

CHEZ HOPE, INC.

Financial Statements

Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Chez Hope, Inc.
Franklin, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Chez Hope, Inc. (a non-profit organization), 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 present fairly, in all material respects, the financial position of Chez Hope, Inc. 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 Chez Hope, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Chez Hope, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Chez Hope, Inc.'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 Chez Hope, Inc.'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 expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2023, on our consideration of Chez Hope, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Chez Hope, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Chez Hope, Inc.'s internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC

Certified Public Accountants

Morgan City, Louisiana
December 29, 2023

FINANCIAL STATEMENTS

CHEZ HOPE, INC.

Statement of Financial Position
June 30, 2023

ASSETS

Current assets	
Cash	\$ 195,809
Grants receivable	489,706
Other receivables	6,139
Prepaid expenses	<u>36,483</u>
Total current assets	728,137
Property and equipment, net	523,580
Operating right-of-use asset	439,147
Other assets	
Security deposit	<u>7,500</u>
Total assets	<u>\$ 1,698,364</u>

LIABILITIES AND NET ASSETS

Current liabilities	
Demand note payable	\$ 268,188
Accrued expenses	47,390
Unearned revenues	129,513
Operating lease liability	<u>105,070</u>
Total current liabilities	550,161
Long-term liabilities	
Operating lease liability	<u>334,077</u>
Total liabilities	<u>884,238</u>
Net assets	
Without donor restrictions	
Undesignated	779,980
With donor restrictions	<u>34,146</u>
Total net assets	<u>814,126</u>
Total liabilities and net assets	<u>\$ 1,698,364</u>

The accompanying notes to financial statements are an integral part of this statement.

CHEZ HOPE, INC.
Statement of Activities
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support			
Federal financial assistance			
Department of Children and Family Services	-	1,331,074	1,331,074
Louisiana Commission on Law Enforcement -			
KKIDDS	-	190,460	190,460
VAWA	-	26,596	26,596
VOCA	-	435,750	435,750
Department of Social Services - Emergency Shelter Grant	-	16,240	16,240
State financial assistance			
Louisiana Coalition Against Domestic Violence	-	77,284	77,284
LA Nonprofit Grant	-	2,851	2,851
Local and private assistance			
United Way	44,050	-	44,050
Donations	23,372	-	23,372
In-kind donations	14,720	-	14,720
Department of Children and Family Services - Marriage Licenses	-	10,646	10,646
St. Mary Parish Government	12,875	-	12,875
Louisiana Bar Foundation -			
Interest on Lawyer's Trial Association (IOLTA)	-	60,000	60,000
Jock Scott Community Partnership Panel Grant	-	19,929	19,929
Total support	95,017	2,170,830	2,265,847
Revenues			
Batterer fees	38,071	-	38,071
Other	22,371	-	22,371
Fundraising	2,660	-	2,660
Total revenue	63,102	-	63,102
Total revenues, gains, and other support	158,119	2,170,830	2,328,949
Assets released from restrictions	2,136,684	(2,136,684)	-
Total increase (decrease) in net assets	2,294,803	34,146	2,328,949
Decreases in net assets			
Program services	2,087,091	-	2,087,091
Supporting services -			
Management and general	320,819	-	320,819
Total decreases in net assets	2,407,910	-	2,407,910
Changes in net assets	(113,107)	34,146	(78,961)
Net assets, beginning	893,087	-	893,087
Net assets, ending	\$ 779,980	\$ 34,146	\$ 814,126

The accompanying notes to financial statements are an integral part of this statement.

CHEZ HOPE, INC.

Statement of Functional Expenses
Year Ended June 30, 2023

	Program Services	Supporting Services		Total Supporting Services	Total
		Management and General	Fundraising		
Automobile	\$ 32,553	\$ 10,851	\$ -	\$ 10,851	\$ 43,404
Bank charges	-	150	-	150	150
Building and auto interest	14,968	305	-	305	15,273
Children's program	917	-	-	-	917
Contract labor	14,600	-	-	-	14,600
Depreciation expense	83,211	6,072	-	6,072	89,283
Equipment expense	83,300	-	-	-	83,300
In-kind donations	14,720	-	-	-	14,720
Insurance	109,031	24,651	-	24,651	133,682
Miscellaneous	-	28,326	-	28,326	28,326
Office supplies and expenses	100,707	24,189	-	24,189	124,896
Operating supplies	29,821	-	-	-	29,821
Postage and delivery	-	994	-	994	994
Printing and reproduction	13,718	-	-	-	13,718
Professional fees	-	110,917	-	110,917	110,917
Rent	159,050	-	-	-	159,050
Repairs and maintenance	92,342	-	-	-	92,342
Salaries	933,780	95,816	-	95,816	1,029,596
Security	69,565	-	-	-	69,565
Shelter supplies	75,534	-	-	-	75,534
Taxes - payroll	67,537	15,269	-	15,269	82,806
Telephone	57,769	1,787	-	1,787	59,556
Travel and entertainment	2,834	-	-	-	2,834
Utilities	47,291	1,492	-	1,492	48,783
Victim assistance	83,843	-	-	-	83,843
	<u>\$ 2,087,091</u>	<u>\$ 320,819</u>	<u>\$ -</u>	<u>\$ 320,819</u>	<u>\$ 2,407,910</u>

The accompanying notes to financial statements are an integral part of this statement.

CHEZ HOPE, INC.

Statement of Cash Flows
Year Ended June 30, 2023

Operating activities	
Revenues collected	\$ 1,944,434
Payments for program services	(1,972,876)
Payments for support services	(314,442)
Interest payments	<u>(15,273)</u>
Net cash used by operating activities	(358,157)
Investing activities	
Acquisition/construction of capital assets	(43,714)
Financing activities	
Payments on demand note	<u>(11,740)</u>
Net change in cash	(413,611)
Cash, beginning	<u>609,420</u>
Cash, ending	<u>\$ 195,809</u>
Reconciliation of change in net assets to net cash used by operating activities	
Change in net assets	\$ <u>(78,961)</u>
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	89,283
Changes in assets and liabilities	
Grants receivable	(109,917)
Other receivables	(5,824)
Prepaid expenses	(569)
Accrued expenses	17,533
Deferred revenues	<u>(269,702)</u>
Total adjustments	<u>(279,196)</u>
Net cash used by operating activities	<u>\$ (358,157)</u>

The accompanying notes to financial statements are an integral part of this statement.

CHEZ HOPE, INC.

Notes to Financial Statements

(1) Nature of Organization and Significant Accounting Policies

A. Nature of organization

Chez Hope, Inc. is a non-profit organization that provides a wide range of services to victims of domestic violence. Its core service is providing shelter and support for victims and children. In addition, a 24-hour crisis line, individual assessment, and case management are provided. Chez Hope, Inc. is also actively involved with community education including law enforcement training and support groups. Chez Hope, Inc. coordinates domestic abuse intervention through the court system and provides additional services to child victims of domestic violence.

B. Economic dependence

Chez Hope, Inc. receives a significant portion of its funding through the Louisiana Department of Children and Family Services and Louisiana Commission on Law Enforcement. Should these agencies cut their funding or disallow items, Chez Hope, Inc. may be required to reduce its services.

C. Financial statement presentation

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

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that will be met, either (1) expire by incurring expenses satisfying the restricted purpose (purpose restricted), and/or the passage of time or other events (time restricted), or (2) will never expire (perpetual in nature). 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.

D. Support and expenses

All revenues and support are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases that net asset class. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions in the statement of activities as “net assets released from restrictions.”

CHEZ HOPE, INC.

Notes to Financial Statements (continued)

Expenses are recorded when incurred in accordance with the accrual basis of accounting. Operating leases are recognized on a straight-line basis over the life of the lease. The risk-free discount rate is used to measure lease liabilities and right-of-use assets by class. No right-of-use asset and lease liability is recognized for short-term leases (with terms of 12 months or less).

E. Allowance for doubtful accounts

Chez Hope, Inc. considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is provided.

F. Property and equipment

Purchased property and equipment are recorded at cost at the date of acquisition. Property and equipment purchased with federal grant funds are recorded as contributions with donor restrictions. In the absence of donor stipulations regarding how long the assets must be used, Chez Hope, Inc. has adopted a policy of implying a time restriction that expires over the useful life of the assets. Chez Hope, Inc. maintains a threshold level of \$2,500 or more for capitalizing assets.

Depreciation is computed by the straight-line method based on the following estimated lives:

	<u>Years</u>
Vehicles	5
Furnishings and equipment	7
Improvements	10
Buildings	30

G. Compensated absences

Vacation and sick leave are recorded as expenses of the period in which earned. Although sick leave is available for employees when needed, it does not vest nor is it payable at termination of employment. Annual vacation is earned by employees based on the number of years of employment. Current unused vacation and up to 180 hours of prior unused vacation is payable upon retirement for all employees. At June 30, 2023, the accrued vacation leave amounted to \$47,995.

H. Donated services and office space

Chez Hope, Inc. receives a significant amount of donated services from unpaid volunteers who assist in program services during the year; however, these donated services are not reflected in the statement of activity because the criteria for recognition under professional standards have not been satisfied. The fair value of donated services not reflected in the financial statements for the year ended June 30, 2023 was \$50,845.

Chez Hope, Inc. utilized all contributed nonfinancial assets and unless otherwise noted, contributed nonfinancial assets did not have donor restrictions. Chez Hope, Inc. does not have a policy whether to monetize or utilize contributed nonfinancial assets. Chez Hope Inc. received donated office space with a fair value of \$14,720 for the year ended June 30, 2023

CHEZ HOPE, INC.

Notes to Financial Statements (continued)

which meet the criteria of recognition in the financial statements. The value of the use of donated office space is estimated based upon market rates. The donated office space is used for outreach services.

I. Cash and cash equivalents

For the purposes of the statement of cash flows, Chez Hope, Inc. considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

J. Functional allocation of expenses

Expenses are summarized and categorized based on their functional classification. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and occupancy, which are allocated on a square-footage basis, as well as salaries and related benefits, which are allocated based on time and effort.

K. Income taxes

Chez Hope, Inc. is recognized by the Internal Revenue Service as a tax-exempt organization as provided for in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes except to the extent it has unrelated business income. Income from certain activities not directly related to Chez Hope, Inc.'s tax-exempt purpose is subject to taxation. If Chez Hope, Inc. were to be subject to unrelated business income tax, these taxes would be included in management and general expenses in the accompanying statement of activities.

L. Advertising

Advertising costs, identified on the Statement of Functional Expenses and printing and reproduction, are expensed as incurred. Advertising expense was \$13,718 in 2023.

(2) Accounting 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 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.

(3) Liquidity and Availability of Resources

Chez Hope, Inc. has \$691,654 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash and cash equivalents of \$195,809 and grants and other receivables of \$495,845. As part of the Chez Hope, Inc.'s liquidity management, Chez Hope, Inc. maintains sufficient cash balances throughout the year through the receipt of grants and donations to support its objectives.

CHEZ HOPE, INC.

Notes to Financial Statements (continued)

(4) Grants Receivable

Grants receivable consisted of the following at June 30, 2023:

Louisiana Commission on Law Enforcement	
VOCA	\$ 70,010
VAWA	6,404
KKIDDS	38,021
Louisiana Coalition Against Domestic Violence	44,782
Department of Children and Family Services	<u>330,489</u>
	<u>\$ 489,706</u>

(5) Property and Equipment

Property and equipment consisted of the following at June 30, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land	\$ 33,000	\$ -	\$ -	\$ 33,000
Construction in progress	51,000	-	51,000	-
Capital assets being depreciated				
Buildings and improvements	643,923	65,146	-	709,069
Office furniture and equipment	181,837	29,568	(7,859)	203,546
Vehicles	<u>174,157</u>	<u>-</u>	<u>-</u>	<u>174,157</u>
	1,083,917	94,714	43,141	1,119,772
Accumulated depreciation	<u>(513,840)</u>	<u>(89,283)</u>	<u>6,931</u>	<u>(596,192)</u>
Property and equipment, net	<u>\$ 570,077</u>	<u>\$ 5,431</u>	<u>\$ 50,072</u>	<u>\$ 523,580</u>

Depreciation expense totaling \$89,283 was recognized in the statement of activities for the year ended June 30, 2023.

CHEZ HOPE, INC.

Notes to Financial Statements (continued)

(6) Notes Due on Demand

Notes due on demand is comprised of the following at June 30, 2023:

Demand note payable to First National Bank bearing interest at 5.50% per annum, due in monthly installments of \$2,251 including interest, maturing in December 2037, secured by real property with a carrying value of \$221,220 and all furniture, equipment, and contents with a carrying value of \$99,613.

\$ 268,188

The note is due on demand, but if no demand is made, is payable as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 12,586
2025	13,296
2026	14,045
2027	14,838
2028	15,675
2029-2033	92,677
2034-3038	105,071
	<u>\$ 268,188</u>

(7) Contingencies

Chez Hope, Inc. receives grants for specific purposes that are subject to review and audit by the agency providing the funding. Such reviews and audits could result in expenses being disallowed under the terms and conditions of the grants. In the opinion of management, such disallowances, if any, would be immaterial.

CHEZ HOPE, INC.

Notes to Financial Statements (continued)

(8) Operating Leases

At June 30, 2023, Chez Hope, Inc. is obligated under a noncancelable operating lease agreement for 60 months with monthly payments of \$9,700, expiring May 2027.

The following is a maturity analysis of the annual undiscounted cash flows (payments) of the operating lease liability as of June 30, 2023:

Year Ended <u>June</u>	<u>Amount</u>
2024	\$ 116,400
2025	116,400
2026	116,400
2027	<u>116,400</u>
Total operating lease liability - payments	<u>\$ 465,600</u>

The following is a reconciliation of the total operating lease liability – payments on the schedule above to the operating lease liability on the accompanying statement of net position as of June 30, 2023:

Total operating lease liability - payments		\$ 465,600
Operating lease liability - current portion	\$ 105,070	
Long term liabilities:		
Operating lease liability	<u>334,077</u>	
Total operating lease liability		<u>439,147</u>
Present value adjustment		<u>\$ 26,453</u>

Operating lease cost of \$13,019 is included in the statement of activities for the year ended June 30, 2023. The weighted average of the remaining lease term was 4 years and the weighted average discount rate used was 2.90%.

(9) Concentration of Credit Risk

Cash and cash equivalents consist of cash held in checking and savings accounts on deposit in a local bank. These funds are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2023, cash balances did not exceed FDIC insurance coverage.

(10) Subsequent Events

Management has evaluated subsequent events through December 29, 2023, the date which the financial statements were available for issue.

CHEZ HOPE, INC.

Notes to Financial Statements (continued)

(11) Compensation and Other Payments to Chief Officer

Act 706 of the 2014 Legislative Session amended R. S. 24:513(A) requiring additional disclosure of total compensation, reimbursements, benefits, or other payments made to an agency head or chief officer. Payments to the Executive Director, Cherrise Picard, for the year ended June 30, 2023, are as follows:

Annual salary	\$ 95,587
Benefits - Insurance	6,805
Per diem	<u>224</u>
Total	<u>\$ 102,616</u>

(12) Change in Accounting Principle

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842) intended to improve financial reporting regarding leasing transactions. Under the new standard, a lessee is required to recognize leases on its balance sheet. At initial recognition of a lease, the lessee measures the liability for its lease obligation and the related right-to-use-asset at the present value of lease payments not yet paid. The guidance also requires qualitative and quantitative disclosures providing additional information about the amounts recorded in the financial statements. Chez Hope, Inc. has elected the package of practical expedients permitted, which includes applying Topic 842 only to leases with terms of over 12 months. Chez Hope, Inc. applied Topic 842 to all qualifying leases. The net effect of the implementation of the new accounting principle had no effect on beginning equity and is summarized below.

	Previously Reported 2022	Effect of Adoption	As Restated 2022
Statement of financial position:			
Assets -			
Operating right-of-use asset	\$ -	\$ 542,527	\$ 542,527
Liabilities -			
Operating lease liability- current portion	\$ -	\$ 103,381	\$ 103,381
Operating lease liability	-	439,146	439,146
Total	<u>\$ -</u>	<u>\$ 542,527</u>	<u>\$ 542,527</u>

SUPPLEMENTARY INFORMATION

CHEZ HOPE, INC.

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
UNITED STATES DEPARTMENT OF JUSTICE				
Passed through Louisiana Commission on Law Enforcement				
Crime Victim Assistance	16.575			
Domestic Violence Program (St. Mary) 4		2020-VA-02-6680	-	177,662
Domestic Violence Program (Iberia) 4		2020-VA-02-6681	-	86,158
Domestic Violence Program (St. Martin) 4		2020-VA-02-6682	-	89,070
Domestic Violence Program (St. Mary KKIDSS)		2020-VA-02-6683	-	83,731
Domestic Violence Program (Iberia KKIDSS)		2020-VA-03/02-6684	-	68,708
Domestic Violence Program (Assumption) 7		2020-VA-02-6479	-	14,161
Domestic Violence Program (St. Mary) 4		2021-VA-02-6856	-	35,660
Domestic Violence Program (Iberia) 4		2021-VA-02-6854	-	13,566
Domestic Violence Program (St. Martin) 4		2021-VA-02-6855	-	19,473
Victim Assistance Program (St. Mary) (KKIDSS) 4		2021-VA-02/03-6858	-	20,056
Victim Assistance Program (Iberia) (KKIDSS) 4		2021-VA-02/03-6857	-	17,965
Total Crime Victim Assistance Programs			-	626,210
Violence Against Women Formula Grants	16.588			
Domestic Violence Program		2021-WF-03-6597	-	18,881
Domestic Violence Program		2021-WF-03-6597	-	7,714
Total Violence Against Women Formula Grants			-	26,595
Total United States Department of Justice			-	652,805
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Louisiana Department of Children and Family Services				
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671			
COVID-19 American Rescue Plan		ARP-1	-	41,540
COVID-19 American Rescue Plan		ARP-2	-	230,885
Family Violence Prevention Services Program		2022-2023	-	1,078,190
Total United States Department of Health and Human Services			-	1,350,615
UNITED STATES DEPARTMENT OF HOMELAND SECURITY				
Passed through United Way of Acadiana				
Emergency Food and Shelter National Board Program	97.024			
COVID-19 Emergency Food and Shelter National Board Program		369200-012	-	16,240
Total expenditures of federal awards			\$ -	\$ 2,019,660

See independent auditor's report and notes to schedule of expenditures of federal awards.

CHEZ HOPE, INC.

Notes to Schedule of Expenditures of Federal Awards

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of Chez Hope, Inc. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Chez Hope, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Chez Hope, Inc. Crime Victim Assistance passe through the Louisiana Commission on Law Enforcement was considered to be the major program.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. Pass-through identifying numbers are presented where available.

(3) Indirect Cost Rate

Chez Hope, Inc. has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

(4) Subrecipients

Chez Hope, Inc. provided no federal awards to subrecipients.

(5) Donated PPE Purchased with Federal Assistance Funds for the COVID-19 Response

Chez Hope, Inc. did not receive donated PPE purchased with federal assistance funds for the COVID-19 response.

INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS

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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*

The Board of Directors
Chez Hope, Inc.
Franklin, Louisiana

We have audited, in accordance with the audit 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 Chez Hope, Inc. (a nonprofit organization), 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, and have issued our report thereon dated December 29, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Chez Hope, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Chez Hope, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Chez Hope, Inc.'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 Chez Hope, Inc.'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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we identified a deficiency in internal control, described as item 2023-001 in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chez Hope, Inc.'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*.

Chez Hope, Inc.'s Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the response of Chez Hope, Inc. to the finding identified in our audit and described in the accompanying corrective action plan for current audit findings (Appendix B). Chez Hope, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Chez Hope, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Chez Hope, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose. In accordance with Louisiana Revised Statutes 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
December 29, 2023

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Directors
Chez Hope, Inc.
Franklin, Louisiana

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the compliance of Chez Hope, Inc. with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have direct and material effect on Chez Hope Inc.'s major federal program for the year ended June 30, 2023. Chez Hope, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Chez Hope, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Chez Hope, Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of Chez Hope, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Chez Hope, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Chez Hope, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Chez Hope, Inc.'s compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Chez Hope, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Chez Hope, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Chez Hope, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all

deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. In accordance with Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
December 29, 2023

CHEZ HOPE, INC.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Part I. Summary of Auditor's Results

Financial Statements

1. Type of opinion issued on financial statements: Unmodified
2. Internal control over financial reporting:
- | | | | | |
|---|---|-----|---|---------------|
| Material weakness(es) identified? | _____ | yes | _____ <input checked="" type="checkbox"/> | no |
| Significant deficiency(ies) identified? | _____ <input checked="" type="checkbox"/> | yes | _____ | none reported |
3. Noncompliance material to the financial statements? _____ yes no

Federal Awards

4. Internal control over major federal programs:
- | | | | | |
|---|-------|-----|---|---------------|
| Material weakness(es) identified? | _____ | yes | _____ <input checked="" type="checkbox"/> | no |
| Significant deficiency(ies) identified? | _____ | yes | _____ <input checked="" type="checkbox"/> | none reported |
5. Major programs and type of auditor's report issued:

Assistance Listing Number	Federal Agency and Name of Major Program	Type of Opinion
16.575	U.S. Department of Justice Crime Victim Assistance	Unmodified

6. Audit findings required to be reported in accordance with 2 CFR §200.516(a)? _____ yes no
7. Threshold for distinguishing type A and B programs? \$ 750,000
8. Qualified as a low-risk auditee? _____ yes _____ no

Other

9. Management letter issued? _____ yes no

CHEZ HOPE, INC.

Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2023

Part II: Findings Related to an Audit in Accordance with *Government Auditing Standards*

2023-001 Financial Reporting

Fiscal year finding initially occurred: June 30, 2019

CONDITION: Chez Hope, Inc. lacks adequate staff and the expertise to properly prepare financial statements in accordance with U.S. GAAP.

CRITERIA: Chez Hope, Inc.'s internal control over financial reporting includes those policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statements and to apply GAAP in the preparation of those financial statements and related disclosures.

CAUSE: The condition results from the relatively small size of Chez Hope, Inc. and the increased costs of hiring personnel to prepare GAAP-based financial statements.

EFFECT: GAAP-based financial statements are not prepared by Chez Hope, Inc.

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

VIEW OF RESPONSIBLE OFFICIALS: See corrective action plan for current audit findings.

Part III: Findings and Questioned Costs for Federal Awards

None reported.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

APPENDIX A

Chez Hope, Inc.
Family Violence Crisis Center



Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023

Findings reported in accordance with *Government Auditing Standards*:

Internal Control –

2022-001 –

Compliance – **Financial Reporting**

CONDITION – Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to not-for-profit entities in the financial preparation process, Chez Hope, Inc. lacks adequate staff and experience to properly prepare financial statements in accordance with U.S. GAAP.

CURRENT STATUS: This finding was not yet resolved as of June 30, 2023

Compliance -

None

Findings for federal awards defined in the Uniform Guidance -

None

Management Letter Findings

None

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New Iberia, LA
(337)560-0090

St. Martinville, LA
(337)242-6100

Napoleonville, LA
(985)513-277

State Crisis
Hotline
1-888-411-1333

chezhope.org



CORRECTIVE ACTION PLAN FOR CURRENT AUDIT FINDINGS

APPENDIX B

Chez Hope, Inc.
Family Violence Crisis Center



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(337)828-4202 Fax

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State Crisis
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chezhope.org

December 29, 2023

Kolder, Slaven & Company, LLC
1201 David Drive
Morgan City, LA 70380

The following is in response to the finding resulting from Chez Hope, Inc.'s audit:

2023-001 Financial Reporting

Chez Hope, Inc. lacks adequate staff and the expertise to prepare financial statements. in accordance with U.S. generally accepted accounting principles (GAAP).

Management's Response

At the end of the fiscal year ended June 30, 2023, Chez Hope, Inc. hired an accounting firm with an understanding of GAAP to provide bookkeeping services.

Name of contact person responsible for corrective action: Cherrise Picard, Executive Director

Anticipated completion date for the corrective action: Corrective action has been completed.

Sincerely,

Cherrise Picard, Executive Director



CHEZ HOPE, INC.

Statewide Agreed-Upon Procedures

Fiscal period July 1, 2022 through June 30, 2023

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES TO CONTROL AND COMPLIANCE AREAS IDENTIFIED BY THE LOUISIANA LEGISLATIVE AUDITOR

The Board of Directors, Chez Hope, Inc., and
Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance 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. The management of the Chez Hope, Inc. (hereinafter "Chez Hope") is responsible for those control and compliance areas identified in the SAUPs.

An agreed-upon procedures engagement involves the performing of specific procedures that Chez Hope has agreed to and acknowledged to be appropriate on those control and compliance areas identified in the LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023 and report on exceptions based upon the procedures performed. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. However, 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 exceptions, if any, are as follows:

1) *Written Policies and Procedures*

A. 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:

i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

Written policies and procedures were obtained and address the subcategories noted above.

ii. **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.

Written policies and procedures were obtained but do not specifically address the subcategories noted above. Chez Hope, Inc. does not utilize a purchase order system.

- iii. **Disbursements**, including processing, reviewing, and approving.
Written policies and procedures were obtained and address the subcategories noted above.
- iv. **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).
Written policies and procedures were obtained and address the subcategories noted above with the exception of management's actions to determine completeness of all collections for each type of revenue.
- v. **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.
Written policies and procedures were obtained and address the subcategories noted above with the exception of (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Written policies and procedures were obtained but do not specifically address the subcategories noted above.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Written policies and procedures were obtained and address the subcategories noted above.
- viii. **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).
Written policies and procedures were obtained and address the subcategories noted above.
- ix. **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.
Chez Hope, Inc. is a non-profit entity; therefore, written policies and procedures related to ethics are not applicable.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Chez Hope, Inc. is a non-profit entity; therefore, written policies and procedures related to debt service are not applicable.

- xi. **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.

Written policies and procedures were obtained and address the subcategories noted above with the exception of (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.

- xii. **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.

Chez Hope, Inc. is a non-profit entity; therefore, written policies and procedures related to prevention of sexual harassment are not applicable.

2) Board or Finance Committee

- A. 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.

No exceptions were found as a result of this procedure.

- 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.

No exceptions were found as a result of this procedure.

- 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.

Chez Hope, Inc. is a non-governmental entity; therefore, this procedure is not applicable.

- 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 this procedure.

3) Bank Reconciliations

- A. 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:

Obtained a listing of bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the main operating account. No other accounts are used for daily operations. Obtained and inspected the corresponding bank statement and reconciliation.

- 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);

Bank reconciliation did not include evidence that it was prepared within 2 months of the related statement closing date.

- 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

No exceptions were found as a result of this procedure.

- 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.

Chez Hope, Inc. had no reconciling items that have been outstanding for more than 12 months from the statement closing date; therefore, this procedure is not applicable.

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).

Obtained 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. Selected Chez Hope's one (1) deposit site.

- 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;

No exceptions were found as a result of this procedure.

- 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;

No exceptions were found as a result of this procedure.

- 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

No exceptions were found as a result of this procedure.

- 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.

No exceptions were found as a result of this procedure.

- 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.

Obtained from management a copy of the insurance policy for theft covering all employees who have access to cash and observed that the insurance policy for theft was enforced 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). Obtain supporting documentation for each of the 10 deposits and:

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- 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).

This procedure is not applicable to not-for-profit entities like Chez Hope.

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

No exceptions were found as a result of this procedure.

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

- A. 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).

Obtained a listing of locations that process payments and management's representation that the listing is complete. Selected Chez Hope's one (1) location.

- B. 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;
No exceptions were found as a result of this procedure.
 - ii. At least two employees are involved in processing and approving payments to vendors;
No exceptions were found as a result of this procedure.
 - 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;
No exceptions were found as a result of this procedure.
 - 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
No exceptions were found as a result of this procedure.
 - 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.
No exceptions were found as a result of this procedure.
- C. 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
No exceptions were found as a result of this procedure.
 - 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.
No exceptions were found as a result of this procedure.
- D. 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 this procedure.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase 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.
Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards, including the card numbers, the names of the persons who maintained possession of the cards, and 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
- i. 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
No exceptions were found as a result of this procedure.
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
Late fees were assessed on one (1) of the five (5) selected statements.
- C. Using the monthly statements or combined statements selected under procedure #6B 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 this procedure.

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
Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing is complete. Randomly selected five (5) reimbursements.
- 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);
No exceptions were found as a result of this procedure.
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
No exceptions were found as a result of this procedure.
 - 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
No exceptions were found as a result of this procedure.

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

One (1) of the five (5) reimbursements was approved by the person receiving reimbursement.

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. 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

Obtained 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 and management's representation that the listing is complete. Selected Chez Hope's three (3) contracts.

- 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;
No exceptions were found as a result of this procedure.
- 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);
No exceptions were found as a result of this procedure.
- 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
No exceptions were found as a result of this procedure.
- 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 this procedure.

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.

Obtained a listing of all employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly selected five (5) employees or officials and agreed paid salaries to authorized salaries/pay rates in personnel files with no exceptions.

- 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);

No exceptions were found as a result of this procedure.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- 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.

Obtained a listing of all employees and officials that received termination payments during the fiscal period and management's representation that the listing is complete. Selected two (2) employees or officials and performed the procedures above with no exception.

- 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.

Obtained management's representation that all amounts have been paid, and any associated forms have been filed, by required deadlines.

10) Ethics

Chez Hope, Inc. is a not-for-profit entity not subject to ethics testing.

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. 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
 - ii. 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.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

11) Debt Service

Chez Hope, Inc. is a not-for-profit entity not subject to debt service testing.

- 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.

Obtained management's representation that there were no misappropriations of public funds and assets during the fiscal period.

- 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.

Chez Hope did not have the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds posted on its premises.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures:

- 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.

We performed the procedure and discussed the results with management.

- 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.

We performed the procedure and discussed the results with management.

- 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.

We performed the procedure and discussed the results with management.

- 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

Chez Hope, Inc. is a not-for-profit entity not subject to prevention of sexual harassment testing.

- 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.

Management's Response

Chez Hope concurs with the exceptions and is working to address the deficiencies identified.

We were engaged by Chez Hope 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 provisions of *Government Auditing Standards*, issued by the United States Comptroller General. 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 control and compliance 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 Chez Hope 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 control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. This report is intended solely for the information of and use by Chez Hope's management and the LLA and is not intended to be and should not be used by anyone other than these specified parties. Accordingly, this report is not suitable for any other purpose. In accordance with Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Kolder, Slaven & Company, LLC

Certified Public Accountants

Morgan City, Louisiana

December 29, 2023