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**TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS**

**FINANCIAL STATEMENTS AND  
AUDITOR'S REPORT**

**June 30, 2004**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2-9-05

**TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS**

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

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Travelers Aid Society of Greater New Orleans


I have audited the accompanying statement of financial position of Travelers Aid Society of Greater New Orleans (a non-profit corporation) as of June 30, 2004, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit. The prior year summarized comparative information has been derived from the Corporation's 2003 financial statements and, in my report dated December 3, 2003, I expressed an unqualified opinion on these financial statements.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my 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, 2004, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated November 12, 2004 on my consideration of Travelers Aid Society of Greater New Orleans' internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of the audit.

My audit was made for the purpose of forming an opinion on the basic financial statements of Travelers Aid Society of Greater New Orleans taken as a whole. The supplemental financial statements listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



New Orleans, Louisiana  
November 12, 2004

**TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS**

**STATEMENT OF FINANCIAL POSITION**

**June 30, 2004**

		<b>Memorandum Only <u>June 30, 2003</u></b>
<b>ASSETS</b>		
Cash	\$ 286,623	\$ 181,078
Investment securities (Notes A4 and B)	443,266	410,004
Grants receivable (Note A5 and C)	92,822	88,638
Unconditional promise to give (Note D)	406,455	451,271
Property and equipment-at cost (Notes A6 and E)	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,229,166</u>	<u>\$ 1,130,991</u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued liabilities	\$ 78,488	\$ 64,584
Accrued retirement plan contributions	<u>20,361</u>	<u>12,779</u>
Total liabilities	<u>98,849</u>	<u>77,363</u>
Commitment (Note F)	-	-
Net assets		
Unrestricted	723,862	602,357
Temporarily restricted	<u>406,455</u>	<u>451,271</u>
Total net assets	<u>1,130,317</u>	<u>1,053,628</u>
Total liabilities and net assets	<u>\$ 1,229,166</u>	<u>\$ 1,130,991</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, 2004**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL MEMORANDUM ONLY</u>	
			<u>FOR THE YEAR ENDED June 30, 2004</u>	<u>FOR THE YEAR ENDED June 30, 2003</u>
<b>REVENUES</b>				
United Way				
Allocation	\$ -	\$ 406,455	\$ 406,455	\$ 451,271
Designations	4,483	-	4,483	5,452
Contributions	14,008	-	14,008	10,216
Investment income (Note B)	34,596	-	34,596	12,646
Governmental grants	-	399,056	399,056	357,000
Other	3,927	-	3,927	121
Net assets released from restrictions	<u>850,327</u>	<u>&lt; 850,327 &gt;</u>	<u>-</u>	<u>-</u>
<b>TOTAL REVENUES</b>	<u>907,341</u>	<u>&lt; 44,816 &gt;</u>	<u>862,525</u>	<u>836,706</u>
<b>EXPENSES</b>				
Program services				
Crisis intervention	448,925	-	448,925	454,363
Self-help employment	262,826	-	262,826	258,992
Supportive service				
Management and general	<u>74,085</u>	<u>-</u>	<u>74,085</u>	<u>89,985</u>
<b>TOTAL EXPENSES</b>	<u>785,836</u>	<u>-</u>	<u>785,836</u>	<u>803,340</u>
Increase <decrease> in net assets	121,505	< 44,816 >	76,689	33,366
Net assets, beginning of year	<u>602,357</u>	<u>451,271</u>	<u>1,053,628</u>	<u>1,020,262</u>
Net assets, end of year	<u>\$ 723,862</u>	<u>\$ 406,455</u>	<u>\$ 1,130,317</u>	<u>\$ 1,053,628</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, 2004**

Increase <decrease> in cash and cash equivalents

Cash flows from operating activities:

Increase in net assets \$ 76,689

Adjustments to reconcile increase in net assets to net cash provided by operating activities:

Unrealized appreciation of marketable securities \$ < 25,868>

Changes in assets and liabilities:

Decrease in conditional promise to give 44,816

Increase in grants receivable < 4,184>

Increase in accounts payable and accrued liabilities 13,904

Increase in accrued retirement plan contributions 7,582 36,250

Net cash provided by operating activities 112,939

Cash flows from investing activities:

Purchase of investment securities < 7,394>

Net cash used in investing activities < 7,394>

Net increase in cash and cash equivalents 105,545

Cash and cash equivalents, beginning of year 181,078

Cash and cash equivalents, end of year \$ 286,623

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, 2004**

	<u>PROGRAM SERVICES</u>			<u>TOTAL MEMORANDUM ONLY</u>	
	<u>CRISIS INTERVENTION</u>	<u>SELF-HELP EMPLOYMENT</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FOR THE YEAR ENDED June 30, 2004</u>	<u>FOR THE YEAR ENDED June 30, 2003</u>
Compensation expense	\$ 318,010	\$ 177,594	\$ 58,993	\$ 554,597	\$ 546,824
Occupancy	55,823	36,349	5,201	97,373	101,799
Travel	2,154	1,530	2,264	5,948	4,267
Specific assistance	51,647	34,431	-	86,078	111,644
Board generated self-support	-	-	-	-	500
Other expense	<u>21,291</u>	<u>12,922</u>	<u>7,627</u>	<u>41,840</u>	<u>36,973</u>
Total expenses before depreciation and amortization	448,925	262,826	74,085	785,836	802,007
Depreciation and amortization	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,333</u>
Total expenses	<u>\$ 448,925</u>	<u>\$ 262,826</u>	<u>\$ 74,085</u>	<u>\$ 785,836</u>	<u>\$ 803,340</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, 2004**

**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 47% of the corporation support for the year ended June 30, 2004 came from allocations 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) as set forth in the Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-For-Profit Organizations". 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. There were no permanently restricted assets.

Net assets of the restricted class are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted, and are reported as part of the unrestricted class.

**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.

**4. Investment Securities**

Investment securities are presented in accordance with Statement of Financial Accounting Standard No. 124, "Accounting for Certain Investments Held by Not-For-Profit Organizations". Under SFAS No. 124, 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, 2004.



**TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2004**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**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.

**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.

**9. Functional Allocation of Expense**

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.

**TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2004**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**11. Memorandum Only – Total Columns**

Total columns are captioned “Memorandum Only” to indicate that they are presented only to assist with financial analysis. Data in these columns do not present financial position, results of operations or changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**NOTE B – INVESTMENT SECURITIES**

Investment securities at June 30, 2004 consist of the following:

	<u>Fair Market Value</u>	<u>Cost</u>
<i>Mutual Funds</i>		
Fidelity-Balanced Fund	\$ 124,555	\$ 109,886
Fidelity- Stock Selector Fund	122,479	140,223
Fidelity-Short-Term Bond Fund	<u>196,232</u>	<u>194,038</u>
	<u>\$ 443,266</u>	<u>\$ 444,147</u>

The unrealized appreciation for the year ended June 30, 2004 totaled \$25,868. As of June 30, 2004, the aggregate unrealized depreciation totaled \$881.

For the year ended June 30, 2004, investment income consists of the following:

Dividend income	\$ 7,394
Interest income	1,334
Unrealized appreciation of investment securities	<u>25,868</u>
	<u>\$ 34,596</u>

**NOTE C – GRANTS RECEIVABLE**

Grants receivable at June 30, 2004 consist of the following:

City of New Orleans – Division of Housing and Neighborhood Development	\$ 57,585
City of New Orleans	6,250
State of Louisiana – Office of Family Support	5,734
Unity for the Homeless, Inc.	20,633
Federal Emergency Management Agency	<u>2,620</u>
	<u>\$ 92,822</u>

**TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2004**

**NOTE D – UNCONDITIONAL PROMISE TO GIVE**

The unconditional promise to give represents the United Way allocation for the program year July 1, 2004 through June 30, 2005.

**NOTE E - PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2004 consists of the following:

Leasehold improvements	\$ 15,329
Furniture and equipment	<u>28,252</u>
	43,581
Less accumulated depreciation and amortization	<u>&lt; 43,581 &gt;</u>
	<u>\$ -</u>

**NOTE F – COMMITMENT**

The corporation leases its administrative and program service facilities under an operating lease expiring October, 2011. The rental expense for the year ended June 30, 2004 totaled \$65,570.

Future minimum lease payments are as follows:

**Year ending June 30,**

2005	\$ 65,570
2006	65,570
2007	65,570
2008	65,570
2009	65,570
2010-2012	<u>131,140</u>
	<u>\$ 458,990</u>

**NOTE G – 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. For the year ended June 30, 2004, the pension expense totaled \$20,361.

**TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2004**

**NOTE H – CONCENTRATION OF CREDIT RISK**

The corporation's cash balances as of June 30, 2004, before deducting outstanding checks, consists of the following:

Financial institutions	\$ 290,939
Less: FDIC insurance	<u>&lt; 100,000 &gt;</u>
Unsecured balance	<u>\$ 190,939</u>

**NOTE I - INCOME TAXES**

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

**NOTE J - BOARD OF DIRECTORS' COMPENSATION**

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

**SUPPLEMENTAL INFORMATION**

**TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS**

**STATEMENT OF ACTIVITIES BY PROGRAM**

**For the year ended June 30, 2004**

	<u>AGENCY TOTALS</u>	<u>MANAGEMENT AND GENERAL</u>	<u>CRISIS INTERVENTION</u>	<u>SELF-HELP EMPLOYMENT</u>
<b>REVENUE</b>				
Board generated self-support	\$ 9,701	\$ 6,112	\$ 3,589	\$ -
Government grants	399,056	87,793	179,575	131,688
United Way designations	4,483	-	2,902	1,581
CFC designations	4,307	-	2,940	1,367
United Way allocation	451,271	-	298,720	152,551
Other revenue	<u>38,523</u>	<u>38,523</u>	<u>-</u>	<u>-</u>
<b>Total revenues</b>	<u><b>907,341</b></u>	<u><b>132,428</b></u>	<u><b>487,726</b></u>	<u><b>287,187</b></u>
<b>EXPENSES</b>				
Compensation expenses	554,597	58,993	318,010	177,594
Occupancy expenses	97,373	5,201	55,823	36,349
Travel	5,948	2,264	2,154	1,530
Specific assistance	86,078	-	51,647	34,431
Other program expenses	<u>41,840</u>	<u>7,627</u>	<u>21,291</u>	<u>12,922</u>
<b>Total expenses</b>	<u><b>785,836</b></u>	<u><b>74,085</b></u>	<u><b>448,925</b></u>	<u><b>262,826</b></u>
Increase in net assets	<u><b>\$ 121,505</b></u>	<u><b>\$ 58,343</b></u>	<u><b>\$ 38,801</b></u>	<u><b>\$ 24,361</b></u>

**Presentation of Financial Statement**

The financial statement is presented in the Functional Budget Spreadsheet format required by United Way for the year ended June 30, 2004. The United Way allocation represents funds awarded for the period July 1, 2003 through June 30, 2004.

TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS

COMBINED STATEMENT OF ACTIVITIES

For the year ended June 30, 2004

	General	City of New Orleans	Emergency Shelter Grant	FEMA	State of Louisiana- Office of Family Support	Unity For the Homeless, Inc.	Total
		ESG-19	ESG-18				
<b>REVENUE</b>							
United Way allocations	\$ 406,455	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 406,455
Government grants	-	57,585	50,959	5,240	148,999	111,273	399,056
Contributions	18,491	-	-	-	-	-	18,491
Investment income	34,596	-	-	-	-	-	34,596
Other	3,927	-	-	-	-	-	3,927
<b>Total revenues</b>	<u>463,469</u>	<u>57,585</u>	<u>50,959</u>	<u>5,240</u>	<u>148,999</u>	<u>111,273</u>	<u>862,525</u>
<b>EXPENSES</b>							
Salaries	204,640	12,750	12,750	-	123,945	76,203	455,288
Fringe benefits	65,324	1,205	1,120	-	30,540	1,120	99,309
Travel	5,659	-	-	-	-	289	5,948
Professional fees	13,368	-	-	-	-	-	13,368
Occupancy expense	22,003	43,630	29,589	-	-	-	95,222
Specific assistance	41,630	-	5,500	6,888	-	31,957	85,975
Equipment expenses	2,095	-	2,000	-	-	-	4,095
Supplies	12,232	-	-	-	-	838	13,070
Telephone	6,409	-	-	-	-	866	7,275
Printing	69	-	-	-	-	-	69
Other	6,217	-	-	-	-	-	6,217
<b>Total expenses</b>	<u>379,646</u>	<u>57,585</u>	<u>50,959</u>	<u>6,888</u>	<u>154,485</u>	<u>111,273</u>	<u>785,836</u>
Increase <decrease> in net assets	83,823	-	-	< 1,648 >	< 5,486 >	-	76,689
Transfer to/from general	< 7,134 >	-	-	1,648	5,486	-	-
Net assets, beginning of year	1,053,628	-	-	-	-	-	1,053,628
Net assets, end of year	<u>\$ 1,130,317</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,130,317</u>

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

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

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
Travelers Aid Society of Greater New Orleans

I have audited the financial statements of Travelers Aid Society of Greater New Orleans as of and for the year ended June 30, 2004, and have issued my report thereon dated November 12, 2004. I conducted my 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.

### Compliance

As part of obtaining reasonable assurance about whether Travelers Aid Society of Greater New Orleans' financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered Travelers Aid Society of Greater New Orleans' internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being auditing may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization and federal awarding agencies, the Louisiana Legislative Auditor, 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.



New Orleans, Louisiana  
November 12, 2004

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MEMBER



**TRAVELERS AID SOCIETY OF GREATER NEW ORLEANS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the year ended June 30, 2004**

**A. REPORTABLE CONDITIONS**

There were no reportable conditions for the year ended June 30, 2004.

**B. QUESTIONED COSTS**

There were no questioned costs for the year ended June 30, 2004.

**C. STATUS OF PRIOR YEAR AUDIT FINDING**

There were no prior year audit findings.