Covenant House New Orleans

Consolidated Financial Statements and
OMB Circular A-133 Financial Report
Together With Independent Auditors' Report

June 30, 2015 and 2014

Covenant House New Orleans

Consolidated Financial Statements
June 30, 2015

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Independent Auditors' Report

Board of Directors
Covenant House New Orleans

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Covenant House New Orleans (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2015, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Covenant House New Orleans as of June 30, 2015, and the consolidated 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.

Prior Period Financial Statements

The consolidated financial statements of Covenant House New Orleans as of June 30, 2014, were audited by other auditors whose report dated November 20, 2014, expressed an unmodified opinion on those statements.

Other Matters

Report on Supplementary Information

Our 2015 audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, on page 21 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 12, 2015 on our consideration of Covenant House 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 Covenant House New Orleans' internal control over financial reporting and compliance.

O'Connor Davies, LLP

Harrison, New York
November 12, 2015

Covenant House New Orleans

Consolidated Statements of Financial Position

	June 30, 2015	June 30, 2014
ASSETS		
Cash and cash equivalents	$ 1,014,487	$ 964,666
Grants receivable	262,458	244,146
Contributions receivable, net	38,730	85,689
Other receivables, net	102,170	67,659
Due from Parent	-	1,391
Other assets	44,780	51,142
Investments	1,457,954	745,462
Property and equipment, net	2,709,163	2,701,034
Beneficial interest in assets held by others	348,165	344,494
	$ 5,977,907	$ 5,205,683
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable, accrued expenses, and refundable advances	$ 449,127	$ 466,701
Due to Parent	8,387	-
Total Liabilities	457,514	466,701
Net Assets		
Unrestricted		
Undesignated	863,645	730,869
Investment in property and equipment	2,709,163	2,701,034
Designated for endowment purposes	1,793,143	1,079,792
Total Unrestricted	5,365,951	4,511,695
Temporarily restricted	154,442	227,287
Total Net Assets	5,520,393	4,738,982
	$ 5,977,907	$ 5,205,683

See notes to consolidated financial statements

Covenant House New Orleans

Consolidated Statements of Activities

	Year Ended June 30, 2015			Year Ended June 30, 2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
CONTRIBUTIONS, REVENUE AND OTHER SUPPORT						
Contributions						
Contributions from individuals, foundations and corporations, including legacies and bequests	$ 1,746,762	$ 80,048	$ 1,826,810	$ 1,577,617	$ 135,457	$ 1,713,074
Contributed services and merchandise	784,268	-	784,268	720,976	-	720,976
Government grants and contracts	798,173	-	798,173	839,189	-	839,189
Contributions from Parent	1,817,000	-	1,817,000	1,792,000	-	1,792,000
Special events revenue, net of direct benefits to donors of $22,836 and $16,119	416,062	-	416,062	303,709	-	303,709
Total Contributions, Revenue and Other Support	5,562,265	80,048	5,642,313	5,233,491	135,457	5,368,948
INVESTMENT AND OTHER INCOME						
Investment income						
Interest and dividends	17,797	-	17,797	8,703	-	8,703
Net unrealized (loss) gain on investments	(12,870)	-	(12,870)	37,679	-	37,679
Net realized gains	14,388	-	14,388	10,046	-	10,046
Job-training program revenue, net of costs of $219,421 and $7,583	198,848	-	198,848	151,767	-	151,767
Other income	68,361	-	68,361	38,238	-	38,238
Total Investment and Other Income	286,524	-	286,524	246,433	-	246,433
Total Contributions, Revenue and Other Income	5,848,789	80,048	5,928,837	5,479,924	135,457	5,615,381
Net assets released from restrictions	152,893	(152,893)	-	142,111	(142,111)	-
Total Contributions, Revenue, Other Income and Releases from Restrictions	6,001,682	(72,845)	5,928,837	5,622,035	(6,654)	5,615,381
EXPENSES						
Program services	4,300,956	-	4,300,956	4,090,699	-	4,090,699
Supporting services						
Management and general	610,815	-	610,815	560,003	-	560,003
Fundraising	235,655	-	235,655	220,567	-	220,567
Total Supporting Services	846,470	-	846,470	780,570	-	780,570
Total Expenses	5,147,426	-	5,147,426	4,871,269	-	4,871,269
Change in Net Assets	854,256	(72,845)	781,411	750,766	(6,654)	744,112
NET ASSETS						
Beginning of year	4,511,695	227,287	4,738,982	3,760,929	233,941	3,994,870
End of year	$ 5,365,951	$ 154,442	$ 5,520,393	$ 4,511,695	$ 227,287	$ 4,738,982

See notes to consolidated financial statements

Covenant House New Orleans

Consolidated Statement of Functional Expenses
Year Ended June 30, 2015
(With summarized totals for the year ended June 30, 2014)

	Program Services								Supporting Services				Total	
	Shelter and Crisis Care	Outreach	Mother/ Child	Medical	Community Service Center	Public Education	Rights of Passage/ in-school	Total Program Services	Management and General	Fundraising	Total Supporting Services	Cost of Direct Benefits to Donors	2015	2014
Salaries and wages	$ 875,620	$ 59,834	$ 192,209	$ 42,112	$ 79,647	$ 18,350	$ 429,353	$ 1,697,125	$ 315,529	$ 128,608	$ 444,137	$ -	$ 2,141,262	$ 2,032,379
Payroll taxes	91,916	6,492	20,177	4,024	8,218	1,390	44,433	176,650	25,594	10,527	36,121	-	212,771	202,818
Employee benefits	170,354	7,258	37,395	8,904	18,005	2,818	89,854	334,588	68,223	22,993	91,216	-	425,804	371,353
Total Salaries and Related Expenses	1,137,890	73,584	249,781	55,040	105,870	22,558	563,640	2,208,363	409,346	162,128	571,474	-	2,779,837	2,606,550
Accounting fees	-	-	-	-	-	-	-	-	50,031	-	50,031	-	50,031	53,850
Legal fees	3,712	-	815	755	755	1,509	3,018	10,564	2,264	2,264	4,528	-	15,092	57
Medical fees	-	-	-	20,218	3,370	-	10,109	33,697	-	-	-	-	33,697	34,904
Consulting fees	-	-	-	-	-	-	-	-	-	32,133	32,133	-	32,133	7,480
Supplies	39,828	1,338	8,743	1,206	3,638	7	10,660	65,420	5,913	1,907	7,820	-	73,240	87,250
Telephone	10,712	1,799	2,351	664	3,182	110	9,622	28,440	7,455	1,613	9,068	-	37,508	32,748
Postage and printing	2,560	42	562	247	300	2,686	1,393	7,790	3,266	11,135	14,401	-	22,191	17,301
Occupancy:											-		-	
Fuel and utilities	54,023	-	11,859	1,853	7,238	-	25,699	100,672	9,832	1,904	11,736	-	112,408	132,718
Repairs and maintenance	43,870	-	9,630	3,654	5,831	25	21,691	84,701	11,522	1,540	13,062	-	97,763	86,869
Rent and other	1,132	-	248	87	134	-	41,561	43,162	1,635	322	1,957	-	45,119	58,188
Equipment	24,920	57	5,470	896	2,627	20	11,359	45,349	30,691	4,956	35,647	-	80,996	73,461
Transportation	26,143	10,159	5,739	401	8,734	333	14,110	65,619	1,178	898	2,076	-	67,695	60,905
Specific assistance to individuals:											-		-	
Food	112,612	7,561	24,720	-	5,724	-	31,974	182,591	-	-	-	-	182,591	158,424
Medical	21	271	5	11,360	1,893	-	5,703	19,253	-	-	-	-	19,253	19,506
Contributed medical	-	-	-	4,207	18,580	-	2,103	24,890	-	-	-	-	24,890	29,190
Clothing, allowance and other	68,605	23,740	15,060	360	105,933	-	182,438	396,136	-	-	-	-	396,136	414,204
Contributed clothing and merchandise	2,407	-	528	-	-	-	-	2,935	122	-	122	-	3,057	3,314
Temporary help	-	-	-	-	-	-	-	-	1,395	-	1,395	-	1,395	2,572
Other purchased services	20,874	370	4,582	1,483	2,985	294	11,513	42,101	24,638	2,300	26,938	-	69,039	86,148
Dues, licenses and permits	5,450	35	1,196	488	700	21	3,050	10,940	325	430	755	-	11,695	4,886
Subscriptions and publications	310	17	68	3	3	4	133	538	87	510	597	-	1,135	1,525
Staff recruitment	574	-	126	4	52	-	132	888	9	82	91	-	979	1,070
Insurance	33,873	808	7,436	1,439	8,921	25	18,539	71,041	8,125	1,574	9,699	-	80,740	70,371
Contributed services	-	-	-	126,411	566,704	-	63,206	756,321	-	-	-	-	756,321	688,472
Miscellaneous	15,455	190	3,391	515	4,751	1,022	8,264	33,588	2,697	1,687	4,384	22,836	60,808	39,711
Bank charges and fees	-	-	-	-	-	-	-	-	6,443	7,096	13,539	-	13,539	16,675
Interest to Parent	-	-	-	-	-	-	-	-	-	-	-	-	-	383
Interest	-	-	-	-	-	-	-	-	57	-	57	-	57	173
Total Functional Expenses Before Depreciation and Amortization	1,604,971	119,971	352,310	231,291	857,925	28,614	1,039,917	4,234,999	577,031	234,479	811,510	22,836	5,069,345	4,788,905
Depreciation and amortization	30,976	410	6,800	615	4,992	28	22,136	65,957	33,784	1,176	34,960	-	100,917	98,483
Total functional expenses	1,635,947	120,381	359,110	231,906	862,917	28,642	1,062,053	4,300,956	610,815	235,655	846,470	22,836	5,170,262	4,887,388
Less cost of direct benefits to donors	-	-	-	-	-	-	-	-	-	-	-	(22,836)	(22,836)	(16,119)
Total Expenses Reported by Function on the Statement of Activities	$ 1,635,947	$ 120,381	$ 359,110	$ 231,906	$ 862,917	$ 28,642	$ 1,062,053	$ 4,300,956	$ 610,815	$ 235,655	$ 846,470	$ -	$ 5,147,426	$ 4,871,269

See notes to consolidated financial statements

Covenant House New Orleans

Consolidated Statement of Functional Expenses
Year Ended June 30, 2014

	Program Services								Supporting Services				
	Shelter and Crisis Care	Outreach	Mother/ Child	Medical	Community Service Center	Public Education	Rights of Passage/ in-school	Total Program Services	Management and General	Fundraising	Total Supporting Services	Cost of Direct Benefits to Donors	Total 2014
Salaries and wages	$ 840,809	$ 51,090	$ 172,214	$ 38,773	$ 59,572	$ 16,819	$ 413,029	$ 1,592,306	$ 302,036	$ 138,037	$ 440,073	$ -	$ 2,032,379
Payroll taxes	88,553	5,786	18,137	3,762	6,055	1,265	43,388	166,946	24,720	11,152	35,872	-	202,818
Employee benefits	145,618	7,779	29,825	4,704	8,434	2,921	80,146	279,427	64,779	27,147	91,926	-	371,353
Total Salaries and Related Expenses	1,074,980	64,655	220,176	47,239	74,061	21,005	536,563	2,038,679	391,535	176,336	567,871	-	2,606,550
Accounting fees	-	-	-	-	-	-	-	-	53,850	-	53,850	-	53,850
Legal fees	28	-	6	-	11	-	12	57	-	-	-	-	57
Medical fees	-	-	-	20,943	3,490	-	10,471	34,904	-	-	-	-	34,904
Consulting fees	3,513	-	720	353	353	-	2,541	7,480	-	-	-	-	7,480
Supplies	48,844	605	10,004	1,438	3,005	93	12,085	76,074	7,832	3,344	11,176	-	87,250
Telephone	8,685	1,598	1,779	397	2,299	122	10,515	25,395	5,917	1,436	7,353	-	32,748
Postage and printing	2,212	77	453	77	135	-	1,603	4,557	2,678	10,066	12,744	-	17,301
Occupancy:													
Fuel and utilities	62,635	-	12,829	2,121	8,231	-	33,598	119,414	11,146	2,158	13,304	-	132,718
Repairs and maintenance	42,204	-	8,644	2,760	4,403	-	18,769	76,780	8,985	1,104	10,089	-	86,869
Rent and other	1,567	-	321	87	134	-	54,122	56,231	1,635	322	1,957	-	58,188
Equipment	27,358	-	5,603	1,400	2,635	21	11,778	48,795	19,807	4,859	24,666	-	73,461
Transportation	27,143	4,023	5,560	445	6,795	215	12,449	56,630	3,035	1,240	4,275	-	60,905
Specific assistance to individuals:													
Food	92,513	3,814	18,948	7	5,855	14	37,273	158,424	-	-	-	-	158,424
Medical	251	-	51	11,340	1,890	-	5,974	19,506	-	-	-	-	19,506
Contributed medical	-	-	-	4,930	21,795	-	2,465	29,190	-	-	-	-	29,190
Clothing, allowance and other	65,542	25,844	13,424	330	119,638	-	189,426	414,204	-	-	-	-	414,204
Contributed clothing and merchandise	2,641	-	541	-	-	-	-	3,182	132	-	132	-	3,314
Temporary help	525	-	107	-	-	-	-	632	1,940	-	1,940	-	2,572
Other purchased services	25,240	805	5,170	1,455	3,794	1,250	14,374	52,088	29,693	4,367	34,060	-	86,148
Dues, licenses and permits	1,953	110	400	171	260	55	1,146	4,095	316	475	791	-	4,886
Subscriptions and publications	371	20	76	6	7	7	158	645	169	711	880	-	1,525
Staff recruitment	425	-	87	-	116	-	196	824	6	240	246	-	1,070
Insurance	28,709	698	5,880	1,036	7,390	28	18,606	62,347	6,689	1,335	8,024	-	70,371
Contributed services	-	-	-	115,144	515,756	-	57,572	688,472	-	-	-	-	688,472
Miscellaneous	11,114	262	2,276	65	2,984	37	5,329	22,067	1,312	213	1,525	16,119	39,711
Bank charges and fees	48	-	10	10	10	20	39	137	6,513	10,025	16,538	-	16,675
Interest to Parent	-	-	-	-	-	-	-	-	383	-	383	-	383
Interest	-	-	-	-	-	-	-	-	173	-	173	-	173
Total Functional Expenses Before Depreciation and Amortization	1,528,501	102,511	313,065	211,754	785,047	22,867	1,037,064	4,000,809	553,746	218,231	771,977	16,119	4,788,905
Depreciation and amortization	49,630	268	10,165	949	5,864	35	22,979	89,890	6,257	2,336	8,593	-	98,483
Total functional expenses	1,578,131	102,779	323,230	212,703	790,911	22,902	1,060,043	4,090,699	560,003	220,567	780,570	16,119	4,887,388
Less cost of direct benefits to donors	-	-	-	-	-	-	-	-	-	-	-	(16,119)	(16,119)
Total Expenses Reported by Function on the Statement of Activities	$ 1,578,131	$ 102,779	$ 323,230	$ 212,703	$ 790,911	$ 22,902	$ 1,060,043	$ 4,090,699	$ 560,003	$ 220,567	$ 780,570	$ -	$ 4,871,269

See notes to consolidated financial statements

Covenant House New Orleans

Consolidated Statements of Cash Flows

	Year Ended June 30, 2015	Year Ended June 30, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 781,411	$ 744,112
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	100,917	98,483
Net unrealized and realized gain on investments	(1,518)	(47,725)
Bad debt expense	20,394	12,258
Gain on sale of property and equipment	(500)	-
Contributed property and equipment	-	(4,000)
Net change in operating assets and liabilities		
Grants receivable	(18,312)	(37,274)
Other receivables	(54,904)	(50,101)
Contributions receivable	46,959	70,857
Other assets	6,362	(9,651)
Accounts payable, accrued expenses and refundable advances	(17,573)	7,151
Due to / from Parent	9,778	(3,363)
Net Cash from Operating Activities	873,014	780,747
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	23,754	19,260
Purchases of investments	(738,400)	(518,096)
Purchase of property and equipment	(109,047)	(68,079)
Proceeds from sale of property and equipment	500	-
Net Cash from Investing Activities	(823,193)	(566,915)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of debt obligation to Parent	-	(170,472)
Change in Cash and Cash Equivalents	49,821	43,360
CASH AND CASH EQUIVALENTS		
Beginning of year	964,666	921,306
End of year	$ 1,014,487	$ 964,666
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	$ 57	$ 556
Contributed property and equipment	-	4,000

See notes to consolidated financial statements

1. Organization and Nature of Activities

Covenant House New Orleans (the “Organization”), a not-for-profit organization, is an operating affiliate of Covenant House (the “Parent”), a New York-based organization. The Organization provides shelter, residential services, community services, and outreach services to youth in the New Orleans area. The Parent is the sole member of the Organization and is itself a private not-for-profit organization which, through its affiliates, provided shelter, food, clothing, counseling, medical attention, crisis intervention, public education, and other services to more than 51,173 (unaudited) and 57,364 (unaudited) runaway and homeless youths during the years ended June 30, 2015 and 2014.

In February 2004, Covenant Landscaping, LLC was formed to limit liability under the Organization’s White Dove Landscaping program. Covenant House New Orleans is the sole member of Covenant Landscaping, LLC, which is considered a disregarded entity for tax purposes. Covenant Landscaping, LLC, otherwise known as White Dove Landscaping, provides the Organization with a landscaping and lawn maintenance business that serves as a job training program for at-risk youth.

The Organization and Covenant Landscaping, LLC are under common control and, accordingly, have been consolidated in these financial statements.

The Organization is affiliated with the following not-for-profit organizations through common control.

- Covenant House Alaska
- Covenant House California
- Covenant House Florida
- Covenant House Georgia
- Covenant House Michigan
- Covenant House Missouri
- Covenant House New Jersey
- Covenant House New York/Under 21
- Covenant House Pennsylvania/Under 21
- Covenant House Testamentum
- Covenant House Texas
- Covenant House Washington, D.C.
- Covenant House Western Avenue
- Covenant International Foundation
- Covenant House Holdings, LLC
- Covenant House Toronto
- Covenant House Vancouver
- Associacion La Alianza (Guatemala)
- Alianza de Honduras
- Casa Alianza Nicaragua
- Casa Alianza Internacional
- Fundacion Casa Alianza Mexico, I.A.P.

1. Organization and Nature of Activities *(continued)*

The Organization has been determined to be a not-for-profit organization exempt from federal and state income taxes under Section 501(c)(3) of the United States Internal Revenue Code.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly actual results could differ from those estimates.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Covenant House New Orleans and Covenant Landscaping, LLC. All significant intercompany transactions and balances have been eliminated in consolidation.

Net Assets Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. 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 received. 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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as assets released from restrictions. Permanently restricted net assets represent those resources that have been designated by the donor to be held and invested in perpetuity. There were no permanently restricted net assets as of June 30, 2015 and 2014.

Revenue Recognition

Revenue is recognized as services are performed or expenditures are incurred under the Organization's contracts with its clients and funders.

Functional Allocation of Expenses

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

2. Summary of Significant Accounting Policies *(continued)*

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Fair Value of Financial Instruments

The Organization follows U.S. GAAP guidance on fair value measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Investment Valuation and Income Recognition

Investments are valued at fair value in the consolidated statements of financial position. Interest, dividends, realized and unrealized gains and losses on the sale of investments are included in the consolidated statements of activities. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of change in net assets.

Beneficial Interest in Assets Held by Others

During fiscal year 2005, the Organization transferred $250,000 of its cash reserves to four foundations to establish endowment funds. The agreement with each foundation designated the Organization as beneficiary and states that the transfer is irrevocable and that transferred assets will not be returned. The Organization values these investments based on quarterly statements received from the respective foundations. In addition, the foundations will make annual distributions of the income earned on the endowment funds, subject to their respective spending policies. The agreements also grant variance power, that is, permit each foundation to substitute another beneficiary, if the Organization ceases to exist, or the foundation’s governing board votes that supporting of the Organization is no longer necessary or is inconsistent with the needs of the community. The Organization recognizes the transfer as reciprocal, and therefore not a contribution, but as a beneficial interest in assets held by others and a component of its board designated endowment.

Property and Equipment

The Organization follows the practice of capitalizing all expenditures for property, building and equipment with a cost in excess of $500. Property and equipment are reported at cost at the date of acquisition or at fair value at the date of donation. Building improvements are capitalized, whereas minor costs of repairs and maintenance are expensed as incurred.

2. Summary of Significant Accounting Policies *(continued)*

Property and Equipment (continued)

Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, which range from 3 to 33 years. Leasehold improvements are amortized on the straight-line basis over the lesser of the term of the lease or their estimated useful lives.

Contributions and Pledges Receivable

Contributions to the Organization are recorded as revenue upon the receipt of an unconditional pledge or of cash or other assets. Contributions are considered available for unrestricted use, unless the donors restrict their use. Contributions to be received after one year are discounted at an interest rate commensurate with the risk involved. An allowance for uncollectible pledges receivable is provided using management's judgment of potential defaults, which considers factors such as prior collection history, type of contribution and the nature of fundraising activity. Contribution revenue is recognized based on the present value of the estimated future payments to be made to the Organization.

The Organization has been named the beneficiary and owner of a $75,000 life insurance policy which has a cash surrender value. The policy is recognized at fair value and is included in contributions receivable in the accompanying consolidated statements of financial position. The amount has been classified as long-term due to the uncertainty associated with the timing of the receipt of funds. The cash surrender value of approximately $16,200 and $14,300 at June 30, 2015 and 2014 is included in other assets.

Allowance for Doubtful Accounts

The Organization maintains an allowance for doubtful accounts for estimated losses that may result from the inability of its customer or donor to make required payments. Such allowances are based upon several factors including, but not limited to, historical experience and the financial condition of the customer or donor.

Donated Goods and Services

Donated goods consist of items received by the Organization and awarded as prizes during the auctions held in relation to special events. These amounts are recorded as both revenue and expense at their estimated fair values at the date of receipt.

The Organization recognizes the fair market value of donated services which create or enhance nonfinancial assets, or require specialized skills provided by individuals possessing those skills and would typically be purchased if not provided by donation. Contributed services which do not meet these criteria are not recognized as revenue and are not reported in the accompanying consolidated financial statements.

2. Summary of Significant Accounting Policies *(continued)*

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. There were no such impairment for the years ended June 30, 2015 and 2014.

Advertising Costs

Advertising costs are expensed as incurred.

Accounting for Uncertainty in Income Taxes

The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that The Organization had no uncertain tax positions that would require financial statement recognition and/or disclosure. The Organization is no longer subject to examinations by the applicable taxing jurisdictions for years prior to June 30, 2012.

Reclassifications

Certain accounts in the 2014 financial statements have been reclassified to conform to the current year financial statement presentation.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued, which date is November 12, 2015.

Components of Program and Supporting Services

Program Services

Shelter and Crisis Care
The Shelter and Crisis Care program provides shelter, food, clothing, counseling, cash management, physical and behavioral health, job readiness and placement to runaway homeless and at-risk youth, 22 and under.

2. Summary of Significant Accounting Policies *(continued)*

Components of Program and Supporting Services (continued)

Program Services (continued)

Outreach
The Outreach program is an effort to reach youths who would otherwise not find their way to the Crisis Center. Outreach teams cruise the city streets, searching for these youths and providing them with food, a trained counselor and a safe ride to our shelter.

Mother/Child
The Mother/Child program provides emergency shelter, food and counseling to homeless mothers (22 and under) and their children.

Medical
Medical services include basic medical services, referrals, HIV testing, mental health and counseling.

Community Service Center
The Community Services Center provides comprehensive services to former Covenant House youth, and other youths in the community who need support to maintain themselves in stable living situations. Within this program, the Organization also provides counseling and intervention services, and work-related instruction and experience through the White Dove Landscaping program. The Organization's partners in service include Tulane Medical Center's Adolescent drop-in clinic, and Total Community Action's Head Start Program.

Public Education
The Public Education program informs and educates the public on how to identify potential "runaway" and "throwaway" adolescents, the public and private resources available to help such adolescents before they leave home and the public support services available to these families to improve their home environment.

Rights of Passage
The Rights of Passage program provides transitional living services to youths for up to 24 months, including individual counseling and help with their education and finding jobs and ultimately long term housing.

Supporting Services

Management and General
Management and general services include administration, finance and general support activities. Certain administrative costs that relate to specific programs have been allocated to those programs.

2. Summary of Significant Accounting Policies *(continued)*

Components of Program and Supporting Services (continued)

Supporting Services (continued)

Fundraising
Development services relate to the activities of the development program in raising general and specific contributions.

Direct Benefit-to-Donor Costs
Direct benefit-to-donor are costs incurred in conjunction with items such as meals and entertainment benefiting attendees of special events.

3. Accounts Receivable

Government Grants receivable

All grants receivable as of June 30, 2015 are expected to be collected within one year.

Contributions receivable

Contributions receivable primarily consists of promises to give related to the Organization's Rights of Passage Program and a life insurance policy. Those receivables that are due in more than one year have been discounted to their present value using a discount rate of 4.25% - 6.75%. Contributions receivable as of June 30, are due as follows:

	2015	2014
Within one year	$ 20,889	$ 75,000
More than five years	75,000	75,000
	95,889	150,000
Discount to present value	(57,159)	(64,311)
	$ 38,730	$ 85,689

Other receivables

Other receivables primarily include the White Dove Landscaping training program sales and / or services, net of allowances for doubtful accounts as of June 30, as follows:

	2015	2014
White Dove Landscaping	$ 117,768	$ 88,532
Other	4,796	6,896
	122,564	95,428
Allowance for doubtful accounts	(20,394)	(27,769)
	$ 102,170	$ 67,659

4. Fair Value of Investments

The following are major categories of investments and beneficial interest in assets held by others measured at fair value as of June 30, categorized by the fair value hierarchy:

	2015		
	Level 1	Level 3	Total
Common stock	$ 4,839	$ -	$ 4,839
Affiliated pooled investments	1,419,651	-	1,419,651
	1,424,490	-	1,424,490
Investment cash			33,464
Total investments			1,457,954
Beneficial interest in assets held by others			
Greater New Orleans Foundation	-	240,032	240,032
Jewish New Orleans Foundation	-	39,226	39,226
The Catholic Foundation	-	37,858	37,858
Baton Rouge Area Foundation	-	31,049	31,049
Total Beneficial Interest in Assets Held by Others	-	348,165	348,165
Total Investments and Beneficial Interest in Assets Held by Others	$ 1,424,490	$ 348,165	$ 1,806,119

	2014		
	Level 1	Level 3	Total
Common stock	$ 2,237	$ -	$ 2,237
Affiliated pooled investments	516,548	-	516,548
	518,785	-	518,785
Investment cash			226,677
Total investments			745,462
Beneficial interest in assets held by others			
Greater New Orleans Foundation	-	239,498	239,498
Jewish New Orleans Foundation	-	36,983	36,983
The Catholic Foundation	-	37,482	37,482
Baton Rouge Area Foundation	-	30,531	30,531
Total Beneficial Interest in Assets Held by Others	-	344,494	344,494
Total Investments and Beneficial Interest in Assets Held by Others	$ 518,785	$ 344,494	$ 1,089,956

4. Fair Value of Investments *(continued)*

The following table summarizes the changes in financial assets measured on a recurring basis at fair value using Level 3 inputs for the years ended June 30:

	2015	2014
Balance, beginning of year	$ 344,494	$ 316,776
Purchases	4,566	5,454
Sales	(10,832)	(10,997)
Realized gains	12,715	9,856
Unrealized gains (losses)	(2,778)	23,405
Balance, end of year	$ 348,165	$ 344,494

5. Property and Equipment

Property and equipment consists of the following as of June 30:

	2015	2014
Land	$ 1,568,752	$ 1,568,752
Buildings	992,262	992,262
Building improvements	411,335	398,447
Equipment	1,666,694	1,573,192
	4,639,043	4,532,653
Accumulated depreciation	(1,929,880)	(1,831,619)
	$ 2,709,163	$ 2,701,034

6. Commitments and Contingencies

Leases

The Organization has entered into various noncancelable operating leases used in the daily operations of business. These leases expire at various dates through October 2038. Rental expenses under all operating leases amounted to $12,400 and $12,600 for the years ended June 30, 2015 and 2014.

6. Commitments and Contingencies *(continued)*

Leases (continued)

Future minimum annual lease payments at June 30, 2015 for the years ending June 30 are payable as follows:

2016	$	11,666
2017		11,666
2018		11,666
2019		4,206
2020		500
Thereafter		9,000
	$	48,704

Government Grants

In accordance with the terms of certain government grants, the records of the Organization are subject to audit for varying periods after the date of final payment of the grants. The Organization is liable for any disallowed costs. Government grants totaled $798,173 and $839,189 for the years ended June 30, 2015 and 2014.

7. Related Party Transactions

The Parent provides financial support as well as management and organizational support for its affiliated organizations. The Parent conducts fundraising activities for its own programs and the programs of the affiliates. Contributions and promises to give totaled approximately $60.8 million and $57.8 million for the Parent in the years ended June 30, 2015 and 2014. Contributions received from the Parent are generally not specifically restricted by donors to specific affiliates.

The Parent combines contributions received from individuals, corporations and foundations plus a Parent subsidy and appropriates funds classified as “Branding Dollars” or “Contributions Received from Parent” to each Covenant House affiliate. Total funds allocated to affiliates, based on the Parent’s policy, approximated $31.3 million and $31.1 million for the years ended June 30, 2015 and 2014. For the years ended June 30, 2015 and 2014, the Organization received $1,817,000 and $1,792,000 in contributions from the Parent.

8. Contributed Services and Merchandise

The Organization recognizes contribution revenue for certain services and merchandise received at fair value. Contributed clinical services by internists, pediatricians, nurse practitioners, registered nurses and intake staff for the years ended June 30 are as follows:

	2015	2014
Medical	$ 126,411	$ 115,144
Community Service Center	566,704	515,756
Rights of Passage	63,206	57,572
Merchandise	27,947	32,504
	$ 784,268	$ 720,976

9. Board Designated Endowment Funds

As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence or donor-imposed restrictions. The Organization's endowment funds have not been donor-restricted for specific programs and are expendable for unrestricted purposes following board appropriation subject to a standard of prudence.

During fiscal year 2014, the Organization agreed to pool a significant portion of its board designated reserves with that of Covenant House International and its investment advisor to garner greater returns through economies of scale.

During 2010 the State of Louisiana adopted its version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), which governs endowment spending of charitable institutions. The Organization classifies donor-restricted endowment funds as permanently restricted net assets, unless otherwise stipulated by the donor. Board designated or permanently restricted net assets represent (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts donated to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the funds. According to UPMIFA, the ordinary income of an endowed fund may be distributed annually. While UPMIFA does not place limitations on what can be distributed when market conditions are favorable, it does limit what can be distributed if the current value is near or below the Historical Dollar Value – defined as the aggregate of original, subsequent and accumulation contributions. In utilizing the appreciation in value of the endowments for distributions, the Organization follows the provisions of the Louisiana Uniform Prudent Management of Institutional Funds Act ("LUPMIFA") of 2010.

9. Board Designated Endowment Funds *(continued)*

In accordance with LUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor restricted or board designated endowment funds – the purpose, duration, and preservation of the endowment fund; expected total return on investments; general economic conditions; the possible effects of inflation and deflation; other resources, and the investment policy of the Organization.

The Organization has adopted investment management and spending policies for endowment assets that support the objective of providing a sustainable and increasing level of endowment income distribution to its activities while seeking to maintain the purchasing power of the endowment assets. The Organization's primary investment objectives are to maximize total return within reasonable and prudent levels of risk while maintaining sufficient liquidity to meet disbursement needs and ensure preservation of capital.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy that achieves a return through a combination of current income and capital appreciation, without regard to an emphasis on either, recognizing that changes in market conditions and interest rates will result in varying strategies in an attempt to optimize results. The Organization believes that the decision to pool its investments with the Parent affiliate meets its long-term investment objectives.

Changes in net assets for the Organization's board designated endowment funds for the years ended June 30, are as follows:

	2015	2014
Balance, beginning of year	$ 1,079,792	$ 535,526
Contributions	705,846	500,000
Investment income	17,100	7,986
Net appreciation (realized and unrealized)	1,398	47,276
Appropriation for expenditures	(9,077)	(8,713)
Fees	(1,916)	(2,283)
Balance, end of year	$ 1,793,143	$ 1,079,792

10. Employee Benefit Plan

Effective January 1, 2007, the Parent adopted a defined contribution 403(b) savings and retirement plan. Employees are immediately eligible to participate in the plan. Employees who work at least 1,000 hours per year are eligible to receive an employer contribution. The Organization makes annual contributions into the plan on behalf of employees ranging from 1% to 9% of employee compensation and are determined using a formula based on points, which equal the sum of age and years of service. Employer contributions to the plan are 100% vested after employees have completed three years of service. Total expense related to the 403(b) plan was $86,168 and $82,446 for the years ended June 30, 2015 and 2014.

11. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash, cash equivalents and receivables from contracts. The Organization maintains its cash in bank deposit accounts which generally exceed federally insured limits. The Organization has not experienced any losses in such accounts.

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Covenant House New Orleans

OMB Circular A-133 Schedules and Reports

June 30, 2015

Covenant House New Orleans

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal CFDA Number	Pass-Through/Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Direct Program			
Continuum of Care Program	14.267		$ 223,422
Pass-through City of New Orleans			
Emergency Solutions Grant Program	14.231	ESG-027D	85,886
Emergency Solutions Grant Program	14.231	ESG-029D	86,421
Pass-through UNITY for the Homeless, Inc.			
Continuum of Care Program	14.267	LA0069L6H031306	25,620
Continuum of Care Program	14.267	LA0069L6H031407	11,737
Continuum of Care Program	14.267	LA0089L6H031306	31,166
Continuum of Care Program	14.267	LA0089L6H031407	49,392
Continuum of Care Program	14.267	LA0057L6H031205	40,609
Continuum of Care Program	14.267	LA0230L6H031300	50,038
Continuum of Care Program	14.267	LA0230L6H031306	965
Continuum of Care Program	14.267	LA0077L6H031205	34,276
Continuum of Care Program	14.267	LA0077L6H031306	56,043
Continuum of Care Program	14.267	LA0086L6H031306	64,447
Continuum of Care Program	14.267	LA0086L6H031306	2,250
Total U.S. Department of Housing and Urban Development			762,272
U.S. Department of Agriculture			
Passed-through Louisiana Department of Education			
School Breakfast Program	10.553	7547	28,535
Department of Homeland Security			
Passed-through United Way			
Emergency Food and Shelter National Board Program	97.024	32-3658-025	7,366
Total Expenditures of Federal Awards			$ 798,173

See independent auditors' report and notes to schedule of expenditures of federal awards

Covenant House New Orleans

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015

1. *Basis of Presentation*

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of Covenant House New Orleans under programs of the federal government for the year ended June 30, 2015. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget ("OMB") Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Because the Schedule presents only a selected portion of the operations of Covenant House New Orleans, it is not intended to and does not present the financial position, changes in net assets or cash flows of Covenant House New Orleans.

2. *Summary of Significant Accounting Policies*

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Nonprofit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass through entity identifying numbers are presented where available.

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*

Independent Auditors' Report

Board of Directors
Covenant House 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 consolidated financial statements of Covenant House New Orleans (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2015, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 12, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated 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.

O'CONNOR DAVIES, LLP
500 Mamaroneck Avenue, Mamaroneck, NY 10528 I Tel: 914.381.8900 I Fax: 914.381.8910 I www.odpkf.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated 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 consolidated 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.

O'Connor Davies, LLP

Harrison, New York
November 12, 2015

O'CONNOR DAVIES

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Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133

Independent Auditors' Report

Board of Directors
Covenant House New Orleans

Report on Compliance for Each Major Federal Program

We have audited Covenant House New Orleans' (the "Organization") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2015. The Organization's major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 the Organization'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 the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Organization 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 the Organization'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 OMB Circular A-133, 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 the Organization'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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

O'Connor Davies, LLP

Harrison, New York
November 12, 2015

Covenant House New Orleans

Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' 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 federal programs:		
• Material weakness(es) identified?	___ yes	X no
• Significant deficiency(ies) identified?	___ yes	X none reported
Type of auditors' report issued on compliance for major federal programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	____ yes	X no

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.267	Continuum of Care Program

Dollar threshold used to distinguish between Type A and Type B programs	$300,000	
Auditee qualified as low-risk auditee?	X yes	____ no

Section II - Financial Statement Findings

During our audit, we noted no material findings for the year ended June 30, 2015.

Section III - Federal Award Findings and Questioned Costs

During our audit, we noted no material instances of noncompliance and none of the costs reported in the federal financially assisted programs are questioned or recommended to be disallowed.

Covenant House New Orleans

Summary of Schedule of Prior Audit Findings
Year Ended June 30, 2015

Section IV - Financial Statement Findings

There were no prior year findings.