

Hope House of Central Louisiana

Alexandria, Louisiana

Annual Financial Report

December 31, 2024

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Independent Auditors' Report

To the Board of Directors
Hope House of Central Louisiana
Alexandria, Louisiana

Report on the Financial Statement

Opinion

We have audited the accompanying financial statements of Hope House of Central Louisiana (Hope House) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, cash flows and functional expenses 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 Hope House of Central Louisiana as of December 31, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hope House of Central Louisiana 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 House of Central Louisiana's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 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 Hope House of Central Louisiana'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 House of Central Louisiana's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits and other payments to executive director, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.



Report on Summarized Comparative Information

We have previously audited Hope House of Central Louisiana's December 31, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 26, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2025, on our consideration of Hope House of Central Louisiana'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 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 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 House of Central Louisiana's internal control over financial reporting and compliance.

Knight Masden

KnightMasden
Alexandria, Louisiana
June 25, 2025

Hope House of Central Louisiana
Statements of Financial Position
December 31

	<u>2024</u>	2023 Summarized <u>Total</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 216,193	\$ 198,530
Grants and pledges receivable	<u>80,000</u>	<u>-</u>
Total Current Assets	296,193	198,530
 Plant, Property and Equipment, net	 1,148,999	 1,064,140
 Other Assets		
Investments	445,210	532,753
Restricted cash	<u>1,456</u>	<u>1,985</u>
Total Other Assets	<u>446,666</u>	<u>534,738</u>
 Total Assets	 <u>\$ 1,891,858</u>	 <u>\$ 1,797,408</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 3,920	\$ 65,021
Payroll liabilities	28,679	29,054
Accrued liabilities	<u>2,404</u>	<u>1,985</u>
Total Current Liabilities	35,003	96,060
 Long Term Liabilities	 <u>830,185</u>	 <u>665,982</u>
 Total Liabilities	 865,188	 762,042
 Net Assets		
without Donor Restrictions	544,574	561,703
with Donor Restrictions	<u>482,096</u>	<u>473,663</u>
Total Net Assets	<u>1,026,670</u>	<u>1,035,366</u>
 Total Liabilities and Net Assets	 <u>\$ 1,891,858</u>	 <u>\$ 1,797,408</u>

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

Hope House of Central Louisiana
Statements of Activities
For the Years Ended December 31

	<u>without</u> <u>Donor</u> <u>Restrictions</u>	<u>2024</u> <u>with</u> <u>Donor</u> <u>Restrictions</u>	<u>Total</u>	<u>2023</u> <u>Summarized</u> <u>Total</u>
Revenues				
Contributions, gifts and grants	\$ 162,039	\$ 144,064	\$ 306,103	\$ 359,376
In-kind donations	26,303	-	26,303	27,448
Fund raising income	144,373	-	144,373	129,624
Investment income	49,856	-	49,856	68,305
Client fees	34,642	-	34,642	23,980
Other income	<u>12,417</u>	<u>-</u>	<u>12,417</u>	<u>9,379</u>
Total Revenues	429,630	144,064	573,694	618,112
Net Assets released from restrictions	135,631	(135,631)	-	-
Functional Expenses				
Program Services				
Transitional housing	438,806	-	438,806	459,205
Supporting Services				
Management and general	85,193	-	85,193	79,961
Fund raising	<u>58,391</u>	<u>-</u>	<u>58,391</u>	<u>83,882</u>
Total Supporting Services	<u>143,584</u>	<u>-</u>	<u>143,584</u>	<u>163,843</u>
Total Functional Expenses	<u>582,390</u>	<u>-</u>	<u>582,390</u>	<u>623,048</u>
Change in Net Assets	(17,129)	8,433	(8,696)	(4,936)
Net Assets - Beginning	<u>561,703</u>	<u>473,663</u>	<u>1,035,366</u>	<u>1,040,302</u>
Net Assets - Ending	<u>\$ 544,574</u>	<u>\$ 482,096</u>	<u>\$ 1,026,670</u>	<u>\$ 1,035,366</u>

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

Hope House of Central Louisiana
Statements of Cash Flows
For the Years Ended December 31

	<u>2024</u>	2023 Summarized <u>Total</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ (8,696)	\$ (4,936)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities		
Depreciation	28,136	12,431
In-kind donations	(26,303)	(27,448)
Donated services and supplies	21,303	27,448
Net (income) loss from investment accounts	11,413	(11,369)
(Increase) decrease in accounts and grants receivable	(80,000)	97,523
Increase (decrease) in accounts payable	(61,104)	63,565
Increase (decrease) in other liabilities	45	(1,110)
Net Cash Provided/(Used) by Operating activities	(115,206)	156,104
Cash flows from Investing Activities		
Purchase of fixed assets	(107,992)	(582,758)
Proceeds from sale of investments	(69,275)	-
Purchase of investments	145,404	-
Net Cash Provided/(Used) by Investing Activities	(31,863)	(582,758)
Cash flows from Financing Activities		
Repayment of Debt	-	(107,523)
Borrowing of Debt	164,203	442,265
Net Cash Used by Financing Activities	164,203	334,742
Net Increase (Decrease) in Cash and Cash equivalents	17,134	(91,912)
Cash and Cash Equivalents - Beginning	200,515	292,427
Cash and Cash Equivalents - Ending	<u>\$ 217,649</u>	<u>\$ 200,515</u>
Consisting of:		
Cash and cash equivalents	\$ 216,193	\$ 198,530
Restricted cash	1,456	1,985
Total	<u>\$ 217,649</u>	<u>\$ 200,515</u>

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

Hope House of Central Louisiana
Statements of Functional Expenses
For the Years Ended December 31

	Program <u>Services</u>	Management <u>and General</u>	Fund <u>Raising</u>	2024 <u>Total Expenses</u>	2023 <u>Summarized Total</u>
Vehicle expense	\$ 257	\$ -	\$ -	\$ 257	\$ 7
Bank charges	-	2,943	-	2,943	3,322
Client expenses	9,633	-	-	9,633	13,061
Depreciation	28,136	-	-	28,136	12,431
Dues and subscriptions	421	421	-	842	4,108
Fundraising direct expenses	-	-	48,115	48,115	83,437
Insurance	36,621	-	-	36,621	37,818
Miscellaneous	1,937	-	-	1,937	718
Office supplies	1,609	1,609	276	3,494	2,175
Professional services	20,120	20,120	-	40,240	33,350
Repairs and maintenance	5,827	-	-	5,827	4,438
Salaries and benefits	303,562	60,000	10,000	373,562	396,032
Supplies	1,706	-	-	1,706	1,899
Telephone	6,029	-	-	6,029	4,872
Travel	-	100	-	100	-
Utilities	<u>22,947</u>	<u>-</u>	<u>-</u>	<u>22,947</u>	<u>25,380</u>
	<u>\$ 438,806</u>	<u>\$ 85,193</u>	<u>\$ 58,391</u>	<u>\$ 582,390</u>	<u>\$ 623,048</u>

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

Hope House of Central Louisiana
Notes to the Financial Statements
December 31, 2024

Note 1 – Summary of Significant Accounting Policies

Organization

Hope House of Central Louisiana (Hope House) is a nonprofit organization organized under the laws of the State of Louisiana. Hope House provides transitional housing and supportive services for homeless women and their children. Participants are required to establish goals and engage in activities that will allow them to become independent. Progress is monitored and assistance is provided by case workers.

Basis of Accounting

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

Net Assets without Donor Restrictions – Net assets not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of Hope House and/or the passage of time or be permanently maintained by Hope House. 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.

Contributions

Contributions are recorded as received. Unconditional promises to give are recorded as they are made. Conditional promises to give are recognized as revenue when the necessary conditions are fulfilled.

Income Taxes

Hope House is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Furthermore, Hope House is not classified as a “private foundation” by the Internal Revenue Service.

Cash and Cash Equivalents

Cash and cash equivalents represent unrestricted bank deposits and highly liquid investments with original maturities of three months or less.

Hope House of Central Louisiana
Notes to the Financial Statements
December 31, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

Land, Buildings and Equipment

Land, buildings and equipment are recorded at cost on the date of acquisition. Donated property is recorded at the estimated fair value upon receipt. Depreciation on buildings and equipment is computed using the straight-line basis over estimated useful lives ranging from 3 to 40 years.

Repairs, maintenance and minor replacements are charged to operations as incurred. Major replacements and improvements are capitalized at cost. When capitalized items are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the results of operations.

Assets donated with explicit restrictions regarding their use and contributions of cash designated to acquire property and equipment are reported as temporarily restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, Hope House reports expirations of donor restrictions when the donated or acquired assets are placed in service. Temporarily restricted net assets are reclassified to unrestricted net assets at that time.

Use of 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 and disclosure of contingent 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.

Leases

In February 2016, FASB issued ASU 2016-02, Leases (Topic 842), which among other things, requires the recognition of right-of-use lease assets and lease liabilities on the balance sheet of lessees for operating leases, along with the disclosure of key information about leasing arrangements. A lessee is required to record lease assets and lease liabilities for all leases with a term of greater than 12 months. Leases with a term of 12 months or less will be accounted for in a manner similar to existing guidance for operating leases today.

Note 2 – Investments and Marketable Securities

Hope House has two investment accounts, one account houses its permanently restricted assets and is held at a national investment company (See Note 7). The account has investments in several different marketable securities and cash investments. The second investment account was opened by transferring money into a local non-endowed agency fund with the Central Louisiana Community Foundation (the Foundation). Investments held in these two accounts at December 31, 2024 had a total value of \$476,406.

Hope House of Central Louisiana
Notes to the Financial Statements
December 31, 2024

Note 2 – Investments and Marketable Securities (continued)

Details regarding amounts reported as investment income are presented as follows:

<u>Description</u>	
Interest and Dividends	\$27,371
Realized Losses	25,035
Unrealized Losses	<u>(2,550)</u>
Total Investment Income(Loss)	<u>\$49,856</u>

Note 3 – Fair Value Measurement

FASB ACS 820-10, Fair Value measurement, defines fair value, establishes a framework for measuring fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurement and enhances disclosure requirements for fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of the fair value of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 – Represented by quoted prices that are available in an active market. Level 1 securities include checking and savings accounts, certificates of deposit, highly liquid government bonds, treasury securities, mortgage products and exchange traded equities.
- Level 2 – Represented by assets and liabilities similar to Level 1 where quoted prices are not available, but observable, either directly or indirectly through corroboration with observable market data and estimated using pricing models or discounted cash flows. Level 2 securities would include U.S. agency securities, mortgage-backed agency securities, obligations of states and political subdivisions, and certain corporate, asset backed securities, and swap agreements.
- Level 3 – Represented by financial instruments where there is limited activity or unobservable market prices and pricing models significant to determining the fair value measurement include the reporting entity's own assumptions about market risk. Level 3 securities would include hedge funds, private equity securities, and private investments in public entities.

Fair value of assets measured on a recurring basis at December 31, 2024 are as follows:

<u>Description</u>	<u>Fair Value Measurement at December 31, 2024</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash	\$217,649	\$217,649	-	-
Investments	\$445,210	\$402,344	\$42,866	-

Hope House of Central Louisiana
Notes to the Financial Statements
December 31, 2024

Note 4 – Restricted Cash

Hope House maintains a separate account with funds that belong to the residents. The total in this account at December 31, 2024 totaled \$1,456. Hope House also maintains several cash accounts that are not restricted for specific purposes but are subject to board approval for expenditure.

Note 5 – Land, Buildings and Equipment

Land, buildings and equipment utilized by Hope House are presented as follows:

<u>Description</u>	<u>Life</u>	
Building and Improvements	7 - 40 years	\$1,188,418
Land		55,817
Furniture, Fixtures and Equipment	5 – 7 years	42,490
Vehicles	5 – 7 years	26,596
Accumulated Depreciations		<u>(164,322)</u>
Net		<u>\$1,148,999</u>

Depreciation expense for 2024 was \$28,136.

Note 6 – Net Asset with Donor Restrictions

A portion of net assets are subject to donor-imposed restrictions. Details associated with net assets with donor restrictions are presented as follows:

<u>Description</u>	
Children's Services	\$ 27,999
Resident Computers	210
Capital Improvements	10,700
Licensed Counselor	28,215
Conflict Resolution Training	10,000
Fundraising Coordinator	7,127
New Facility Donations	26,424
Participant Outreach	947
Emergency Shelter	6,065
Hope Community	86,409
Playground Equipment	3,000
Shepherd Ministries Endowment	<u>275,000</u>
Total	<u>\$482,096</u>

Hope House of Central Louisiana
Notes to the Financial Statements
December 31, 2024

Note 7 – Shepherd Ministries Endowment

Hope House was initially a component of Shepherd Ministries, Inc. but effective January 1, 2001 Hope House became a completely separate and autonomous nonprofit organization known as Hope House of Central Louisiana. This was accomplished on January 1, 2001 by transferring the portion of Shepherd Ministries assets, liabilities and net assets attributable to Hope House to the new organization. In addition to the assets transferred on January 1, 2001, Shepherd Ministries, Inc. also had a substantial endowment fund. During 2004, Shepherd Ministries, Inc. transferred \$345,836 to Hope House. By mutual consent, \$275,000 was designated as being permanently restricted, with the earnings being designated as unrestricted. The funds are held in a separate investment account.

Endowment Spending Policy

The Board can request funds be withdrawn from the endowment to the extent the value of the account exceeds the original \$275,000 corpus. No funds have been drawn down from the investment in several years.

Endowment Investment Policy

The Board has developed an investment policy that states that Hope House shall maintain funds equivalent to 3 to 6 months of operating reserves in short-term, highly liquid investments, such as money market or other interest-bearing commercial bank accounts. The remaining available funds shall be maintained in very liquid investments with a long-term return horizon.

Changes in Endowment Net Assets

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Balance December 31, 2023	\$215,819	\$275,000	\$490,819
Contributions	-	-	-
Investment Revenue	42,349	-	42,349
Withdrawals	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
Balance December 31, 2024	<u>\$158,168</u>	<u>\$275,000</u>	<u>\$433,168</u>

Endowment Net Assets Composition by Type of Fund

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Shepherd Ministries Endowment	\$158,168	\$275,000	\$433,168

Hope House of Central Louisiana
Notes to the Financial Statements
December 31, 2024

Note 8 – Concentration of Credit Risk

Hope House received grants from the Department of Housing and Urban Development (HUD) for its Supportive Housing program. These grants constituted approximately 43% of operating revenues in 2024. Hope House is dependent on continuing support by this agency.

Note 9 – Unemployment Compensation Reserve

Hope House has elected not to pay into the state unemployment compensation fund, but to be self insured by establishing a reserve fund. The balance of the reserve fund at December 31, 2024 was \$10,284. During 2024, nothing was paid out in unemployment compensation benefits.

Note 10 – Donated Supplies and Services

During 2024, Hope House received donated supplies and fundraising silent auction items of \$21,303.

During 2024, Hope house received a 2006 Ford Van.

Unpaid volunteers have made significant contributions of their time to Hope House. The value of the contributed time is not reflected in these statements since it is not susceptible to an objective measurement.

Note 11 – Notes Payable

Hope House entered into an agreement with the Louisiana Housing Corporation to construct single-family homes for Hope House to rent to low-income families. Louisiana Housing Corporation reimbursed Hope House for all expenses related to the project. The reimbursements are in the form of a forgivable loan. The project was completed during 2024. The loan will be forgiven in 2042 as long as the homes are used for their restricted purpose. The balance owed at December 31, 2024 is \$830,185.

The Corporation has a \$150,000 line of credit with a regional bank. The line of credit is used to help with the cash flow related to the housing project. As of December 31, 2024, nothing was owed on the line of credit.

Note 12 – Income Taxes

Hope House's tax return for the years ended December 31, 2021 through December 31, 2023, remain open and subject to examination by taxing authorities. The tax return for the year ended December 31, 2024 has not been filed as of the report date.

Hope House of Central Louisiana
Notes to the Financial Statements
December 31, 2024

Note 12 – Income Taxes (continued)

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the organization and recognize a tax liability (or asset) if the organization has undertaken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the organization, and has concluded that as of December 31, 2024, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or assets) or disclosure in the financial statements.

Note 13 – Summarized Comparative Data

The financial statements include certain prior-year summarized comparative information on the financial statements but not in the statement of functional expenses and notes to the financial statements. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended December 31 of the prior year, from which the summarized information was derived.

Note 14 – Liquidity Note

Hope House 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. As part of Hope House's liquidity management, Hope House structures its financial assets to be available as general expenditures, liabilities, and other obligations become due. The following reflects Hope House's financial assets as of December 31, 2024, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

Financial assets:	
Cash	\$216,193
Investments	<u>445,210</u>
Total financial assets are year-end	661,403
 Less those unavailable for general expenditures	 <u>(482,096)</u>
 Total financial assets available to meet cash needs for general expenditures within one year	 <u>\$179,307</u>

Note 15 – Subsequent Events

Hope House has no material subsequent events that would require disclosure. Subsequent events have been evaluated through June 25, 2025, which is the date the financial statements were available for issuance.

Supplementary Information

Hope House of Central Louisiana
Schedule of Compensation, Benefits and Other Payments to Executive Director
For the Year Ended December 31, 2024

Sandy Ray, Executive Director (January 1, 2024 through August 14, 2024)

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 55,044

Karissa Broussard, Executive Director (August 15, 2024 through December 31, 2024)

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 21,849

Reports on Internal Control, Compliance, and Other Matters



**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***

Board of Directors
Hope House of Central Louisiana
Alexandria, 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, the financial statements of Hope House of Central Louisiana (Hope House) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 25, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hope House's internal control over financial reporting (internal control) as a basis for designing the 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 House's internal control. Accordingly, we do not express an opinion on the effectiveness of Hope House'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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hope House'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*.

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 organization'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.



KnightMasden
Alexandria, Louisiana
June 25, 2025

Hope House of Central Louisiana
Schedule of Findings
For the Year Ended December 31, 2024

A. Summary of Auditors' Results

Financial Statements

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|--|------------|
| 1. Type of auditors' report | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiencies identified not considered material weakness? | None noted |
| c. Noncompliance material to the financial statements noted? | No |

Hope House of Central Louisiana
Schedule of Findings
For the Year Ended December 31, 2024

B. Findings – Financial Statement Audit

INTERNAL CONTROL AND COMPLIANCE FINDING

No current year findings.

Hope House of Central Louisiana
Management's Corrective Action Plan
For the Year Ended December 31, 2024

No current year findings.

Hope House of Central Louisiana
Summary of Prior Year Audit Findings
For the Year Ended December 31, 2024

No prior year audit findings.