

**VOLUNTEERS OF AMERICA OF
GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**

Audits of Consolidated Financial Statements

June 30, 2017 and 2016



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Independent Auditor's Report

To the Boards of Directors
Volunteers of America of Greater New Orleans, Inc. and Subsidiaries
New Orleans, LA

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Volunteers of America of Greater New Orleans, Inc. and Subsidiaries (the Organization) (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2017 and 2016, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, 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 did not audit the financial statements of Community Living Centers, Inc. and 2901 Dee, Inc. d/b/a Embassy House, a subsidiary of Renaissance Neighborhood Development Corporation (RNDC), wholly-owned subsidiaries of the Organization, as of and for the years ended June 30, 2017 and 2016, which reflect total assets of \$344,584 and \$1,879,258 as of June 30, 2017, and \$355,811 and \$1,939,149 as of June 30, 2016, and total revenues of \$13,475 and \$335,553 for the year ended June 30, 2017, and \$182,512 and \$346,336 for the year ended June 30, 2016, respectively. The financial statements of Community Living Centers, Inc. and 2901 Dee, Inc. d/b/a Embassy House were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Community Living Centers, Inc. and 2901 Dee, Inc. d/b/a Embassy House as of and for the years ended June 30, 2017 and 2016, is based on the reports of the other auditors. 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Volunteers of America of Greater New Orleans, Inc. and Subsidiaries as of June 30, 2017 and 2016, 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 Matters

Other Information

Our audits were conducted for the purposes of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information as listed in the table of contents 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 audits 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, which insofar as it relates to Community Living Centers, Inc. and 2901 Dee, Inc. d/b/a Embassy House is based on the reports of other auditors, the accompanying supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2017 on our consideration of the Organization'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 the Organization's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Metairie, LA
October 9, 2017

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
Consolidated Statements of Financial Position
June 30, 2017 and 2016

	2017	2016
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 4,750,798	\$ 4,617,635
Grants Receivable, Net of Allowance for Doubtful Accounts of \$72,674 at 2017 and \$107,224 at 2016	2,840,704	2,735,446
Pledges Receivable, Net	726,186	692,156
Prepaid Expenses	533,215	584,172
Other Current Assets	161,549	173,468
RNDC's General and Limited Partnerships' Current Assets	1,999,109	3,163,365
Total Current Assets	11,011,561	11,966,242
Fixed Assets		
Fixed Assets, Net	14,663,026	15,268,726
RNDC's General and Limited Partnerships' Fixed Assets, Net	82,802,594	69,030,553
Total Fixed Assets	97,465,620	84,299,279
Other Assets		
Designated and Restricted Assets	149,370	149,202
Long-Term Investments	6,292,209	6,561,301
Pledges Receivable, Net	533,132	524,959
Note Receivable - Investment Partner	11,560,262	11,362,939
Investment in Joint Ventures	403,086	339,138
RNDC's General and Limited Partnerships' Other Assets	2,675,992	2,933,895
Total Other Assets	21,614,051	21,871,434
Total Assets	\$ 130,091,232	\$ 118,136,955

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

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
Consolidated Statements of Financial Position (Continued)
June 30, 2017 and 2016

	2017	2016
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 901,504	\$ 851,100
Mortgages and Notes Payable	4,537,545	4,342,737
Accrued Expenses	1,558,156	1,694,921
Other Current Liabilities	109,873	124,238
RNDC's General and Limited Partnerships' Liabilities	10,301,454	3,635,732
	<u>17,408,532</u>	<u>10,648,728</u>
Total Current Liabilities		
Other Liabilities		
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	7,229,668	9,230,440
RNDC's General and Limited Partnerships' Liabilities	56,962,987	49,389,225
	<u>64,192,655</u>	<u>58,619,665</u>
Total Other Liabilities		
	<u>81,601,187</u>	<u>69,268,393</u>
Total Liabilities		
Net Assets		
Unrestricted Net Assets	48,490,045	48,868,562
	<u>48,490,045</u>	<u>48,868,562</u>
Total Net Assets		
	<u>48,490,045</u>	<u>48,868,562</u>
Total Liabilities and Net Assets	<u>\$ 130,091,232</u>	<u>\$ 118,136,955</u>

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

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
Consolidated Statements of Activities
For the Years Ended June 30, 2017 and 2016

	2017	2016
Revenues from Operations		
Public Support Received Directly		
Contributions	\$ 1,337,439	\$ 1,588,133
Special Events	724,316	862,642
Public Support Received Indirectly		
United Way		
Allocations	99,108	98,889
Designations	8,274	9,056
Total Public Support	2,169,137	2,558,720
Revenues and Grants from Governmental Agencies	20,211,597	19,665,846
Other Revenue		
Program Service Fees	5,326,583	5,214,436
Rental Income	533,268	510,954
Other Operating Income	544,259	632,058
RNDC's General and Limited Partnerships' Revenue	3,986,473	3,938,327
Total Other Revenue	10,390,583	10,295,775
Total Operating Revenue	32,771,317	32,520,341

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

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
Consolidated Statements of Activities (Continued)
For the Years Ended June 30, 2017 and 2016

	2017	2016
Expenses		
Operating Expenses		
Program Services		
Encouraging Positive Development	9,019,236	7,181,106
Fostering Independence	7,736,543	8,222,187
Promoting Self-Sufficiency	13,927,438	14,202,909
Total Program Services	<u>30,683,217</u>	<u>29,606,202</u>
Supporting Services		
Management and General	3,395,103	3,024,606
Fundraising	1,185,815	1,084,534
Total Supporting Services	<u>4,580,918</u>	<u>4,109,140</u>
Affiliate Fees		
Fees Paid to National Organization	474,852	427,961
Total Affiliate Fees	<u>474,852</u>	<u>427,961</u>
Total Operating Expenses	<u>35,738,987</u>	<u>34,143,303</u>
Deficit from Operations	<u>(2,967,670)</u>	<u>(1,622,962)</u>

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

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
Consolidated Statements of Activities (Continued)
For the Years Ended June 30, 2017 and 2016

	2017	2016
Other Activities		
Non-Operating Gains (Losses) and Other Revenue		
Interest and Dividend Income	536,721	631,283
Gain (Loss) on Disposition of Assets	89,392	(199,262)
Gain (Loss) on Investments	716,544	(419,570)
Other Non-Operating Gains (Losses)	1,286,962	(175,957)
RNDC's General and Limited Partnerships' Other Activities	9,017	11,566
	<u>2,638,636</u>	<u>(151,940)</u>
Surplus (Deficit) from Other Activities		
	<u>2,638,636</u>	<u>(151,940)</u>
Change in Net Assets	(329,034)	(1,774,902)
Other Changes in Net Assets	<u>(49,483)</u>	<u>6,080,909</u>
Total Change in Net Assets	(378,517)	4,306,007
Net Assets, Beginning of Year	<u>48,868,562</u>	<u>44,562,555</u>
Net Assets, End of Year	<u>\$ 48,490,045</u>	<u>\$ 48,868,562</u>

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

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2017
With Summarized Comparative Information for the Year Ended June 30, 2016

	Program Services				Supporting Services			2017 Total	2016
	Encouraging Positive Development	Fostering Independence	Promoting Self- Sufficiency	Subtotal	Management and General	Fundraising	Subtotal		
Salaries	\$ 3,768,405	\$ 4,703,476	\$ 3,829,333	\$ 12,301,214	\$ 1,931,369	\$ 330,119	\$ 2,261,488	\$ 14,562,702	\$ 13,835,989
Pension	48,293	45,794	91,121	185,208	116,327	6,772	123,099	308,307	329,435
Other Employee Benefits	238,294	211,453	232,397	682,144	104,464	19,869	124,333	806,477	765,378
Payroll Taxes	333,719	470,341	317,495	1,121,555	121,554	24,382	145,936	1,267,491	1,234,069
Legal Fees	12,364	39,767	(25,138)	26,993	7,016	450	7,466	34,459	40,430
Accounting Fees	-	-	124,117	124,117	75,689	-	75,689	199,806	180,427
Other Professional Fees	1,115,878	583,408	362,600	2,061,886	414,024	366,431	780,455	2,842,341	3,207,304
Supplies	2,316,677	326,492	212,724	2,855,893	43,008	4,430	47,438	2,903,331	2,158,749
Telecommunications	57,406	62,076	116,534	236,016	45,254	6,117	51,371	287,387	290,514
Postage	2,754	2,138	4,610	9,502	6,280	4,805	11,085	20,587	17,985
Occupancy	391,712	638,371	559,373	1,589,456	118,187	506	118,693	1,708,149	1,521,912
Interest	10,981	15,082	433,376	459,439	22,571	-	22,571	482,010	481,477
Insurance	48,440	120,823	248,815	418,078	52,931	1,838	54,769	472,847	495,730
Equipment Rental and Maintenance	32,802	22,148	250,641	305,591	59,579	1,270	60,849	366,440	370,169
Printing and Publications	7,592	4,181	13,605	25,378	22,838	6,033	28,871	54,249	60,262
Travel and Transportation	136,403	150,049	85,029	371,481	10,311	58,496	68,807	440,288	444,464
Conferences and Meetings	32,300	5,583	42,187	80,070	63,240	12,826	76,066	156,136	108,720
Specific Assistance to Individuals	380,983	114,228	1,320,309	1,815,520	1,982	-	1,982	1,817,502	1,791,862
Other	19,748	50,167	88,678	158,593	92,688	341,471	434,159	592,752	477,040
Depreciation and Amortization	64,485	170,966	450,713	686,164	85,791	-	85,791	771,955	734,013
RNDC's General and Limited Partnerships	-	-	5,168,919	5,168,919	-	-	-	5,168,919	5,169,413
Total	\$ 9,019,236	\$ 7,736,543	\$ 13,927,438	\$ 30,683,217	\$ 3,395,103	\$ 1,185,815	\$ 4,580,918	\$ 35,264,135	\$ 33,715,342

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

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2017 and 2016

	2017	2016
Cash Flows from Operating Activities		
Change in Net Assets	\$ (378,517)	\$ 4,306,007
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	771,955	734,013
(Gain) Loss on Investments	(716,544)	419,570
Net (Gain) Loss on Disposition of Assets	(89,392)	199,262
Bad Debt Expense	383,099	223,387
(Increase) Decrease in Operating Assets		
Grants Receivable	(488,357)	(543,156)
Pledges Receivable	(42,203)	(242,153)
Prepaid Expenses	451,129	505,039
Other Current Assets	1,962	(60,533)
Designated and Restricted Assets	(168)	21,615
Investment in Joint Ventures	5,000	(63,870)
RNDC's General and Limited Partnerships' Assets	(12,349,882)	(7,729,033)
Increase (Decrease) in Operating Liabilities		
Accounts Payable	50,404	63,757
Accrued Expenses	(136,765)	610,493
Other Current Liabilities	(14,365)	(220,695)
RNDC's General and Limited Partnerships' Liabilities	14,239,484	3,127,344
Net Cash Provided by Operating Activities	1,686,840	1,351,047

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

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
Consolidated Statements of Cash Flows (Continued)
For the Years Ended June 30, 2017 and 2016

	2017	2016
Cash Flows from Investing Activities		
Proceeds from Sale of Investments	2,883,578	1,228,579
Purchase of Investments	(1,966,890)	(1,390,481)
Decrease in Notes Receivable - RNDC	-	29,287
Increase in Notes Receivable - Investment Partner	(197,323)	(223,767)
Proceeds from Sale of Fixed Assets	563,113	-
Purchase of Fixed Assets	(620,358)	(2,863,665)
Net Cash Provided by (Used in) Investing Activities	662,120	(3,220,047)
Cash Flows from Financing Activities		
Proceeds from Long-Term Debt	750,000	1,726,567
Principal Payments on Long-Term Debt	(2,953,947)	(735,316)
Loan Origination Fees Paid	(11,850)	-
Net Cash (Used in) Provided by Financing Activities	(2,215,797)	991,251
Net Increase (Decrease) in Cash and Cash Equivalents	133,163	(877,749)
Cash and Cash Equivalents, Beginning of Year	4,617,635	5,495,384
Cash and Cash Equivalents, End of Year	\$ 4,750,798	\$ 4,617,635
Supplemental Disclosure of Cash Flow Information		
Interest Paid	\$ 432,658	\$ 479,572
Non-Cash Transactions		
Purchase of Fixed Assets with Debt Proceeds	\$ -	\$ 522,086
Financed Insurance Premiums	\$ 400,172	\$ 442,571

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

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 1. Organization

Volunteers of America of Greater New Orleans, Inc. (VOAGNO) is a nonprofit spiritually based human services organization recognized as a church, incorporated in the State of Louisiana. VOAGNO provides social services within the Greater New Orleans and Southeast Louisiana areas under a charter from Volunteers of America, Inc., a national nonprofit spiritually based organization providing human services programs, and opportunities for individual and community involvement. VOAGNO provides (a) services to children in order to encourage positive development; (b) services to individuals with mental health problems, developmentally disabled, and elderly members of the community to foster their independence; and (c) community corrections services, affordable housing, and homeless services to promote self-sufficiency for affected individuals. Affiliated organizations controlled by VOAGNO include Community Living Centers, Inc., VOA Development, Inc., VOA Development 2, Inc., Canal Street Single Room Occupancy (SRO) Limited Partnership, and Renaissance Neighborhood Development Corporation (RNDC).

Community Living Centers, Inc. (CLC) is a nonprofit organization incorporated under the laws of the State of Louisiana and sponsored by VOAGNO. No capital stock is authorized, issued, or outstanding. CLC was formed as a 501(c)(3) corporation to acquire an interest in real property and to construct and operate thereon two six-unit group homes under Section 202 of the National Housing Act in order to provide housing for developmentally disabled persons. CLC operates FHA Project No. 064-EH036-WHC-NP-L8. The financial statements of CLC as of and for the years ended June 30, 2017 and 2016 were audited by other auditors whose reports have been furnished to us.

VOA Development, Inc. is a nonprofit organization incorporated under the laws of the State of Louisiana and sponsored by VOAGNO. No capital stock is authorized, issued, or outstanding. VOA Development, Inc. was formed as a 501(c)(3) corporation to acquire interest in real property. VOA Development, Inc. operates a single room occupancy and efficiency housing for the homeless and elderly (Project I). All leases between Project I and tenants are operating leases. Project I consists of eighty-two (82) units. Project I qualified for and has been allocated low-income housing tax credits pursuant to the Internal Revenue Code, Section 42, which regulates the use of Project I as to occupant eligibility and unit gross rent, among other requirements.

VOA Development 2, Inc. is a nonprofit organization incorporated under the laws of the State of Louisiana and sponsored by VOAGNO. No capital stock is authorized, issued, or outstanding. VOA Development 2, Inc. was formed as a 501(c)(3) corporation to acquire interest in real property.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 1. Organization (Continued)

Canal Street SRO Limited Partnership (the Partnership) was formed as a limited partnership under the laws of the State of Louisiana for the purpose of constructing and operating single room occupancy and efficiency housing for the homeless and elderly (Project II). All leases between Project II and tenants are operating leases. Project II consists of seventy (70) units. Project II qualified for and has been allocated low-income housing tax credits pursuant to the Internal Revenue Code, Section 42, which regulates the use of Project II as to occupant eligibility and unit gross rent, among other requirements. The financial statements of the Partnership, which operates on a calendar year-end, are audited by other auditors. On December 31, 2014, limited partner investor assigned 100% of its interest and all of its rights, titles, and interest in the Partnership and its property under the partnership agreement to VOA Development 2, Inc., the general partner.

Renaissance Neighborhood Development Corporation is a nonprofit corporation organized under the laws of the State of Louisiana exclusively for charitable, religious, educational, and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. This includes, without limitation, the ownership and operation of housing facilities on a nonprofit basis and the provision of housing-related services on a nonprofit basis, and including for such purposes the making of distributions and contributions to organizations described in Section 501(c)(3) of the Internal Revenue Code and exempt from taxation under Section (a) of the Internal Revenue Code. RNDC was formed by Volunteers of America National Services and VOAGNO to respond to the devastation of Hurricane Katrina so as to construct, rehabilitate, or acquire housing in the Greater New Orleans area that is affordable to very low, low, and moderate income families. Consolidation of RNDC into VOAGNO, an entity with non-voting control and economic interest over RNDC, was accomplished in the 2013 fiscal year in the following manner: 1) the ownership criteria was met by establishing a 51-49 non-voting majority interest reflected in the by-laws, and 2) by establishing economic interest based on the fact that the housing department is headquartered within VOAGNO, with full hiring, firing, and other budgetary authority with the benefit impacting the Greater New Orleans and outlying regional areas.

The consolidated financial statements include the accounts of Volunteers of America of Greater New Orleans, Inc., its wholly-owned nonprofit subsidiaries, Community Living Centers, Inc., VOA Development, Inc., and VOA Development 2, Inc., and the for-profit entity Canal Street SRO Limited Partnership, and RNDC in which Volunteers of America of Greater New Orleans, Inc. has a controlling interest, and will be collectively referred to as the Organization. All material intercompany transactions have been eliminated.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 1. Organization (Continued)

The Organization operates and maintains programs to meet a wide variety of needs for individuals in the Organization's service areas. These programs provide numerous social services which are described as follows:

Encouraging Positive Development

The Organization provides services to promote healthy development of children, adolescents, and their families through a continuum of services from early prevention to intensive intervention approaches through the following program:

Children and Youth Services: This program provides services to children with developmental disabilities from birth to age eighteen (18) to enhance their functioning by living in small, typical homes in the community. The program also provides young women with viable positive alternatives when facing single parenthood by providing counseling for pregnant young women and providing adoption services.

Fostering Independence

The Organization provides services designed to provide care when needed, while supporting independence to the degree possible. These services are offered to the elderly and to those individuals with disabilities, mental illness, and HIV/AIDS through the following programs:

Disabilities Services: This program serves adults with developmental disabilities and mental illnesses by helping them maintain their own residence in the community and provides training in personal, vocational, and social skills and supportive counseling. The program also assists in meeting the medical, employment, financial, recreational, and mobilization needs.

Elderly Services: This program fosters independent living with dignity and a sense of self-reliance for the elderly. The program also sponsors educational and health-related activities, homemaker services, repairs on wheels, and elderly protective services.

Mental Health Services: This program provides pre-vocational and vocational placement, employment support, and a day treatment program placement for adults with developmental disabilities in an effort to enhance their self-esteem and functional productivity in a small, community-based residential setting.

Promoting Self-Sufficiency

The Organization provides services to promote self-sufficiency to those who have experienced homelessness or other personal crisis including chemical dependency, involvement with the corrections system, and unemployment, through the following programs:

Correctional Services: This program re-establishes family relationships and support and gainful employment and drug abstinence for men and women who are being released from federal institutions.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 1. Organization (Continued)

Promoting Self-Sufficiency (Continued)

Employment and Training Services: This program identifies, facilitates, and coordinates training to ensure that staff members are equipped to perform their jobs.

Homeless Services: This program provides shelter for homeless individuals.

Housing Services: This program provides housing management services for multi-family housing complexes.

Management and General

This supporting service facilitates and coordinates the operations of the Organization and is used to fund operations of the Organization that are not directly covered by specific programs administered by the Organization.

Fundraising

This supporting service facilitates and coordinates the fundraising activities of the Organization. Its activities primarily consist of fundraising activities and sales of automobiles donated to the Organization.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The accounting policies of the Organization conform to accounting principles generally accepted in the United States of America as applicable to voluntary health and welfare organizations.

The more significant accounting policies of the Organization are described below.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Volunteers of America of Greater New Orleans, Inc., its wholly-owned nonprofit subsidiaries, Community Living Centers, Inc., VOA Development, Inc., and VOA Development 2, Inc., and RNDC in which Volunteers of America of Greater New Orleans, Inc., has a controlling interest and will be collectively referred to as the Organization. All significant intercompany transactions have been eliminated.

Fixed Assets

Land, buildings, building improvements, vehicles, furniture, and equipment purchased by the Organization are recorded at cost. The Organization follows the practice of capitalizing all expenditures for land, buildings, and equipment over \$2,500. The fair value of donated fixed assets is similarly capitalized.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Fixed Assets (Continued)

Depreciation and amortization is computed using the straight-line method based upon the following estimated useful lives of the assets:

Building and Improvements	15 - 30 Years
Vehicles	5 Years
Furniture and Equipment	5 - 8 Years

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, unless held for reinvestment as part of the investment portfolio, pledged to secure loan agreements, or otherwise designated or restricted. The carrying amount approximates fair value because of the short-term maturity of those instruments.

Contributions

Contributions are generally recorded only upon receipt, unless evidence or an unconditional promise to give has been received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of amounts expected to be collected. Conditional promises to give are not included as support until such time as the conditions are substantially met. All contributions are considered available for use unless specifically restricted by the donor.

Contributed Services

The Organization recognizes contribution revenue for certain services received at the fair value of those services provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Restricted and Designated Assets

Restricted and designated assets represent the total of all assets that are encumbered by donor restrictions, legal agreements, Board of Directors' designation, or otherwise unavailable for general use by the Organization. This category generally includes assets such as client or custodial funds, escrow and reserve account funds, temporarily or permanently restricted assets, and securities that are pledged and held by the lender as collateral for financing.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Reclassifications

Certain 2016 amounts have been reclassified to conform to the 2017 financial statement presentation. These reclassifications have no effect on previously reported change in net assets. In accordance with the adoption of ASU 2015-03 on July 1, 2016, unamortized debt issuance costs related to notes payable totaling \$7,661 as of June 30, 2016, which were previously included in other current assets, are included in the balance of the notes payable in the accompanying consolidated statements of financial position.

Net Assets

The Organization classifies net assets into three categories: unrestricted, temporarily restricted, and permanently restricted. All net assets are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Temporarily restricted net assets include contributions with temporary, donor-imposed time or purpose restrictions. Temporarily restricted net assets become unrestricted and are reported in the consolidated statements of activities as net assets released from restrictions when the time restrictions expire or the contributions are used for the restricted purpose. Permanently restricted net assets include contributions with donor-imposed restrictions requiring resources to be maintained in perpetuity, but permitting use of all or part of the investment income earned on the contributions. As of June 30, 2017 and 2016, there were no temporarily or permanently restricted net assets.

Operations

The Organization defines operations as all program services and supporting activities undertaken (see Note 1). Revenues that result from these activities and their related expenses are reported as operations. Gains, losses, and other revenue that result from ancillary activities, such as investing liquid assets and disposing of fixed or other assets, are reported as non-operating.

Income Taxes

Under provisions of Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the State of Louisiana, the Organization is exempt from income taxes, except for net income from unrelated business income, as a subordinate unit of Volunteers of America, Inc. Volunteers of America, Inc. is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as a religious organization described in Section 501(c)(3). There was no material unrelated business income in 2017 or 2016 and, accordingly, no tax expense was incurred during the years ended June 30, 2017 and 2016.

RNDC has two subsidiaries, Millennium Properties, Inc. and Riverfront Self Storage, LLC, that are subject to federal and state income taxes. However, no tax expense was incurred during the years ended June 30, 2017 or 2016.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
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Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Income Taxes (Continued)

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The Organization believes that it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements.

Penalties and interest assessed by income taxing authorities, if any, would be included in income tax expense.

Advertising Expenses

The Organization expenses the costs of advertising as incurred. Advertising expense was \$319,929 and \$327,707, for the years ended June 30, 2017 and 2016, respectively.

Investments

The Organization's investments are stated at fair value in the consolidated statements of financial position, with all gains and losses included in the consolidated statements of activities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 17 for discussion of fair value measurement.

Unrealized gains and losses on investments with readily determinable fair values are recorded in the consolidated statements of activities as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or law. Dividend, interest, and other investment income are recorded as increases in unrestricted net assets unless the use is restricted by the donor. Donated investments are recorded at fair value at the date of receipt.

Investment in Joint Ventures

The investment in joint ventures represents a 25% ownership by the Organization in two entities, Edgewater Ventures, LLC and Pixie, LLC, and is accounted for using the equity method of accounting. The investment is carried at cost plus equity in undistributed earnings or losses.

Summary Financial Information for 2017

The consolidated financial statements and supplementary information contain certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements and related notes or the consolidated financial statements for the year ended June 30, 2016, from which the summarized information was derived.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Allocation of Functional Expenses

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

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue Recognition

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Public Support and Revenue

A significant portion of support for the Organization is provided by fees from federal, state, and local governmental agencies. The Organization relies on continued funding in order to provide ongoing and continued programs.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which amends the existing accounting standards for revenue recognition. ASU 2014-09 is based on principles that govern the recognition of revenue at an amount an entity expects to be entitled to when products are transferred to customers. The new standard is effective for fiscal years beginning after December 15, 2018, though early adoption is permitted. The new revenue standard may be applied retrospectively as of the date of adoption. Management is currently evaluating the impact of adopting the new revenue standard on its consolidated financial statements.

In January 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as financing or operating leases. A lessee should recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2016-02 is effective for financial statements issued for annual periods beginning after December 15, 2019. Management is currently evaluating the impact ASU 2016-02 will have on its consolidated financial statements.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements (Continued)

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, “net assets with donor restrictions” and “net assets without donor restrictions,” and expands disclosures about the nature and amount of any donor restrictions. ASU 2016-14 is effective for annual periods beginning after December 15, 2017 and interim periods within fiscal years beginning after December 15, 2018, with early adoption permitted. Management is currently evaluating the impact the adoption of this guidance will have on its consolidated financial statements.

Note 3. Pledges Receivable

At June 30, 2017 and 2016, amounts included in pledges receivable were as follows:

	2017	2016
Pledges Receivable	\$ 1,698,050	\$ 1,624,477
Less: Discount of Long-Term Pledges	(51,801)	(84,682)
Less: Allowance for Doubtful Accounts	(386,931)	(322,680)
Pledges Receivable, Net	\$ 1,259,318	\$ 1,217,115

Amounts due in the years ending June 30 are as follows:

Years	Amount
2018	\$ 1,019,636
2019	298,568
2020	242,418
2021	134,178
2022	3,250
Total	\$ 1,698,050

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
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Notes to Consolidated Financial Statements

Note 4. Note Receivable - Investment Partner

At June 30, 2017 and 2016, note receivable - investment partner consists of a note receivable from ESIC New Market Partners XLVII Investment Fund, LLC which originated through the project financing of 1770 Tchoupitoulas, LLC in July 2012. Scheduled annual principal payments due from ESIC New Market Partners XLVII Investment Fund, LLC on the note receivable subsequent to June 30, 2017, are as follows:

Years Ending June 30,	Amount
2018	\$ 21,710
2019	321,600
2020	218,238
2021	246,299
2022	274,811
Thereafter	<u>10,477,604</u>
Total	<u>\$ 11,560,262</u>

Note 5. Fixed Assets

At June 30, 2017 and 2016, fixed assets consisted of the following:

	2017	2016
Land	\$ 4,574,414	\$ 4,502,501
Buildings and Improvements	14,497,687	14,769,912
Vehicles	416,548	457,429
Furniture and Equipment	2,411,661	2,294,753
Construction in Progress	-	18,224
	<u>21,900,310</u>	<u>22,042,819</u>
Less: Accumulated Depreciation	<u>(7,237,284)</u>	<u>(6,774,093)</u>
Total Fixed Assets, Net	<u>\$ 14,663,026</u>	<u>\$ 15,268,726</u>

Depreciation expense was \$752,274 and \$711,032, for the years ended June 30, 2017 and 2016, respectively.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
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Notes to Consolidated Financial Statements

Note 6. Designated and Restricted Assets

The Organization has agreements with agencies that require funded reserves and the restriction of certain deposits which are custodial in nature. At June 30, 2017 and 2016, designated and restricted assets were as follows:

	2017	2016
Custodial Funds	\$ 2,136	\$ 2,136
Escrow Deposits	-	3,533
Security Deposits	18,754	18,292
Replacement Reserve Funds	128,480	125,241
Total	\$ 149,370	\$ 149,202

Note 7. RNDC's General and Limited Partnerships' Assets

At June 30, 2017 and 2016, general and limited partnerships' assets consisted of the following:

	2017	2016
Cash and Cash Equivalents	\$ 1,333,065	\$ 2,182,451
Accounts Receivable	43,804	21,790
Prepaid Expenses	352,810	432,021
Other Assets	297,152	527,103
Restricted and Designated Assets	2,648,270	2,933,895
Land, Buildings, and Other Capitalized Costs	82,802,594	69,030,553
Total	\$ 87,477,695	\$ 75,127,813

Note 8. Line of Credit

The Organization has a \$1,000,000 line of credit. The line has an interest rate of 3.826% at June 30, 2017 and matures on June 30, 2018. There was no balance on this line of credit at June 30, 2017 or 2016.

The Organization is subject to a restrictive financial covenant under this agreement. At June 30, 2017 and 2016, the Organization was in compliance with this covenant.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
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Notes to Consolidated Financial Statements

Note 9. Mortgages and Notes Payable

The following is a summary of mortgages and notes payable at June 30, 2017 and 2016:

	2017	2016
Mortgage payable to a bank secured by land and a building with an interest rate of 4.5%, payable in monthly installments of \$15,292, with a maturity date of August, 2018.	\$ -	\$ 1,497,067
Mortgage payable to the U.S. Department of Housing and Urban Development secured by a mortgage on the real estate and improvements thereon with an interest rate of 9.25%, payable in monthly installments of \$3,622, with a maturity date of June, 2024.	235,935	247,282
Mortgages payable to foundations secured by land and buildings with an interest rate of 5.5%, payable in annual installments ranging from \$803 to \$1,692, maturing in February 2019.	-	48,395
Notes payable to banks secured by vehicles with interest rates of 4.0%, payable in monthly installments ranging from \$420 to \$851, with maturity dates ranging from July 2016 to October 2019.	111,625	179,696
Note payable to Volunteers of America, Inc. unsecured, with no interest, payable in monthly installments of \$5,084, with a maturity date of February 2018.	-	45,718
Four (4) notes payable to Volunteers of America National Services, unsecured, with interest rates of -0-%, with maturity dates ranging from the earlier of the date on which the borrower receives pre-development financing or closes on the real estate and construction and equity financing.	925,000	975,000
Note payable to Iberia Bank secured by land and buildings (Tchoupitoulas) with an interest rate equal to the London Interbank Offered Rate (LIBOR) plus three percent (3.0%), maturing from January 2014 through July 2019.	2,670,552	2,832,403
Note payable to Iberia Bank secured by land, with an interest rate of 5.25%, payable in 26 monthly payments of \$16,433 and one final payment totaling \$1,419,450 due on October 11, 2019.	1,840,533	1,972,000
Note payable to the State of Louisiana, Division of Administration, Office of Community Development in connection with the acquisition, ownership, development, rehabilitation, construction, and leasing of those certain buildings and other improvements located at 1770 and 1744-46 Tchoupitoulas Street with an interest rate of 1.0% per annum, maturing on July 2, 2037.	2,188,952	2,264,635

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 9. Mortgages and Notes Payable (Continued)

	2017	2016
Note payable to a financial institution, secured by equipment, with an interest rate of 4.5%, with monthly payments of \$8,813, maturing January 28, 2021.	349,800	436,507
Note payable to Volunteers of America National Services, unsecured, with an interest rate of -0%, with annual payments of \$5,433 due from net cash flow as defined by the promissory note beginning on May 1, 2016, and the remaining balance due at maturity on May 1, 2025.	163,000	163,000
Note payable to Volunteers of America North Louisiana with an interest rate of 1% due at maturity on November 12, 2017.	200,000	200,000
Note payable to Living Cities, Inc. with an interest rate of -0%, maturing on June 30, 2018.	200,000	200,000
Note payable to The Powers Foundation with an interest rate of 2.0%, maturing on December 31, 2017.	250,000	250,000
Note payable to Enterprise Community Loan Fund, Inc. with an interest rate of 6.0%, maturing on November 30, 2017.	1,507,182	1,527,586
Notes payable to Enterprise Community Partners, Inc. with maturity dates of November 30, 2016 and May 31, 2018, and an interest rate of -0%.	200,000	298,978
Construction loan payable to Whitney Bank, which converted to a note payable on July 6, 2017, with interest rate of 5.25%, maturing on July 6, 2022.	534,312	-
Financed insurance premium with monthly installments of \$37,054 including interest at 3.69%, maturing May 2018.	400,172	442,571
	11,777,063	13,580,838
Less: Debt Issuance Costs, Net of Amortization	(9,850)	(7,661)
Total	\$ 11,767,213	\$ 13,573,177

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
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Notes to Consolidated Financial Statements

Note 9. Mortgages and Notes Payable (Continued)

Scheduled principal payments due on the above mortgages and notes payable subsequent to June 30, 2017, are as follows:

Years Ending June 30,	Amount
2018	\$ 4,537,545
2019	647,404
2020	1,889,858
2021	384,734
2022	319,599
Thereafter	<u>3,997,923</u>
Total	<u>\$ 11,777,063</u>

In 2016, the Organization retroactively adopted the requirements in FASB ASC 835-30, *Simplifying the Presentation of Debt Issuance Costs*, to present debt issuance costs as a reduction of the carrying amount of the debt rather than as an asset. Mortgages and notes payable as of June 30, 2016, was previously reported on the consolidated statement of financial position as \$13,580,838, with the associated \$7,661 unamortized debt issuance costs included in other current assets.

Interest expense was \$482,010 and \$481,477, for the years ended June 30, 2017 and 2016, respectively.

Subsequent to year end, RNDC refinanced its note payable with Iberia Bank which extended its maturity date to October 2019. See the details of the note above.

The Organization was in compliance with debt covenants at June 30, 2017 and 2016.

Note 10. RNDC's General and Limited Partnerships' Liabilities

At June 30, 2017 and 2016, general and limited partnerships' liabilities consisted of the following:

	2017	2016
Accounts Payable	\$ 951,976	\$ 2,455,408
Accrued Expenses	721,874	350,872
Other Liabilities	178,746	640,716
Mortgages and Notes Payable	<u>65,411,845</u>	<u>49,577,961</u>
Total	<u>\$ 67,264,441</u>	<u>\$ 53,024,957</u>

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
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Notes to Consolidated Financial Statements

Note 11. Related Party Transactions

The Organization is affiliated with Volunteers of America, Inc. which provides supporting services to the Organization for a fee. Affiliate fees were \$474,842 and \$427,961, for the years ended June 30, 2017 and 2016, respectively. Amounts payable to Volunteers of America, Inc. were \$38,972 and \$35,092, at June 30, 2017 and 2016, respectively. Additionally, the Organization had a note payable to Volunteers of America, Inc. in the amount of \$45,718, at June 30, 2016. The note was paid off during the fiscal year ended June 30, 2017.

Volunteers of America National Services is a guarantor of the debt of RNDC and has loans to RNDC as of June 30, 2017 and 2016 of \$1,088,000 and \$1,138,000, respectively.

VOANS CDE Sub I has an outstanding loan to 1770 Tchoupitoulas, LLC with a balance of \$8,160,000, as of June 30, 2017 and 2016.

There are various intercompany receivables and payables in the normal course of business which are eliminated in consolidation.

Note 12. Leases

The Organization has several operating leases for the rental of office space and vehicles which are non-cancelable over the next four (4) years and several operating leases for the rental of office space on a month-to-month basis.

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of June 30, 2017 and in the aggregate are as follows:

Years Ending June 30,	Amount
2018	\$ 164,475
2019	135,292
2020	18,516
2021	8,533
Total	\$ 326,816

Rental expense under month-to-month and non-cancelable operating leases were \$458,703 and \$565,165, for the years ended June 30, 2017 and 2016, respectively.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
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Notes to Consolidated Financial Statements

Note 13. Pension Plan for Ministers

The Organization participates in a non-contributory defined benefit pension and retirement plan. The plan is administered through a commercial insurance company and covers all ministers commissioned through December 31, 1999. Pension plan expenses were \$129,857 and \$132,962, for the years ended June 30, 2017 and 2016, respectively.

Note 14. Employee Benefit Plans

The Organization offers a Section 403(b) plan to all eligible employees. Employees are eligible to participate at employment. Under the terms of the plan, after completing twelve (12) months of service, the Organization matches up to 5.0% of employee contributions. The Organization contributed \$178,425 and \$202,704, for the years ended June 30, 2017 and 2016, respectively.

Note 15. RNDC's General and Limited Partnerships' Revenue

At June 30, 2017 and 2016, general and limited partnerships' revenue consisted of the following:

	2017	2016
Rental Income	\$ 3,930,262	\$ 3,705,100
Other Income	56,211	233,227
Total	\$ 3,986,473	\$ 3,938,327

Note 16. Fair Value of Financial Instruments

The following methods and assumptions were used by the Organization in estimating the fair value of its financial instruments:

Current Assets and Liabilities: The Organization considers the carrying amounts of financial instruments classified as current assets and liabilities to be a reasonable estimate of their fair values.

Investments: The fair values of the Organization's marketable equity securities are based on quoted market prices in an active market. The carrying amounts of other investments approximate fair value. See Note 17 for further details.

Long-Term Debt: When practicable to estimate, the fair values of the Organization's long-term financial instruments are based on (a) currently traded values of similar financial instruments or (b) discounted cash flow methodologies utilizing currently available borrowing rates.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
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Notes to Consolidated Financial Statements

Note 17. Fair Value Measurements

The fair value measurements are based on a framework that provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets

for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
Level 2	Inputs to the valuation methodology include: <ul style="list-style-type: none">• Quoted prices for similar assets or liabilities in active markets;• Quoted prices for identical or similar assets or liabilities in inactive markets;• Inputs other than quoted prices that are observable for the asset or liability;• Inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

A description of the valuation methodologies used for assets measured at fair value is as follows:

- Common stocks, corporate bonds, and U.S. government securities, when present, are valued at the closing price reported on the active market on which the individual securities are traded.
- Mutual funds are valued at the net asset value (NAV) of shares held at year-end.
- Pooled investment accounts are measured at fair value using the net asset value per share (or its equivalent).

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
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Notes to Consolidated Financial Statements

Note 17. Fair Value Measurements (Continued)

The following tables set forth, by level within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2017 and 2016:

June 30, 2017	Level 1	Level 2	Level 3	Total
Mutual Funds				
Equity Funds	\$ 2,988,707	\$ -	\$ -	\$ 2,988,707
Fixed Income Funds	1,815,858	281,102	-	2,096,960
Common Stock	1,146,328	-	-	1,146,328
Total Assets in the Fair Value Hierarchy	5,950,893	281,102	-	6,231,995
Investments Measured at Net Asset Value (a)	-	-	-	60,214
Investments, at Fair Value	\$ 5,950,893	\$ 281,102	\$ -	\$ 6,292,209
June 30, 2016	Level 1	Level 2	Level 3	Total
Mutual Funds				
Equity Funds	\$ 3,358,359	\$ -	\$ -	\$ 3,358,359
Fixed Income Funds	1,413,559	178,749	-	1,592,308
Common Stock	1,057,264	-	-	1,057,264
Total Assets in the Fair Value Hierarchy	5,829,182	178,749	-	6,007,931
Investments Measured at Net Asset Value (a)	-	-	-	553,370
Investments, at Fair Value	\$ -	\$ -	\$ -	\$ 6,561,301

(a) In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

Transfers Between Levels

For the years ended June 30, 2017 and 2016, there were no significant transfers between Levels 1 and 2 and no transfers in or out of Level 3.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
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Notes to Consolidated Financial Statements

Note 17. Fair Value Measurements (Continued)

Investments Using the Net Asset Value per Share Practical Expedient

The following tables summarize investments for which fair value is measured using the net asset value per share practical expedient as of June 30, 2017 and 2016. There are no redemption restrictions for these investments:

<u>June 30, 2017</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Pooled Investment Fund	\$ 60,214	N/A	Daily	N/A

<u>June 30, 2016</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Pooled Investment Fund	\$ 553,370	N/A	Daily	N/A

The main objective of this fund is to generate, over a three-year moving time period, a return that is equal to or greater than 3% in excess of the consumer price index and 6% overall. The portfolio is invested to create long-term appreciation of assets, consistent returns, and to minimize the likelihood of low or negative returns.

Note 18. Contingencies

The Organization receives fees and grants from federal, state, and local governmental agencies. The programs sponsored by these agencies are subject to discretionary audits by the granting agencies. There have been no audits by granting agencies during the 2017 fiscal year and management does not anticipate any adjustments as a result of future audits. Any adjustments from an audit performed by a granting agency would flow through the consolidated financial statements during the year of the audit as a change in accounting estimate.

The Organization is defendant in various lawsuits. However, in the opinion of management, based on consultation with legal counsel, the amount of potential loss if any, will not materially impact these consolidated financial statements.

Note 19. Other Changes in Net Assets

Other changes in net assets primarily consist of amounts related to distributions and contributions for the years ended June 30, 2017 and 2016.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**

Notes to Consolidated Financial Statements

Note 20. Concentration of Credit Risk

The Organization maintains deposits in financial institutions that at times exceed the insured amount of \$250,000 by the U.S. Federal Deposit Insurance Corporation. The Organization believes it is not exposed to any significant credit risk to cash.

Note 21. Subsequent Events

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued October 9, 2017, and determined that the following events occurred that require disclosure.

In September 2017, a principal payment was made totaling \$2,028,025 on a General and Limited Partnership's note payable.

In July 2017, RNDC refinanced a note payable with Iberia Bank which extended its maturity date to October 2019.

No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

SUPPLEMENTARY INFORMATION

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
**Schedule of Compensation, Benefits, and Other Payments
to Agency Head**
For the Year Ended June 30, 2017

Louisiana Revised Statute (LRS) 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees, be reported as a supplemental report within the financial statements of local governmental and quasi-public auditees. In 2015, Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended LRS 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that receive public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

Agency Head
James M. LeBlanc, President/CEO

Purpose	Compensation and Benefits Funded by Use of Public Funds
Salary	\$ 129,373
Bonus	\$ 15,000
Benefits - Insurance	\$ 3,419
Benefits - Retirement	\$ 19,368
Benefits - Other	\$ 991
Car Allowance (Lease, Insurance, Gasoline)	\$ 6,000
Per Diem	\$ -
Reimbursements (Electronic Devices)	\$ 450
Local Entertainment/Sales	\$ -
Registration Fees	\$ -
Conference/Sales Mission Travel	\$ -
Local Transportation/Parking	\$ -
Continuing Professional Education Fees	\$ -
Housing	\$ -
Unvouchered Expenses	\$ -
Dues and Subscriptions	\$ 2,274

See independent auditor's report.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**

Schedule I

Consolidating Statement of Financial Position

For the Year Ended June 30, 2017

With Summarized Comparative Information for the Year Ended June 30, 2016

	Consolidated VOA/GNO, Inc.	Consolidated RNDC	Subtotal	Eliminations	2017 Consolidated	2016
Assets						
Current Assets						
Cash and Cash Equivalents	\$ 1,436,924	\$ 3,313,874	\$ 4,750,798	\$ -	\$ 4,750,798	\$ 4,617,635
Grants Receivable, Net of Allowance for Doubtful Accounts of \$72,674 at 2017 and \$107,224 at 2016	2,779,195	67,164	2,846,359	(5,655)	2,840,704	2,735,446
Pledges Receivable, Net	726,186	-	726,186	-	726,186	692,156
Prepaid Expenses	516,120	17,095	533,215	-	533,215	584,172
Other Current Assets	159,509	2,040	161,549	-	161,549	173,468
General and Limited Partnerships' Current Assets	-	1,999,109	1,999,109	-	1,999,109	3,163,365
Total Current Assets	5,617,934	5,399,282	11,017,216	(5,655)	11,011,561	11,966,242
Fixed Assets						
Fixed Assets, Net	8,726,123	5,936,903	14,663,026	-	14,663,026	15,268,726
General and Limited Partnerships' Fixed Assets, Net	-	82,802,594	82,802,594	-	82,802,594	69,030,553
Total Fixed Assets	8,726,123	88,739,497	97,465,620	-	97,465,620	84,299,279
Other Assets						
Designated and Restricted Assets	98,679	50,691	149,370	-	149,370	149,202
Long-Term Investments	5,085,667	1,206,542	6,292,209	-	6,292,209	6,561,301
Pledges Receivable, Net	533,132	-	533,132	-	533,132	524,959
Note Receivable and Other Amounts Due From RNDC	1,474,797	-	1,474,797	(1,474,797)	-	-
Notes Receivable - Investment Partner	-	11,560,262	11,560,262	-	11,560,262	11,362,939
Investment in Joint Ventures	403,086	-	403,086	-	403,086	339,138
General and Limited Partnerships' Other Assets	-	2,675,992	2,675,992	-	2,675,992	2,933,895
Total Other Assets	7,595,361	15,493,487	23,088,848	(1,474,797)	21,614,051	21,871,434
Total Assets	\$ 21,939,418	\$ 109,632,266	\$ 131,571,684	\$ (1,480,452)	\$ 130,091,232	\$ 118,136,955

See independent auditor's report.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**

Schedule I

Consolidating Statement of Financial Position (Continued)

For the Year Ended June 30, 2017

With Summarized Comparative Information for the Year Ended June 30, 2016

	Consolidated VOA/GNO, Inc.	Consolidated RNDC	Subtotal	Eliminations	2017 Consolidated	2016
Liabilities and Net Assets						
Current Liabilities						
Accounts Payable	\$ 777,189	\$ 124,315	\$ 901,504	\$ -	\$ 901,504	\$ 851,100
Mortgages and Notes Payable	779,211	3,758,334	4,537,545	-	4,537,545	4,342,737
Accrued Expenses	1,392,948	165,208	1,558,156	-	1,558,156	1,694,921
Other Current Liabilities	100,041	15,487	115,528	(5,655)	109,873	124,238
General and Limited Partnerships' Liabilities	-	10,457,045	10,457,045	(155,591)	10,301,454	3,635,732
Total Current Liabilities	3,049,389	14,520,389	17,569,778	(161,246)	17,408,532	10,648,728
Other Liabilities						
Due to VOA/GNO, Inc.	-	1,295,692	1,295,692	(1,295,692)	-	-
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	318,321	6,911,347	7,229,668	-	7,229,668	9,230,440
General and Limited Partnerships' Other Liabilities	-	56,986,501	56,986,501	(23,514)	56,962,987	49,389,225
Total Other Liabilities	318,321	65,193,540	65,511,861	(1,319,206)	64,192,655	58,619,665
Total Liabilities	3,367,710	79,713,929	83,081,639	(1,480,452)	81,601,187	69,268,393
Net Assets						
Unrestricted Net Assets	18,571,708	29,918,337	48,490,045	-	48,490,045	48,868,562
Total Net Assets	18,571,708	29,918,337	48,490,045	-	48,490,045	48,868,562
Total Liabilities and Net Assets	\$ 21,939,418	\$109,632,266	\$131,571,684	\$ (1,480,452)	\$130,091,232	\$118,136,955

See independent auditor's report.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
Consolidating Statement of Activities
For the Year Ended June 30, 2017
With Summarized Comparative Information for the Year Ended June 30, 2016

Schedule II

	Consolidated VOA/GNO, Inc.	Consolidated RNDC	Subtotal	Elimination	2017 Consolidated	2016
Revenues						
Revenues from Operations						
Public Support Received Directly						
Contributions	\$ 1,337,439	\$ -	\$ 1,337,439	\$ -	\$ 1,337,439	\$ 1,588,133
Special Events	724,316	-	724,316	-	724,316	862,642
Public Support Received Indirectly						
United Way						
Allocations	99,108	-	99,108	-	99,108	98,889
Designations	8,274	-	8,274	-	8,274	9,056
Total Public Support	2,169,137	-	2,169,137	-	2,169,137	2,558,720
Revenues and Grants from Governmental Agencies	20,154,547	57,050	20,211,597	-	20,211,597	19,665,846
Other Revenue						
Program Service Fees	6,690,120	93,965	6,784,085	(1,457,502)	5,326,583	5,214,436
Rental Income	214,777	318,491	533,268	-	533,268	510,954
Other Operating Income	12,582	579,677	592,259	(48,000)	544,259	632,058
General and Limited Partnerships' Revenue	-	4,191,928	4,191,928	(205,455)	3,986,473	3,938,327
Total Other Revenue	6,917,479	5,184,061	12,101,540	(1,710,957)	10,390,583	10,295,775
Total Operating Revenue	29,241,163	5,241,111	34,482,274	(1,710,957)	32,771,317	32,520,341

See independent auditor's report.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
Consolidating Statement of Activities (Continued)
For the Year Ended June 30, 2017
With Summarized Comparative Information for the Year Ended June 30, 2016

Schedule II

	Consolidated VOA/GNO, Inc.	Consolidated RNDC	Subtotal	Elimination	2017 Consolidated	2016
Expenses						
Operating Expenses						
Program Services						
Encouraging Positive Development	9,019,236	-	9,019,236	-	9,019,236	7,181,106
Fostering Independence	7,736,543	-	7,736,543	-	7,736,543	8,222,187
Promoting Self-Sufficiency	7,750,502	2,297,382	10,047,884	(1,289,365)	8,758,519	9,033,496
Promoting Self-Sufficiency - General and Limited Partnerships	-	5,590,511	5,590,511	(421,592)	5,168,919	5,169,413
Total Program Services	24,506,281	7,887,893	32,394,174	(1,710,957)	30,683,217	29,606,202
Supporting Services						
Management and General	3,395,103	-	3,395,103	-	3,395,103	3,024,606
Fundraising	1,185,815	-	1,185,815	-	1,185,815	1,084,534
Total Supporting Services	4,580,918	-	4,580,918	-	4,580,918	4,109,140
Affiliate Fees						
Fees Paid to National Organization	474,852	-	474,852	-	474,852	427,961
Total Affiliate Fees	474,852	-	474,852	-	474,852	427,961
Total Operating Expenses	29,562,051	7,887,893	37,449,944	(1,710,957)	35,738,987	34,143,303
Deficit from Operations	(320,888)	(2,646,782)	(2,967,670)	-	(2,967,670)	(1,622,962)

See independent auditor's report.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
Consolidating Statement of Activities (Continued)
For the Year Ended June 30, 2017
With Summarized Comparative Information for the Year Ended June 30, 2016

Schedule II

	Consolidated VOA/GNO, Inc.	Consolidated RNDC	Subtotal	Elimination	2017 Consolidated	2016
Other Activities						
Non-Operating Gains (Losses) and Other Revenue						
Interest and Dividend Income	129,011	407,710	536,721	-	536,721	631,283
Gain (Loss) on Disposition of Assets	89,392	-	89,392	-	89,392	(199,262)
Gain (Loss) on Investments	632,742	83,802	716,544	-	716,544	(419,570)
Other Non-Operating Gains (Losses)	1,072,926	214,036	1,286,962	-	1,286,962	(175,957)
Other Activities - General and Limited Partnerships	-	9,017	9,017	-	9,017	11,566
Surplus (Deficit) from Other Activities	1,924,071	714,565	2,638,636	-	2,638,636	(151,940)
Change in Net Assets	1,603,183	(1,932,217)	(329,034)	-	(329,034)	(1,774,902)
Other Changes in Net Assets	(5,097)	-	(5,097)	-	(5,097)	-
Other Changes in Net Assets - General and Limited Partnerships	-	(44,386)	(44,386)	-	(44,386)	6,080,909
Total Change in Net Assets	1,598,086	(1,976,603)	(378,517)	-	(378,517)	4,306,007
Net Assets, Beginning of Year	16,973,622	31,894,940	48,868,562	-	48,868,562	44,562,555
Net Assets, End of Year	\$ 18,571,708	\$ 29,918,337	\$ 48,490,045	\$ -	\$ 48,490,045	\$ 48,868,562

See independent auditor's report.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**

Schedule III

Consolidating Statement of Functional Expenses

For the Year Ended June 30, 2017

With Summarized Comparative Information for the Year Ended June 30, 2016

	Consolidated VOA/GNO, Inc.	Consolidated RNDC	Subtotal	Eliminations	2017 Consolidated	2016
Salaries	\$ 14,562,702	\$ -	\$ 14,562,702	\$ -	\$ 14,562,702	\$ 13,835,989
Pension	308,307	-	308,307	-	308,307	329,435
Other Employee Benefits	806,477	-	806,477	-	806,477	765,378
Payroll Taxes	1,267,491	-	1,267,491	-	1,267,491	1,234,069
Legal Fees	30,526	3,933	34,459	-	34,459	40,430
Accounting Fees	91,129	108,677	199,806	-	199,806	180,427
Other Professional Fees	2,589,221	1,337,030	3,926,251	(1,083,910)	2,842,341	3,207,304
Supplies	2,869,820	33,511	2,903,331	-	2,903,331	2,158,749
Telecommunications	283,037	4,350	287,387	-	287,387	290,514
Postage	20,065	522	20,587	-	20,587	17,985
Occupancy	1,760,379	153,225	1,913,604	(205,455)	1,708,149	1,521,912
Interest	113,312	368,698	482,010	-	482,010	481,477
Insurance	455,406	17,441	472,847	-	472,847	495,730
Equipment Rental and Maintenance	240,953	125,487	366,440	-	366,440	370,169
Printing and Publications	50,991	3,258	54,249	-	54,249	60,262
Travel and Transportation	434,344	5,944	440,288	-	440,288	444,464
Conferences and Meetings	156,136	-	156,136	-	156,136	108,720
Specific Assistance to Individuals	1,817,502	-	1,817,502	-	1,817,502	1,791,862
Other	551,686	41,066	592,752	-	592,752	477,040
Depreciation and Amortization	677,715	94,240	771,955	-	771,955	734,013
General and Limited Partnerships' Expenses	-	5,590,511	5,590,511	(421,592)	5,168,919	5,169,413
Total	\$ 29,087,199	\$ 7,887,893	\$ 36,975,092	\$ (1,710,957)	\$ 35,264,135	\$ 33,715,342

See independent auditor's report.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**

Schedule IV

Consolidating Statement of Financial Position - VOA/GNO, Inc.

For the Year Ended June 30, 2017

With Summarized Comparative Information for the Year Ended June 30, 2016

	VOA GNO, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2017 Consolidated	2016
Assets							
Current Assets							
Cash and Cash Equivalents	\$ 1,427,856	\$ 3,891	\$ 5,177	\$ 1,436,924	\$ -	\$ 1,436,924	\$ 789,823
Grants Receivable, Net of Allowance for Doubtful Accounts of \$72,674 at 2017 and \$107,224 at 2016	2,709,039	-	70,156	2,779,195	-	2,779,195	2,552,859
Pledges Receivable, Net	726,186	-	-	726,186	-	726,186	692,156
Accounts Receivable, CLC, Inc.	59,097	-	-	59,097	(59,097)	-	-
Accounts Receivable, Limited Partnerships	1,095,590	-	-	1,095,590	(1,095,590)	-	-
Interest Receivable, VOA Development	50,835	-	-	50,835	(50,835)	-	-
Notes Receivable, VOA Development	476,979	-	-	476,979	(476,979)	-	-
Prepaid Expenses	493,007	-	23,113	516,120	-	516,120	572,264
Other Current Assets	137,388	-	22,121	159,509	-	159,509	173,468
Total Current Assets	7,175,977	3,891	120,567	7,300,435	(1,682,501)	5,617,934	4,780,570
Fixed Assets, Net	5,696,215	251,348	2,778,560	8,726,123	-	8,726,123	9,630,164
Other Assets							
Designated and Restricted Assets	114,194	89,345	9,334	212,873	(114,194)	98,679	93,417
Long-Term Investments	5,085,667	-	-	5,085,667	-	5,085,667	5,459,478
Pledges Receivable, Net	533,132	-	-	533,132	-	533,132	524,959
Notes Receivable	1,913,574	-	-	1,913,574	(438,777)	1,474,797	1,207,689
Investment in Joint Ventures	403,086	-	-	403,086	-	403,086	339,138
Total Other Assets	8,049,653	89,345	9,334	8,148,332	(552,971)	7,595,361	7,624,681
Total Assets	\$ 20,921,845	\$ 344,584	\$ 2,908,461	\$ 24,174,890	\$ (2,235,472)	\$ 21,939,418	\$ 22,035,415

See independent auditor's report.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
Consolidating Statement of Financial Position - VOA/GNO, Inc. (Continued)
For the Year Ended June 30, 2017
With Summarized Comparative Information for the Year Ended June 30, 2016

Schedule IV

	VOA/ GNO, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2017 Consolidated	2016
Liabilities and Net Assets							
Current Liabilities							
Accounts Payable	\$ 868,617	\$ 14,027	\$ 11,735	\$ 894,379	\$ (117,190)	\$ 777,189	\$ 767,195
Accounts Payable, VOA/GNO, Inc.	-	59,097	1,301,742	1,360,839	(1,360,839)	-	-
Mortgages and Notes Payable	543,276	235,935	-	779,211	-	779,211	796,378
Note Payable, VOA/GNO, Inc.	-	-	706,608	706,608	(706,608)	-	-
Interest Payable, VOA/GNO, Inc.	-	-	50,835	50,835	(50,835)	-	-
Accrued Expenses	1,366,063	11,002	15,883	1,392,948	-	1,392,948	1,281,396
Other Current Liabilities	86,567	-	13,474	100,041	-	100,041	115,966
Total Current Liabilities	2,864,523	320,061	2,100,277	5,284,861	(2,235,472)	3,049,389	2,960,935
Other Liabilities							
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	318,321	-	-	318,321	-	318,321	2,100,858
Total Other Liabilities	318,321	-	-	318,321	-	318,321	2,100,858
Total Liabilities	3,182,844	320,061	2,100,277	5,603,182	(2,235,472)	3,367,710	5,061,793
Net Assets							
Unrestricted Net Assets	17,739,001	24,523	808,184	18,571,708	-	18,571,708	16,973,622
Total Net Assets	17,739,001	24,523	808,184	18,571,708	-	18,571,708	16,973,622
Total Liabilities and Net Assets	\$ 20,921,845	\$ 344,584	\$ 2,908,461	\$ 24,174,890	\$ (2,235,472)	\$ 21,939,418	\$ 22,035,415

See independent auditor's report.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
Consolidating Statement of Activities - VOA/GNO, Inc.
For the Year Ended June 30, 2017
With Summarized Comparative Information for the Year Ended June 30, 2016

Schedule V

	VOA/GNO, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2017 Consolidated	2016
Revenues							
Revenues from Operations							
Public Support Received Directly							
Contributions	\$ 1,337,439	\$ -	\$ -	\$ 1,337,439	\$ -	\$ 1,337,439	\$ 1,588,133
Special Events	724,316	-	-	724,316	-	724,316	862,642
Public Support Received Indirectly							
United Way							
Allocations	99,108	-	-	99,108	-	99,108	98,889
Designations	8,274	-	-	8,274	-	8,274	9,056
Total Public Support	2,169,137	-	-	2,169,137	-	2,169,137	2,558,720
Revenues and Grants from Governmental Agencies	19,619,576	9,115	525,856	20,154,547	-	20,154,547	19,440,846
Other Revenue							
Program Service Fees	7,157,358	-	-	7,157,358	(467,238)	6,690,120	5,433,350
Rental Income	-	4,360	214,777	219,137	(4,360)	214,777	235,091
Other Operating Income	12,417	-	165	12,582	-	12,582	68,879
Total Other Revenue	7,169,775	4,360	214,942	7,389,077	(471,598)	6,917,479	5,737,320
Total Operating Revenue	28,958,488	13,475	740,798	29,712,761	(471,598)	29,241,163	27,736,886

See independent auditor's report.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
Consolidating Statement of Activities - VOA/GNO, Inc. (Continued)
For the Year Ended June 30, 2017
With Summarized Comparative Information for the Year Ended June 30, 2016

Schedule V

	VOA/GNO, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2017 Consolidated	2016
Expenses							
Operating Expenses							
Program Services							
Encouraging Positive Development	9,019,236	-	-	9,019,236	-	9,019,236	7,406,308
Fostering Independence	7,730,031	-	6,512	7,736,543	-	7,736,543	8,222,187
Promoting Self-Sufficiency	7,138,174	69,871	1,020,568	8,228,613	(478,111)	7,750,502	7,945,856
Total Program Services	23,887,441	69,871	1,027,080	24,984,392	(478,111)	24,506,281	23,574,351
Supporting Services							
Management and General	3,395,103	-	-	3,395,103	-	3,395,103	2,927,835
Fundraising	1,185,815	-	-	1,185,815	-	1,185,815	1,084,534
Total Supporting Services	4,580,918	-	-	4,580,918	-	4,580,918	4,012,369
Affiliate Fees							
Fees Paid to National Organization	474,852	-	-	474,852	-	474,852	427,961
Total Affiliate Fees	474,852	-	-	474,852	-	474,852	427,961
Total Operating Expenses	28,943,211	69,871	1,027,080	30,040,162	(478,111)	29,562,051	28,014,681
Surplus (Deficit) from Operations	15,277	(56,396)	(286,282)	(327,401)	6,513	(320,888)	(277,795)

See independent auditor's report.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**

Schedule V

Consolidating Statement of Activities - VOA/GNO, Inc. (Continued)

For the Year Ended June 30, 2017

With Summarized Comparative Information for the Year Ended June 30, 2016

	VOA/GNO, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2017 Consolidated	2016
Other Activities							
Non-Operating Gains (Losses) and Other Revenue							
Interest and Dividend Income	135,348	176	-	135,524	(6,513)	129,011	115,967
Gain (Loss) on Disposition of Assets	89,367	-	25	89,392	-	89,392	(199,262)
Gain (Loss) on Investments	632,742	-	-	632,742	-	632,742	(397,932)
Other Non-Operating Gains (Losses)	1,072,926	-	-	1,072,926	-	1,072,926	(175,957)
Surplus (Deficit) from Other Activities	1,930,383	176	25	1,930,584	(6,513)	1,924,071	(657,184)
Change in Net Assets	1,945,660	(56,220)	(286,257)	1,603,183	-	1,603,183	(934,979)
Other Changes in Net Assets	-	(5,097)	-	(5,097)	-	(5,097)	-
Total Change in Net Assets	1,945,660	(61,317)	(286,257)	1,598,086	-	1,598,086	(934,979)
Net Assets, Beginning of Year	15,793,341	85,840	1,094,441	16,973,622	-	16,973,622	17,908,601
Net Assets, End of Year	\$ 17,739,001	\$ 24,523	\$ 808,184	\$ 18,571,708	\$ -	\$ 18,571,708	\$ 16,973,622

See independent auditor's report.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**

Schedule VI

Consolidating Statement of Functional Expenses - VOA/GNO, Inc.

For the Year Ended June 30, 2017

With Summarized Comparative Information for the Year Ended June 30, 2016

	VOA/GNO, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2017 Consolidated	2016
Salaries	\$ 14,562,509	\$ 193	\$ -	\$ 14,562,702	\$ -	\$ 14,562,702	\$ 13,835,989
Pension	308,282	25	-	308,307	-	308,307	329,435
Other Employee Benefits	806,375	102	-	806,477	-	806,477	765,378
Payroll Taxes	1,267,446	45	-	1,267,491	-	1,267,491	1,234,069
Legal Fees	30,526	-	-	30,526	-	30,526	36,077
Accounting Fees	80,639	5,090	5,400	91,129	-	91,129	77,672
Other Professional Fees	2,656,789	1,766	308,271	2,966,826	(377,605)	2,589,221	2,753,586
Supplies	2,832,238	-	37,582	2,869,820	-	2,869,820	2,140,155
Telecommunications	272,793	4,492	10,271	287,556	(4,519)	283,037	287,882
Postage	20,065	-	-	20,065	-	20,065	17,688
Occupancy	1,410,397	13,623	340,063	1,764,083	(3,704)	1,760,379	1,736,522
Interest	69,670	21,386	22,256	113,312	-	113,312	104,825
Insurance	443,713	12,099	86,237	542,049	(86,643)	455,406	483,359
Equipment Rental and Maintenance	178,327	-	66,986	245,313	(4,360)	240,953	273,526
Printing and Publications	50,991	-	-	50,991	-	50,991	58,835
Travel and Transportation	433,035	-	1,309	434,344	-	434,344	440,096
Conferences and Meetings	156,340	72	-	156,412	(276)	156,136	108,720
Specific Assistance to Individuals	1,817,502	-	-	1,817,502	-	1,817,502	1,791,862
Other	551,164	-	1,526	552,690	(1,004)	551,686	456,092
Depreciation and Amortization	519,558	10,978	147,179	677,715	-	677,715	654,952
Total	\$ 28,468,359	\$ 69,871	\$ 1,027,080	\$ 29,565,310	\$ (478,111)	\$ 29,087,199	\$ 27,586,720

See independent auditor's report.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
Consolidating Statement of Financial Position - VOA Development, Inc.
For the Year Ended June 30, 2017
With Summarized Comparative Information for the Year Ended June 30, 2016

Schedule VII

	VOA Development, Inc.	Consolidated VOA Development 2, Inc.	Subtotal	Eliminations	2017 Consolidated	2016
Assets						
Current Assets						
Cash and Cash Equivalents	\$ 1,590	\$ 3,587	\$ 5,177	\$ -	\$ 5,177	\$ 2,005
Grants Receivable, Net of Allowance for Doubtful Accounts of \$21,092 at 2017 and \$54,921 at 2016	29,949	40,207	70,156	-	70,156	8,965
Prepaid Expenses	1,410	21,703	23,113	-	23,113	15,222
Other Current Assets	5,926	16,195	22,121	-	22,121	22,121
Total Current Assets	38,875	81,692	120,567	-	120,567	48,313
Fixed Assets, Net	1,094,957	1,683,603	2,778,560	-	2,778,560	2,925,739
Other Assets						
Designated and Restricted Assets	1,839	7,495	9,334	-	9,334	5,968
Total Other Assets	1,839	7,495	9,334	-	9,334	5,968
Total Assets	\$ 1,135,671	\$ 1,772,790	\$ 2,908,461	\$ -	\$ 2,908,461	\$ 2,980,020

See independent auditor's report.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
Consolidating Statement of Financial Position - VOA Development, Inc. (Continued)
For the Year Ended June 30, 2017
With Summarized Comparative Information for the Year Ended June 30, 2016

Schedule VII

	VOA Development, Inc.	Consolidated VOA Development 2, Inc.	Subtotal	Eliminations	2017 Consolidated	2016
Liabilities and Net Assets						
Current Liabilities						
Accounts Payable	\$ 11,385	\$ 350	\$ 11,735	\$ -	\$ 11,735	\$ 8,870
Accounts Payable - VOA/GNO, Inc.	-	1,301,742	1,301,742	-	1,301,742	1,189,549
Note Payable - VOA/GNO, Inc.	533,110	173,498	706,608	-	706,608	611,790
Interest Payable - VOA/GNO, Inc.	4,942	45,893	50,835	-	50,835	45,230
Accrued Expenses	10,611	5,272	15,883	-	15,883	12,835
Other Current Liabilities	6,034	7,440	13,474	-	13,474	17,305
Total Current Liabilities	566,082	1,534,195	2,100,277	-	2,100,277	1,885,579
Total Liabilities	566,082	1,534,195	2,100,277	-	2,100,277	1,885,579
Net Assets						
Unrestricted Net Assets	569,589	238,595	808,184	-	808,184	1,094,441
Total Net Assets	569,589	238,595	808,184	-	808,184	1,094,441
Total Liabilities and Net Assets	\$ 1,135,671	\$ 1,772,790	\$ 2,908,461	\$ -	\$ 2,908,461	\$ 2,980,020

See independent auditor's report.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**

Schedule VIII

Consolidating Statement of Activities - VOA Development, Inc.

For the Year Ended June 30, 2017

With Summarized Comparative Information for the Year Ended June 30, 2016

	VOA Development, Inc.	Consolidated VOA Development 2, Inc.	Subtotal	Eliminations	2017 Consolidated	2016
Revenues						
Revenues and Grants from Governmental Agencies	\$ 292,684	\$ 233,172	\$ 525,856	\$ -	\$ 525,856	\$ 534,572
Other Revenue						
Rental Income	121,549	93,228	214,777	-	214,777	233,771
Other Operating Income	165	-	165	-	165	34,228
Total Other Revenue	121,714	93,228	214,942	-	214,942	267,999
Total Operating Revenue	414,398	326,400	740,798	-	740,798	802,571
Expenses						
Operating Expenses						
Program Services						
Fostering Independence	-	6,512	6,512	-	6,512	8,821
Promoting Self-Sufficiency	522,527	498,041	1,020,568	-	1,020,568	1,108,790
Total Program Services	522,527	504,553	1,027,080	-	1,027,080	1,117,611
Total Operating Expenses	522,527	504,553	1,027,080	-	1,027,080	1,117,611
(Deficit) Surplus from Operations	(108,129)	(178,153)	(286,282)	-	(286,282)	(315,040)

See independent auditor's report.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**

Schedule VIII

Consolidating Statement of Activities - VOA Development, Inc. (Continued)

For the Year Ended June 30, 2017

With Summarized Comparative Information for the Year Ended June 30, 2016

	VOA Development, Inc.	Consolidated VOA Development 2, Inc.	Subtotal	Eliminations	2017 Consolidated	2016
Other Activities						
Non-Operating Gains (Losses) and Other Revenue						
Interest and Dividend Income	-	25	25	-	25	-
Surplus (Deficit) from Other Activities	-	25	25	-	25	-
Change in Net Assets	(108,129)	(178,128)	(286,257)	-	(286,257)	(315,040)
Net Assets, Beginning of Year	677,718	416,723	1,094,441	-	1,094,441	1,409,481
Net Assets, End of Year	\$ 569,589	\$ 238,595	\$ 808,184	\$ -	\$ 808,184	\$ 1,094,441

See independent auditor's report.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**

Schedule IX

Consolidating Statement of Functional Expenses - VOA Development, Inc.

For the Year Ended June 30, 2017

With Summarized Comparative Information for the Year Ended June 30, 2016

	VOA Development, Inc.	Consolidated VOA Development 2, Inc.	Subtotal	Eliminations	2017 Consolidated	2016
Accounting Fees	\$ 2,700	\$ 2,700	\$ 5,400	\$ -	\$ 5,400	\$ 5,400
Other Professional Fees	172,609	135,662	308,271	-	308,271	279,773
Supplies	14,920	22,662	37,582	-	37,582	36,540
Telecommunications	4,611	5,660	10,271	-	10,271	8,910
Postage	-	-	-	-	-	157
Occupancy	179,191	160,872	340,063	-	340,063	270,033
Interest	15,744	6,512	22,256	-	22,256	27,244
Insurance	49,072	37,165	86,237	-	86,237	99,973
Equipment Rental and Maintenance	37,517	29,469	66,986	-	66,986	93,895
Travel and Transportation	529	780	1,309	-	1,309	855
Other	925	601	1,526	-	1,526	143,710
Depreciation and Amortization	44,709	102,470	147,179	-	147,179	151,121
Total	\$ 522,527	\$ 504,553	\$ 1,027,080	\$ -	\$ 1,027,080	\$ 1,117,611

See independent auditor's report.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
Consolidating Statement of Financial Position - VOA Development 2, Inc.
For the Year Ended June 30, 2017
With Summarized Comparative Information for the Year Ended June 30, 2016

Schedule X

	VOA Development 2, Inc.	Limited Partnership (Canal SRO)	Subtotal	Eliminations	2017 Consolidated	2016
Assets						
Current Assets						
Cash and Cash Equivalents	\$ -	\$ 3,587	\$ 3,587	\$ -	\$ 3,587	\$ 875
Grants Receivable, Net of Allowance for Doubtful Accounts of \$14,251 at 2017 and \$34,423 at 2016	-	40,207	40,207	-	40,207	15,310
Interest Receivable - Limited Partnerships	158,467	-	158,467	(158,467)	-	-
Note Receivable - Limited Partnerships	354,300	-	354,300	(354,300)	-	-
Prepaid Expenses	-	21,703	21,703	-	21,703	12,746
Other Current Assets	-	16,195	16,195	-	16,195	16,195
Total Current Assets	512,767	81,692	594,459	(512,767)	81,692	45,126
Fixed Assets, Net	-	1,683,603	1,683,603	-	1,683,603	1,786,073
Other Assets						
Designated and Restricted Assets	-	7,495	7,495	-	7,495	4,834
Investment in Subsidiary	(54,781)	-	(54,781)	54,781	-	-
Total Other Assets	(54,781)	7,495	(47,286)	54,781	7,495	4,834
Total Assets	\$ 457,986	\$ 1,772,790	\$ 2,230,776	\$ (457,986)	\$ 1,772,790	\$ 1,836,033

See independent auditor's report.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**

Schedule X

Consolidating Statement of Financial Position - VOA Development 2, Inc. (Continued)

For the Year Ended June 30, 2017

With Summarized Comparative Information for the Year Ended June 30, 2016

	VOA Development 2, Inc.	Limited Partnership (Canal SRO)	Subtotal	Eliminations	2017 Consolidated	2016
Liabilities and Net Assets						
Current Liabilities						
Accounts Payable	\$ -	\$ 350	\$ 350	\$ -	\$ 350	\$ 1,726
Accounts Payable - VOA/GNO, Inc.	-	1,301,742	1,301,742	-	1,301,742	1,189,549
Note Payable - VOA Development, Inc.	-	354,300	354,300	(354,300)	-	-
Note Payable - VOA/GNO, Inc.	173,498	-	173,498	-	173,498	173,499
Interest Payable - VOA/GNO, Inc.	45,893	-	45,893	-	45,893	39,380
Interest Payable - VOA Development, Inc.	-	158,467	158,467	(158,467)	-	-
Accrued Expenses	-	5,272	5,272	-	5,272	6,628
Other Current Liabilities	-	7,440	7,440	-	7,440	8,528
Total Current Liabilities	219,391	1,827,571	2,046,962	(512,767)	1,534,195	1,419,310
Total Liabilities	219,391	1,827,571	2,046,962	(512,767)	1,534,195	1,419,310
Net Assets						
Unrestricted Net Assets	238,595	(54,781)	183,814	54,781	238,595	416,723
Total Net Assets	238,595	(54,781)	183,814	54,781	238,595	416,723
Total Liabilities and Net Assets	\$ 457,986	\$ 1,772,790	\$ 2,230,776	\$ (457,986)	\$ 1,772,790	\$ 1,836,033

See independent auditor's report.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
Consolidating Statement of Activities - VOA Development 2, Inc.
For the Year Ended June 30, 2017
With Summarized Comparative Information for the Year Ended June 30, 2016

Schedule XI

	VOA Development 2, Inc.	Limited Partnership (Canal SRO)	Subtotal	Eliminations	2017 Consolidated	2016
Revenues						
Revenues and Grants from Governmental Agencies	\$ -	\$ 233,172	\$ 233,172	\$ -	\$ 233,172	\$ 215,416
Other Revenue						
Rental Income	-	93,228	93,228	-	93,228	126,981
Other Operating Income	-	-	-	-	-	34,208
Total Other Revenue	-	93,228	93,228	-	93,228	161,189
Total Operating Revenue	-	326,400	326,400	-	326,400	376,605
Expenses						
Operating Expenses						
Program Services						
Fostering Independence	6,512	-	6,512	-	6,512	8,821
Promoting Self-Sufficiency	-	512,514	512,514	(14,473)	498,041	552,580
Total Program Services	6,512	512,514	519,026	(14,473)	504,553	561,401
Total Operating Expenses	6,512	512,514	519,026	(14,473)	504,553	561,401
(Deficit) Surplus from Operations	(6,512)	(186,114)	(192,626)	14,473	(178,153)	(184,796)

See independent auditor's report.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
Consolidating Statement of Activities - VOA Development 2, Inc. (Continued)
For the Year Ended June 30, 2017
With Summarized Comparative Information for the Year Ended June 30, 2016

Schedule XI

	VOA Development 2, Inc.	Limited Partnership (Canal SRO)	Subtotal	Eliminations	2017 Consolidated	2016
Other Activities						
Non-Operating Gains (Losses) and Other Revenue						
Interest and Dividend Income	14,473	25	14,498	(14,473)	25	-
Income (Loss) on Investment in Subsidiary	(378,021)	-	(378,021)	378,021	-	-
Surplus (Deficit) from Other Activities	(363,548)	25	(363,523)	363,548	25	-
Change in Net Assets	(370,060)	(186,089)	(556,149)	378,021	(178,128)	(184,796)
Net Assets, Beginning of Year	608,655	131,308	739,963	(323,240)	416,723	601,519
Net Assets, End of Year	\$ 238,595	\$ (54,781)	\$ 183,814	\$ 54,781	\$ 238,595	\$ 416,723

See independent auditor's report.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**

Schedule XII

Consolidating Statement of Functional Expenses - VOA Development 2, Inc.

For the Year Ended June 30, 2017

With Summarized Comparative Information for the Year Ended June 30, 2016

	VOA Development 2, Inc.	Limited Partnership (Canal SRO)	Subtotal	Eliminations	2017 Consolidated	2016
Accounting Fees	\$ -	\$ 2,700	\$ 2,700	\$ -	\$ 2,700	\$ 2,700
Other Professional Fees	-	135,662	135,662	-	135,662	130,470
Supplies	-	22,662	22,662	-	22,662	20,339
Telecommunications	-	5,660	5,660	-	5,660	6,077
Postage	-	-	-	-	-	101
Occupancy	-	160,872	160,872	-	160,872	122,539
Interest	6,512	14,473	20,985	(14,473)	6,512	8,820
Insurance	-	37,165	37,165	-	37,165	47,825
Equipment Rental and Maintenance	-	29,469	29,469	-	29,469	45,539
Travel and Transportation	-	780	780	-	780	520
Other	-	601	601	-	601	70,059
Depreciation and Amortization	-	102,470	102,470	-	102,470	106,412
Total	\$ 6,512	\$ 512,514	\$ 519,026	\$ (14,473)	\$ 504,553	\$ 561,401

See independent auditor's report.

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
Volunteers of America of Greater New Orleans, Inc. and Subsidiaries

We have audited, 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, the financial statements of Volunteers of America of Greater New Orleans, Inc. and Subsidiaries (the Organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 9, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) 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 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 financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Metairie, LA
October 9, 2017

**VOLUNTEERS OF AMERICA OF
GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**

Single Audit Report

For the Year Ended June 30, 2017



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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

To the Board of Directors
Volunteers of America of Greater New Orleans, Inc.

Report on Compliance for Each Major Federal Program

We have audited Volunteers of America of Greater New Orleans Inc.'s (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's 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 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 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, 2017.

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 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 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

We have audited the consolidated financial statements of the Organization as of and for the year ended June 30, 2017, and have issued our report thereon dated October 9, 2017, which contained an unmodified opinion on those consolidated financial statements. Our 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 is presented for purposes of additional analysis as required by the Uniform Guidance 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 schedule of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Metairie, LA
December 27, 2017

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017**

FEDERAL GRANTOR/ PASS-THROUGH AGENCY/ PROGRAM TITLE	Federal CFDA Number	Agency Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of Agriculture and Rural Development				
Direct Programs:				
Rural Housing Preservation Grant	10.433	22-052-720709750-002	\$ 67,387	\$ -
Total U.S. Department of Agriculture and Rural Development			67,387	-
U.S. Department of Housing and Urban Development				
Direct Programs:				
Supportive Housing Program	14.235	LA124L6H061508	115,694	-
Supportive Housing Program	14.235	LA0076L6H031507	1,026,759	-
Supportive Housing Program	14.235	LA0122L6H061508	166,692	-
Supportive Housing Program	14.235	LA0255L61500	209,404	-
Supportive Housing Program	14.235	LA012L6H061508	334,408	-
Supportive Housing Program	14.235	LA0119L6H061508	197,797	-
Supportive Housing Program	14.235	LA0125L6H061508	45,188	-
Supportive Housing Program	14.235	LA0177L6H061403, LA0177L6H061504	39,312	-
Supportive Housing Program	14.235	LA0177L6H061403, LA0187L6H061504	83,926	-
Subtotal - Direct Programs			2,219,180	-
Passed through Volunteers of America, Inc.:				
Multifamily Housing Service Coordinators	14.191	LA48C59500100	93,970	-
Passed through State of Louisiana:				
Community Development Block Grant	14.218	735481	211,963	-
Passed through City of Kenner:				
Community Development Block Grant	14.218	B-13-MC-22008	26,609	-
Passed through St. Tammany Parish Government:				
Community Development Block Grant	14.218	22-0525-720709/50-002	36,620	-
Passed through Parish of Jefferson:				
Community Development Block Grant	14.218	55-00015443	189,405	-
Passed through UNITY for the Homeless:				
Supportive Housing Program	14.235	LA062L6H031508	109,039	-
Supportive Housing Program	14.235	LA0196L6H031505	25,102	-
Subtotal - Pass-through Programs			692,708	-
Total U.S. Department of Housing and Urban Development			2,911,888	-
U.S. Department of Justice				
Passed through Louisiana Commission on Law Enforcement:				
Juvenile Justice and Delinquency Prevention	16.540	2013-MU-FX-0062	16,219	-
Passed through Mid-Atlantic Network of Youth and Family Services:				
Juvenile Mentoring Program	16.726	2014-JU-FX-008	33,444	-
Total U.S. Department of Justice			49,663	-
U.S. Department of Labor				
Direct Programs:				
Reintegration of Ex-Offenders	17.270	YF-25945-14-60-A-22	526,606	-
Homeless Veterans Reintegration Project	17.805	HV-29130HV6	301,358	-
Homeless Veterans Reintegration Project	17.805	HV-29131HV6	188,554	-
Homeless Veterans Reintegration Project	17.805	SD29698HV6	5,637	-
Total U.S. Department of Labor			1,022,155	-

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2017

FEDERAL GRANTOR/ PASS-THROUGH AGENCY/ PROGRAM TITLE	Federal CFDA Number	Agency Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of Veteran Affairs				
Direct Programs:				
Homeless Providers Grant and Per Diem Program	64.024	07-807-LA	709,939	-
Homeless Providers Grant and Per Diem Program	64.024	VA256-15-C-0076	184,930	-
Supportive Services for Veteran Families	64.033	12-LA-038	2,062,318	962,714
Total U.S. Department of Veteran Affairs			2,957,187	962,714
U.S. Department of Health and Human Services				
Passed through Unity of Greater New Orleans:				
Substance Abuse and Mental Health Services	93.243	IH79SM053337-01	56,237	-
Passed through State of Louisiana:				
Projects for Assistance in Transition from Homelessness	93.150	17305	71,688	-
HIV Care Formula Grant	93.917	728154	217,731	-
HIV Care Formula Grant	93.917	728154	28,967	-
HIV Prevention Activities	93.940	728165	36,728	-
Block Grants for Community Mental Health Services	93.958	PO2000200722	60,079	-
Total U.S. Department of Health and Human Services			471,430	-
U.S. Corporation for National and Community Service				
Retired and Senior Volunteer Program	94.002	16SRWLA002	94,030	-
Total U.S. Corporation for National and Community Service			94,030	-
Total Expenditures of Federal Awards			\$ 7,573,740	\$ 962,714

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Volunteers of America of Greater New Orleans, Inc. under programs of the federal government for the year ended June 30, 2017. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, Cost Principles for Non-Profit Organizations, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. De Minimis Cost Rate

The Organization uses indirect cost rates negotiated and approved by the grant awarding agencies, and has elected not to use the 10% de minimis indirect cost rate as provided for in section 200.414 of the Uniform Guidance.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies identified? None Reported
- Noncompliance material to the financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? No
- Significant deficiencies identified? None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
64.024	Homeless Providers Grant and Per Diem Program
14.218	Community Development Block Grant
64.033	Supportive Services for Veterans Families

Dollar threshold used to distinguish between Type A and B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

Section II. Findings - Financial Statement Audit

None.

Section III. Findings and Questioned Costs - Major Federal Award Programs Audit

None.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2017

None.

AGREED-UPON PROCEDURES REPORT
Volunteers of America Greater New Orleans

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period July 1, 2016 - June 30, 2017

To the Board Members of the
Volunteers of America Greater New Orleans and
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Volunteers of America Greater New Orleans (the Organization) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The Organization's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated results are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts**, including receiving, recording, and preparing deposits.
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

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- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: The policies of the Organization address all of the functions listed, with the following exceptions. Policies for 1b, purchasing, do not appear to address public bids and documentation requirements for public bids. Policies for 1f, contracting, do not appear to address the types of services requiring written contracts, the standard terms and conditions for contracts, the legal review requirements of contracts, or the monitoring process for contracts.

Management's Response: The Organization is creating documentation outlining policies and procedures for public bids specifically in the area of contracting. The Organization's policies will be in compliance with the Federal Uniform Guidance by July 1, 2018.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g., approval of contracts and disbursements) for at least one meeting during the fiscal period.

Results: The Organization met at least quarterly, in accordance with the Organization's by-laws. The finance committee minutes reference monitoring the budget. The minutes also reference approvals of selling property.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Results: We obtained a listing of bank accounts from management and management's representation that the listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than five accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;
- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Results: We selected 6 bank accounts and obtained bank statements and reconciliations. Criteria 4a and 4c were met without exception. While performing procedure 4b, we noted that for all 6 bank accounts selected, there were no review tickmarks or a signature to evidence the review had occurred.

Management's Response: The Organization is in the process of increasing its staffing level to have the accounting supervisor prepare the reconciliations and the controller review. The accounting supervisor will begin in January 2018 and this process will be effective with the January bank reconciliations. In the absence of an accounting supervisor, the controller will prepare and the CFO will review. In the absence of a controller, the accounting supervisor will prepare and the CFO will review.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Results: We obtained from management a listing of cash/check/money order (cash) collection locations.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than five locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each cash collection location selected:

- a) Obtain existing written documentation (e.g., insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
- b) Obtain existing written documentation (e.g., sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Results: We selected their only cash collection location for testing. For 6a, each person responsible for collecting cash is bonded. Duties were segregated per the policy; the third criteria on whether employees collecting cash sharing a same cash register or drawer with another employee is not applicable for the Organization. For 6b, per their policy manual the Organization does have a formal process to reconcile cash collections to the general ledger by a person who is not responsible for cash collections. While performing procedure 6c, we noted that collections received were not recorded in a collection report and thus were not able to test the attributes.

Management's Response: The Organization is creating a check logging system to have all checks logged in and signed out by the person depositing the checks. This log was put in place on December 1, 2017.

7. Obtain existing written documentation (e.g., policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Results: The Organization does have a process specifically defined in their policies to determine completeness of all collections, including electronic transfers, by a person who is not responsible for collections.

Disbursements - General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Results: We obtained from management a disbursements listing and management's representation that the listing is complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g., purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
 - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; and (3) an approved invoice.

Results: We obtained supporting documentation for twenty-five disbursements. Of the twenty-five disbursements selected, all of the disbursements were initiated using a requisition/purchase order system, all of them were approved by a person who did not initiate the purchase, and all of them were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; and (3) an approved invoice.

10. Using entity documentation (e.g., electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Results: There was documentation in their policy manual evidencing that the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing disbursement system or adding vendors in general.

11. Using entity documentation (e.g., electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Results: The persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Results: No exceptions were identified as a result of these procedures.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Results: No exceptions were identified as a result of these procedures.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Results: We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- b) Report whether finance charges and/or late fees were assessed on the selected statements.

Results: Out of the ten statements obtained, there was no evidence that the monthly statements or combined statements and supporting documentation were reviewed and approved, in writing, by someone other than the authorized card holder. No finance charges or late fees were assessed on the selected statements.

Management's Response: All of the activity on the cards is processed and reviewed online and thus no visible review in writing on the face of the statements exists.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e., each of the 10 cards should have one month of transactions subject to testing).
 - a) For each transaction, report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased).
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization).
 - b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e., transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
 - c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., cash advances or non-business purchases, regardless of whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Results: Procedure 16a - For the ten cards selected: three dining expenses (one in August and two in May), the attendees were not listed, seven transactions (one in August, three in September, one in January, and two in May), the purpose was not listed, six Dining expenses (all in September), the attendees and purpose were not listed, ten transactions (two in September, eight in January, and one in May), the name(s)/purpose was not listed, one transaction in May, there was no invoice to back up the expense and no purpose was listed.

Procedure 16b and c - No exceptions were identified as a result of these procedures.

Management's Response: Management is reiterating to card holders and to transaction approvers the need to include the diner's name and purpose on the receipt or in the notes in the credit card software. Management is also reviewing a process to have compliance or accounting periodically sample transactions to make sure the policy is being followed.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Results: We obtained from management the list for travel reimbursements. We obtained management's representation that the listing is complete.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Results: We obtained the Organization's written policies related to travel and expense reimbursements. The rates identified in their policies do not exceed the GSA rates.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
- b) Report whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
 - d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: For the three persons selected, no reimbursement exceeded the GSA rates, each expense was supported by an original itemized receipt and documentation of the business/public purpose, each expense did not appear to be a loan, pledge, or donation of funds, credit, property, or things of value, and each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Results: We obtained a listing of all contracts in effect during the fiscal period. We obtained management's representation that the listing is complete.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
 - a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
 - b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
 - c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
 - d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g., Lawrason Act or Home Rule Charter).

Results: For the five contracts selected, a formal written contract supports the arrangement and the amounts paid. None of the contracts selected were subject to public bid law and obtained supporting documentation that the Organization obtained quotes as best practices. There were no amendments to the contracts selected. For the largest payment from each of the five contracts, the supporting invoice and related payment complied with the terms and conditions of the contract. Each of the five contracts were properly approved according to the Organization's policy.

Payroll and Personnel

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
 - a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Results: We obtained a listing of employees with their related salaries, and we obtained management's representation that the listing is complete. For the five employees selected, payments were made in strict accordance with the terms and conditions of the pay rate structure. No changes were made during the fiscal period for the five employees selected.

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
 - a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Results: We obtained attendance and leave records and randomly selected one pay period in which leave has been taken by at least one employee. For procedure 23a, all employees selected documented their daily attendance and leave in an electronic system maintained by the Organization. For procedure 23b, attendance, vacation, and sick leave were all approved for all employees. For procedure 23c, we noted the Organization maintained electronic leave records on those employees.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Results: We obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. The two largest termination payments made during the fiscal period were made in strict accordance with policy and were approved by management.

25. Obtain supporting documentation (e.g., cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Results: We obtained supporting documentation relating to payroll taxes and retirement contributions during the fiscal period. The employee and employer portions of payroll taxes and retirement contributions as well as the required reporting forms were submitted to the applicable agencies by the required deadlines.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Results: The Organization is a nonprofit and therefore this section is not applicable.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Results: The Organization is a nonprofit and therefore this section is not applicable.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Results: The Organization is a nonprofit and therefore this section is not applicable.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Results: The Organization is a nonprofit and therefore this section is not applicable.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Results: The Organization is a nonprofit and therefore this section is not applicable.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results: We inquired of management whether the Organization had any misappropriations of public funds or assets. Management reported the Organization has not had any misappropriations of public funds or assets.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: The Organization has posted on its premises the notice required by R.S. 24:523.1 but it was not posted on their website.

Management's Response: The website will be updated on January 1, 2018.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Results: No exceptions were identified as a result of these procedures.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Metairie, LA
December 20, 2017