

**BATON ROUGE CAPITAL CONFLICT OFFICE, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/1/10

## TABLE OF CONTENTS

Independent Auditors' Report	1
Financial Statement	
Statement of Financial Position	2
Statement of Activities and Changes in Net Assets	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
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	9

# DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Baton Rouge Capital Conflict Office, Inc.  
Baton Rouge, Louisiana

We have audited the accompanying statement of financial position of Baton Rouge Capital Conflict Office, Inc. (a non-profit organization), as of December 31, 2009, and the related statement of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Baton Rouge Capital Conflict Office, Inc. as of December 31, 2009, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2010, on our consideration of Baton Rouge Capital Conflict Office, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Daigrepont & Brian APAC*

Baton Rouge, Louisiana  
June 21, 2010

**Baton Rouge Capital Conflict Office, Inc.**  
**Statement of Financial Position**  
**December 31, 2009**

**ASSETS**

Current assets	
Cash	<u>\$ 354,058</u>
Total current assets	354,058
Property and equipment (net)	<u>12,962</u>
<b>TOTAL ASSETS</b>	<u><b>367,020</b></u> ✓

**LIABILITIES**

Current liabilities	
Accrued liabilities	<u>23,290</u>
Total current liabilities	23,290
<b>TOTAL LIABILITIES</b>	<u><b>23,290</b></u>

**NET ASSETS**

Unrestricted net assets	<u>343,730</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$ 367,020</b></u> ✓

See accompanying notes and auditors' report.

**Baton Rouge Capital Conflict Office, Inc.**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended December 31, 2009**

REVENUES

Grants and contracts	
Louisiana Public Defender Board	\$ 1,017,442
Expense reimbursements	24,060
Interest income	693
In-kind contributions	<u>2,400</u>
TOTAL REVENUES	<u>1,044,595</u>

EXPENSES

Program service	923,728
Management and general	<u>32,459</u>
TOTAL EXPENSES	<u>956,187</u>

CHANGE IN NET ASSETS 88,408

NET ASSETS, BEGINNING OF YEAR 255,322

NET ASSETS, END OF YEAR \$ 343,730

See accompanying notes and auditors' report.

**Baton Rouge Capital Conflict Office, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2009**

	<u>Program Service</u>	<u>Management and General</u>	<u>Total</u>
Client supplies	\$ 307	\$ -	\$ 307
Computer expenses	2,547	106	2,653
Education and reference	7,034	-	7,034
Depreciation	4,954	-	4,954
Dues and subscriptions	3,704	-	3,704
Expert expenses	24,060	-	24,060
Insurance	147,300	6,138	153,438
Investigative expenses	3,209	-	3,209
Medical records	1,480	-	1,480
Miscellaneous expenses	790	-	790
Office expenses	17,719	738	18,457
Parking	1,182	-	1,182
Payroll taxes	42,797	1,783	44,580
Postage and delivery	951	19	970
Printing and reproduction	1,491	-	1,491
Rent	55,990	-	55,990
Salaries and wages	559,730	23,322	583,052
Telephone	8,475	353	8,828
Travel	40,008	-	40,008
	<u>\$ 923,728</u>	<u>\$ 32,459</u>	<u>\$ 956,187</u>

See accompanying notes and auditors' report.

**Baton Rouge Capital Conflict Office, Inc.**  
**Statement of Cash Flows**  
**December 31, 2009**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 88,408
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation	4,953
Increase in accrued liabilities	<u>4,409</u>
Net cash provided by operating activities	97,770

**CASH FLOWS FROM INVESTING ACTIVITIES**

Cash payments for the purchase of property	<u>(2,151)</u>
Net cash used by investing activities	(2,151)

NET INCREASE IN CASH	95,619
CASH, BEGINNING OF YEAR	<u>258,439</u>
CASH, END OF YEAR	<u>\$ 354,058</u>

See accompanying notes and auditors' report.

**Baton Rouge Capital Conflict Office  
Notes to the Financial Statements  
December 31, 2009**

**1. Summary of Significant Accounting Policies**

Nature of Operations

Baton Rouge Capital Conflict Office, Inc. (the Organization) was formed as a non-profit organization in December of 2001. The Organization provides criminal defense services to indigent persons in the state of Louisiana who are facing the death penalty at no charge to the defendant. Support for the Organization comes from the Louisiana Public Defender Board.

Basis of Accounting

The financial statements of Baton Rouge Capital Conflict Office, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The financial statements are prepared in accordance with generally accepted accounting principles promulgated in the United States of America for not-for-profit organizations. The Organization therefore follows the recommendations of the Financial Accounting Standards Board and reports information about its financial position and activities using three classes of net assets that recognize the existence and nature of restrictions on its net assets.

Unrestricted net assets represent resources over which the Board of Directors has unlimited discretionary control to use in carrying out the activities of the Organization in accordance with the Articles of Incorporation and bylaws.

Temporarily restricted net assets represent resources over which use is limited by donor-imposed restrictions that will be met either by actions of the organization or by passage of time.

Permanently restricted net assets represent resources whose use is limited by donor-imposed restrictions that require the net assets to be maintained permanently.

Restricted and Unrestricted Support

Contributions received are recorded as temporarily restricted, permanently restricted or unrestricted support depending on the nature of any donor restriction. Contributions made to the Organization are considered available for unrestricted use unless specifically restricted by the donor. Contributions of property and equipment are reported as unrestricted contributions when placed in service unless the donor has restricted the use of the asset to a specific purpose or time period. Contributions of cash or other assets are unrestricted when acquired and placed in service, unless the donor has also required that the asset be used for a specific purpose or time period.

All restricted support is reported as an increase in temporarily or permanently restricted net assets. However, support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is received. When a restriction expires, such as when a stipulated time period ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets.

Use of 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.

Cash

Cash includes all funds in checking and savings accounts.



**Baton Rouge Capital Conflict Office**  
**Notes to the Financial Statements**  
**December 31, 2009**

1. Summary of Significant Accounting Policies (continued)

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.

Subsequent Events

The Organization has evaluated subsequent events through June 21, 2010, the date the financial statements were available to be issued, for recording and disclosure.

2. Property and Equipment

All acquisitions of property and equipment in excess of \$500 and all expenditures for betterments that materially prolong the useful lives of assets are capitalized and are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Furniture and fixtures	5 – 7 years
Machinery and equipment	5 – 7 years

Property and equipment consists of the following:

Furniture and fixtures	\$ 5,556
Machinery and equipment	<u>20,948</u>
	26,504
Accumulated depreciation	<u>(13,542)</u>
	<u>\$ 12,962</u>

3. Commitments and Contingencies

The Organization receives the majority of its revenue from a contract with the Louisiana Public Defender Board. Funds paid out under this contract are subject to approval by the legislature. It is possible that funding under the contract could be reduced or eliminated based on decisions by the legislature. Management is not aware of any pending reductions or elimination of the contract.

4. Concentrations

Approximately 97% of the Organization's revenue is from funding provided by the Louisiana Public Defender Board.

At various times during the year, the Organization maintained cash balances in its checking and savings account in excess of FDIC insurable limits. In monitoring this credit risk, the Organization periodically evaluates the stability of the financial institutions.

5. In-Kind Contributions

The Organization uses three licenses to the LexisNexis database provided by The Louisiana Appellate Project at no cost to the Organization. The use of these three licenses is valued at \$2,400. The value of the in-kind contribution is reported as revenue and an education and reference expense of the Organization.

**Baton Rouge Capital Conflict Office**  
**Notes to the Financial Statements**  
**December 31, 2009**

6. Leases

The Organization leases office space and office equipment under non-cancelable operating leases of various lengths. Total lease payments for rent were \$55,580 under the final year of a three year lease and total lease payments for office equipment were \$4,983.

On December 16, 2009 the Organization entered into another three year lease for office space with the same lessor.

Future minimum lease payments are as follows:

	<u>Office Space</u>	<u>Office Equipment</u>	<u>Total</u>
2010	\$ 61,187	\$ 3,735	\$ 64,922
2011	62,922	-	62,922
2012	64,874	-	64,874
2013	-	-	-
2014	-	-	-
Thereafter	-	-	-

7. Reimbursed Expenses

In accordance with the contract, the Louisiana Public Defender Board reimburses the Organization for expenditures relating to expert witnesses and investigations held out of the state of Louisiana. These expenditures fluctuate from year to year depending on the number of experts needed and number of cases that go to trial. The expenditure is shown on the Statement of Functional Expenses under the caption expert expenses.

# DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

## 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

Board of Directors  
Baton Rouge Capital Conflict Office, Inc.  
Baton Rouge, Louisiana

We have audited the financial statements of Baton Rouge Capital Conflict Office, Inc., (a non-profit organization) as of December 31, 2009, and for the year then ended, and have issued our report thereon dated June 21, 2010. 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.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Baton Rouge Capital Conflict Office, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Baton Rouge Capital Conflict Office, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control over financial reporting.

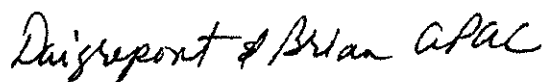
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance

As part of obtaining reasonable assurance about whether Baton Rouge Capital Conflict Office, Inc.'s financial statements are free of 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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of directors, management, others within the organization, the Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Baton Rouge, Louisiana  
June 21, 2010