Hope Connections, Inc.
Shreveport, Louisiana

Financial Statements

As of and for the Years Ended December 31, 2025 and 2024

Hope Connections, Inc.

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COOK & MOREHART,
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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, 2025 and 2024, 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, 2025 and 2024, 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 opinion.

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 schedule shown on page 17 is presented for the purpose 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 29, 2026, on our consideration of 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

Cook & Morehart,
Certified Public Accountants, LLC
June 29, 2026

Hope Connections, Inc.
Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
Assets		
Current assets:		
Cash	$ 8,421	$ 3,751
Grants receivable	165,354	150,761
Accounts receivable	31,972	16,337
Total current assets	205,747	170,849
Property and equipment:		
Operating lease right-of-use asset, net	2,210	11,554
Depreciable property and equipment, net	2,890,973	2,980,717
Non-depreciable property and equipment	41,202	41,102
Net property and equipment	2,934,385	3,033,373
Total Assets	$ 3,140,132	$ 3,204,222
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$ 30,286	$ 41,083
Accrued expenses	30,386	33,108
Refundable advance	29,878	29,878
Line of credit	107,329	98,664
Current portion of operating lease liabilities	2,210	9,344
Total current liabilities	200,089	212,077
Non-current portion of operating lease liabilities		2,210
Net assets:		
With donor restrictions	17,221	
Without donor restrictions	2,922,822	2,989,935
Total net assets	2,940,043	2,989,935
Total Liabilities and Net Assets	$ 3,140,132	$ 3,204,222

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

Hope Connections, Inc.
Statement of Activities
For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues and Other Support:			
Government grants	$ 1,017,329	$	$ 1,017,329
Miscellaneous grants	77,779	17,221	95,000
Contributions of financial assets	52,771		52,771
Special event - fundraising	33,500		33,500
Rent revenue	6,000		6,000
Fee for services	114,259		114,259
Miscellaneous revenues	1,437		1,437
Total revenues and other support	1,303,075	17,221	1,320,296
Expenses:			
General administration	197,034		197,034
Fundraising	24,574		24,574
Total supporting services	221,608		221,608
Program services	1,148,580		1,148,580
Total expenses	1,370,188		1,370,188
Changes in net assets	(67,113)	17,221	(49,892)
Net assets, beginning of year	2,989,935		2,989,935
Net assets, end of year	$ 2,922,822	$ 17,221	$ 2,940,043

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

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

		Without Donor Restrictions
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		3,227
Total revenues and other support		1,146,655
Expenses:		
Program services		1,211,382
General administration		192,182
Total expenses		1,403,564
Changes in net assets		(256,909)
Net assets, beginning of year		3,246,844
Net assets, end of year	$	2,989,935

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

Hope Connections, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2025

	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	Fund Raising	General and Administrative	Total
Salaries	$ 38,554	$ 59,443	$ 167,179	$ 145,431	$ 226	$ 200,940	$ 75,731	$ 17,806	$ 705,310	$	$ 105,982	$ 811,292
Fringe benefits	5,976	10,308	26,437	17,629	15	18,355	15,321	2,930	96,971		15,586	112,557
Travel and meetings	2,093	4,429	4,934	4,536					15,992		4,226	20,218
Occupancy	2,864	3,133	3,153	8,652	246	26,875	27,546	5,626	78,095		18,218	96,313
Insurance		10,162		1,167		12,029	5,695	2,329	31,382		17,902	49,284
Telephone	761	2,660		3,499	5,822	13,607	5,601	2,903	34,853		3,302	38,155
Vehicle operation		6,171			1,052	2,161	492		9,876		562	10,438
Supplies	188	1,161	23	873	2,445	951	4,236	701	10,578	4,328	3,575	18,481
Repairs and maintenance					996	12,345	2,996		16,337			16,337
Professional services										20,246	9,789	30,035
Interest expense											7,725	7,725
Miscellaneous											613	613
Client services	17,562	1,322		146	33,866	2,853	2,990	10,357	69,096			69,096
Depreciation expense	4,260	8,725	18,473	16,069	25	22,203	8,368	1,967	80,090		9,554	89,644
Total Expenses	$ 72,258	$ 107,514	$ 220,199	$ 198,002	$ 44,693	$ 312,319	$ 148,976	$ 44,619	$ 1,148,580	$ 24,574	$ 197,034	$ 1,370,188

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.
Statements of Cash Flows
For the Years Ended December 31, 2025, and 2024

	2025	2024
Operating Activities		
Change in net assets	$ (49,892)	$ (256,909)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	89,644	109,362
Amortization on operating lease liability	9,344	12,701
(Increase) decrease in operating assets:		
Grants receivable	(25,270)	146,750
Accounts receivable	(4,958)	6,264
Increase (decrease) in operating liabilities:		
Accounts payable	(10,797)	(87,272)
Accrued expenses	(2,722)	3,628
Operating lease assets and liabilities	(9,344)	(12,701)
Net cash (used in) operating activities	(3,995)	(78,177)
Financing Activities		
Proceeds from line of credit	460,000	233,000
Repayments of line of credit	(451,335)	(209,801)
Net cash provided by financing activities	8,665	23,199
Net increase (decrease) in cash and cash equivalents	4,670	(54,978)
Cash as of beginning of year	3,751	58,729
Cash as of end of year	$ 8,421	$ 3,751
Supplemental disclosures:		
Cash paid for interest	$ 7,725	$ 4,761

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

(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, 2025, indicated, are administered by HOPE:

Continuum of Care Homeless Management Information System (HMIS) (5%) - 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) (8%) – 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) (15%) - 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 (3%) - Provides funding for relocation assistance. Funding is provided from the Caddo Parish Commission.

Emergency Solutions Grants (ESG) (22%) - 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 (33%) – 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)

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, 2022, 2023, 2024, and 2025 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)

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 or 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, 2025 and 2024, 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, 2025, total cash balances held at financial institutions was $25,883, of which all was secured by FDIC. At December 31, 2024, total cash balances held at financial institutions was $11,018, 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, 2025 and 2024, 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, 2025 and 2024:

	Estimated Depreciable Life	2025	2024
Land	n/a	$ 41,202	$ 41,202
Buildings and improvements	20–30 years	3,396,045	3,396,045
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		(623,106)	(533,462)
Net investment in property and equipment		$ 2,932,175	$3,021,819

Depreciation expense for the years ended December 31, 2025 and 2024 was $89,644 and $109,362, respectively.

(5) Contractual Revenue – Grants

During the years ended December 31, 2025 and 2024, HOPE received contractual revenue from federal, state, and local grants in the amount of $1,017,329 and $939,338, 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, 2025 and 2024 consisted of the following:

	2025	2024
Accrued salaries	$ 25,449	$ 26,338
Payroll related benefits	4,937	6,770
	$ 30,386	$ 33,108

(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:

	2025	2024
Financial assets at year-end:		
Cash and cash equivalents	$ 8,421	$ 3,751
Grant and accounts receivables	197,326	167,098
Total financial assets	205,747	170,849
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(17,221)	
Financial assets available to meet cash needs for general expenditures within one year	$ 188,526	$ 170,849

In addition to financial assets available to meet general expenditures over the coming year, HOPE operates with a balanced budget and anticipates covering it general expenditures using the income generated from contractual agreements with governmental agencies and contributions. For December 31, 2025 and 2024, the Statement of Cash Flows identifies the sources and uses of HOPE's cash and shows negative cash generated by operations of ($3,995) and ($78,177), respectively. Hope also has a line of credit in the amount of $200,000, which can be drawn upon if needed. Balance outstanding on the line of credit at December 31, 2025, was $107,329.

(8) Net Assets

Net assets at December 31, 2025 and 2024, consisted of the following:

	2025	2024
Net Assets Without Donor Restrictions:		
Undesignated	$ (9,353)	$ (31,884)
Net investment in property and equipment	2,932,175	3,021,819
Total net assets without donor restrictions	2,922,822	2,989,935
Net Assets With Donor Restrictions:		
Restricted for safe haven shelter	17,221	
Total net assets with donor restrictions	17,221	
Total Net Assets	$2,940,043	$ 2,989,935

(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, 2025, and 2024, are as follows:

	2025	2024
Lease Assets		
Operating lease right-of-use assets	$ 2,210	$ 11,554
Lease Liabilities		
Operating lease liabilities at December 31	$ 2,210	$ 11,554
Less current portion	(2,210)	(9,344)
Operating lease liabilities	$	$ 2,210

Total lease costs for the years ended December 31, 2025 and 2024, are as follows:

Operating lease costs	$ 9,549	$ 13,247
Weighted-average remaining lease term – months	10	15
Weighted-average discount rate	4.24%	3.03%

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:

Fiscal Year	Principle	Interest	Total
2026	$ 2,210	$ 46	$ 2,256
Total	$ 2,210	$ 46	$ 2,256

(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 7.00% and 7.50% at December 31, 2025 and 2024, respectively. The balance on the line of credit as of December 31, 2025 and 2024 was $107,329, and $98,664, respectively. The line of credit was renewed on August 7, 2025, in the amount of $200,000, with a variable interest rate based upon Wal Street Journal Prime Rate, which was 7.00% at renewal. The line of credit has a maturity date of August 7, 2026. 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, 2025 and 2024 was $7,725 and $4,761, respectively.

(11) Subsequent Events

Subsequent events have been evaluated through June 29, 2026, 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 Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2025

Agency Head: Christa W. Hawkins, Chief Executive Officer

The following payments were made from public funds:

Purpose	Amount
Salary	$ 92,846
Travel	3,216
Insurance - Health	3,924

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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, 2025, 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 29, 2026.

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 2025-001, 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

Cook & Morehart,
Certified Public Accountants, LLC
June 29, 2026

Hope Connections, Inc.
Shreveport, Louisiana
Summary Schedule of Audit Findings for the Louisiana Legislative Auditor
December 31, 2025

Summary Schedule of Prior Year Audit Findings

There was one finding for the prior year audit for the year ended December 31, 2024.

2024-001 – Significant Deficiency

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.

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.

Current Status: See finding in current year audit.

Corrective Action Plan for Current Year Audit Findings

There was one finding for the current year audit for the year ended December 31, 2025.

2025-001 – 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, 2025, the agency had an operating net asset (deficit) of ($9,353). Change in net assets for the year ended December 31, 2025, totaled ($49,892), of which $89,644 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.

COOK & MOREHART,
Certified Public Accountants, LLC

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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, 2025 through December 31, 2025. Hope Connections, Inc.'s management's 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, 2025 through December 31, 2025. 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

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

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

ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

iii. ***Disbursements***, including processing, reviewing, and approving.

iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Procedures performed. No exceptions noted.

2) *Board or Finance Committee*

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

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

ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget- to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those* *entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

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

iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Procedures performed. No exceptions noted.

3) Bank Reconciliations

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

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

Procedures performed. No exceptions noted.

4) Collections (excluding electronic funds transfers)

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

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

i. Employees responsible for cash collections do not share cash drawers/registers;

ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

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

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

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

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

i. Observe that receipts are sequentially pre-numbered.

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

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

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

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

Procedures performed. No exceptions noted.

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

A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

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

ii. At least two employees are involved in processing and approving payments to vendors;

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

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

v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

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

i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

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

Procedures performed. Noted the following exception:

Exception: The employee responsible for processing payments is also responsible for adding/modifying vendor files. Management reviews all new vendors when checks are signed.

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

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

B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized 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 #6B above, <u>excluding fuel cards</u>, 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.

D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C, identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

Procedures performed. No exceptions noted.

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

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

i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

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

iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

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

Procedures performed. No exceptions noted.

8) Contracts

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

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

ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

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

No applicable transactions during the year.

9) Payroll and Personnel

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

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

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

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

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

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

D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Procedures performed. No exceptions noted.

10) *Ethics*

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

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

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

Not applicable for not-for-profits.

11) *Debt Service*

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not applicable for not-for-profits.

12) Fraud Notice

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Hope Connections, Inc. represented that there were no misappropriations of public funds or assets during the fiscal year.

B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Procedures performed. No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

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

C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedures #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 – Completed the training; and
- Hired on or after June 9, 2020 – Completed the training within 30 days of initial service or employment.

We performed the procedures and discussed the results with management.

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

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

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

i. Number and percentage of public servants in the agency who have completed the training requirements;

ii. Number of sexual harassment complaints received by the agency;

iii. Number of complaints which resulted in a finding that sexual harassment occurred;

iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

v. Amount of time it took to resolve each complaint.

Not applicable for not-for-profits.

We were engaged by the 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.

Cook & Morehart

Cook & Morehart,
Certified Public Accountants, LLC
June 29, 2026

HOPE
connections

June 29, 2026

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, 2025:

Exception: The employee responsible for processing payments is also responsible for adding/modifying vendor files. Management reviews all new vendors when checks are signed.

Response: Management approves new vendors when checks are signed. Management also reviews bank statements on a monthly basis.

Sincerely,

Christa Hawkins

Christa Hawkins
Chief Executive Officer