

**TRAVELERS AID OF METROPOLITAN ATLANTA, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2018 AND 2017**

**With Independent Auditor's Report Thereon**



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Travelers Aid of Metropolitan Atlanta, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Travelers Aid of Metropolitan Atlanta, Inc. (d/b/a "HOPE Atlanta"), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years 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 control 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 audits. 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. Those standards require that we plan and perform the audits 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 opinions.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HOPE Atlanta as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2018, on our consideration of HOPE Atlanta'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 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 HOPE Atlanta's internal control over financial reporting and compliance.



Morrow, Georgia  
November 9, 2018

TRAVELERS AID OF METROPOLITAN ATLANTA, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2018 AND 2017

ASSETS	2018	2017
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 424,514	\$ 289,248
Investments	3,837	1,062
Governmental and other accounts receivable	724,764	631,179
Unconditional promises to give	26,116	141,609
Prepaid expenses	<u>23,617</u>	<u>28,350</u>
<b>TOTAL CURRENT ASSETS</b>	<b>1,202,848</b>	<b>1,091,448</b>
<b>PROPERTY AND EQUIPMENT</b>		
Land	30,000	40,000
Buildings and improvements	216,896	274,733
Furniture and equipment	59,968	72,146
Vehicle	75,946	53,763
Leasehold improvements	<u>47,707</u>	<u>47,707</u>
Total property and equipment	430,517	488,349
Less accumulated depreciation	<u>(259,440)</u>	<u>(292,118)</u>
<b>TOTAL PROPERTY AND EQUIPMENT, NET</b>	<b>171,077</b>	<b>196,231</b>
<b>DEPOSITS</b>	<u>16,352</u>	<u>14,808</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>1,390,277</u></b>	<b>\$ <u>1,302,487</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Note payable	\$ 20,031	\$ 18,890
Accounts payable and accrued expenses	272,684	338,885
Unearned revenue	<u>464,986</u>	<u>486,954</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>757,701</u></b>	<b><u>844,729</u></b>
<b>LONG TERM LIABILITIES</b>		
Note payable – non-current	63,904	83,841
Accrued rent expense	<u>37,458</u>	<u>34,758</u>
<b>TOTAL LONG TERM LIABILITIES</b>	<b><u>101,362</u></b>	<b><u>118,599</u></b>
<b>TOTAL LIABILITIES</b>	<b><u>859,063</u></b>	<b><u>963,328</u></b>
<b>NET ASSETS</b>		
Unrestricted	424,996	188,123
Temporarily restricted	<u>106,218</u>	<u>151,036</u>
<b>TOTAL NET ASSETS</b>	<b><u>531,214</u></b>	<b><u>339,159</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>1,390,277</u></b>	<b>\$ <u>1,302,487</u></b>

*The accompanying notes are an integral part of these financial statements.*

TRAVELERS AID OF METROPOLITAN ATLANTA, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CHANGES IN UNRESTRICTED NET ASSETS		
CONTRIBUTIONS, RECEIPTS AND OTHER SUPPORT		
Grants and contracts	\$ 8,042,374	\$ 6,604,708
Special events revenue	475,026	383,353
Less direct benefit to donors	(54,932)	(63,412)
Program service fees	256,311	309,899
Contributions	92,133	71,100
In-kind contributions	86,134	114,627
Gain from sale of fixed assets	41,085	-
Other income	5,081	305
Net assets released from restriction	<u>125,934</u>	<u>166,599</u>
TOTAL CONTRIBUTIONS, RECEIPTS AND OTHER SUPPORT	<u>9,069,146</u>	<u>7,587,179</u>
EXPENSES		
Program activities	7,813,454	6,450,679
Management and general	747,924	669,353
Fundraising	<u>270,895</u>	<u>338,996</u>
TOTAL EXPENSES	<u>8,832,273</u>	<u>7,459,028</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>236,873</u>	<u>128,151</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS		
Restricted contributions	81,116	141,609
Net assets released from restriction	<u>(125,934)</u>	<u>(166,599)</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	<u>(44,818)</u>	<u>(24,990)</u>
CHANGE IN NET ASSETS	192,055	103,161
NET ASSETS AT THE BEGINNING OF THE YEARS	<u>339,159</u>	<u>235,998</u>
NET ASSETS AT THE END OF THE YEARS	<u>\$ 531,214</u>	<u>\$ 339,159</u>

*The accompanying notes are an integral part of these financial statements.*

TRAVELERS AID OF METROPOLITAN ATLANTA, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	Program activities		Management and general		Fundraising		Totals	
	2018	2017	2018	2017	2018	2017	2018	2017
Salaries and wages	\$ 2,522,572	\$ 2,222,595	\$ 456,896	\$ 424,482	\$ 84,648	\$ 142,834	\$ 3,064,116	\$ 2,789,911
Health insurance	324,601	306,482	58,793	58,533	10,892	19,696	394,286	384,711
Payroll taxes	195,585	171,628	35,425	32,778	6,563	11,030	237,573	215,436
Total salaries and related expenses	3,042,758	2,700,705	551,114	515,793	102,103	173,560	3,695,975	3,390,058
Interventive assistance	4,039,673	3,134,559	-	-	-	-	4,039,673	3,134,559
Professional fees	172,871	139,707	92,500	60,233	92,582	109,256	357,953	309,196
Occupancy	166,239	145,560	30,110	27,800	5,578	9,354	201,927	182,714
Equipment and maintenance	106,321	81,981	7,400	1,910	1,838	1,594	115,559	85,485
Supplies	28,070	34,576	6,859	8,200	54,538	20,936	89,467	63,712
Travel	68,070	56,899	20,857	14,035	187	1,356	89,114	72,290
Telephone	83,640	74,032	2,495	3,596	240	1,215	86,375	78,843
Insurance	41,461	28,058	7,509	5,359	1,391	1,803	50,361	35,220
Other expense	25,773	22,374	10,115	10,529	8,090	15,419	43,978	48,322
Dues and subscriptions	1,977	1,487	6,290	7,482	2,586	2,156	10,853	11,125
Interest expense	-	-	6,046	8,545	-	-	6,046	8,545
Marketing	-	-	-	-	534	371	534	371
Total expense before depreciation	7,776,853	6,419,938	741,295	663,482	269,667	337,020	8,787,815	7,420,440
Depreciation	36,601	30,741	6,629	5,871	1,228	1,976	44,458	38,588
TOTAL EXPENSES	\$ 7,813,454	\$ 6,450,679	\$ 747,924	\$ 669,353	\$ 270,895	\$ 338,996	\$ 8,832,273	\$ 7,459,028

The accompanying notes are an integral part of these financial statements.

TRAVELERS AID OF METROPOLITAN ATLANTA, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 192,055	\$ 103,161
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	44,458	38,588
Gain on sale of property and equipment	(41,085)	-
Unrealized gain	(293)	(37)
Contribution of stock	(2,370)	-
(Increase) decrease in operating assets		
Governmental and other accounts receivable	(93,585)	(135,394)
Unconditional promises to give	115,493	23,052
Prepaid expenses	4,733	47,753
Deposits	(1,544)	(3,990)
(Decrease) Increase in operating liabilities		
Accounts payable and accrued expenses	(66,201)	23,684
Deferred rent	2,700	6,563
Unearned revenue	<u>(21,968)</u>	<u>129,488</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	132,393	232,868
NET CASH FLOWS USED IN INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	56,777	-
Purchase of property and equipment	(34,996)	(42,137)
Purchase of investments	<u>(112)</u>	<u>(1,025)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	21,669	(43,162)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Proceeds from line of credit	450,000	300,000
Repayments of debt	<u>(468,796)</u>	<u>(317,710)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(18,796)</u>	<u>(17,710)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	135,266	171,996
CASH AT THE BEGINNING OF THE YEARS	<u>289,248</u>	<u>117,252</u>
CASH AT THE END OF THE YEARS	\$ <u>424,514</u>	\$ <u>289,248</u>
Supplemental disclosure		
Cash paid for interest	\$ <u>6,138</u>	\$ <u>8,632</u>

*The accompanying notes are an integral part of these financial statements.*

TRAVELERS AID OF METROPOLITAN ATLANTA, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017

**1. ORGANIZATION**

Travelers Aid of Metropolitan Atlanta, Inc. (d/b/a “HOPE Atlanta”) is a voluntary health and welfare agency. HOPE Atlanta has been in operation for over 100 years as a social service agency offering H.O.P.E. to individuals and families in crisis by providing Housing, Outreach, Prevention and Emergency Services. HOPE Atlanta is supported primarily through government grants, the United Way of Metropolitan Atlanta, and donor contributions.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

**Basis of accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

HOPE Atlanta classifies its net assets and revenues and expenses, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of HOPE Atlanta and changes therein are classified and reported as follows:

Unrestricted net assets – net assets not subject to donor imposed restrictions.

Temporarily restricted net assets – net assets subject to donor-imposed stipulations that may or will be met either by actions of HOPE Atlanta and/or the passage of time.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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 activities as net assets released from restrictions.

Unconditional promises to give are recognized as revenues or gains in the period received and as assets or decreases of liabilities, depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

**Cash and cash equivalents**

HOPE Atlanta considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. For the years ended June 30, 2018 and 2017, HOPE Atlanta had no cash equivalents.



TRAVELERS AID OF METROPOLITAN ATLANTA, INC.  
NOTES TO FINANCIAL STATEMENTS – Continued

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Governmental accounts receivable**

Governmental accounts receivable consist of amounts due to HOPE Atlanta in connection with various governmental grants and contracts. Management believes that the governmental receivables are completely collectible; therefore, no allowance for doubtful accounts has been recorded.

**Property and equipment**

Property and equipment are stated at cost or, if donated, at fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Repairs and maintenance are charged to expense as incurred and renewals and betterments are capitalized. Depreciation expense totaled \$44,458 and \$38,588 for 2018 and 2017, respectively.

**Contributed services and materials**

During the years ended June 30, 2018 and 2017, the value of contributed professional services meeting the requirements for recognition in the financial statements was \$32,000 and \$78,606, respectively.

**Income taxes**

HOPE Atlanta is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "IRC") whereby only unrelated business income, as defined by Section 512(a)(1) of the IRC is subject to federal income tax. HOPE Atlanta has no unrelated business income in 2018 and 2017 and no provision for income taxes has been made.

HOPE Atlanta's application of ASC 740 regarding uncertain tax positions had no effect on its financial position as management believes HOPE Atlanta has no material unrecognized income tax benefits, including any potential risk of loss of its not-for-profit status. HOPE Atlanta would account for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as income tax expense. HOPE Atlanta is no longer subject to examination by federal, state or local tax authorities for periods before 2015.

**Government grants**

Grant revenue is deemed to be a fee-for-services transaction and is not considered contribution revenue. Therefore, grant revenue is recognized during the period in which the related grant expenses are incurred. Accordingly, grant revenue is accrued or deferred so as to match grant revenue with the related grant expenses.

**Functional allocation of expenses**

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

**Estimates in the financial statements**

Management of HOPE Atlanta makes estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with GAAP. Actual results could differ from these estimates.

TRAVELERS AID OF METROPOLITAN ATLANTA, INC.  
NOTES TO FINANCIAL STATEMENTS – Continued

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fair value measurements**

HOPE Atlanta believes the carrying amount of its financial instruments approximates fair value because of the short-term maturity of those instruments. These financial instruments consist of equities which are measured at level 1 of the fair value framework.

**Subsequent events**

HOPE Atlanta has evaluated subsequent events through November 9, 2018, the date which the financial statements were available to be issued.

**3. ECONOMIC DEPENDENCE**

HOPE Atlanta received approximately 82% and 79% of its total support and revenue for the years ended June 30, 2018 and 2017, respectively, from government grants. HOPE Atlanta also receives approximately 5% and 6% of its total support and revenue for the same time period from United Way grants. The amount of grant revenue has grown tremendously over the past few years. There could be a risk in relying too much on government grants as they tend to be volatile depending on economic conditions.

**4. UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give consist of United Way services funding in the amount of \$26,116 and \$141,609 at June 30, 2018 and 2017. Although donor designations to the United Way may vary, differences between amounts allocated and collected from the United Way have been historically insignificant. Accordingly, no provision has been made for uncollectible amounts. All promises to give are anticipated to be received within the subsequent fiscal year.

**5. LONG TERM DEBT**

HOPE Atlanta has a note payable with outstanding balances of \$83,935 and \$102,731 at June 30, 2018 and 2017, respectively. The note payable is due in 83 monthly payments of \$2,034 at a fixed interest rate of 5.88% with a final balloon payment due on April 2, 2022. The note is secured by the assets of Travelers Aid of Metropolitan Atlanta, Inc.

The minimum payments are:

Year	Amount
2019	\$ 20,031
2020	21,241
2021	22,524
2022	<u>20,139</u>
	<u>\$ 83,935</u>

Interest expense for long term debt totaled \$5,525 and \$7,082 in 2018 and 2017, respectively.

TRAVELERS AID OF METROPOLITAN ATLANTA, INC.  
NOTES TO FINANCIAL STATEMENTS – Continued

**6. LINE OF CREDIT**

HOPE Atlanta has a revolving demand master borrowing loan agreement whereby HOPE Atlanta may borrow up to \$200,000 at a rate of prime rate plus 2.25%. The agreement is collateralized by various assets of HOPE Atlanta. The line of credit will expire on May 26, 2019. There was no outstanding balance on this loan at June 30, 2018.

Interest expense related to line of credit borrowings totaled \$521 and \$1,550 in 2018 and 2017, respectively.

**7. TEMPORARILY RESTRICTED NET ASSETS**

Restricted net assets at June 30, 2018 and 2017 consist of restricted contributions and are classified as temporarily restricted net assets primarily due to time restrictions.

**8. OPERATING LEASES**

HOPE Atlanta moved to new office space on September 28, 2015. The lease is for a term of 86 months and expires in 2022. The client apartment locations are leased month-to-month or the leases have less than one year remaining. Lease expense totaled \$283,355 and \$256,776 for 2018 and 2017, respectively.

Future minimum rental payments for all operating leases are as follows:

Year	Amount
2019	\$ 250,270
2020	211,315
2021	191,538
2022	153,870
2023	<u>63,823</u>
	<u>\$ 870,816</u>

**9. ACCRUED VACATION**

The HOPE Atlanta provides vacation and sick pay for its employees. The accrued vacation hours were 2,402 and 2,366 representing \$61,967 and \$55,321 in vacation liabilities at June 30, 2018 and 2017.

**SINGLE AUDIT SECTION**



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors and Officers of  
Travelers Aid of Metropolitan Atlanta, Inc.

We have audited and reported separately herein on the financial statements of Travelers Aid of Metropolitan Atlanta, Inc. (d/b/a "HOPE Atlanta") as of June 30, 2018 and for the year then ended.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, 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.

Morrow, Georgia  
November 9, 2018

TRAVELERS AID OF METROPOLITAN ATLANTA, INC.  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 JUNE 30, 2018

<u>Federal Grantor/ Pass Through Grantor</u>	<u>Program Title</u>	<u>Agency or Pass Through Entity Identifying Number</u>	<u>CFDA Number</u>	<u>Passed through to Subrecipients</u>	<u>Revenue / Expenditures</u>
<b>U.S. Department of Housing and Urban Development</b>					
<i>Pass Through</i>					
City of Atlanta, GA	CDBG-Resettlement	CD-2017-428	14.218		\$ 14,053
Total Community Development Block Grant (CDBG)					\$ 14,053
<i>Pass Through</i>					
GA Department of Community Affairs	ESG-PATH Outreach	17C211	14.231		\$ 50,000
GA Department of Community Affairs	ESG-Lodging	17C212	14.231		5,000
City of Atlanta, GA	Outreach-Airport	220132254	14.231		99,749
City of Atlanta, GA	ESG-Resettlement	220132455	14.231		129,512
City of Atlanta, GA	ESG-Outreach	220132455	14.231		43,079
City of Atlanta, GA	Outreach-Airport	220132329	14.231		91,460
City of Atlanta, GA	ESG-Resettlement	220132329	14.231		6,198
DeKalb County, GA	ESG-DeKalb	16A12	14.231		6,975
DeKalb County, GA	ESG-DeKalb	17A16	14.231		65,087
Total Emergency Solutions Grant (ESG)					\$ 497,060
<i>Pass Through</i>					
GA Department of Community Affairs	HOPWA S+C 2	GA0246L4B011604	14.267	\$ -	\$ 150,763
	HOPWA S+C 2	GA0246L4B011705	14.267	-	33,725
	Gwinnett S+C 1	GA0137L4B011608	14.267	-	115,930
	Gwinnett S+C 1	GA0137L4B011709	14.267	-	61,389
The Center for Family Resources	RRH-Cobb	GA0308L4B061500	14.267	-	84,640
	RRH-Cobb	GA0308L4B061702	14.267	-	26,350
DeKalb County Community Development Department	DeKalb HMIS	GA0231L4B081503	14.267	-	33,728
	DeKalb HMIS	GA0231L4B081604	14.267	-	51,482

TRAVELERS AID OF METROPOLITAN ATLANTA, INC.  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 JUNE 30, 2018

<u>Federal Grantor/ Pass Through Grantor</u>	<u>Program Title</u>	<u>Agency or Pass Through Entity Identifying Number</u>	<u>CFDA Number</u>	<u>Passed through to Subrecipients</u>	<u>Revenue / Expenditures</u>
<b>U.S. Department of Housing and Urban Development (Continued)</b>					
<i>Direct Federal</i>					
	RRH-Douglas	GA0317L4B011601	14.267	-	98,141
	PSH-Gwinnett	GA0265L4B011502	14.267	-	58,444
	PSH-Gwinnett	GA0265L4B011603	14.267	-	121,367
	RRH-Gwinnett	GA0318L4B011500	14.267	-	23,194
	RRH-Gwinnett	GA0319L4B011500	14.267	-	53,948
	PSH-DeKalb	GA0007L4B081508	14.267	80,156	93,750
	PSH-DeKalb	GA0007L4B081609	14.267	175,673	240,656
	RRH-DeKalb	GA0291L4B081501	14.267	-	5,277
	RRH-DeKalb	GA0291L4B081602	14.267	-	16,890
	PSH-Fulton	GA0299L4B021500	14.267	-	117,807
	PSH-Fulton	GA0299L4B021702	14.267	-	83,483
	RRH-Douglas	GA0317L4B011500	14.267	-	35,447
	PSH-Atlanta	GA0268L4B001502	14.267	7,273	105,952
	PSH-Atlanta	GA0268L4B001603	14.267	-	172,510
	PSH II-Atlanta	GA0271L4B001501	14.267	-	60,359
	PSH II-Atlanta	GA0271L4B001602	14.267	-	140,145
	Total Continuum of Care (S+C)			\$ 263,102	\$ 1,985,377
<i>Pass Through</i>					
City of Atlanta	HOPWA	250132331	14.241		\$ 2,272,059
Total Housing Opportunities for Persons with AIDS (HOPWA)					\$ 2,272,059
<b>U.S. Department of Housing and Urban Development Total</b>					
				\$ 263,102	\$ 4,768,549

TRAVELERS AID OF METROPOLITAN ATLANTA, INC.  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 JUNE 30, 2018

<u>Federal Grantor/ Pass Through Grantor</u>	<u>Program Title</u>	<u>Agency or Pass Through Entity Identifying Number</u>	<u>CFDA Number</u>	<u>Passed through to Subrecipients</u>	<u>Revenue / Expenditures</u>
<b>Department of Health and Human Services</b>					
<i>Pass Through</i>					
GA Department of Health and Developmental Disabilities	PATH-Region 1 PATH-Region 3	44100-261-026201-8818 44100-263-026201-8130	93.150 93.150		\$ 158,522 146,293 <u>304,815</u>
Total Projects for Assistance in Transition from Homelessness (PATH)					
<i>Pass Through</i>					
GA Department of Human Services	TANF MOE	42700-040-0000063154	93.558		\$ 32,865
	TANF MOE	42700-040-0000051793	93.558		12,119
Total Temporary Assistance for Needy Families (TANF)					
<i>Pass Through</i>					
Cobb County CDBG	Cobb County CSBG	CSBG-18-C18N	93.569		\$ 20,256
Total Community Service Block Grant (CSBG)					
<b>Department of Health and Human Services Total</b>					
					<u>\$ 370,055</u>



TRAVELERS AID OF METROPOLITAN ATLANTA, INC.  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 JUNE 30, 2018

<u>Federal Grantor/ Pass Through Grantor</u>	<u>Program Title</u>	<u>Agency or Pass Through Entity Identifying Number</u>	<u>CFDA Number</u>	<u>Passed through to Subrecipients</u>	<u>Revenue / Expenditures</u>
<b>Department of Homeland Security</b>					
<i>Pass Through</i>					
United Way of America	EFSP Phase 33	174000-031	97.024		\$ 382
Atlanta, DeKalb, Fulton	EFSP Phase 34	174000-031	97.024		12,000
Atlanta, DeKalb, Fulton	EFSP Phase 33	174000-169	97.024		3,282
Atlanta, DeKalb, Fulton	EFSP Phase 34	174000-169	97.024		17,000
Douglas County, GA	EFSP Phase 33	187400-010	97.024		152
Douglas County, GA	EFSP Phase 34	187400-010	97.024		10,320
Cobb County, GA	EFSP Phase 34	184000-002	97.024		15,000
	Total Emergency Food and Shelter National Board (EFSP)				<u>\$ 58,136</u>
<b>Department of Homeland Security Total</b>					
<b>Department of Veteran Affairs</b>					
<i>Direct Federal</i>					
	SSVF	14-GA-188	64.033		\$ 253,597
	SSVF	14-GA-188	64.033		785,067
	SSVF	18-GA-370	64.033		384,104
	SSVF	C15-GA-500B	64.033		180,609
	SSVF	C15-GA-508B	64.033		72,249
	Total Supportive Services for Veterans Families (SSVF)				<u>\$ 1,675,626</u>
<b>Department of Veteran Affairs Total</b>					
					\$ <u>263,102</u>
<b>TOTAL</b>					
					<u>\$ 6,872,366</u>

TRAVELERS AID OF METROPOLITAN ATLANTA, INC.  
 NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 JUNE 30, 2018

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Travelers Aid of Metropolitan Atlanta, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Subrecipients**

Travelers Aid of Metropolitan Atlanta, Inc. provided federal awards to subrecipients as follows:

Travelers Aid – DeKalb CSB	GA0007L4B081508&		
Supportive Housing Program	GA0007L4B081609	14.267	\$ 255,829
Travelers Aid – Mercy Care	GA0268L4B001502	14.267	\$ 7,273
Supporting Housing Program			



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*

To the Board of Directors and Officers of  
Travelers Aid of Metropolitan Atlanta, Inc.

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 of Metropolitan Atlanta, Inc. (d/b/a "HOPE Atlanta") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 9, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered HOPE Atlanta's 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 HOPE Atlanta'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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 HOPE Atlanta'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 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.

Handwritten signature in black ink that reads "TWB & KGL LLC". The letters are cursive and somewhat stylized.

Morrow, Georgia  
November 9, 2018



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

To the Board of Directors and Officers of  
Travelers Aid of Metropolitan Atlanta, Inc.

**Report on Compliance for Each Major Federal Program**

We have audited Travelers Aid of Metropolitan Atlanta, Inc.'s (d/b/a "HOPE Atlanta") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of HOPE Atlanta's major federal programs for the year ended June 30, 2018. HOPE Atlanta's 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 HOPE Atlanta's 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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require 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 HOPE Atlanta's 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 HOPE Atlanta's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, HOPE Atlanta 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.

### **Report on Internal Control over Compliance**

Management of HOPE Atlanta is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered HOPE Atlanta's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of HOPE Atlanta's 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 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.

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

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.



Morrow, Georgia  
November 9, 2018

TRAVELERS AID OF METROPOLITAN ATLANTA, INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 JUNE 30, 2018

**Financial Statements**

Type of auditor's report issued: **Unmodified**

Internal control over financial reporting:

	<u>Yes</u>	<u>No</u>	<u>None Reported</u>
• Material weakness(es) identified?	<u>          </u>	<u>  X  </u>	
• Significant deficiencies identified that are not considered to be material weaknesses?	<u>          </u>	<u>          </u>	<u>  X  </u>
Noncompliance material to financial statements noted?	<u>          </u>	<u>  X  </u>	

**Federal Awards**

Internal control over major programs:

• Material weakness(es) identified?	<u>          </u>	<u>  X  </u>	
• Significant deficiencies identified that are not considered to be material weaknesses?	<u>          </u>	<u>          </u>	<u>  X  </u>

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 2 CFR section 200.516(a) of the Uniform Guidance?

<u>          </u>	<u>  X  </u>
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TRAVELERS AID OF METROPOLITAN ATLANTA, INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 JUNE 30, 2018

**Identification of Major Programs:**

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
14.267	Continuum of Care Program

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

\$750,000

Yes       No

Auditee qualified as low-risk auditee?

X

**Section II – Federal Statement Findings**

No matters were reported

**Section III – Federal Award Findings and Questioned Costs**

No matters were reported.