

**CAFE HOPE, INC.**

FINANCIAL STATEMENTS

December 31, 2022 and 2021



## CONTENTS

---

	<u>Page(s)</u>
Independent Accountants' Review Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to financial Statements	9-14
Supplemental Schedule – Schedule of Compensation, Benefits and other Payments to Agency Head	15
Schedule of Findings and Responses	16
Schedule of Prior Year Findings	17
Independent Accountants' Report on Applying Agreed Upon Procedures	18-21

## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of  
Cafe Hope, Inc.  
Gretna, Louisiana

We have reviewed the accompanying financial statements of Cafe Hope, Inc. (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2022, and 2021 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility 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; this includes 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.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Cafe Hope, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

### **Accountant's Conclusion**

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

### **Supplementary Information**

The accompanying Schedule of Compensation, Benefits and Other Payments to Agency Head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our reviews of the basic financial statements. We are not

aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Metairie, Louisiana  
June 20, 2023

*Wegmann Bazet, APC*

CAFE HOPE, INC.  
STATEMENTS OF FINANCIAL POSITION

December 31, 2022 and 2021

	2022	2021
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 1,825,484	\$ 548,189
Accounts, grants and other receivables	341,525	216,117
Inventory	4,995	700
Total current assets	<u>2,172,004</u>	<u>765,006</u>
Property and equipment, net	<u>48,823</u>	<u>25,479</u>
Total assets	<u><u>\$ 2,220,827</u></u>	<u><u>\$ 790,485</u></u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	\$ 612,355	\$ 164,499
Accrued expenses	13,230	20,368
Accrued payroll liabilities	12,570	13,758
Current portion of long-term debt	-	6,973
Total liabilities	<u>638,155</u>	<u>205,598</u>
<b>NET ASSETS</b>		
Net assets		
Without donor restrictions	1,325,392	584,887
With donor restrictions	257,280	-
Total net assets	<u>1,582,672</u>	<u>584,887</u>
Total liabilities and net assets	<u><u>\$ 2,220,827</u></u>	<u><u>\$ 790,485</u></u>

See Independent Accountants' Review Report and accompanying Notes to Financial Statements.

CAFE HOPE, INC.  
STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Programs	\$ 117,806	\$ -	\$ 117,806
Contributions	152,555	225,000	377,555
Federal grants	124,454	-	124,454
In-kind donations	9,466	-	9,466
Fundraising	46,293	-	46,293
Foundation grants	275,000	66,000	341,000
Interest income	1,535	-	1,535
Insurance proceeds	557,619	-	557,619
Other income	116,497	-	116,497
Net assets released from restrictions	33,720	(33,720)	-
Total revenue	<u>1,434,945</u>	<u>257,280</u>	<u>1,692,225</u>
Expenses			
Program services	211,710	-	211,710
Supporting services			
General and administrative	235,077	-	235,077
Fundraising	247,653	-	247,653
Total expenses	<u>694,440</u>	<u>-</u>	<u>694,440</u>
Change in net assets	740,505	257,280	997,785
Net assets			
Beginning of year	<u>584,887</u>	<u>-</u>	<u>584,887</u>
End of year	<u>\$ 1,325,392</u>	<u>\$ 257,280</u>	<u>\$ 1,582,672</u>

See Independent Accountants' Review Report and accompanying Notes to Financial Statements.

CAFE HOPE, INC.  
STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues</b>			
Programs	\$ 378,695	\$ -	\$ 378,695
Contributions	112,329	-	112,329
Federal grants	170,305	-	170,305
Paycheck Protection Program	102,075	-	102,075
In-kind donations	37,870	-	37,870
Fundraising	33,205	-	33,205
Foundation grants	292,500	-	292,500
Interest income	953	-	953
Insurance proceeds	122,267	-	122,267
Other income	40,218	-	40,218
Net assets released from restrictions	10,000	(10,000)	-
<b>Total revenue</b>	<b>1,300,417</b>	<b>(10,000)</b>	<b>1,290,417</b>
<b>Expenses</b>			
Program services	586,440	-	586,440
Supporting services			
General and administrative	245,410	-	245,410
Fundraising	23,427	-	23,427
<b>Total expenses</b>	<b>855,277</b>	<b>-</b>	<b>855,277</b>
<b>Change in net assets</b>	<b>445,140</b>	<b>(10,000)</b>	<b>435,140</b>
<b>Net assets</b>			
Beginning of year	139,747	10,000	149,747
End of year	\$ 584,887	\$ -	\$ 584,887

See Independent Accountants' Review Report and accompanying Notes to Financial Statements.

CAFE HOPE, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2022

	Program Services				Supporting Services		Total	
	Life Skills Development program	Restaurant & Bar	Catering	Coffee Shop	Total Program Services	General & Administrative	Fundraising	Total
Accounting fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 876	\$ -	\$ 876
Advertising	-	-	-	43	43	-	4,134	4,177
Bank fees	-	2,388	374	25	2,787	4,955	13	7,755
Beverage purchases	-	7,557	-	7,561	15,118	-	-	15,118
Conferences	165	-	-	265	430	3,696	16,463	20,589
Contract services	-	-	342	127	469	-	11,876	12,345
Depreciation	-	-	-	-	-	5,646	-	5,646
Dues and memberships	-	323	-	423	746	186	-	932
Equipment rental	-	4,271	-	-	4,271	6,688	-	10,959
Food purchases	302	18,708	3,192	29,594	51,796	-	1,781	53,577
Insurance	428	289	2,191	620	3,528	25,702	26,249	55,479
Interest	-	8	-	-	8	49	-	57
Janitorial expense	7	978	-	3,318	4,303	3,826	-	8,129
Licenses and permits	-	263	-	76	339	-	-	339
Miscellaneous	-	-	-	2,244	2,244	334	705	3,283
Other expense	721	143	-	-	864	1,202	155	2,221
Paychex fees	-	-	-	-	-	1,153	1,004	2,157
Payroll taxes and benefits	483	1,314	2,691	222	4,710	11,361	10,276	26,347
Postage and print supplies	-	-	-	-	-	207	289	496
Professional services	-	-	-	623	623	61,393	3,757	65,773
Recruiting	-	-	-	960	960	35	-	995
Rent expense	-	-	-	-	-	9,466	-	9,466
Repairs and maintenance	-	-	-	-	-	233	-	233
Salaries and wages	23,381	20,214	28,033	19,410	91,038	96,610	142,258	329,906
Small equipment purchases	10,046	-	-	11,871	21,917	-	27,990	49,907
Supplies	388	81	-	582	1,051	1,459	239	2,749
Uniforms	30	2,175	-	2,200	4,405	-	368	4,773
Waste control	-	-	-	60	60	-	96	156
<b>Total expenses</b>	<b>\$ 35,951</b>	<b>\$ 58,712</b>	<b>\$ 36,823</b>	<b>\$ 80,224</b>	<b>\$ 211,710</b>	<b>\$ 235,077</b>	<b>\$ 247,653</b>	<b>\$ 694,440</b>

See Independent Accountants' Review Report and accompanying Notes to Financial Statements.



CAFE HOPE, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2021

	Program Services				Supporting Services		Total
	Life Skills Development program	Restaurant & Bar	Catering	Total Program Services	General & Administrative	Fundraising	Total
Accounting fees	\$ -	\$ -	\$ -	\$ -	\$ 1,454	\$ -	\$ 1,454
Advertising	-	-	68	68	2,734	82	2,884
Bad debt	-	-	-	-	2,017	-	2,017
Bank fees	-	-	-	-	12,567	-	12,567
Beverage purchases	-	30,967	5,444	36,411	-	-	36,411
Conferences	-	-	-	-	946	-	946
Contract services	-	250	-	250	-	10,000	10,250
Depreciation	-	-	-	-	2,885	-	2,885
Dues and memberships	220	-	-	220	264	-	484
Equipment rental	-	3,399	988	4,387	-	-	4,387
Food purchases	-	51,189	30,265	81,454	-	7,064	88,518
Insurance	10,022	8,128	5,570	23,720	36,441	-	60,161
Interest	-	-	-	-	1,528	-	1,528
Licenses and permits	-	1,134	-	1,134	-	-	1,134
Meals	3,195	3,818	-	7,013	241	-	7,254
Miscellaneous	-	-	-	-	6,257	-	6,257
Other expense	7,366	507	863	8,736	1,001	6,281	16,018
Paychex fees	-	-	-	-	2,509	-	2,509
Payroll taxes and benefits	-	-	-	-	37,446	-	37,446
Penalties	-	-	-	-	87	-	87
Postage and print supplies	-	-	-	-	215	-	215
Recruiting	-	-	-	-	549	-	549
Rent expense	-	-	-	-	37,870	-	37,870
Remodel expenses	-	856	-	856	-	-	856
Repairs and maintenance	2,344	1,442	-	3,786	175	-	3,961
Salaries and wages	169,074	102,779	95,807	367,660	96,435	-	464,095
Small equipment purchases	1,037	25,310	3,763	30,110	-	-	30,110
Supplies	1,229	4,129	-	5,358	1,789	-	7,147
Uniforms	2,730	6,778	3,325	12,833	-	-	12,833
Utilities	-	577	-	577	-	-	577
Waste control	-	1,867	-	1,867	-	-	1,867
<b>Total expenses</b>	<b>\$ 197,217</b>	<b>\$ 243,130</b>	<b>\$ 146,093</b>	<b>\$ 586,440</b>	<b>\$ 245,410</b>	<b>\$ 23,427</b>	<b>\$ 855,277</b>

See Independent Accountants' Review Report and accompanying Notes to Financial Statements.

CAFE HOPE, INC.  
STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from by operating activities:		
Change in net assets	\$ 997,785	\$ 435,140
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,646	2,885
Increase in operating assets:		
Accounts, grants and other receivables	(125,408)	(143,006)
Inventory	(4,295)	(700)
Increase (decrease) in operating liabilities:		
Accrued expenses	(7,138)	12,870
Accounts payable	447,856	125,769
Accrued payroll liabilities	(1,188)	(4)
Net cash provided by operating activities	<u>1,313,258</u>	<u>432,954</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(28,990)</u>	<u>-</u>
Net cash used by investing activities	<u>(28,990)</u>	<u>-</u>
Cash flows from financing activities:		
Repayments of long-term debt	<u>(6,973)</u>	<u>(40,765)</u>
Net cash used by financing activities	<u>(6,973)</u>	<u>(40,765)</u>
Net increase in cash	1,277,295	392,189
Cash and cash equivalents at beginning of year	<u>548,189</u>	<u>156,000</u>
Cash and cash equivalents at end of year	<u>\$ 1,825,484</u>	<u>\$ 548,189</u>

See Independent Accountants' Review Report and accompanying Notes to Financial Statements.

CAFE HOPE, INC.  
NOTES TO FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

1) Organization

Cafe Hope, Inc. is a nonprofit culinary arts and life skills program for opportunity youth ages 17-24 throughout the Greater New Orleans area. Cafe Hope, Inc. was established in 2010 with a goal to meet the needs of the opportunity youth population so they can further themselves along the path to self-sufficiency and have fulfilling futures as valuable and contributing members of their community

2) Summary of significant accounting policies

(a) Basis of presentation

The financial statements of Cafe Hope, Inc. (Cafe Hope) have been prepared in accordance with United States generally accepted accounting principles (“U.S. GAAP”). Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions. The governing board may designate, from net assets without donor restrictions, net assets for an operating reserves or board-designated endowments.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

(b) Cash and cash equivalents

Cafe Hope considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

(c) Promises to give

Cafe Hope records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Cafe Hope determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable.

See Independent Accountants’ Review Report.

CAFE HOPE, INC.  
NOTES TO FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

2) Summary of significant accounting policies (continued)

(d) Property and equipment

Cafe Hope records property and equipment additions over \$2,500 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 15 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Café Hope reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2022 and 2021.

(e) Revenue and revenue recognition

Cafe Hope recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Cafe Hope recognizes the revenue from restaurant or catering sales at point of sale and are presented net of sales tax. Unearned revenue represents Cafe Hope's liability for gift cards that have been sold but not yet redeemed and catering deposits. When gift cards are redeemed, Cafe Hope recognizes restaurant revenue sales and reduces the gift card liability. Catering deposits are recognized as restaurant revenue in the year the catering event takes place.

A portion of Cafe Hope's revenue is derived from cost-reimbursable state contracts, which are conditioned upon certain performance requirements and incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Cafe Hope has incurred expenses in compliance with specific contract provisions.

(f) Donated services and in-kind contributions

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. No significant contributions of such goods or services were received during the years ended December 31, 2022 and 2021.

CAFE HOPE, INC.  
NOTES TO FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

2) Summary of significant accounting policies (continued)

(g) Functional allocation of expenses

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

<u>Expenses</u>	<u>Method of Allocation</u>
Insurance	Time and effort
Supplies	Time and effort
Payroll taxes and benefits	Time and effort
Salaries	Time and effort

(h) Income taxes

Cafe Hope is exempt from income tax under Internal Revenue Code section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. Cafe Hope has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. Cafe Hope has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. With few exceptions, Cafe Hope is not subject to U. S. federal and state examinations by tax authorities beyond three years from the filing of those returns.

(i) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires Cafe Hope 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, and those differences could be material.

(j) Accounts, grants, and other receivables

Accounts receivables are stated at the amount management expects to collect from outstanding balances. Management closely monitors outstanding accounts receivable and charges to expense any balances that are determined to be non-collectible or establishes an allowance for doubtful accounts. There was no allowance for doubtful accounts at December 31, 2022 and 2021.

Accounts, grants, other receivable balances as of December 31:

	<u>2022</u>	<u>2021</u>
Accounts receivables	\$ 321,802	\$ 145,880
SNAP Grant Receivable	14,626	61,597
Other receivables	5,097	8,640
	<u>\$ 341,525</u>	<u>\$ 216,117</u>

See Independent Accountants' Review Report.

CAFE HOPE, INC.  
NOTES TO FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

2) Summary of significant accounting policies (continued)

(k) Concentrations of credit risk

Financial instruments that potentially subject Cafe Hope to concentrations of credit risk consist principally of cash and cash equivalents. Cafe Hope maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. Cafe Hope's cash and cash equivalent accounts have been placed with high credit quality financial institutions. Cafe Hope has not experienced, nor does it anticipate, any losses with respect to such accounts. Cafe Hope has one customer that makes up approximately 95% of total accounts receivable as of December 31, 2022. Cafe Hope has three customers that make up approximately 99% of total accounts receivables as of December 31, 2021.

(l) New accounting pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases*. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the statements of financial position as well as additional disclosures. The updated guidance is effective for annual periods beginning after December 15, 2021, and has been implemented for the year ended December 31, 2022 with no impact to the financial statements.

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This accounting standard improves transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations through enhancements to presentation and disclosure. The standard is effective for annual periods beginning after June 15, 2021. This standard has been adopted and the presentation and disclosures have been enhanced in accordance with the standard.

(m) Reclassification

Certain reclassifications have been made to the 2021 financial statement presentation to correspond to the current year's format. Total equity and net income are unchanged due to these reclassifications.

3) Liquidity and availability

The following represents Cafe Hope's financial assets at December 31, 2022:

Cash and cash equivalents	\$ 1,825,484
Accounts, grants and other receivables	341,525
Less: net assets with donor restrictions	<u>(257,280)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,909,729</u>

4) Economic dependence

In 2022, Cafe Hope received 13% of its revenue from program activities, 37% from contributions, 33% from foundation grants and 12% from federal grants. In 2021, Cafe Hope received 29% of its revenue from program activities, 23% from foundation grants and 13% from federal grants.

See Independent Accountants' Review Report.

CAFE HOPE, INC.  
NOTES TO FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

5) In-kind donations

Cafe Hope receives free rent which is calculated based on 10% of restaurant revenue. In-kind rent for the years ended December 31, 2022 and 2021 was \$9,466 and \$37,870, respectively.

6) Property and equipment

Property and equipment consist of the following:

	<u>2022</u>	<u>2021</u>
Furniture and equipment	\$ 36,032	\$ 7,042
Leasehold improvements	22,150	22,150
Total cost	58,182	29,192
Less: accumulated depreciation	(9,359)	(3,713)
Property and equipment, net	\$ 48,823	\$ 25,479

7) Operating lease

Cafe Hope entered into a triple-net building lease agreement with Timberlane Neighborhood Improvement & Beautification District (the District). The lease has a term of ninety-nine years commencing January 1, 2020 and ending December 31, 2118, unless terminated sooner. The lease does not fall under Accounting Standards Update (ASU) ASC 842, *Leases*. As part of the lease agreement, Cafe Hope is committed to capital expenditures of not less than \$1,000,000 in the first three years of the lease and in the total sum of not less than \$2,000,000 within the first seven years of the lease. The total capital expenditures paid by Cafe Hope under the lease agreement from inception totaled approximately \$1,183,900 and \$593,300 for the years ended December 31, 2022, and 2021, respectively.

For the first ten years of this lease, beginning January 1, 2020, the lessor shall pay the lessee a portion of the building maintenance and operation expense in the amount of \$28 per month per taxable parcel within the District. There were 503 taxable parcels within the District during the year ended 2022. The lessor will receive an annual credit of 10% for all gross sales receipts, as defined in the lease agreement, of Cafe Hope exceeding \$340,000 per lease year up to \$60,000.

8) Long-term debt

Long-term debt consists of the following:

	<u>2022</u>	<u>2021</u>
An unsecured note payable to a bank due in monthly installments of \$3,069, include interest at the Wall Street Journal prime plus 2%. The note matured February 2022.	\$ -	\$ 6,973
Total long-term debt	-	6,973
Less: current portion	-	6,973
Long-term debt, less current portion	\$ -	\$ -

See Independent Accountants' Review Report.

CAFE HOPE, INC.  
NOTES TO FINANCIAL STATEMENTS  
For the Years Ended December 31, 2022 and 2021

9) Net assets

Net assets with donor restrictions are restricted for the following purposes or periods.

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specific purpose:		
GNOF - Executive Coaching Program	\$ 612	\$ -
GNOF - Accelerated Program Grant	31,668	-
Kitchen improvements	75,000	-
Building/restaurant improvements	150,000	-
	\$ 257,280	\$ -

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Satisfaction of purpose restrictions:		
GNOF - Executive Coaching Program	\$ 4,388	\$ -
GNOF - Accelerated Program Grant	14,332	-
Rosemary Foundation	15,000	-
Patio improvements	-	10,000
	\$ 33,720	\$ 10,000

10) Subsequent events

Cafe Hope has evaluated subsequent events through the date of the accountants' review report, the date which the financial statements were available to be issued. Management feels that there are no material subsequent events that require recognition or additional disclose in the financial statements.

See Independent Accountants' Review Report.



CAFE HOPE, INC.  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD  
For the Year Ended December 31, 2022

Luis Arocha, Jr.  
Executive Director

	<u>2022</u>
Salary	\$ 15,618
Phone allowance	<u>177</u>
	<u>\$ 15,795</u>

See Independent Accountants' Review Report.

CAFE HOPE, INC.  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended December 31, 2022

**2022 Findings Related to the Financial Statements**

No findings noted in the current year.

See Independent Accountants' Review Report.

CAFE HOPE, INC.  
SCHEDULE OF PRIOR YEAR FINDINGS  
For the Year Ended December 31, 2021

**2021 Findings Related to the Financial Statements**

No findings noted.

See Independent Accountants' Review Report.

**CAFÉ HOPE, INC.**

AGREED-UPON PROCEDURES

FOR THE YEAR ENDED DECEMBER 31, 2022

INDEPENDENT ACCOUNTANTS’ REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Cafe Hope, Inc.  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Cafe Hope, Inc. (the “Organization”) and the Louisiana Legislative Auditor (LLA) (the specified parties), on the Organization’s compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2022, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*.

The Organization has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the Organization’s compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. 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:

**Federal, State, and Local Awards**

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

*Result of Procedure - The Organization provided us with the following list of expenditures made for local grant awards received during the fiscal year ended December 31, 2022:*

Federal, State, or Local Grant Name	Grant Year	AL No. (if applicable)	Amount
United States Department of Agriculture, Food and Nutrition - Supplemental Nutrition Assistance Program (SNAP)	10/1/2022 – 9/30/2023	10.561	\$ 124,454
			<u>\$ 124,454</u>

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

*Result of Procedure - The disbursement selections were in accordance with the requirements of the Agreed Upon Procedures.*

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

***Result of Procedure** - Each of the selected disbursements agreed to the amount and payee in the supporting documentation.*

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

***Result of Procedure** - All of the disbursements were coded to the correct fund and general ledger account.*

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

***Result of Procedure** - The Organization's policies and procedures state that the Executive director must approve all disbursements. Any expense reports for reimbursement to the Executive director are sent to the board members for review and approval. Once the Executive director's expense reports are approved, the checks are signed. Documentation supporting each of the selected disbursements included the signature of the Executive director and the approval of the board, if applicable.*

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

***Result of Procedure** - All local disbursements were in program compliance and/or in grant agreement compliance relating to activities allowed or unallowed, eligibility and reporting.*

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

***Result of Procedure** - The selected disbursements came from one grant. The Organization is required to submit monthly expenditure reports and support to the grantor. The expenditure reports submitted agree with the Organization's financial records. There was no close out report required for the SNAP grant.*

## **Open Meetings**

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions. Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website at <http://appl.la.state.la.us/llala.nsf>, to determine whether a non-profit agency is subject to the open meetings law.

*Result of Procedures - Management represented that the Organization is not required to follow open meeting laws.*

### **Budget**

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

*Result of Procedure - Obtained SNAP Agreement between U.S. Department of Agriculture and Café Hope which included the budget, goals, objectives, measures of performance, purpose and duration of the grant. The Organization submits expense reimbursements monthly to use towards the operations of the Organization as well as general and administrative expenses.*

### **State Audit Law**

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

*Result of Procedure - The Organization's report was submitted to the Legislative Auditor before the statutory due date of June 30, 2023.*

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

*Result of Procedure - The Organization's management represented that the Organization did not enter into any contracts during the fiscal year that were subject to the public bid law.*

### **Prior-Year Comments**

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

*Result of Procedure - Not applicable.*

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in Government Auditing Standards, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Agency's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

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

This report is intended solely to describe the scope of testing performed of the Organization's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2022, 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.

Metairie, Louisiana  
June 30, 2023

*Wegmann Bazet, APC*



**LOUISIANA COMPLIANCE QUESTIONNAIRE**  
**(For Audit Engagements of Quasi-Public Agencies)**

Dear Chief Executive Officer:

Attached is the Louisiana Compliance Questionnaire that is to be completed by you or your staff. This questionnaire is a required part of a financial audit of Louisiana quasi-public agencies. The completed and signed questionnaire must be presented to and adopted by the governing body, if any, of your organization by means of a formal resolution in an open meeting.

The completed and signed questionnaire and a copy of the adoption instrument, if appropriate, **must be given to the auditor at the beginning of the audit.** The auditor will, during the course of his/her regular audit, test the accuracy of the responses in the questionnaire. It is not necessary to return the questionnaire to the Legislative Auditor's office.

Certain portions of the questionnaire may not be applicable to your organization. In such cases, it is appropriate to mark the representation "not applicable." However, you must respond to each applicable representation. A 'yes' answer indicates that you have complied with the applicable law or regulation. A 'no' answer to any representation indicates a possible violation of law or regulation and, as such, should be fully explained. These matters will be reviewed by the auditor during the course of his/her audit. Please feel free to attach a further explanation of any representation.

Your cooperation in this matter will be greatly appreciated.

Sincerely,

Michael J. Waguespack, CPA  
Louisiana Legislative Auditor

Enclosure

LOUISIANA COMPLIANCE QUESTIONNAIRE  
(For Audit Engagements of Quasi-Public Agencies)

\_\_\_\_\_ (Date Transmitted)

WEGMANN DQZET (CPA Firm Name)  
111 VETERANS Blvd Suite 1600 (CPA Firm Address)  
METAIRIE, LA. 70005 (City, State Zip)

In connection with your audit of our financial statements as of 12/31/2022 and for YEAR ENDING 12/31/2022 (period of audit) for the purpose of expressing an opinion as to the fair presentation of our financial statements in accordance with accounting principles generally accepted in the United States of America, to assess our internal control structure as a part of your audit, and to review our compliance with applicable laws and regulations, we confirm, to the best of our knowledge and belief, the following representations. These representations are based on the information available to us as of 12/31/2022 (date completed/date of the representations).

**PART I. Agency Profile**

- Name and address of the organization. CAFE HOPE, INC.  
1 TIMBERLANE DR.  
GRETN, LA. 70056
- List names, addresses, and telephone numbers of entity officials. Include elected/appointed members of the governing board, chief executive and fiscal officer, and legal counsel. SEE ATTACH.
- Period of time covered by this questionnaire. 1/1/2022 - 12/31/2022
- The entity has been organized under the following provisions of the Louisiana Revised Statute(s) (R.S.) and, if applicable, local resolutions/ordinances. 501C3
- Briefly describe the public services provided. WE PROVIDE JOB TRAINING, LIFE SKILLS CLASSES AND support to Opportunity Youth ages 16-24.
- Expiration date of current elected/appointed officials' terms. SEE ATTACH

**Part II. Federal, State, and Local Awards**

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

Yes  No [ ] N/A [ ]

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

Yes  No [ ] N/A [ ]

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

Yes [] No [ ] N/A [ ]

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

Yes [] No [ ] N/A [ ]

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

Yes [] No [ ] N/A [ ]

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

Yes [] No [ ] N/A [ ]

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

Yes [] No [ ] N/A [ ]

14. We have complied with all applicable compliance requirements of all federal programs we administer,

Yes [] No [ ] N/A [ ]

15. We have complied with all applicable specific requirements of all state programs we administer, to include matters contained in the grant awards.

Yes [] No [ ] N/A [ ]

16. We have complied with all applicable specific requirements of all local programs we administer, to include matters contained in the grant awards.

Yes [] No [ ] N/A [ ]

17. We have provided you with all communications from grantors concerning noncompliance with or deficiencies in administering grant programs.

Yes [] No [ ] N/A [ ]

**Part III. Public Records**

18. We are familiar with the Public Records Act and have made available to the public those records as required by R.S. 44:33.

Yes [] No [ ] N/A [ ]

**Part IV. Open Meetings**

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

Yes [ ] No [ ] N/A []

**Part V. Budget**

20. For each federal grant, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration.

Yes [] No [ ] N/A [ ]

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

Yes [] No [ ] N/A [ ]

22. For each local grant, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration.

Yes [] No [ ] N/A [ ]

**Part VI. Reporting**

23. We have had our financial statements audited in a timely manner in accordance with R.S. 24:513.

Yes [ ] No [ ] N/A []

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

Yes [ ] No [ ] N/A []

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

Yes [] No [ ] N/A [ ]

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

Yes [ ] No [ ] N/A []

The previous responses have been made to the best of our belief and knowledge. We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.



We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur subsequent to the issuance of your report.

Jennifer A. B. [Signature] Secretary 2/23/23 Date  
[Signature] Treasurer \_\_\_\_\_ Date  
[Signature] President 1/12/2023 Date

Cafe Hope 2018 Board of Directors  
**Cafe Hope Board of Directors**

<b>Board Member</b>	<b>Board Position</b>	<b>Mailing Address</b>	<b>Contact #</b>	<b>Email</b>	<b>Election Terms</b>
Brent Lawson	Chairman	352 Fairfield Ave Gretna, LA 70056	504-462-9595	<a href="mailto:Brentl@fandqins.com">Brentl@fandqins.com</a>	at leisure
Jarrett Falcon	Vice-Chairman	2301 Alcide Dr. Marrero, LA 70072	504-329-6751	<a href="mailto:jarrett@falconlaw.com">jarrett@falconlaw.com</a>	at leisure
Brandon Burke		463 Avenue A Westwego, LA 70094	504-231-9746	<a href="mailto:brandon.burke@loopline.com">brandon.burke@loopline.com</a>	at leisure
Aveline Lewis		1324 Chibley St. Westwego, LA 70094	504-232-7976	<a href="mailto:avelinelewis@gmail.com">avelinelewis@gmail.com</a>	at leisure
Billy Staehle		76 Anchorage Marrero, LA 70072	504-430-0804	<a href="mailto:billy@royalbroom.com">billy@royalbroom.com</a>	at leisure
Brooke Zar		7163 Barataria Blvd. Crown Point, LA 70072	504-689-7834	<a href="mailto:desfamilles@gmail.com">desfamilles@gmail.com</a>	at leisure
Jennifer Steel Bourgeois	Secretary	3653 Lake Aspen Drive E. Gretna, LA 70056	504-256-4805	<a href="mailto:grannyvienbourg@gmail.com">grannyvienbourg@gmail.com</a>	at leisure
Rodney Whitney		2525 Fawnwood Rd Marrero, LA 70072	985-628-2630	<a href="mailto:tristarusa@msn.com">tristarusa@msn.com</a>	at leisure
Tim Falcon	Legal Council	5044 Lapalco Blvd. Marrero, LA 70072	504-884-5471	<a href="mailto:tim@falconlaw.com">tim@falconlaw.com</a>	at leisure
Wayne Nocito		35 Nottoway Marrero, LA 70072	504-432-8502	<a href="mailto:wnocitoconstable@gmail.com">wnocitoconstable@gmail.com</a>	at leisure
Lisa Green Campbell		1402 Manhattan Blvd. Suite A Harvey, LA 70058	504 975-7060	<a href="mailto:Lgcampbell09@gmail.com">Lgcampbell09@gmail.com</a>	at leisure
Chris Esteve		4933 Magazine St New Orleans, LA 70115	504-421-5259	<a href="mailto:cesteve@pizzadomenica.com">cesteve@pizzadomenica.com</a>	at leisure
Wynonna Lazaro		5036 Barataria Blvd Marrero, LA 70072	504-259-3625	<a href="mailto:wlazaro@baselogistics.net">wlazaro@baselogistics.net</a>	at leisure
Judy Sullivan		15 Derbes Drive Gretna, LA 70053	504-884-0945	<a href="mailto:jsullivan1104@cox.net">jsullivan1104@cox.net</a>	at leisure
Luis Arocha	Chief Executive and Fiscal Officer	PO Box 2021 Marrero, LA 70073	504-388-4631	<a href="mailto:Luis@cafehope.org">Luis@cafehope.org</a>	at leisure