

TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS

**FINANCIAL STATEMENTS AND
AUDITOR'S REPORT**

June 30, 2018

TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Travelers Aid Society of Greater New Orleans

Report on the Financial Statements

We have audited the accompanying financial statements of Travelers Aid Society of Greater New Orleans (a non-profit organization), which comprise the statement of the financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Travelers Aid Society of Greater New Orleans as of June 30, 2018, 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.

Report on Summarized Comparative Information

We have previously audited Travelers Aid Society of Greater New Orleans' 2017 financial statements, and our report dated November 21, 2017, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental financial information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) 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 statement 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 November 5, 2018, on our consideration of Travelers Aid Society of Greater New Orleans' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Travelers Aid Society of Greater New Orleans' internal control over financial reporting and compliance.

Justin J. Scudder, CPA, LLC

New Orleans, Louisiana
November 5, 2018

TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS

STATEMENT OF FINANCIAL POSITION

June 30, 2018

ASSETS

		SUMMARIZED COMPARATIVE INFORMATION
		June 30, 2017
Cash	\$ 384,300	\$ 326,489
Investment securities (Notes A4 and B)	506,107	472,192
Receivables		
Grant (Notes A5 and C)	189,846	351,797
Other	<u>382</u>	<u>1,000</u>
	<u>190,228</u>	<u>352,797</u>
Prepaid expenses	68,556	39,105
Property and equipment, at cost (Note A6)		
Office Equipment	10,356	10,356
Less accumulated depreciation	<u>< 10,356 ></u>	<u>< 10,356 ></u>
	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,149,191</u>	<u>\$ 1,190,583</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities	\$ 73,426	\$ 23,504
Accrued retirement plan contributions	<u>18,009</u>	<u>17,072</u>
Total liabilities	<u>91,435</u>	<u>40,576</u>
Net assets		
Unrestricted	1,057,756	1,150,007
Temporarily restricted	<u>-</u>	<u>-</u>
Total net assets	<u>1,057,756</u>	<u>1,150,007</u>
Total liabilities and net assets	<u>\$ 1,149,191</u>	<u>\$ 1,190,583</u>

The accompanying notes are an integral part of this financial statement.

TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS

STATEMENT OF ACTIVITIES

For the year ended June 30, 2018

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>	<u>SUMMARIZED COMPARATIVE INFORMATION</u> For the year ended <u>June 30, 2017</u>
REVENUES				
United Way				
Grants	\$ -	\$ 125,000	\$ 125,000	\$ 125,000
Other	4,795	-	4,795	3,355
Contributions	8,172	-	8,172	4,325
Investment income (Note B)	34,084	-	34,084	57,141
Governmental grants	-	1,151,458	1,151,458	851,688
In-kind support	120,415	-	120,415	120,415
Other	2,191	58,180	60,371	32,582
Net assets released from restrictions	<u>1,334,638</u>	<u>< 1,334,638 ></u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>1,504,295</u>	<u>-</u>	<u>1,504,295</u>	<u>1,194,506</u>
EXPENSES				
Program services				
Crisis intervention	1,455,795	-	1,455,795	912,969
Self-Help	80,014	-	80,014	275,760
Supportive services				
Management and general	<u>60,737</u>	<u>-</u>	<u>60,737</u>	<u>69,725</u>
TOTAL EXPENSES	<u>1,596,546</u>	<u>-</u>	<u>1,596,546</u>	<u>1,258,454</u>
 Increase <decrease> in net assets	 < 92,251 >	 -	 < 92,251 >	 < 63,948 >
Net assets, beginning of year	<u>1,150,007</u>	<u>-</u>	<u>1,150,007</u>	<u>1,213,955</u>
Net assets, end of year	<u>\$ 1,057,756</u>	<u>\$ -</u>	<u>\$ 1,057,756</u>	<u>\$ 1,150,007</u>

The accompanying notes are an integral part of this financial statement.

TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS

STATEMENT OF CASH FLOWS

For the year ended June 30, 2018

**SUMMARIZED
COMPARATIVE
INFORMATION
For the year ended
June 30, 2017**

Cash flows from operating activities:

Increase <decrease> in net assets	\$ < 92,251>	\$ < 63,948>
Adjustments to reconcile increase <decrease> in net assets to net cash provided by <used in> operating activities:		
Unrealized <appreciation> depreciation of marketable securities	< 23,348>	11,620
Gain on sale of securities		< 50,007>
Changes in assets and liabilities:		
<Increase> decrease in grants receivable	161,951	< 137,390>
<Increase> decrease in other receivables	618	< 279>
<Increase> decrease in prepaid expenses	< 29,451>	< 19,599>
Increase <decrease> in accounts payable and accrued liabilities	49,922	8,892
Increase <decrease> in accrued retirement plan contributions	<u>937</u>	<u>3,551</u>
Net cash provided by <used in> operating activities	<u>68,378</u>	<u>< 250,160></u>
Cash flows from investing activities:		
Purchase of investment securities	< 10,567>	< 15,115>
Proceeds from sale of securities	<u>-</u>	<u>200,000</u>
Net cash provided by <used in> investing activities	<u>< 10,567></u>	<u>184,885</u>
Net increase <decrease> in cash and cash equivalents	57,811	< 65,275>
Cash and cash equivalents, beginning of year	<u>326,489</u>	<u>391,764</u>
Cash and cash equivalents, end of year	<u>\$ 384,300</u>	<u>\$ 326,489</u>

The accompanying notes are an integral part of this financial statement.

TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2018

	<u>PROGRAM SERVICES</u>				<u>SUMMARIZED COMPARATIVE INFORMATION</u>
	<u>CRISIS INTERVENTION</u>	<u>SELF HELP</u>	<u>MANAGEMENT AND GENERAL</u>	<u>TOTAL</u>	<u>For the year ended June 30, 2017</u>
Salaries	\$ 466,584	\$ 20,212	\$ 30,318	\$ 517,114	\$ 418,511
Benefits	76,052	3,682	5,522	85,256	72,515
Payroll taxes	35,633	1,225	1,838	38,696	33,274
Occupancy expense	90,311	12,042	18,062	120,415	120,576
Travel	13,727	3,794	-	17,521	15,876
Supplies	9,557	1,089	476	11,122	10,309
Printing	2,286	587	308	3,181	1,843
Direct assistance to individuals	712,274	27,553	-	739,827	522,099
Other expense	<u>49,371</u>	<u>9,830</u>	<u>4,213</u>	<u>63,414</u>	<u>63,451</u>
Total expenses	<u>\$ 1,455,795</u>	<u>\$ 80,014</u>	<u>\$ 60,737</u>	<u>\$ 1,596,546</u>	<u>\$ 1,258,454</u>

The accompanying notes are an integral part of this financial statement.

TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Corporation's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Nature of Activities

Travelers Aid Society of Greater New Orleans was organized for educational and charitable purposes primarily to provide crisis intervention and job search services for homeless or stranded families and individuals.

The Corporation is supported primarily through United Way and government grants. Approximately 9% of the Corporation's support for the year ended June 30, 2018 came from the United Way.

2. Presentation of Financial Statements

The Corporation's financial statements are presented in accordance with requirements established by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in FASB ASC 958. Accordingly, the net assets of the corporation are reported in each of the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets.

The net assets and changes therein are classified as follows:

Unrestricted Net Assets - Contributions and other revenue and expenses for the general operation of its programs.

Temporarily Restricted Net Assets - Contributions and other revenues specifically authorized by the donor or grantor to be used for specific purposes.

Permanently Restricted Net Assets - Contributions subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by actions of the Corporation pursuant to those stipulations. There were no permanently restricted net assets.

3. Revenue Recognition

For financial reporting, the Corporation recognizes all contributed support as income in the period received. Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity "as net assets released from restrictions".

Grant revenue is earned in accordance with approved contracts.

TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Investment Securities

Investment securities are presented in accordance with requirements established by FASB ASC 320. Under FASB ASC 320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in investment income for the year ended June 30, 2018.

5. Receivables

The Corporation considers accounts receivable to be fully collectible since the balance consists principally of payments due under governmental contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

6. Depreciation and Amortization

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Leasehold improvements are amortized over the lives of the respective leases or the service lives of the improvements, whichever is shorter. The straight-line method of depreciation is followed for substantially all assets for financial reporting purposes. There was no depreciation expense for the year ended June 30, 2018.

It is the policy of the corporation to capitalize all property, furniture, and equipment with an acquisition cost in excess of \$5,000.

7. 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.

8. Fair Values of Financial Investments

Cash, cash equivalents, and temporary investments carrying amounts are reported in the statement of financial position at approximate fair value because of the short maturities of those investments. The fair value of marketable securities is based on quoted market prices for those or similar investments.

TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

9. Functional Allocation of Expenses

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

10. Cash Equivalents

For purposes of the statement of cash flows, the corporation considers all investments with original maturities of three months or less to be cash equivalents.

11. In-Kind Support

Travelers Aid Society of Greater New Orleans receives rent-free office space at the VA Hospital Building owned by the City New Orleans (\$120,415). The estimated value of the contributed rents are recognized as revenue and expense in the statement of activities.

12. Subsequent Events

The subsequent events of the organization were evaluated through the date the financial statements were available to be issued (November 5, 2018).

13. Summarized Comparative Information

Summarized comparative information is presented only to assist with financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE B – INVESTMENT SECURITIES

Investment securities at June 30, 2018 consist of the following:

	<u>Fair Market Value</u>	<u>Cost</u>
Mutual Funds - Vanguard		
Life strategy conservative growth	\$ 126,546	\$ 114,954
Short-term investment growth	166,536	171,223
Total stock market index	<u>213,025</u>	<u>111,612</u>
	<u>\$ 506,107</u>	<u>\$ 397,789</u>

The unrealized appreciation for the year ended June 30, 2018 totaled \$23,348. As of June 30, 2018, the aggregate unrealized appreciation totaled \$108,318.

TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE B – INVESTMENT SECURITIES – CONTINUED

For the year ended June 30, 2018, investment income consists of the following:

Interest and dividend income	\$ 10,736
Unrealized appreciation of investment securities	<u>23,348</u>
	<u>\$ 34,084</u>

NOTE C – GRANTS RECEIVABLE

Grants receivable at June 30, 2018 consist of the following:

City of New Orleans	\$ 17,274
Unity of Greater New Orleans, Inc.	171,328
Downtown Development District	<u>1,244</u>
	<u>\$ 189,846</u>

NOTE D – RETIREMENT PLAN

The Corporation sponsors a defined contribution pension plan covering all employees twenty-one years or older who have worked for the corporation over three years. The plan provides for contributions in such amounts as the Board of Directors may determine annually. The contribution rate remained unchanged from the prior year. The pension expense for the year ended June 30, 2018 totaled \$20,424.

NOTE E – CONCENTRATION OF CREDIT RISK

The Corporation's cash balances as of June 30, 2018, before deducting outstanding checks, consist of the following:

Financial institutions	\$ 450,895
Less: FDIC insurance	<u>< 250,000 ></u>
Unsecured balance	<u>\$ 200,895</u>

Approximately 73% of the Corporation's revenue comes from two grantors, the City of New Orleans and Unity of Greater New Orleans, Inc.

Unity of Greater New Orleans, Inc. accounts for 90% of the Corporation's grants receivables.

TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE F - INCOME TAXES

The Corporation is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

The corporation has adopted the provision of FASB ASC 740-10-25, which requires a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. The organization does not believe its financial statements include any uncertain tax positions.

NOTE G - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

NOTE H - FAIR VALUES OF FINANCIAL INVESTMENTS

Statement of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in the FASB ASC 820-10 requires disclosure of the estimated fair value of certain financial instruments and the methods and significant assumptions used to estimate their fair value. Financial instruments within the scope of FASB ASC 820-10 are included in the table below.

	<u>Fair Value Measurement of Reporting Date</u>		
	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual funds	<u>\$ 506,107</u>	<u>\$ 506,107</u>	<u>\$ -</u>

The assumptions to estimate fair values are as follows:

The fair value of the investment securities are based on quoted market prices for those or similar investments.

SUPPLEMENTAL INFORMATION

TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS

COMBINED STATEMENT OF ACTIVITIES

For the year ended June 30, 2018

	<u>General</u>	<u>Emergency Shelter Grant</u>	<u>EFSP</u>	<u>Unity Of Greater New Orleans, Inc.</u>	<u>Downtown Development District</u>	<u>Total</u>
REVENUE						
United Way	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ 125,000
Government grants	-	75,696	15,000	1,019,836	40,926	1,151,458
Contributions	12,967	-	-	-	-	12,967
Investment income	34,084	-	-	-	-	34,084
Other	60,371	-	-	-	-	60,371
In-kind support	120,415	-	-	-	-	120,415
Total revenues	<u>352,837</u>	<u>75,696</u>	<u>15,000</u>	<u>1,019,836</u>	<u>40,926</u>	<u>1,504,295</u>
EXPENSES						
Salaries	187,505	57,562	-	246,729	23,713	515,509
Fringe benefits	45,820	13,961	-	57,953	7,823	125,557
Travel	7,060	-	-	9,472	990	17,522
Professional fees	7,816	-	-	8,885	-	16,701
Occupancy expense	120,415	-	-	-	-	120,415
Specific assistance	47,959	-	16,010	675,860	-	739,829
Supplies	5,422	-	-	12,522	1,090	19,034
Telephone	728	6,902	-	576	-	8,206
Other	16,458	2,786	-	7,219	7,310	33,773
Total expenses	<u>439,183</u>	<u>81,211</u>	<u>16,010</u>	<u>1,019,216</u>	<u>40,926</u>	<u>1,596,546</u>
Increase <decrease> in net assets	< 86,346>	< 5,515>	< 1,010>	620	-	< 92,251>
Transfer to/from general fund	< 5,905>	5,515	1,010	< 620>	-	-
Net assets, beginning of year	<u>1,150,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,150,007</u>
Net assets, end of year	<u>\$ 1,057,756</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,057,756</u>

TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS

STATEMENT OF ACTIVITIES BY PROGRAM

For the year ended June 30, 2018

	<u>CRISIS INTERVENTION</u>	<u>SELF HELP</u>	<u>TOTAL</u>
REVENUE			
Direct program revenue:			
Grant appropriation	\$ 1,151,458	\$ -	\$ 1,151,458
Total direct program revenues	1,151,458	-	1,151,458
Unrestricted revenue	101,836	5,586	107,422
In-kind support	<u>107,434</u>	<u>12,981</u>	<u>120,415</u>
Total self-generated revenue	1,360,728	18,567	1,379,295
United Way	<u>75,000</u>	<u>50,000</u>	<u>125,000</u>
Total revenue	<u>1,435,728</u>	<u>68,567</u>	<u>1,504,295</u>
EXPENSES			
Salaries	466,584	20,212	486,796
Benefits	76,052	3,682	79,734
Payroll taxes	35,633	1,225	36,858
Occupancy expense	90,311	12,042	102,353
Travel	13,727	3,794	17,521
Supplies	9,557	1,089	10,646
Printing	2,286	587	2,873
Direct assistance to individuals	712,274	27,553	739,827
Other	<u>49,371</u>	<u>9,830</u>	<u>59,201</u>
Total direct program expenses	<u>1,455,795</u>	<u>80,014</u>	<u>1,535,809</u>
Support service expenses	<u>57,573</u>	<u>3,164</u>	<u>60,737</u>
Total expenses	<u>1,513,368</u>	<u>83,178</u>	<u>1,596,546</u>
INCREASE <DECREASE> IN NET ASSETS	<u>\$ <77,640></u>	<u>\$ <14,611></u>	<u>\$ <92,251></u>

TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2018

PROGRAM TITLE	<u>PASS THROUGH GRANTOR NO.</u>	<u>FEDERAL CFDA NUMBER</u>	<u>TOTAL FEDERAL EXPENDITURES</u>
<u>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Funds passed through Unity of Greater New Orleans, Inc.:			
Continuum of Care Program			
The Journey Home	LA0280L6H031600	14.267	\$ 337,653
Housing First Permanent Housing Project	LA0184L6H031504	14.267	227,987
Housing First Permanent Housing Project	LA0184L6H031605	14.267	317,365
Day Care Coordinated Entry	LA0276L6H031600	14.267	125,779
Funds passed through City of New Orleans:			
Emergency Solutions Grant	ESG-031B	14.231	58,243
Emergency Solutions Grant	ESG-032B	14.231	<u>17,274</u>
Total U. S. Department of Housing and Urban Development			<u><u>1,084,301</u></u>
<u>U. S. DEPARTMENT OF HOMELAND SECURITY</u>			
Funds passed through United Way of Greater New Orleans, Inc.:			
Emergency Food and Shelter National Board Program	-	97.114	<u>15,000</u>
Total U. S. Department of Homeland Security			<u><u>15,000</u></u>
Total Federal Awards			<u><u>\$ 1,099,301</u></u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Travelers Aid Society of Greater New Orleans under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Par 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 Travelers Aid Society of Greater New Orleans it is not intended to and does not present the financial position, changes in net assets, or cash flows of Travelers Aid Society of Greater New Orleans.

B. Summary of Significant Accounting Policies

- (1) 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, wherein certain types of expenditures are not allowable or are limited as to reimbursements.

TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

For the year ended June 30, 2018

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

C. Non-federal contributions

The matching contributions for the Continuum of Care Program totaled \$89,382 for the year ended June 30, 2018.

D. Indirect Cost Rate

Travelers Aid Society of Greater New Orleans has not elected to use the 10% de minimis indirect cost rate.

TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

For the year ended June 30, 2018

Agency Head: Karen L. Martin

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 102,500
Retirement	10,125
Hospitalization	6,055
Life/Disability	2,454
Worker's compensation	1,375
Parking	1,320
Professional Development	808
Other costs	6

Justin J. Scanlan, C.P.A., F.T.C.

A LIMITED LIABILITY COMPANY

4769 ST. ROCH AVE. NEW ORLEANS, LOUISIANA 70122
TELEPHONE: (504) 288-0050

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Travelers Aid Society of Greater New Orleans

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 Greater New Orleans (non-profit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, fundamental expense and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 5, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Travelers Aid Society of Greater New Orleans' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Travelers Aid Society of Greater New Orleans' 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Travelers Aid Society of Greater New Orleans' financial statements are free of 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 determination of financial statement amounts. 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.

New Orleans, Louisiana
November 5, 2018



Justin J. Scanlan, C.P.A., L.L.C.

A LIMITED LIABILITY COMPANY

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

Board of Directors
Travelers Aid Society of Greater New Orleans

Report on Compliance for Each Major Federal Program

We have audited Travelers Aid Society of Greater New Orleans' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Travelers Aid Society of Greater New Orleans' major federal programs for the year ended June 30, 2018. Travelers Aid Society of Greater New Orleans' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Travelers Aid Society of Greater New Orleans' major federal programs based on our audit of the types of compliance requirements referred to above. 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance required that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Travelers Aid Society of Greater New Orleans' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Travelers Aid Society of Greater New Orleans' compliance.

Opinion on Each Major Federal Program

In our opinion, Travelers Aid Society of Greater New Orleans 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, 2018.

TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2018

B. FINANCIAL STATEMENT FINDINGS

There were no findings related to the financial statements for the year ended June 30, 2018.

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no items identified in the course of our testing during the current year required to be reported.

D. STATUS OF PRIOR YEAR AUDIT FINDINGS

There were no prior year audit findings.

TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2018

A. SUMMARY OF THE AUDIT RESULTS

Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported
- Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with with 2CFR section 200.516(a)?

 yes X no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

14.267

U. S. Department of Housing and Urban Development;
Passed through Unity of Greater New Orleans, Inc.
Continuum of Care Program

Dollar threshold used to distinguish between type A and B programs:

\$750,000

Auditee qualified as low-risk auditee?

 yes X no

TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2018

B. FINANCIAL STATEMENT FINDINGS

There were no findings related to the financial statements for the year ended June 30, 2018.

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no items identified in the course of our testing during the current year required to be reported.

D. STATUS OF PRIOR YEAR AUDIT FINDINGS

There were no prior year audit findings.