

**TRAVELER'S AID SOCIETY
OF NEW ORLEANS, INC.
(A NONPROFIT ORGANIZATION)
FINANCIAL REPORT AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2023 AND 2022

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
(A NONPROFIT ORGANIZATION)
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Travelers Aid Society of New Orleans, Inc.
New Orleans, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Travelers Aid Society of New Orleans, Inc. (a non-profit Organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Travelers Aid Society of New Orleans, Inc., as of June 30, 2023 and 2022, and the changes in its net assets, functional expenses, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 Travelers Aid Society of New Orleans, 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.

Responsibility 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 Travelers Aid Society of New Orleans, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 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 Travelers Aid Society of New Orleans, 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 Travelers Aid Society of New Orleans, Inc., ability to continue as a going concern for a reasonable time.

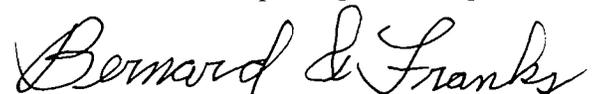
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were 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 the Executive Director, United Way Revenue and Expenses by Function and Statement of Revenues and Expenses by Function on pages 21-23 and the Schedule of Expenditures of Federal Awards on page 29, 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2023, on our consideration of Travelers Aid Society of New Orleans, 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 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 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 Travelers Aid Society of New Orleans, Inc.'s internal control over financial reporting and compliance.



Metairie, Louisiana
December 22, 2023

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
(A NONPROFIT ORGANIZATION)
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

| ASSETS | 2023 | 2022 |
|---------------------------------------|------------------|------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 271,741 | \$ 268,835 |
| Accounts receivables | 308,403 | 328,679 |
| Promise to give | 52,965 | 90,000 |
| Prepaid expenses | 75,825 | 68,214 |
| Investments | 330,513 | 502,880 |
| Inventory | 3,995 | 3,995 |
| Total current assets | \$ 1,043,442 | \$ 1,262,603 |
| PROPERTY AND EQUIPMENT | | |
| Less: accumulated depreciation | (26,106) | (19,516) |
| Total property and equipment | \$ 11,907 | \$ 18,497 |
| Total Assets | \$ 1,055,349 | \$ 1,281,100 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 15,775 | \$ 12,461 |
| Accrued liabilities | 84,820 | 49,587 |
| Deferred revenue | - | 84,468 |
| Line of credit | 64,626 | - |
| Total current liabilities | \$ 165,221 | \$ 146,516 |
| NET ASSETS | | |
| Without donor restrictions | | |
| Undesignated | \$ 837,163 | \$ 1,009,381 |
| Designated | - | - |
| With donor restrictions | 52,965 | 125,203 |
| Total net assets | \$ 890,128 | \$ 1,134,584 |
| Total Liabilities and Net Assets | \$ 1,055,349 | \$ 1,281,100 |

See Notes to the Financial Statements.

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
(A NONPROFIT ORGANIZATION)
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|--------------|
| REVENUE, GAINS, AND SUPPORT | | | |
| Grants | \$ 2,039,612 | \$ - | \$ 2,039,612 |
| In-kind revenue | 302,885 | - | 302,885 |
| United Way | 37,055 | 52,965 | 90,020 |
| Occupancy fee payments | 68,329 | - | 68,329 |
| Contributions | 22,209 | - | 22,209 |
| Investment income | 27,633 | - | 27,633 |
| Net assets released from restrictions- | | | |
| Expiration of time restriction | 125,203 | (125,203) | - |
| Total revenues, gains and support | \$ 2,622,926 | \$ (72,238) | \$ 2,550,688 |
| EXPENSES | | | |
| Program service | | | |
| Crisis intervention | \$ 2,490,292 | \$ - | \$ 2,490,292 |
| Supporting service | | | |
| Management and general | 304,852 | - | 304,852 |
| Total expenses | \$ 2,795,144 | \$ - | \$ 2,795,144 |
| Change in net assets | \$ (172,218) | \$ (72,238) | \$ (244,456) |
| Net assets at beginning of year | 1,009,381 | 125,203 | 1,134,584 |
| Net assets at end of year | \$ 837,163 | \$ 52,965 | \$ 890,128 |

See Notes to Financial Statements.

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
(A NONPROFIT ORGANIZATION)
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|--------------|
| REVENUE, GAINS, AND SUPPORT | | | |
| Grants | \$ 1,549,502 | \$ 35,203 | \$ 1,584,705 |
| In-kind revenue | 282,111 | - | 282,111 |
| Paycheck Protection Program grant | 58,191 | - | 58,191 |
| United Way | 1,274 | 90,000 | 91,274 |
| Occupancy fee payments | 71,056 | - | 71,056 |
| Contributions | 14,252 | - | 14,252 |
| Investment income | (58,412) | - | (58,412) |
| Miscellaneous income | 15,835 | - | 15,835 |
| Net assets released from restrictions- | | | |
| Expiration of time restriction | 80,085 | (80,085) | - |
| Total revenues, gains and support | \$ 2,013,894 | \$ 45,118 | \$ 2,059,012 |
| EXPENSES | | | |
| Program service | | | |
| Crisis intervention | \$ 1,906,074 | \$ - | \$ 1,906,074 |
| Supporting service | | | |
| Management and general | 285,405 | - | 285,405 |
| Total expenses | \$ 2,191,479 | \$ - | \$ 2,191,479 |
| Change in net assets | \$ (177,585) | \$ 45,118 | \$ (132,467) |
| Net assets at beginning of year | 1,186,966 | 80,085 | 1,267,051 |
| Net assets at end of year | \$ 1,009,381 | \$ 125,203 | \$ 1,134,584 |

See Notes to Financial Statements.

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
(A NONPROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

| | <u>Program Service</u> | <u>Supporting Service</u> | |
|--------------------------------|----------------------------|-----------------------------------|---------------------|
| | <u>Crisis Intervention</u> | <u>Management and General</u> | <u>Total</u> |
| Salaries and related expenses: | | | |
| Salaries | \$ 822,193 | \$ 95,826 | \$ 918,019 |
| Employee benefits & taxes | 188,694 | 23,322 | 212,016 |
| | <u>\$ 1,010,887</u> | <u>\$ 119,148</u> | <u>\$ 1,130,035</u> |
| Advertising | \$ - | \$ 655 | \$ 655 |
| Client expenses | 1,176,433 | - | 1,176,433 |
| Depreciation expense | 5,495 | - | 5,495 |
| Dues and fees | 2,629 | 17,751 | 20,380 |
| Insurance | 28,228 | 3,137 | 31,365 |
| Meetings | - | 8,489 | 8,489 |
| Miscellaneous | 7,542 | 1,574 | 9,116 |
| Occupancy | 184,701 | 78,717 | 263,418 |
| Postage | - | 502 | 502 |
| Printing | 3,187 | 354 | 3,541 |
| Professional development | - | 2,042 | 2,042 |
| Professional fees | 28,832 | 52,777 | 81,609 |
| Software and website | 15,596 | 9,192 | 24,788 |
| Supplies | 565 | 8,661 | 9,226 |
| Telephone | 11,447 | 1,271 | 12,718 |
| Travel | 14,750 | 582 | 15,332 |
| | <u>\$ 1,479,405</u> | <u>\$ 185,704</u> | <u>\$ 1,665,109</u> |
| Total Expenses | <u>\$ 2,490,292</u> | <u>\$ 304,852</u> | <u>\$ 2,795,144</u> |

See Notes to the Financial Statements.

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
(A NONPROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

| | <u>Program Service</u> | <u>Supporting Service</u> | |
|--------------------------------|----------------------------|-----------------------------------|---------------------|
| | <u>Crisis Intervention</u> | <u>Management and General</u> | <u>Total</u> |
| Salaries and related expenses: | | | |
| Salaries | \$ 642,676 | \$ 75,555 | \$ 718,231 |
| Employee benefits & taxes | 169,343 | 20,930 | 190,273 |
| | <u>\$ 812,019</u> | <u>\$ 96,485</u> | <u>\$ 908,504</u> |
| Advertising | \$ - | \$ 747 | \$ 747 |
| Client expenses | 833,739 | - | 833,739 |
| Depreciation expense | 4,580 | - | 4,580 |
| Dues and fees | 4,095 | 27,654 | 31,749 |
| Insurance | 22,894 | 2,544 | 25,438 |
| Meetings | - | 4,607 | 4,607 |
| Miscellaneous | 5,238 | 3,920 | 9,158 |
| Occupancy | 176,005 | 74,779 | 250,784 |
| Postage | - | 359 | 359 |
| Printing | 2,468 | 274 | 2,742 |
| Professional fees | 13,274 | 60,542 | 73,816 |
| Software and website | 11,591 | 6,832 | 18,423 |
| Supplies | 365 | 5,599 | 5,964 |
| Telephone | 9,570 | 1,063 | 10,633 |
| Travel | 10,236 | - | 10,236 |
| | <u>\$ 1,094,055</u> | <u>\$ 188,920</u> | <u>\$ 1,282,975</u> |
| Total Expenses | <u>\$ 1,906,074</u> | <u>\$ 285,405</u> | <u>\$ 2,191,479</u> |

See Notes to the Financial Statements.

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
(A NONPROFIT ORGANIZATION)
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

| | 2023 | 2022 |
|--|--------------|---------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ (244,456) | \$ (132,467) |
| Forgiveness of Paycheck Protection Program Loan | - | (58,191) |
| Depreciation expense | 5,495 | 4,580 |
| Adjustments to reconcile increase in net assets to net cash provided by operating activities: | | |
| Unrealized (gain) loss on investments | - | 58,412 |
| (Increase) decrease in accounts receivables | 20,276 | (465) |
| (Increase) decrease in promise to give | 38,130 | (9,915) |
| (Increase) decrease in prepaid expenses | (7,611) | 14,684 |
| (Increase) decrease in inventory | - | (3,995) |
| Increase (decrease) in accounts payable and accrued liabilities | 38,547 | 50,951 |
| Increase (decrease) in deferred revenue | (84,468) | - |
| Net cash provided by (used in) operating activities | \$ (234,087) | \$ (76,406) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Sale of investments | \$ 150,000 | \$ 150,000 |
| Purchases of investments | 22,367 | (1,475) |
| Net cash provided by (used in) investment activities | \$ 172,367 | \$ 148,525 |
| CASH FLOWS FROM FINANCING | | |
| Proceeds from line of credit | \$ 85,000 | \$ - |
| Repayments of line of credit | (20,374) | - |
| Net cash provided by (used in) financing activities | \$ 64,626 | \$ - |
| Net increase (decrease) in cash and cash equivalents | \$ 2,906 | \$ 72,119 |
| Cash and cash equivalents, beginning of year | 268,835 | 196,716 |
| Cash and cash equivalents, end of year | \$ 271,741 | \$ 268,835 |
| SUPPLEMENTAL DISCLOSURES | | |
| Interest Paid | \$ 1,016 | \$ - |

See Notes to Financial Statements

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1. ORGANIZATION

Travelers Aid Society of New Orleans, Inc. (the "Organization") is a non-profit organization that was established with the mission to work to end homelessness so that the vision of "A New Orleans where everyone has a safe place to call home" can be realized.

The Organization has more than one hundred years of experience providing for individuals and families who need shelter and support services. To assist those in need, the Organization has successfully provided a comprehensive array of services. The Organization is committed to implementing evidence-based best practices that are essential for comprehensive, integrated services that are effective in reducing homelessness. The crisis of homelessness in New Orleans creates many problems for those who experience it: poor health, exposure to violence and the elements, exclusion from social and economic opportunities, unhygienic conditions, and, for some, comes with the added complexities of living with mental health conditions, substance use disorders, and other diagnoses. These factors create grave consequences – the average life expectancy for individuals living outside is two decades younger than their housed peers. In 2023, the Organization provided nearly 8,000 services to more than six hundred clients.

The Organization's Crisis Intervention Program offers the following services:

Crisis Intervention Counseling offers immediate emergency aid and crisis counseling on a walk-in basis. Assistance is offered with extensive case management services, focused on long-term needs for transitional or permanent housing, food stamps, Medicaid/Medicare, employment, rental assistance, and added resources that promote stability and independence.

Coordinated Entry identifies individuals in need of housing and other services. The service includes "Problem Solving" Triage and conducts a VI-SPDAT assessment of homeless clients. Housing navigators assess and prioritize chronically homeless individuals and assist those individuals with gathering documentation needed for the referral of permanent housing. Clients are assisted in obtaining permanent housing, with outcomes that may include family reunification, affordable housing resources, senior housing, and rental assistance programs.

Outreach delivers reliable neighborhood-based street outreach services to unhoused individuals by using a model that integrates outreach social workers and case managers into a neighborhood's public safety fabric. These outreach workers each walk consistent "beats" within a coordinated network, proactively engaging, triaging needs of, and directly case managing unhoused individuals wherever they are. This removes the need for individuals who face life-shortening stressors to find, travel to, and comply with traditional, office-based services for benefits and housing. The model, used nationally, both helps to meet the needs of individuals experiencing homelessness and broadens the diversity of public safety personnel responding to the needs of these individuals to include those professionals who can address these individuals' root housing and other needs, thus resolving, not just responding to, their crises.

Permanent Supportive Housing provides stable, subsidized housing for qualifying individuals. Operating on "Housing First", the program helps support, long-term self-reliance and stability with intensive case management, counseling, substance abuse treatment, and job training to offer a long-term comprehensive solution to the problem of homelessness.

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other assets and liabilities.

Financial Statement Presentation

The Organization follows the financial statement presentation recommended by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) topic 958, Not-for-Profit Entities. The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors. The revenues received in conducting the mission of the Organization is included in the category.

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

The Organization received \$52,965 and \$125,203 in contributions with donor-imposed restrictions that resulted in donor restricted net assets for the years ended June 30, 2023 and 2022, respectively.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization is a nonprofit organization and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Code as other than a private foundation. The Organization believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to financial statements. The Organization's Federal Exempt Information Returns (Form 990) for 2021, 2022 and 2023 are subject to examination by the IRS, generally for three years after they were filed.

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

The receivables are stated at the amount management expects to collect from outstanding balances. The financial statements do not include an estimate for allowance for doubtful accounts. Management believes that all receivables are collectible.

Cash and Cash Equivalents

For the purpose of statements of cash flows, the Organization considers all highly liquid investments available for current use and no restrictions with a maturity of three months or less to be cash and cash equivalents.

The Organization maintains cash balances at an institution located in Louisiana. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. At June 30, 2023 and 2022, \$11,023 and \$6,163 of cash was in excess of the FDIC insured limits, respectively.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. The Organization considers grant receivables to be fully collectible since the balance consists principally of payments due under contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

Depreciation and Amortization

Property and equipment are carried at cost. Depreciation and amortization are calculated using the straight-line method. It is the policy of the corporation to capitalize all property, furniture and equipment with an acquisition cost in excess of \$5,000.

When assets are retired or disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized. Donated property is capitalized at fair value.

Advertising

The Organization expenses advertising costs as they are incurred. Advertising expense for the years ended June 30, 2023 and 2022 was \$655 and \$747, respectively.

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Vacation and Leave Benefits

Employee vacation and leave benefits are accrued and expensed in the period earned by the employee.

Allocated Costs

The expenses of providing programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Some of those expenses have been allocated among the program and supporting services benefited based on allocation methods formulated by management of the costs involved.

In-Kind Contributions and Contributed Services

In-kind contributions are reflected as contributions at their fair value at date of donation and are reported as support without donor restrictions unless explicit donor stipulations specify how donated assets must be used. The Organization recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

In-Kind - Matching

Some grant agreements require that the Organization provide matching funds in the form of cash, in-kind contributions, or a combination of cash and in-kind contributions. A cash match represents cash contributed by the Organization or expenditures paid by the Organization from funds from sources other than the grants. In-kind match grant requirements primarily consisted of rental space and intern services usable by the Organization. In-kind match contributions are recorded as in-kind contributions in the general ledger and an equal amount is recorded as in-kind expense. The revenues and expenses are eliminated in the financial statements. Total in-kind matching for the years ended June 30, 2023 and 2022 are as follows:

| | 2023 | 2022 |
|-----------------------|------------|------------|
| Salaries | \$ 7,082 | \$ 4,836 |
| Professional services | 27,215 | 25,840 |
| Rent | 169,701 | 169,701 |
| Security | 34,674 | 26,267 |
| Janitorial | 35,123 | 31,547 |
| Utilities | 23,920 | 23,920 |
| Client expenses | 5,170 | - |
| Total | \$ 302,885 | \$ 282,111 |

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment's income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Concentrations

The Organization's primary support is grants received from federal, state, and local agencies, which make up \$2,039,612 and \$1,642,896 or 80% of total revenue for the years ended June 30, 2023 and 2022, respectively. If significant budget cuts are made at the federal and/or state level, the amount of funds the Organization receives could be reduced significantly and have an adverse impact on its operations.

As of December 22, 2023, management was not aware of any actions taken that would adversely affect the amount of Federal or State funds the Organization will receive in the upcoming fiscal year.

Revenue Recognition

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a 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 and reported in the statements of activities as net assets released from restrictions.

Program revenues earned under reimbursement type contracts are recorded as revenues in the appropriate program when the related expenses are incurred.

Deferred Revenue

The Organization received revenue in advance of expenditures spent for a contract. The revenue is presented on the Statement of Financial Position as deferred revenue in the amount of \$84,468 for the year ended June 30, 2022. The revenue was recognized during the June 30, 2023 fiscal year when the revenue was earned.

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

Effective July 1, 2022, the Standard adopted FASB 842 *Leases* (the Standard). The Standard establishes a right-of-use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the Statement of Financial Position for all leases with terms longer than twelve months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the Statement of Activities.

As permitted by the standard, the Organization elected, for all asset classes, the short-term lease exemption. A short-term lease is a lease that, at the commencement date, has a term of twelve months or less and does not include an option to purchase the underlying asset.

As of June 30, 2023, the Organization has identified no significant long-term leases and, as such, has recorded no ROU assets nor lease liabilities on the Statement of Financial Position.

Implementation of New Accounting Standard

The FASB issued Accounting Standards Update Number, 2014-09, *Revenue from Contracts with Customers (Topic 606)*, to update its revenue recognition standard to clarify the principles of recognizing revenues and eliminate industry-specific guidance as well as help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. The standard was adopted with no impact to the financial statements.

The FASB issued Accounting Standards Update Number 2016-02 affecting ASC 842, *Leases*, which provides guidance for any organization that enters a lease (as defined in this Update), with some specified scope exemptions. The guidance in this Update supersedes ASC 840 *Leases*. The primary objective of this update is to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities in the statement of financial position and disclosing key information about leasing arrangements. The standard was adopted with no impact to the financial statements.

NOTE 3. UNCONDITIONAL PROMISE TO GIVE

At June 30, 2023 and 2022 the unconditional promise to give consisted of:

| | 2023 | 2022 |
|------------|------------------|------------------|
| United Way | \$ 52,965 | \$ 90,000 |
| Total | <u>\$ 52,965</u> | <u>\$ 90,000</u> |

The unconditional promises to give are receivable in the next fiscal year. All amounts are deemed collectible by management.

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 4. INVESTMENTS

Investments at June 30, 2023 and 2022 consist of the following:

| Mutual Funds-Vanguard | 2023 | 2022 |
|--|-------------------|-------------------|
| LifeStrategy Conservative Growth Fund Investor Funds | \$ 99,874 | \$ 144,346 |
| Short-Term Investment-Grade Fund Admiral Shares | 128,535 | 176,812 |
| Total Stock Market Index Fund Admiral Shares | 102,104 | 181,722 |
| Total investments | <u>\$ 330,513</u> | <u>\$ 502,880</u> |

A summary of the return on investments consisted of the following for the years ended June 30, 2023 and 2022:

| | 2023 | 2022 |
|-----------------------------------|------------------|--------------------|
| Interest and dividends | \$ 7,947 | \$ 1,475 |
| Unrealized gain (loss) | 19,686 | (59,887) |
| Total appreciation (depreciation) | <u>\$ 27,633</u> | <u>\$ (58,412)</u> |

NOTE 5. PROPERTY

Property and equipment consisted of the following for the year ended June 30:

| | 2023 | 2022 |
|--------------------------------|------------------|------------------|
| Vehicle | \$ 27,477 | \$ 27,477 |
| Furniture and equipment | 10,536 | 10,536 |
| | <u>\$ 38,013</u> | <u>\$ 38,013</u> |
| Less: accumulated depreciation | (26,106) | (19,516) |
| Total property and equipment | <u>\$ 11,907</u> | <u>\$ 18,497</u> |

Depreciation expenses were \$5,495 and \$4,980 for the years ended June 30, 2023 and 2022, respectively.

NOTE 6. FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820 are described as follows:

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 6. FAIR VALUE MEASUREMENTS (Continued)

Level 1: Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities that the Organization can access at the measurement date.

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. The asset's fair value measurement level with the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. When available, valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023 and 2022:

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the U.S. Security Exchange Commission (SEC). These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

The following tables set forth by level, within the fair value hierarchy, the Organization's investment assets at fair value for the years ended June 30, 2023 and 2022:

| | Total Assets Measured At Fair Value | Based On | | |
|--|---|--|--|-------------------------------------|
| | | Quoted Prices In Active Markets (Level 1) | Other Observable Inputs (Level 2) | Unobservable Inputs (Level 3) |
| Recurring fair value measurements at June 30, 2023: | | | | |
| Mutual Funds | \$ 330,513 | \$ 330,513 | \$ - | \$ - |
| Total | <u>\$ 330,513</u> | <u>\$ 330,513</u> | <u>\$ -</u> | <u>\$ -</u> |

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 6. FAIR VALUE MEASUREMENTS (Continued)

| | Total Assets Measured At Fair Value | Based On | | |
|--|---|--|--|-------------------------------------|
| | | Quoted Prices In Active Markets (Level 1) | Other Observable Inputs (Level 2) | Unobservable Inputs (Level 3) |
| Recurring fair value measurements at June 30, 2022: | | | | |
| Mutual Funds | \$ 502,880 | \$ 502,880 | \$ - | \$ - |
| Total | <u>\$ 502,880</u> | <u>\$ 502,880</u> | <u>\$ -</u> | <u>\$ -</u> |

The Organization recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the years ended June 30, 2023 and 2022.

NOTE 7. GRANTS RECEIVABLE

Grants receivable at June 30, 2023 and 2022 consisted of the following:

| | 2023 | 2022 |
|---------------------------------|-------------------|-------------------|
| Unity of Greater New Orleans | \$ 183,782 | \$ 284,245 |
| City of New Orleans | 64,442 | 39,744 |
| United Way-Food/Shelter Program | 17,964 | - |
| Downtown Development District | 19,721 | 4,690 |
| French Market Corporation | 9,292 | - |
| Baptist Community Ministries | 13,202 | - |
| Total | <u>\$ 308,403</u> | <u>\$ 328,679</u> |

NOTE 8. RENT EXPENSE

The Organization receives rent-free office space at the VA Hospital building owned by the City of New Orleans. The estimated value of the contributed rents and related expenses are recognized as revenue and expense on the Statement of Activities and the Statement of Functional Expenses. In-kind occupancy expenses for the years ended June 30, 2023 and 2022 was \$263,418 and \$251,435, respectively.

NOTE 9. ACCRUED EXPENSES

Accrued expenses at June 30, 2023 and 2022 consisted of the following:

| | 2023 | 2022 |
|---------------------------------|------------------|------------------|
| Accrued retirement contribution | \$ 1,529 | \$ - |
| Accrued vested leave | 38,946 | 24,962 |
| Accrued salaries and taxes | 44,345 | 24,625 |
| Total accrued expenses | <u>\$ 84,820</u> | <u>\$ 49,587</u> |

The Organization accrues vacation and leave at various rates and number of days for long term employees.

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 10. LINE OF CREDIT

The Organization has a \$150,000 bank line of credit which matures September 27, 2024. Amounts borrowed under this agreement bear interest at the bank's prime rate minus 1% (9.25% at June 30, 2023). At June 30, 2023, \$64,626 was outstanding on this line. The line is secured by the investments held in accounts at the same financial institution. At June 30, 2023, funds in that account totaled \$330,513. Interest expense was \$1,016 and \$0 for the years ended June 30, 2023 and 2022, respectively.

NOTE 11. NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2023 and 2022, there was \$52,965 and \$125,203 in net assets with donor restrictions and are available for the subsequent period:

| | 2023 | 2022 |
|------------|-----------|------------|
| United Way | \$ 52,965 | \$ 90,000 |
| Grants | - | 35,203 |
| Total | \$ 52,965 | \$ 125,203 |

NOTE 12. RETIREMENT PLAN

The Organization sponsors a defined contribution pension plan covering all employees who are twenty-one years or older who have worked for the Organization for over three years. The plan provides for contributions in such amounts as the Board of Directors may determine annually. The pension expenses for the years ended June 30, 2023 and 2022 was \$36,582 and \$32,762, respectively.

NOTE 13. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization had the following financial assets available at June 30, 2023 and 2022, within one year of the statement of financial position date for general expenditures:

| | 2023 | 2022 |
|---------------------------|------------|--------------|
| Cash and cash equivalents | \$ 271,741 | \$ 268,835 |
| Accounts receivables | 308,403 | 328,679 |
| Promise to give | 52,965 | 90,000 |
| Investments | 330,513 | 502,880 |
| Total | \$ 963,622 | \$ 1,190,394 |

The Organization had \$963,622 and \$1,190,394 at June 30, 2023 and 2022 of financial assets available to meet cash needs for general expenditures as noted above. The Organization is substantially supported by grants, governmental contracts and contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As described in Note 3, the School also has a line of credit for \$150,000, which it could draw upon in the event of an unanticipated liquidity need.

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 14. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash financing activities for the years ended June 30, 2023 and 2022, consisted of forgiveness under the SBA's Paycheck Protection Program Loan in the amount of \$0 and \$58,191, respectively.

NOTE 15. COMPENSATION

The Board of Directors serves the Organization without compensation.

NOTE 16. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 22, 2023, the date which the financial statements were available for use. Management's evaluation revealed no subsequent events that require adjustment to or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
(A NONPROFIT ORGANIZATION)
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO THE EXECUTIVE DIRECTOR
YEAR ENDED JUNE 30, 2023

Agency Head Name: Donna Paramore, Executive Director

| Purpose: | Total |
|---------------------|------------|
| Salary | \$ 115,077 |
| Payroll taxes | 8,705 |
| Benefits-insurance | 7,417 |
| Benefits-retirement | 14,459 |
| Benefits-parking | 1,045 |
| Reimbursements | 585 |
| Cell phone | 594 |
| Conference travel | 432 |
| | \$ 148,314 |

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
(A NONPROFIT ORGANIZATION)
UNITED WAY REVENUE AND EXPENSES BY FUNCTION
YEAR ENDED JUNE 30, 2023

| | <u>Program Service</u> | <u>Supporting Service</u> | |
|---------------------------------------|----------------------------|-----------------------------------|---------------------|
| | <u>Crisis Intervention</u> | <u>Management and General</u> | <u>Total</u> |
| REVENUE: | | | |
| Grants | \$ 1,864,107 | \$ 175,505 | \$ 2,039,612 |
| In-kind revenue | 198,328 | 104,557 | 302,885 |
| United Way grant | 90,000 | - | 90,000 |
| United Way-other grants | - | - | - |
| United Way-designations | - | 20 | 20 |
| Occupancy fee payments | 68,329 | - | 68,329 |
| Contributions | - | 22,209 | 22,209 |
| Investment income | - | 27,633 | 27,633 |
| Total revenue | <u>\$ 2,220,764</u> | <u>\$ 329,924</u> | <u>\$ 2,550,688</u> |
| EXPENSES: | | | |
| Salaries and related expenses: | | | |
| Salaries | \$ 822,193 | \$ 95,826 | \$ 918,019 |
| Employee benefits & taxes | 188,694 | 23,322 | 212,016 |
| Total salaries and related expenses | <u>\$ 1,010,887</u> | <u>\$ 119,148</u> | <u>\$ 1,130,035</u> |
| Advertising | \$ - | \$ 655 | \$ 655 |
| Client expenses | 1,176,433 | - | 1,176,433 |
| Depreciation expense | 5,495 | - | 5,495 |
| Dues and fees | 2,629 | 17,751 | 20,380 |
| Insurance | 28,228 | 3,137 | 31,365 |
| Meetings | - | 8,489 | 8,489 |
| Miscellaneous | 7,542 | 1,574 | 9,116 |
| Occupancy | 184,701 | 78,717 | 263,418 |
| Postage | - | 502 | 502 |
| Printing | 3,187 | 354 | 3,541 |
| Professional development | - | 2,042 | 2,042 |
| Professional fees | 28,832 | 52,777 | 81,609 |
| Software and website | 15,596 | 9,192 | 24,788 |
| Supplies | 565 | 8,661 | 9,226 |
| Telephone | 11,447 | 1,271 | 12,718 |
| Travel | 14,750 | 582 | 15,332 |
| Total other expenses | <u>\$ 1,479,405</u> | <u>\$ 185,704</u> | <u>\$ 1,665,109</u> |
| Total expenses | <u>\$ 2,490,292</u> | <u>\$ 304,852</u> | <u>\$ 2,795,144</u> |
| Change in net assets | <u>\$ (269,528)</u> | <u>\$ 25,072</u> | <u>\$ (244,456)</u> |
| Allocation general and administrative | <u>\$ 304,852</u> | | |

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
(A NONPROFIT ORGANIZATION)
REVENUE AND EXPENSES BY FUNCTION
YEAR ENDED JUNE 30, 2023

| | Emergency Shelter Grant | Emergency Food and Shelter Program | Downtown Development District | United Way | Unity of Greater New Orleans, Inc. | Management and General | Total |
|-------------------------------|-------------------------|------------------------------------|-------------------------------|------------|------------------------------------|------------------------|--------------|
| REVENUE: | | | | | | | |
| Grants | \$ 111,048 | \$ - | \$ 82,020 | \$ - | \$ 1,502,104 | \$ 175,505 | \$ 1,870,677 |
| In-kind revenue | - | - | - | - | - | 302,885 | 302,885 |
| United Way grant | - | - | - | 90,000 | - | - | 90,000 |
| United Way-other grants | - | 168,935 | - | - | - | - | 168,935 |
| United Way-designations | - | - | - | - | - | 20 | 20 |
| Occupancy fee payments | - | - | - | - | - | 68,329 | 68,329 |
| Contributions | - | - | - | - | - | 22,209 | 22,209 |
| Investment income | - | - | - | - | - | 27,633 | 27,633 |
| Total revenue | \$ 111,048 | \$ 168,935 | \$ 82,020 | \$ 90,000 | \$ 1,502,104 | \$ 596,581 | \$ 2,550,688 |
| EXPENSES: | | | | | | | |
| Salaries and related expenses | | | | | | | |
| Salaries | \$ 82,381 | \$ - | \$ 56,404 | \$ 90,000 | \$ 410,962 | \$ 278,272 | \$ 918,019 |
| Employee benefits & taxes | 16,897 | - | 11,967 | - | 85,546 | 97,606 | 212,016 |
| | \$ 99,278 | \$ - | \$ 68,371 | \$ 90,000 | \$ 496,508 | \$ 375,878 | \$ 1,130,035 |
| Advertising | \$ - | \$ - | \$ 37 | \$ - | \$ 64 | \$ 554 | \$ 655 |
| Client expenses | 8,358 | 168,935 | 2,419 | - | 969,517 | 27,204 | 1,176,433 |
| Depreciation | - | - | - | - | - | 5,495 | 5,495 |
| Dues and fees | - | - | 729 | - | 103 | 19,548 | 20,380 |
| Insurance | 3,412 | - | 508 | - | 12,512 | 14,933 | 31,365 |
| Meeting | - | - | 409 | - | 1,524 | 6,556 | 8,489 |
| Miscellaneous | - | - | 58 | - | 168 | 8,890 | 9,116 |
| Occupancy | - | - | - | - | - | 263,418 | 263,418 |
| Postage | - | - | 8 | - | 24 | 470 | 502 |
| Printing | - | - | 282 | - | 909 | 2,350 | 3,541 |
| Professional development | - | - | 374 | - | 306 | 1,362 | 2,042 |
| Professional fees | - | - | 2,834 | - | 12,536 | 66,239 | 81,609 |
| Software and website | - | - | 2,179 | - | 3,291 | 19,318 | 24,788 |
| Supplies | - | - | 2,347 | - | 882 | 5,997 | 9,226 |
| Telephone | - | - | 890 | - | 2,041 | 9,787 | 12,718 |
| Travel | - | - | 575 | - | 1,719 | 13,038 | 15,332 |
| | \$ 11,770 | \$ 168,935 | \$ 13,649 | \$ - | \$ 1,005,596 | \$ 465,159 | \$ 1,665,109 |
| Total expenses | \$ 111,048 | \$ 168,935 | \$ 82,020 | \$ 90,000 | \$ 1,502,104 | \$ 841,037 | \$ 2,795,144 |
| Change in net assets | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (244,456) | \$ (244,456) |

SPECIAL REPORTS OF INDEPENDENT AUDITORS



**INDEPENDENT AUDITORS' 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**

To the Board of Directors of
Travelers Aid Society of New Orleans, Inc.
New Orleans, 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 Travelers Aid Society of New Orleans, Inc., (a nonprofit organization) (the "Organization"), which comprise the statements of financial position as of June 30, 2023, 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 22, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization'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 being material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 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.

This report is intended for the information of the Board of Directors, management, the State of Louisiana, the Legislative Auditor for the State of Louisiana, Federal Awarding Agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "Bernard & Franks".

Metairie, Louisiana
December 22, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

To the Board of Directors of
Travelers Aid Society of New Orleans, Inc.
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of Travelers Aid Society of New Orleans, Inc., (a non-profit Organization) (the "Organization") with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2023. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 the Organization and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization'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 grants agreements applicable to the Organization's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error and express an opinion on the Organization'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 Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than 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 the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and 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 the Organization'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 the Organization'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 the Organization'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 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.

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "Bernard & Franks". The signature is written in black ink and is positioned to the right of the main body of text.

Metairie, Louisiana
December 22, 2023

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
(A NONPROFIT ORGANIZATION)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

| Federal Grantor/Pass-Through Grantor/ Program Title | Assistance listing number | Contract Number | Federal Expenditures |
|---|---------------------------------|--------------------|----------------------------|
| U.S. Department of Housing and Urban Development | | | |
| Continuum of Care Program: | | | |
| <i>Passed through Unity of Greater New Orleans, Inc.</i> | | | |
| The Journey Home | 14.267 | LA0280L6H032105 | \$ 1,045,335 |
| Day Center Coordinated Entry | 14.267 | LA0276L6H032105 | 125,278 |
| Emergency Solutions Grant: | | | |
| <i>Passed through Unity of Greater New Orleans, Inc.</i> | | | |
| Homeless Prevention Project | 14.231 | ESG-CV07 | 319,916 |
| <i>Passed through City of New Orleans</i> | | | |
| Emergency Shelter | 14.231 | C14CS1B6EQ19 | <u>111,048</u> |
| Total U.S. Department of Housing and Urban Development | | | <u><u>\$ 1,601,577</u></u> |
| U.S. Department of Homeland Security | | | |
| Emergency Food and Shelter National Board Program: | | | |
| <i>Passed through United Way of Southeast Louisiana</i> | | | |
| Emergency Food and Shelter Program | 97.114 | - | <u>\$ 168,935</u> |
| Total U.S. Department of Homeland Security | | | <u><u>\$ 168,935</u></u> |
| U.S. Department of the Treasury | | | |
| Louisiana Governor's Office of Homeland Security and Emergency Preparedness | | | |
| <i>Passed through Unity of Greater New Orleans, Inc.</i> | | | |
| Emergency Rental Assistance Program | 21.023 | C14CS1B6EQ19 | <u>\$ 11,573</u> |
| Total U.S. Department of the Treasury | | | <u><u>\$ 11,573</u></u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | <u><u>\$ 1,782,085</u></u> |

See Notes to Federal Expenditures of Federal Awards

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.

NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Traveler's Aid Society of New Orleans, Inc. under programs of the federal government for the year ended June 30, 2023. 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 Traveler's Aid Society of New Orleans, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Traveler's Aid Society of New Orleans, Inc.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-122, *Cost Principles for Non-profit Organizations* wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

The Organization did not elect to take the de minimis indirect cost rate allowed under the Uniform Guidance.

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I – Summary of Auditors' Reports

1. The independent auditors' report expresses an unmodified opinion on the financial statements of Traveler's Aid Society of New Orleans, Inc., which was prepared in accordance with generally accepted accounting principles and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.
2. No significant deficiencies or material weaknesses in internal control were disclosed during the audit of the financial statements were reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements prepared in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Traveler's Aid Society of New Orleans, Inc., were disclosed in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Prepared in accordance with *Government Auditing Standards*.
4. No significant deficiencies or material weaknesses relating to internal control over major federal award programs disclosed during the audit are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs Traveler's Aid Society of New Orleans, Inc., expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) in this Schedule.
7. No management letter was issued for the year ended June 30, 2023.
8. The program tested as major program was:

Assistance Listing No. 14.267 Continuum of Care Program
9. The threshold for distinguishing Types A and B programs was \$750,000.
10. Traveler's Aid Society of New Orleans, Inc., was determined to be a low-risk auditee.

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section II – Findings - Financial Statement Audit

There were no findings related to the financial statements noted during the audit for the year ended June 30, 2023.

Section III - Findings and Questioned Costs – Major Federal Awards

There were no findings related to major federal award programs during the audit for the year ended June 30, 2023.

REPORTS BY MANAGEMENT

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.

**SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2023**

There were no prior year findings.

STATEWIDE AGREED-UPON PROCEDURES



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

To the Board of Directors of
Traveler's Aid Society of New Orleans, Inc.
New Orleans, Louisiana
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. Traveler's Aid Society of New Orleans, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

Traveler's Aid Society of New-Orleans, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1.) Written Policies and Procedures

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

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

Result: There were no exceptions noted.

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.

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

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).

Result: There were no exceptions noted.

- 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(s) rate of pay or approval and maintenance of pay rate schedules.

Result: There were no exceptions noted.

- 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.

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

- viii. **Credit Cards (and debit cards, fuel cards, P-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).

Result: There were no exceptions noted.

- 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 Organization's ethics policy.

Result: The Organization does have an ethics policy, but their policies are not defined under Louisiana Revised Statute (R.S.) 42:1111-1121. Therefore, this procedure is not applicable.

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

Result: The Organization is a nonprofit organization; therefore, the debt service agreed-upon procedure does not apply.

- 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.

Result: There were no exceptions noted.

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

Result: The Organization does have a sexual harassment policy, but their policies are not defined under Louisiana Revised Statute (R.S.) 42:342-344, due to their nonprofit status. Therefore, the sexual harassment agree-upon procedures do not apply.

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.

Results: There were no exceptions noted.

- 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. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the Organization's collections during the fiscal period.*

Results: There were no exceptions noted.

- 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.

Results: The Organization is a nonprofit organization; therefore, this agreed-upon procedure does not apply.

- 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.

Results: This is not applicable because the Organization did not have audit findings.

3.) Bank Reconciliations

A. Obtain a listing of Organization bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the Organization's main operating account. Select the Organization'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:

Result: We obtained the required list with management's representation that the listing is complete.

- 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);

Result: There were no exceptions noted.

- ii. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Result: There were no exceptions noted.

- 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.

Result: There were no exceptions noted.

4.) Collections (excluding electronic funds transfers)

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

Result: We obtained the required list with management's representation that the listing is complete.

- 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 (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, 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:

Result: We obtained the required list with management's representation that the listing is complete.

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

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

- iii. Each employee responsible for collecting cash is not 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.

Result: There were no exceptions noted.

- 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, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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.

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

- iv. Observe 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).

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

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

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

Result: We obtained the required list with management's representation that the listing is complete.

- B. For each location selected under #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, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Result: We obtained the required list with management's representation that the listing is complete.

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

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

- 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.

Result: There were no exceptions noted.

- 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.

Result: There were no exceptions noted.

- 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.

Result: There were no exceptions noted.

- C. For each location selected under #5A above, obtain the Organization'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 deliverables included on the invoice were received by the Organization.

Result: There were no exceptions noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Result: There were no exceptions noted.

- D. Using the entity's main operation 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.

Result: There were no exceptions noted.

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

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.

Result: We obtained the required list with 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.

Result: There were no exceptions noted.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

Result: There were no exceptions noted.

C. Using the monthly statements or combined statements selected under #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 (i.e., each card should have 10 transactions subject to testing). For each transaction, observe 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 note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Result: There were no exceptions noted.

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

A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, 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:

Result: We obtained the required list with management's representation that the listing is complete.

- i. If reimbursed using a per diem, observe 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).

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

- iii. Observe 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).

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

8.) Contracts

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

Result: We obtained the required list with management's representation that the listing is complete.

- 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.

Result: This is not applicable, as the Organization did not have any contracts under the Louisiana Public Bid Law requirements.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law.

Result: There were no exceptions noted.

- iii. If the contract was amended (e.g., change order), observe 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, was approval documented).

Result: There were no exceptions noted.

- 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 the invoice and related payment agreed to the terms and conditions of the contract.

Result: There were no exceptions noted.

9.) Payroll and Personnel

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

Result: We obtained the required list with management's representation that the listing is complete.

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

- i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

Result: There were no exceptions noted.

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

Result: There were no exceptions noted.

- iii. Observe any leave accrued or taken during the pay period is reflected in the Organization's cumulative leave records.

Result: There were no exceptions noted.

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

Result: There we no exceptions noted.

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, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the Organization's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to Organization policy.

Result: We obtained the required list with management's representation that the listing is complete. There were no exceptions noted.

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.

Result: We obtained management's representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines. There were no exceptions noted.

10.) Ethics

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

- i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

- ii. Observe whether the Organization maintains documentation which demonstrates each employee and official were notified of any changes to the Organization'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 Louisiana Revised Statute (R.S.) 42:1170.

Result: The Organization does have an ethics policy but is not required to have training. Therefore, the ethics agreed-upon procedures is not applicable.

11.) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
- 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).

Result: The Organization is a nonprofit organization; therefore, the debt service agreed-upon procedure does not apply.

12.) Fraud Notice

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

Result: The Organization represented that there were no misappropriations of public funds for the fiscal year. There were no exceptions noted.

- B. Observe the Organization has posted on its premises and website, the notice required by Louisiana Revised Statute (R.S.) 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Result: There were no exceptions noted.

13.) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures:
- i. Obtain and inspect the Organization's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

Result: We performed the procedure and discussed the results with management.

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

Result: We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the Organization'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.

Result: We performed the procedure and discussed the results with management.

- 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 employees have been removed or disabled from the network.

Result: We performed the procedure and discussed the results with management.

14.) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Result: The Organization is a nonprofit organization; therefore, the prevention of sexual harassment agreed-upon procedure does not apply.

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

Result: The Organization is a nonprofit organization; therefore, the prevention of sexual harassment agreed-upon procedure does not apply.

- C. Obtain the Organization's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of Louisiana Revised Statute (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.

Result: The Organization is a nonprofit organization; therefore, the prevention of sexual harassment agreed-upon procedure does not apply.

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

We are required to be independent of Traveler's Aid Society of New Orleans, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

A handwritten signature in cursive script that reads "Bernard & Franks". The signature is written in black ink and is positioned to the right of the date and location text.

December 22, 2023
Metairie, Louisiana

LOUISIANA COMPLIANCE QUESTIONNAIRE
(For Audit Engagements of Quasi-Public Agencies)

_____ (Date Transmitted)

Bernard & Franks, A Corporation of Certified Public Accountants _____ (CPA Firm Name)
4141 Veterans Boulevard, Suite 313 _____ (CPA Firm Address)
Metairie, LA 70002 _____ (City, State Zip)

In connection with your audit of our financial statements as of June 30, 2023 and for the year then ended _____ (period of audit) for the purpose of expressing an opinion as to the fair presentation of our financial statements in accordance with accounting principles generally accepted in the United States of America, to assess our internal control structure as a part of your audit, and to review our compliance with applicable laws and regulations, we confirm, to the best of our knowledge and belief, the following representations. These representations are based on the information available to us as of December 31, 2023 (date completed/date of the representations).

PART I. Agency Profile

1. Name and address of the organization.
Travelers Aid Society of Greater New Orleans, Inc.
1500 Gravier St., New Orleans, LA 70112
2. List names, addresses, and telephone numbers of entity officials. Include elected/appointed members of the governing board, chief executive and fiscal officer, and legal counsel.
See attached list.
3. Period of time covered by this questionnaire.
July 1, 2022 through June 30, 2023
4. The entity has been organized under the following provisions of the Louisiana Revised Statute(s) (R.S.) and, if applicable, local resolutions/ordinances.
Not applicable
5. Briefly describe the public services provided.
Travelers Aid Society is committed to preventing homelessness and to helping homeless or stranded families and individuals regain a self-sufficient lifestyle.
6. Expiration date of current elected/appointed officials' terms.
Not applicable.

Part II. Federal, State, and Local Awards

7. We have detailed for you the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes No [] N/A []

8. All transactions relating to federal grants have been properly recorded within our accounting records and reported to the appropriate federal grantor officials.

Yes No [] N/A []

9. All transactions relating to state grants have been properly recorded within our accounting records and reported to the state grantor officials.

Yes No [] N/A []

10. All transactions relating to local grants have been properly recorded within our accounting records and reported to the appropriate local grantor officials.

Yes No [] N/A []

11. The reports filed with federal agencies are properly supported by books of original entry and supporting documentation.

Yes No [] N/A []

12. The reports filed with state agencies are properly supported by books of original entry and supporting documentation.

Yes No [] N/A []

13. The reports filed with local agencies are properly supported by books of original entry and supporting documentation.

Yes No [] N/A []

14. We have complied with all applicable compliance requirements of all federal programs we administer,

Yes No [] N/A []

15. We have complied with all applicable specific requirements of all state programs we administer, to include matters contained in the grant awards.

Yes No [] N/A []

16. We have complied with all applicable specific requirements of all local programs we administer, to include matters contained in the grant awards.

Yes No [] N/A []

17. We have provided you with all communications from grantors concerning noncompliance with or deficiencies in administering grant programs.

Yes No [] N/A []

Part III. Public Records

18. We are familiar with the Public Records Act and have made available to the public those records as required by R.S. 44:33.

Yes [] No [] N/A

Part IV. Open Meetings

19. Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication “Open Meeting FAQs,” available on the Legislative Auditor’s website to determine whether a non-profit agency is subject to the open meetings law.**

Yes No N/A

Part V. Budget

20. For each federal grant, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration.

Yes No N/A

21. For each grant received from the state, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose, duration, specific goals and objectives, and measures of performance.

Yes No N/A

22. For each local grant, we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration.

Yes No N/A

Part VI. Reporting

23. We have had our financial statements audited in a timely manner in accordance with R.S. 24:513.

Yes No N/A

24. We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No N/A

25. We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No N/A

26. We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes No N/A

The previous responses have been made to the best of our belief and knowledge. We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur subsequent to the issuance of your report.

| | | | |
|---|-----------|---------------------|----------------------------------|
| <u><i>[Signature]</i></u> <small>Constance L. Collins (Dec 19, 2023 14:29 CST)</small> | Secretary | <u>Dec 19, 2023</u> | <u> </u> Date |
| <u><i>Tupper Allen</i></u> <small>Tupper Allen (Dec 19, 2023 18:11 CST)</small> | Treasurer | <u>Dec 19, 2023</u> | <u> </u> Date |
| <u><i>Jared Matthews</i></u> <small>Jared Matthews (Dec 19, 2023 08:42 CST)</small> | President | <u>Dec 19, 2023</u> | <u> </u> Date |