections.*

*Most of CPCPL's revenue comes by direct deposit from the state and can be tied directly to the contracts with the Louisiana Public Defender Board (LPDB). Although there is a lack of separation of duties, compensating controls exist; (1) CPCPL's contracts with the LPDB require monthly financial reporting to the LPDB for monitoring; the executive director, who has knowledge of revenue to be received, reviews monthly financial reporting prior to submission to the LPDB, and (2) CPCPL's deputy director who does not have access to the accounting system or records, receives the bank statements and reviews deposits before the bank statements go to the program coordinator for completion of the bank reconciliations.*

- 6) Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

**Results:** *We found that employees are not bonded, however, CPCPL has an insurance policy in effect that covers employee theft, forgery and computer crimes.*

- 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:
  - (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 that 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).
  - (e) Trace the actual deposit per the bank statement to the general ledger.

## **COLLECTIONS (continued)**

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**Results:** *As most receipts are electronic transfers from the LPDB, and are monthly transfers to the applicable accounts in accordance with contracts, we focused on the other receipts coming through the mail received at the deposit site / collection location.*

*In the period under review, there were 4 receipts from the U.S. Treasury for habeas corpus petitions filed in federal court, performed and invoiced by CPCPL; we reviewed the documentation for all four receipts. Documentation for receipts collected at the collection / deposit site location included (1) invoices prepared by CPCPL, (2) deposit slips, (3) copies of checks received, and (4) bank statements; sequentially pre-numbered receipts are not used by this organization. The check copies agreed to the invoices, deposit slips and bank statements. The bank deposit per the bank statement was traced to the general ledger. No exceptions were noted.*

*The deposits reviewed had no indication of receipt date (procedure 7(d)); therefore, we could not test if the deposit was made within one day of receipt.*

### **Management's response on procedure 7 (d):**

See attached letter dated September 21, 2020.

## **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).
- 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:
  - (a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - (a) At least two employees are involved in processing and approving payments to vendors.
  - (b) 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.
  - (c) 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.
- 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 that the disbursement matched the related original invoice/billing statement.
  - (b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**Results:** *This section is not applicable.*

## CREDIT CARDS / DEBIT CARDS / FUEL CARDS / P-CARDS

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- 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:** *We obtained a list of all credit cards including the card numbers and the persons who had possession of the cards from management, and management's representation that the listing is complete. CPCPL does not maintain debit cards, fuel cards 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:
- Observe that 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) was 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.]
  - Observe that finance charges and late fees were not assessed on the selected statements.

**Results:** *(a) It was determined that there were 3 active credit cards in 2019. We selected all credit cards to perform procedures. We randomly selected one combined statement to review. We found that the credit card statement and supporting documentation was reviewed by someone other than the authorized card holder; (b) No finance charges or interest fees were assessed on the statement selected.*

**L&A noted that one of the credit cards was still in the name of the prior project coordinator. This should be addressed immediately with the credit card company.**

**Management's response:**

See attached letter dated September 21, 2020.

- 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 that it is supported by:
    - An original itemized receipt that identifies precisely what was purchased.
    - Written documentation of the business/public purpose.
    - Documentation of the individuals participating in meals (for meal charges only).

For missing receipts, the practioner 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.

## CREDIT CARDS / DEBIT CARDS / FUEL CARDS / P-CARDS (continued)

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**Results:** *For the 9 transactions reviewed, all transactions are supported by documentation of business purpose and individuals participating in meals (if applicable).*

## TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)

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- 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:
- (a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - (b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - (c) Observe that 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 that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Results:** *This section is not applicable.*

## CONTRACTS

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- 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 that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - (b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - (c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
  - (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 that the invoice and related payment agreed to the terms and conditions of the contract.

**Results:** *This section is not applicable.*



## **PAYROLL AND PERSONNEL**

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- 16) Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17) Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - (a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - (b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - (c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- 18) Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
- 19) Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

***Results: This section is not applicable.***

## **ETHICS**

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- 20) Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
  - (a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - (b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

***Results: CPCPL is a nonprofit organization; therefore, this section is not applicable.***

## **DEBT SERVICE**

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- 21) Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

### **DEBT SERVICE (continued)**

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- 22) Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

**Results: CPCPL has no debt and is a nonprofit; therefore, this section is not applicable.**

### **OTHER**

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- 23) 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.
- 24) 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: This section is not applicable.**

### **CONCLUSION**

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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.

*LeBlanc & Associates CPAs, L.L.C.*

Metairie, Louisiana  
September 21, 2020

# CAPITAL POST-CONVICTION PROJECT OF LOUISIANA

1340 POYDRAS, SUITE 1700  
NEW ORLEANS, LOUISIANA 70112  
PHONE: (504) 212-2110 / FAX: (504) 212-2130

**GARY CLEMENTS, ESQ.**  
DIRECTOR  
E-MAIL: GCLEMENTS@CPCPL.ORG

September 21, 2020

Re: Management's Response to Statewide Agreed-Upon Procedures Report

The following are CPCPL Management's Response to Inquiries in §§ 1(k), 7(d) and supplemental response to § 12(a-b):

- 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):
  - (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.,

***Management's Response:***

**Management will establish a written policy for disaster recovery/business continuity, and have engaged our computer consultant who has worked with our office for a number of years, to assist with compliance.**

- 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:
  - (d): Observe that 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).

***Management's Response on September 9, 2020:***

**Going forward CPCPL will keep the envelopes that are date stamped when received by the office. This will allow auditors to see that deposits are made within one business day of receipt.**

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

***Results collected before September 9, 2020:***

- (a) **It was determined that there were 3 active credit cards in 2019. We selected all credit cards to perform procedures. We randomly selected one combined statement to review. We found that the credit card statement and supporting documentation was reviewed by someone other than the authorized card holder;**
- (b) **No finance charges or interest fees were assessed on the statement selected.**

**L&A noted that one of the credit cards was still in the name of the prior project coordinator. This should be addressed immediately with the credit card company.**

***Results additionally collected on September 9, 2020:***

**Management has cancelled the credit card in the name of the prior project coordinator.**

If you have further questions, please contact me directly.

Sincerely,



Gary Clements; CPCPL Director