

**THE HARRY TOMPSON CENTER, INC.  
(A NONPROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS, SUPPLEMENTARY  
INFORMATION**

**YEARS ENDED JUNE 30, 2024 AND 2023**

**THE HARRY TOMPSON CENTER, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
The Harry Thompson Center, Inc.  
New Orleans, Louisiana

### **Opinion**

We have audited the accompanying financial statements of The Harry Thompson Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 The Harry Thompson Center, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, 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 The Harry Thompson Center, 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 The Harry Thompson Center, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

## **Report on Supplementary Information**

Our audit were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to Executive Officer on page 25 is presented for the 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 13, 2024, on our consideration of The Harry Thompson Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of The Harry Thompson Center, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Harry Thompson Center, Inc.'s internal control over financial reporting and compliance.

## **Report on 2023 Financial Statements**

The accompanying 2023 financial statements of The Harry Thompson Center, Inc. were compiled by us) The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements. Accordingly, we do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

We are required to be independent of The Harry Thompson Center, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our review.

Based on our review, we are not aware of any material modifications that should be made to the accompanying 2023 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

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

Metairie, Louisiana  
December 13, 2024

**THE HARRY TOMPSON CENTER, INC.**

**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2024 AND 2023**

	Audited 2024	Unaudited 2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 969,431	\$ 976,011
Cash restricted for future improvements	344,051	161,000
Grants receivable	581,581	22,223
Promises to give	89,844	-
Certificates of deposit	300,000	-
Accrued interest receivable	12,831	-
Marketable equity securities	24,314	-
Prepaid expenses	8,002	-
Inventories	250	250
Total current assets	<u>\$ 2,330,304</u>	<u>\$ 1,159,484</u>
<b>LAND, PROPERTY AND EQUIPMENT</b>		
Construction in progress	\$ 739,610	\$ -
Furniture and equipment	9,016	9,016
Less accumulated depreciation and amortization	(9,016)	(9,016)
	<u>\$ 739,610</u>	<u>\$ -</u>
<b>LEASE VALUE OF LAND AND BUILDING</b>	<u>\$ 1,426,882</u>	<u>\$ 1,599,432</u>
<b>OTHER ASSETS</b>		
Promises to give	<u>\$ 146,127</u>	<u>\$ -</u>
Total assets	<u><u>\$ 4,642,923</u></u>	<u><u>\$ 2,758,916</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 21,260	\$ 335
Deferred revenues	7,500	25,000
Payroll related liabilities	14,675	12,244
Total current liabilities	<u>\$ 43,435</u>	<u>\$ 37,579</u>
<b>NET ASSETS</b>		
Without donor restrictions-undesignated	\$ 2,828,555	\$ 960,905
With donor restrictions	1,770,933	1,760,432
Total net assets	<u>\$ 4,599,488</u>	<u>\$ 2,721,337</u>
Total liabilities and net assets	<u><u>\$ 4,642,923</u></u>	<u><u>\$ 2,758,916</u></u>

See accompanying notes and independent accountants' compilation report for 2023

**THE HARRY TOMPSON CENTER, INC.**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
Government grants	\$ 1,206,933	\$ -	\$ 1,206,933
Contributions and grants	277,772	922,661	1,200,433
Fundraising events	220,319	-	220,319
Investment income	41,801	-	41,801
Other	25,210	-	25,210
Net assets released from restriction	912,160	(912,160)	-
Total revenues, gains and other support	<u>\$ 2,684,195</u>	<u>\$ 10,501</u>	<u>\$ 2,694,696</u>
<b>EXPENSES</b>			
Program services	\$ 619,869	\$ -	\$ 619,869
Supporting services:			
Management and general	83,847	-	83,847
Fund-raising	112,829	-	112,829
Total expenses	<u>\$ 816,545</u>	<u>\$ -</u>	<u>\$ 816,545</u>
Change in net assets	<u>\$ 1,867,650</u>	<u>\$ 10,501</u>	<u>\$ 1,878,151</u>
NET ASSETS AT BEGINNING OF YEAR	<u>\$ 960,905</u>	<u>\$ 1,760,432</u>	<u>\$ 2,721,337</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 2,828,555</u></u>	<u><u>\$ 1,770,933</u></u>	<u><u>\$ 4,599,488</u></u>

See accompanying notes and independent accountants' compilation report for 2023

**THE HARRY TOMPSON CENTER, INC.**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Government grants	\$ 199,328	\$ -	\$ 199,328
Contributions and grants	237,965	161,000	398,965
Contributions of nonfinancial assets	-	1,700,086	1,700,086
Fundraising events	201,434	-	201,434
Other	18,938	-	18,938
Net assets released from restriction	100,654	(100,654)	-
Total revenues, gains and other support	<u>\$ 758,319</u>	<u>\$ 1,760,432</u>	<u>\$ 2,518,751</u>
EXPENSES			
Program services	\$ 521,460	\$ -	\$ 521,460
Supporting services:			
Management and general	78,883	-	78,883
Fund-raising	93,370	-	93,370
Total expenses	<u>\$ 693,713</u>	<u>\$ -</u>	<u>\$ 693,713</u>
Change in net assets	<u>\$ 64,606</u>	<u>\$ 1,760,432</u>	<u>\$ 1,825,038</u>
NET ASSETS AT BEGINNING OF YEAR	<u>\$ 896,299</u>	<u>\$ -</u>	<u>\$ 896,299</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 960,905</u></u>	<u><u>\$ 1,760,432</u></u>	<u><u>\$ 2,721,337</u></u>

See accompanying notes and independent accountants' compilation report for 2023



**THE HARRY TOMPSON CENTER, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2024**

	Program Services	Supporting Services		Total
		Management and General	Fund- raising	
Salaries and related expenses:				
Salaries	\$ 293,651	\$ 24,940	\$ 37,409	\$ 356,000
Payroll taxes	21,622	2,162	3,243	27,027
Employees benefits	44,638	4,464	6,696	55,798
Workers' compensation	4,122	412	618	5,152
	<u>\$ 364,033</u>	<u>\$ 31,978</u>	<u>\$ 47,966</u>	<u>\$ 443,977</u>
Accounting and auditing	\$ -	\$ 21,711	\$ -	\$ 21,711
Advertising	-	-	5,499	5,499
Bank fees	-	1,251	-	1,251
Dues and subscriptions	-	384	-	384
Feasibility study	-	-	-	-
Insurance	-	1,726	-	1,726
Meetings and conferences	-	1,021	-	1,021
Miscellaneous	-	1,010	-	1,010
Office supplies	-	5,004	-	5,004
Other supplies	18,205	-	33,864	52,069
Occupancy	206,649	17,970	-	224,619
Postage	-	682	-	682
Professional services	-	1,110	25,500	26,610
Repairs and maintenance	5,661	-	-	5,661
Staff training	1,901	-	-	1,901
Volunteer expense	23,420	-	-	23,420
Total expenses	<u>\$ 619,869</u>	<u>\$ 83,847</u>	<u>\$ 112,829</u>	<u>\$ 816,545</u>

See accompanying notes and independent accountants' compilation report for 2023

**THE HARRY TOMPSON CENTER, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2023**

		Supporting Services		
	Program Services	Management and General	Fund- raising	Total
Salaries and related expenses:				
Salaries	\$ 257,892	\$ 22,169	\$ 33,253	\$ 313,314
Payroll taxes	19,154	1,915	2,873	23,942
Employees benefits	43,197	4,320	6,480	53,997
Workers' compensation	4,998	500	750	6,248
	<u>\$ 325,241</u>	<u>\$ 28,904</u>	<u>\$ 43,356</u>	<u>\$ 397,501</u>
Accounting and auditing	\$ -	\$ 22,556	\$ -	\$ 22,556
Advertising	-	-	7,207	7,207
Bank fees	-	1,063	-	1,063
Dues and subscriptions	-	2,123	-	2,123
Feasibility study	13,500	-	-	13,500
Insurance	-	4,931	-	4,931
Meetings and conferences	-	494	-	494
Miscellaneous	-	4,649	-	4,649
Office supplies	-	4,818	-	4,818
Other supplies	16,323	-	18,807	35,130
Occupancy	140,512	7,575	-	148,087
Postage	-	435	-	435
Professional services	-	1,335	24,000	25,335
Repairs and maintenance	4,094	-	-	4,094
Volunteer expense	21,790	-	-	21,790
Total expenses	<u>\$ 521,460</u>	<u>\$ 78,883</u>	<u>\$ 93,370</u>	<u>\$ 693,713</u>

See accompanying notes and independent accountants' compilation report for 2023

**THE HARRY TOMPSON CENTER, INC.**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	Audited 2024	Unaudited 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,878,151	\$ 1,825,038
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Nonfinancial contributions-lease	-	(1,599,432)
Unrealized gain on marketable equity securities	(18,874)	-
Amortization of lease value of land and building	172,550	-
Increase (decrease) in operating assets:		
Grants receivable	(559,358)	37,451
Promises to give	(89,844)	-
Accrued interest receivable	(12,831)	-
Prepaid expenses	(8,002)	-
Increase (decrease) in operating liabilities:		
Accounts payable	23,356	190
Deferred revenues	(17,500)	25,000
Net cash provided by operating activities	<u>\$ 1,367,648</u>	<u>\$ 288,247</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of construction in progress	\$ (739,610)	\$ -
Purchase of certificates of deposit	(300,000)	-
Receipt of long-term promises to give	(146,127)	-
Purchase of marketable equity securities	(5,440)	-
Net cash used from investing activities	<u>\$ (1,191,177)</u>	<u>\$ -</u>
Net increase in cash and cash equivalents	\$ 176,471	\$ 288,247
Beginning cash and cash equivalents	<u>1,137,011</u>	<u>848,764</u>
Ending cash and cash equivalents	<u><u>\$ 1,313,482</u></u>	<u><u>\$ 1,137,011</u></u>
Recap of cash equivalents		
Cash and cash equivalents	\$ 969,431	\$ 976,011
Cash restricted for future improvements	344,051	161,000
	<u><u>\$ 1,313,482</u></u>	<u><u>\$ 1,137,011</u></u>

See accompanying notes and independent accountants' compilation report for 2023

**THE HARRY TOMPSON CENTER, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of the Organization

The Harry Thompson Center, Inc. (the Center) is committed to providing a calm and caring environment to serve the needs of the impoverished and homeless in the downtown New Orleans area. The Center is dedicated to improving the quality of life for all those in need, not merely by responding to physical needs but also by attending to the whole person with respect and compassion, after the example of Jesus. Its principal sources of revenue are government grants and donations from other charitable organizations, corporations, and individuals.

Financial Statement Presentation

The Center 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 the use or time restrictions that donors place on a contribution:

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

Net Assets with Donor Restriction includes contributions and gifts for which the donor or grantor imposes donor-imposed stipulations. Temporary restrictions include time or purposes that the Center has not yet met. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

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. Accordingly, the financial statements reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Center considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents. Restricted cash represents the portion of cash of the Center containing donor-imposed restrictions for capital improvements.

**THE HARRY TOMPSON CENTER, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Grants Receivables

The grants receivable is stated as the amount management expects to collect from outstanding balances primarily on grants treated as exchange transactions. The financial statements do not include an estimate for allowance for doubtful accounts. Since the grants receivable are due from governmental agencies, management believes that all receivables are collectible. Because the Center's funding is from governmental sources, management does consider future prospective economic conditions will not affect the calculation of expected credit losses.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on these amounts are computed using a risk-free interest rate applicable to the year in which the contribution is made. Amortization of the discount is included in contribution revenue. Conditional promises to give are not recognized until they become unconditional; that is when the donor-imposed conditions are substantially met.

Certificates of Deposit

Certificates of deposit held for investments that are not debt securities are included in "certificates of deposit" and are carried at cost plus accrued interest. The certificates of deposit that have a remaining maturity greater than one year and are classified as long-term investments-certificates of deposit.

Marketable Equity Securities

The Center reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

Inventories

Inventories are stated at the lower of cost or net realizable value. The first-in, first-out method determines the cost. When evidence exists that the net realizable value of inventory is lower than its cost, the difference is recognized as a loss in the statement of activities in the period in which it occurs. Inventories consist of supplies on hand that are available to distribute to clients that are in need.

**THE HARRY TOMPSON CENTER, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property and Equipment

All acquisitions of property and equipment over \$2,500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the useful life of the assets. All the property and equipment placed in service are fully depreciated for the years ended June 30, 2024 and 2023.

Construction in progress represents the costs expended for the construction of a new program and administrative facility on leased property. The property cost will be amortized over the leased term, twenty (20) years, beginning at the time the property is placed in service.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Revenue Recognition

Contributed support that the donor restricts is reported as increases in net assets without donor restriction if the restrictions expire (that is when stipulated time restrictions end or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets.

Government grant revenues represent cost-reimbursable contracts, which are treated as exchange transactions, and revenue is recognized as earned when the services required by the contract are performed or expenditures are incurred.

**THE HARRY TOMPSON CENTER, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Donated Services

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills are provided by individuals possessing those skills and would typically need to be purchased, if not provided by donation, are recorded at their fair market values in the period received.

The Center did not recognize revenue for any contributions of donated services for the years ended June 30, 2024 and 2023, respectively. The Center did receive 3,500 and 3,500 hours of volunteer time from various volunteers who provided fundraising, program assistance, and management and governance by the Board of Directors for the years ending June 30, 2024 and 2023, respectively.

Estimates

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

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services.

Income Tax Status

The Center is a nonprofit organization 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 Center is also exempt from Louisiana income taxes under the authority of R.S. 47.121(5). The Center 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 Center's Federal Exempt Information Returns (Form 990) for the years ended June 30, 2022, 2023, and 2024 are subject to examination by the IRS, generally for three years after they were filed.

**THE HARRY TOMPSON CENTER, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Concentrations

For the year ended June 30, 2024, \$1,197,822 (\$922,661 was restricted), or 44% of the Center's total gross revenue, was from financial contributions and grants. Government grants of \$1,206,933 comprised 45% of gross revenues. Additionally, \$220,319, or 8% of the Center's total gross revenue, was from fundraising; investment income was \$41,801, or 2%, and finally, \$27,821, or 1%, was from miscellaneous sources.

For the year ended June 30, 2023, \$398,965, or 16% of the Center's total gross revenue, was from contributions and grants. Nonfinancial contributions were \$1,700,086 or 68% of total revenues. Government grants of \$199,328 comprised 8% of gross revenues. Additionally, \$201,434, or 8% of the Center's total gross revenue, was from fundraising; finally, \$18,938, or 1%, was from miscellaneous sources.

New Accounting Pronouncements

The Center has adopted the Current Expected Credit Losses (CECL) accounting standard, as per Accounting Standards Update (ASU) No. 2016-13, "Financial Instruments – Credit Losses (Topic 326)." The standard introduces a new model for estimating credit losses on financial instruments. After a thorough evaluation, management has determined that the impact of adopting the CECL standard on the financial statements is immaterial. The Center has considered factors such as historical loss experience, current economic conditions, and other relevant factors in its credit loss estimation process. As a result, the adoption of the CECL standard has not had a material impact on the Center's financial position, results of operations, or cash flows.

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (Update) No. 2016-02, *Leases*. The Update seeks to increase transparency and comparability among organizations by recognizing lease assets and liabilities on the balance sheet and disclosing essential information about leasing arrangements. Management has implemented the new lease guidance for the year ending June 30, 2023. The implementation of the new lease standards does not affect the current or prior year financial statements because the leases are short-term, or the space is contributed and does not meet conditions for recording a lease asset or liability.

**NOTE 2. CASH AND CASH EQUIVALENTS**

The Center maintains two bank accounts and an investment account at one financial institution. These accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) for amounts up to \$250,000 for interest-bearing accounts. Cash and certificates of deposit at this institution exceeded FDIC limits for the years ended June 30, 2024 and 2023 by \$1,633,398 and \$916,398, respectively.



**THE HARRY TOMPSON CENTER, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 3. CERTIFICATES OF DEPOSIT**

The certificates of deposit balances on June 30, 2024, were \$300,000. No certificates of deposit were on hand as of June 30, 2023. The following chart depicts the certificates of deposit at year-end:

<u>Institution</u>	<u>Interest</u>	<u>Term</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Morgan Stanley	5.40%	9/18/2023-09/19/2024	\$ 125,000	\$ -
Charles Schwab	5.50%	9/18/2023-10/01/2024	175,000	-
			<u>\$ 300,000</u>	<u>\$ -</u>

Accrued interest was \$12,831 and \$0 for the years ended June 30, 2024 and 2023, respectively.

**NOTE 4. UNCONDITIONAL PROMISES TO GIVE**

On June 30, 2024 and 2023, the Center received unconditional promises to give. Promises to give that will be received in more than one year are discounted at 5%.

The amounts due consist of the following:

	<u>2024</u>	<u>2023</u>
Capital fundraising campaign	\$ 286,930	\$ -
Total promises to give	<u>\$ 286,930</u>	<u>\$ -</u>
Receivable in one year or less	\$ 97,657	\$ -
Receivable in one to five years	189,273	-
	<u>\$ 286,930</u>	<u>\$ -</u>
Less discounts to net present value	(30,439)	-
Less allowance for uncollectible promises to give	(20,520)	-
Net unconditional promises to give	<u>\$ 235,971</u>	<u>\$ -</u>

Recap of the current portion and long-term portion of unconditional promises to give:

	<u>2024</u>	<u>2023</u>
Unconditional promises to give current portion	\$ 89,844	\$ -
Unconditional promises to give - long-term	146,127	-
	<u>\$ 235,971</u>	<u>\$ -</u>

**THE HARRY TOMPSON CENTER, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 5. 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 the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820 are described as follows:

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 Center 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, 2024 and 2023:

**THE HARRY TOMPSON CENTER, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 5. FAIR VALUE MEASUREMENTS (Continued)**

*Equity Securities:* The Center holds domestic equity securities, which are valued at the daily closing price as reported by the securities stock exchange.

The Center 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, 2024 and 2023.

The following table sets forth by level, within the fair value hierarchy, of the Center's assets measured at fair value for the year ended June 30, 2024:

Recurring fair value measurements for the year ended June 30, 2024:	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Stock - Qualcomm, Inc.	\$ 23,104	\$ 23,104	\$ -	\$ -
Stock - Walgreen Boots Alliance	1,210	1,210	-	-
	<u>\$ 24,314</u>	<u>\$ 24,314</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE 6. PROPERTY AND EQUIPMENT**

Property and equipment on June 30, 2024 and 2023 consisted of the following:

	2024	2023
Construction in progress	\$ 739,610	\$ -
Furniture and fixtures	9,016	9,016
Less accumulated depreciation	(9,016)	(9,016)
Total property and equipment	<u>\$ 739,610</u>	<u>\$ -</u>

No depreciation expense was recorded for the years ended June 30, 2024 and 2023.

**NOTE 7. COMPENSATION**

The Board of Directors serves the Center without compensation.

**THE HARRY TOMPSON CENTER, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 8. DONATED FACILITIES AND LEASE OF PROPERTY**

The program and administrative facilities of the Center were leased under an informal agreement with the St. Joseph Church in New Orleans, Louisiana, until a lease written agreement was executed on November 17, 2022. The initial term of the lease is for ten years with two five-year options to renew with a base rent of \$1.00 per year through October 2043. The options to renew are considered probable for renewal. In connection with the lease agreement, the Center discounted the value of the twenty-year probable term using a \$10 per square foot rental value for 17,255 square feet at an 8% discount rate. The result was a nonfinancial contribution of \$1,694,121 with donor restrictions for the year ended June 30, 2023. Net assets released from restriction and rental expenses included in occupancy expenses of \$172,255 and \$100,654 were recorded for the years ending June 30, 2024 and 2023, respectively.

The informal agreement and the new lease require the sharing of occupancy expenses among several programs on the Church site. Both the lessee and lessor organizations are related by affiliation with the Archdiocese of New Orleans. The occupancy expense allocation totaled \$42,508 and \$37,604 for the years ended June 30, 2024 and 2023, respectively.

Generally accepted accounting principles require leasehold improvements to be amortized over the lease term. Since no long-term lease exists prior to November 17, 2022, leasehold improvements to that time were charged to expense within the year they were placed in service. Leasehold improvements of \$4,094 were expensed as repairs for the year ending June 30, 2023.

**NOTE 9. DEFINED CONTRIBUTION PLAN**

The Center sponsors a defined contribution plan, a SIMPLE IRA covering all employees with \$5,000 of compensation for a calendar year. The Center contributes a matching contribution of up to three percent (3%) of the employee's wage for a calendar year. Eligible employees can designate up to \$16,000 in 2024 and \$15,500 in 2023 of compensation as a salary reduction contribution to the simple IRA. Eligible employees over fifty can contribute an additional \$3,500 in 2024 and \$3,500 in 2023 of catch-up contributions.

Total retirement benefit expense for the Center was \$7,916 and \$9,014 for the years ended June 30, 2024 and 2023, respectively.

**THE HARRY TOMPSON CENTER, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 10. LIQUIDITY AND AVAILABILITY OF RESOURCES**

The Center had the following financial assets available within one year of the statement of financial position date for general expenditures for the years ended June 30, 2024 and 2023:

	2024	2023
Cash and cash equivalents	\$ 969,431	\$ 976,011
Grants receivable	581,581	22,223
Promises to give	89,844	-
Certificates of deposit	300,000	-
Accrued interest receivable	12,831	-
Marketable equity securities	24,314	-
Inventory	250	250
	<u>\$ 1,978,251</u>	<u>\$ 998,484</u>

None of the financial assets listed above are subject to donor restrictions or other contractual restrictions that make them unavailable for general expenditures within one year of the Statement of Financial Position. The Center has the policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Government grant revenues, which totaled \$1,206,933 and \$199,328 for the years ended June 30, 2024 and 2023, respectively, are cost reimbursement grants that require expenditures for the grant's purpose in advance. The grant costs are subsequently billed, and reimbursement remittances are received in the following months from the contracting agency and paid with government funds.

**NOTE 11. NET ASSETS WITH DONOR RESTRICTIONS**

On June 30, 2024 and 2023, the Center had \$1,770,933 and \$1,760,432, respectively, in net assets with donor restrictions. The nonfinancial contribution of the Center's land resulted in \$1,426,882 and \$1,599,432 of future lease value as of June 30, 2024 and 2023 to be amortized through October 31, 2043, as lease expense and a corresponding release of restrictions as the facility is used. The remaining \$344,051 and \$161,000 at June 30, 2024 and 2023, respectively, are donor restricted contributions to be used for the completion of construction of a new facility for the clients of the Center. The facility provides a day shelter that delivers hygiene supplies, a safe environment, two daily meals, showers, mail service, prescription assistance, identification assistance, SNAP, and Medicaid assistance. The facility provides a food bank distribution to those in need.

**THE HARRY TOMPSON CENTER, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

**NOTE 12. COMMITMENTS**

The Center is in the process of renovating its shower and personal hygiene spaces used by its clients for their programs under an executed construction contract. Construction costs to date under the contract, which have been capitalized and included as construction in progress, are \$360,963 as of June 30, 2024. The Center will expend additional costs under the construction contract to complete the project in the approximate amount of \$1,231,176 in the subsequent year.

**NOTE 13. RELATED PARTY TRANSACTIONS**

The Center's board members made financial contributions as a demonstration of their support and commitment to the Center's improvement of the program facilities. Twelve board members made contributions primarily to the improvements to the facility. The total amount contributed by board members during the year ended June 30, 2024 was \$57,320.

In connection with the improvement project, the Center purchased equipment from a board of directors' member for \$27,762.

**NOTE 14. SUBSEQUENT EVENTS**

Management evaluated subsequent events affecting the Center through December 13, 2024, when the financial statements were available to be issued. All disclosures considered necessary are made in the financial statements.

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**



**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  
The Harry Thompson Center  
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 The Harry Thompson Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated December 13, 2024.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



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

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

### **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 Center's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this communication 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, reading "Bernard L. Franks".

Metairie, Louisiana  
December 13, 2024

**THE HARRY TOMPSON CENTER, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

**SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unmodified opinion on the financial statements of The Harry Thompson Center, Inc., which was prepared in accordance with generally accepted accounting principles 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.
2. No significant deficiencies or material weaknesses in internal control were disclosed during the audit of the financial statements as 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 Performed in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of The Harry Thompson Center, 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 Performed in accordance with *Government Auditing Standards*.
4. No management letter was issued for the years ended June 30, 2024 and 2023.
5. The Harry Thompson Center, Inc. did not expend more than \$750,000 in federal awards during the years ended June 30, 2024, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

**FINDINGS-FINANCIAL STATEMENTS**

There were no findings for the years ended June 30, 2024.

**FINDINGS-FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no Uniform Guidance procedures required for the years ended June 30, 2024 therefore, this category is not applicable to the Center.

## **REPORT BY MANAGEMENT**

**THE HARRY TOMPSON CENTER, INC.**

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2024**

The Harry Thompson Center, Inc. was not subject to *Governmental Auditing Standards* for the year ended June 30, 2023.

## **SUPPLEMENTARY INFORMATION**

**THE HARRY TOMPSON CENTER, INC.**

**SCHEDULE OF COMPENSATION, BENEFITS AND  
OTHER PAYMENTS TO EXECUTIVE DIRECTOR  
YEAR ENDED JUNE 30, 2024**

Agency Head: Emily Wain, Executive Director

	Amount
Salary	\$ 79,500
Benefits-insurance	6,615
Benefits-retirement	2,370
	<u>\$ 88,485</u>

## **STATEWIDE AGREED-UPON PROCEDURES**



**INDEPENDENT ACCOUNTANTS' REPORT**  
**ON APPLYING STATEWIDE AGREED-UPON PROCEDURES**

To the Board of Directors of  
The Harry Thompson Center, 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, 2023 through June 30, 2024. The Harry Thompson Center, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

The Harry Thompson Center, 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, 2023, through June 30, 2024. 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 Center's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the Center'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 rates 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

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 Center's ethics policy.

Result: The Center is a nonprofit organization; therefore, the ethics agreed-upon procedure does not apply.

- 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 Center 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 R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Result: The Center is a nonprofit organization; therefore, the prevention of sexual harassment agreed-upon procedure does 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 meets 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 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 Center's collections during the fiscal period.

Results: There were no exceptions noted.

- iii. For governmental entities, obtain the prior year's 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 Center is a nonprofit organization; therefore, this agreed-upon procedure does not apply.

- iv. Observe whether the board/finance committee received written updates on 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: There were no exceptions noted.

## ***3.) Bank Reconciliations***

---

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

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

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 within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

Result: There was no evidence of a review by a member of management or board member. Contract accountants prepare bank reconciliations.

- 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 five deposit sites (or all deposit sites if less than 5).

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., five collection locations for five 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:

- 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 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 five 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 ten 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).

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:

- 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 an 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 Center'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 Center.

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.
- 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 and 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 #7B 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 and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

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

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**

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A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *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:

- 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: There were no exceptions noted.

- 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**

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

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #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 Center's cumulative leave records.

Result: There were no exceptions noted.

- iv. Observe the rate paid to the employees or officials who 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 who received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials to obtain related documentation of the hours and pay rates used in management's termination payment calculations and the Center'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 Center policy.

Result: 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: There were no exceptions noted.

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

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- 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 Center maintains documentation that demonstrates each employee and official was notified of any changes to the Center's ethics policy during the fiscal period, as applicable.

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

Result: The Center is a nonprofit organization; therefore, the ethics agreed-upon procedure does not apply.

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

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- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe 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 to the 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 Center is a nonprofit organization; therefore, the debt service agreed-upon procedure does not apply.

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

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

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

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

Result: There were no exceptions noted.

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

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- A. Perform the following procedures:

- i. Obtain and inspect the Center's most recent documentation that it has backed up its critical data (if there is no written documentation, inquire about 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 Center's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, inquire about 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 Center'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.

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

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

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

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

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- 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 demonstrating each employee/official completed at least one hour of sexual harassment training during the calendar year.

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

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

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

- C. Obtain the Center'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 R.S. 42:344:

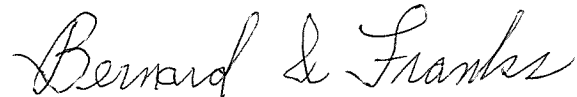
- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action and
- v. Amount of time it took to resolve each complaint.

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

The Harry Thompson Center, Inc. engaged us to perform this agreed-upon procedure engagement. We 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 in 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 The Harry Thompson Center, 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".

December 13, 2024  
Metairie, Louisiana

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

10/1 (Date Transmitted)

Bonnard & Franks (CPA Firm Name)  
4141 Veterans Blvd, Suite 313 (CPA Firm Address)  
Metairie, LA 70002 (City, State Zip)

In connection with your audit of our financial statements as of July 1, 2024 and for July 1, 2023 - June 30<sup>th</sup>, 2024 (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 10/7/2024 (date completed/date of the representations).

**PART I. Agency Profile**

1. Name and address of the organization. Harry Thompson Center, INC  
1803 Gravier Street  
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

3. Period of time covered by this questionnaire.

July 1<sup>st</sup>, 2023 - June 30<sup>th</sup>, 2024

4. The entity has been organized under the following provisions of the Louisiana Revised Statute(s) (R.S.) and; if applicable, local resolutions/ordinances.

Yes

5. Briefly describe the public services provided. Hygiene, health, housing navigation, and hospitality to unhoused individuals in New Orleans.
6. Expiration date of current elected/appointed officials' terms.

**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.

→ Marya Bauderum Paul Swa Secretary 10/7/24 Date  
→ Stephany Conroy Treasurer 10/7/24 Date  
→ \_\_\_\_\_ President \_\_\_\_\_ Date