

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

JUNE 30, 2025 AND 2024

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
(A NONPROFIT ORGANIZATION)
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JUNE 30, 2025 AND 2024

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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 nonprofit Organization), which comprise the statements of financial position as of June 30, 2025 and 2024, 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, 2025 and 2024, 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 Revenues and Expenses by City of New Orleans Contract on pages 23-25 and the Schedule of Expenditures of Federal Awards on page 31, 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 18, 2025, 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 18, 2025

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
(A NONPROFIT ORGANIZATION)
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

ASSETS	<u>2025</u>	<u>2024</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 57,351	\$ 111,945
Accounts receivables	679,146	633,493
Unconditional promises to give	363,465	284,965
Prepaid expenses	-	6,151
Investments	394,868	356,403
Inventory	-	3,995
Total current assets	<u>\$ 1,494,830</u>	<u>\$ 1,396,952</u>
 PROPERTY AND EQUIPMENT		
Less: accumulated depreciation	(72,090)	(38,987)
Total property and equipment	<u>\$ 166,119</u>	<u>\$ 54,421</u>
 OTHER ASSETS		
Unconditional promises to give, less unamortized discount	\$ 149,943	\$ 142,500
Operating lease right-of-use asset	197,135	285,854
Deposit	8,374	4,235
Total other assets	<u>\$ 355,452</u>	<u>\$ 432,589</u>
Total Assets	<u><u>\$ 2,016,401</u></u>	<u><u>\$ 1,883,962</u></u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 159,161	\$ 306,617
Accrued liabilities	179,620	190,397
Due to board member	-	12,300
Line of credit	263,919	232,583
Lease liability, current portion	95,724	86,300
Total current liabilities	<u>\$ 698,424</u>	<u>\$ 828,197</u>
 LONG-TERM LIABILITIES		
Lease liability	\$ 103,830	\$ 199,554
Total long-term liabilities	<u>\$ 103,830</u>	<u>\$ 199,554</u>
 NET ASSETS		
Without donor restrictions-undesignated	\$ 700,739	\$ 428,746
With donor restrictions	513,408	427,465
Total net assets	<u>\$ 1,214,147</u>	<u>\$ 856,211</u>
Total Liabilities and Net Assets	<u><u>\$ 2,016,401</u></u>	<u><u>\$ 1,883,962</u></u>

See Notes to the Financial Statements.

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
(A NONPROFIT ORGANIZATION)
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS, AND SUPPORT			
Grants	\$ 5,665,737	\$ 310,443	\$ 5,976,180
United Way	-	52,965	52,965
Occupancy fee payments	56,168	-	56,168
Contributions	49,764	-	49,764
Investment income	38,466	-	38,466
Miscellaneous	19,112	-	19,112
Net assets released from restrictions-			
Expiration of time restriction	277,465	(277,465)	-
Total revenues, gains and support	\$ 6,106,712	\$ 85,943	\$ 6,192,655
 EXPENSES			
Program service			
Crisis intervention	\$ 5,301,220	\$ -	\$ 5,301,220
Supporting service			
Management and general	533,499	-	533,499
 Total expenses	\$ 5,834,719	\$ -	\$ 5,834,719
 Change in net assets	\$ 271,993	\$ 85,943	\$ 357,936
 Net assets at beginning of year	428,746	427,465	856,211
 Net assets at end of year	\$ 700,739	\$ 513,408	\$ 1,214,147

See Notes to Financial Statements.

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
(A NONPROFIT ORGANIZATION)
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS, AND SUPPORT			
Grants	\$ 3,318,311	\$ 374,500	\$ 3,692,811
Noncash contributions	293,842	-	293,842
United Way	11	52,965	52,976
Occupancy fee payments	56,969	-	56,969
Contributions	102,642	-	102,642
Investment income	39,331	-	39,331
Miscellaneous	7,208	-	7,208
Net assets released from restrictions-			
Expiration of time restriction	52,965	(52,965)	-
Total revenues, gains and support	\$ 3,871,279	\$ 374,500	\$ 4,245,779
 EXPENSES			
Program service			
Crisis intervention	\$ 3,739,528	\$ -	\$ 3,739,528
Supporting service			
Management and general	540,168	-	540,168
Total expenses	\$ 4,279,696	\$ -	\$ 4,279,696
Change in net assets	\$ (408,417)	\$ 374,500	\$ (33,917)
Net assets at beginning of year	837,163	52,965	890,128
Net assets at end of year	\$ 428,746	\$ 427,465	\$ 856,211

See Notes to Financial Statements.

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
(A NONPROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	<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	\$ 1,950,921	\$ 216,769	\$ 2,167,690
Employee benefits & taxes	444,024	49,336	493,360
	<u>\$ 2,394,945</u>	<u>\$ 266,105</u>	<u>\$ 2,661,050</u>
Advertising	\$ -	\$ 91	\$ 91
Client expenses	2,575,387	-	2,575,387
Depreciation expense	33,103	-	33,103
Dues and fees	3,514	31,629	35,143
Insurance	72,484	4,908	77,392
Interest	-	20,337	20,337
Meetings	-	15,343	15,343
Miscellaneous	4,745	7,888	12,633
Occupancy	73,791	31,625	105,416
Postage	-	201	201
Printing	-	5,462	5,462
Professional development	-	1,471	1,471
Professional fees	10,993	110,771	121,764
Software and website	33,943	22,628	56,571
Supplies	1,312	11,812	13,124
Telephone	29,054	3,228	32,282
Travel	67,949	-	67,949
	<u>\$ 2,906,275</u>	<u>\$ 267,394</u>	<u>\$ 3,173,669</u>
Total Expenses	<u>\$ 5,301,220</u>	<u>\$ 533,499</u>	<u>\$ 5,834,719</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, 2024

	<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	\$ 1,534,769	\$ 189,652	\$ 1,724,421
Employee benefits & taxes	397,623	47,957	445,580
	<u>\$ 1,932,392</u>	<u>\$ 237,609</u>	<u>\$ 2,170,001</u>
Advertising	\$ -	\$ 4,689	\$ 4,689
Client expenses	1,416,967	-	1,416,967
Depreciation expense	11,593	1,288	12,881
Dues and fees	3,780	25,526	29,306
Insurance	35,434	3,937	39,371
Interest	-	18,964	18,964
Meetings	-	14,623	14,623
Miscellaneous	-	6,702	6,702
Occupancy	231,093	98,183	329,276
Postage	-	435	435
Printing	4,905	544	5,449
Professional development	253	1,156	1,409
Professional fees	19,551	89,174	108,725
Software and website	32,931	19,410	52,341
Supplies	1,034	15,854	16,888
Telephone	18,667	2,074	20,741
Travel	30,928	-	30,928
	<u>\$ 1,807,136</u>	<u>\$ 302,559</u>	<u>\$ 2,109,695</u>
Total Expenses	<u>\$ 3,739,528</u>	<u>\$ 540,168</u>	<u>\$ 4,279,696</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, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 357,936	\$ (33,917)
Noncash lease expense	2,419	-
Depreciation expense	33,103	12,881
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized (gain) loss on investments	(22,876)	(37,891)
(Increase) decrease in accounts receivables	(45,653)	(325,090)
(Increase) decrease in unconditional promises to give	(85,943)	(374,499)
(Increase) decrease in prepaid expenses	6,151	69,674
(Increase) decrease in inventory	3,995	-
Increase (decrease) in accounts payable and accrued liabilities	(158,233)	396,419
Increase (decrease) in due to board members	(12,300)	12,300
Net cash provided by (used in) operating activities	\$ 78,599	\$ (280,123)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	\$ -	\$ 12,000
Purchase of investments	(15,590)	-
Cash paid for refundable security deposit	(4,139)	(4,235)
Purchases of property and equipment	(144,801)	(55,395)
Net cash provided by (used in) investment activities	\$ (164,530)	\$ (47,630)
CASH FLOWS FROM FINANCING		
Proceeds from line of credit	\$ 141,500	\$ 174,274
Repayments of line of credit	(110,163)	(6,317)
Net cash provided by (used in) financing activities	\$ 31,337	\$ 167,957
Net change in cash and cash equivalents	\$ (54,594)	\$ (159,796)
Cash and cash equivalents, beginning of year	111,945	271,741
Cash and cash equivalents, end of year	\$ 57,351	\$ 111,945
SUPPLEMENTAL DISCLOSURES		
Interest Paid	\$ 20,337	\$ 18,964
Right-of-use asset obtained in exchange for new lease liability	\$ -	\$ 319,054

See Notes to Financial Statements

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Travelers Aid Society of New Orleans, Inc. (the "Organization") is a nonprofit 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 2025, the Organization provided approximately 14,000 services to more than 1,800 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, 2025 AND 2024

NOTE 1. 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 \$363,408 and \$427,465 in contributions with donor-imposed restrictions that resulted in donor restricted net assets for the years ended June 30, 2025 and 2024, 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 the years ended June 30, 2023, 2024 and 2025 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, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Receivables consist primarily of amounts from reimbursable government grants as well as private organizations. Receivables are recorded at their net realizable value. Management estimates an allowance for uncollectible receivables based on historical trends, and current and past experience with the individual grantors. Management determined that no allowance was necessary as of June 30, 2025.

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, 2025 and 2024, there were no funds in excess of the FDIC insured limit.

Unconditional 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

Property and equipment are carried at cost. Depreciation is 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.

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising

The Organization expenses advertising costs as they are incurred. Advertising expense for the years ended June 30, 2025 and 2024 was \$91 and \$4,689, respectively.

Employee Vacation and Leave Benefits

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

Functional Allocation of Expenses

The costs of providing services and supporting activities have been summarized on a functional basis in the accompanying financial statements. Expenses that can be directly attributed to a specific function are charged accordingly. Other expenses benefiting multiple functions are allocated among program services, management and general, and fundraising based on reasonable and consistently applied methods, including estimates of time and effort, square footage, usage, and other relevant measures.

Noncash Contributions and Contributed Services

Noncash 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.

Certain grant agreements require the Organization to provide matching funds in the form of cash or noncash contributions or a combination of cash and noncash contributions. For the year ended June 30, 2025, no contributed property or other noncash contributions were received or available as match. For the year ended June 30, 2024, the Organization satisfied matching requirements through noncash contributions, which are recorded in the statement of activities with a corresponding expense. Total noncash contributions for the year ended June 30, 2024 were as follows:

	2024
Salaries	\$ 7,088
Professional services	25,040
Rent	169,701
Security	28,970
Janitorial	35,123
Utilities	23,920
Client expenses	4,000
Total	\$ 293,842

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments in mutual funds and other marketable securities with readily determinable fair values are reported at fair value in the statements of financial position. Fair value is based on quoted market prices in active markets. Unrealized gains and losses are included in the change in net assets without donor restrictions.

Concentrations

The Organization's primary support is grants received from federal, state, and local agencies, which make up \$5,976,180 and \$3,692,811 or 97% and 87% of total revenue for the years ended June 30, 2025 and 2024, respectively. If significant budget cuts are made at the federal, state, or local level, the amount of funds the Organization receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions taken that would adversely affect the funds received by the Organization from these sources in the upcoming fiscal year.

Revenue Recognition

The Organization recognizes revenue in accordance with Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*, and ASC Topic 606, *Revenue from Contracts with Customers*, as applicable. Revenue is recognized when it is realized or realizable and earned, in accordance with the following policies:

Government Grants and Contracts

Revenue from government grants and contracts is recognized as qualifying expenditures are incurred in accordance with the terms of the agreements.

Contributions

Contributions are recognized as revenue when received or unconditionally promised. Contributions that are conditional in nature are not recognized until the conditions are substantially met. Contributions may be restricted by donors for specific purposes; such amounts are reported as net assets with donor restrictions until expended in accordance with donor stipulations.

Occupancy Fee Revenue

Occupancy fee revenue represents the tenant portion of rent and is recognized as revenue in the period in which the related housing services are provided. Occupancy fees are typically billed monthly and are recognized when earned, net of any uncollectible amounts.

Investment Income

Investment income consists of interest earned on bank accounts, dividends, and changes in the fair value of investments, including unrealized gains and losses. Interest and dividend income are recognized when earned. Realized and unrealized gains and losses on investments are recognized in the period in which they occur.

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

The Organization has a noncancelable operating lease that commenced on November 1, 2023. Right-of-use assets and lease liabilities are recognized at the lease commencement date and measured as the present value of future lease payments over the lease term using an incremental borrowing rate of 7.00%.

Right-of-use assets and lease liabilities are presented as separate line items on the statements of financial position. Variable lease payments are recognized as lease expense when incurred.

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.

Reclassifications

Certain prior year amounts have been reclassified to conform with current year presentation.

Recently Adopted Accounting Guidance

The Organization 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 Organization 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 Organization's financial position, results of operations, or cash flows. The Organization implemented the new accounting guidance into their policies during the year ended June 30, 2024.

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2. UNCONDITIONAL PROMISES TO GIVE

At June 30, 2025 and 2024 the unconditional promises to give consisted of:

	2025	2024
Contribution sources	\$ 516,965	\$ 434,965
Less unamortized discount	(3,557)	(7,500)
Total unconditional promises to give, net	\$ 513,408	\$ 427,465
Current portion	\$ 363,465	\$ 284,965
Long-term	149,943	142,500
Total	\$ 513,408	\$ 427,465

Future maturities of unconditional promises to give are as follows:

2026	\$ 363,465
2027	153,500
Discount	(3,557)
Total	\$ 513,408

The unamortized discount applied to long-term unconditional promises to give, recorded at net present value, was 5.00% for the years ended June 30, 2025 and 2024.

NOTE 3. INVESTMENTS

Investments at June 30, 2025 and 2024 consist of the following:

Mutual Funds-Vanguard:	2025	2024
LifeStrategy Conservative Growth Fund Investor Funds	\$ 119,491	\$ 108,056
Short-Term Investment-Grade Fund Admiral Shares	146,200	136,167
Total Stock Market Index Fund Admiral Shares	129,177	112,180
Total investments	\$ 394,868	\$ 356,403

A summary of the return on investments consisted of the following for the years ended June 30, 2025 and 2024:

	2025	2024
Interest and dividends	\$ 15,590	\$ 1,440
Unrealized gain	22,876	37,891
Total appreciation	\$ 38,466	\$ 39,331

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 4. PROPERTY

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

	2025	2024	Useful Life
Vehicles	\$ 211,977	\$ 67,177	5 years
Furniture and equipment	26,232	26,231	5 to 7 years
	\$ 238,209	\$ 93,408	
Less: accumulated depreciation	(72,090)	(38,987)	
Total property and equipment	\$ 166,119	\$ 54,421	

Depreciation expenses were \$33,103 and \$12,881 or the years ended June 30, 2025 and 2024, respectively.

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 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.

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 5. FAIR VALUE MEASUREMENTS (Continued)

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, 2025 and 2024:

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, 2025 and 2024:

	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, 2025:				
Mutual Funds	\$ 394,868	\$ 394,868	\$ -	\$ -
Total	<u>\$ 394,868</u>	<u>\$ 394,868</u>	<u>\$ -</u>	<u>\$ -</u>

	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, 2024:				
Mutual Funds	\$ 356,403	\$ 356,403	\$ -	\$ -
Total	<u>\$ 356,403</u>	<u>\$ 356,403</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, 2025 and 2024.

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 6. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2025 and 2024 consisted of the following:

	2025	2024
Unity of Greater New Orleans	\$ 307,688	\$ 240,174
City of New Orleans	357,487	327,382
Downtown Development District	7,010	27,207
United Way	4,414	4,414
Other	2,547	-
State of Louisiana	-	34,316
Total	\$ 679,146	\$ 633,493

NOTE 7. LINE OF CREDIT

The Organization has a \$282,000 line of credit which matures January 9, 2026. Amounts borrowed under this agreement bear interest at the bank's prime rate, minus 1%. The interest rate at June 30, 2025 was 8%. At June 30, 2025 and 2024, \$263,919 and \$232,583 were outstanding on this line, respectively. The line is secured by the investments held in accounts at the same financial institution. Interest expenses totaled \$15,137 and \$13,764 for the years ended June 30, 2025 and 2024, respectively.

NOTE 8. ACCRUED EXPENSES

Accrued expenses at June 30, 2025 and 2024 consisted of the following:

	2025	2024
Accrued retirement contribution	\$ 4,137	\$ 2,785
Accrued vested leave	86,305	100,334
Accrued salaries and taxes	89,178	87,278
Total accrued expenses	\$ 179,620	\$ 190,397

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

NOTE 9. LEASING ACTIVITIES

The Organization received rent-free office space at the VA Hospital building owned by the City of New Orleans for the year ended June 30, 2024. The estimated value of the contributed rents and related expenses are recognized as revenues and expenses on the statement of activities and the statement of functional expenses. Contributed occupancy expense for the year ended June 30, 2024 was \$257,714.

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 9. LEASING ACTIVITIES (Continued)

The Organization began leasing office space under a noncancelable operating lease that commenced on November 1, 2023 and expires on June 1, 2027. Monthly base rent is fixed throughout the term with scheduled increases as outlined in the lease agreement. From July 1, 2024 through September 1, 2024, monthly payments were \$8,374; from October 1, 2024 through October 1, 2025, monthly payments increased to \$8,653; and from November 1, 2025 through June 1, 2027, monthly payments are \$8,932. The Organization is also responsible for its pro rata share of building operating expenses; such variable lease costs are expensed as incurred.

Lease cost:	2025	2024
Operating lease costs	<u>\$ 105,416</u>	<u>\$ 33,880</u>
Cash paid for operating lease	<u>\$ 102,997</u>	<u>\$ 33,880</u>
Weighted-Average Information:		
Weighted-average remaining lease in years	2	3
Weighted-average discount rate	7%	7%
Future minimum lease payments:		
For the year ended June 30, 2025:		
2026	\$ 106,068	
2027	107,184	
	<u>\$ 213,252</u>	
Total lease payments	\$ 213,252	
Less imputed interest	(13,698)	
Present value of lease liabilities	<u>\$ 199,554</u>	

The operating lease ROU asset and related lease liability are presented as separate line items on the statements of financial position.

NOTE 10. NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2025 and 2024, there was \$513,408 and \$427,465 in net assets with donor restrictions:

	2025	2024
United Way	\$ 52,965	\$ 52,965
Ochsner Clinic Foundation	314,000	157,000
Methodist Health System	150,000	225,000
Unamortized discount	(3,557)	(7,500)
Total	<u>\$ 513,408</u>	<u>\$ 427,465</u>

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 11. 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, 2025 and 2024 was \$56,456 and \$52,211, respectively.

NOTE 12. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization had the following financial assets available at June 30, 2025 and 2024, within one year of the statement of financial position date for general expenditures:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 57,351	\$ 111,945
Accounts receivables	679,146	633,493
Unconditional promises to give	513,408	427,465
Investments	394,868	356,403
Total financial assets	<u>\$ 1,644,773</u>	<u>\$ 1,529,306</u>
Less amounts unavailable for general expenditures within one year, due to:		
Donor imposed restrictions	<u>(149,943)</u>	<u>(142,500)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,494,830</u>	<u>\$ 1,386,806</u>

The Organization had \$1,494,830 and \$1,386,806 at June 30, 2025 and 2024 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 7, the Organization also has a line of credit for \$282,000, which it could draw upon in the event of an unanticipated liquidity need.

NOTE 13. COMPENSATION

The Board of Directors serves the Organization without compensation.

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 14. RELATED PARTY

During the year ended June 30, 2024, the Organization received a \$60,000 loan from a business owned by a member of the Board of Directors. The outstanding balance as of June 30, 2024 was \$12,300, and total interest paid during the year was \$5,200. The loan was repaid in full during the year ended June 30, 2025.

NOTE 15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 18, 2025, 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, 2025

Agency Head Name: Donna Paramore, Executive Director

Purpose:	<u>Total</u>
Salary	\$ 154,350
Payroll taxes	11,593
Benefits-insurance	12,888
Benefits-retirement	7,717
Benefits-parking	1,620
Cell phone	538
Conference travel	1,022
	<u>\$ 189,728</u>

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

YEAR ENDED JUNE 30, 2025

	<u>Program Service</u>	<u>Supporting Service</u>	
	<u>Crisis Intervention</u>	<u>Management and General</u>	<u>Total</u>
REVENUE:			
Grants	\$ 5,550,023	\$ 426,157	\$ 5,976,180
United Way grant	52,965	-	52,965
Occupancy fee payments	56,168	-	56,168
Contributions	-	49,764	49,764
Investment income	-	38,466	38,466
Miscellaneous	-	19,112	19,112
Total revenue	<u>\$ 5,659,156</u>	<u>\$ 533,499</u>	<u>\$ 6,192,655</u>
EXPENSES:			
Salaries and related expenses:			
Salaries	\$ 1,950,921	\$ 216,769	\$ 2,167,690
Employee benefits & taxes	444,024	49,336	493,360
	<u>\$ 2,394,945</u>	<u>\$ 266,105</u>	<u>\$ 2,661,050</u>
Advertising	\$ -	\$ 91	\$ 91
Client expenses	2,575,387	-	2,575,387
Depreciation expense	33,103	-	33,103
Dues and fees	3,514	31,629	35,143
Insurance	72,484	4,908	77,392
Interest	-	20,337	20,337
Meetings	-	15,343	15,343
Miscellaneous	4,745	7,888	12,633
Occupancy	73,791	31,625	105,416
Postage	-	201	201
Printing	-	5,462	5,462
Professional development	-	1,471	1,471
Professional fees	10,993	110,771	121,764
Software and website	33,943	22,628	56,571
Supplies	1,312	11,812	13,124
Telephone	29,054	3,228	32,282
Travel	67,949	-	67,949
Total other expenses	<u>\$ 2,906,275</u>	<u>\$ 267,394</u>	<u>\$ 3,173,669</u>
Total expenses	<u>\$ 5,301,220</u>	<u>\$ 533,499</u>	<u>\$ 5,834,719</u>
Change in net assets	<u>\$ 357,936</u>	<u>\$ -</u>	<u>\$ 357,936</u>
Allocation general and administrative	<u>\$ 533,499</u>		

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
(A NONPROFIT ORGANIZATION)
REVENUE AND EXPENSES BY CITY OF NEW ORLEANS CONTRACT
(UNAUDITED)
YEAR ENDED JUNE 30, 2024

	Emergency Shelter Grant	French Quarter Economic Development District	French Market Corporation- Rapid Rehousing	Lead Project Management	Lead Case Management	Total
REVENUE:						
Grants	\$ 26,336	\$ 365,607	\$ 193,037	\$ 126,312	\$ 606,643	\$ 1,317,935
In-kind revenue	-	-	-	-	-	-
United Way grant	-	-	-	-	-	-
United Way-other grants	-	-	-	-	-	-
United Way-designations	-	-	-	-	-	-
Occupancy fee payments	-	-	-	-	-	-
Contributions	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Total revenue	<u>\$ 26,336</u>	<u>\$ 365,607</u>	<u>\$ 193,037</u>	<u>\$ 126,312</u>	<u>\$ 606,643</u>	<u>\$ 1,317,935</u>
EXPENSES:						
Salaries and related expenses						
Salaries	\$ 24,860	\$ 27,025	\$ 133,350	\$ 83,846	\$ 341,655	\$ 610,736
Employee benefits & taxes	1,476	6,518	23,107	18,689	63,891	113,681
	<u>\$ 26,336</u>	<u>\$ 33,543</u>	<u>\$ 156,457</u>	<u>\$ 102,535</u>	<u>\$ 405,546</u>	<u>\$ 724,417</u>
Advertising	\$ -	\$ -		\$ -	\$ -	\$ -
Client expenses	-	296,508	6,558	5,012	32,371	340,449
Depreciation	-	-	-	-	-	-
Dues and fees	-	-	-	-	-	-
Equipment	-	35,125	1,059	4,777	77,095	118,056
Insurance	-	-	-	1,839	3,229	5,068
Meeting	-	-	8,952	3,439	14,944	27,335
Miscellaneous	-	-	-	-	-	-
Occupancy	-	-	12,459	4,469	31,471	48,399
Postage	-	-	-	-	-	-
Printing	-	-	-	-	141	141
Professional development	-	-	-	-	-	-
Professional fees	-	-	-	-	20,236	20,236
Software and website	-	-	-	96	1,152	1,248
Supplies	-	-	-	-	801	801
Telephone	-	431	798	435	1,002	2,666
Travel	-	-	6,754	3,710	18,655	29,119
	<u>\$ -</u>	<u>\$ 332,064</u>	<u>\$ 36,580</u>	<u>\$ 23,777</u>	<u>\$ 201,097</u>	<u>\$ 593,518</u>
Total expenses	<u>\$ 26,336</u>	<u>\$ 365,607</u>	<u>\$ 193,037</u>	<u>\$ 126,312</u>	<u>\$ 606,643</u>	<u>\$ 1,317,935</u>
Change in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2025.

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 on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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.



Metairie, Louisiana
December 18, 2025



**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 nonprofit 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, 2025. 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, 2025.

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 grant 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. 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 18, 2025

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.
(A NONPROFIT ORGANIZATION)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

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	LA0280L6H032206	\$ 441,262
The Journey Home	14.267	LA0280L6H032307	1,396,578
Coordinated Entry System Project	14.267	LA0277L6H032206	9,858
Coordinated Entry System Project	14.267	LA0277L6H032307	117,067
Traveler's Aid PSH	14.267	LA0260L6H032309	280,656
Traveler's Aid PSH	14.267	LA0260L6H032410	81,058
Expanding Street Outreach	14.267	LA0404H6H032200	60,511
PSH for People Experiencing Unsheltered Homelessness	14.267	LA0401H6H032200	735,504
Connections Rapid Rehousing	14.267	LA0060L6H032316	265,816
			<u>3,388,310</u>
Emergency Solutions Grant Program:			
<i>Passed through City of New Orleans</i>			
COVID-19 The Community Development Block Grant	14.231	CDBG-CV	26,335
Total U.S. Department of Housing and Urban Development			<u>\$ 3,414,645</u>
U.S. Department of the Treasury			
Coronavirus State and Local Fiscal Recovery Funds:			
Louisiana Governor's Office of Homeland Security and Emergency Preparedness			
<i>Passed through City of New Orleans</i>			
Emergency Shelter Grant, ARPA-001	21.027	ARPA-001(23)	713,361
Total U.S. Department of the Treasury			<u>\$ 713,361</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 4,128,006</u>

See Notes to Expenditures of Federal Awards

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.

**NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025**

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, 2025. 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, 2025**

Section I – Summary of Auditors' Reports

Financial Statements

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 of Traveler's Aid Society of New Orleans, Inc.'s internal control were disclosed by 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 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 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*.

Federal Awards

4. No significant deficiencies or material weaknesses relating to internal control over the major federal award programs were disclosed during the audit, as 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 major federal award programs expresses an unmodified opinion.
6. There were no audit findings that are required to be reported in accordance with the Uniform Guidance
7. No management letter was issued for the year ended June 30, 2025.
8. The program tested as a major program was:

Assistance Listing No. 14.267

Continuum of Care Program

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section I – Summary of Auditors' Reports

Federal Awards

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 as defined by Uniform Guidance.

Section II- Financial Statement Findings

Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No internal control over financial reporting findings were reported during the audit for the year ending June 30, 2025.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ending June 30, 2025.

Section III - Federal Award Findings and Questioned Costs

Internal Control/Compliance

No findings or questioned costs were reported during the audit of the financial statements for the year ended June 30, 2025, related to internal control and compliance material to federal awards.

REPORTS BY MANAGEMENT

TRAVELER'S AID SOCIETY OF NEW ORLEANS, INC.

**SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

**Section I - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Basic Financial Statements**

Internal Control Over Financial Reporting

No findings were noted during the year-end June 30, 2024 audit related to internal control over financial reporting material to the basic financial statements.

Compliance and Other Matters

There were no findings material to the financial statements noted during the year-end June 30, 2024 audit related to compliance and other matters.

Section II - Internal Control and Compliance Material to Federal Awards

Internal Control Over Financial Reporting

No internal control over financial reporting findings was reported during the audit for the year ending June 30, 2024.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ended June 30, 2024.

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ending June 30, 2024.

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, which were agreed to by Traveler's Aid Society of New Orleans, Inc. and the Louisiana Legislative Auditor on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the year-end June 30, 2025. We are required to perform each procedure and report the results, including any exceptions. Management is required to provide a corrective action plan that addresses all exceptions noted. For any procedures that do not apply, we have marked them "not applicable."

The management of Traveler's Aid Society of New Orleans, Inc. and the Legislative Auditor, State of Louisiana, agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of describing the scope of testing performed on those control and compliance (C/C) areas identified in the Statewide Agreed-Upon Procedures (SAUPs), and the result of that testing. 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; as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

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 four additional accounts (or all accounts if fewer 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:
- 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: The Organization did not provide 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.

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 control and compliance (C/C) areas identified in the Statewide Agreed-Upon Procedures (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 for the management of Traveler's Aid Society of New Orleans, Inc. and the Legislative Auditor, State of Louisiana to describe the scope of testing performed on those control and compliance (C/C) areas identified in the Statewide Agreed-Upon Procedures (SAUPs), and the result of that testing, and not to provide an opinion on control or compliance. It should not be used by those who have not agreed to the procedures and have not taken responsibility for the sufficiency of the procedures for their purposes. 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 & Frank".

December 18, 2025
Metairie, Louisiana