

**Hope Connections, Inc.
Shreveport, Louisiana**

Financial Statements

As of and for the Years Ended December 31, 2024 and 2023

Hope Connections, Inc.

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Independent Auditors' Report

To the Board of Directors
Hope Connections, Inc.
Shreveport, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hope Connections, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Hope Connections, Inc. (a nonprofit organization) as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hope Connections, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 GAAS 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 of the effectiveness of Hope Connections 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 Hope Connections, Inc.'s ability to continue as a going concern for a reasonable period of time.

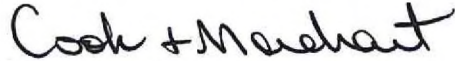
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information schedules shown on pages 19 – 20 are presented for the purpose of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, shown on pages 17 - 18, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administration 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2025, on our consideration of the Hope Connections, 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 Hope Connections, 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 Hope Connections, Inc.'s internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
June 26, 2025

Hope Connections, Inc.
Statements of Financial Position
December 31, 2024 and 2023

Assets		
Current assets:	2024	2023
Cash	\$ 3,751	\$ 58,729
Grants receivable	150,761	297,511
Accounts receivable	16,337	22,601
Total current assets	<u>170,849</u>	<u>378,841</u>
Property and equipment:		
Operating lease right-of-use asset, net	11,554	24,255
Depreciable property and equipment, net	2,980,717	801,571
Non-depreciable property and equipment	41,102	2,329,610
Net property and equipment	<u>3,033,373</u>	<u>3,155,436</u>
Total Assets	<u>\$ 3,204,222</u>	<u>\$ 3,534,277</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 41,083	\$ 128,355
Accrued expenses	33,108	29,480
Refundable advance	29,878	29,878
Line of credit	98,664	75,465
Current portion of operating lease liabilities	9,344	12,701
Total current liabilities	<u>212,077</u>	<u>275,879</u>
Non-current portion of operating lease liabilities	<u>2,210</u>	<u>11,554</u>
Net assets:		
Without donor restrictions	<u>2,989,935</u>	<u>3,246,844</u>
Total net assets	<u>2,989,935</u>	<u>3,246,844</u>
Total Liabilities and Net Assets	<u>\$ 3,204,222</u>	<u>\$ 3,534,277</u>

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

Hope Connections, Inc.
Statement of Activities
For the Year Ended December 31, 2024

	<u>Without Donor Restrictions</u>
Revenues and Other Support:	
Government grants	\$ 939,338
Miscellaneous grants	34,500
Contributions	
of financial assets	63,070
Rent revenue	6,000
Fee for services	100,520
Miscellaneous revenues	<u>3,227</u>
Total revenues and other support	<u>1,146,655</u>
Expenses:	
Program services	1,211,382
General administration	<u>192,182</u>
Total expenses	<u>1,403,564</u>
Changes in net assets	(256,909)
Net assets, beginning of year	<u>3,246,844</u>
Net assets, end of year	<u><u>\$ 2,989,935</u></u>

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

Hope Connections, Inc.
Statement of Activities
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues and Other Support:			
Government grants	\$ 2,193,653	\$	\$ 2,193,653
Miscellaneous grants	38,902		38,902
Contributions			
of financial assets	122,570		122,570
Rent revenue	5,700		5,700
Fee for services	110,469		110,469
Miscellaneous revenues	692		692
Release of restrictions	77,085	(77,085)	
Total revenues and other support	2,549,071	(77,085)	2,471,986
Expenses:			
Program services	1,156,641		1,156,641
General administration	270,220		270,220
Total expenses	1,426,861		1,426,861
Changes in net assets	1,122,210	(77,085)	1,045,125
Net assets, beginning of year	2,124,634	77,085	2,201,719
Net assets, end of year	\$ 3,246,844	\$	\$ 3,246,844

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

Hope Connections, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2024

	Program Services									Supporting Services	
	Continuum of Care (HMIS)	Projects for Assistance in Transition from Homelessness (PATH)	Continuum of Care Planning	Continuum of Care Support (CAP)	Caddo Parish Commission	Emergency Solutions Grants (ESG)	Safe Haven Shelter	Other Program Services	Total Program	General and Administrative	Total
Salaries	\$ 53,624	\$ 89,688	\$ 136,368	\$ 125,028	\$	\$ 193,048	\$ 154,402	\$ 76,656	\$ 828,814	\$ 57,829	\$ 886,643
Fringe benefits	5,413	8,808	12,002	14,339		15,734	14,788	6,802	77,886	34,871	112,757
Travel and meetings	2,181	2,034	3,513			809	301	3,079	11,917	4,524	16,441
Occupancy				1,489		30,481	5,454		37,424	6,228	43,652
Insurance		15,099				9,460	5,804		30,363	10,450	40,813
Telephone	550	1,852		2,897		5,645	4,429	2,581	17,954	15,681	33,635
Vehicle operation		4,523				242	199	174	5,138	237	5,375
Supplies	158	570	134	1,508	177	11,088	1,327	805	15,767	6,987	22,754
Repairs and maintenance				401	6,243	3,991	2,863	345	13,843		13,843
Professional services										37,778	37,778
Interest expense							1,650		1,650	3,111	4,761
Miscellaneous	745	893		407		2,083	377	382	4,887	12,184	17,071
Client services	5,669	1,686			23,195	1,917	549	25,663	58,679		58,679
Depreciation expense	7,397	12,589	16,820	17,272		23,811	19,717	9,454	107,060	2,302	109,362
Total Expenses	\$ 75,737	\$ 137,742	\$ 168,837	\$ 163,341	\$ 29,615	\$ 298,309	\$ 211,860	\$ 125,941	\$ 1,211,382	\$ 192,182	\$ 1,403,564

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

Hope Connections, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2023

	Program Services									Supporting Services		
	Continuum of Care (HMIS)	Projects for Assistance in Transition from Homelessness (PATH)	Continuum of Care Planning	Continuum of Care Support (CAP)	Caddo Parish Commission	Emergency Solutions Grants (ESG)	Community Development Block Grant (CDBG) Safe Haven	Emergency Food and Shelter Program	Other Program Services	Total Program	General and Administrative	Total
Salaries	\$ 55,655	\$ 91,478	\$ 123,213	\$ 127,489	\$	\$ 199,259	\$ 52,148	\$	\$ 100,526	\$ 749,768	\$ 124,801	\$ 874,569
Fringe benefits	4,615	27,148	8,963	11,570		17,760	4,072		9,869	83,997	26,127	110,124
Travel and meetings		853	406							1,259	5,004	6,263
Occupancy	1,013	951		1,014		25,620			23,500	52,098	415	52,513
Insurance		11,416				9,823			3,508	24,747		24,747
Telephone	1,484	1,763				1,088			2,563	6,898	25,136	32,034
Vehicle operation		2,913				1,126				4,039	751	4,790
Supplies		293				70	464		3,883	4,710	11,137	15,847
Repairs and maintenance						3,308	1,280		22,882	27,470		27,470
Professional services						1,050	18,425		1,500	20,975	47,906	68,881
Interest expense									28,693	28,693		28,693
Miscellaneous		1,384		82		336			1,096	2,898	14,958	17,856
Client services	10,031				19,913	52,824	3,256	20,000	9,230	115,254	4,304	119,558
Depreciation expense	3,085	5,167	6,131	6,943		9,914	2,595			33,835	9,681	43,516
Total Expenses	\$ 75,883	\$ 143,366	\$ 138,713	\$ 147,098	\$ 19,913	\$ 322,178	\$ 82,240	\$ 20,000	\$ 207,250	\$ 1,156,641	\$ 270,220	\$ 1,426,861

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

Hope Connections, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2024, and 2023

	2024	2023
Operating Activities		
Change in net assets	\$ (256,909)	\$ 1,045,125
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	109,362	43,516
Amortization on operating lease liability	12,701	
(Increase) decrease in operating assets:		
Grants receivable	146,750	167,026
Accounts receivable	6,264	(10,513)
Increase (decrease) in operating liabilities:		
Accounts payable	(87,272)	4,205
Accrued expenses	3,628	2,739
Operating lease assets and liabilities	(12,701)	81
Refundable advance		29,878
Net cash provided by (used in) operating activities	<u>(78,177)</u>	<u>1,282,057</u>
Investing Activities		
Payments for property and equipment		(1,252,266)
Net cash (used in) investing activities		<u>(1,252,266)</u>
Financing Activities		
Proceeds from line of credit	233,000	283,472
Repayments of line of credit	(209,801)	(544,000)
Net cash provided by (used in) financing activities	<u>23,199</u>	<u>(260,528)</u>
Net (decrease) in cash and cash equivalents	(54,978)	(230,737)
Cash as of beginning of year	58,729	289,466
Cash as of end of year	<u>\$ 3,751</u>	<u>\$ 58,729</u>
Acquisition of property		
Cost of property and equipment	\$	\$ 1,352,830
Trade account payable		(100,564)
Cash down payment for property and equipment	<u>\$</u>	<u>\$ 1,252,266</u>
Supplemental disclosures:		
Cash paid for interest	<u>\$ 4,761</u>	<u>\$ 28,693</u>

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

Hope Connections, Inc.
Notes to Financial Statements
December 31, 2024 and 2023

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Hope Connections, Inc., (HOPE) is a nonprofit corporation under the laws of the State of Louisiana. HOPE is governed by a board of directors composed of 8 members. HOPE was established to help meet the housing and service needs of the homeless in Northwest Louisiana and help transition them to self-sufficiency. The following programs, with their approximate percentage of total revenues for the year ended December 31, 2024, indicated, are administered by HOPE:

Continuum of Care Homeless Management Information System (HMIS) (7%) - Provides administrative support, national reporting, and regional training for the Homeless Management Information System that is used by all homeless programs in Northwest Louisiana. Funding is provided by federal funds from the Dept. of Housing and Urban Development.

Projects for Assistance in Transition from Homelessness (PATH) (12%) – Provides street outreach to those experiencing homelessness that live in camps, abandoned buildings, cars, etc. in an attempt to get them connected to housing and services. Funding is provided by federal and state funds passed through the Northwest Louisiana Human Service District.

Continuum of Care Planning Activities (Planning) (14%) - Provides regional administrative support, project monitoring, and grants management for the HUD Continuum of Care program and homeless system in Northwest Louisiana. Funding is provided by federal funds from the Department of Housing and Urban Development.

Continuum of Care Supportive Services (CAP) (14%) – Provides assessments, document collection, data entry, and housing referrals for those experiencing homelessness in Northwest Louisiana. Funding is provided by federal funds from the Department of Housing and Urban Development.

Caddo Parish (2%) - Provides funding for relocation assistance. Funding is provided from the Caddo Parish Commission.

Community Development Block Grant (4%) - Provides funds for the operations of HOPE's Safe Haven Shelter. Funding is provided by federal funds from the Department of Housing and Urban Development passed through the City of Shreveport.

Emergency Solutions Grants (ESG) (21%) - Provides additional funding for HMIS and direct services for those experiencing homelessness such as Safe Haven Shelter operations, Day Shelter operations, and Street Outreach. ESG funding is provided by federal funds from the Department of Housing and Urban Development, passed through the City of Shreveport and the Louisiana Housing Corporation.

Other Program Services (26%) – Provides payment of necessary agency expenses not specifically attributable to a grant/contract operated by the agency. Funding is provided by various donations and fees for services.

B. Basis of Accounting

The financial statements of HOPE have been prepared on the accrual basis of accounting.

(Continued)

Hope Connections, Inc.
Notes to Financial Statements
December 31, 2024 and 2023
(Continued)

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards. Under those standards, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the organization. These net assets may be used at the discretion of HOPE's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of HOPE or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. HOPE has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

D. Income Tax Status

HOPE is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code, and therefore, is not subject to income taxes. However, income from certain activities not directly related to HOPE's tax-exempt purpose is subject to taxation as unrelated business income. HOPE had no such income for this audit period. The Organization's Form 990, Return of Organization Exempt from Income Tax, for the years ended December 31, 2021, 2022, 2023, and 2024 are subject to examination by the IRS, generally three years after they were filed.

E. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

F. Cash and Cash Equivalents

HOPE's cash, as stated for cash flow purposes, consists of interest bearing and non-interest bearing bank accounts. HOPE has no other assets that are considered cash equivalents.

G. Functional Allocation of Expense

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs are directly charged to the function they benefit. Facility related and supportive services expenses are allocated to each function based upon management's equitable determination.

(Continued)

Hope Connections, Inc.
Notes to Financial Statements
December 31, 2024 and 2023
(Continued)

H. Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The State of Louisiana and the federal government have a reversionary interest in property purchased with state and federal funds. Its disposition as well as the ownership of any proceeds there from is subject to state and federal regulations.

I. Contributions

Contributions received are recorded as increase in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (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 and reported in the statement of activities as net assets released from restrictions. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

J. Compensated Absences

Full-time employees receive a set amount of paid time off (PTO) determined by longevity. Unused PTO does not carry over to the next year and is not paid at separation. Thus, for the year ended December 31, 2024 and 2023, there were no employee leave benefits requiring recognition.

K. Leases

Hope determines whether to account for its leases as operating or financing leases depending on underlying terms of the lease agreement. Leases with an initial term of 12 months or less are not recorded on the statement of financial position; rather, lease expense for these leases are recognized on a straight-line basis over the lease term, or when incurred if a month-to-month lease.

L. Accounts Receivable and Grants Receivable

Accounts receivable and grants receivable are stated at the amount management expects to collect, based on balances that Hope has an unconditional right to receive less management's estimate of amounts that may be uncollectible. No allowance for credit losses has been provided since management has determined that the expected credit loss is not material at the balance sheet date.

(2) Concentrations of Credit Risk

Financial instruments that potentially subject HOPE to concentrations of credit risk consist principally of temporary cash investments, accounts receivable, and grants receivable. Concentrations of credit risk with respect to accounts receivable are limited due to these amounts being due from coalition member agencies – fee for services arrangements. Concentrations of credit risk with respect to grants receivable are limited due to these amounts being due from governmental agencies under contractual terms. HOPE maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At December 31,

(Continued)

Hope Connections, Inc.
Notes to Financial Statements
December 31, 2024 and 2023
(Continued)

2024, total cash balances held at financial institutions was \$11,018, of which all was secured by FDIC. At December 31, 2023, total cash balances held at financial institutions was \$58,729, of which all was secured by FDIC.

(3) Grants Receivable

Various funding sources provide reimbursement of allowable costs and payment on units of service in connection with providing services under contracts or agreements. This balance represents amounts due from funding sources at December 31, 2024 and 2023, but received after those dates. Management has determined that the allowance for bad debts is not material.

(4) Property and Equipment

Property and equipment consisted of the following at December 31, 2024 and 2023:

	Estimated Depreciable Life	2024	2023
Land	n/a	\$ 41,202	\$ 41,202
Construction in process	n/a		2,288,408
Buildings and improvements	20–30 years	3,396,045	1,107,637
Vehicles	5 years	51,211	51,211
Furniture and fixtures	5–7 years	38,004	38,004
Equipment	5–7 years	28,819	28,819
Accumulated depreciation		<u>(533,462)</u>	<u>(424,100)</u>
Net investment in property and equipment		<u>\$ 3,021,819</u>	<u>\$3,131,181</u>

Depreciation expense for the years ended December 31, 2024 and 2023 was \$109,362 and \$43,516, respectively.

(5) Contractual Revenue – Grants

During the years ended December 31, 2024 and 2023, HOPE received contractual revenue from federal and state grants in the amount of \$939,338 and \$2,193,653, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(6) Accrued Expenses

Accrued expenses at December 31, 2024 and 2023 consisted of the following:

	2024	2023
Accrued salaries	\$ 26,338	\$ 21,334
Payroll related benefits	6,770	8,146
	<u>\$ 33,108</u>	<u>\$ 29,480</u>

(Continued)

Hope Connections, Inc.
Notes to Financial Statements
December 31, 2024 and 2023
(Continued)

(7) Liquidity and Availability of Financial Assets

HOPE monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. HOPE has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations:

Financial assets at year-end:	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 3,751	\$ 58,729
Grant and accounts receivables	<u>167,098</u>	<u>320,112</u>
Total financial assets	<u>170,849</u>	<u>378,841</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 170,849</u>	<u>\$ 378,841</u>

In addition to financial assets available to meet general expenditures over the coming year, HOPE operates with a balanced budget and anticipates covering its general expenditures using the income generated from contractual agreements with governmental agencies and contributions. The Statement of Cash Flows identifies the sources and uses of HOPE's cash and shows negative cash generated by operations of (\$78,177) for fiscal year ending December 31, 2024, and positive cash generated by operations of \$1,282,057 for fiscal year ending December 31, 2023. Hope also has a line of credit in the amount of \$200,000, which can be drawn upon if needed.

(8) Net Assets

Net assets at December 31, 2024 and 2023, consisted of the following:

Net Assets Without Donor Restrictions:	<u>2024</u>	<u>2023</u>
Undesignated	\$ (31,884)	\$ 216,227
Net investment in property and equipment	<u>3,021,819</u>	<u>3,030,617</u>
Total net assets without donor restrictions	<u>2,989,935</u>	<u>3,246,844</u>
Total Net Assets	<u>\$2,989,935</u>	<u>\$ 3,246,844</u>

(Continued)

Hope Connections, Inc.
Notes to Financial Statements
December 31, 2024 and 2023
(Continued)

(9) Right-of-Use Operating Leases

Hope leases certain equipment under operating leases. The leases expire at various dates through 2026. The risk-free discount rate with a period comparable with that of the individual lease term was used which range from 1.37% to 4.45%.

The right-of-use operating assets and lease liabilities at December 31, 2024, and 2023, are as follows:

	<u>2024</u>	<u>2023</u>
Lease Assets		
Operating lease right-of-use assets	<u>\$ 11,554</u>	<u>\$ 24,255</u>
Lease Liabilities		
Operating lease liabilities at December 31	\$ 11,554	\$ 24,255
Less current portion	<u>(9,344)</u>	<u>(12,701)</u>
Operating lease liabilities	<u>\$ 2,210</u>	<u>\$ 11,554</u>

Total lease costs for the years ended December 31, 2024 and 2023, are as follows:

Operating lease costs	<u>\$ 13,247</u>	<u>\$ 12,134</u>
Weighted-average remaining lease term – months	<u>15</u>	<u>16</u>
Weighted-average discount rate	<u>3.03%</u>	<u>2.93%</u>

Future minimum payments required under operating leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

<u>Fiscal Year</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 9,344	\$ 205	\$ 9,549
2026	2,210	46	2,256
Total	<u>\$ 11,554</u>	<u>\$ 251</u>	<u>\$ 11,805</u>

(Continued)

Hope Connections, Inc.
Notes to Financial Statements
December 31, 2024 and 2023
(Continued)

(10) Line of Credit

Hope has a line of credit in the amount of \$200,000. The line of credit had a variable interest rate based upon the Wall Street Journal Prime Rate, which was 7.75% and 4.0% at December 31, 2024 and 2023, respectively. The balance on the line of credit as of December 31, 2024 and 2023 was \$98,664, and \$75,465, respectively. The line of credit was renewed on May 31, 2025, in the amount of \$200,000, with a variable interest rate based upon Wal Street Journal Prime Rate, which was 7.5% at renewal. The line of credit has a maturity date of August 31, 2025. The line of credit is secured by certain real estate owned by HOPE.

Interest expense incurred on the line of credit for the years ended December 31, 2024 and 2023 was \$4,761 and \$28,693, respectively.

(11) Subsequent Events

Subsequent events have been evaluated through June 26, 2025, the date the financial statements were available to be issued.

(12) Refundable Advance

Hope records federal funds received in excess of expenditures as a refundable advance until they are expended for the purpose of the contract or until the funds are returned to the appropriate funding source.

Hope Connections, Inc.
Shreveport, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor / Pass-Through Grantor / Program Title	Federal Assistance Listing Number	Project Number	Passed Through to Subrecipients	Expenditures
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs:				
Continuum of Care Program - Supportive Services	14.267	LA0043L6H022114 & LA0043L6H022316	\$	\$ 161,070
Continuum of Care Program - Planning Activities	14.267	LA0387L6H022200 & LA0409L6H022300		152,016
Continuum of Care Program - Homeless Management Information System	14.267	LA0248L6H022207 & LA0248L6H022308		74,685
Passed through the City of Shreveport				
Emergency Solutions Grants Program	14.231	20242025-SESG-#2		26,306
Community Development Block Grant - Entitlement/Special Purpose Grants Cluster				
Passed through the City of Shreveport				
Covid 19 - Community Development Block Grants/Entitlement Grants	14.218	Unknown		40,050
Total Community Development Block Grant Entitlement/Special Purpose Grants Cluster				40,050
Passed through the Louisiana Housing Corporation				
Emergency Solutions Grants Program	14.231	Unknown		200,000
Emergency Solutions Grants Program	14.231	Unknown		1,096
Emergency Solutions Grants Program	14.231	Unknown		44,706
Total U.S. Department of Housing and Urban Development				699,929
<u>U.S. Department of Health and Human Services</u>				
Passed through the Northwest Louisiana Human Services District				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	Unknown		73,437
Total U.S. Department of Health and Human Services				73,437
Total Expenditures of Federal Awards			\$	\$ 773,366

See accompanying notes to the schedule of expenditures of federal awards.

Hope Connections, Inc.
Shreveport, Louisiana
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Note A: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Hope Connections Inc., under programs of the federal government for the year ended December 31, 2024. 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 the Hope Connections Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Hope Connections Inc.

Note B: Summary of Significant Accounting Policies

- (1) Hope Connections Inc. does not utilize an indirect cost rate.
- (2) Expenditures reported on the Schedule 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 as to reimbursement.

Hope Connections, Inc.
Shreveport, Louisiana
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2024

Agency Head: Christa Pazzaglia, Chief Executive Officer

The following payments were made from public funds:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 73,542
Travel	656
Reimbursements	270

Hope Connections, Inc.
Shreveport, Louisiana
Louisiana Community Development Block Grant
Schedule of Revenues and Expenditures
For the Period: January 1, 2024 to December 31, 2024

	Ciyt of Shreveport Agreement Number 2024-CDBG-002
Revenue:	
Reimbursement received	<u>\$ 40,050</u>
Total revenue	<u> 40,050</u>
Expenditures	<u>\$ 40,050</u>
Total expenditures	<u> 40,050</u>

COOK & MOREHART

Certified Public Accountants

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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

Independent Auditors' Report

To the Board of Directors
Hope Connections, Inc.
Shreveport, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Hope Connections, Inc., (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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 June 26, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hope Connections, 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 Hope Connections, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Hope Connections, 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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. We identified a certain deficiency in internal control described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hope Connections, 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*.

Hope Connections, Inc.'s Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Hope Connections, Inc.'s response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Hope Connections, 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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cook & Morehart
Certified Public Accountants
June 26, 2025

COOK & MOREHART

Certified Public Accountants

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Report on Compliance for Each Major Program and on Internal Control Over Compliance Required By the Uniform Guidance

Independent Auditors' Report

To the Board of Directors
Hope Connections, Inc.
Shreveport, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hope Connections, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Hope Connections, Inc.'s major federal programs for the year ended December 31, 2024. Hope Connections, 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, Hope Connections, 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 December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Hope Connections, 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 each major federal program. Our audit does not provide a legal determination of Hope Connections, 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 Hope Connections, Inc.'s federal programs.

Auditors' 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 Hope Connections, 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 GAAS, *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 Hope Connections, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Hope Connections, 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 Hope Connections, 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 Hope Connections, 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.

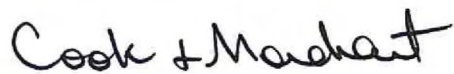
Report on Internal Control Over Compliance

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 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 Auditors' 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.

A handwritten signature in black ink that reads "Cook & Morehart". The signature is written in a cursive, flowing style.

Cook & Morehart
Certified Public Accountants
June 26, 2025

Hope Connections, Inc.
Shreveport, Louisiana
Summary Schedule of Prior Audit Findings
December 31, 2024

There was one finding for the prior year audit for the year ended December 31, 2023.

2023-001 Significant Deficiency – Timely Payment of Certain Payroll Taxes

Condition: Certain payroll taxes due as of December 31, 2023, were not paid timely.

Recommendation: We recommend that all payroll taxes due be remitted timely in the future. We further recommend that management develop plans for monitoring the agency's budget and spending to ensure sufficient funds are on hand for payment of all payroll taxes due.

Current Status: Improvement Noted.

Hope Connections, Inc.
Shreveport, Louisiana
Schedule of Findings and Questioned Costs
December 31, 2024

A. Summary of Audit Results

Financial Statements

Type of audit report issued : Unmodified

Internal control over financial reporting :

Material weaknesses identified : ☐ yes ☒ no
Significant deficiencies identified : ☐ yes ☒ none reported

Noncompliance material to financial
statements noted :

☐ yes ☒ no

Federal Awards

Internal control over major programs :

Material weaknesses identified : ☐ yes ☒ no
Significant deficiencies identified : ☐ yes ☒ none reported

Type of auditors' report issued on compliance
for major federal programs : Unmodified

Any audit findings disclosed that are required to
be reported in accordance with 2 CFR section
200.516(a)

☐ yes ☒ no

Identification of major federal programs :

Continuum of Care Program - Assistance Listing #14.267

Dollar threshold used to distinguish between
type A and type B programs : \$750,000

Auditee qualified as low risk : ☒ yes ☐ no

(Continued)

Hope Connections, Inc.
Shreveport, Louisiana
Schedule of Findings and Questioned Costs
December 31, 2024
(Continued)

B. Findings – Financial Statements Audit:

2024-001 – Significant Deficiency

Criteria: Controls should be in place to ensure that revenues are sufficient to cover expenses for the various programs administered by the agency.

Condition: As of December 31, 2024, the agency had an operating net asset (deficit) of (\$31,884). Change in net assets for the year ended December 31, 2024, totaled (\$256,909), of which \$109,362 was depreciation expense.

Cause: Several of the agency's programs were not adequately budgeted to ensure sufficient revenues to cover the expenses of those programs.

Effect: Sufficient funds were not available in several of the agency's programs to cover expenses of those programs, resulting in operating net asset deficits for those programs.

Recommendation: We recommend that the agency strengthen their budgeting practices to eliminate deficit spending in the future and that management and the Board of Directors meet on a periodic basis to monitor the agency's financial position and to formulate financial plans to eliminate the deficits.

Views of Responsible Officials and Corrective Action Plan: Hope Connections Inc. will strengthen the budgeting practices to eliminate deficit spending and management and the Board of Directors will meet on a periodic basis to monitor the agency's financial position and will formulate financial plans to eliminate the deficits.

C. Findings and Questioned Costs – Major Federal Award Programs Audit: None

Hope Connections, Inc.
Summary Schedule of Audit Findings
for the Louisiana Legislative Auditor
December 31, 2024

Summary Schedule of Prior Audit Findings

There was one finding for the prior year audit period ended December 31, 2023, as described in the accompanying Summary Schedule of Prior Audit Findings.

Corrective Action Plan for Current Year Audit Findings
Schedule for the Louisiana Legislative Auditor
December 31, 2024

There is one finding for the current year audit period ended December 31, 2024, as described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001.



CORRECTIVE ACTION PLAN

June 26, 2025

Hope Connections, Inc. respectfully submits the following corrective action plan for the year ended December 31, 2024.

Name and address of independent public accounting firm

Cook & Morehart, CPAs
1215 Hawn Ave
Shreveport, LA 71107

Audit period: Year ended December 31, 2024

The finding from the Schedule of Findings and Questioned Costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

FINDING – FINANCIAL STATEMENT AUDIT

2024-001 Significant Deficiency

Recommendation: We recommend that the agency strengthen their budgeting practices to eliminate deficit spending in the future and that management and the Board of Directors meet on a periodic basis to monitor the agency's financial position and to formulate financial plans to eliminate the deficits.

Planned Corrective Actions:

- Hope Connections Inc. will strengthen the budgeting practices to eliminate deficit spending.
- The Executive Director and the Dir of Operations will meet monthly to compare budget to actuals and income to expenses.
- The Board of Directors will receive budget to actual reports every other month along with other financial reporting to monitor the agency's financial position and will formulate financial plans to eliminate the deficits.
- HOPE Connections has contracted with a Fund Development Professional to assist with meeting fundraising goals.

FINDINGS – FEDERAL AWARD PROGRAMS AUDITS – None reported.

If additional information is needed, please contact me at (318) 670-4591.

Sincerely,

A handwritten signature in black ink that reads "Christa Hawkins". The signature is written in a cursive, flowing style.

Christa Hawkins
Executive Director

COOK & MOREHART

Certified Public Accountants

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Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Board of Directors
Hope Connections, Inc.
Shreveport, Louisiana
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2024 through December 31, 2024. Hope Connections, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

Hope Connections, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2024 through December 31, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) *Written Policies and Procedures*

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

2) *Board or Finance Committee*

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

3) *Bank Reconciliations*

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

4) Collections (excluding electronic funds transfers)

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

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

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
 - 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
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Procedures performed. Noted the following exception:

Exception: Observed finance charges and late fees totaling \$136 on two statements.

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

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

8) *Contracts*

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

9) *Payroll and Personnel*

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

10) *Ethics*

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

11) *Debt Service*

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

12) *Fraud Notice*

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

13) *Information Technology Disaster Recovery/Business Continuity*

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024.

14) *Prevention of Sexual Harassment*

Testing not required for this area for the fiscal period January 1, 2024 through December 31, 2024, due to no exceptions being noted in prior year.

We were engaged by Hope Connections, Inc., to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

A handwritten signature in black ink that reads "Cook & Morehart". The signature is written in a cursive, flowing style.

Cook & Morehart
Certified Public Accountants
June 26, 2025



June 26, 2025

Cook & Morehart, CPAs
1215 Hawn Ave
Shreveport, LA 71107

Hope Connections submits the following responses to the exceptions identified in the Statewide Agreed-Upon Procedures Report for the year ended December 31, 2024:

Exception: On two of the credit card statements tested, finance charges and late fees were observed totaling \$136.

Response: Hope Connections will implement procedures to ensure that monthly credit card payments are made timely to avoid finance charges.

Sincerely,

A handwritten signature in black ink that reads "Christa Hawkins". The signature is written in a cursive, flowing style.

Christa Hawkins
Executive Director