



Luther Speight & Company
Certified Public Accountants and Consultants

RESILIENCE FORCE
FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021

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Luther Speight & Company, LLC
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Resilience Force

Opinion

We have audited the accompanying financial statements of Resilience Force (the Organization) which comprise the statement of financial position as of December 31, 2021, and the related statement of activities, functional expenses, and cash flows for the year 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 the Organization as of December 31, 2021, 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.

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 the *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 Organization 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 opinion.

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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's 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 Organization's ability to continue as a going concern for a reasonable period.

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.

Report on 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. This schedule is required by the Louisiana Legislative Auditor 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 September 16, 2022 on our consideration of the Organization's 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 Organization'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 Organization's internal control over financial reporting and compliance.



Luther Speight & Company CPAs
New Orleans, LA
September 16, 2022

RESILIENCE FORCE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

Assets	
Cash	\$ 1,390,130
Grants Receivable	434,155
Total Assets	<u>1,824,285</u>
Liabilities	
Accounts Payable	10,400
Total Liabilities	<u>10,400</u>
Net Assets	
Without Donor Restrictions	1,293,938
With Donor Restrictions	519,947
Total Net Assets	<u>1,813,885</u>
Total Liabilities and Net Assets	<u>\$ 1,824,285</u>

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

RESILIENCE FORCE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Without	With	Total
Grants and Support	<u>Donor Restrictions</u>	<u>Donor Restrictions</u>	<u> </u>
Grant Revenue	\$ 1,918,370	\$ 1,133,155	\$ 3,051,525
Donations	21,484	-	21,484
Released from Restrictions	613,208	(613,208)	-
Total Grants and Support	<u>2,553,062</u>	<u>519,947</u>	<u>3,073,009</u>
Expenses			
Program Services:			
New Orleans Resilience Corp	1,149,100	-	1,149,100
Organizing	128,076	-	128,076
Policy & Advocacy	132,659	-	132,659
Supporting Services:			
General & Administration	321,109	-	321,109
Total Expenses	<u>1,730,944</u>	<u>-</u>	<u>1,730,944</u>
Change in Net Assets	822,118	519,947	1,342,065
Net Assets, Beginning of Year	<u>471,820</u>	<u>-</u>	<u>471,820</u>
Net Assets, End of Year	<u>\$ 1,293,938</u>	<u>\$ 519,947</u>	<u>\$ 1,813,885</u>

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

RESILIENCE FORCE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services				Total
	New Orleans Resilience Corp	Organizing	Policy & Advocacy	General & Administration	
Salaries & Wages	\$ 498,759	\$ 35,158.00	\$ -	\$ -	\$ 533,917
Fringe Benefits	92,366	-	-	-	92,366
Payroll Tax	39,616	2,956	-	-	42,572
Contractors	382,897	88,847	131,192	191,520	794,456
Legal & Professional Services	25,310	-	-	101,580	126,890
Insurance Expense	40,666	-	-	1,020	41,686
Traveling Expense	15,386	-	1,467	8,962	25,815
Program Supplies Expense	21,472	-	-	2,319	23,791
Office Expense & Supplies	4,523	-	-	7,341	11,864
Telecommunication Expense	9,673	-	-	-	9,673
Rent & Lease Expense	4,798	-	-	3,444	8,242
Advertising & Marketing Expense	5,393	-	-	2,164	7,557
Meals & Entertainment Expense	6,800	-	-	451	7,251
Miscellaneous Expense	1,441	-	-	2,308	3,749
Dues & Subscriptions	-	1,115	-	-	1,115
	<u>\$ 1,149,100</u>	<u>\$ 128,076</u>	<u>\$ 132,659</u>	<u>\$ 321,109</u>	<u>\$ 1,730,944</u>

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

RESILIENCE FORCE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$ 1,342,065
Adjustments to reconcile changes in net assets to net cash provided in operating activities:	
Increase in Grants Receivable	(434,155)
Increase in Accounts Payable	<u>10,400</u>
Net Cash Provided by Operating Activities	<u>918,310</u>
 Net Increase in Cash and Cash Equivalents	 918,310
 Beginning Cash and Cash Equivalents	 <u>471,820</u>
 Ending Cash and Cash Equivalents	 <u><u>\$ 1,390,130</u></u>

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

RESILIENCE FORCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – BACKGROUND AND NATURE OF OPERATIONS

Resilience Force ("The Organization") is a 501(c)(3) non-profit corporation incorporated on September 14, 2020, under the laws of the State of Louisiana. It is dedicated to launching the New Orleans Resilience Corps, a new, diverse workforce development, and jobs program. The Organization's mission is to transform America's response to disasters by strengthening and securing the resilience workforce. The Corps will help strengthen the city's response to the Covid-19 pandemic while creating economic opportunity for those who have lost jobs. Resilience will train residents to be Community Health Workers. These workers will perform critical functions in limiting the spread of Covid-19 including coordinating the contact tracers, conduction door-to-door canvassing and wellness checks, delivering food and other necessities, connecting residents with city and state services, and more. These jobs will serve as crucial public health infrastructure for the City of New Orleans while paying a living wage and creating pathways to further professional opportunities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Accounting

Resilience's financial statements are prepared on the accrual basis of accounting, whereby revenue is recorded when earned and expenses are recorded when incurred in accordance with generally accepted accounting principles.

Use of Estimates

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

Cash

Cash includes amounts on deposit at financial institutions. For the purposes of the statement of cash flows, Resilience considers all highly liquid investment instruments purchased with a maturity of three months or less redeemable without penalty for the early withdrawal, to be cash equivalents. The Organization held no cash equivalents at December 31, 2021.

Grants and Contribution Receivables

Receivables, consisting of grants, contributions, and other receivables, are stated at the amount management expects to collect from outstanding balances. The Organization determines the allowance for uncollectable receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectible. At December 31, 2021, the Organization did not deem any receivables to be uncollectible.

RESILIENCE FORCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

Resilience is a not-for-profit corporation organized under the laws of the State of Louisiana. It is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code, and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax under the authority of I.R.S. 47: 121(5).

The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions.

The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Financial Statement Presentation

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 without donor restrictions and with donor restrictions. A description of these two net asset categories is as follows:

- Net assets without donor restrictions are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

- Net assets with donor restrictions are subject to donor (or certain grantor) 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.

RESILIENCE FORCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The majority of expenses have been specifically identified with a program or supporting service.

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.

Accounting Pronouncements Issued but Not Yet in Effect

On September 17, 2020, the FASB issued ASU 2020-07, Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. The ASU requires the new standard to be applied retrospectively, with amendments taking effect for the Organization's fiscal year ending December 31, 2022.

RESILIENCE FORCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In February 2016, the FASB issued ASU 2016-02, Leases. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. In July 2018, the FASB issued ASU 2018-11, Leases (Topic 842): Targeted Improvements, to simplify the lease standard's implementation. On June 3, 2020, the FASB deferred the effective date of this standard for certain entities. This standard will be effective for the Organization's fiscal year ending December 31, 2022. The Organization is currently assessing the impact of these pronouncements on their financial statements.

NOTE 3 – CONCENTRATIONS OF CREDIT RISK

The Organization has concentrated its credit risk for cash by maintaining a bank account in a financial institution in New Orleans, Louisiana, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation ("FDIC"). At December 31, 2021, the uninsured bank balance totaled \$1,140,130. The Organization has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

NOTE 4 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The following presents the Organization's financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year at December 31, 2021:

Cash	\$ 1,390,130
Accounts Receivable	434,155
Less: Net Assets With Donor Restrictions	(519,947)
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,304,338</u>

RESILIENCE FORCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 – COMPENSATED ABSENCES

The Organization’s vacation policy states that vacation days do not roll over to the following year. Therefore, no compensated absences accrual was recorded at December 31, 2021.

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of the Organization consists of the following as of December 31, 2021:

Time Restrictions	\$ 434,155
Purpose Restrictions	<u>85,792</u>
Total	<u>\$ 519,947</u>

Net assets released from donor restrictions by incurring expenses satisfying restrictions specified by donors as follows:

NORC	\$ 339,000
Organizing	164,208
Policy & Advocacy	<u>110,000</u>
	<u>\$ 613,208</u>

NOTE 7 – ECONOMIC DEPENDENCY

The primary sources of revenues for the Organization are grants and contributions provided through various funding agencies. Continued operations are dependent upon the renewal of grants and contributions from current funding sources as well as obtaining new funding. In 2021, the Organization had four significant grantors that accounted for approximately 70% of total revenue. Those same grantors accounted for approximately 98% of outstanding grants receivable at December 31, 2021.

RESILIENCE FORCE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 – COVID-19 GLOBAL PANDEMIC

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) spread across multiple countries, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the United States have declared a state of emergency. It is anticipated that these impacts will continue for some time. Future potential impacts may include disruptions to the Organization's operations and the ability for the Organization's employees to perform their tasks. During the year ended December 31, 2021, the Organization did not obtain any disaster-related financing as a result of the global pandemic.

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued on September 16, 2022, and determined that no events occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.



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
Resilience Force

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 Resilience Force (the Organization), which comprise the statement of financial position as of December 31, 2021, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 16, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about 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

September 16, 2022

RESILIENCE FORCE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the Organization.
2. No significant deficiencies or material weaknesses disclosed during the audit of the financial statements are reported in the 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.
3. No instances of noncompliance material to the financial statements were reported in the 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.
4. A management letter was not issued for the year ended December 31, 2021.

SECTION II FINANCIAL STATEMENT FINDINGS

No financial statement findings were noted.

**RESILIENCE FORCE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021**

SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

N/A - The Organization was not audited in the prior year.

**RESILIENCE FORCE
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2021**

Agency Head: Saket Soni, Executive Director

Purpose	Amount
Salary	\$ -
Severance	-
Benefits- Insurance	-
Benefits- Retirement	-
Benefits- Medicare	-
Benefits - Worker's Comp	-
Benefits- Unemployment	-
Cell Phone and iPad Dues	-
Uniforms	-
Per Diem	-
Travel	-
Reimbursements	-
Fuel Usage	-
Conference Travel	-
Continuing Professional Education Fees	-
Housing	-
Unvouchered Expenses	-
Special Meals	-

*There were no compensation, benefits, or payments to the agency head that were derived from public funds, including state, local, and federal pass-through.



Luther Speight & Company
Certified Public Accountants and Consultants

RESILIENCE FORCE

AGREED UPON PROCEDURES REPORT

FOR THE YEAR ENDED DECEMBER 31, 2021



Luther Speight & Company, LLC
Certified Public Accountants and Consultants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Resilience Force
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Resilience Force (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 Financial Policies document, we noted information included adequately addressed the required procedures related to 1) how purchases are initiated, 2) how vendors are added to the vendor list,

- 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: The policies and procedures appear to appropriately address the required elements above.

- 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: Documented procedures regarding how cards are to be controlled, allowable business uses, documentation requirements and monitoring card usage was provided.

- 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 does 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: Information regarding disaster recovery and business continuity was not mentioned in Financial Policies document

Managements Response: Resilience Force server is cloud based and we will update their Financial Policy document to reflect that.

- 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: The policies and procedures address the agency responsibilities, prohibitions, and employees are required to complete annual trainings.

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 does not meet monthly, and minutes are not recorded. The board uses resolutions instead.*

Management's Response: *The board met semi-annually and has signed off on any resolutions electronically; 2022 meetings will have both meeting minutes and resolutions.*

- 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 entity does not have reports associated with board meetings.*

Management's Response: *Going forward, the board meeting minutes will reflect the financial activity related to public funds.*

- 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.

Results: *Listing obtained from management.*

4. 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).

Results: Done.

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: Per review of the bank reconciliation and bank statement, we noted that the reconciliation had evidence (date) as being reconciled. In addition, that accounts were reconciled within 2 months of year-end.

- 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: We noted that no board member initials or dates the bank reconciliations on the date that he reviews them.

Management's Response: Management will sign off on all reconciliations once completed.

- 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: We noted no reconciling items that have been outstanding for more than 12 months from year-end.

Collections

6. 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: All deposits are made from one location by the Finance Consultant

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

Results: Management makes the deposits either in person or remotely. From the policies and procedures state the segregated duties.

- 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.
8. 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: Resilience Force has provided LCS with the insurance policies that cover everything.

9. 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 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.

Results: Resilience collections testing are in compliance.

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

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

Results: The policies and procedures state that all disbursements are handled out of one office.

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

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

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.

12. 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:

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

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

Results: *Resilience non payroll disbursements are in compliance.*

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

13. 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: *No credit cards were in use in the year 2021.*

14. 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: *N/A*

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

Results: *N/A*

15. 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: N/A

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

16. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

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

Results: N/A

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

Results: N/A

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

Results: N/A

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

Results: N/A

Contracts

17. 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: Resilience policy and procedures are in compliance with the 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: The board is not required to approve the contract via the policy.

- 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: There were no contracts amended in the fiscal year.

- 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.

Payroll and Personnel

18. 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 payroll samples agree with the payroll testing.

19. 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.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Result: *Resilience payroll test work are in compliance.*

20. 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.

Result: *Resilience has provided LCS with HR Records for all terminated or resigned employees*

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

Results: *Resilience payroll processor has paid all payroll related amounts by the required deadlines*

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

22. 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: Resilience Force reported that there was no misappropriation of funds.

8. 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 will update their website to comply.

Information Technology Disaster Recovery/Business Continuity

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

Results: *We have discussed with Resilience Force that their server database is all on the cloud.*

- 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: *Resilience uses, Google Drive to save all of their data. Google backs up data daily.*

- 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: *Google Drive automatically backs up to the cloud.*

- 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: *All of the computers Resilience owns has active antivirus software.*

Sexual Harassment

24. 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.

Results: *Management has provided the completion certificates for each employee last year.*

25. 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: *Management will update their website to comply.*

26. 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: No harassments have been reported so there is no harassment report.

Management's Response: Management will start an annual report going forward.

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

Management's Response: 100% of employees have completed the sexual harassment training.

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

Management's Response: Zero.

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

Management's Response: Zero / N/A

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

Management's Response: Zero / N/A

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

Management's Response: Zero / N/A

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.

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

Luther Speight & Company CPAs
New Orleans, Louisiana
September 16, 2022