

**HOPE MINISTRIES OF BATON ROUGE
BATON ROUGE, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2023



**Hebert Johnson
& Associates, Inc.**
Certified Public Accountants

A Professional Accounting Corporation

**HOPE Ministries of Baton Rouge
Baton Rouge, Louisiana**

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June 30, 2023

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A PROFESSIONAL ACCOUNTING CORPORATION

Independent Auditor's Report

To the Board of Directors
HOPE Ministries of Baton Rouge
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of HOPE Ministries of Baton Rouge (HOPE Ministries), which comprise the statement of financial position as of June 30, 2023, and 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 financial statements referred to above present fairly, in all material respects, the financial position of HOPE Ministries as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 HOPE Ministries 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.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with general accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements 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 HOPE Ministries 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about HOPE Ministries' 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 of timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and related 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 November 28, 2023, on our consideration of HOPE Ministries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 HOPE Ministries' internal control over financial reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering HOPE Ministries' internal control over financial reporting and compliance.

Other Matter – Summarized Comparative Information

HOPE Ministries' June 30, 2022 financial statements were audited by a predecessor auditor. The predecessor auditor expressed an unmodified opinion on those audited financial statements in his report dated November 11, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Chris Johnson

Hebert Johnson & Associates, Inc.
A Professional Accounting Corporation
Albany, Louisiana
November 28, 2023

Financial Statements

HOPE Ministries of Baton Rouge
Baton Rouge, Louisiana

Statement A

Statement of Financial Position
June 30, 2023

	<u>2023</u>	<u>Comparative Information (Restated) 2022</u>
Assets		
Current Assets:		
Cash	\$ 199,524	\$ 126,363
Investments	559,763	576,447
Inventory	10,614	11,753
Accounts Receivable, Net	41,066	25,780
Grants Receivable	177,424	294,229
Unconditional Promises to Give	193,500	125,000
Prepaid Expenses	3,005	2,705
Total Current Assets	<u>1,184,896</u>	<u>1,162,277</u>
Property, Plant & Equipment:		
Land	142,000	142,000
Capital Assets, Net	<u>761,033</u>	<u>784,188</u>
Total Property, Plant & Equipment	<u>903,033</u>	<u>926,188</u>
Other Assets:		
Operating Lease Right of Use Assets	20,637	30,501
Total Assets	<u>\$2,108,566</u>	<u>\$2,118,966</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts Payable	\$ 5,933	\$ 4,328
Accrued Liabilities	79,058	77,342
Deferred Revenue	10,500	-
Current Portion of Lease Liabilities	10,164	9,864
Total Current Liabilities	<u>105,655</u>	<u>91,534</u>
Long-Term Liabilities		
Non-Current Portion of Lease Liabilities	<u>10,473</u>	<u>20,637</u>
Total Long-Term Liabilities	<u>10,473</u>	<u>20,637</u>
Total Liabilities	<u>116,128</u>	<u>112,171</u>
Net Assets		
Without Donor Restrictions	1,263,600	1,021,324
With Donor Restrictions	<u>728,838</u>	<u>985,471</u>
Total Net Assets	<u>1,992,438</u>	<u>2,006,795</u>
Total Liabilities and Net Assets	<u>\$2,108,566</u>	<u>\$2,118,966</u>

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

**HOPE Ministries of Baton Rouge
Baton Rouge, Louisiana**

Statement B

**Statement of Activities
For the Year Ended June 30, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>6/30/2023</u>	<u>Comparative Information 6/30/2022</u>
Revenues				
Grants	\$ 546,003	\$ 183,000	\$ 729,003	\$ 1,390,412
Contributions				
Community	142,146	-	\$ 142,146	80,478
Individual	198,180	54,872	253,052	208,841
United Way	15,000	162,500	177,500	140,000
Other:				
In-Kind	-	628,041	628,041	408,001
Insurance Reimbursement	27,249	-	27,249	-
Social Enterprise	253,325	-	253,325	132,412
Other Income	5,494	-	5,494	-
Investment	8,317	-	8,317	1,320
	<u>1,195,714</u>	<u>1,028,413</u>	<u>2,224,127</u>	<u>2,361,464</u>
Net assets released from restrictions	<u>1,285,046</u>	<u>(1,285,046)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>2,480,760</u>	<u>(256,633)</u>	<u>2,224,127</u>	<u>2,361,464</u>
Expenses				
Program Services	1,928,114	-	1,928,114	1,739,631
Management & General	253,142	-	253,142	263,992
Fundraising	57,228	-	57,228	62,851
Total Expense	<u>2,238,484</u>	<u>-</u>	<u>2,238,484</u>	<u>2,066,474</u>
Increase (decrease) in Net Assets	242,276	(256,633)	(14,357)	294,990
Net Assets Beginning of Year	1,021,324	985,471	2,006,795	1,711,805
Net Assets End of Year	<u>\$ 1,263,600</u>	<u>\$ 728,838</u>	<u>\$ 1,992,438</u>	<u>\$ 2,006,795</u>

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

HOPE Ministries of Baton Rouge
Statement of Functional Expenses
For the Year Ended June 30, 2023

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>	<u>Comparative Information 06/30/2022</u>
Advertising	8,643	341	785	9,769	15,685
Depreciation	-	44,042	-	44,042	42,581
Direct Client Assistance	54,359	-	-	54,359	88,742
Dues & Subscriptions	3,652	1,025	323	5,000	5,032
Employee Benefits	133,347	7,011	3,685	144,043	120,520
Equipment Rental	11,620	852	465	12,937	12,673
Facilities Maintenance	20,732	5,108	771	26,611	39,282
Fund Development	-	2,043	10,597	12,640	23,042
Insurance	-	28,272	-	28,272	23,736
Office/Occupancy Expense	51,470	28,267	1,213	80,950	69,083
Other	2,086	1,820	163	4,069	5,892
Payroll Taxes	65,600	8,613	2,504	76,717	71,756
Professional Development	9,248	1,984	283	11,515	52,738
Professional Fees	54,012	1,981	564	56,557	85,686
Programming	635,058	-	-	635,058	421,202
Salaries	836,176	113,940	33,476	983,592	910,101
Technology Expense	12,257	3,442	199	15,898	38,448
Telephone	12,386	1,008	551	13,945	13,308
Travel	17,468	3,393	1,649	22,510	40,068
Total Expenses	<u>\$ 1,928,114</u>	<u>\$ 253,142</u>	<u>\$ 57,228</u>	<u>\$2,238,484</u>	<u>\$ 2,079,575</u>

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

HOPE Ministries of Baton rouge
Statement of Cash Flows
For the Year Ended June 30, 2023

	6/30/2023	Comparative Information 6/30/2022
Cash Flows From Operating Activities		
Increase (decrease) in Net Assets	\$ (14,357)	\$ 294,990
Adjustment for non-cash items:		
Depreciation	44,042	42,581
Change in operating assets and liabilities		
Decrease (Increase) in receivables	33,019	(211,383)
Decrease (Increase) in prepaid insurance	(300)	
Decrease (Increase) in Inventory	1,139	
(Decrease) Increase in accounts payable & other liabilities	13,821	10,838
Net Cash Provided by Operating Activities	77,364	137,026
 Cash Flows From Investing Activities		
(Purchase) Sale of Property and Equipment	(20,888)	(64,686)
(Purchase) Sale of Investments	16,685	(1,314)
Net Cash Provided (Used) by Investing Activities	(4,203)	(66,000)
 Increase in Cash and Cash Equivalents	73,161	71,026
 Cash and Cash Equivalents, Beginning of Year	126,363	55,337
Cash and Cash Equivalents, End of Year	\$ 199,524	\$ 126,363

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

**HOPE Ministries
Baton Rouge, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

1. Significant Accounting Policies

A. Nature of Activities

HOPE Ministries of Baton Rouge (HOPE Ministries) is a faith based nonprofit organization working with transitionally homeless families, and impoverished individuals in south Louisiana to help them become self-sufficient, enhance work and education possibilities, and become equipped to make sound decisions and solve problems. HOPE Ministries is funded through contributions and grants from various organizations and individuals in south Louisiana.

B. Basis of Presentation

HOPE Ministries prepares its financial statements on the accrual basis of accounting. The significant accounting policies are described below to enhance the usefulness of the financial statements.

HOPE Ministries reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

The statement of activities presents expenses of HOPE Ministries functionally by program services, fundraising, and management and general.

C. Basis Accounting

The financial statements of HOPE Ministries have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

D. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. Estimates are used primarily when accounting for the allowance for doubtful accounts, depreciation, prepaid assets, accrued liabilities and in-kind revenues.

E. Income tax status

HOPE Ministries qualifies as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code; therefore, the financial statements have no provision for federal and state income tax.

HOPE Ministries
Baton Rouge, Louisiana

Notes to the Financial Statements
For the Year Ended June 30, 2023

FASB ASC 740, Income Taxes, requires that a tax position be recognized or derecognized based on a “more likely than not” threshold. This applies to positions taken or expected to be taken in a tax return. Management does not believe its financial statements include any uncertain tax positions.

F. Cash and Cash Equivalents

HOPE Ministries considers all highly liquid investments, money market funds and certificates of deposit with a maturity of three months or less at the date of acquisition to be cash equivalents.

G. Investments

Investments have been recorded at market value, with the amount of unrealized gain or loss recorded in the statement of activities. The investments are pooled funds maintained by the United Methodist Foundation of Louisiana (UMFL) in a bond fund that is invested in a diversified portfolio of domestic and international bonds.

FASB ASC 810, *Fair Value Measurements*, establishes a framework for measuring fair value through a hierarchy that prioritizes the sources of pricing information (inputs) to valuation techniques used for measurement. The highest priority is given to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 810 are described as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that HOPE Ministries has the ability to access.

Level 2- Inputs including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable and significant to the fair value measurement.

Investments in debt and equity securities with readily determinable fair values are recorded at fair value using level 1 inputs. Unrealized gains and losses are recorded in current period

**HOPE Ministries
Baton Rouge, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

operations as increases or decreases in net assets. Dividend, interest, and other investment income are recorded as an increase in net assets.

H. Accounts receivable

Accounts receivable are trade receivables recorded at cost, net of an allowance for doubtful accounts. Management believes all accounts are collectible; therefore, an allowance has not been recorded at June 30, 2023. HOPE Ministries does not require collateral for its receivables.

I. Inventories

Inventory is valued at cost using the first in, first out method and consists of food held by the Food Pantry program and curriculum manuals for The Way to Work program. The cost is recorded as an expense as inventory items are consumed.

J. Property, Plant and Equipment

Property is stated at cost, or fair market value if donated, and depreciated over the estimated useful lives using the straight-line method for values in excess of \$500. Maintenance and repairs expenditures are expensed as incurred.

K. Personal Leave Benefit

Personal leave is earned at varying rates for four to five weeks per year depending on the length of service. A maximum of 26 days of unused vacation leave may be carried over at December 31. Vacation leave at June 30, 2023, was \$20,087, and is included in accrued liabilities

L. Fair Value of financial instruments

The carrying value of receivables, prepaid insurance, accounts payable and accrued liabilities approximates fair value due to the short-term maturity of these instruments. None of these financial instruments are held for trading purposes.

M. Revenue Recognition

Revenue is recognized when earned. Sponsorships for fund raising events received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received.

HOPE Ministries receives grants to support its activities as well as grants restricted for specific purposes. Restricted grants that have not been fully expended at period-end are classified as net

**HOPE Ministries
Baton Rouge, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

assets with donor restrictions. Grants receivable of \$177,424 are from the Louisiana Department of Children and Family Services.

HOPE Ministries has contracts with various companies to provide services from its The Way to Work program. Revenue is recognized when HOPE Ministries employees provides the service to the company. Revenue recognized from contracts is listed under social enterprise in the statement of activities. The contract balances are listed under accounts receivable, net in the statement of financial position.

N. Concentrations of Credit Risk

Financial instruments which subject HOPE Ministries to concentrations of credit risk consist primarily of investments in money market funds and mutual funds. HOPE Ministries typically maintains cash in local banks. Cash deposits are fully insured by Federal Deposit Insurance Corporation (FDIC) as they are below the maximum insured amounts of \$250,000. Investment with the United Methodist Foundation of Louisiana are not insured by the Federal Deposit Insurance Corporation.

O. In-Kind Contributions

The value of contributed goods and services has been recognized at the fair market value of the benefit received. HOPE Ministries received \$628,041 of in-kind contributions during the year ended June 30,2023, which included \$544,434 in contributed food and \$83,607 in contributed services.

Contributions of services are recognized in the financial statements if the services enhance or create non-financial assets or require specialized skills, are provided by individuals possessing these skills, and would typically be purchased if not provided by donation.

P. Advertising

Advertising costs are expensed as incurred. Advertising expenses during the period were \$15,685.

Q. Change in Accounting Principle

The Corporation adopted FASB Topic 842, *Leases*, using the modified retrospective approach with January 1, 2023. The Organization elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed the Corporation to carry forward the historical lease classification. The change in principle had no effect on the prior period's net assets.

2. Investments

Investments, with a cost of \$559,763 and fair value of \$559,763, were held in the United Methodist Foundation of Louisiana Fixed Income Fund.

HOPE Ministries
Baton Rouge, Louisiana

Notes to the Financial Statements
For the Year Ended June 30, 2023

3. Unconditional Promises to Give

At June 30, 2023, HOPE Ministries had a total of \$162,500 in unconditional promises to give, all of which, was expected to be received in the next twelve months.

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

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior experience and management's analysis of specific promises made. Management has determined that no allowance is necessary as of June 30, 2023.

4. Properties and Equipment

At June 30, 2023, property and equipment was as follows:

<u>Description</u>	<u>Estimated Service Life</u>	<u>Amount</u>
Buildings	39 Years	\$ 1,001,921
Equipment	5 Years	77,225
Intangibles	5 Years	14,590
Furniture and Fixtures	7 Years	14,111
Land	-	<u>142,000</u>
		1,249,847
Less: Accumulated Depreciation		(346,813)
		<u><u>\$ 903,034</u></u>

Depreciation expense for the year ended June 30, 2023 was \$44,042.

Purchases during the year ended June 30, 2023 included equipment costing \$516, and building improvements costing \$20,372.

**HOPE Ministries
Baton Rouge, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

5. Net Assets

At June 30, 2023, HOPE Ministries had \$1,263,600 in net assets without donor restrictions.

Also, at June 30, 2023 net assets with donor restrictions included the \$359,338 net value of the headquarters buildings and the \$142,000 value of the land upon which the buildings rest. Title to the land and buildings will revert to the Louisiana Conference of the United Methodist Church should HOPE Ministries cease to exist. There was also \$162,500 in time restricted and \$65,000 in purpose restricted grants receivable for a total of \$728,838 in net assets with donor restrictions.

7. Significant Sources of Revenue

The majority of support during the year ended June 30, 2023 was received from contributors and granting agencies from the Baton Rouge area. Most significantly, the Louisiana Department of Children and Family Services provided \$537,062 in revenues to The Way to Work program, or 24% of total revenues. In addition, the Greater Baton Rouge Food Bank provided food to the Food Pantry program, representing 28% of total revenues.

8. Liquidity and Availability of Financial Assets

The Organization had \$1,171,277 of financial assets available within one year of the statement of financial position date available to meet cash needs for general and operating expenditures, consisting of cash and equivalents of \$199,524, investments of \$559,763 and receivables and unconditional promise to give of \$411,990.

As part of the organization's liquidity management plan, excess cash is placed in the United Methodist Foundation of Louisiana Fixed Income Fund that can be accessed to meet unexpected liquidity needs or in the event of financial distress.

9. Allocation of Functional Expenses

The Statement of Functional Expenses reports certain categories of expenses that are attributable to more than one program or support function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits and professional fees, which are allocated on the basis of estimates of time and effort.

10. Operating Leases

Other than short-term leases HOPE Ministries is a party to an operating lease for three copy machines.

As disclosed in Note A-13, the Corporation early adopted FASB ASC 842 due to the Corporation entering into long-term leases. These leases are required to be included on our statement of financial position under FASB ASC 842. As a result, adopting FASB ASC 842 had no impact to

**HOPE Ministries
Baton Rouge, Louisiana**

**Notes to the Financial Statements
For the Year Ended June 30, 2023**

prior year statement of financial position information, and because these leases are operating leases, the adoption of this standard has no impact on the results of operations. The Corporation has elected to apply the short-term lease exception to all leases with a term of one year or less.

As of June 30, 2023, the right-of-use (ROU) asset had a balance of \$20,637, as shown on the statement of financial position; and the lease liability is \$20,637. The lease asset and liability were calculated utilizing the risk-free discount rate (3%).

The Corporation has a month-to-month lease for office space in Pointe Coupee. Rent is \$644 per month.

The Corporation has the following long-term operating leases for 3 copy machines:

The Corporation has a 5-year lease for three Savin copy machines. The lease commences on July 1, 2020 and ends June 30, 2023. Lease payments are for \$887 per month.

Years Ending December 31

2024	\$ 10,644
2025	10,644
Total Minimum Lease Payments	<u>21,288</u>
Present Value Discount	<u>(651)</u>
Lease Liability	<u><u>\$ 20,637</u></u>

11. Line of Credit

HOPE Ministries has available a bank line of credit for any amount up to \$250,000. The line of credit is secured by the Organization's real and personal property. At June 30, 2023, the Organization has not taken any draws out of its line of credit.

12. Subsequent Events

Management of HOPE Ministries has evaluated subsequent events through November 28, 2023, the date that these financial statements were available to be issued and has determined that there are no significant subsequent events that require recognition or disclosure through that date.

Supplementary Information

**HOPE Ministries of Baton Rouge
Baton Rouge, Louisiana**

**Schedule of Compensation, Benefits and Other
Payments to Agency Head
June 30, 2023**

Agency Head Name: Janet Simmons

Description:

Salary	\$ 28,325
Benefits	7,112
Total	<u>\$ 35,437</u>

See Independent Auditor's Report.

CHARLES P. HEBERT, CPA

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A PROFESSIONAL ACCOUNTING CORPORATION

**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
HOPE Ministries of Baton Rouge
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of HOPE Ministries of Baton Rouge (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 28, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered HOPE Ministries of Baton Rouge's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of HOPE Ministries of Baton Rouge's internal control. Accordingly, we do not express an opinion on the effectiveness of HOPE Ministries of Baton Rouge's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

This report is intended solely for the information and use of management, the Board of Directors, and the Office of the Legislative Auditor, State of Louisiana, and federal awarding agencies and passes through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Chris Johnson

Hebert Johnson & Associates, Inc.
A Professional Accounting Corporation
Albany, Louisiana
November 28, 2023

**HOPE Ministries of Baton Rouge
Baton Rouge, Louisiana**

**Schedule of Current Year Audit Findings and Responses
June 30, 2023**

We have audited the basic financial statements of HOPE Ministries of Baton Rouge as of and for the year ended June 30, 2023, and have issued our report thereon dated November 28, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2023, resulted in an unmodified opinion.

Section I Internal Control and Compliance Material to the Financial Statements

None

Section II Internal Control and Compliance Material to Federal Awards

None

Section III Management Letter

None

**HOPE MINISTRIES OF BATON ROUGE
BATON ROUGE, LOUISIANA**

STATEWIDE AGREED-UPON PROCEDURES REPORT

Fiscal Period July 1, 2022 through June 30, 2023



**Hebert Johnson
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A Professional Accounting Corporation

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A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
HOPE Ministries of Baton Rouge
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. HOPE Ministries of Baton Rouge's management is responsible for those C/C areas identified in the SAUPs.

HOPE Ministries of Baton Rouge 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 LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, 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 associated findings are as follows:

1) Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether 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 rates 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) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) **Credit Cards (and debit cards, fuel cards, purchase 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).
- 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) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

No exceptions were found as a result of these procedures.

2) *Board or Finance Committee*

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - i. 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.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. 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.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No exceptions were found as a result of these procedures.

3) *Bank Reconciliations*

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:
 - i. 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);
 - ii. Bank reconciliations include written evidence that a member of management or a 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

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions were found as a result of these procedures.

4) Collections (excluding electronic funds transfers)

- A. 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).
- B. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also 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; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. 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 in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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:
 - i. Observe that receipts are sequentially pre-numbered.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. 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).
- v. Trace the actual deposit per the bank statement to the general ledger.

Exception:

The Organization does not have an employee theft insurance policy.

Management's Response:

Management will evaluate the volume and risk of the need for an employee theft insurance policy.

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

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 9. For each location selected under procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. 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;
 - iv. 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; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

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

10. For each location selected under procedure #5A 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
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions were found as a result of these procedures.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase 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.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain

the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

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

- C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection). 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 observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions were found as a result of these procedures.

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

- A. 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 and 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
 - i. 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);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. 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 Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions were found as a result of these procedures.

8) *Contracts*

- A. 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. *Alternatively, 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
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. 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, the documented approval); and
 - iv. 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.

No exceptions were found as a result of these procedures.

9) *Payroll and Personnel*

- A. 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.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

- C. 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 and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. 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.

No exceptions were found as a result of these procedures.

10) Ethics

(These procedures are not applicable to the Organization)

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - a. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - b. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- 23. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

11) Debt Service

(These procedures are not applicable to the Organization)

- A. 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 as required by Article VII, Section 8 of the Louisiana Constitution.
- B. 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).

12) Fraud Notice

- A. 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 as required by R.S. 24:523.
- B. 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.

No exceptions were found as a result of these procedures.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. 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.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

(These procedures are not applicable to the Organization)

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, 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 as required by R.S. 42:343.
- B. 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).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

We were engaged by HOPE Ministries of Baton Rouge 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 HOPE Ministries of Baton Rouge 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 performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or

compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Chris Johnson

Hebert Johnson & Associates, Inc.
A Professional Accounting Corporation
Albany, Louisiana
November 28, 2023