



# LOVE AND HOPE RESCUE MISSION, INC.

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PERFORMANCE AUDIT  
AUGUST 1, 2023 - SEPTEMBER 30, 2024



**State of Delaware  
Office of Auditor of Accounts**

**Lydia E. York  
State Auditor**

July 28, 2025

Ms. Erlande Rose Simon  
Executive Director  
Love & Hope Rescue Mission, Inc.  
101 Mederia Circle  
Newark, DE 19702

The attached report provides the results of our performance audit of Love & Hope Rescue Mission, Inc., with respect to the Prescription Opioid Settlement grant program in accordance with the criteria set forth in Delaware Code, the grant application and grant agreement.

We conducted this performance audit in accordance with *Government Auditing Standards* as issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This report is intended for the information and use of Love & Hope Rescue Mission, Inc., the Prescription Opioid Settlement Distribution Commission and the Office of Auditor of Accounts. Under 29 Del. C. §10002(o), this report is a matter of public record, and its distribution is not limited. This report, as required by statute, will be provided to the Office of the Governor, General Assembly, Office of the Controller General, Office of the Attorney General, and Office of the Management and Budget.

This report can be accessed online through the State Auditor's website at <https://auditor.delaware.gov>.

A handwritten signature in blue ink that reads "Lydia E. York".

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Lydia E. York  
Auditor of Accounts  
Dover, Delaware

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**Abbreviations:**

<b>AOA</b>	Delaware Office of Auditor of Accounts
<b>BHC</b>	Behavioral Health Consortium
<b>DHR</b>	Department of Human Resources
<b>FSF</b>	First State Financials
<b>GAGAS</b>	Generally Accepted Government Auditing Standards
<b>LGC</b>	Local Government Committee
<b>MOUS</b>	Medication for Opioid Use Disorder
<b>NARR</b>	National Association of Recovery Residences
<b>ODU</b>	Opioid Use Disorder
<b>POSC</b>	Plan of Self Care
<b>POSDC</b>	Prescription Opioid Settlement Distribution Commission
<b>SUD</b>	Substance Use Disorder

For further information on this release please contact:

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### ***Audit Objectives***

We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The objectives established for the performance audit of Love & Hope Rescue Mission, Inc. were to:

1. Determine whether grant expenditures were consistent and in compliance with Phase 1A of the signed grant agreement (known as the ‘Opioid Abatement and Remediation Grant’).
2. Determine whether grant expenditures had a demonstrable direct correlation with the related performance measures, scope of work and grant budget as noted in the grant application and signed grant agreement.
3. Determine whether grant expenditures were in compliance with allowable costs and permitted uses of grant funds and that grant reporting deliverables have been met.

### ***Audit Scope***

We were engaged to perform this performance audit and conducted our engagement in accordance with the standards applicable to performance audits contained in Government Auditing Standards issued by the Comptroller General of the United States. 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. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

The period covered by the Performance Audit was August 1, 2023 through September 30, 2024. We examined the expenditure and receipt of the grant funds for the period. In testing the transaction, we relied on documentation provided by the Organization, the Delaware Department of Justice, the Prescription Opioid Settlement Distribution Commission (“POSDC”), and the State of Delaware’s financial accounting system (FSF).

### ***Findings***

The performance audit conducted on Love & Hope Rescue Mission, Inc. contained no findings that were identified during the engagement.

### ***Conclusions***

Based on the work performed in connection with this performance audit, we concluded the following:

1. That grant expenditures were consistent and in compliance with Phase 1A of the signed grant agreement, (known as the ‘Opioid Abatement and Remediation Grant’).
2. That grant expenditures have a demonstrable direct correlation with the related performance measures, scope of work and grant budget as noted in the grant application and signed grant agreement.
3. Expenditures were in compliance with allowable costs and permitted uses of grant funds and grant reporting deliverables have been met.

### ***Performance Audit Overview***

The United States Government Accountability Office develops and promulgates Government Auditing Standards that provide a framework for performing high-quality audit work with competence, integrity, objectivity, and independence to provide accountability and to help improve government operations and services. These standards are referred to as Generally Accepted Government Auditing Standards (GAGAS).

Performance audits are audits that provide findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria. Government programs are subject to many provisions of laws, regulations, contracts, and grant agreements. Auditors identify any provisions of laws, regulations, contracts, and grant agreements that are significant within the context of the audit objectives and assess the risk that noncompliance with provisions of laws, regulations, contracts, and grant agreements could occur. Based on that risk assessment, we have designed and performed procedures to obtain reasonable assurance of detecting instances of noncompliance with provisions of laws, regulations, contracts, and grant agreements that are significant within the context of the audit objectives.

We conducted this performance audit in accordance with GAGAS applicable to performance audits issued by the Comptroller General of the United States. These standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We are required to be independent of the granting and recipient organizations to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to this performance audit engagement. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

### ***Audit Authority***

The Office of Auditor of Accounts (AOA) is authorized under 29 Del. C, § 2906(a) to perform audits of all financial transactions of all state agencies. 16 Del. C. § 5196B authorizes the Behavioral Health Consortium to distribute money in the Prescription Opioid Settlement Fund and the Prescription Opioid Impact Fund based on the recommendations of the POSDC by awarding grants. In addition, in accordance with the signed grant agreement “Any entity that applies for and receives (“Recipient”) a grant award or other disbursement of Opioid Funds expressly acknowledges that it is receiving restricted State funds from the Prescription Opioid Impact Fund (the “Impact Fund”) established under 16 Del. C. § 4803B and/or the Prescription Opioid Settlement Fund (the “Settlement Fund,” and together with the Impact Fund, the “Opioid Funds”) established under 16 Del. C. § 4808B.”

AOA has selected for audit certain grant recipients based on various risk factors. These risk factors include, but are not limited to, constituent referrals, materiality-based selection and haphazard selection. This report has been prepared as part of this performance audit.

### ***Program Overview***

Pharmaceutical manufacturers and distributors have reached a settlement agreement with the State of Delaware, along with a broad coalition of States, to resolve legal claims. The agreements provide for approximately \$50 billion in payments over 18 years to be disbursed to all participating States. Funding will be distributed to States according to the allocation agreements reached among each State's Attorney's General. It is anticipated that the State of Delaware will receive approximately \$250 million over 18 years. Distribution within Delaware began during the 3rd quarter of 2023 and is administered by the Delaware Health Consortium. The distributions are to be used to support a wide variety of strategies to fight the opioid crisis.

On October 14, 2021, Senate Bill 166 was signed into law and created the POSDC and vested it with the responsibility for:

- (a) establishing a coordinated and consensus driven effort to repair the harm done to communities in Delaware by the opioid crisis, and;
- (b) making recommendations to the Behavioral Health Consortium (the "BHC") regarding the distribution of money in the Prescription Opioid Impact Fund (the "Impact Fund") established under 16 Del. C. § 4803B and the Prescription Opioid Settlement Fund (the "Settlement Fund") established under 16 Del. C. § 4808B.

The POSDC is a subcommittee of the Behavioral Health Consortium (BHC) and is charged with providing funding recommendations to the BHC to abate and remediate the Delaware opioid crisis.

The POSDC is currently co-chaired by Joanna Champney and Attorney General Kathleen Jennings. The work of the POSDC is supported by its co-chairs and the following six standing committees:

- 1. Behavioral Health Resources Committee
- 2. Budget and Reporting Committee
- 3. Equity Committee
- 4. Governance Committee
- 5. Local Governments Committee
- 6. Public Outreach and Community Input Committee

The purpose of the POSDC is to abate and remediate the opioid epidemic throughout the State of Delaware through financial support from the Fund in the form of grant awards for efforts to treat, prevent, and reduce opioid use disorder and the misuse of opioids.

Pursuant to the above noted legislation and 16 Del. C. § 5196A, the General Assembly created a Local Government Committee (the "LGC"), which has statutory authority to make recommendations to the Commission regarding the distribution of money from the Impact Fund and the Settlement Fund. The Commission, with the recommendation of the LGC, approved grants to 78 non-profit and governmental organizations in 2 phases, totaling \$13,006,135 (Phase 1A: \$3,656,039 & Phase 1B: \$9,350,096, respectively).

The Impact Fund and each respective grant award was meant to increase access to treatment, reduce unmet treatment needs and reduce opioid overdose related deaths by providing prevention, treatment and

recovery activities for ‘Opioid Use Disorder’ (OUD), including prescription opioids and illicit drugs such as heroin.

*Grant Agreement* – This Performance Audit is prescribed by the ‘Mandatory Terms and Conditions for the Prescription Opioid Impact Fee Fund and Prescription Opioid Settlement Fund’ grant agreement.

### ***Organization Background***

Love & Hope Rescue Mission, Inc. (the Organization) is a non-profit organization serving underserved Haitian, Hispanic and homeless communities in the State of Delaware. The mission statement of the Organization is to support, serve and uplift the community through various outreach programs with the aim of reducing poverty and promoting wellness in the area. The Organization was established in 2014, and seeks to focus on the overall well-being, employment, and rehabilitation of members within the community. The Organization’s vision statement is to enable every single person within the community to strive and not just survive in their environment by providing them with the correct guidance to do so. The Organization’s programs include but are not limited to addiction services, job procurement, shelter, healthcare (physical and mental), and outreach.

The Organization was allocated \$70,000 of Opioid Grant 1A funds to spend in accordance with the Opioid Abatement program. Grant funding was spent to purchase a truck for grant-related transportation services and related fuel, maintenance, and insurance.

### ***Audit Methodology and Results***

To address the audit objectives of this performance audit, we performed the following procedures:

- A. Planning Phase: The audit relied on various sources of information and methods to properly plan the audit and to obtain an understanding of, and assess processes for the Organization, including the following:
  - 1. We reviewed the applicable sections of the Federal Prescription Opioid Settlement Distribution legislation to gain an understanding of the legal and policy requirements governing the ‘Prescription Opioid Settlement Distribution’ grants.
  - 2. We inquired whether there were any findings and recommendations in reports resulting from previous audits that relate to the objectives of this audit and whether the recommendations have been implemented.
  - 3. We reviewed board minutes for the Organization.
  - 4. We identified and reviewed contracts, agreements, and other important documents.
  - 5. We performed risk assessment procedures such as:
    - a. Obtained and documented an understanding of the Organization and its environment and identified risks.
    - b. Completed engagement team discussions, including discussions about the possibility of error or fraud involving opioid grant funds.



- c. Made inquiries of management and others about risks (including fraud risks, related-party transactions, unusual transactions, and compliance with laws, regulations, contracts and grant agreements).
  - d. Obtained and documented an understanding of the Organization's internal control system over grant funds.
- B. Performance Assessment: Based on the information gathered, we developed the following risk-based approach to assess the design and operation of compliance over grant funds with respect to the audit objectives.
  - 1. To determine the compliance of grant disbursements, we tested the expenditure from the opioid grant funds to determine that the transaction was properly documented, authorized, and properly recorded; that products and services were received; and that the transaction complied with opioid grant requirements.
  - 2. We tested the grant disbursement to determine whether the disbursement was consistent and in compliance with Phase 1A of the Prescription Opioid Impact Fee Settlement Fund.
  - 3. We tested the grant disbursement to determine whether the disbursement had a demonstrable direct correlation with the expected performance measures, scope of work and grant agreement and budget.
  - 4. We compared the grant application and grant agreement to the grant disbursements and reported results as to whether the grant deliverables had been met with respect to the grant agreement.

## **Objective 1**

Determine whether grant expenditures were consistent and in compliance with Phase 1A of the signed grant agreements, (known as the 'Opioid Abatement and Remediation Grants').

**Methodology** - To assess the Organization's compliance over opioid grant expenditures, AOA selected the single transaction that Love and Hope expended from the grant. Our review of the transaction determined that the disbursement complied with Phases 1A of the Opioid Abatement and Remediation Grant agreements.

**Results** – AOA found that the expenditure of opioid grant funds was consistent and in compliance with Phase 1A of the signed grant agreements. The expenditure of opioid grant funds was in accordance with the requirements during the period from August 1, 2023 through September 30, 2024.

**Objective 2**

Determine whether grant expenditure had a demonstrable direct correlation with the related performance measures, scope of work and grant budget as noted in the grant application and signed grant agreement.

**Methodology** – AOA selected the single transaction expended to determine if it had a direct correlation with the performance measures, scope of work and grant budget as noted in the grant application and signed grant agreement.

**Results** – AOA found that the opioid grant expenditure had a demonstrable direct correlation with the grant application submitted for the Organization's program and the performance measures, scope of work and grant budget signed grant agreement.

**Objective 3**

Determine whether grant expenditures were in compliance with allowable costs and permitted uses of grant funds and that grant reporting deliverables have been met.

**Methodology** - To determine if the compliance and expenditure items were in compliance with allowable costs and permitted uses of the grant funds and whether reporting deliverables were met, AOA compared the signed grant agreement, grant application and the periodic status update reports (prepared for the POSDC) to determine if the disbursement was relevant and consistent with the grant agreement scope, performance measures and deliverables and that the status reports appeared reasonable.

**Results** –AOA determined that the items tested were supported by sufficient documentation and were in compliance with allowable costs and permitted uses of grant funds and that reporting deliverables were met in accordance with the Organization's grant agreement.