



THE FAMILY CENTER OF HOPE, INC.

Independent Accountant's Review and Attestation Reports,  
With Financial Statements and  
Notes to Financial Statements  
As of and For the Year Ended December 31, 2020

Wharton CPA, LLC

**The Family Center of Hope, Inc.**  
**Table of Contents**

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	<b>Page</b>
Independent Accountant's Review Report	1-2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-9
Schedule of Findings and Questioned Costs	10
Schedule of Prior Year Findings and Questioned Costs	11
Supplemental Schedules:	
• Schedule of Compensation, Benefits, and Other Payments To Agency Head	12
Attestation Questionnaire	13-15
Attestation Report	16-19



## **INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

To the Board of Directors of  
Family Center of Hope, Inc.  
New Orleans, Louisiana

I have reviewed the accompanying statement of financial position of Family Center of Hope, Inc. (a non-profit corporation) as of December 31, 2020, and the related statement of activities, functional expenses, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of agency management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

### ***Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

### ***Accountant's Responsibility***

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of Family Center of Hope, Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

### ***Accountant's Conclusion***

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

***Other Matter Paragraph***

The accompanying schedule of compensation, benefits, and other payments to the agency head are presented for purposes of additional analysis and is not a required part of the financial statements. The information is the representation of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the supplementary information and, accordingly, do not express an opinion on such information

*Wharton CPA, LLC*

Wharton CPA, LLC  
New Orleans, Louisiana  
September 18, 2025

**The Family Center of Hope, Inc.**  
**Statement of Financial Position**  
**As of December 31, 2020**

<b><u>Assets</u></b>	
<b>Current Assets</b>	
Cash	\$ 197,436
Grants Receivable	99,361
Due from related party	<u>640,121</u>
Total Current Assets	\$ 936,918
<b><u>Fixed Assets</u></b>	
Land	101,351
Construction In Progress	532,604
Building and Equipment	950,000
Accumulated Depreciation	<u>(527,185)</u>
<b>Total Fixed Assets (Net)</b>	<u>1,056,770</u>
<b>Total Assets</b>	<u><u>\$ 1,993,690</u></u>
<b><u>Liabilities and Net Assets</u></b>	
Current Liabilities	
Accounts Payable	\$ 47,858
Loan Payable-related party	<u>30,938</u>
Total Current Liabilities	\$ 78,796
Long-Term Liabilities	
SBA loan payable	<u>40,200</u>
<b>Total Liabilities</b>	<u>\$ 118,996</u>
<b><u>Net Assets</u></b>	
With Donor Restrictions	\$ 3,170,346
Without Donor Restrictions	<u>(1,295,652)</u>
<b>Total Net Assets</b>	<u>1,874,694</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 1,993,690</u></u>

The accompanying notes are an integral part of these financial statements

**The Family Center of Hope, Inc.**  
**Statement of Activities**  
**For the Year Ended December 31, 2020**

	<b>Net Assets</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Revenues			
Grants and Contributions	\$ 15,477	\$ 384,113	\$ 399,590
Net Assets Released From Restrictions	301,924	(301,924)	-
Total Income	317,401	82,189	399,590
Expense			
Program Services	453,032	-	453,032
Management and General	62,962	-	62,962
Total Expense	515,994	-	515,994
Change In Net Assets	(198,593)	82,189	(116,404)
Net Assets (Beginning)	(1,097,059)	3,088,157	1,991,098
Net Assets (Ending)	\$ (1,295,652)	\$ 3,170,346	\$ 1,874,694

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

**The Family Center of Hope, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2020**

<b>Expense</b>	<b>Program Services</b>	<b>Management &amp; General</b>	<b>Total Expenses</b>
Administrative Services	\$ 874	\$ 13,967	\$ 14,841
Personnel Expenses	215,415	-	215,415
Contracted Services	148,246	12,432	160,678
Utilities	6,137	991	7,128
Insurance	13,700	-	13,700
Bank Service Charge	-	178	178
Supplies	35,414	8,854	44,268
Facilities & Equipment	14,315	-	14,315
Computers	5,910	-	5,910
Depreciation	-	24,629	24,629
Travel & Meetings	12,176	1,911	14,087
Marketing	845	-	845
Total Expenses	<u>\$ 453,032</u>	<u>\$ 62,962</u>	<u>\$ 515,994</u>

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

**The Family Center of Hope, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2020**

**Cash Flows From Operating Activities:**

Changes in Net Assets	\$ (116,404)
Adjustments to Reconcile Net Revenues over Expenditures to Net Cash Provided by Operating Activities	
Depreciation Expense	24,629
Changes in Operating Assets and Liabilities	
Grants Receivable	(89,102)
Due from related party	(58,867)
Loan payable- related party	9,223
Accounts Payable	<u>5,656</u>
Net Cash Used by Operating Activities	(193,927)

**Cash Flows From Investing Activities:**

Purchase/Sale of Fixed Assets	<u>4,221</u>
Net Cash Used by Investing Activities	4,221

**Cash Flows From Financing Activities:**

Net Cash Provided by Financing Activities	40,200
Net Cash Decrease for Period	<u>(149,506)</u>
Cash, At Beginning of Period January 1, 2020	<u>346,942</u>
Cash, At End of Period December 31, 2020	<u><u>\$ 197,436</u></u>

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



**The Family Center of Hope, Inc.**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2020**

**1. Summary of Significant Accounting Principles**

**General** – The Family Center of Hope, Inc. is a not-for-profit social service organization based in New Orleans, Louisiana. Family Center of Hope's was developed to assist children and adults in especially low-income areas with new and innovative forms of education, literacy, and training.

The Family Center of Hope's mission is to be a holistic institution of education and social services from a faith based perspective to the entire family. These services are designed to address and effect change in the areas of community violence, drug use, school dropouts, teenage parenting and other dysfunctions within families. At the core of the center's philosophy is a deeply embedded set of values about families and the nature of how help should be extended to them.

**Basis of Accounting** – Family Center of Hope's financial statements are prepared on the accrual basis of accounting, in compliance with generally accepted accounting principles, whereby revenue is recorded when earned and expenses are recorded when incurred.

**Property and Equipment** - The straight line method of depreciation is used for the assets owned by The Family Center of Hope, Inc. The estimated useful lives of these assets, which consists of furniture and equipment range from 3 to 5 years.

**Income Taxes** – The Family Center of Hope, Inc. has been determined to be tax exempt under Section 501 (c) (3) of the Internal Revenue Code. The agency's financial exposure would exist as it relates to potential unrelated business income.

**Cash** - Cash is comprised of cash on hand and in banks. There is \$197,436 reported in cash on the financial statements of Family Center of Hope, which is on deposit in another entity's bank account. Family Center of Hope has no ownership in the other entity.

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

**Change In Accounting Principle** - Change in Accounting Principle FASB issued ASU No. 2016-14, "Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities" in 2016. Under the ASU, the number of net asset classes is decreased from three to two; reporting of expenses by function and nature, as well as an analysis of expenses by both function and nature is required; and qualitative information in the notes to the financial statements on how an entity manages its liquid available resources and liquidity risks is required. Family Center of Hope adopted ASU 2016-14 during the year ended December 31, 2018. In accordance with the ASU, previously reported amounts have been reclassified to the current presentation. The adoption of ASU 2016-14 had no impact on Family Center of Hope's total net assets.

**The Family Center of Hope, Inc.**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2020**

**1. Summary of Significant Accounting Principles (Continued)**

**Public Support and Revenue-** In accordance with ASC 958-605, Revenue Recognition of Not-for-Profit Entities, contributions to Family Center of Hope are recorded when pledges are made. Allowances are provided for amounts estimated to be uncollectible. The allowance for uncollectible pledges is maintained at a level which the Board of Trustees (the Board) considers adequate based on prior collection experience and current economic conditions. All contributions are considered to be available for unrestricted use unless specifically restricted by donors. Pledges outstanding that are designated for future periods are reported as with donor restriction.

Amounts received with donor stipulations that limit the use of the donated assets are reported as restricted support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restriction and are reported in the statement of activities as net assets released from restrictions. Early adoption is allowed.

**2. Construction In Progress (CIP)-** FEMA funds were provided through a Request for Public Assistance (RPA) for the purpose of completing major renovations to the building in which the program operates. The building suffered significant damage during Hurricane Katrina and remained in disrepair until FEMA funds were granted. All expenditures associated with the construction contract are recorded in CIP until all terms have been met for completion.

**3. FIXED ASSETS**

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

Furniture and Equipment	\$ 950,000
Accumulated Depreciation	<u>(527,185)</u>
Net Depreciable Assets	\$ 422,815
Construction In Progress	532,604
Land	<u>101,351</u>
Total Fixed Assets (net)	<u>\$1,056,770</u>

Depreciation expense was \$24,629 for the year ended December 31, 2020.

**4. Economic Dependency**

The Family Center of Hope, Inc. receives its funding primarily, from grants and private donations. The continuance of this program is dependent upon the agency's ability to continue receiving grants and donations, as well as to obtain new funding.

**The Family Center of Hope, Inc.**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2020**

**5. Functional Allocation of Expenses**

The cost of providing the various programs and activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of The Family Center of Hope, Inc.

**6. Liquidity and Availability of Resources**

Family Center of Hope has a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Family Center of Hope's cash flows have variations during the year attributable to when payments are received from donors and grantors.

**7. Net Assets Without Donor Restriction**

Family Center of Hope's Board has historically designated certain contributions received without donor stipulations and the investment returns related to such contributions as net assets without donor restrictions in the statement of financial position in accordance with FASB ASC Topic 958, Not-for-Profit Entities. The deficit in net assets without donor restrictions of Family Center of Hope, is \$(1,295,652) at December 31, 2020.

**8. Net Assets With Donor Restrictions**

Net Assets with Donor Restrictions are restricted due to the following at December 31, 2020:

Building Renovations \$3,170,346.

**9. Due from related party**

The agency is owed FEMA funds in the amount of \$640,121 that were transferred previously to a related entity.

**10. Due to - related party**

The agency owes a related church organization for funds provided in the amount of \$30,938. The advance of funds was for operational expenses. There were no specific loan terms provided other than repayment is expected as funds are available.

**11. SBA Loan**

The agency secured a 30 year Economic Injury Disaster Loan (EIDL) through the U.S. Small Business Administration in June 2020. All payments made in 2020 were applied to interest. Consequently, the loan balance remains at the initial distributed amount of \$40,200.

**12. Subsequent Event**

Management has evaluated subsequent events through the date that the financial statements are available to be issued, September 18, 2025 and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**The Family Center of Hope, Inc.**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2020**

**2020-1 Late Report Filing**

Condition: The required report for the year ended December 31, 2020 was not completed and submitted until 2025.

Criteria: The Louisiana State audit law (LRS 24:513) requires the agency to complete its reporting requirements to the State within six (6) months following the end of its fiscal year.

Cause: A previously engaged CPA did not complete the review timely and the agency had to engage a different CPA.

Effect: The review is late and not in compliance with State reporting requirements.

Recommendation: It is recommended that the Agency procure CPA services in a timely manner to meet its reporting obligations under the Louisiana State audit law.

**The Family Center of Hope, Inc.**  
**Status of Prior Year Findings**  
**For the Year Ended December 31, 2020**

**2018, 2019-1 Late Audit Report Filing**

**Unresolved**

Condition: The audit for the year ended December 31, 2018 was not completed and submitted until 2023.

Criteria: The Louisiana State audit law (LRS 24:513) requires the agency to complete its reporting requirements to the State within six (6) months following the end of its fiscal year.

**2018, 2019-2 Public Bid Law**

**Resolved**

Condition: Family Center of Hope budgeted construction costs for damage to their property at over \$1,500,000, but the agency did not obtain formal bids for the work.

Criteria: The Louisiana State Public Bid law (RS 38-2212) requires the agency to advertise for and receive bids prior to contract issuance for public works exceeding \$250,000.

**2018, 2019-3 Cash Recorded from Bank Account of Another Entity**

**Resolved**

Condition: Family Center of Hope provided financial statements including cash of approximately \$640,121 that is in the bank account of another entity. The financial statements also included significant expenses paid from the same bank account.

Criteria: The financial statements of any entity should include only the assets owned by them.

**Family Center of Hope, Inc.**

*Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer*

**Year Ended December 31, 2020**

**Agency Head Name:** Rev. Patricia Watson

<b>Purpose</b>	<b>Amount</b>
Salary	101,226.53
Benefits-insurance	
Benefits-retirement	
Benefits-<list any other here>	7,743.82
FICA	
Car allowance	
Vehicle provided by government	
Per diem	
Reimbursements	
Travel	
Registration fees	
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses*	
Special meals	

\*an example of an unvouchered expense would be a travel advance

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Quasi-public Agencies)**

9/10/25 (Date Transmitted)

Wharton CPA, LLC (CPA Firm Name)

220 Decatur St. (CPA Firm Address)

New Orleans, LA 70130 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 12/31/2020 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Federal, State, and Local Awards**

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes ☒ No ☐ N/A ☐

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes ☒ No ☐ N/A ☐

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes ☒ No ☐ N/A ☐

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes ☒ No ☐ N/A ☐

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication “Open Meeting FAQs,” available on the Legislative Auditor’s website to determine whether a non-profit agency is subject to the open meetings law.**

Yes ☒ No ☐ N/A ☐

**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes ☒ No ☐ N/A ☐

## Reporting

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes ☒ No ☐ N/A ☐

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes ☒ No ☐ N/A ☐

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes ☒ No ☐ N/A ☐

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes ☐ No ☐ N/A ☒

## Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes ☐ No ☐ N/A ☒

## General

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes ☒ No ☐ N/A ☐

We acknowledge that we are responsible for determining that the procedures performed are appropriate for the purposes of this engagement.

Yes ☒ No ☐ N/A ☐

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes ☒ No ☐ N/A ☐

We have provided you with all relevant information and access under the terms of our agreement.

Yes ☒ No ☐ N/A ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes ☒ No ☐ N/A ☐

We are not aware of any material misstatements in the information we have provided to you.

Yes ☒ No ☐ N/A ☐




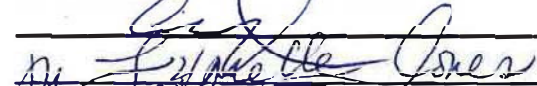

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes [ ] No [ ] N/A [x]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes [ ] No [ ] N/A [x]

The previous responses have been made to the best of our belief and knowledge.

	Secretary	<u>9-26-25</u>	Date
	Treasurer	<u>9-26-25</u>	Date
	President	<u>9-22-25</u>	Date



**Family Center of Hope Inc.**  
Independent Accountant's Report  
on Applying Agreed-Upon Procedures

To the Family Center of Hope, Inc. and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the Family Center of Hope and the Louisiana Legislative Auditor (the specified parties), on the Agency's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2020, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Agency's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, I make no representation regarding the sufficiency of the procedures enumerated 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:

Federal, State, and Local Awards

1. Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the Agency's management.

The Agency provided us with the following list of expenditures made for federal grant awards received during the fiscal year ended December 31, 2020:

Federal, State, or Local Grant Name	Grant Year	CFDA No. (if applicable)	Amount
City of New Orleans-ERC	1/1/2020-12/31/2020		369,113.00
Jefferson Parish	1/1/2020-12/31/2020		15,000.00
Total Expenditures			384,113.00

The Agency represented that they received two local government grant awards during the fiscal year ended December 31, 2020.

2. For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.

There were two separate funding sources, from which 6 disbursements were randomly selected during the period of January 1, 2020 through December 31, 2020.

3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.

Each of the selected disbursements agreed to the amount and payee in the supporting documentation.

4. Report whether the selected disbursements were coded to the correct fund and general ledger account.

All of the disbursements were coded to the correct fund and general ledger account.

Report whether the selected disbursements were approved in accordance with the Agency's policies and procedures.

The Agency's policies and procedures state that the executive director must approve all disbursements. Documentation supporting each of the selected disbursements included the signature of the executive director.

For each selected disbursement made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

*Activities allowed or unallowed*

I compared documentation for each of the selected disbursements with program compliance requirements related to services allowed or not allowed. No exceptions were noted.

### *Eligibility*

I compared documentation for each of the selected disbursements with program compliance requirements related to eligibility. No exceptions were noted.

### *Reporting*

I compared documentation for each of the selected disbursements with program compliance requirements related to reporting. No exceptions were noted.

5. Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with the Agency's financial records; and report whether the amounts in the close-out reports agree with the Agency's financial records.

Not Applicable. There were no close-out reports due for the period under review.

### *Open Meetings*

6. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions.

Management represented that the Agency is only required to post a notice of each meeting and the accompanying agenda on the door of the Agency's office building. Although management has asserted that such documents were properly posted, no evidence was provided to support management's assertion other than an unmarked copy of the notices and agenda.

### *Budget*

7. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the agency provided to the applicable federal, state or local grantor agency. Report whether the budgets for federal, state and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.

The Agency provided documentation that comprehensive budgets were submitted to the applicable federal grantor agency as well as the State agency for the grants exceeding five thousand dollars. These budgets included the purpose and duration of the grant program.

### *State Audit Law*

8. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The agency's report was submitted past the due date of June 30, 2021 to the Legislative Auditor.

9. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

The Agency's management represented that the Agency did not enter into any contracts during the fiscal year that were subject to the public bid law.

#### Prior-Year Comments

10. Obtain and report management's representation as to whether any prior year suggestions, exceptions, recommendations, and/or comments have been resolved.

There were no prior year exceptions or comments.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. I was 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 the Agency's compliance with the foregoing matters. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the Agency's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, 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 Louisiana Legislative Auditor as a public document.

*Wharton CPA, LLC*

Wharton CPA, LLC  
New Orleans, LA  
September 18, 2025

# **FAMILY CENTER OF HOPE, INC.**

4137 Washington Ave  
New Orleans, LA 70125

October 17, 2025

**To:**

Louisiana Legislative Auditor  
1600 North Third Street  
Baton Rouge, LA 70802

**Re:** Response to Audit Findings – Family Center of Hope, Inc.

**Year Ended:** December 31, 2020

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## **Finding 2020-1: Late Report Filing**

**Condition:**

The required report for the year ended December 31, 2020, was not completed and submitted until 2025.

**Response:**

Family Center of Hope acknowledges that the 2020 report was filed late. The delay occurred because the previously engaged CPA firm failed to complete the review timely, requiring the organization to secure a replacement CPA to complete the engagement.

To ensure timely filing going forward, the organization has implemented the following corrective actions:

1. **Engagement of Fulton Consulting Agency** – The Board of Directors has engaged Fulton Consulting Agency to serve as the organization's outsourced Chief Financial Officer (CFO). The firm oversees accounting operations, audit readiness, and annual reporting to ensure compliance with state and federal filing requirements.
2. **Internal compliance calendar** – The agency has established a reporting calendar to track key deadlines, including audits, IRS Form 990 filings, and grant reporting obligations.
3. **Quarterly financial closeouts** – Fulton Consulting Agency conducts quarterly financial closeouts and reviews to maintain audit-ready financials throughout the year.
4. **Board oversight** – The Finance Committee receives quarterly updates on financial reporting and audit status and ensures that the annual CPA engagement begins no later

## **FAMILY CENTER OF HOPE, INC.**

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than March following the fiscal year end.

### **Anticipated Outcome:**

These actions will ensure that future financial reports are completed and submitted to the Legislative Auditor within the six-month timeframe required by Louisiana Revised Statute 24:513.

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## **Status of Prior Year Findings**

### **2018, 2019-1 Late Audit Report Filing – Unresolved**

#### **Condition:**

The audit report for 2018 was filed late due to prior auditor turnover and limited internal financial staffing.

#### **Response:**

This issue has been addressed. The agency now has consistent financial oversight through Fulton Consulting Agency, which ensures audit preparation and coordination are initiated on schedule. Internal reporting procedures have been strengthened to support timely completion of all future audits.

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### **2018, 2019-2 Public Bid Law – Resolved**

#### **Condition:**

The agency budgeted over \$1,500,000 for property repairs but did not obtain formal bids as required by Louisiana Public Bid Law (RS 38:2212).

#### **Response:**

This finding has been fully resolved. The organization has adopted a **Procurement and Purchasing Policy** that complies with Louisiana Public Bid Law. All construction or capital improvement projects exceeding \$250,000 are now publicly advertised and bid in accordance with RS 38:2212.

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## **FAMILY CENTER OF HOPE, INC.**

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### **2018, 2019-3 Cash Recorded from Bank Account of Another Entity – Resolved**

**Condition:**

Family Center of Hope previously included in its financial statements cash and expenses from a bank account belonging to another entity.

**Response:**

This finding has been fully resolved. The agency now maintains cash exclusively in bank accounts owned by Family Center of Hope, Inc. All financial activity is processed only through these agency-owned accounts. This ensures that the financial statements accurately reflect the assets, liabilities, revenues, and expenses of Family Center of Hope.

Fulton Consulting Agency, serving as the organization's de facto CFO, provides ongoing monitoring and reconciliation procedures to verify that no transactions are recorded from external or non-agency accounts.

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**Summary Statement:**

Family Center of Hope takes these findings seriously and has implemented significant improvements in financial management, internal controls, and compliance practices. The organization remains committed to transparency, accountability, and full compliance with Louisiana state laws and reporting requirements.

We appreciate the guidance of the Legislative Auditor's Office and will continue to strengthen our internal systems to maintain fiscal responsibility and operational excellence.

Sincerely,



**Patricia Watson**

Executive Director

Family Center of Hope, Inc.