

Hope House of Central Louisiana

Alexandria, Louisiana

Annual Financial Report

December 31, 2023

Table of Contents

Independent Auditors' Report	1
Basic Financial Statements	
Statements of Financial Position	4
Statements of Activities	5
Statements of Cash Flows	6
Statements of Functional Expenses	7
Notes to the Financial Statements	8
Supplementary Data	
Schedule of Compensation, Benefits and Other Payments.....	16
Reports on Internal Control, Compliance and Other Matters	17
Independent Auditors' Report on Internal Control over Financial Reporting and On Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	18
Schedule of Findings.....	20
Management's Corrective Action Plan.....	22
Summary of Prior Year Audit Findings.....	23



Independent Auditors' Report

To the Board of Directors
Hope House of Central Louisiana
Alexandria, Louisiana

Report on the Financial Statement

Opinion

We have audited the accompanying financial statements of Hope House of Central Louisiana (Hope House) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Hope House of Central Louisiana as of December 31, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hope House of Central Louisiana 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 House of Central Louisiana's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hope House of Central Louisiana's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hope House of Central Louisiana's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits and other payments to executive director, 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 relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in



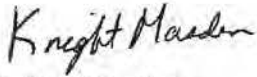
the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Hope House of Central Louisiana's December 31, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 26, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2024, on our consideration of Hope House of Central Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hope House of Central Louisiana's internal control over financial reporting and compliance.



KnightMasden
Alexandria, Louisiana
June 26, 2024



KnightMasden

A Professional Accounting Corporation

Hope House of Central Louisiana
Statements of Financial Position
December 31

	<u>2023</u>	2022 Summarized <u>Total</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 198,530	\$ 290,731
Grants and pledges receivable	-	97,523
Total Current Assets	<u>198,530</u>	<u>388,254</u>
Plant, Property and Equipment, net	1,064,140	493,813
Other Assets		
Investments	532,753	521,384
Restricted cash	1,985	1,696
Total Other Assets	<u>534,738</u>	<u>523,080</u>
 Total Assets	 <u>\$ 1,797,408</u>	 <u>\$ 1,405,147</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 65,021	\$ 1,456
Payroll liabilities	29,054	30,453
Accrued liabilities	1,985	1,696
Notes Payable	665,982	331,240
Total Current Liabilities	<u>762,042</u>	<u>364,845</u>
Net Assets		
without Donor Restrictions	561,703	553,661
with Donor Restrictions	473,663	486,641
Total Net Assets	<u>1,035,366</u>	<u>1,040,302</u>
 Total Liabilities and Net Assets	 <u>\$ 1,797,408</u>	 <u>\$ 1,405,147</u>

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

Hope House of Central Louisiana
Statements of Activities
For the Years Ended December 31

	<u>without</u> Donor <u>Restrictions</u>	<u>2023</u> with Donor <u>Restrictions</u>	<u>Total</u>	<u>2022</u> Summarized <u>Total</u>
Revenues				
Contributions, gifts and grants	\$ 221,739	\$ 137,637	\$ 359,376	\$ 383,684
In-kind donations	27,448	-	27,448	15,753
Fund raising income	129,624	-	129,624	107,377
Investment income	68,305	-	68,305	(89,076)
Client fees	23,980	-	23,980	23,937
Other income	<u>9,379</u>	<u>-</u>	<u>9,379</u>	<u>8,035</u>
Total Revenues	480,475	137,637	618,112	449,710
 Net Assets released from restrictions	 150,615	 (150,615)	 -	 -
Functional Expenses				
Program Services				
Transitional housing	459,205	-	459,205	403,534
Supporting Services				
Management and general	79,961	-	79,961	93,804
Fund raising	<u>83,882</u>	<u>-</u>	<u>83,882</u>	<u>42,012</u>
Total Supporting Services	<u>163,843</u>	<u>-</u>	<u>163,843</u>	<u>135,816</u>
Total Functional Expenses	<u>623,048</u>	<u>-</u>	<u>623,048</u>	<u>539,350</u>
 Change in Net Assets	 8,042	 (12,978)	 (4,936)	 (89,640)
 Net Assets - Beginning	 <u>553,661</u>	 <u>486,641</u>	 <u>1,040,302</u>	 <u>1,129,942</u>
 Net Assets - Ending	 <u>\$ 561,703</u>	 <u>\$ 473,663</u>	 <u>\$ 1,035,366</u>	 <u>\$ 1,040,302</u>

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

Hope House of Central Louisiana
 Statements of Cash Flows
 For the Years Ended December 31

	<u>2023</u>	2022 Summarized <u>Total</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ (4,936)	\$ (89,640)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities		
Depreciation	12,431	9,229
In-kind donations	(27,448)	(15,753)
Donated services and supplies	27,448	15,753
Net (income) loss from investment accounts	(11,369)	120,344
(Increase) decrease in accounts and grants receivable	97,523	(97,523)
Increase (decrease) in accounts payable	63,565	(103)
Increase (decrease) in other liabilities	(1,110)	3,425
Net Cash Provided/(Used) by Operating activities	<u>156,104</u>	<u>(54,268)</u>
Cash flows from Investing Activities		
Purchase of fixed assets	<u>(582,758)</u>	<u>(235,199)</u>
Net Cash Provided/(Used) by Investing Activities	<u>(582,758)</u>	<u>(235,199)</u>
Cash flows from Financing Activities		
Repayment of Debt	(107,523)	-
Borrowing of Debt	<u>442,265</u>	<u>331,240</u>
Net Cash Used by Financing Activities	<u>334,742</u>	<u>331,240</u>
Net Increase (Decrease) in Cash and Cash equivalents	(91,912)	41,773
Cash and Cash Equivalents - Beginning	<u>292,427</u>	<u>250,654</u>
Cash and Cash Equivalents - Ending	<u>\$ 200,515</u>	<u>\$ 292,427</u>
Consisting of:		
Cash and cash equivalents	\$ 198,530	\$ 290,731
Restricted cash	<u>1,985</u>	<u>1,696</u>
Total	<u>\$ 200,515</u>	<u>\$ 292,427</u>

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

Hope House of Central Louisiana
 Statements of Functional Expenses
 For the Years Ended December 31

	<u>Program</u> <u>Services</u>	<u>Management</u> <u>and General</u>	<u>Fund</u> <u>Raising</u>	2023 <u>Total</u> <u>Expenses</u>	2022 <u>Summarized</u> <u>Total</u>
Vehicle expense	\$ 7	\$ -	\$ -	\$ 7	\$ 278
Bank charges	-	3,114	208	3,322	4,017
Client expenses	13,061	-	-	13,061	7,782
Depreciation	12,431	-	-	12,431	9,229
Dues and subscriptions	3,292	816	-	4,108	3,948
Fundraising direct expenses	-	-	83,437	83,437	32,012
Insurance	37,818	-	-	37,818	31,306
Miscellaneous	718	-	-	718	2,631
Office supplies	1,357	581	237	2,175	3,406
Professional services	22,900	10,450	-	33,350	29,656
Repairs and maintenance	4,438	-	-	4,438	8,023
Salaries and benefits	331,032	65,000	-	396,032	373,792
Supplies	1,899	-	-	1,899	2,172
Telephone	4,872	-	-	4,872	4,815
Travel	-	-	-	-	200
Utilities	25,380	-	-	25,380	26,083
	<u>\$ 459,205</u>	<u>\$ 79,961</u>	<u>\$ 83,882</u>	<u>\$ 623,048</u>	<u>\$ 539,350</u>

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

Hope House of Central Louisiana
Notes to the Financial Statements
December 31, 2023

Note 1 – Summary of Significant Accounting Policies

Organization

Hope House of Central Louisiana (Hope House) is a nonprofit organization organized under the laws of the State of Louisiana. Hope House provides transitional housing and supportive services for homeless women and their children. Participants are required to establish goals and engage in activities that will allow them to become independent. Progress is monitored and assistance is provided by case workers.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Hope House and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of Hope House and/or the passage of time or be permanently maintained by Hope House. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions

Contributions are recorded as received. Unconditional promises to give are recorded as they are made. Conditional promises to give are recognized as revenue when the necessary conditions are fulfilled.

Income Taxes

Hope House is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Furthermore, Hope House is not classified as a “private foundation” by the Internal Revenue Service.

Cash and Cash Equivalents

Cash and cash equivalents represent unrestricted bank deposits and highly liquid investments with original maturities of three months or less.

Hope House of Central Louisiana
Notes to the Financial Statements
December 31, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

Land, Buildings and Equipment

Land, buildings and equipment are recorded at cost on the date of acquisition. Donated property is recorded at the estimated fair value upon receipt. Depreciation on buildings and equipment is computed using the straight-line basis over estimated useful lives ranging from 3 to 40 years.

Repairs, maintenance and minor replacements are charged to operations as incurred. Major replacements and improvements are capitalized at cost. When capitalized items are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the results of operations.

Assets donated with explicit restrictions regarding their use and contributions of cash designated to acquire property and equipment are reported as temporarily restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, Hope House reports expirations of donor restrictions when the donated or acquired assets are placed in service. Temporarily restricted net assets are reclassified to unrestricted net assets at that time.

Use of 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Leases

In February 2016, FASB issued ASU 2016-02, Leases (Topic 842), which among other things, requires the recognition of right-of-use lease assets and lease liabilities on the balance sheet of lessees for operating leases, along with the disclosure of key information about leasing arrangements. A lessee is required to record lease assets and lease liabilities for all leases with a term of greater than 12 months. Leases with a term of 12 months or less will be accounted for in a manner similar to existing guidance for operating leases today.

Note 2 – Investments and Marketable Securities

Hope House has two investment accounts, one account houses its permanently restricted assets and is held at a national investment company (See Note 7). The account has investments in several different marketable securities and cash investments. The second investment account was opened by transferring money into a local non-endowed agency fund with the Central Louisiana Community Foundation (the Foundation). Investments held in these two accounts at December 31, 2023 had a total value of \$532,753.

Hope House of Central Louisiana
Notes to the Financial Statements
December 31, 2023

Note 2 – Investments and Marketable Securities (continued)

Details regarding amounts reported as investment income are presented as follows:

<u>Description</u>	
Interest and Dividends	\$23,252
Realized Losses	14,699
Unrealized Losses	<u>30,252</u>
 Total Investment Income(Loss)	 <u>\$68,305</u>

Note 3 – Fair Value Measurement

FASB ACS 820-10, Fair Value measurement, defines fair value, establishes a framework for measuring fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurement and enhances disclosure requirements for fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of the fair value of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 – Represented by quoted prices that are available in an active market. Level 1 securities include checking and savings accounts, certificates of deposit, highly liquid government bonds, treasury securities, mortgage products and exchange traded equities.

Level 2 – Represented by assets and liabilities similar to Level 1 where quoted prices are not available, but observable, either directly or indirectly through corroboration with observable market data and estimated using pricing models or discounted cash flows. Level 2 securities would include U.S. agency securities, mortgage-backed agency securities, obligations of states and political subdivisions, and certain corporate, asset backed securities, and swap agreements.

Level 3 – Represented by financial instruments where there is limited activity or unobservable market prices and pricing models significant to determining the fair value measurement include the reporting entity’s own assumptions about market risk. Level 3 securities would include hedge funds, private equity securities, and private investments in public entities.

Fair value of assets measured on a recurring basis at December 31, 2023 are as follows:

<u>Description</u>	<u>Fair Value Measurement at December 31, 2023</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash	\$200,515	\$200,515	-	-
Investments	\$532,753	\$482,451	\$50,302	-

Hope House of Central Louisiana
Notes to the Financial Statements
December 31, 2023

Note 4 – Restricted Cash

Hope House maintains a separate account with funds that belong to the residents. The total in this account at December 31, 2023 totaled \$1,985. Hope House also maintains several cash accounts that are not restricted for specific purposes but are subject to board approval for expenditure.

Note 5 – Land, Buildings and Equipment

Land, buildings and equipment utilized by Hope House are presented as follows:

<u>Description</u>	<u>Life</u>	
Building and Improvements	7 - 40 years	\$ 246,511
Land		55,817
Furniture, Fixtures and Equipment	5 – 7 years	42,491
Vehicles	5 – 7 years	40,688
Construction in Progress		842,092
Accumulated Depreciations		<u>(163,459)</u>
Net		<u>\$1,064,140</u>

Depreciation expense for 2023 was \$12,431.

Note 6 – Net Asset with Donor Restrictions

A portion of net assets are subject to donor-imposed restrictions. Details associated with net assets with donor restrictions are presented as follows:

<u>Description</u>	
Children’s Services	\$ 19,567
Resident Computers	210
Capital Improvements	10,700
Licensed Counselor	28,215
Conflict Resolution Training	10,000
Fundraising Coordinator	7,126
New Facility Donations	26,424
Participant Outreach	947
Emergency Shelter	6,065
Hope Community	86,409
Playground Equipment	3,000
Shepherd Ministries Endowment	<u>275,000</u>
Total	<u>\$473,663</u>

Hope House of Central Louisiana
Notes to the Financial Statements
December 31, 2023

Note 7 – Shepherd Ministries Endowment

Hope House was initially a component of Shepherd Ministries, Inc. but effective January 1, 2001 Hope House became a completely separate and autonomous nonprofit organization known as Hope House of Central Louisiana. This was accomplished on January 1, 2001 by transferring the portion of Shepherd Ministries assets, liabilities and net assets attributable to Hope House to the new organization. In addition to the assets transferred on January 1, 2001, Shepherd Ministries, Inc. also had a substantial endowment fund. During 2004, Shepherd Ministries, Inc. transferred \$345,836 to Hope House. By mutual consent, \$275,000 was designated as being permanently restricted, with the earnings being designated as unrestricted. The funds are held in a separate investment account.

Endowment Spending Policy

The Board can request funds be withdrawn from the endowment to the extent the value of the account exceeds the original \$275,000 corpus. No funds have been drawn down from the investment in several years.

Endowment Investment Policy

The Board has developed an investment policy that states that Hope House shall maintain funds equivalent to 3 to 6 months of operating reserves in short-term, highly liquid investments, such as money market or other interest-bearing commercial bank accounts. The remaining available funds shall be maintained in very liquid investments with a long-term return horizon.

Changes in Endowment Net Assets

	Without Donor Restrictions	With Donor Restrictions	<u>Total</u>
Balance December 31, 2023	\$202,779	\$275,000	\$477,779
Contributions	-	-	-
Investment Revenue	13,040	-	13,040
Withdrawals	-	-	-
Balance December 31, 2023	<u>\$215,819</u>	<u>\$275,000</u>	<u>\$490,819</u>

Endowment Net Assets Composition by Type of Fund

	Without Donor Restrictions	With Donor Restrictions	<u>Total</u>
Shepherd Ministries Endowment	\$215,819	\$275,000	\$490,819

Hope House of Central Louisiana
Notes to the Financial Statements
December 31, 2023

Note 8 – Concentration of Credit Risk

Hope House received grants from the Department of Housing and Urban Development (HUD) for its Supportive Housing program. These grants constituted approximately 29% of operating revenues in 2023. Hope House is dependent on continuing support by this agency.

Note 9 – Unemployment Compensation Reserve

Hope House has elected not to pay into the state unemployment compensation fund, but to be self insured by establishing a reserve fund. The balance of the reserve fund at December 31, 2023 was \$13,950. During 2023, nothing was paid out in unemployment compensation benefits.

Note 10 – Donated Supplies and Services

During 2023, Hope House received donated supplies and fundraising silent auction items of \$27,448.

Unpaid volunteers have made significant contributions of their time to Hope House. The value of the contributed time is not reflected in these statements since it is not susceptible to an objective measurement.

Note 11 – Notes Payable

Hope House entered into an agreement with the Louisiana Housing Corporation to construct single-family homes. Louisiana Housing Corporation will reimburse Hope House for all expenses related to the project. The reimbursements are in the form of a forgivable loan. The loan will be forgiven as homes are sold to qualifying individuals/families. The balance owed at December 13, 2023 is \$665,982.

The Corporation has a \$150,000 line of credit with a regional bank. The line of credit is used to help with the cash flow related to the housing project. As of December 31, 2023, nothing was owed on the line of credit.

Note 12 – Income Taxes

Hope House's tax return for the years ended December 31, 2020 through December 31, 2022, remain open and subject to examination by taxing authorities. The tax return for the year ended December 31, 2023 has not been filed as of the report date.

Hope House of Central Louisiana
Notes to the Financial Statements
December 31, 2023

Note 12 – Income Taxes (continued)

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the organization and recognize a tax liability (or asset) if the organization has undertaken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the organization, and has concluded that as of December 31, 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or assets) or disclosure in the financial statements.

Note 13 – Liquidity Note

Hope House monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. As part of Hope House’s liquidity management, Hope House structures its financial assets to be available as general expenditures, liabilities, and other obligations become due. The following reflects Hope House’s financial assets as of December 31, 2023, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

Financial assets:	
Cash	\$200,515
Investments	<u>532,753</u>
Total financial assets are year-end	733,268
Less those unavailable for general expenditures	<u>(473,663)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$259,605</u>

Note 14 – Subsequent Events

Hope House has no material subsequent events that would require disclosure. Subsequent events have been evaluated through June 26, 2024, which is the date the financial statements were available for issuance.

Supplementary Information

Hope House of Central Louisiana
Schedule of Compensation, Benefits and Other Payments to Sandy Ray,
Executive Director
For the Year Ended December 31, 2023

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 73,870

Reports on Internal Control, Compliance, and Other Matters



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*

Board of Directors
Hope House of Central Louisiana
Alexandria, 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 House of Central Louisiana (Hope House) (a nonprofit organization), which comprise the statement of financial position as of December 31, 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 June 26, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hope House's internal control over financial reporting (internal control) as a basis for designing 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 House's internal control. Accordingly, we do not express an opinion on the effectiveness of Hope House'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.

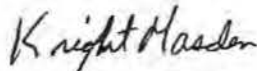
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

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



KnightMasden
Alexandria, Louisiana
June 26, 2024



Hope House of Central Louisiana
 Schedule of Findings
 For the Year Ended December 31, 2023

A. Summary of Auditors' Results

Financial Statements

- | | |
|--|------------|
| 1. Type of auditors' report | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiencies identified not considered material weakness? | None noted |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards

- | | |
|--|------------------------|
| 1. Type of auditors' report issued on compliance for major programs | N/A |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | N/A |
| b. Significant deficiencies identified not considered material weakness? | N/A |
| 3. Any audit findings disclosed that are required to be reported in the accordance with 2CFR section 200.516(a)? | N/A |
| 4. Identification of major programs | |
| Federal Assistance | |
| <u>Listing Number</u> | <u>Federal Program</u> |
| N/A | |
| 5. Dollar threshold used to distinguish between type A and type B programs | N/A |
| 6. Auditee qualified as low-risk under 2CFR 200.520 | N/A |

Hope House of Central Louisiana
Schedule of Findings
For the Year Ended December 31, 2023

B. Findings – Financial Statement Audit

INTERNAL CONTROL AND COMPLIANCE FINDING

No current year findings.

Hope House of Central Louisiana
Management's Corrective Action Plan
For the Year Ended December 31, 2023

No current year findings.

Hope House of Central Louisiana
Summary of Prior Year Audit Findings
For the Year Ended December 31, 2023

No prior year audit findings.

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of Hope House of Central Louisiana 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 January 1, 2023 through December 31, 2023. Hope House of Central Louisiana management is responsible for those C/C areas identified in the SAUPs.

Hope House of Central Louisiana 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 January 1, 2023 through December 31, 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:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a. Budgeting, including
 - i. preparing,
Policy is not present in the written policies and procedures manual.
 - ii. adopting,
Policy is not present in the written policies and procedures manual.

- iii. monitoring, and

Policy is not present in the written policies and procedures manual.

- iv. amending the budget.

Policy is not present in the written policies and procedures manual.

b. Purchasing, including

- i. how purchases are initiated;

Policy is present in the written policies and procedures manual.

- ii. how vendors are added to the vendor list;

Policy is not present in the written policies and procedures manual.

- iii. the preparation and approval process of purchase requisitions and purchase orders;

Policy is present in the written policies and procedures manual.

- iv. controls to ensure compliance with the public bid law; and

Policy is present in the written policies and procedures manual.

- v. documentation required to be maintained for all bids and price quotes.

Policy is not present in the written policies and procedures manual.

c. Disbursements, including

- i. processing,

Policy is present in the written policies and procedures manual.

- ii. reviewing, and

Policy is present in the written policies and procedures manual.

- iii. approving

Policy is present in the written policies and procedures manual.

d. Receipts/Collections, including

i. receiving,

Policy is present in the written policies and procedures manual.

ii. recording, and

Policy is present in the written policies and procedures manual.

iii. preparing deposits

Policy is present in the written policies and procedures manual.

iv. 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.

Policy is present in the written policies and procedures manual.

e. Payroll/Personnel, including

i. payroll processing, and

Policy is present in the written policies and procedures manual.

ii. reviewing and approving time and attendance records, including leave and overtime worked.

Policy is present in the written policies and procedures manual.

iii. approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Policy is present in the written policies and procedures manual.

f. Contracting, including

i. types of services requiring written contracts,

Policy is not present in the written policies and procedures manual.

- ii. standard terms and conditions,

Policy is not present in the written policies and procedures manual.

- iii. legal review,

Policy is not present in the written policies and procedures manual.

- iv. approval process, and

Policy is not present in the written policies and procedures manual.

- v. monitoring process

Policy is not present in the written policies and procedures manual.

- g. Travel and expense reimbursement, including

- i. allowable expenses,

Policy is present in the written policies and procedures manual.

- ii. dollar thresholds by category of expense,

Policy is not present in the written policies and procedures manual.

- iii. documentation requirements, and

Policy is present in the written policies and procedures manual.

- iv. required approvers.

Policy is present in the written policies and procedures manual.

- h. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including

- i. how cards are to be controlled,

Policy is not present in the written policies and procedures manual.

- ii. allowable business uses,

Policy is not present in the written policies and procedures manual.

- iii. documentation requirements,

Policy is not present in the written policies and procedures manual.

- iv. required approvers of statements, and

Policy is not present in the written policies and procedures manual.

- v. monitoring card usage.

Policy is not present in the written policies and procedures manual.

- i. Ethics, including

- i. the prohibitions as defined in Louisiana Revised Statute 42:1111-1121,

Not applicable to not for profits.

- ii. actions to be taken if an ethics violation takes place,

Not applicable to not for profits.

- iii. system to monitor possible ethics violations, and

Not applicable to not for profits.

- iv. requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Not applicable to not for profits.

- j. Debt Service, including

- i. debt issuance approval,

Not applicable to not for profits.

- ii. continuing disclosure/EMMA reporting requirements,

Not applicable to not for profits.

- iii. debt reserve requirements, and

Not applicable to not for profits.

- iv. debt service requirements.

Not applicable to not for profits.

- k. Information Technology Disaster Recovery/Business Continuity, including

- i. identification of critical data and frequency of data backups,

Policy is not present in the written policies and procedures manual.

- ii. storage of backups in a separate physical location isolated from the network,

Policy is not present in the written policies and procedures manual.

- iii. periodic testing/verification that backups can be restored,

Policy is not present in the written policies and procedures manual.

- iv. use of antivirus software on all systems,

Policy is not present in the written policies and procedures manual.

- v. timely application of all available system and software patches/updates, and

Policy is not present in the written policies and procedures manual.

- vi. identification of personnel, processes, and tools needed to recover operations after a critical event.

Policy is not present in the written policies and procedures manual.

- l. Sexual Harassment, including R.S. 42:342-344 requirements for

- i. agency responsibilities and prohibitions,

Policy is present in the written policies and procedures manual.

- ii. annual employee training,

Policy is not present in the written policies and procedures manual.

- iii. annual reporting.

Policy is not present in the written policies and procedures manual.

Management's Response to Section Findings: Management will review the policies not present in the policies and procedures manual and present needed policies to the board for approval.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

The board met with a quorum monthly.

- b. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparison, at a minimum, on all special revenue funds. Alternatively for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

Board meetings include discussions of financial data.

- c. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Not applicable to not for profits.

- d. 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 prior year finding.

Management's Response to Section Findings: No findings

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. 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:

List was obtained, and client represented that it was complete.

- a. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date;

All reconciliations were prepared within 2 months of related statement closing date.

- b. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation; and

The bank reconciliations do include evidence that a person who is not involved in the cash receipts or cash disbursements process has reviewed the reconciliation.

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

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

Management's Response to Section Findings: No findings

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

List was obtained, and client represented that it was complete.

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

collection location, and observe that job duties are properly segregated at each collection location such that:

- a. Employees that are responsible for cash collections do not share cash drawers/registers.

No cash drawers are used, because no cash is collected from customers/clients.

- b. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation to the deposit.

The employee that collects funds is not responsible making the deposit.

- c. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

The employee that collects funds is not responsible for posting collection entries.

- d. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

The employee responsible for bank reconciliations is not responsible for collecting funds. Hope House has contracted out the bank reconciliation function.

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

Employees responsible for collecting funds are covered by a bond or insurance policy.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- a. Observe that receipts are sequentially pre-numbered.

The receipts were not sequentially pre-numbered, but client has a separately maintained logged of all funds that are received.

- b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Not applicable as the receipts were not sequentially pre-numbered.

- c. Trace the deposit slip total to the actual deposit per the bank statement.

For all deposits tested, the total deposit slip equaled the total deposit per the bank statement.

- d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

For all deposits tested, deposit was made within 1 business day.

- e. Trace the actual deposit per the bank statement to the general ledger.

For all deposits tested, the deposit per bank statement equaled the deposit per the general ledger.

Management's Response to Section Findings: No findings

Non-Payroll Disbursements

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).

A list was obtained. Client represented that it was complete.

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

- a. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

- b. At least two employees are involved in processing and approving payments to vendors.

Two employees are involved in processing and approving payments to vendors.

- c. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Employee responsible for processing payments does add and/or modify vendor files, and no other employee is responsible for periodically reviewing changes to vendor files.

- d. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Employee responsible for signing checks does not mail the payment or give the signed check to an individual to mail who is not responsible for processing payments.

- e. 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.

Only employees authorized to sign checks approve the electronic disbursements.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

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

The disbursements tested matched the related original invoice/billing statement.

- b. Observe whether the disbursement documentation included evidence of segregation of duties tested under #9, as applicable.

The disbursements tested included evidence of segregation of duties.

11. Using the entity's main operating account and the month selected under #8, 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

The disbursements tested were approved by authorized personnel.

- b. Approved by the required number of authorized signers per the entity's policy.

The disbursements tested included the required number of authorized signers per the entity's policy..

Management's Response to Section Findings: No findings.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

A list was obtained. Client represented that it was complete.

13. 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 were reviewed and approved, in writing, by someone other than the authorized card holder.

There was no evidence that tested statements and support documentation were reviewed and approved in writing by someone other than the authorized card holder.

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

No finance charges or late fees were assessed on the tested statements.

14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions. For each transaction, observe that it is supported by

- a. an original itemized receipt that identifies precisely what was purchased,
An original itemized receipt was present for all but 1 transaction tested.
- b. written documentation of the business/public purpose, and
There was no written documentation of the business purpose of the transaction.
- c. documentation of the individuals participating in meals (for meal charges only).
Only one of the transactions tested was for meals and the participants were not documented..

Management's Response to Section Findings: Exceptions noted on 13(a), 14(a), 14(b), and 14(c). Management will review its credit card policies to determine if proper controls are in place.

Travel and Travel-Related Expense Reimbursements

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

No travel reimbursements were processed during the year.

- a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No travel reimbursements were processed during the year.

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

No travel reimbursements were processed during the year.

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

No travel reimbursements were processed during the year.

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

No travel reimbursements were processed during the year.

Management's Response to Section Findings: No findings

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

A list was obtained. Client represented that it was complete.

- a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

No contracts were subject to the Louisiana Bid Law.

- b. Observe that the contract was approved by the governing body/board, if required by policy or law.

No contracts required approval by governing board.

- c. If the contract was amended, observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms.

No contracts were amended.

- d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

All transactions tested had supporting invoice and agreed to terms of the contract.

Management's Response to Section Findings: No findings

Payroll and Personnel

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

A list was obtained. Client represented that it was complete.

18. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a. Observe that all selected employees/officials documented their daily attendance and leave.

Daily attendance documentation was present for all items tested.

- b. Observe whether supervisors approved the attendance and leave of the selected employees/officials.

Daily attendance documentation was approved by the supervisor for all items tested.

- c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Leave taken during the pay period was reflected in the entity's cumulative leave record.

- d. Observe the rate paid to employees or officials agree to the authorized salary/pay rate found within the personnel file.

Rate paid to employees agreed to authorized salary/pay rate found within employee personnel file for all but one item tested.

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

A list was obtained. Client represented that it was complete.

20. Obtain management's representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines.

Representation that payments and forms have been filed and paid by required deadlines.

Management's Response to Section Findings: Exception noted in 18(d), management will verify that all raises given are documented in employee personnel files.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Not applicable to not for profits.

- b. Observe whether the entity maintains documentation which demonstrates each employee/official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Not applicable to not for profits.

22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Not applicable to not for profits.

Management's Response to Section Findings: No findings

Debt Service

23. 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.

Not applicable to not for profits.

24. 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.

Not applicable to not for profits.

Management's Response to Section Findings: No findings

Fraud Notice

25. 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.

No misappropriation of public funds in current year.

26. 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.

Entity does not have notice posted.

Management's Response to Section Findings: Management will post notice required by R.S. 24:523.1 on its website and premises

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures,

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium, observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and

active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

26. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure 19. 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.

27. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, obtain cyber security training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267.

We performed the procedure and discussed the results with management.

Management's Response to Section Findings: No findings.

Prevention of Sexual Harassment

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

Sexual harassment training was not documented for any of the employees tested.

29. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Client has sexual harassment policy posted.

30. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

No report was generated.

- a) Number and percentage of public servants in the agency who have completed the training requirements;

No report was generated.

- b) Number of sexual harassment complaints received by the agency;

No report was generated.

- c) Number of complaints which resulted in a finding that sexual harassment occurred;

No report was generated.

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

No report was generated.

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

No report was generated.

Management's Response to Section Findings: All employees will attend sexual harassment training in 2024 and management will generate report.

We were engaged by Hope House of Central Louisiana 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 House of Central Louisiana 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.



KnightMadden
Alexandria, Louisiana
June 26, 2024

