

**CHEZ HOPE, INC.**

Financial Statements

Year Ended June 30, 2024

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Chez Hope, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Chez Hope, Inc. as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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

#### *Emphasis of Matter*

As described in Note 12, the prior financial statements have been restated to correct an error. Our opinion is not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2024, on our consideration of Chez Hope, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Chez Hope, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Chez Hope, Inc.'s internal control over financial reporting and compliance.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Morgan City, Louisiana  
December 2, 2024

## **FINANCIAL STATEMENTS**

CHEZ HOPE, INC.

Statement of Financial Position  
June 30, 2024

ASSETS

Current assets	
Cash	\$ 471,180
Grants receivable	321,102
Other receivables	5,750
Prepaid expenses	<u>27,608</u>
Total current assets	825,640
Property and equipment, net	499,826
Operating right-of-use asset	494,495
Other assets	
Security deposit	<u>12,000</u>
Total assets	<u><u>\$ 1,831,961</u></u>

LIABILITIES AND NET ASSETS

Current liabilities	
Demand note payable	\$ 255,428
Accrued expenses	79,103
Unearned revenues	33,699
Operating lease liability	<u>170,812</u>
Total current liabilities	539,042
Long-term liabilities	
Operating lease liability	<u>323,683</u>
Total liabilities	<u>862,725</u>
Net assets	
Without donor restrictions	
Undesignated	<u>969,236</u>
Total liabilities and net assets	<u><u>\$ 1,831,961</u></u>

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

CHEZ HOPE, INC.  
Statement of Activities  
Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Support			
Federal financial assistance			
Department of Children and Family Services	-	1,238,874	1,238,874
Louisiana Commission on Law Enforcement -			
KKIDDS	-	153,723	153,723
VAWA	-	22,037	22,037
VOCA	-	336,776	336,776
Department of Social Services - Emergency Shelter Grant	-	22,240	22,240
State financial assistance			
Louisiana Coalition Against Domestic Violence	-	98,736	98,736
Department of Children and Family Services	-	384,500	384,500
Act 397	-	140,000	140,000
Local and private assistance			
United Way	44,242	-	44,242
Donations	29,394	-	29,394
In-kind donations	14,720	-	14,720
Department of Children and Family Services - Marriage Licenses	-	7,162	7,162
St. Mary Parish Government	6,510	-	6,510
Louisiana Bar Foundation -			
Interest on Lawyer's Trial Association (IOLTA)	-	121,137	121,137
Jock Scott Community Partnership Panel Grant	-	29,494	29,494
Total support	<u>94,866</u>	<u>2,554,679</u>	<u>2,649,545</u>
Revenues			
Batterer fees	32,056	-	32,056
Other	23,150	-	23,150
Fundraising	26,796	-	26,796
Total revenues	<u>82,002</u>	<u>-</u>	<u>82,002</u>
Assets released from restrictions	<u>2,554,679</u>	<u>(2,554,679)</u>	<u>-</u>
Total revenues, gains, and other support	2,731,547	-	2,731,547
Expenses			
Program services	2,243,376	-	2,243,376
Supporting services -			
Management and general	302,296	-	302,296
Fundraising	8,106	-	8,106
Total expenses	<u>2,553,778</u>	<u>-</u>	<u>2,553,778</u>
Changes in net assets	177,769	-	177,769
Net assets, beginning, as restated	<u>791,467</u>	<u>-</u>	<u>791,467</u>
Net assets, ending	<u>\$ 969,236</u>	<u>\$ -</u>	<u>\$ 969,236</u>

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



CHEZ HOPE, INC.

Statement of Functional Expenses  
Year Ended June 30, 2024

	Program Services	Supporting Services			Total
		Management and General	Fundraising	Total Supporting Services	
Automobile	\$ 26,402	\$ 8,801	\$ -	\$ 8,801	\$ 35,203
Bank charges	-	23	-	23	23
Building and auto interest	16,577	305	-	305	16,882
Children's program	34	-	-	-	34
Contract labor	15,471	-	-	-	15,471
Depreciation expense	87,854	4,192	-	4,192	92,046
Equipment expense	100,322	-	-	-	100,322
Fundraising expenses	-	-	8,106	8,106	8,106
In-kind donations	14,720	-	-	-	14,720
Insurance	101,014	22,838	-	22,838	123,852
Miscellaneous	-	13,033	-	13,033	13,033
Office supplies and expenses	50,529	75,266	-	75,266	125,795
Operating supplies	4,839	-	-	-	4,839
Postage and delivery	-	924	-	924	924
Printing and reproduction	10,568	-	-	-	10,568
Professional fees	-	63,433	-	63,433	63,433
Rent	194,800	-	-	-	194,800
Repairs and maintenance	134,220	-	-	-	134,220
Salaries	986,676	93,783	-	93,783	1,080,459
Security	101,508	-	-	-	101,508
Shelter supplies	74,120	-	-	-	74,120
Taxes - payroll	68,390	15,462	-	15,462	83,852
Telephone	75,766	2,343	-	2,343	78,109
Travel and entertainment	5,926	-	-	-	5,926
Utilities	51,680	1,893	-	1,893	53,573
Victim assistance	121,960	-	-	-	121,960
	<u>\$ 2,243,376</u>	<u>\$ 302,296</u>	<u>\$ 8,106</u>	<u>\$ 310,402</u>	<u>\$ 2,553,778</u>

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

CHEZ HOPE, INC.

Statement of Cash Flows  
Year Ended June 30, 2024

Operating activities	
Revenues collected	\$ 2,782,067
Payments for program services	(2,102,857)
Payments for support services	(297,799)
Payments for fundraising	(8,106)
Interest payments	<u>(16,882)</u>
Net cash provided by operating activities	356,423
Investing activities	
Acquisition/construction of capital assets	(68,292)
Financing activities	
Payments on demand note	<u>(12,760)</u>
Net change in cash	275,371
Cash, beginning	<u>195,809</u>
Cash, ending	<u>\$ 471,180</u>
Reconciliation of change in net assets to net cash provided by operating activities	
Change in net assets	<u>\$ 177,769</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	92,046
Changes in assets and liabilities	
Grants receivable	145,945
Other receivables	389
Prepaid expenses	8,875
Accrued expenses	31,713
Deferred revenues	(95,814)
Security deposits	<u>(4,500)</u>
Total adjustments	<u>178,654</u>
Net cash provided by operating activities	<u>\$ 356,423</u>
Non-cash investing and financing activities	
Chez Hope, Inc. entered into an operating lease incurring a lease liability.	<u>\$ 151,168</u>

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

## CHEZ HOPE, INC.

### Notes to Financial Statements

#### (1) Nature of Organization and Significant Accounting Policies

##### A. Nature of organization

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

##### B. Economic dependence

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

##### C. Financial statement presentation

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

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

*Net assets with donor restrictions* - Net assets subject to donor-imposed stipulations that will be met, either (1) expire by incurring expenses satisfying the restricted purpose (purpose restricted), and/or the passage of time or other events (time restricted), or (2) will never expire (perpetual in nature). When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

##### D. Support and expenses

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

CHEZ HOPE, INC.

Notes to Financial Statements (continued)

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

E. Allowance for doubtful accounts

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

F. Property and equipment

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

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

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

G. Compensated absences

Vacation and sick leave are recorded as expenses of the period in which earned. Although sick leave is available for employees when needed, it does not vest nor is it payable at termination of employment. Annual vacation is earned by employees based on the number of years of employment. Current unused vacation and up to 180 hours of prior unused vacation is payable upon retirement for all employees. At June 30, 2024, the accrued vacation leave amounted to \$71,462.

H. Donated services and office space

Chez Hope, Inc. receives a significant amount of donated services from unpaid volunteers who assist in program services during the year; however, these donated services are not reflected in the statement of activity because the criteria for recognition under professional standards have not been satisfied. The fair value of donated services not reflected in the financial statements for the year ended June 30, 2024 was \$44,023.

Chez Hope, Inc. utilized all contributed nonfinancial assets and unless otherwise noted, contributed nonfinancial assets did not have donor restrictions. Chez Hope, Inc. does not have a policy whether to monetize or utilize contributed nonfinancial assets. Chez Hope Inc. received donated office space with a fair value of \$14,720 for the year ended June 30, 2024 which meet the criteria of recognition in the financial statements. The value of the use of

## CHEZ HOPE, INC.

### Notes to Financial Statements (continued)

donated office space is estimated based upon market rates. The donated office space is used for outreach services.

#### I. Cash and cash equivalents

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

#### J. Functional allocation of expenses

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

#### K. Income taxes

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

#### L. Advertising

Advertising costs, identified on the Statement of Functional Expenses and printing and reproduction, are expensed as incurred. Advertising expense was \$10,568 in 2024.

### (2) Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### (3) Liquidity and Availability of Resources

Chez Hope, Inc. has \$798,032 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash and cash equivalents of \$471,180 and grants and other receivables of \$326,852. As part of the Chez Hope, Inc.'s liquidity management, Chez Hope, Inc. maintains sufficient cash balances throughout the year through the receipt of grants and donations to support its objectives.

CHEZ HOPE, INC.

Notes to Financial Statements (continued)

(4) Grants Receivable

Grants receivable consisted of the following at June 30, 2024:

Louisiana Commission on Law Enforcement	
VOCA	\$ 28,847
VAWA	1,370
KKIDDS	11,643
Department of Children and Family Services	<u>279,242</u>
	<u>\$ 321,102</u>

(5) Property and Equipment

Property and equipment consisted of the following at June 30, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land	\$ 33,000	\$ -	\$ -	\$ 33,000
Capital assets being depreciated				
Buildings and improvements	709,069	9,260	-	718,329
Office furniture and equipment	203,546	11,098	-	214,644
Vehicles	<u>174,157</u>	<u>47,934</u>	<u>-</u>	<u>222,091</u>
	1,119,772	68,292	-	1,188,064
Accumulated depreciation	<u>(596,192)</u>	<u>(92,046)</u>	<u>-</u>	<u>(688,238)</u>
Property and equipment, net	<u>\$ 523,580</u>	<u>\$ (23,754)</u>	<u>\$ -</u>	<u>\$ 499,826</u>

Depreciation expense totaling \$92,046 was recognized in the statement of activities for the year ended June 30, 2024.

CHEZ HOPE, INC.

Notes to Financial Statements (continued)

(6) Notes Due on Demand

Notes due on demand is comprised of the following at June 30, 2024:

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

\$ 255,428

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

<u>Year</u>	<u>Amount</u>
2025	\$ 13,296
2026	14,045
2027	14,838
2028	15,675
2029	16,559
2030-2034	97,905
2035-2037	83,110
	<u>\$ 255,428</u>

(7) Contingencies

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

(8) Operating Leases

The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. A right-of-use (ROU) asset represents the Chez Hope, Inc.'s right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Chez Hope, Inc. uses the implicit rate when it is readily available, or an incremental borrowing rate on the information available at lease commencement. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Chez Hope, Inc. leases buildings for use to provide shelter for victims and provide an outreach client service center. Chez Hope, Inc. is obligated under two noncancelable lease agreements for 60 and 36

CHEZ HOPE, INC.

Notes to Financial Statements (continued)

months, respectively, with monthly payments of \$10,900 and \$4,500, respectively, both expiring in the year 2027. The building to provide shelter for victims has an option to extend for an additional 60 months and the outreach client service center has an option to extend for an additional 36 months.

The following is a maturity analysis of the annual undiscounted cash flows (payments) of the lease liability as of June 30, 2024:

Year Ended June	Amount
2025	\$ 184,800
2026	184,800
2027	<u>148,800</u>
Total operating lease liability - payments	<u>\$ 518,400</u>

The following is a reconciliation of the total operating lease liability – payments on the schedule above to the operating lease liability on the accompanying statement of net position as of June 30, 2024:

Total operating lease liability - payments	\$ 518,400
Operating lease liability - current portion	\$ 170,812
Long term liabilities:	
Operating lease liability	<u>323,683</u>
Total operating lease liability	<u>494,495</u>
Present value adjustment	<u>\$ 23,905</u>

Operating lease cost of \$16,591 is included in the statement of activities for the year ended June 30, 2024. The weighted average of the remaining lease term is 2.84 years and the weighted average discount rates used was 3.36%.

(9) Concentration of Credit Risk

Cash and cash equivalents consist of petty cash and cash held in checking and savings accounts on deposit in a local bank. The bank balance at June 30, 2024 is \$475,399. These funds are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2024, cash balances exceeded FDIC insurance coverage by \$100,061.

(10) Subsequent Events

Management has evaluated subsequent events through December 2, 2024, the date which the financial statements were available for issue.



CHEZ HOPE, INC.

Notes to Financial Statements (continued)

(11) Compensation and Other Payments to Chief Officer

Act 706 of the 2014 Legislative Session amended R. S. 24:513(A) requiring additional disclosure of total compensation, reimbursements, benefits, or other payments made to an agency head or chief officer. Payments to the Executive Director, Cherrise Picard, for the year ended June 30, 2024, are as follows:

Annual salary	\$ 102,566
Benefits - Insurance	6,521
Per diem	488
Total	<u>\$ 109,575</u>

(12) Prior Period Adjustment

During the year ended June 30, 2024, Chez Hope, Inc. made prior period adjustments to correct errors.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842) intended to improve financial reporting regarding leasing transactions. Under the new standard, a lessee is required to recognize leases on its balance sheet. At initial recognition of a lease, the lessee measures the liability for its lease obligation and the related right-to-use-asset at the present value of lease payments not yet paid. A lease recognized in year of implementation eliminated a \$67,117 add-on. This add-on has been recognized as of June 30, 2024.

In the prior year, Chez Hope, Inc. recorded a receivable of \$22,659 in error. The effects of this error have been corrected as June 30, 2024.

The net effect of the lease had no effect on beginning equity. The effect of the receivable error is shown below.

	<u>Previously Reported</u>	<u>Correction of Error</u>	<u>As Restated</u>
Net assets			
Without donor restrictions- undesignated	\$ 779,980	\$ 11,487	\$ 791,467
With donor restrictions	<u>34,146</u>	<u>(34,146)</u>	<u>-</u>
Total	<u>\$ 814,126</u>	<u>\$ (22,659)</u>	<u>\$ 791,467</u>

## **SUPPLEMENTARY INFORMATION**

CHEZ HOPE, INC.

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
UNITED STATES DEPARTMENT OF JUSTICE				
Passed through Louisiana Commission on Law Enforcement				
Crime Victim Assistance	16.575			
Domestic Violence Program (St. Mary)		2022-VA-02-7524	\$ -	\$ 73,156
Domestic Violence Program (Iberia)		2022-VA-02-7522	-	45,451
Domestic Violence Program (St. Martin)		2022-VA-02-7523	-	52,540
Domestic Violence Program (St. Mary KKIDSS)		2022-VA-02-7530	-	42,001
Domestic Violence Program (Iberia KKIDSS)		2022-VA-03/02-7529	-	31,026
Domestic Violence Program (Assumption)		2022-VA-02-7367	-	19,840
Domestic Violence Program (St. Mary)		2021-VA-02-6856	-	64,157
Domestic Violence Program (Iberia)		2021-VA-02-6854	-	35,474
Domestic Violence Program (St. Martin)		2021-VA-02-6855	-	46,158
Victim Assistance Program (St. Mary) (KKIDSS)		2021-VA-02/03-6858	-	45,222
Victim Assistance Program (Iberia) (KKIDSS)		2021-VA-02/03-6857	-	35,474
Total Crime Victim Assistance Programs			-	490,499
Violence Against Women Formula Grants	16.588			
Domestic Violence Program		2022-WF-03-7531	-	16,014
Domestic Violence Program		2022-WF-03-7867	-	6,023
Total Violence Against Women Formula Grants			-	22,037
Total United States Department of Justice			-	512,536
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Louisiana Department of Children and Family Services				
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671			
COVID-19 - American Rescue Plan		ARP-2	-	102,250
Family Violence Prevention Services Program		2000585698	-	1,136,624
Total United States Department of Health and Human Services			-	1,238,874
UNITED STATES DEPARTMENT OF HOMELAND SECURITY				
Passed through United Way of Acadiana				
Emergency Food and Shelter National Board Program	97.024			
Emergency Food and Shelter National Board Program Phase 40 (St. Mary)		362800-018	-	10,339
COVID-19 - Emergency Food and Shelter National Board Program		369200-012	-	11,901
Total United States Department of Homeland Security			-	22,240
Total expenditures of federal awards			\$ -	\$ 1,773,650

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

CHEZ HOPE, INC.

Notes to Schedule of Expenditures of Federal Awards

(1) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of Chez Hope, Inc. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Chez Hope, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Chez Hope, Inc. Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services passed through the Louisiana Department of Children and Family Services was considered to be the major program.

(2) Summary of Significant Accounting Policies

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

(3) Indirect Cost Rate

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

(4) Subrecipients

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

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

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

**INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

## CERTIFIED PUBLIC ACCOUNTANTS

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### INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the audit standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Chez Hope, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 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 December 2, 2024.

#### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Chez Hope, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Chez Hope, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Chez Hope, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Chez Hope, Inc.'s financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we identified a deficiency in internal control, described as item 2024-001 in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency.

## **Report on Compliance and Other Matters**

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

## **Chez Hope, Inc.'s Response to Findings**

Government Auditing *Standards* requires the auditor to perform limited procedures on Chez Hope, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. ABC Organization's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **Purpose of this Report**

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

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Morgan City, Louisiana  
December 2, 2024

# KOLDER, SLAVEN & COMPANY, LLC

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

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

#### **Report on Compliance for the Major Federal Program**

##### ***Opinion on the Major Federal Program***

We have audited the compliance of Chez Hope, Inc. with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have direct and material effect on Chez Hope Inc.'s major federal program for the year ended June 30, 2024. Chez Hope, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Chez Hope, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

##### ***Basis for Opinion on the Major Federal Program***

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

We are required to be independent of Chez Hope, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Chez Hope, Inc.'s compliance with the compliance requirements referred to above.



## ***Responsibilities of Management for Compliance***

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

## ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

## **Report on Internal Control over Compliance**

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

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

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

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

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

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Morgan City, Louisiana  
December 2, 2024

CHEZ HOPE, INC.

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2024

Part I. Summary of Auditor's Results

Financial Statements

1. Type of opinion issued on financial statements: Unmodified

2. Internal control over financial reporting:

Material weakness(es) identified?	_____	yes	_____ <input checked="" type="checkbox"/>	no
Significant deficiency(ies) identified?	_____ <input checked="" type="checkbox"/>	yes	_____	none reported

3. Noncompliance material to the financial statements? \_\_\_\_\_ yes \_\_\_\_\_ ☒ no

Federal Awards

4. Internal control over major federal programs:

Material weakness(es) identified?	_____	yes	_____ <input checked="" type="checkbox"/>	no
Significant deficiency(ies) identified?	_____	yes	_____ <input checked="" type="checkbox"/>	none reported

5. Major programs and type of auditor's report issued:

Assistance Listing Number	Federal Agency and Name of Major Program	Type of Opinion
93.671	U.S. Department of Health and Human Services Family Violence Prevention and Services/Domestic Violence Shelter and Support Service	Unmodified

6. Audit findings required to be reported in accordance with 2 CFR §200.516(a)? \_\_\_\_\_ yes \_\_\_\_\_ ☒ no

7. Threshold for distinguishing type A and B programs? \$ 750,000

8. Qualified as a low-risk auditee? \_\_\_\_\_ ☒ yes \_\_\_\_\_ no

Other

9. Management letter issued? \_\_\_\_\_ yes \_\_\_\_\_ ☒ no

CHEZ HOPE, INC.

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2024

Part II: Findings Reported in Accordance with Government Auditing Standards

2024-001 Financial Reporting

Fiscal year finding initially occurred: June 30, 2019

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

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

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

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

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

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

Part III: Findings and Questioned Costs for Federal Awards

None reported.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**APPENDIX A**

Chez Hope, Inc.  
Family Violence Crisis Center



Post Office Box 98  
Franklin, LA 70538  
(337)828-4200 Phone  
(337)828-4202 Fax

New Iberia, LA  
(337)560-0090

St. Martinville, LA  
(337)242-6100

Napoleonville, LA  
(985)513-277

State Crisis  
Hotline  
1-888-411-1333

chezhope.org

Summary Schedule of Prior Year Audit Findings  
June 30<sup>th</sup>, 2024

Findings reported in accordance with Government Auditing Standards :

Internal Control -  
2023-001

Compliance -Financial Reporting

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

CURRENT STATUS: This finding was not yet resolved as of June 30, 2024

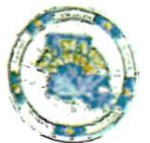
Compliance -  
None

Findings for federal awards defined in the Uniform Guidance -  
None

Management Letter Findings  
None

Sincerely,

Cherrise Picard  
Chez Hope, Inc.



## **CORRECTIVE ACTION PLAN FOR CURRENT AUDIT FINDINGS**

### **APPENDIX B**

Chez Hope, Inc.  
Family Violence Crisis Center



November 20, 2024

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

Dear Kristin,

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

2024-001 Financial Reporting

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

**Management's Response**

Due to the increased cost of correcting the condition, the financial reporting process will continue to be outsourced to Chez Hope's external auditors.

Name of the contact person responsible for corrective action: As described above, corrective action is not considered necessary. Cherrise Picard

Anticipated completion date for the corrective action: As described above, corrective action is not considered necessary

Sincerely,

*Cherrise Picard*

Cherrise Picard, Executive Director

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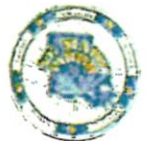
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Napoleonville, LA  
(985)513-277

State Crisis  
Hotline  
1-888-411-1333

[chezhope.org](http://chezhope.org)





**CHEZ HOPE, INC.**

Statewide Agreed-Upon Procedures

Fiscal period July 1, 2023 through June 30, 2024

# KOLDER, SLAVEN & COMPANY, LLC

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

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

We have performed the procedures enumerated below on the control and compliance areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2023 through June 30, 2024. The management of Chez Hope, Inc. (hereinafter "Chez Hope") is responsible for those control and compliance areas identified in the SAUPs.

An agreed-upon procedures engagement involves the performing of specific procedures that Chez Hope has agreed to and acknowledged to be appropriate on those control and compliance areas identified in the LLA's SAUPs for the fiscal period July 1, 2023 through June 30, 2024 and report on exceptions based upon the procedures performed. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. However, this report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated exceptions, if any, are as follows:

#### ***1) Written Policies and Procedures***

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - 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.

## ***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, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds.
  - 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.

### **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.

### **4) Collections (excluding electronic funds transfers)**

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- 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 agency 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). 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.

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

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

#### ***6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards***

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- 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 #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

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- 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](http://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.

## **8) Contracts**

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- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
  - 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.

## **9) Payroll and Personnel**

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- 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.

### ***10) Ethics***

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
  - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
  - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

### ***11) Debt Service***

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- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

### ***12) Fraud Notice***

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- 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.
- 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.

### ***13) Information Technology Disaster Recovery/Business Continuity***

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*We performed the procedures below and discussed the results with management.*

- A. Perform the following procedures:
  - i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
  - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.



- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #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 a) hired before June 9, 2020 – completed training; and b) hired on or after June 9, 2020 – completed training within 30 days of initial service or employment.

#### ***14) Prevention of Sexual Harassment***

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- 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.

#### **Exceptions**

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Exceptions found as a result of applying the procedures listed above are as follows:

#### **Written Policies and Procedures**

- 1. Written policies and procedures for receipts/collections do not address management's actions to determine completeness of all collections.
- 2. Written policies and procedures for payroll/personnel do not address (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- 3. Written policies and procedures for contracting do not specifically address any of the subcategories identified.

4. Written policies and procedures for information technology disaster recovery/business continuity do not address (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.

#### **Board or Finance Committee**

5. The board/finance committee did not meet on a bi-monthly basis in accordance with their by-laws.
6. The minutes of the board/finance committee meetings refer to financial activities related to public funds when the board/finance committee convened.

#### **Bank Reconciliations**

7. The main operating account was reconciled three (3) months after the statement closing date.
8. There was no evidence that the main operating account was reviewed by a member of management who does not handle cash, post ledgers, or issue checks.

#### **Non-Payroll Disbursements**

9. The employee responsible for processing payments also mails the check payment.

#### **Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)**

10. One (1) of the five (5) credit/debit/fuel card statements selected was not approved by someone other than the authorized card holder.

#### **Contracts**

11. The selected payment for one (1) of the (5) contracts selected did not agree to the terms and conditions of the contract. The amount invoiced was less than the amount agreed upon.

#### **Management's Response**

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

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

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

This report is intended solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. This report is intended solely for the information of and use by Chez Hope's management and the LLA and is not intended to be and should not be used by anyone other than these specified parties. Accordingly, this report is not suitable for any other purpose. In accordance with Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Morgan City, Louisiana  
December 2, 2024