

**VOLUNTEERS OF AMERICA  
SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**

Audits of Consolidated Financial Statements

June 30, 2018 and 2017



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## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Volunteers of America Southeast Louisiana, Inc. and Subsidiaries (the Organization) (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2018 and 2017, 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, 2018 and 2017, which reflect total assets of \$341,313 and \$1,851,969 as of June 30, 2018, and \$344,584 and \$1,879,258 as of June 30, 2017, and total revenues of \$54,552 and \$322,451 for the year ended June 30, 2018, and \$13,475 and \$335,553 for the year ended June 30, 2017, 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, 2018 and 2017, 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 Southeast Louisiana, Inc. and Subsidiaries as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Other 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 21, 2018, 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 21, 2018

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**  
Consolidated Statements of Financial Position  
June 30, 2018 and 2017

	2018	2017
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 4,520,094	\$ 4,750,798
Grants Receivable, Net of Allowance for Doubtful Accounts of \$107,570 at 2018 and \$72,674 at 2017	3,031,208	2,840,704
Pledges Receivable, Net	647,759	726,186
Prepaid Expenses	625,902	533,215
Other Current Assets	217,746	161,549
RNDC's General and Limited Partnerships' Current Assets	2,264,395	1,999,109
<b>Total Current Assets</b>	<b>11,307,104</b>	<b>11,011,561</b>
<b>Fixed Assets</b>		
Fixed Assets, Net	14,197,337	14,663,026
RNDC's General and Limited Partnerships' Fixed Assets, Net	82,685,222	82,802,594
<b>Total Fixed Assets</b>	<b>96,882,559</b>	<b>97,465,620</b>
<b>Other Assets</b>		
Designated and Restricted Assets	100,022	149,370
Long-Term Investments	6,789,587	6,292,209
Pledges Receivable, Net	527,155	533,132
Note Receivable - Investment Partner	11,779,669	11,560,262
Investment in Joint Ventures	400,068	403,086
RNDC's General and Limited Partnerships' Other Assets	3,009,260	2,675,992
<b>Total Other Assets</b>	<b>22,605,761</b>	<b>21,614,051</b>
<b>Total Assets</b>	<b>\$ 130,795,424</b>	<b>\$ 130,091,232</b>

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

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**  
Consolidated Statements of Financial Position (Continued)  
June 30, 2018 and 2017

	2018	2017
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 1,120,224	\$ 901,504
Mortgages and Notes Payable	4,083,080	4,537,545
Accrued Expenses	1,660,858	1,558,156
Other Current Liabilities	53,535	109,873
RNDC's General and Limited Partnerships' Liabilities	4,605,292	10,301,454
	<hr/>	<hr/>
<b>Total Current Liabilities</b>	<b>11,522,989</b>	<b>17,408,532</b>
<b>Other Liabilities</b>		
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	6,571,484	7,229,668
RNDC's General and Limited Partnerships' Liabilities	55,977,234	56,962,987
	<hr/>	<hr/>
<b>Total Other Liabilities</b>	<b>62,548,718</b>	<b>64,192,655</b>
	<hr/>	<hr/>
<b>Total Liabilities</b>	<b>74,071,707</b>	<b>81,601,187</b>
<b>Net Assets</b>		
Unrestricted Net Assets	56,723,717	48,490,045
	<hr/>	<hr/>
<b>Total Net Assets</b>	<b>56,723,717</b>	<b>48,490,045</b>
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<b>Total Liabilities and Net Assets</b>	<b>\$ 130,795,424</b>	<b>\$ 130,091,232</b>

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

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**  
Consolidated Statements of Activities  
For the Years Ended June 30, 2018 and 2017

	2018	2017
<b>Revenues from Operations</b>		
Public Support Received Directly		
Contributions	\$ 2,332,701	\$ 2,061,755
Public Support Received Indirectly		
United Way		
Allocations	121,603	99,108
Designations	-	8,274
<b>Total Public Support</b>	<b>2,454,304</b>	<b>2,169,137</b>
<b>Revenues and Grants from Governmental Agencies</b>	<b>20,544,869</b>	<b>20,211,597</b>
<b>Other Revenue</b>		
Program Service Fees	8,656,709	5,326,583
Rental Income	552,129	533,268
Other Operating Income	258,134	544,259
RNDC's General and Limited Partnerships' Revenue	5,097,993	3,986,473
<b>Total Other Revenue</b>	<b>14,564,965</b>	<b>10,390,583</b>
<b>Total Operating Revenue</b>	<b>37,564,138</b>	<b>32,771,317</b>

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

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**  
Consolidated Statements of Activities (Continued)  
For the Years Ended June 30, 2018 and 2017

	2018	2017
<b>Expenses</b>		
<b>Operating Expenses</b>		
<b>Program Services</b>		
Encouraging Positive Development	10,156,530	9,019,236
Fostering Independence	7,750,468	7,736,543
Promoting Self-Sufficiency	15,806,455	13,927,438
<b>Total Program Services</b>	<b>33,713,453</b>	<b>30,683,217</b>
<b>Supporting Services</b>		
Management and General	3,480,112	3,395,103
Fundraising	833,457	1,185,815
<b>Total Supporting Services</b>	<b>4,313,569</b>	<b>4,580,918</b>
<b>Affiliate Fees</b>		
Fees Paid to National Organization	601,145	474,852
<b>Total Affiliate Fees</b>	<b>601,145</b>	<b>474,852</b>
<b>Total Operating Expenses</b>	<b>38,628,167</b>	<b>35,738,987</b>
<b>Deficit from Operations</b>	<b>(1,064,029)</b>	<b>(2,967,670)</b>

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

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**  
Consolidated Statements of Activities (Continued)  
For the Years Ended June 30, 2018 and 2017

	2018	2017
<b>Other Activities</b>		
<b>Non-Operating Gains (Losses) and Other Revenue</b>		
Interest and Dividend Income	571,094	536,721
Gain on Disposition of Assets	16,513	89,392
Gain on Investments	273,128	716,544
Income Tax Expense	(17,940)	-
Other Non-Operating Gains	2,233,520	1,286,962
RNDC's General and Limited Partnerships' Other Activities	9,962	9,017
	<u>3,086,277</u>	<u>2,638,636</u>
<b>Surplus from Other Activities</b>		
	<u>3,086,277</u>	<u>2,638,636</u>
<b>Change in Net Assets</b>	2,022,248	(329,034)
<b>Other Changes in Net Assets</b>	6,211,424	(49,483)
	<u>6,211,424</u>	<u>(49,483)</u>
<b>Total Change in Net Assets</b>	8,233,672	(378,517)
<b>Net Assets, Beginning of Year</b>	48,490,045	48,868,562
	<u>48,490,045</u>	<u>48,868,562</u>
<b>Net Assets, End of Year</b>	<u>\$ 56,723,717</u>	<u>\$ 48,490,045</u>

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

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**  
**Consolidated Statement of Functional Expenses**  
**For the Year Ended June 30, 2018**  
**With Summarized Comparative Information for the Year Ended June 30, 2017**

	Program Services				Supporting Services			2018 Total	2017
	Encouraging Positive Development	Fostering Independence	Promoting Self- Sufficiency	Subtotal	Management and General	Fundraising	Subtotal		
Salaries	\$ 4,406,144	\$ 4,953,251	\$ 3,719,094	\$ 13,078,489	\$ 2,114,773	\$ 310,032	\$ 2,424,805	\$ 15,503,294	\$ 14,562,702
Pension	46,317	46,169	90,871	183,357	59,622	8,784	68,406	251,763	308,307
Other Employee Benefits	279,465	185,803	216,127	681,395	107,448	15,030	122,478	803,873	806,477
Payroll Taxes	402,785	489,721	308,252	1,200,758	141,956	24,471	166,427	1,367,185	1,267,491
Legal Fees	38,384	1,660	73,213	113,257	13,893	60	13,953	127,210	34,459
Accounting Fees	-	-	127,615	127,615	83,416	-	83,416	211,031	199,806
Other Professional Fees	1,165,856	417,855	1,209,166	2,792,877	361,630	305,200	666,830	3,459,707	2,842,341
Supplies	2,685,097	304,591	179,015	3,168,703	59,704	8,256	67,960	3,236,663	2,903,331
Telecommunications	64,795	40,147	123,921	228,863	48,962	6,405	55,367	284,230	287,387
Postage	2,644	1,868	3,748	8,260	12,321	2,348	14,669	22,929	20,587
Occupancy	349,661	605,741	686,064	1,641,466	147,806	432	148,238	1,789,704	1,708,149
Interest	10,540	12,482	388,676	411,698	7,696	-	7,696	419,394	482,010
Insurance	45,122	107,039	249,479	401,640	63,395	2,965	66,360	468,000	472,847
Equipment Rental and Maintenance	39,029	39,063	241,481	319,573	33,656	2,034	35,690	355,263	366,440
Printing and Publications	7,378	3,795	14,030	25,203	29,221	7,886	37,107	62,310	54,249
Travel and Transportation	106,668	176,229	67,612	350,509	6,467	50,437	56,904	407,413	440,288
Conferences and Meetings	26,312	15,735	30,948	72,995	77,279	18,357	95,636	168,631	156,136
Specific Assistance to Individuals	307,675	122,850	1,425,707	1,856,232	5,984	40	6,024	1,862,256	1,817,502
Other	105,853	66,045	100,842	272,740	41,722	70,720	112,442	385,182	592,752
Depreciation and Amortization	66,805	160,424	430,498	657,727	63,161	-	63,161	720,888	771,955
RNDC's General and Limited Partnerships	-	-	6,120,096	6,120,096	-	-	-	6,120,096	5,168,919
<b>Total</b>	<b>\$ 10,156,530</b>	<b>\$ 7,750,468</b>	<b>\$ 15,806,455</b>	<b>\$ 33,713,453</b>	<b>\$ 3,480,112</b>	<b>\$ 833,457</b>	<b>\$ 4,313,569</b>	<b>\$ 38,027,022</b>	<b>\$ 35,264,135</b>

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

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**  
Consolidated Statements of Cash Flows  
For the Years Ended June 30, 2018 and 2017

	2018	2017
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 8,233,672	\$ (378,517)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	720,888	771,955
Gain on Investments	(273,128)	(716,544)
Net Gain on Disposition of Assets	(16,513)	(89,392)
Bad Debt Expense	233,321	383,099
Forgiveness of Debt	(200,000)	-
(Increase) Decrease in Operating Assets		
Grants Receivable	(423,825)	(488,357)
Pledges Receivable	84,404	(42,203)
Prepaid Expenses	318,106	451,129
Other Current Assets	(56,197)	1,962
Designated and Restricted Assets	49,348	(168)
Investment in Joint Ventures	104,000	5,000
RNDC's General and Limited Partnerships' Assets	(481,182)	(12,349,882)
Increase (Decrease) in Operating Liabilities		
Accounts Payable	218,720	50,404
Accrued Expenses	102,702	(136,765)
Other Current Liabilities	(56,338)	(14,365)
RNDC's General and Limited Partnerships' Liabilities	(6,681,915)	14,239,484
<b>Net Cash Provided by Operating Activities</b>	<b>1,876,063</b>	<b>1,686,840</b>

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

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**  
Consolidated Statements of Cash Flows (Continued)  
For the Years Ended June 30, 2018 and 2017

	2018	2017
<b>Cash Flows from Investing Activities</b>		
Proceeds from Sale of Investments	5,782,553	2,883,578
Purchase of Investments	(6,107,786)	(1,966,890)
Increase in Notes Receivable - Investment Partner	(219,407)	(197,323)
Proceeds from Sale of Fixed Assets	13,000	563,113
Purchase of Fixed Assets	(251,726)	(620,358)
	<u>(783,366)</u>	<u>662,120</u>
<b>Net Cash (Used in) Provided by Investing Activities</b>	<b>(783,366)</b>	<b>662,120</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from Mortgages and Notes Payable	-	750,000
Principal Payments on Mortgages and Notes Payable	(1,323,401)	(2,953,947)
Loan Origination Fees Paid	-	(11,850)
	<u>(1,323,401)</u>	<u>(2,215,797)</u>
<b>Net Cash Used in Financing Activities</b>	<b>(1,323,401)</b>	<b>(2,215,797)</b>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>(230,704)</b>	<b>133,163</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>4,750,798</b>	<b>4,617,635</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 4,520,094</b>	<b>\$ 4,750,798</b>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Interest Paid	<u>\$ 421,316</u>	<u>\$ 432,658</u>
<b>Non-Cash Transactions</b>		
Financed Insurance Premiums	<u>\$ 410,793</u>	<u>\$ 400,172</u>

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

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

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**Note 1. Organization**

Volunteers of America Southeast Louisiana, Inc. (VOASELA) is a nonprofit spiritually based human services organization recognized as a church, incorporated in the State of Louisiana. VOASELA provides social services within the Southeast Louisiana and Greater New Orleans 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. VOASELA 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 VOASELA 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.

Community Living Centers, Inc. (CLC) is a nonprofit organization incorporated under the laws of the State of Louisiana and sponsored by VOASELA. 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, 2018 and 2017 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 VOASELA. 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 VOASELA. 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 SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

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**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, the 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 (RNDC) 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 VOASELA to respond to the devastation of Hurricane Katrina so as to construct, rehabilitate, or acquire housing in the Southeast Louisiana area that is affordable to very low, low, and moderate income families. Consolidation of RNDC into VOASELA, 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 VOASELA, with full hiring, firing, and other budgetary authority with the benefit impacting the Southeast Louisiana and outlying regional areas.

The consolidated financial statements include the accounts of Volunteers of America Southeast Louisiana, 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 Southeast Louisiana, Inc. has a controlling interest, and will be collectively referred to as the Organization. All material intercompany transactions have been eliminated.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

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**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 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 crises including chemical dependency, involvement with the corrections system, and unemployment, through the following programs:

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
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**Notes to Consolidated Financial Statements**

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**Note 1. Organization (Continued)**

**Promoting Self-Sufficiency (Continued)**

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.

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 Southeast Louisiana, 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 Southeast Louisiana, Inc., has a controlling interest and will be collectively referred to as the Organization. All significant intercompany transactions have been eliminated.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**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.

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 of 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 SOUTHEAST LOUISIANA, INC.  
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**Notes to Consolidated Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**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, 2018 and 2017, there were no temporarily or permanently restricted net assets.

**Operations**

The Organization defines operations as all program services and supporting activities undertaken. 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 2018 and 2017 and, accordingly, no tax expense was incurred during the years ended June 30, 2018 and 2017.

RNDC has two subsidiaries, Millennium Properties, Inc. and Riverfront Self Storage, LLC, that are subject to federal and state income taxes. Tax expense for the years ended June 30, 2018 and 2017, totaled \$17,940 and \$0-, respectively

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.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Advertising Expenses**

The Organization expenses the costs of advertising as incurred. Advertising expense was \$288,088 and \$319,929, for the years ended June 30, 2018 and 2017, 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, 2017, from which the summarized information was derived.

**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.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**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.

**Reclassifications**

Certain 2017 amount shave been reclassified to conform to the 2018 financial statement presentation. These reclassifications have no effect on previously reported change in net assets.

**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 SOUTHEAST LOUISIANA, INC.  
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**Notes to Consolidated Financial Statements**

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**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, 2018 and 2017, amounts included in pledges receivable were as follows:

	2018	2017
Pledges Receivable	\$ 1,636,854	\$ 1,698,050
Less: Discount of Long-Term Pledges	(24,929)	(51,801)
Less: Allowance for Doubtful Accounts	(437,011)	(386,931)
<b>Pledges Receivable, Net</b>	<b>\$ 1,174,914</b>	<b>\$ 1,259,318</b>

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

Years	Amount
2019	\$ 991,947
2020	311,245
2021	205,330
2022	86,032
2023	20,900
Thereafter	21,400
<b>Total</b>	<b>\$ 1,636,854</b>

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
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**Notes to Consolidated Financial Statements**

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**Note 4. Note Receivable - Investment Partner**

At June 30, 2018 and 2017, 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, 2018, are as follows:

<b>Years Ending June 30,</b>	<b>Amount</b>
2019	\$ 321,600
2020	218,238
2021	246,299
2022	274,811
2023	304,849
Thereafter	<u>10,413,872</u>
<b>Total</b>	<b><u>\$ 11,779,669</u></b>

**Note 5. Fixed Assets**

At June 30, 2018 and 2017, fixed assets consisted of the following:

	<b>2018</b>	<b>2017</b>
Land	\$ 4,574,413	\$ 4,574,414
Buildings and Improvements	14,682,282	14,497,687
Vehicles	382,503	416,548
Furniture and Equipment	<u>2,474,816</u>	2,411,661
	<b>22,114,014</b>	21,900,310
Less: Accumulated Depreciation	<u>(7,916,677)</u>	(7,237,284)
<b>Total Fixed Assets, Net</b>	<b><u>\$ 14,197,337</u></b>	<b><u>\$ 14,663,026</u></b>

Depreciation expense was \$718,637 and \$752,274, for the years ended June 30, 2018 and 2017, respectively.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
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**Notes to Consolidated Financial Statements**

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**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, 2018 and 2017, designated and restricted assets were as follows:

	2018	2017
Custodial Funds	\$ 2,136	\$ 2,136
Security Deposits	10,541	18,754
Replacement Reserve Funds	87,345	128,480
<b>Total</b>	<b>\$ 100,022</b>	<b>\$ 149,370</b>

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

At June 30, 2018 and 2017, RNDC's general and limited partnerships' assets consisted of the following:

	2018	2017
Cash and Cash Equivalents	\$ 1,246,234	\$ 1,333,065
Accounts Receivable	69,996	43,804
Prepaid Expenses	463,638	352,810
Other Assets	512,249	297,152
Restricted and Designated Assets	2,981,538	2,648,270
Land, Buildings, and Other Capitalized Costs	82,685,222	82,802,594
<b>Total</b>	<b>\$ 87,958,877</b>	<b>\$ 87,477,695</b>

**Note 8. Line of Credit**

The Organization has a \$1,000,000 line of credit. The line has an interest rate of 4.84% at June 30, 2018 and matured on June 30, 2018. There was no balance on this line of credit at June 30, 2018 and 2017. The note was renewed on August 31, 2018. See Note 21 for the new terms.

The Organization is subject to a restrictive financial covenant under this agreement. At June 30, 2018 and 2017, the Organization was in compliance with this covenant.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, 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, 2018 and 2017:

	2018	2017
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	\$ 235,935
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.	62,669	111,625
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.	860,000	925,000
Note payable to Iberia Bank secured by land and buildings (Tchoupitoulas) with an interest rate equal to the London Interbank Offered Rate (LIBOR) plus 3.0%, maturing from January 2014 through July 2019.	2,508,700	2,670,552
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.	1,643,333	1,840,533
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.	2,091,981	2,188,952
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.	257,238	349,800
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 1.0%, due at maturity on November 12, 2017.	200,000	200,000

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
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**Notes to Consolidated Financial Statements**

**Note 9. Mortgages and Notes Payable (Continued)**

	2018	2017
Note payable to Living Cities, Inc., with an interest rate of 0%, matured on June 30, 2018.	-	200,000
Note payable to The Powers Foundation, with an interest rate of 2.0%, matured on December 31, 2017.	250,000	250,000
Note payable to Enterprise Community Loan Fund, Inc., with an interest rate of 6.0%, matured on November 30, 2017.	1,485,263	1,507,182
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
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.	495,079	534,312
Financed insurance premium with monthly installments of \$37,345 including interest at 4.48%, maturing May 2019.	410,841	400,172
	<u>10,664,039</u>	<u>11,777,063</u>
Less: Debt Issuance Costs, Net of Amortization	<u>(9,475)</u>	<u>(9,850)</u>
<b>Total</b>	<b><u>\$ 10,654,564</u></b>	<b><u>\$ 11,767,213</u></b>

Scheduled principal payments due on the above mortgages and notes payable subsequent to June 30, 2018, are as follows:

Years Ending June 30,	Amount
2019	\$ 4,083,080
2020	4,051,574
2021	217,583
2022	153,237
2023	408,675
Thereafter	<u>1,749,890</u>
<b>Total</b>	<b><u>\$ 10,664,039</u></b>

Interest expense was \$419,394 and \$482,010, for the years ended June 30, 2018 and 2017, respectively.

The Organization was in compliance with debt covenants at June 30, 2018 and 2017.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
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**Notes to Consolidated Financial Statements**

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

At June 30, 2018 and 2017, RNDC's general and limited partnerships' liabilities consisted of the following:

	2018	2017
Accounts Payable	\$ 134,826	\$ 951,976
Accrued Expenses	290,754	721,874
Other Liabilities	146,056	178,746
Mortgages and Notes Payable	60,010,890	65,411,845
<b>Total</b>	<b>\$ 60,582,526</b>	<b>\$ 67,264,441</b>

**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 \$601,145 and \$474,842, for the years ended June 30, 2018 and 2017, respectively. Amounts payable to Volunteers of America, Inc. were \$61,828 and \$38,972, at June 30, 2018 and 2017, respectively.

Volunteers of America National Services is a guarantor of the debt of RNDC and has loans to RNDC as of June 30, 2018 and 2017, of \$1,023,000 and \$1,088,000, respectively.

VOANS CDE Sub I has an outstanding loan to 1770 Tchoupitoulas, LLC, with a balance of \$8,160,000, as of June 30, 2018 and 2017.

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 three (3) years and several operating leases for the rental of office space on a month-to-month basis.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
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**Notes to Consolidated Financial Statements**

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**Note 12. Leases (Continued)**

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of June 30, 2018 and in the aggregate are as follows:

Years Ending June 30,	Amount
2019	\$ 135,292
2020	18,516
2021	<u>8,533</u>
<b>Total</b>	<u><u>\$ 162,341</u></u>

Rental expense under month-to-month and non-cancelable operating leases were \$214,012 and \$253,248, for the years ended June 30, 2018 and 2017, respectively.

**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 \$74,090 and \$129,857, for the years ended June 30, 2018 and 2017, 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 \$177,673 and \$178,425, for the years ended June 30, 2018 and 2017, respectively.

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

At June 30, 2018 and 2017, RNDC's general and limited partnerships' revenue consisted of the following:

	2018	2017
Rental Income	\$ 5,020,560	\$ 3,930,262
Other Income	<u>77,433</u>	56,211
<b>Total</b>	<u><u>\$ 5,097,993</u></u>	<u>\$ 3,986,473</u>

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
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**Notes to Consolidated Financial Statements**

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**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.

**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"><li>• Quoted prices for similar assets or liabilities in active markets;</li><li>• Quoted prices for identical or similar assets or liabilities in inactive markets;</li><li>• Inputs other than quoted prices that are observable for the asset or liability;</li><li>• Inputs that are derived principally from or corroborated by observable market data by correlation or other means.</li></ul> 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.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
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**Notes to Consolidated Financial Statements**

**Note 17. Fair Value Measurements (Continued)**

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).

The following tables set forth, by level within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2018 and 2017:

June 30, 2018	Level 1	Level 2	Level 3	Total
<b>Mutual Funds</b>				
Equity Funds	\$ 5,139,300	\$ -	\$ -	\$ 5,139,300
Fixed Income Funds	107,069	24,697	-	131,766
Common Stock	1,436,759	-	-	1,436,759
<b>Total Assets in the Fair Value Hierarchy</b>	<b>6,683,128</b>	<b>24,697</b>	<b>-</b>	<b>6,707,825</b>
<b>Investments Measured at Net Asset Value (a)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81,762</b>
<b>Investments, at Fair Value</b>	<b>\$ 6,683,128</b>	<b>\$ 24,697</b>	<b>\$ -</b>	<b>\$ 6,789,587</b>
<b>June 30, 2017</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Mutual Funds</b>				
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
<b>Total Assets in the Fair Value Hierarchy</b>	<b>5,950,893</b>	<b>281,102</b>	<b>-</b>	<b>6,231,995</b>
<b>Investments Measured at Net Asset Value (a)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,214</b>
<b>Investments, at Fair Value</b>	<b>\$ 5,950,893</b>	<b>\$ 281,102</b>	<b>\$ -</b>	<b>\$ 6,292,209</b>

(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.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
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**Note 17. Fair Value Measurements (Continued)**

**Transfers Between Levels**

For the years ended June 30, 2018 and 2017, there were no significant transfers between Levels 1 and 2 and no transfers in or out of Level 3.

**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, 2018 and 2017. There are no redemption restrictions for these investments.

<b>June 30, 2018</b>	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency (if Currently Eligible)</b>	<b>Redemption Notice Period</b>
<b>Pooled Investment Fund</b>	<b>\$ 81,762</b>	<b>N/A</b>	<b>Daily</b>	<b>N/A</b>
<b>June 30, 2017</b>	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency (if Currently Eligible)</b>	<b>Redemption Notice Period</b>
Pooled Investment Fund	\$ 60,214	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 3.0% in excess of the consumer price index and 6.0% 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 2018 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.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**

**Notes to Consolidated Financial Statements**

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**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, 2018 and 2017.

**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 (FDIC). The Organization believes it is not exposed to any significant credit risk to cash.

At June 30, 2018, the Organization had \$3,612,728 in excess of the FDIC insured limit.

**Note 21. Subsequent Events**

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, October 21, 2018, and determined that the following events occurred that require disclosure.

On August 31, 2018, the line of credit was renewed in the amount of \$1,000,000, maturing on June 30, 2019, with an interest rate of 4.832%.

On October 16, 2018, RNDC entered in a membership interest purchase agreement related to the New Market Tax Credit Transaction of 1770 Tchoupitoulas, LLC. RNDC purchased the 100% interest in ESIC New Markets Partners XLVII Investment Fund, LLC for \$148,460.

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

## **SUPPLEMENTARY INFORMATION**

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**  
Schedule of Compensation, Benefits, and Other Payments  
to Agency Head  
For the Year Ended June 30, 2018

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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 non-governmental 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

<b>Purpose</b>	<b>Compensation and Benefits Funded by Use</b>
Salary	\$ 120,282
Bonus	\$ 15,000
Benefits - Insurance	\$ 3,191
Benefits - Retirement	\$ 18,782
Benefits - Other	\$ 742
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	\$ 230

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**

Schedule I

**Consolidating Statement of Financial Position**

**For the Year Ended June 30, 2018**

**With Summarized Comparative Information for the Year Ended June 30, 2017**

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Eliminations	2018 Consolidated	2017
<b>Assets</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 1,960,064	\$ 2,560,030	\$ 4,520,094	\$ -	\$ 4,520,094	\$ 4,750,798
Grants Receivable, Net of Allowance for Doubtful Accounts of \$107,570 at 2018 and \$72,674 at 2017	2,904,607	128,526	3,033,133	(1,925)	3,031,208	2,840,704
Pledges Receivable, Net	647,759	-	647,759	-	647,759	726,186
Prepaid Expenses	541,699	84,203	625,902	-	625,902	533,215
Other Current Assets	217,746	-	217,746	-	217,746	161,549
General and Limited Partnerships' Current Assets	-	2,264,395	2,264,395	-	2,264,395	1,999,109
<b>Total Current Assets</b>	<b>6,271,875</b>	<b>5,037,154</b>	<b>11,309,029</b>	<b>(1,925)</b>	<b>11,307,104</b>	<b>11,011,561</b>
<b>Fixed Assets</b>						
Fixed Assets, Net	8,341,610	5,855,727	14,197,337	-	14,197,337	14,663,026
General and Limited Partnerships' Fixed Assets, Net	-	82,685,222	82,685,222	-	82,685,222	82,802,594
<b>Total Fixed Assets</b>	<b>8,341,610</b>	<b>88,540,949</b>	<b>96,882,559</b>	<b>-</b>	<b>96,882,559</b>	<b>97,465,620</b>
<b>Other Assets</b>						
Designated and Restricted Assets	58,862	41,160	100,022	-	100,022	149,370
Long-Term Investments	5,271,066	1,518,521	6,789,587	-	6,789,587	6,292,209
Pledges Receivable, Net	527,155	-	527,155	-	527,155	533,132
Note Receivable and Other Amounts Due from RNDC	3,538,114	-	3,538,114	(3,538,114)	-	-
Notes Receivable - Investment Partner	-	11,779,669	11,779,669	-	11,779,669	11,560,262
Investment in Joint Ventures	400,068	-	400,068	-	400,068	403,086
General and Limited Partnerships' Other Assets	-	3,009,260	3,009,260	-	3,009,260	2,675,992
<b>Total Other Assets</b>	<b>9,795,265</b>	<b>16,348,610</b>	<b>26,143,875</b>	<b>(3,538,114)</b>	<b>22,605,761</b>	<b>21,614,051</b>
<b>Total Assets</b>	<b>\$ 24,408,750</b>	<b>\$ 109,926,713</b>	<b>\$ 134,335,463</b>	<b>\$ (3,540,039)</b>	<b>\$ 130,795,424</b>	<b>\$ 130,091,232</b>

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**

Schedule I

**Consolidating Statement of Financial Position (Continued)**

**For the Year Ended June 30, 2018**

**With Summarized Comparative Information for the Year Ended June 30, 2017**

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Eliminations	2018 Consolidated	2017
<b>Liabilities and Net Assets</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 1,048,371	\$ 71,853	\$ 1,120,224	\$ -	\$ 1,120,224	\$ 901,504
Mortgages and Notes Payable	781,945	3,301,135	4,083,080	-	4,083,080	4,537,545
Accrued Expenses	1,475,264	185,594	1,660,858	-	1,660,858	1,558,156
Other Current Liabilities	35,163	20,297	55,460	(1,925)	53,535	109,873
General and Limited Partnerships' Liabilities	-	4,620,711	4,620,711	(15,419)	4,605,292	10,301,454
<b>Total Current Liabilities</b>	<b>3,340,743</b>	<b>8,199,590</b>	<b>11,540,333</b>	<b>(17,344)</b>	<b>11,522,989</b>	<b>17,408,532</b>
<b>Other Liabilities</b>						
Due to VOASELA, Inc.	-	1,160,404	1,160,404	(1,160,404)	-	-
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	184,738	6,386,746	6,571,484	-	6,571,484	7,229,668
General and Limited Partnerships' Other Liabilities	-	58,339,525	58,339,525	(2,362,291)	55,977,234	56,962,987
<b>Total Other Liabilities</b>	<b>184,738</b>	<b>65,886,675</b>	<b>66,071,413</b>	<b>(3,522,695)</b>	<b>62,548,718</b>	<b>64,192,655</b>
<b>Total Liabilities</b>	<b>3,525,481</b>	<b>74,086,265</b>	<b>77,611,746</b>	<b>(3,540,039)</b>	<b>74,071,707</b>	<b>81,601,187</b>
<b>Net Assets</b>						
Unrestricted Net Assets	20,883,269	35,840,448	56,723,717	-	56,723,717	48,490,045
<b>Total Net Assets</b>	<b>20,883,269</b>	<b>35,840,448</b>	<b>56,723,717</b>	<b>-</b>	<b>56,723,717</b>	<b>48,490,045</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 24,408,750</b>	<b>\$ 109,926,713</b>	<b>\$ 134,335,463</b>	<b>\$ (3,540,039)</b>	<b>\$ 130,795,424</b>	<b>\$ 130,091,232</b>

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**

Schedule II

**Consolidating Statement of Activities**

For the Year Ended June 30, 2018

With Summarized Comparative Information for the Year Ended June 30, 2017

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Elimination	2018 Consolidated	2017
<b>Revenues</b>						
<b>Revenues from Operations</b>						
Public Support Received Directly Contributions and Special Events	\$ 2,332,701	\$ -	\$ 2,332,701	\$ -	\$ 2,332,701	\$ 2,061,755
Public Support Received Indirectly United Way Allocations	121,603	-	121,603	-	121,603	99,108
Designations	-	-	-	-	-	8,274
<b>Total Public Support</b>	<b>2,454,304</b>	<b>-</b>	<b>2,454,304</b>	<b>-</b>	<b>2,454,304</b>	<b>2,169,137</b>
<b>Revenues and Grants from Governmental Agencies</b>	<b>20,023,994</b>	<b>520,875</b>	<b>20,544,869</b>	<b>-</b>	<b>20,544,869</b>	<b>20,211,597</b>
<b>Other Revenue</b>						
Program Service Fees	7,859,245	2,071,567	9,930,812	(1,274,103)	8,656,709	5,326,583
Rental Income	236,098	316,031	552,129	-	552,129	533,268
Other Operating Income	34,801	271,333	306,134	(48,000)	258,134	544,259
General and Limited Partnerships' Revenue	-	5,290,479	5,290,479	(192,486)	5,097,993	3,986,473
<b>Total Other Revenue</b>	<b>8,130,144</b>	<b>7,949,410</b>	<b>16,079,554</b>	<b>(1,514,589)</b>	<b>14,564,965</b>	<b>10,390,583</b>
<b>Total Operating Revenue</b>	<b>30,608,442</b>	<b>8,470,285</b>	<b>39,078,727</b>	<b>(1,514,589)</b>	<b>37,564,138</b>	<b>32,771,317</b>

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**

Schedule II

**Consolidating Statement of Activities (Continued)**

**For the Year Ended June 30, 2018**

**With Summarized Comparative Information for the Year Ended June 30, 2017**

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Elimination	2018 Consolidated	2017
<b>Expenses</b>						
<b>Operating Expenses</b>						
<b>Program Services</b>						
Encouraging Positive Development	10,156,530	-	10,156,530	-	10,156,530	9,019,236
Fostering Independence	7,750,468	-	7,750,468	-	7,750,468	7,736,543
Promoting Self-Sufficiency	8,096,308	2,363,828	10,460,136	(773,777)	9,686,359	8,758,519
Promoting Self-Sufficiency - General and Limited Partnerships	-	6,860,908	6,860,908	(740,812)	6,120,096	5,168,919
<b>Total Program Services</b>	<b>26,003,306</b>	<b>9,224,736</b>	<b>35,228,042</b>	<b>(1,514,589)</b>	<b>33,713,453</b>	<b>30,683,217</b>
<b>Supporting Services</b>						
Management and General	3,480,112	-	3,480,112	-	3,480,112	3,395,103
Fundraising	833,457	-	833,457	-	833,457	1,185,815
<b>Total Supporting Services</b>	<b>4,313,569</b>	<b>-</b>	<b>4,313,569</b>	<b>-</b>	<b>4,313,569</b>	<b>4,580,918</b>
<b>Affiliate Fees</b>						
Fees Paid to National Organization	601,145	-	601,145	-	601,145	474,852
<b>Total Affiliate Fees</b>	<b>601,145</b>	<b>-</b>	<b>601,145</b>	<b>-</b>	<b>601,145</b>	<b>474,852</b>
<b>Total Operating Expenses</b>	<b>30,918,020</b>	<b>9,224,736</b>	<b>40,142,756</b>	<b>(1,514,589)</b>	<b>38,628,167</b>	<b>35,738,987</b>
<b>Deficit from Operations</b>	<b>(309,578)</b>	<b>(754,451)</b>	<b>(1,064,029)</b>	<b>-</b>	<b>(1,064,029)</b>	<b>(2,967,670)</b>

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**

Schedule II

**Consolidating Statement of Activities (Continued)**

For the Year Ended June 30, 2018

With Summarized Comparative Information for the Year Ended June 30, 2017

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Elimination	2018 Consolidated	2017
<b>Other Activities</b>						
<b>Non-Operating Gains (Losses) and Other Revenue</b>						
Interest and Dividend Income	167,792	403,302	571,094	-	571,094	536,721
Gain on Disposition of Assets	16,513	-	16,513	-	16,513	89,392
Gain on Investments	203,314	69,814	273,128	-	273,128	716,544
Income Tax Expense	-	(17,940)	(17,940)	-	(17,940)	-
Other Non-Operating Gains	2,233,520	-	2,233,520	-	2,233,520	1,286,962
Other Activities - General and Limited Partnerships	-	9,962	9,962	-	9,962	9,017
<b>Surplus from Other Activities</b>	<b>2,621,139</b>	<b>465,138</b>	<b>3,086,277</b>	<b>-</b>	<b>3,086,277</b>	<b>2,638,636</b>
<b>Change in Net Assets</b>	<b>2,311,561</b>	<b>(289,313)</b>	<b>2,022,248</b>	<b>-</b>	<b>2,022,248</b>	<b>(329,034)</b>
<b>Other Changes in Net Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,097)</b>
<b>Other Changes in Net Assets - General and Limited Partnerships</b>	<b>-</b>	<b>6,211,424</b>	<b>6,211,424</b>	<b>-</b>	<b>6,211,424</b>	<b>(44,386)</b>
<b>Total Change in Net Assets</b>	<b>2,311,561</b>	<b>5,922,111</b>	<b>8,233,672</b>	<b>-</b>	<b>8,233,672</b>	<b>(378,517)</b>
<b>Net Assets, Beginning of Year</b>	<b>18,571,708</b>	<b>29,918,337</b>	<b>48,490,045</b>	<b>-</b>	<b>48,490,045</b>	<b>48,868,562</b>
<b>Net Assets, End of Year</b>	<b>\$ 20,883,269</b>	<b>\$ 35,840,448</b>	<b>\$ 56,723,717</b>	<b>\$ -</b>	<b>\$ 56,723,717</b>	<b>\$ 48,490,045</b>

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**

Schedule III

**Consolidating Statement of Functional Expenses**

**For the Year Ended June 30, 2018**

**With Summarized Comparative Information for the Year Ended June 30, 2017**

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Eliminations	2018 Consolidated	2017
Salaries	\$ 15,503,294	\$ -	\$ 15,503,294	\$ -	\$ 15,503,294	\$ 14,562,702
Pension	251,763	-	251,763	-	251,763	308,307
Other Employee Benefits	803,873	-	803,873	-	803,873	806,477
Payroll Taxes	1,367,185	-	1,367,185	-	1,367,185	1,267,491
Legal Fees	125,144	2,066	127,210	-	127,210	34,459
Accounting Fees	93,468	117,563	211,031	-	211,031	199,806
Other Professional Fees	2,665,630	1,375,368	4,040,998	(581,291)	3,459,707	2,842,341
Supplies	3,220,897	15,766	3,236,663	-	3,236,663	2,903,331
Telecommunications	280,632	3,598	284,230	-	284,230	287,387
Postage	22,435	494	22,929	-	22,929	20,587
Occupancy	1,748,082	234,108	1,982,190	(192,486)	1,789,704	1,708,149
Interest	72,184	347,210	419,394	-	419,394	482,010
Insurance	444,947	23,053	468,000	-	468,000	472,847
Equipment Rental and Maintenance	221,344	133,919	355,263	-	355,263	366,440
Printing and Publications	62,310	-	62,310	-	62,310	54,249
Travel and Transportation	406,532	881	407,413	-	407,413	440,288
Conferences and Meetings	168,631	-	168,631	-	168,631	156,136
Specific Assistance to Individuals	1,862,256	-	1,862,256	-	1,862,256	1,817,502
Other	375,865	9,317	385,182	-	385,182	592,752
Depreciation and Amortization	620,403	100,485	720,888	-	720,888	771,955
General and Limited Partnerships' Expenses	-	6,860,908	6,860,908	(740,812)	6,120,096	5,168,919
<b>Total</b>	<b>\$ 30,316,875</b>	<b>\$ 9,224,736</b>	<b>\$ 39,541,611</b>	<b>\$ (1,514,589)</b>	<b>\$ 38,027,022</b>	<b>\$ 35,264,135</b>

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**

**Schedule IV**

**Consolidating Statement of Financial Position - VOASELA, Inc.**

**For the Year Ended June 30, 2018**

**With Summarized Comparative Information for the Year Ended June 30, 2017**

	VOASELA, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2018 Consolidated	2017
<b>Assets</b>							
<b>Current Assets</b>							
Cash and Cash Equivalents	\$ 1,915,986	\$ 29,197	\$ 14,881	\$ 1,960,064	\$ -	\$ 1,960,064	\$ 1,436,924
Grants Receivable, Net of Allowance for Doubtful Accounts of \$107,570 at 2018 and \$72,674 at 2017	2,869,418	858	34,331	2,904,607	-	2,904,607	2,779,195
Pledges Receivable, Net	647,759	-	-	647,759	-	647,759	726,186
Accounts Receivable, CLC, Inc.	56,335	-	-	56,335	(56,335)	-	-
Accounts Receivable, Limited Partnerships	1,095,590	-	-	1,095,590	(1,095,590)	-	-
Interest Receivable, VOA Development	54,569	-	-	54,569	(54,569)	-	-
Notes Receivable, VOA Development	423,683	-	-	423,683	(423,683)	-	-
Prepaid Expenses	519,916	1,840	19,943	541,699	-	541,699	516,120
Other Current Assets	195,625	-	22,121	217,746	-	217,746	159,509
<b>Total Current Assets</b>	<b>7,778,881</b>	<b>31,895</b>	<b>91,276</b>	<b>7,902,052</b>	<b>(1,630,177)</b>	<b>6,271,875</b>	<b>5,617,934</b>
<b>Fixed Assets, Net</b>	<b>5,446,489</b>	<b>251,348</b>	<b>2,643,773</b>	<b>8,341,610</b>	<b>-</b>	<b>8,341,610</b>	<b>8,726,123</b>
<b>Other Assets</b>							
Designated and Restricted Assets	82,610	58,070	792	141,472	(82,610)	58,862	98,679
Long-Term Investments	5,271,066	-	-	5,271,066	-	5,271,066	5,085,667
Pledges Receivable, Net	527,155	-	-	527,155	-	527,155	533,132
Notes Receivable	4,107,411	-	-	4,107,411	(569,297)	3,538,114	1,474,797
Investment in Joint Ventures	400,068	-	-	400,068	-	400,068	403,086
<b>Total Other Assets</b>	<b>10,388,310</b>	<b>58,070</b>	<b>792</b>	<b>10,447,172</b>	<b>(651,907)</b>	<b>9,795,265</b>	<b>7,595,361</b>
<b>Total Assets</b>	<b>\$ 23,613,680</b>	<b>\$ 341,313</b>	<b>\$ 2,735,841</b>	<b>\$ 26,690,834</b>	<b>\$ (2,282,084)</b>	<b>\$ 24,408,750</b>	<b>\$ 21,939,418</b>

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**

**Schedule IV**

**Consolidating Statement of Financial Position - VOASELA, Inc. (Continued)**

**For the Year Ended June 30, 2018**

**With Summarized Comparative Information for the Year Ended June 30, 2017**

	VOASELA, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2018 Consolidated	2017
<b>Liabilities and Net Assets</b>							
<b>Current Liabilities</b>							
Accounts Payable	\$ 1,108,626	\$ 19,664	\$ 2,691	\$ 1,130,981	\$ (82,610)	\$ 1,048,371	\$ 777,189
Accounts Payable, VOASELA, Inc.	-	56,335	1,359,322	1,415,657	(1,415,657)	-	-
Mortgages and Notes Payable	546,010	235,935	-	781,945	-	781,945	779,211
Note Payable, VOASELA, Inc.	-	-	728,283	728,283	(728,283)	-	-
Interest Payable, VOASELA, Inc.	-	-	55,534	55,534	(55,534)	-	-
Accrued Expenses	1,393,205	29,746	52,313	1,475,264	-	1,475,264	1,392,948
Other Current Liabilities	29,098	-	6,065	35,163	-	35,163	100,041
<b>Total Current Liabilities</b>	<b>3,076,939</b>	<b>341,680</b>	<b>2,204,208</b>	<b>5,622,827</b>	<b>(2,282,084)</b>	<b>3,340,743</b>	<b>3,049,389</b>
<b>Other Liabilities</b>							
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	184,738	-	-	184,738	-	184,738	318,321
<b>Total Other Liabilities</b>	<b>184,738</b>	<b>-</b>	<b>-</b>	<b>184,738</b>	<b>-</b>	<b>184,738</b>	<b>318,321</b>
<b>Total Liabilities</b>	<b>3,261,677</b>	<b>341,680</b>	<b>2,204,208</b>	<b>5,807,565</b>	<b>(2,282,084)</b>	<b>3,525,481</b>	<b>3,367,710</b>
<b>Net Assets</b>							
Unrestricted Net Assets	20,352,003	(367)	531,633	20,883,269	-	20,883,269	18,571,708
<b>Total Net Assets</b>	<b>20,352,003</b>	<b>(367)</b>	<b>531,633</b>	<b>20,883,269</b>	<b>-</b>	<b>20,883,269</b>	<b>18,571,708</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 23,613,680</b>	<b>\$ 341,313</b>	<b>\$ 2,735,841</b>	<b>\$ 26,690,834</b>	<b>\$ (2,282,084)</b>	<b>\$ 24,408,750</b>	<b>\$ 21,939,418</b>

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**

Schedule V

**Consolidating Statement of Activities - VOASELA, Inc.**

**For the Year Ended June 30, 2018**

**With Summarized Comparative Information for the Year Ended June 30, 2017**

	VOASELA, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2018 Consolidated	2017
<b>Revenues</b>							
<b>Revenues from Operations</b>							
Public Support Received Directly							
Contributions and Special Events	\$ 2,332,701	\$ -	\$ -	\$ 2,332,701	\$ -	\$ 2,332,701	\$ 2,061,755
Public Support Received Indirectly							
United Way							
Allocations	121,603	-	-	121,603	-	121,603	99,108
Designations	-	-	-	-	-	-	8,274
<b>Total Public Support</b>	<b>2,454,304</b>	<b>-</b>	<b>-</b>	<b>2,454,304</b>	<b>-</b>	<b>2,454,304</b>	<b>2,169,137</b>
<b>Revenues and Grants from Governmental Agencies</b>	<b>19,417,610</b>	<b>-</b>	<b>606,384</b>	<b>20,023,994</b>	<b>-</b>	<b>20,023,994</b>	<b>20,154,547</b>
<b>Other Revenue</b>							
Program Service Fees	8,308,265	-	-	8,308,265	(449,020)	7,859,245	6,690,120
Rental Income	-	-	236,098	236,098	-	236,098	214,777
Other Operating Income	34,301	-	500	34,801	-	34,801	12,582
<b>Total Other Revenue</b>	<b>8,342,566</b>	<b>-</b>	<b>236,598</b>	<b>8,579,164</b>	<b>(449,020)</b>	<b>8,130,144</b>	<b>6,917,479</b>
<b>Total Operating Revenue</b>	<b>30,214,480</b>	<b>-</b>	<b>842,982</b>	<b>31,057,462</b>	<b>(449,020)</b>	<b>30,608,442</b>	<b>29,241,163</b>

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**  
Consolidating Statement of Activities - VOASELA, Inc. (Continued)  
For the Year Ended June 30, 2018

Schedule V

With Summarized Comparative Information for the Year Ended June 30, 2017

	VOASELA, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2018 Consolidated	2017
<b>Expenses</b>							
<b>Operating Expenses</b>							
<b>Program Services</b>							
Encouraging Positive Development	10,156,530	-	-	10,156,530	-	10,156,530	9,019,236
Fostering Independence	7,741,793	-	8,675	7,750,468	-	7,750,468	7,736,543
Promoting Self-Sufficiency	7,354,985	79,442	1,110,901	8,545,328	(449,020)	8,096,308	7,750,502
<b>Total Program Services</b>	<b>25,253,308</b>	<b>79,442</b>	<b>1,119,576</b>	<b>26,452,326</b>	<b>(449,020)</b>	<b>26,003,306</b>	<b>24,506,281</b>
<b>Supporting Services</b>							
Management and General	3,480,112	-	-	3,480,112	-	3,480,112	3,395,103
Fundraising	833,457	-	-	833,457	-	833,457	1,185,815
<b>Total Supporting Services</b>	<b>4,313,569</b>	<b>-</b>	<b>-</b>	<b>4,313,569</b>	<b>-</b>	<b>4,313,569</b>	<b>4,580,918</b>
<b>Affiliate Fees</b>							
Fees Paid to National Organization	601,145	-	-	601,145	-	601,145	474,852
<b>Total Affiliate Fees</b>	<b>601,145</b>	<b>-</b>	<b>-</b>	<b>601,145</b>	<b>-</b>	<b>601,145</b>	<b>474,852</b>
<b>Total Operating Expenses</b>	<b>30,168,022</b>	<b>79,442</b>	<b>1,119,576</b>	<b>31,367,040</b>	<b>(449,020)</b>	<b>30,918,020</b>	<b>29,562,051</b>
<b>Surplus (Deficit) from Operations</b>	<b>46,458</b>	<b>(79,442)</b>	<b>(276,594)</b>	<b>(309,578)</b>	<b>-</b>	<b>(309,578)</b>	<b>(320,888)</b>

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**  
Consolidating Statement of Activities - VOASELA, Inc. (Continued)  
For the Year Ended June 30, 2018

Schedule V

With Summarized Comparative Information for the Year Ended June 30, 2017

	VOASELA, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2018 Consolidated	2017
<b>Other Activities</b>							
<b>Non-Operating Gains (Losses) and Other Revenue</b>							
Interest and Dividend Income	167,647	145	-	167,792	-	167,792	129,011
Gain on Disposition of Assets	16,470	-	43	16,513	-	16,513	89,392
Gain on Investments	203,314	-	-	203,314	-	203,314	632,742
Other Non-Operating Gains	2,179,113	54,407	-	2,233,520	-	2,233,520	1,072,926
<b>Surplus from Other Activities</b>	<b>2,566,544</b>	<b>54,552</b>	<b>43</b>	<b>2,621,139</b>	<b>-</b>	<b>2,621,139</b>	<b>1,924,071</b>
<b>Change in Net Assets</b>	<b>2,613,002</b>	<b>(24,890)</b>	<b>(276,551)</b>	<b>2,311,561</b>	<b>-</b>	<b>2,311,561</b>	<b>1,603,183</b>
<b>Other Changes in Net Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,097)</b>
<b>Total Change in Net Assets</b>	<b>2,613,002</b>	<b>(24,890)</b>	<b>(276,551)</b>	<b>2,311,561</b>	<b>-</b>	<b>2,311,561</b>	<b>1,598,086</b>
<b>Net Assets, Beginning of Year</b>	<b>17,739,001</b>	<b>24,523</b>	<b>808,184</b>	<b>18,571,708</b>	<b>-</b>	<b>18,571,708</b>	<b>16,973,622</b>
<b>Net Assets, End of Year</b>	<b>\$ 20,352,003</b>	<b>\$ (367)</b>	<b>\$ 531,633</b>	<b>\$ 20,883,269</b>	<b>\$ -</b>	<b>\$ 20,883,269</b>	<b>\$ 18,571,708</b>

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**  
**Consolidating Statement of Functional Expenses - VOASELA, Inc.**  
**For the Year Ended June 30, 2018**  
**With Summarized Comparative Information for the Year Ended June 30, 2017**

Schedule VI

	VOASELA, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2018 Consolidated	2017
Salaries	\$ 15,794,034	\$ -	\$ -	\$ 15,794,034	\$ (290,740)	\$ 15,503,294	\$ 14,562,702
Pension	253,351	-	-	253,351	(1,588)	251,763	308,307
Other Employee Benefits	818,582	-	-	818,582	(14,709)	803,873	806,477
Payroll Taxes	1,396,164	-	-	1,396,164	(28,979)	1,367,185	1,267,491
Legal Fees	119,591	6,108	-	125,699	(555)	125,144	30,526
Accounting Fees	83,416	5,002	5,050	93,468	-	93,468	91,129
Other Professional Fees	2,380,072	1,750	291,317	2,673,139	(7,509)	2,665,630	2,589,221
Supplies	3,184,325	-	39,024	3,223,349	(2,452)	3,220,897	2,869,820
Telecommunications	271,935	2,022	10,116	284,073	(3,441)	280,632	283,037
Postage	22,031	-	404	22,435	-	22,435	20,065
Occupancy	1,312,118	37,265	400,958	1,750,341	(2,259)	1,748,082	1,760,379
Interest	19,420	18,744	34,020	72,184	-	72,184	113,312
Insurance	438,777	8,533	87,913	535,223	(90,276)	444,947	455,406
Equipment Rental and Maintenance	180,343	-	44,941	225,284	(3,940)	221,344	240,953
Printing and Publications	63,310	-	-	63,310	(1,000)	62,310	50,991
Travel and Transportation	406,199	-	347	406,546	(14)	406,532	434,344
Conferences and Meetings	168,745	5	-	168,750	(119)	168,631	156,136
Specific Assistance to Individuals	1,863,570	-	-	1,863,570	(1,314)	1,862,256	1,817,502
Other	317,670	13	58,307	375,990	(125)	375,865	551,686
Depreciation and Amortization	473,224	-	147,179	620,403	-	620,403	677,715
<b>Total</b>	<b>\$ 29,566,877</b>	<b>\$ 79,442</b>	<b>\$ 1,119,576</b>	<b>\$ 30,765,895</b>	<b>\$ (449,020)</b>	<b>\$ 30,316,875</b>	<b>\$ 29,087,199</b>

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**  
**Consolidating Statement of Financial Position - VOA Development, Inc.**  
**For the Year Ended June 30, 2018**  
**With Summarized Comparative Information for the Year Ended June 30, 2017**

Schedule VII

	VOA Development, Inc.	Consolidated VOA Development 2, Inc	Subtotal	Eliminations	2018 Consolidated	2017
<b>Assets</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 2,149	\$ 12,732	\$ 14,881	\$ -	\$ 14,881	\$ 5,177
Grants Receivable, Net of Allowance for Doubtful Accounts of \$34,693 at 2018 and \$21,092 at 2017	31,178	3,153	34,331	-	34,331	70,156
Prepaid Expenses	-	19,943	19,943	-	19,943	23,113
Other Current Assets	5,926	16,195	22,121	-	22,121	22,121
<b>Total Current Assets</b>	<b>39,253</b>	<b>52,023</b>	<b>91,276</b>	<b>-</b>	<b>91,276</b>	<b>120,567</b>
<b>Fixed Assets, Net</b>	<b>1,056,026</b>	<b>1,587,747</b>	<b>2,643,773</b>	<b>-</b>	<b>2,643,773</b>	<b>2,778,560</b>
<b>Other Assets</b>						
Designated and Restricted Assets	9	783	792	-	792	9,334
<b>Total Other Assets</b>	<b>9</b>	<b>783</b>	<b>792</b>	<b>-</b>	<b>792</b>	<b>9,334</b>
<b>Total Assets</b>	<b>\$ 1,095,288</b>	<b>\$ 1,640,553</b>	<b>\$ 2,735,841</b>	<b>\$ -</b>	<b>\$ 2,735,841</b>	<b>\$ 2,908,461</b>

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**

Schedule VII

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

**For the Year Ended June 30, 2018**

**With Summarized Comparative Information for the Year Ended June 30, 2017**

	VOA Development, Inc.	Consolidated VOA Development 2, Inc	Subtotal	Eliminations	2018 Consolidated	2017
<b>Liabilities and Net Assets</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 2,593	\$ 98	\$ 2,691	\$ -	\$ 2,691	\$ 11,735
Accounts Payable - VOASELA, Inc.	-	1,359,322	1,359,322	-	1,359,322	1,301,742
Note Payable - VOASELA, Inc.	554,784	173,499	728,283	-	728,283	706,608
Interest Payable - VOASELA, Inc.	966	54,568	55,534	-	55,534	50,835
Accrued Expenses	41,906	10,407	52,313	-	52,313	15,883
Other Current Liabilities	3,590	2,475	6,065	-	6,065	13,474
<b>Total Current Liabilities</b>	<b>603,839</b>	<b>1,600,369</b>	<b>2,204,208</b>	<b>-</b>	<b>2,204,208</b>	<b>2,100,277</b>
<b>Total Liabilities</b>	<b>603,839</b>	<b>1,600,369</b>	<b>2,204,208</b>	<b>-</b>	<b>2,204,208</b>	<b>2,100,277</b>
<b>Net Assets</b>						
Unrestricted Net Assets	491,449	40,184	531,633	-	531,633	808,184
<b>Total Net Assets</b>	<b>491,449</b>	<b>40,184</b>	<b>531,633</b>	<b>-</b>	<b>531,633</b>	<b>808,184</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,095,288</b>	<b>\$ 1,640,553</b>	<b>\$ 2,735,841</b>	<b>\$ -</b>	<b>\$ 2,735,841</b>	<b>\$ 2,908,461</b>

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**

**Schedule VIII**

**Consolidating Statement of Activities - VOA Development, Inc.**

**For the Year Ended June 30, 2018**

**With Summarized Comparative Information for the Year Ended June 30, 2017**

	VOA Development, Inc.	Consolidated VOA Development 2, Inc	Subtotal	Eliminations	2018 Consolidated	2017
<b>Revenues</b>						
<b>Revenues and Grants from</b>						
Governmental Agencies	\$ 332,788	\$ 273,596	\$ 606,384	\$ -	\$ 606,384	\$ 525,856
<b>Other Revenue</b>						
Rental Income	126,504	109,594	236,098	-	236,098	214,777
Other Operating Income	500	-	500	-	500	165
<b>Total Other Revenue</b>	<b>127,004</b>	<b>109,594</b>	<b>236,598</b>	<b>-</b>	<b>236,598</b>	<b>214,942</b>
<b>Total Operating Revenue</b>	<b>459,792</b>	<b>383,190</b>	<b>842,982</b>	<b>-</b>	<b>842,982</b>	<b>740,798</b>
<b>Expenses</b>						
<b>Operating Expenses</b>						
<b>Program Services</b>						
Fostering Independence	-	8,675	8,675	-	8,675	6,512
Promoting Self-Sufficiency	537,932	572,969	1,110,901	-	1,110,901	1,020,568
<b>Total Program Services</b>	<b>537,932</b>	<b>581,644</b>	<b>1,119,576</b>	<b>-</b>	<b>1,119,576</b>	<b>1,027,080</b>
<b>Total Operating Expenses</b>	<b>537,932</b>	<b>581,644</b>	<b>1,119,576</b>	<b>-</b>	<b>1,119,576</b>	<b>1,027,080</b>
<b>Deficit from Operations</b>	<b>(78,140)</b>	<b>(198,454)</b>	<b>(276,594)</b>	<b>-</b>	<b>(276,594)</b>	<b>(286,282)</b>

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**

**Schedule VIII**

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

**For the Year Ended June 30, 2018**

**With Summarized Comparative Information for the Year Ended June 30, 2017**

	VOA Development, Inc.	Consolidated VOA Development 2, Inc	Subtotal	Eliminations	2018 Consolidated	2017
<b>Other Activities</b>						
<b>Non-Operating Gains (Losses) and Other Revenue</b>						
Interest and Dividend Income	-	43	43	-	43	25
<b>Surplus from Other Activities</b>	-	43	43	-	43	25
<b>Change in Net Assets</b>	(78,140)	(198,411)	(276,551)	-	(276,551)	(286,257)
<b>Net Assets, Beginning of Year</b>	569,589	238,595	808,184	-	808,184	1,094,441
<b>Net Assets, End of Year</b>	<b>\$ 491,449</b>	<b>\$ 40,184</b>	<b>\$ 531,633</b>	<b>\$ -</b>	<b>\$ 531,633</b>	<b>\$ 808,184</b>

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**

Schedule IX

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

**For the Year Ended June 30, 2018**

**With Summarized Comparative Information for the Year Ended June 30, 2017**

	VOA Development, Inc.	Consolidated VOA Development 2, Inc	Subtotal	Eliminations	2018 Consolidated	2017
Accounting Fees	\$ 2,700	\$ 2,350	\$ 5,050	\$ -	\$ 5,050	\$ 5,400
Other Professional Fees	140,833	150,484	291,317	-	291,317	308,271
Supplies	20,102	18,922	39,024	-	39,024	37,582
Telecommunications	3,530	6,586	10,116	-	10,116	10,271
Postage	202	202	404	-	404	-
Occupancy	208,110	192,848	400,958	-	400,958	340,063
Interest	25,342	8,678	34,020	-	34,020	22,256
Insurance	47,391	40,522	87,913	-	87,913	86,237
Equipment Rental and Maintenance	23,491	21,450	44,941	-	44,941	66,986
Travel and Transportation	39	308	347	-	347	1,309
Other	21,483	36,824	58,307	-	58,307	1,526
Depreciation and Amortization	44,709	102,470	147,179	-	147,179	147,179
<b>Total</b>	<b>\$ 537,932</b>	<b>\$ 581,644</b>	<b>\$ 1,119,576</b>	<b>\$ -</b>	<b>\$ 1,119,576</b>	<b>\$ 1,027,080</b>

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**  
**Consolidating Statement of Financial Position - VOA Development 2, Inc.**  
**For the Year Ended June 30, 2018**  
**With Summarized Comparative Information for the Year Ended June 30, 2017**

Schedule X

	VOA Development 2, Inc.	Limited Partnership (Canal SRO)	Subtotal	Eliminations	2018 Consolidated	2017
<b>Assets</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ -	\$ 12,732	\$ 12,732	\$ -	\$ 12,732	\$ 3,587
Grants Receivable, Net of Allowance for Doubtful Accounts of \$13,803 at 2018 and \$14,251 at 2017	-	3,153	3,153	-	3,153	40,207
Interest Receivable - Limited Partnerships	174,374	-	174,374	(174,374)	-	-
Note Receivable - Limited Partnerships	354,300	-	354,300	(354,300)	-	-
Prepaid Expenses	-	19,943	19,943	-	19,943	21,703
Other Current Assets	-	16,195	16,195	-	16,195	16,195
<b>Total Current Assets</b>	<b>528,674</b>	<b>52,023</b>	<b>580,697</b>	<b>(528,674)</b>	<b>52,023</b>	81,692
<b>Fixed Assets, Net</b>	<b>-</b>	<b>1,587,747</b>	<b>1,587,747</b>	<b>-</b>	<b>1,587,747</b>	1,683,603
<b>Other Assets</b>						
Designated and Restricted Assets	-	783	783	-	783	7,495
Investment in Subsidiary	(260,423)	-	(260,423)	260,423	-	-
<b>Total Other Assets</b>	<b>(260,423)</b>	<b>783</b>	<b>(259,640)</b>	<b>260,423</b>	<b>783</b>	7,495
<b>Total Assets</b>	<b>\$ 268,251</b>	<b>\$ 1,640,553</b>	<b>\$ 1,908,804</b>	<b>\$ (268,251)</b>	<b>\$ 1,640,553</b>	<b>\$ 1,772,790</b>

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**

Schedule X

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

**For the Year Ended June 30, 2018**

**With Summarized Comparative Information for the Year Ended June 30, 2017**

	VOA Development 2, Inc.	Limited Partnership (Canal SRO)	Subtotal	Eliminations	2018 Consolidated	2017
<b>Liabilities and Net Assets</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ -	\$ 98	\$ 98	\$ -	\$ 98	\$ 350
Accounts Payable - VOASELA, Inc.	-	1,359,322	1,359,322	-	1,359,322	1,301,742
Note Payable - VOA Development, Inc.	-	354,300	354,300	(354,300)	-	-
Note Payable - VOASELA, Inc.	173,499	-	173,499	-	173,499	173,498
Interest Payable - VOASELA, Inc.	54,568	-	54,568	-	54,568	45,893
Interest Payable - VOA Development, Inc.	-	174,374	174,374	(174,374)	-	-
Accrued Expenses	-	10,407	10,407	-	10,407	5,272
Other Current Liabilities	-	2,475	2,475	-	2,475	7,440
<b>Total Current Liabilities</b>	<b>228,067</b>	<b>1,900,976</b>	<b>2,129,043</b>	<b>(528,674)</b>	<b>1,600,369</b>	<b>1,534,195</b>
<b>Total Liabilities</b>	<b>228,067</b>	<b>1,900,976</b>	<b>2,129,043</b>	<b>(528,674)</b>	<b>1,600,369</b>	<b>1,534,195</b>
<b>Net Assets</b>						
Unrestricted Net Assets	40,184	(260,423)	(220,239)	260,423	40,184	238,595
<b>Total Net Assets</b>	<b>40,184</b>	<b>(260,423)</b>	<b>(220,239)</b>	<b>260,423</b>	<b>40,184</b>	<b>238,595</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 268,251</b>	<b>\$ 1,640,553</b>	<b>\$ 1,908,804</b>	<b>\$ (268,251)</b>	<b>\$ 1,640,553</b>	<b>\$ 1,772,790</b>

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**

**Schedule XI**

**Consolidating Statement of Activities - VOA Development 2, Inc.**

**For the Year Ended June 30, 2018**

**With Summarized Comparative Information for the Year Ended June 30, 2017**

	VOA Development 2, Inc.	Limited Partnership (Canal SRO)	Subtotal	Eliminations	2018 Consolidated	2017
<b>Revenues</b>						
<b>Revenues and Grants from Governmental Agencies</b>	\$ -	\$ 273,596	\$ 273,596	\$ -	\$ 273,596	\$ 233,172
<b>Other Revenue</b>						
Rental Income	-	109,594	109,594	-	109,594	93,228
<b>Total Other Revenue</b>	-	109,594	109,594	-	109,594	93,228
<b>Total Operating Revenue</b>	-	383,190	383,190	-	383,190	326,400
<b>Expenses</b>						
<b>Operating Expenses</b>						
<b>Program Services</b>						
Fostering Independence	8,675	-	8,675	-	8,675	6,512
Promoting Self-Sufficiency	-	588,875	588,875	(15,906)	572,969	498,041
<b>Total Program Services</b>	8,675	588,875	597,550	(15,906)	581,644	504,553
<b>Total Operating Expenses</b>	8,675	588,875	597,550	(15,906)	581,644	504,553
<b>Deficit from Operations</b>	(8,675)	(205,685)	(214,360)	15,906	(198,454)	(178,153)

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**

Schedule XI

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

For the Year Ended June 30, 2018

With Summarized Comparative Information for the Year Ended June 30, 2017

	VOA Development 2, Inc.	Limited Partnership (Canal SRO)	Subtotal	Eliminations	2018 Consolidated	2017
<b>Other Activities</b>						
<b>Non-Operating Gains (Losses) and Other Revenue</b>						
Interest and Dividend Income	15,906	43	15,949	(15,906)	43	25
Loss on Investment in Subsidiary	(205,642)	-	(205,642)	205,642	-	-
<b>(Deficit) Surplus from Other Activities</b>	<b>(189,736)</b>	<b>43</b>	<b>(189,693)</b>	<b>189,736</b>	<b>43</b>	<b>25</b>
<b>Change in Net Assets</b>	<b>(198,411)</b>	<b>(205,642)</b>	<b>(404,053)</b>	<b>205,642</b>	<b>(198,411)</b>	<b>(178,128)</b>
<b>Net Assets, Beginning of Year</b>	<b>238,595</b>	<b>(54,781)</b>	<b>183,814</b>	<b>54,781</b>	<b>238,595</b>	<b>416,723</b>
<b>Net Assets, End of Year</b>	<b>\$ 40,184</b>	<b>\$ (260,423)</b>	<b>\$ (220,239)</b>	<b>\$ 260,423</b>	<b>\$ 40,184</b>	<b>\$ 238,595</b>

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**

Schedule XII

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

**For the Year Ended June 30, 2018**

**With Summarized Comparative Information for the Year Ended June 30, 2017**

	VOA Development 2, Inc.	Limited Partnership (Canal SRO)	Subtotal	Eliminations	2018 Consolidated	2017
Accounting Fees	\$ -	\$ 2,350	\$ 2,350	\$ -	\$ 2,350	\$ 2,700
Other Professional Fees	-	150,484	150,484	-	150,484	135,662
Supplies	-	18,922	18,922	-	18,922	22,662
Telecommunications	-	6,586	6,586	-	6,586	5,660
Postage	-	202	202	-	202	-
Occupancy	-	192,848	192,848	-	192,848	160,872
Interest	8,675	15,909	24,584	(15,906)	8,678	6,512
Insurance	-	40,522	40,522	-	40,522	37,165
Equipment Rental and Maintenance	-	21,450	21,450	-	21,450	29,469
Travel and Transportation	-	308	308	-	308	780
Other	-	36,824	36,824	-	36,824	601
Depreciation and Amortization	-	102,470	102,470	-	102,470	102,470
<b>Total</b>	<b>\$ 8,675</b>	<b>\$ 588,875</b>	<b>\$ 597,550</b>	<b>\$ (15,906)</b>	<b>\$ 581,644</b>	<b>\$ 504,553</b>

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 Southeast Louisiana, 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 Southeast Louisiana, Inc. and Subsidiaries (the Organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 21, 2018.

**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 "LaPorte".

A Professional Accounting Corporation

Metairie, LA  
October 21, 2018

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

Single Audit Report

For the Year Ended June 30, 2018



## Contents

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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, 2018. 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, 2018.

### **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, 2018, and have issued our report thereon dated October 21, 2018, 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 12, 2018

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2018**

<b>FEDERAL GRANTOR/ PASS-THROUGH AGENCY/ PROGRAM TITLE</b>	<b>Federal CFDA Number</b>	<b>Agency Number</b>	<b>Federal Expenditures</b>	<b>Pass-Through to Subrecipients</b>
<b>U.S. Department of Agriculture and Rural Development</b>				
Direct Programs:				
Rural Housing Preservation Grant	10.433	22-052-720709750-002	\$ 77,851	\$ -
<b>Total U.S. Department of Agriculture and Rural Development</b>			<b>77,851</b>	<b>-</b>
<b>U.S. Department of Housing and Urban Development</b>				
Direct Programs:				
Supportive Housing Program	14.235	LA124L6H061609	115,392	-
Supportive Housing Program	14.235	LA0076L6H031608	1,041,510	-
Supportive Housing Program	14.235	LA0122L6H061609	166,569	-
Supportive Housing Program	14.235	LA0255L6H061601, LA0255L6H061500	238,047	-
Supportive Housing Program	14.235	LA0285L6H061600	99,863	-
Supportive Housing Program	14.235	LA0121L6H061609	336,071	-
Supportive Housing Program	14.235	LA0119L6H061609	198,311	-
Supportive Housing Program	14.235	LA0125L6H061609	45,188	-
Supportive Housing Program	14.235	LA0177L6H061504, LA0177L6H061605	43,332	-
Supportive Housing Program	14.235	LA0187L6H061504, LA0177L6H061605	83,271	-
Subtotal - Direct Programs			2,367,554	-
Passed through Volunteers of America, Inc.: Multifamily Housing Service Coordinators	14.191	LA48C59500100	110,982	-
Passed through State of Louisiana: Community Development Block Grant	14.218	735481	185,702	-
Passed through City of Kenner: Community Development Block Grant	14.218	B-13-MC-22008	25,766	-
Passed through St. Tammany Parish Government: Community Development Block Grant	14.218	22-0525-720709/50-002	46,637	-
Passed through Parish of Jefferson: Community Development Block Grant	14.218	55-00015443	232,459	-
Passed through UNITY for the Homeless: Continuum of Care Program	14.267	LA062L6H031407, LA0062L6H031710	118,439	-
Subtotal - Pass-through Programs			719,985	-
<b>Total U.S. Department of Housing and Urban Development</b>			<b>3,087,539</b>	<b>-</b>
<b>U.S. Department of Justice</b>				
Direct Programs:				
Juvenile Mentoring Program	16.726	2017-MV-FX-0025	48,255	-
Second Chance Act Reentry Initiative	16.812	2017-CZ-BX-0013	59,288	-
Subtotal - Direct Programs			107,543	-
Passed through Louisiana Commission on Law Enforcement Crime Victim Assistance	16.575	2016-VA-04-3859	144,560	-
Passed through Mid-Atlantic Network of Youth and Family Services Juvenile Mentoring Program	16.726	2014-JU-FX-0008	33,318	-
Subtotal - Pass-through Programs			177,878	-
<b>Total U.S. Department of Justice</b>			<b>285,421</b>	<b>-</b>

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2018**

<b>FEDERAL GRANTOR/ PASS-THROUGH AGENCY/ PROGRAM TITLE</b>	<b>Federal CFDA Number</b>	<b>Agency Number</b>	<b>Federal Expenditures</b>	<b>Pass-Through to Subrecipients</b>
<b>U.S. Department of Labor</b>				
Direct Programs:				
Reintegration of Ex-Offenders	17.270	YF-25945-14-60-A-22	118,199	-
Homeless Veterans Reintegration Project	17.805	HV-30713-17-60-5-22	289,260	-
Homeless Veterans Reintegration Project	17.805	SD-31393-18-60-5-22	5,277	-
Homeless Veterans Reintegration Project	17.805	HV-30714-17-60-5-22	171,548	-
<b>Total U.S. Department of Labor</b>			<b>584,284</b>	<b>-</b>
<b>U.S. Department of Veteran Affairs</b>				
Direct Programs:				
Homeless Providers Grant and Per Diem Program	64.024	07-807-LA	170,110	-
Homeless Providers Grant and Per Diem Program	64.024	VA256-15-C-0076	97,838	-
Homeless Providers Grant and Per Diem Program	64.024	VA256-15-C-0044	99,930	-
Homeless Providers Grant and Per Diem Program	64.024	VOAN750-0469-629-SI-18-0	301,482	-
Homeless Providers Grant and Per Diem Program	64.024	VOAN750-0437-629-BH-18-0	9,753	-
Homeless Providers Grant and Per Diem Program	64.024	VOAN750-0537-629-LD-18-0	225,424	-
Supportive Services for Veteran Families	64.033	12-LA-038	1,958,414	1,031,929
<b>Total U.S. Department of Veteran Affairs</b>			<b>2,862,951</b>	<b>1,031,929</b>
<b>U.S. Department of Health and Human Services</b>				
Passed through State of Louisiana:				
Projects for Assistance in Transition from Homelessness	93.150	19384	70,888	-
HIV Care Formula Grant	93.917	728154	207,401	-
HIV Prevention Activities	93.940	734751	32,558	-
Block Grants for Community Mental Health Services	93.958	PO2000281475-061806	70,503	-
Passed through Unity of Greater New Orleans:				
Substance Abuse and Mental Health Services	93.243	IH79SM053337-01	148,433	-
<b>Total U.S. Department of Health and Human Services</b>			<b>529,783</b>	<b>-</b>
<b>Corporation for National and Community Service</b>				
Direct Programs:				
Retired and Senior Volunteer Program	94.002	16SRWLA002	91,236	-
<b>Total Corporation for National and Community Service</b>			<b>91,236</b>	<b>-</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 7,519,065</b>	<b>\$ 1,031,929</b>

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2018**

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**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, 2018. 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, 2018

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**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>
14.235	Supportive Housing Program
17.805	Homeless Veterans' Reintegration Program

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, 2018**

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None.

**AGREED-UPON PROCEDURES REPORT**  
Volunteers of America Southeast Louisiana, Inc.

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

**For the Period July 1, 2017 - June 30, 2018**

To the Board Members of the  
Volunteers of America Southeast Louisiana, Inc. and  
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Volunteers of America Southeast Louisiana, Inc. (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, 2017 through June 30, 2018. 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***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - 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/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or 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).

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- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/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 1(b), Purchasing, do not appear to address public bids and documentation requirements for public bids. Policies for 1(f), 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 has implemented policies and procedures for public bids specifically regarding contracts. The organization's policies should be in compliance with the Federal Uniform Guidance as of July 1, 2018.

### ***Board or Finance Committee***

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- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
  - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Results: Per LLA's guidance, entities that did not have exceptions in one or more of the AUP categories tested during Year 1 may exclude those categories from testing in Year 2. There were no exceptions relating to this area and it was rotated out for testing this year.

### ***Bank Reconciliations***

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3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: We selected 5 bank accounts and obtained bank statements and reconciliations for the month of January 2018. Criteria 3(a) we noted exceptions for 3 of 5 reconciliations. Criteria 3(c) we noted exceptions for 3 of 5 reconciliations. While performing procedure 3(b), we noted that for all 5 bank accounts selected, there were no review tickmarks or a signature to evidence the review had occurred.

Management's Response: The organization is currently undergoing a change in staffing which would require a specific account to prepare the reconciliations and the controller to complete the review. Reconciliations will be required to be completed within 30 days of receipt. A procedure will also be put in place for any reconciling items 12 months or older to be researched and documented of a final decision to correct and remove as outstanding.

### ***Collections***

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4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results: No exceptions noted.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Results: No exceptions noted.

- 6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Results: No exceptions noted.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

Results: We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 above and obtained supporting documentation for each of the 10 deposits. Criteria 7(a), 7(b), 7(c), and 7(e) were met without exception. While performing procedure 7(d), we noted that for one of the deposits tested, the deposit was not made within one business day of receipt. For five of the deposits tested, we noted that there was no record of when the funds were received; therefore, we were not able to determine the date of receipt for comparison with the deposit date.

Management's Response: The organization has created a check logging system to have all checks logged in and signed out by the person making the deposit.

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

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- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results: Per LLA's guidance, entities that did not have exceptions in one or more of the AUP categories tested during Year 1 may exclude those categories from testing in Year 2. There were no exceptions relating to this area and it was rotated out for testing this year.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Results: Per LLA's guidance, entities that did not have exceptions in one or more of the AUP categories tested during Year 1 may exclude those categories from testing in Year 2. There were no exceptions relating to this area and it was rotated out for testing this year.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe that the disbursement matched the related original invoice/billing statement.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: Per LLA's guidance, entities that did not have exceptions in one or more of the AUP categories tested during Year 1 may exclude those categories from testing in Year 2. There were no exceptions relating to this area and it was rotated out for testing this year.

### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, 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: No exceptions noted.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) 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) Observe that finance charges and late fees were not assessed on the selected statements.

Results: No exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Results: No exceptions noted.

### **Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
  - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: Per LLA's guidance, entities that did not have exceptions in one or more of the AUP categories tested during Year 1 may exclude those categories from testing in Year 2. There were no exceptions relating to this area and it was rotated out for testing this year.

### **Contracts**

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
  - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: Per LLA's guidance, entities that did not have exceptions in one or more of the AUP categories tested during Year 1 may exclude those categories from testing in Year 2. There were no exceptions relating to this area and it was rotated out for testing this year.

### ***Payroll and Personnel***

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16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results: Per LLA's guidance, entities that did not have exceptions in one or more of the AUP categories tested during Year 1 may exclude those categories from testing in Year 2. There were no exceptions relating to this area and it was rotated out for testing this year.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that 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) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Results: Per LLA's guidance, entities that did not have exceptions in one or more of the AUP categories tested during Year 1 may exclude those categories from testing in Year 2. There were no exceptions relating to this area and it was rotated out for testing this year.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Results: Per LLA's guidance, entities that did not have exceptions in one or more of the AUP categories tested during Year 1 may exclude those categories from testing in Year 2. There were no exceptions relating to this area and it was rotated out for testing this year.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Results: Per LLA's guidance, entities that did not have exceptions in one or more of the AUP categories tested during Year 1 may exclude those categories from testing in Year 2. There were no exceptions relating to this area and it was rotated out for testing this year.

### ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

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

### ***Debt Service***

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21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

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

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

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

### ***Other***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results: No exceptions noted.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions noted.

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 14, 2018