

**CENTER FOR RESILIENCE, INC.**

Audit of Financial Statements

June 30, 2022



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## **Independent Auditor's Report**

To the Board of Directors  
Center for Resilience, Inc.  
New Orleans, Louisiana

### **Opinion**

We have audited the accompanying financial statements of Center for Resilience, Inc. (CfR), which comprise the statement of financial position as of June 30, 2022, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of CfR as of June 30, 2022, 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 (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards (*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 CfR 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 CfR'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 GAAS 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 GAAS 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 CfR'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 CfR's ability to continue as a going concern for a reasonable period of time

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to the chief executive officer, as required by Louisiana Revised Statute (R.S.) 24:513 A(3) is presented for purposes of additional analysis and is not a required part of the basic 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 December 20, 2022, on our consideration of CfR's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 CfR'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 CfR's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Covington, LA  
December 20, 2022

**CENTER FOR RESILIENCE, INC.**  
**Statement of Financial Position**  
**June 30, 2022**

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**Assets**

**Current Assets**

Cash	\$	76,597
Accounts Receivable		678,942

**Total Current Assets** 755,539

**Property and Equipment, Net** 9,638

**Total Assets** \$ 765,177

**Liabilities and Net Assets**

**Current Liabilities**

Accounts Payable and Accrued Expenses	\$	517,527
Accrued Salaries Payable		118,809
Compensated Absences Payable		4,073
Accrued Retirement Payable		3,453

**Total Liabilities** 643,862

**Net Assets**

Without Donor Restrictions		52,770
With Donor Restrictions		68,545

**Total Net Assets** 121,315

**Total Liabilities and Net Assets** \$ 765,177

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

**CENTER FOR RESILIENCE, INC.**  
**Statement of Activities**  
**For the Year Ended June 30, 2022**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue, Support, and Gains</b>			
Partner School Fees	\$ 1,353,375	\$ -	\$ 1,353,375
Educational Program Management Fees	1,300,000	-	1,300,000
Other Revenue	1,016,974	-	1,016,974
Contributions and Grant Revenue	265,430	515,000	780,430
Contributions of Non-Financial Assets	141,648	-	141,648
Net Assets Released from Donor Restrictions	496,455	(496,455)	-
<b>Total Revenue, Support, and Gains</b>	<b>4,573,882</b>	<b>18,545</b>	<b>4,592,427</b>
<b>Expenses</b>			
Program Services	3,302,575	-	3,302,575
Supporting Services	899,730	-	899,730
<b>Total Expenses</b>	<b>4,202,305</b>	<b>-</b>	<b>4,202,305</b>
<b>Change in Net Assets</b>	<b>371,577</b>	<b>18,545</b>	<b>390,122</b>
<b>Net Assets, Beginning of Year</b>	<b>(318,807)</b>	<b>50,000</b>	<b>(268,807)</b>
<b>Net Assets, End of Year</b>	<b>\$ 52,770</b>	<b>\$ 68,545</b>	<b>\$ 121,315</b>

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

**CENTER FOR RESILIENCE, INC.**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2022**

	<u>Program Services</u>	<u>Supporting Services</u>	
	<b>ResilientKids Classroom Integration</b>	<b>Management and General</b>	<b>Total</b>
Salaries and Compensation	\$ 1,731,049	\$ 517,983	\$ 2,249,032
Transportation	463,979	-	463,979
Consultants	320,938	132,124	453,062
Employee Benefits and Related Taxes	310,648	92,955	403,603
Building Rent	106,236	35,412	141,648
Custodial Service and Supplies	96,440	32,147	128,587
Supplies	90,349	30,116	120,465
Food Service Program	59,251	-	59,251
Insurance	35,370	11,790	47,160
Administrative and Other	26,214	8,740	34,954
Telecommunications	22,136	7,379	29,515
Professional Development	15,451	5,150	20,601
Depreciation	-	18,278	18,278
Copier Rental	8,724	2,908	11,632
Payroll Fees	7,134	2,378	9,512
Legal	7,111	2,370	9,481
Travel	1,545	-	1,545
<b>Total Expenses by Function</b>	<b>\$ 3,302,575</b>	<b>\$ 899,730</b>	<b>\$ 4,202,305</b>

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



**CENTER FOR RESILIENCE, INC.**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2022**

<b>Cash Flows from Operating Activities</b>	
Change in Net Assets	\$ 390,122
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities	
Depreciation	18,278
Forgiveness of Paycheck Protection Program Loans	(814,700)
Changes in Assets and Liabilities	
Accounts Receivable	(190,157)
Prepaid Items and Other Current Assets	20,438
Accounts Payable and Accrued Expenses	(188,337)
Accrued Salaries Payable	(1,286)
Accrued Retirement Payable	(222)
Other Current Liabilities	(11,377)
	<u>(777,241)</u>
<b>Net Cash Used in Operating Activities</b>	<u>(777,241)</u>
<b>Cash Flows from Investing Activities</b>	
Purchases of Property and Equipment	<u>(10,245)</u>
<b>Net Cash Used in Investing Activities</b>	<u>(10,245)</u>
<b>Net Decrease in Cash</b>	(787,486)
<b>Cash, Beginning of Year</b>	<u>864,083</u>
<b>Cash, End of Year</b>	<u><u>\$ 76,597</u></u>
<b>Supplemental Disclosure of Cash Flow Information</b>	
Non-Cash Donations	<u><u>\$ 141,648</u></u>

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

# CENTER FOR RESILIENCE, INC.

## Notes to Financial Statements

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### Note 1. Organization and Summary of Significant Accounting Policies

#### **Nature of Organization**

Center for Resilience, Inc. (CfR) is a nonprofit public benefit corporation organized under the laws of the State of Louisiana and was incorporated on January 19, 2017 as New Orleans Therapeutic Day Program. On February 22, 2017, the name was changed to Center for Resilience, Inc.

The mission of CfR is to provide educational and intensive mental health support in an innovative partnership with the Tulane University School Medicine Department of Child and Adolescent Psychiatry to ensure the emotional well-being and academic readiness of children with behavioral health needs in the Greater New Orleans region. Currently, CfR offers separate settings for children in grades K - 10 with moderate to significant, diagnosed behavioral health disabilities whose needs cannot be met in a traditional school.

CfR works with students to build the skills necessary to be successful in a less restrictive school setting so they can one day transition back to their home schools. Ultimately, CfR's aim is to make sure all children with behavioral health needs have access to the appropriate services and placements.

CfR's ResilientKids Classroom Integration program involves a year-long, social and emotional learning curriculum taught from the inside out through mindfulness skills. CfR instructors work together with the classroom teachers to enhance learning-readiness and reduce stress and anxiety.

#### **Basis of Accounting and Presentation**

The financial statements of CfR are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method, revenues are recognized when earned, and expenses are recorded when incurred. CfR follows the guidance of the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

# CENTER FOR RESILIENCE, INC.

## Notes to Financial Statements

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### Note 1. Organization and Summary of Significant Accounting Policies (Continued)

#### Cash and Cash Equivalents

For purposes of the statement of cash flows, CfR considers all investments with original maturities of three months or less to be cash equivalents. At June 30, 2022, CfR had no cash equivalents.

#### Accounts Receivable

Receivables from contracts with customers are reported as accounts receivable in the accompanying statement of financial position. Accounts receivable consist primarily of non-interest bearing amounts due for partner school fees and educational program management fees. CfR determines the allowance for uncollectable accounts receivable based on historical experiences, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectible. At June 30, 2022, the allowance was \$-0-. The opening balance of accounts receivable at July 1, 2021 totaled \$488,785.

#### Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Land is stated at cost. Expenses incurred for maintenance and repairs are charged to operations as incurred. Leasehold improvements are amortized over the lesser of the estimated economic life of the improvements or the remaining term of the lease. Assets acquired by gift are recorded at fair market value established at the date of acquisition. CfR follows the policy of capitalizing all individual fixed assets purchased greater than \$5,000 and fixed assets that in aggregate are greater than \$10,000. CfR uses the straight-line method of depreciation over the assets useful life determined as follows:

<b>Asset</b>	<b>Useful Lives</b>
Leasehold Improvements	5 - 20 Years
Furniture, Fixtures, and Equipment	3 - 7 Years
Buildings	30 Years

#### Compensated Absences

Twelve-month employees are entitled to a total of ten (10) days of wellness leave. Up to three (3) days of the leave may be rolled over annually. Upon separation from employment, employees forfeit all accrued but unused sick and vacation time. Additionally, year-end staff are eligible for ten (10) days of vacation time. Ten-month employees are eligible for ten (10) days of wellness leave. Unused wellness leave for Ten-month employees does not rollover at year-end.

# CENTER FOR RESILIENCE, INC.

## Notes to Financial Statements

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### Note 1. Organization and Summary of Significant Accounting Policies (Continued)

#### Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions:* Net assets for general use that are not subject to donor-imposed restrictions.

*Net Assets With Donor Restrictions:* Net assets whose use is limited by donor-imposed time and/or purpose restrictions. Once expended for their restricted purpose, these restricted net assets are released to net assets without donor restrictions and reported in the statement of activities as net assets released from donor restrictions.

#### Revenue Recognition

CfR's revenue is derived primarily from partner school fees, educational program management fees, and contributions.

Contributions received are recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. Once expended for their restricted purpose, these restricted net assets are released to net assets without donor restrictions and reported in the statement of activities as net assets released from donor restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. In the absence of donor-imposed stipulations regarding how long the contributed asset must be used, CfR has adopted a policy of implying a time restriction on contributions of such assets that expires over the assets' useful lives.

Partner school fees and educational program management fees are accounted for in accordance with ASC Topic 606, *Revenue from Contracts with Customers*.

CfR recognizes revenue from partner school fees and educational program management fees during the year in which the related services are provided to students. The performance obligation is to provide education and related therapeutic services to students in kindergarten through tenth grade in Orleans Parish Schools whose mental health needs cannot be met in a traditional school setting. CfR works with students to build the skills necessary to be successful in a less restrictive school setting so they can one day transition back to their home schools. The performance obligation is simultaneously received and consumed by the students; therefore, the revenue is recognized ratably over the course of the year.

**Note 1. Organization and Summary of Significant Accounting Policies (Continued)**

**Revenue Recognition (Continued)**

Organizations are required to recognize as revenue and related expense, services received as donations if the organization would typically need to purchase the services if not received as donations. No amounts have been reflected in the financial statements for contributed services because there was either no objective basis available to measure their value or the value given was immaterial to the financial statements taken as a whole. Donations of contributed nonfinancial assets are recorded at fair value at the date of the donation.

**Functional Allocation of Expenses**

The cost of providing CfR's various programs and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among program and supporting services in the accompanying statement of functional expenses. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

<b>Expenses</b>	<b>Method of Allocation</b>
Salaries and Related Benefits	Time and Effort
Occupancy	Square Footage
Professional Fees	Full-Time Equivalent
Other	Time and Effort

**Income Taxes**

CfR is a not-for-profit exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. CfR believes that it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements. Penalties and interest assessed by income taxing authorities, if any, would be included in expenses.

**Recent Accounting Pronouncements - Adopted**

In September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, *Not for Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which specifies requirements for the recognition and initial measurement of contributions and disclosure requirements for contributed services. ASU 2020-07 was adopted during the year ended June 30, 2022. See Note 11 for the enhanced disclosure.

## CENTER FOR RESILIENCE, INC.

### Notes to Financial Statements

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#### Note 1. Organization and Summary of Significant Accounting Policies (Continued)

##### Recent Accounting Pronouncements - Not Yet Adopted

In January 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as finance or operating. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2016-02 will be effective for CfR in the year ending June 30, 2023. Management is currently evaluating the impact ASU 2016-02 will have on the financial statements.

#### Note 2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash	\$	76,597
Accounts Receivable		<u>658,942</u>
<b>Total</b>	<b>\$</b>	<b><u><u>735,539</u></u></b>

As part of CfR's liquidity management, it has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations come due. In addition, CfR has a \$150,000 line of credit it could draw on in the event of an unanticipated liquidity need. Further, CfR continues to address its cash liquidity issues through cost containment and grant enhancement activities.

#### Note 3. Property and Equipment, Net

As of June 30, 2022, property and equipment consisted of the following:

Equipment	\$	60,362
Less: Accumulated Depreciation		<u>(50,724)</u>
<b>Total Property and Equipment, Net</b>	<b>\$</b>	<b><u><u>9,638</u></u></b>

Depreciation expense for the year ended June 30, 2022 totaled \$18,278.

## CENTER FOR RESILIENCE, INC.

### Notes to Financial Statements

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#### **Note 4. Line of Credit**

CfR has executed a renewal of its line of credit with an available amount of \$150,000 dated September 21, 2021 and matures on September 20, 2022. See subsequent renewal information in Note 12. The interest rate on this note is subject to change from time-to-time based on changes in an independent index which is the prime rate of interest as published in the money rate section of the Wall Street Journal. There was no balance on the line of credit at June 30, 2022.

#### **Note 5. Risks and Uncertainties**

CfR is a recipient of funding from the Orleans Parish School Board and other partners. The funding is governed by various guidelines, regulations, and contractual agreements. The administration of the program and activities funded is under the control and administration of CfR and is subject to audit and/or review by the applicable funding source.

CfR is exposed to various risks of loss related to torts and theft of, damage to, and destruction of assets for which CfR carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

#### **Note 6. Paycheck Protection Program Loans**

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Securities (CARES) Act was enacted to provide emergency assistance for individuals, families, and organizations affected by the coronavirus pandemic. The Paycheck Protection Program (PPP), created through the CARES Act, provides qualified organizations with loans of up to \$10,000,000.

CfR obtained a \$348,800 and \$465,900 loan from a bank under the PPP in April 2020 and April 2021, respectively. Under the terms of the PPP, up to 100% of the loan (and related interest) may be forgiven if the proceeds are used for covered expenses and certain other requirements related to wage rates and maintenance of full-time equivalents are met. CfR applied for forgiveness with the lender in 2021 and received forgiveness of \$348,800 and \$465,900 from the Small Business Administration (SBA) in August 2021 and February 2022, respectively. The amount of loan forgiveness is reported as a component of other revenue on the statement of activities.

The SBA may undertake a review of a loan of any size during the six-year period following forgiveness or repayment of the loans. The review may include the loan forgiveness application, as well as whether CfR received the proper loan amounts. The timing and outcome of any SBA review is not known.

## CENTER FOR RESILIENCE, INC.

### Notes to Financial Statements

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#### Note 7. Donor Restrictions

At June 30, 2022, donor restrictions consisted of amounts subject to donor-imposed restrictions, and will be met by actions of CfR or by the passage of time. A detail by donor follows:

<b>Source</b>	<b>Amount</b>
Subject to Expenditure for Specified Purpose:	
Completion of Day Treatment Expansion & Growth of Services Continuum	\$ 68,545
<b>Total</b>	<b>\$ 68,545</b>

#### Note 8. Retirement Plan

On December 5, 2018, CfR's Board approved the establishment of a 403(b) single employer, defined contribution plan. Funding for the plan is through a contribution of a maximum percentage of up to 4% by the participating employees and CfR, limited by the maximum deferral dictated by Internal Revenue Code. Eligibility is based on full-time employment. The contribution is based on the employee's base salary each month. For the year ended June 30, 2022, employer contribution expense totaled \$28,049.

#### Note 9. Concentration of Credit Risk

CfR periodically maintains cash in bank accounts in excess of the federally insured limits. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. At June 30, 2022, \$-0- of cash was uninsured. CfR has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

During the year ended June 30, 2022, one revenue provider made up 27% of the total revenue recognized by CfR.

#### Note 10. Operating Leases

Effective July 1, 2019, CfR is obligated under an executed operating lease for office space. The operating lease contains yearly renewal options for periods not to exceed five years. Building rent expense for the year ended June 30, 2022 totaled \$141,648.



## CENTER FOR RESILIENCE, INC.

### Notes to Financial Statements

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#### Note 10. Operating Leases (Continued)

The required minimum rental payments under the terms of the building lease agreement are as follows:

Year Ending June 30,	Amount
2023	\$ 144,372
2024	147,368
<b>Total</b>	<b>\$ 291,740</b>

#### Note 11. Contributed Non-Financial Assets

For the year ended June 30, 2022, contributed nonfinancial assets recognized within the statement of activities included building rent totaling \$141,648. CfR recognized contributed nonfinancial assets within revenue. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

#### Note 12. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 20, 2022, and determined that the following event occurred that requires disclosure:

On October 25, 2022, CfR renewed the line of credit in the amount of \$150,000 with a maturity date of October 24, 2023.

No further subsequent events occurring after December 20, 2022, have been evaluated for inclusion in these financial statements.

## **SUPPLEMENTARY INFORMATION**

**CENTER FOR RESILIENCE, INC.**  
**Supplementary Information**  
**Schedule of Compensation, Benefits, and Other Payments**  
**to Chief Executive Officer**  
**For the Year Ended June 30, 2022**

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Louisiana Revised Statute (R.S.) 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees be reported as a supplemental report within the financial statements of local government and quasi-public auditees. In 2015, Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that received public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

**Chief Executive Officer**  
Elizabeth Marcel-Williams

<b>Purpose</b>	<b>Amount</b>
Salary	\$119,646
Benefits - Insurance	\$0
Benefits - Retirement	\$3,589
Benefits - Other	\$0
Car Allowance	\$0
Per Diem	\$0
Reimbursements	\$1,473
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Business Cell Phone	\$0
Special Meals	\$0

**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  
Center for Resilience, Inc.  
New Orleans, Louisiana

We have audited, 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, the financial statements of Center for Resilience, Inc. (CfR), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise CfR's basic financial statements, and have issued our report thereon dated December 20, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered CfR'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 CfR's internal control. Accordingly, we do not express an opinion on the effectiveness of CfR'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. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as 2022-001, that we consider to be a significant deficiency.

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 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 have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether CfR'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*.

**CfR's Response to Finding**

CfR's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. CfR's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CfR's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA  
December 20, 2022

**CENTER FOR RESILIENCE, INC.**  
**Summary Schedule of Findings and Responses (Continued)**  
**For the Year Ended June 30, 2022**

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**Section I - Summary of Auditor's Results**

Financial Statements Section

- |   |            |
|---|------------|
| 1) Type of auditor's report   | Unmodified |
| 2) Internal control over financial reporting and compliance and other matters |            |
| a) Material weaknesses identified?  | No         |
| b) Significant deficiencies identified?                                       | Yes        |
| 3) Noncompliance material to the financial statements noted?                  | No         |

Federal Awards Section - Not Applicable

**Part II - Findings Related to the Financial Statements**

2022-001 Revenue and Accounts Receivable Adjustments

- Condition:* A significant deficiency in internal control over financial reporting is present as revenue and accounts receivable were not recorded properly.
- Criteria:* Management of CfR is responsible for the review of financial information and should reconcile any differences noted.
- Effect:* Adjusting journal entries were needed as a result of audit testing due to incorrect recording of revenue and accounts receivable.
- Cause:* In the current year, the accounting staff changed and the review process was limited.
- Recommendation:* We recommend that management perform a detail review of the financial statements on a monthly basis compared to budget. This will allow any outliers to be identified and adjusted accordingly.

**CENTER FOR RESILIENCE, INC.**  
**Summary Schedule of Findings and Responses (Continued)**  
**For the Year Ended June 30, 2022**

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*Management Response:* During fiscal year 2022, CfR experienced two different financial staff transitions which appears to have resulted in some financial processes not being followed. However, CfR maintained a third-party/external financial support as well as had an in-house finance staff member who met regularly to review budget documents and purchases and to reconcile accounts. During the time in which we did not have a full-time finance staff member, our third party vendor attended monthly board finance committee meetings and reported out financial information and budget to actual reports. The Chief Executive Officer also reviews these documents on a weekly basis. Going forward, our full-time, in-house Director of Finance and Chief Executive Officer have implemented a new purchase process with several steps in the process, and are working with a new third-party financial vendor to provide reconciliation and other financial support.

**Part III - Federal Award Findings and Questioned Costs Section**

Not applicable.

**CENTER FOR RESILIENCE, INC.**  
**Schedule of Prior Audit Findings and Responses**  
**For the Year Ended June 30, 2022**

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**Findings Related to the Financial Statements**

**Reference Number**

2021-001

**Condition**

A blank check was identified during audit testing that was unaccounted for and where a stop payment had not been issued. There were no procedures in place to ensure blank check stock was accounted for through sequential check monitoring

**Status**

Resolved.



## AGREED-UPON PROCEDURES REPORT

Center for Resilience, Inc.

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

**For the Period July 1, 2021 - June 30, 2022**

To the Board of Directors  
Center for Resilience, Inc.  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on Center for Resilience, Inc. (the Organization) control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year July 1, 2021 through June 30, 2022. The Organization's management is responsible for those C/C areas identified in the SAUPs.

The Organization has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal year July 1, 2021 through June 30, 2022. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and 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, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- 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 (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology 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.
- 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:** We noted procedures 1a), 1b)(4), 1b)(5), 1i), 1j), and 1l) are not applicable to the public funds administered by the Organization. Exceptions noted for procedures 1f) as the policy does not contain items missing elements 1) - 3), and 5); 1h) as the policy does not contain items 1) and 2) for all types of travel expenses reimbursed; and 1k) as there is no written policy. No exceptions were found as a result of the remaining procedures above.

## ***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, 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.*
  - 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:** No exceptions were found as a result of this procedure.

## ***Bank Reconciliations***

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3. Obtain a listing of entity 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 or 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:** No exceptions were found as a result of this procedure.

### **Collections (excluding electronic funds transfers )**

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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:** No exceptions were found as a result of this procedure.

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.
  - 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.

**Results:** No exceptions were found as a result of this procedure.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

**Results:** No exceptions were found as a result of this procedure.

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 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:** Exception noted for procedure 7d) as two of the two deposits selected for testing were not made within one business day of receipt at the collection location. No exceptions were found as a result of the remaining procedures above.

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

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

**Results:** No exceptions were found as a result of this procedure.

- 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.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

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

**Results:** No exceptions were found as a result of this procedure.

- 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 itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

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

**Results:** Exception noted for procedure 10b) as five of five non-payroll disbursements selected for testing did not contain documentation of approval by supervisory personnel. No exceptions were found as a result of the remaining procedures above.

### ***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:** No exceptions were found as a result of this procedure.

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:** No exceptions were found as a result of this procedure.

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 (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:** Exception noted as itemized receipt and written documentation of business purpose was not provided for one of twenty transactions selected for testing.

### **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, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - 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:** No exceptions were found as a result of this procedure.

### **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 and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
  - 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:** No exceptions were found as a result of this procedure.

## ***Payroll and Personnel***

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16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

**Results:** No exceptions were found as a result of this procedure.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that 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 that supervisors approved the attendance and leave of the selected employees or officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

**Results:** No exceptions were found as a result of this procedure.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, and the entity policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

**Results:** No exceptions were found as a result of this procedure.

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

**Results:** No exceptions were found as a result of this procedure.



## ***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 entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

**Results:** This procedure is not applicable to the Organization.

## ***Debt Service***

---

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

**Results:** This procedure is not applicable to the Organization.

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 (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**Results:** This procedure is not applicable to the Organization.

## ***Fraud Notice***

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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.

**Results:** No exceptions were found as a result of this procedure.

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:** Exception noted as the Organization had not posted on its website, the notice required by R.S. 24:523.1.

## ***Information Technology Disaster Recovery/Business Continuity***

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25. Perform the following procedures, verbally discuss the results with management, and report: "We performed the procedure and discussed the results with management."
- a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
  - 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.
  - c. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

**Results:** We performed the procedure and discussed the results with management.

## ***Sexual Harassment***

---

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

**Results:** This procedure is not applicable to the Organization.

27. Observe that 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:** This procedure is not applicable to the Organization.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1<sup>st</sup>, and observe that it includes the applicable requirements of R.S. 42:344:
- a. Number and percentage of public servants in the agency who have completed the training requirements;
  - b. Number of sexual harassment complaints received by the agency;
  - c. Number of complaints which resulted in a finding that sexual harassment occurred;
  - d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

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

**Results:** This procedure is not applicable to the Organization.

We were engaged by the Organization to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing on those C/C areas identified in Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, and the results 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 Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA  
December 20, 2022



LaPorte, A Professional Accounting Corporation

5100 Village Walk, Suite 300

Covington, LA 70433

Ref: Management's Response to Statewide Agreed Upon Procedures (SAUPs)

Please find below Center for Resilience's (the Organization) responses to the SAUPs performed by LaPorte, APAC for the period July 1, 2021 to June 30, 2022.

#### Policies and Procedures

The Organization's contract policy did not mention types of services requiring written contracts, standard terms and conditions, legal review, or the monitoring process. The Organization's travel and expense reimbursement policy did not discuss flight, hotel, or meals as allowable expenses or dollar thresholds related to those categories although there were expenses reimbursed under these categories during the year. The Organization does not have a written disaster recovery/business continuity policy.

#### **Management's Response:**

**Management agrees with the findings above. We will revise our Internal Controls to incorporate the policy and procedures item. This will be completed by June 30, 2023.**

#### Collections

Two of two deposits selected for testing were not deposited within one business day of receipt at the collection location.

#### **Management's Response:**

**Management agrees with the findings above. We will make every attempt to deposit receipts within one business day. This will be implemented immediately.**

#### Non-payroll Disbursements

Five of five non-payroll disbursements selected for testing did not contain documentation of approval by supervisory personnel.

#### **Management's Response:**

**Management agrees with the findings above. We will formally document approval of non-payroll disbursements by supervisory personnel. This will be implemented immediately.**

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

Itemized receipt and written documentation of business purpose was not provided for one of twenty transactions selected for testing.

**Management's Response:**

Management agrees with the findings above. We will make every attempt to collect itemized receipts and written documentation of business purpose for every credit card and debit card transaction processed. This will be implemented immediately.

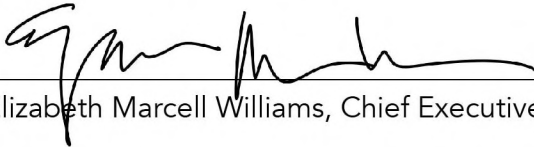
Fraud Notice

The Organization had not posted on its website, the notice required by R.S. 24:523.1.

**Management's Response:**

Management agrees with the findings above. Management will post the notice required by R.S. 24:523.1. to the Organization's website. This will be implemented by June 30, 2023.

CENTER FOR RESILIENCE



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Elizabeth Marcell Williams, Chief Executive Officer