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

**FINANCIAL AND COMPLIANCE AUDIT  
TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEARS ENDED  
JUNE 30, 2007 AND 2006**

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

Release Date 4/9/08

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated statements of financial position of **Volunteers of America of Greater New Orleans, Inc. and subsidiaries** (a nonprofit organization) inclusive of for Tulane Avenue SRO and Canal Street SRO Limited Partnerships (Louisiana limited partnerships) (**the Organization**) as of June 30, 2007 and 2006, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended. These consolidated financial statements are the responsibility of **the Organization's** management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of **Volunteers of America of Greater New Orleans, Inc. and subsidiaries** as of June 30, 2007 and 2006 and the changes in its net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

## INDEPENDENT AUDITORS' REPORT, continued

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

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The consolidated financial statements for the year ended June 30, 2006, were audited by us, and our report dated October 6, 2006, expressed an unqualified opinion on those consolidated financial statements. As disclosed in NOTE 17 to the consolidated financial statements, the **Organization** has restated its 2006 consolidated financial statements to retrospectively apply a change in accounting principal resulting from the Financial Accounting Standards Board's (FASB) ratification of a new accounting rule on the control of a general partner over a limited partnership. As a result, the consolidated financial statements of the **Organization** for the year ended June 30, 2006 have been restated to include the financial statements of those limited partnerships for which the **Organization** serves as general partner.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2007, on our consideration of the Organization's internal control over financial reporting and on our test 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

## INDEPENDENT AUDITORS' REPORT, continued

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

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Our audits were made for the purposes of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and is not a required part of the basic consolidated financial statements. The accompanying consolidating supplementary information in Schedule I through Schedule XVIII is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual entities. The accompanying supplementary information in Exhibit I through Exhibit VI is also presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. The schedule of expenditures of federal awards, the consolidating supplementary information on Schedule I through Schedule XVIII and other supplementary information on Exhibit I through Exhibit VI, except for Exhibit III and Exhibit VI marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

*Bruno & Tervalon LLP*  
BRUNO & TERVALON LLP  
CERTIFIED PUBLIC ACCOUNTANTS

October 5, 2007





## **FINANCIAL STATEMENTS**

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b><u>ASSETS</u></b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 2,730,321	\$ 3,311,821
Grants receivable, net of allowance for doubtful accounts of \$108,000 and \$227,486 at June 30, 2007 and 2006 (NOTE 3)	2,558,961	3,354,698
Pledges receivable, net of allowance for doubtful accounts of \$47,594 and \$65,424 at June 30, 2007 and 2006 (NOTE 4)	52,076	99,026
Prepaid expenses	3,310	1,834
Other current assets	<u>50,095</u>	<u>41,229</u>
Total current assets	<u>5,394,763</u>	<u>6,808,608</u>
<b>Fixed assets:</b>		
Land and buildings (NOTE 6)	13,288,305	9,434,665
Furnishings and equipment (NOTE 6)	1,476,164	1,246,338
Accumulated depreciation (NOTE 6)	<u>(3,530,322)</u>	<u>(3,178,508)</u>
Total fixed assets	<u>11,234,147</u>	<u>7,502,495</u>
<b>Other assets:</b>		
Designated and restricted assets (NOTE 7)	137,414	436,657
Long-term investments (NOTE 5)	2,501,467	1,903,819
Notes receivable	23,630	24,631
Investment in joint ventures (NOTE 13)	<u>105,680</u>	<u>105,680</u>
Total other assets	<u>2,768,191</u>	<u>2,470,787</u>
Total assets	<u><u>\$ 19,397,101</u></u>	<u><u>\$ 16,781,890</u></u>

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

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.**  
**AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current liabilities:</b>		
Bank overdrafts	\$ 202,211	\$ 540,121
Accounts payable	501,818	1,001,560
Mortgages and notes payable (NOTES 8 and 10)	155,294	156,577
Accrued expenses	1,540,121	1,090,116
Other current liabilities	<u>1,304,197</u>	<u>2,403,904</u>
Total current liabilities	<u>3,703,641</u>	<u>5,192,278</u>
<b>Other liabilities:</b>		
Mortgages and notes payable (NOTES 8 and 10)	3,616,035	3,158,384
Other liabilities	<u>6,725</u>	<u>6,725</u>
Total other liabilities	<u>3,622,760</u>	<u>3,165,109</u>
Total liabilities	<u>7,326,401</u>	<u>8,357,387</u>
<b>Net Assets:</b>		
Unrestricted net assets	<u>12,070,700</u>	<u>8,424,503</u>
Total net assets	<u>12,070,700</u>	<u>8,424,503</u>
Total liabilities and net assets	<u>\$ 19,397,101</u>	<u>\$ 16,781,890</u>

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

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006**

	<u>Unrestricted</u>	
	<u>2007</u>	<u>2006</u>
<b><u>REVENUES</u></b>		
<i>Revenues from operations:</i>		
Public support received directly:		
Contributions	\$ 1,847,463	\$ 1,516,394
Special events, net of direct benefit cost of \$25,581 and \$5,732 for the years ended June 30, 2007 and 2006	107,849	8,185
Legacies and bequests	6,132	42,763
Public support received indirectly:		
United way:		
Allocations	171,848	45,092
Designations	12,336	23,070
Volunteers of America	1,184,635	85,384
Total public support	<u>3,330,263</u>	<u>1,720,888</u>
Revenues and grants from governmental agencies	<u>21,136,761</u>	<u>12,806,287</u>
Other revenue:		
Program service fees	502,051	556,901
Rental income	168,630	99,594
Other operating income	138,970	127,846
Total other revenue	<u>809,651</u>	<u>784,341</u>
Total operating revenue	<u>25,276,675</u>	<u>15,311,516</u>

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

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006**

	<u>Unrestricted</u>	
	<u>2007</u>	<u>2006</u>
<b><u>EXPENSES</u></b>		
<b>Operating expenses:</b>		
<b>Program services:</b>		
Encouraging positive development	\$ 1,308,820	\$ 1,552,382
Fostering independence	8,295,013	8,555,800
Promoting self-sufficiency	<u>10,836,898</u>	<u>4,175,076</u>
Total program services	<u>20,440,731</u>	<u>14,283,258</u>
<b>Supporting services:</b>		
Management and general	1,842,748	1,505,017
Fundraising	<u>788,028</u>	<u>104,167</u>
Total supporting services	<u>2,630,776</u>	<u>1,609,184</u>
<b>Affiliate fees:</b>		
Fees paid to national organization	<u>320,423</u>	<u>238,271</u>
Total affiliate fees	<u>320,423</u>	<u>238,271</u>
Total operating expenses	<u>23,391,930</u>	<u>16,130,713</u>
Excess (deficit) from operations	<u>1,884,745</u>	<u>(819,197)</u>

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

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.**  
**AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2007 AND 2006**

	<u>Unrestricted</u>	
	<u>2007</u>	<u>2006</u>
<b><u>OTHER ACTIVITIES</u></b>		
Non-operating gains (losses) and other revenue:		
Interest and dividend income	\$ 177,271	\$ 109,745
Gain (loss) on disposition of assets	(105,436)	(163,464)
Gain (loss) on investments	295,107	60,332
Capital grants and contributions	1,188,000	0
Other non-operating gains (losses)	<u>106,510</u>	<u>37,796</u>
Surplus (deficit) from other activities	<u>1,661,452</u>	<u>44,409</u>
Change in net assets	3,546,197	(774,788)
Other changes in net assets (NOTE 18)	100,000	843,679
Net assets, beginning of year	<u>8,424,503</u>	<u>8,355,612</u>
Net assets, end of year	<u>\$ 12,070,700</u>	<u>\$ 8,424,503</u>

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

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.**  
**AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2007 AND 2006**

	2007				2006			
	PROGRAM SERVICES		SUPPORTING SERVICES		PROGRAM SERVICES		SUPPORTING SERVICES	
	Encouraging Positive Development	Fostering Independence	Promoting Self-Sufficiency	Total	Management and General	Fundraising	Total	Total
Salaries	\$ 669,878	\$ 4,967,352	\$ 5,419,989	\$ 11,057,219	\$ 843,832	\$ 154,021	\$ 997,853	\$ 12,055,072
Pension	10,101	60,678	27,836	98,615	45,806	4,239	50,045	148,660
Other employee benefits	42,664	204,572	261,033	508,269	60,304	4,768	65,072	573,341
Payroll taxes	49,801	465,657	427,326	942,784	51,071	10,907	61,978	1,004,762
Legal fees	17,858	14,029	16,503	48,390	23,699	0	23,699	74,089
Accounting fees	1,800	11,547	0	13,347	52,245	0	52,245	65,592
Other professional fees	293,394	484,807	106,513	884,714	206,623	412,668	619,291	1,504,005
Supplies	64,253	231,229	135,822	431,304	45,809	914	46,723	498,027
Telecommunications	14,397	72,975	119,668	207,040	29,777	1,722	31,499	238,539
Postage	546	3,591	1,922	6,059	23,887	5,561	29,448	35,507
Occupancy	45,819	725,006	377,176	1,148,001	70,805	1,584	72,389	1,220,390
Interest	0	39,899	56,217	96,116	74,632	0	74,632	170,748
Insurance	34,050	207,995	248,127	490,172	57,798	6,695	64,493	554,665
Equipment rental and maintenance	2,543	23,773	41,757	68,073	17,099	384	17,483	85,556
Printing and publications	5,773	7,551	10,557	23,881	64,444	7,760	72,204	96,085
Travel and transportation	13,722	249,785	202,701	466,208	13,862	139,339	153,201	619,409
Conferences and meetings	11,501	22,055	15,128	48,684	45,823	869	46,692	95,376
Specific assistance to individuals	28,436	323,803	3,030,820	3,383,059	11,783	0	11,783	3,394,842
Other	(2,501)	40,702	161,327	199,528	38,141	34,147	72,288	271,816
Depreciation	4,785	118,007	176,476	299,268	63,308	2,450	65,758	365,026
Total functional expenses	\$ 1,308,820	\$ 8,295,013	\$ 10,836,898	\$ 20,440,731	\$ 1,842,748	\$ 788,028	\$ 2,630,776	\$ 23,071,507

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

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006**

	2006				2006			
	PROGRAM SERVICES		SUPPORTING SERVICES		Management and General		Total	
	Encouraging Positive Development	Fostering Independence	Promoting Self-Sufficiency	Total	Management and General	Fundraising	Total	Total
Salaries	\$ 791,333	\$ 4,925,250	\$ 1,133,313	\$ 6,849,896	\$ 734,524	\$ 57,490	\$ 792,014	\$ 7,641,910
Pension	19,721	72,269	23,314	115,304	37,362	2,419	39,781	155,085
Other employee benefits	60,091	271,213	100,356	431,660	78,100	2,372	80,472	512,132
Payroll taxes	66,605	567,930	106,566	741,101	60,704	4,212	64,916	806,017
Legal fees	7,809	2,952	3,856	14,617	6,350	0	6,350	20,967
Accounting fees	1,800	12,525	30,832	45,157	21,450	0	21,450	66,607
Other professional fees	311,200	441,547	412,214	1,164,961	111,647	22,657	134,304	1,299,265
Supplies	115,361	160,919	79,309	355,589	21,589	1,683	23,272	378,861
Telecommunications	21,736	75,793	42,908	140,437	44,649	902	45,551	185,988
Postage	5,877	2,944	3,004	11,825	7,015	981	7,996	19,821
Occupancy	36,848	547,537	206,199	790,584	72,862	3,453	76,315	866,899
Interest	1,236	43,979	92,929	140,144	79,572	0	79,572	219,716
Insurance	32,050	179,653	246,923	458,626	41,528	0	41,528	500,154
Equipment rental and maintenance	2,127	28,265	8,530	38,922	5,697	0	5,697	44,619
Printing and publications	5,564	2,532	2,762	10,858	11,426	5,153	16,579	27,437
Travel and transportation	20,168	265,154	182,749	468,071	16,317	0	16,317	484,388
Conferences and meetings	9,058	17,391	2,555	29,004	34,372	356	34,728	63,732
Specific assistance to individuals	21,747	230,124	1,322,378	1,574,249	863	0	863	1,575,112
Other	22,913	593,114	60,322	676,349	71,411	1,176	72,587	748,936
Depreciation	(862)	112,709	114,057	225,904	47,579	1,313	48,892	274,796
Total functional expenses	\$ 1,552,382	\$ 8,555,800	\$ 4,175,076	\$ 14,283,258	\$ 1,505,017	\$ 104,167	\$ 1,609,184	\$ 15,892,442

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



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

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 3,546,197	\$ (774,788)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	365,026	274,796
Other changes in net assets	100,000	843,679
Net (gain) loss on long-term investments	(295,107)	(60,332)
Net (gain) loss on disposition of assets	105,436	163,464
Provision for doubtful accounts	124,000	207,486
Other changes in assets and liabilities:		
(Increase) decrease in grants receivable	687,737	(856,799)
(Increase) decrease in pledges receivable	30,950	22,690
(Increase) decrease in notes receivable	1,001	(37)
(Increase) decrease in prepaid expenses	(1,476)	51,069
(Increase) decrease in other assets	(8,866)	(6,028)
(Increase) decrease in designated assets	299,243	(373,912)
Increase (decrease) in accounts payable	(499,742)	765,845
Increase (decrease) in accrued expenses	450,005	98,328
Increase (decrease) in other liabilities	(1,099,707)	1,963,131
Net cash (used in) provided by operating activities	<u>3,804,697</u>	<u>2,318,592</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of investments	629,293	242,039
Purchase of investments	(931,834)	(222,824)
Proceeds from disposition of assets	0	1,783,847
Purchase of fixed assets	(4,202,114)	(984,906)
Proceeds from investments in joint ventures	0	20,000
Purchase of investment in joint ventures	0	(211,093)
Net cash (used in) provided by investing activities	<u>(4,504,655)</u>	<u>627,063</u>

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

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.**  
**AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in bank overdrafts	\$ (337,910)	\$ 144,113
Proceeds from long-term debt	1,110,004	0
Principal payments on long-term debt	<u>(653,636)</u>	<u>(127,877)</u>
Net cash (used in) provided by financing activities	<u>118,458</u>	<u>16,236</u>
Net increase (decrease) in cash and cash equivalents	(581,500)	2,961,891
Cash and cash equivalents, beginning of year	<u>3,311,821</u>	<u>349,930</u>
Cash and cash equivalents, end of year	<u>\$ 2,730,321</u>	<u>\$ 3,311,821</u>
<b>Supplemental disclosure for cash flow purposes:</b>		
Interest paid	<u>\$ 170,748</u>	<u>\$ 219,716</u>

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

**NOTES TO THE CONSOLIDATED FINANCIAL  
STATEMENTS**

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 1- ORGANIZATION**

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

**Community Living Centers, Inc. (CLC)** is a non-profit corporation organized under the laws of the State of Louisiana and sponsored by **VOAGNO**. No capital stock is authorized, issued or outstanding. **CLC** was formed as a 501(c)(3) corporation to acquire an interest in real property and to construct and operate thereon two six-unit group homes under Section 202 of the National Housing Act in order to provide housing for persons developmentally disabled. **CLC** operates **FHA Project No. 064-EH036-WHC-NP-L8**.

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

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

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**NOTE 1- ORGANIZATION, continued**

**Tulane Avenue SRO Limited Partnership (the Project)** 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. All leases between **the Project** and tenants are operating leases. **The Project** consists of eighty-two (82) units. **The Project** qualified and has been allocated low-income housing tax credits pursuant to the Internal Revenue Code, Section 42, which regulates the use of **the Project** as to occupant eligibility and unit gross rent, among other requirements. The financial statements of **the Project**, which operates on a calendar year-end, are audited by other auditors.

**Canal Street SRO Limited Partnership (the Project)** 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. All leases between **the Project** and tenants are operating leases. **The Project** consists of seventy (70) units. **The Project** qualified and has been allocated low-income housing tax credits pursuant to the Internal Revenue Code, Section 42, which regulates the use of **the Project** as to occupant eligibility and unit gross rent, among other requirements. The financial statements of **the Project**, which operates on a calendar year-end, are audited by other auditors.

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

**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 describes as follows:

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**NOTE 1- ORGANIZATION, continued**

**Encouraging Positive Development**

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

**Children and Youth Services:** The 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:** The 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 assist in meeting the medical, employment, financial, recreational and mobilization needs.

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

**Mental Health Services:** The 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.

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**NOTE 1—ORGANIZATION, continued**

**Promoting Self-Sufficiency**

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

**Community Enhancement Services:** The program refurbishes and sells donated clothes, furniture and computers. This program was, however discontinued during the year ended June 30, 2006.

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

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

**Homeless Services:** The program provides shelter for homeless individuals.

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

**Substance Abuse Services:** The program provides shelter, employment and a mission program for homeless alcoholic men in a supportive drug and alcohol free environment to promote personal self-worth and dignity through productive work and sobriety.

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**NOTE 1- ORGANIZATION, continued**

**Management and General**

This program 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 program 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**

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 as follows:

**Principles of Consolidation**

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



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NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Property and Equipment

Land, buildings 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 \$1,000. 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
Furnishings and equipment	5 – 8 years

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

In accordance with *Statement of Financial Accounting Standards (SFAS) No. 116* "Accounting for Contributions Received and Contributions Made", contributions received are recorded as unrestricted, temporarily restricted or permanently restricted depending on the existence of donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified or released to unrestricted net assets.

In accordance with *SFAS No. 136* "Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others", the **Organization** recognizes gross revenues earned and the related expenses associated with its Direct Mail and Enterprise Auto programs through its national affiliate.

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**NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**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 needed to be purchased if not provided by donation.

**Designated and Restricted Assets**

Designated and restricted assets represent the total of all assets that are encumbered by donor restrictions, legal agreements, Board 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.

**Net Assets**

**The Organization** classifies net assets into three categories: unrestricted, temporarily restricted and permanently restricted net assets. 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. Temporary restricted net assets become unrestricted and are reported in the statement 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 in the contributions. At June 30, 2007 and 2006, **the Organization** had no temporarily or permanently restricted net assets.

**Operations**

**The Organization** defines operations as all program and supporting service 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.

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**NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

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 2007 and 2006 and accordingly, no tax expense was incurred during the years ended June 30, 2007 and 2006.

Under the provisions of the Internal Revenue Code, the Partnerships are taxable entities and accordingly, the net income or (loss) of the Partnerships are included in the tax returns of the partners.

**Investments**

Investments in all debt and equity securities with readily determinable fair values are reported at their fair value. All other investments are reported at historical cost, if purchased, or, if contributed, at fair value at the date of contribution.

Investment income, gains and losses are reported as increases or decreases in unrestricted net assets unless a donor or law temporarily or permanently restrict their use.

**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.

**Allocation of Expenses**

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

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**NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the promises are received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Use of Estimates in Financial Statement Preparation

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain 2006 amounts have been reclassified to conform to the 2007 financial statement presentation.

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**NOTE 3- GRANTS RECEIVABLE**

At June 30, 2007 and 2006, amounts included in grants receivable were as follows:

	<u>2007</u>	<u>2006</u>
Grants receivable	\$ 2,666,961	\$ 3,582,184
Less: Allowance for doubtful accounts	<u>(108,000)</u>	<u>(227,486)</u>
Grants receivable, net	\$ <u>2,558,961</u>	\$ <u>3,354,698</u>

The following represents an analysis of the allowance for doubtful accounts for the years ended June 30, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Balance, beginning of year	\$ 227,486	\$ 20,000
Provision for bad debts	108,000	207,486
Charge-offs	<u>(227,486)</u>	<u>0</u>
Balance, end of year	\$ <u>108,000</u>	\$ <u>227,486</u>

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**NOTE 4—PLEDGES RECEIVABLE**

At June 30, 2007 and 2006, amounts included in pledges receivable were as follows:

	<u>2007</u>	<u>2006</u>
Pledges receivable in less than one year	\$ 99,670	\$ 121,360
Pledges receivable on one to five years	<u>0</u>	<u>43,090</u>
	99,670	164,450
Less: discounts to net present value	0	(16,862)
Less: Allowance for doubtful accounts	<u>(47,594)</u>	<u>(48,562)</u>
Pledges receivable, net.	\$ <u>52,076</u>	\$ <u>99,026</u>

**NOTE 5—INVESTMENTS**

Investments at June 30, 2007 and 2006 are stated at fair value summarized as follows:

		<u>2007</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Carrying Value</u>	
Equities	\$ 1,311,111	\$ 1,800,676	\$	1,800,676
Bonds	<u>735,939</u>	<u>700,791</u>	<u>\$</u>	<u>700,791</u>
Total	\$ <u>2,047,050</u>	\$ <u>2,501,467</u>	\$	<u>2,501,467</u>

  

		<u>2006</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Carrying Value</u>	
Equities	\$ 974,987	\$ 1,290,381	\$	1,290,381
Bonds	<u>660,065</u>	<u>613,438</u>	<u>\$</u>	<u>613,438</u>
Total	\$ <u>1,635,052</u>	\$ <u>1,903,819</u>	\$	<u>1,903,819</u>

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**NOTE 5— INVESTMENTS, continued**

The following summarizes the investment return and its classification in the statements of activities for the year ended June 30, 2007 and 2006:

	<u>2007</u>	
	<u>Unrestricted</u>	<u>Total</u>
Interest income	\$ 177,271	\$ 177,271
Gain on investments	<u>295,107</u>	<u>295,107</u>
Total	\$ <u>472,378</u>	<u>472,378</u>

	<u>2006</u>	
	<u>Unrestricted</u>	<u>Total</u>
Interest income	\$ 109,745	\$ 109,745
Gain on investments	<u>60,332</u>	<u>60,332</u>
Total	\$ <u>170,077</u>	<u>170,077</u>

The primary investment objective of the **Organization** is to preserve and protect its assets by earning a total return appropriate to time horizon, liquidity needs and risk tolerance. To accomplish this objective, the **Organization** utilizes portfolios of equity securities, fixed income securities and short-term investments.

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**NOTE 6- FIXED ASSETS**

At June 30, 2007 and 2006, fixed assets consist of the following:

	<u>2007</u>	<u>2006</u>
Land	\$ 1,020,473	\$ 995,471
Buildings and building improvements	12,267,832	8,439,194
Vehicles	296,061	296,061
Furnishings and equipment	<u>1,180,103</u>	<u>950,277</u>
	14,764,469	10,681,003
Less; Accumulated depreciation	<u>(3,530,322)</u>	<u>(3,178,508)</u>
Total	<u>\$ 11,234,147</u>	<u>\$ 7,502,495</u>

Depreciation expense was \$365,026 and \$274,796 for the years ended June 30, 2007 and 2006.

**NOTE 7- 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, 2007 and 2006, designated and restricted assets were as follows:

	<u>2007</u>	<u>2006</u>
Custodial funds	\$ 116,778	\$ 313,773
Security deposits	1,404	1,401
Replacement reserve funds	17,096	15,090
Escrow deposits	<u>2,136</u>	<u>106,393</u>
	<u>\$ 137,414</u>	<u>\$ 436,657</u>



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**NOTE 8- MORTGAGES AND NOTES PAYABLE**

The following is a summary of mortgages and notes payable at June 30, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Mortgages payable to banks and the U.S. Department of Housing and Urban Development secured by land and Buildings with interest rates ranging from 4.25% to 9.25%, payable in monthly installments ranging from \$3,622 to \$15,593 with maturity dates ranging From August 2010 to June, 2024	\$ 2,809,814	\$ 2,912,722
Mortgages payable to foundations secured by land and buildings with an interest rate of 5.5% payable in annual installments ranging from \$803 to \$1,692 maturing in February, 2019	171,077	189,268
Notes payable to banks secured by vehicles with interest rates ranging from 0 % to 7.9% payable in monthly installments ranging from \$462 to \$550 with maturity dates ranging from August to May 2008	8,005	40,580
Note payable to Volunteers of America Unsecured, with no interest, payable in monthly installments of \$5,084 with a maturity date of February, 2018	610,042	0

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NOTE 8- MORTGAGES AND NOTES PAYABLE, continued

Other notes payable with no stated interest rates, repayment terms or maturity dates	<u>172,391</u>	<u>172,391</u>
	3,771,329	3,314,961
Less: Current portion	<u>(155,294)</u>	<u>(156,577)</u>
Long-term portion	\$ <u>3,616,035</u>	\$ <u>3,158,384</u>

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

	<u>2007</u>	<u>2006</u>
2007	\$ N/A	156,577
2008	155,294	136,200
2009	164,887	133,679
2010	210,845	140,837
2011 (and thereafter)	169,751	2,747,668
2012 and thereafter	<u>3,070,552</u>	<u>N/A</u>
	<u>3,771,329</u>	<u>3,314,961</u>

Interest expense for the years ended June 30, 2007 and 2006 was \$170,748 and \$219,716.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
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**NOTE 9- RELATED PARTY TRANSACTIONS**

The Organization is affiliated with Volunteers of America, Inc. which provides supporting services to the Organization for a fee. Affiliate fees for the years ended June 30, 2007 and 2006 were \$320,423 and \$238,271. Amounts payable to Volunteers of America, Inc., at June 30, 2007 and 2006 were \$35,570 and \$105,147.

Prior to July 1, 1993, VOA Housing Development Corporation managed the two complexes operated by CLC. As of June 30, 2007 and 2006 \$26,456 and \$26,456 was included in other current liabilities for management fees due VOA Housing Corporation.

Additionally, Volunteers of America, Inc. provided contributions, awards and grants, and other amounts including amounts deferred to subsequent years and recognized in the current year of approximately \$1,184,635 and \$1,750,000 to the Organization for the years ended June 30, 2007 and 2006.

**NOTE 10- LEASES**

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

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

	<u>2007</u>	<u>2006</u>
2007	\$ N/A	\$ 170,942
2008	71,040	71,040
2009	65,120	65,120
2010	<u>0</u>	<u>N/A</u>
	<u>\$ 136,160</u>	<u>307,102</u>

Rental expense under month-to-month and non-cancelable operating leases for the years ended June 30, 2007 and 2006 was \$281,880 and \$167,071.

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**NOTE 11- 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 expense was \$60,573 and \$49,581 for the years ended June 30, 2007 and 2006.

**NOTE 12- EMPLOYEE BENEFIT PLANS**

**The Organization** offers a Section 403(b) plan to all eligible employees. Employees are eligible to participate after completing twelve (12) months of service. Under the terms of the plan, **the Organization** contributes 3.5% of yearly employee compensation and matches an additional .25% of employee contributions up to a maximum contribution of 3.75% of yearly employee compensation. **The Organization** contributed \$88,087 and \$105,504 for the years ended June 30, 2007 and 2006.

**NOTE 13- INVESTMENT IN JOINT VENTURES**

Edgewater Ventures, LLC is a limited liability company duly organized and existing under the laws of the State of Louisiana established to acquire an office building in the Greater New Orleans area. **VOAGNO** has a 25% interest in Edgewater Ventures, LLC. **VOAGNO** has guaranteed 25% of a \$2,640,000 bank loan of Edgewater Ventures, LLC in which **VOAGNO** holds a 25% interest. Additionally, under the terms of the agreement with Edgewater Ventures, LLC, **VOAGNO** is obligated to advance Edgewater Ventures, LLC, capital contributions for working capital as determined by the Executive Committee of Edgewater Ventures, LLC. The additional capital contributions will be made in accordance with **VOAGNO's** percentage interest.

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**NOTE 13- INVESTMENT IN JOINT VENTURES, continued**

VOAGNO's investment in joint ventures at June 30, 2007 and 2006 is summarized as follows:

	<u>2007</u>	<u>2006</u>
Edgewater Ventures, LLC.	\$ 105,680	\$ 105,680
	<u>\$ 105,680</u>	<u>\$ 105,680</u>

**NOTE 14- FAIR VALUES OF FINANCIAL INSTRUMENTS**

**Cash and Cash Equivalents**

The carrying value approximates fair value due to the short-term nature of the instruments.

**Investments**

Fair value of investments have been determined using quoted market prices for all investments.

**Grants Receivable**

The carrying amount approximates the fair value.

**Accounts Payable and Bank Overdrafts**

The carrying amounts have been determined to approximate fair value.

**Mortgages and Notes Payable**

The carrying amounts have been determined to approximate fair value.

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**NOTE 14— FAIR VALUES OF FINANCIAL INSTRUMENTS, continued**

The carrying amounts and estimated fair value of the **Organization's** financial instruments as of June 30, 2007 and 2006 are as follows:

	<u>2007</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>
<u>Financial Assets:</u>		
Cash and cash equivalents	\$ 2,730,321	\$ 2,730,321
Investments	2,501,467	2,501,467
Grants receivable	<u>2,558,961</u>	<u>2,558,961</u>
Total	\$ <u>7,790,749</u>	\$ <u>7,790,749</u>
<u>Financial Liabilities:</u>		
Bank overdrafts	\$ 202,211	\$ 202,211
Accounts payable	501,818	501,818
Mortgages and notes payable	<u>3,771,329</u>	<u>3,771,329</u>
Total	\$ <u>4,475,358</u>	<u>4,475,358</u>

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**NOTE 14— FAIR VALUES OF FINANCIAL INSTRUMENTS, continued**

	2006	
	<u>Carrying Amount</u>	<u>Fair Value</u>
<b>Financial Assets:</b>		
Cash and cash equivalents	\$ 3,311,821	\$ 3,311,821
Investments	1,903,819	1,903,819
Grants receivable	<u>3,354,698</u>	<u>3,354,698</u>
<b>Total</b>	<b>\$ <u>8,570,338</u></b>	<b>\$ <u>8,570,338</u></b>
<b>Financial Liabilities:</b>		
Bank overdrafts	\$ 540,121	\$ 540,121
Accounts payable	1,001,560	1,001,560
Mortgages and notes payable	<u>3,314,961</u>	<u>3,314,961</u>
<b>Total</b>	<b>\$ <u>4,856,642</u></b>	<b>\$ <u>4,856,642</u></b>

**NOTE 15— 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 2007 and 2006 fiscal years 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.

**The Organization** is also the claimant against its various insurance carriers related to potential settlements for damages incurred to property and equipment related to Hurricanes Katrina and Rita. The ultimate outcome of these actions cannot be determined at this time.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 16- OTHER MATTERS**

The effects of Hurricanes Katrina and Rita on the Gulf Coast, Louisiana and Greater New Orleans areas resulted in considerable loss of life and property, as well as to exacerbate weakening economic conditions. **The Organization** and its facilities were not spared the effects of Hurricanes Katrina and Rita given the location of a significant amount of its real property located in the Greater New Orleans area.

The primary financial statement aspect of these storms pertains to the **Organization's** property and equipment and its ability to conduct its future operations. During the years ended June 30, 2007 and 2006, **the Organization** primarily focused on service restoration at its primary facilities.

Some of the cost of these restoration efforts will be covered by **the Organization's** insurance coverage. For the year ended June 30, 2007, the total estimated cost of property and equipment impaired as a result of damages due to Hurricanes Katrina and Rita, net of accumulated depreciation was approximately \$1,200,000 and resulted in a net loss of approximately \$995,000 which is included (gains) losses on disposition of assets, net of other gains from the sale of certain assets, in the statement of activities. Ultimate recovery as well as the impact on future operations cannot be determined at this time.

**NOTE 17- RESTATEMENT OF 2006 FINANCIAL STATEMENTS**

**The Organization** has restated its 2006 consolidated financial statements to retrospectively apply a change in accounting principal resulting from the Financial Accounting Standards Board's (FASB) ratification of a new accounting rule on the control of a general partner over a limited partnership. The Emerging Issues Task Force (EITF) has determined that the general partners in a limited partnership are presumed to control that limited partnership regardless of the extent of the general partners' ownership interest in the limited partnership. Because **the Organization** is the general partner of the Tulane Avenue SRO and Canal Street SRO Limited Partnerships, and EITF 04-05 now clarifies that the general partner is presumed to control the limited partnership, **the Organization** has consolidated the limited partnerships in these financial statements and has applied this new accounting rule retrospectively.

**NOTE 18- OTHER CHANGES IN NET ASSETS**

Other changes in net assets primarily consist of capital contributions to limited partnerships and other entries to facilitate elimination of inter-company balances.



## **SUPPLEMENTARY INFORMATION**

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2007**

<u>Federal Grantor/Pass-through Entity/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency Number</u>	<u>Activity</u>
<b>U.S. Department of Housing and Urban Development</b>			
Direct Awards:			
Section 202 Direct Loan Program	14.157	064-EH036-WHC-NP-L8	\$ 413,746
Supportive Housing Program	14.235	LA48-B50-6003	106,254
Supportive Housing Program	14.235	LA48-B50-3002	441,940
Supportive Housing Program	14.235	LA48-B50-3005	504,749
Supportive Housing Program	14.235	LA48-B50-6004	156,807
Supportive Housing Program	14.235	LA48-B50-6011	313,116
Supportive Housing Program	14.235	LA48-B40-6001	210,607
Supportive Housing Program	14.235	LA48-B50-6014	42,300
Supportive Housing Program	14.235	LA48-B50-6012/6009	51,124
Section 8 Housing Assistance Program	14.871	LA48-T791-012	83,028
Sub-total Direct Awards			<u>2,323,671</u>
Pass-through Awards:			
Passed through UNITY for the Homeless			
Supportive Housing Program	14.235	LA48-B50-3012	30,000
Supportive Housing Program	14.235	LA48-B40-3016	28,000
Supportive Housing Program	14.235	LA48-B50-3034	13,818
Supportive Housing Program	14.235	LA48-B50-3021	50,157
Supportive Housing Program	14.235	LA48-B50-3008	29,565
Shelter Plus Care	14.238	LA48-C50-3040	25,814
Passed through City of Kenner			
Community Development Block Grant	14.218	B15248	16,174
Passed through Parish of Jefferson			
Community Development Block Grant	14.218	R107330/R104541	<u>164,730</u>
Sub-total Pass-through Awards			<u>358,258</u>
Total U.S Department of Housing and Urban Development			<u>2,681,929</u>
<b>U.S. Department of Veteran Affairs</b>			
Direct Awards:			
VA Homeless Providers Grant and Per Diems	64.024	.03-516LA	<u>37,138</u>
Total U.S. Department of Veteran Affairs			<u>37,138</u>

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.**  
**AND SUBSIDIARIES**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

<u>Federal Grantor/Pass-through Entity/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency Number</u>	<u>Activity</u>
<b>U.S. Department of Education</b>			
Pass-through Awards:			
Passed through the State of Louisiana Department of Education-Twenty-First Century Community Learning Centers	84.287	616828	\$ 110,269
Total U.S. Department of Education			110,269
<b>U.S. Department of Health and Human Services</b>			
Direct Awards:			
Mentoring Children of Prisoners	93.616	90-CV-0064	228,248
Sub-total Direct Awards			228,248
Pass-through Awards:			
Passed through State of Louisiana			
Projects for Assistance in Transition			
from Homelessness (PATH)	93.150		50,424
Promoting Safe and Stable Families	93.556	627966	462,571
Temporary Assistance for Needy Families	93.558	LFRC TANF I	1,226,606
Temporary Assistance for Needy Families	93.558	LFRC TANF II	1,229,548
Social Services Block Grant	93.667		955,326
Social Services Block Grant	93.667	639259	69,877
HIV Care Formula Grants	93.917	633732/647557	296,409
HIV Prevention Activities	93.940	637217	23,118
Block Grants for Community Health Services	93.958	638251	56,566
Block Grants for Community Health Services	93.958	639259	65,417
Sub-total Pass-through Awards			4,435,862
Total U.S. Department of Health and Human Services			4,664,110

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2007**

<u>Federal Grantor/Pass-through Entity/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency Number</u>	<u>Activity</u>
<b>U.S. Corporation for National and Community Service</b>			
Direct Awards:			
Retired and Senior Volunteer Program	94.002	01SRWLA009	\$ 114,879
Total U.S. Corporation for National and Community Service			<u>114,879</u>
<b>U.S. Department of Homeland Security</b>			
Direct Awards:			
Crisis Counseling	97.032	041081	<u>4,049,674</u>
Sub-total Direct Awards			<u>4,049,674</u>
Pass-through Awards:			
Passed through State of Louisiana			
Disaster Grants - Public Assistance	97.036	FEMA-1603-DR-LA	1,497,870
Passed through United Methodist Committee on Relief			
Hurricane Katrina Case Management Initiative			
Program	97.084	EMW-2006-GR-0056	<u>462,019</u>
Sub-total Pass-through Awards			<u>1,959,889</u>
Total U.S. Department of Homeland Security			<u>6,009,563</u>
Total Expenditures of Federal Awards			<u>\$ 13,617,888</u>

The above schedule of expenditures of federal awards is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2007**

	VOAGNO, Inc.	CLC, Inc.	VOA Development, Inc.	Limited Partnerships	Subtotal	Eliminations	Consolidated
<b>ASSETS</b>							
<b>Current assets:</b>							
Cash and cash equivalents	\$ 2,268,143	\$ 12,688	\$ 0	\$ 449,490	\$ 2,730,321	\$ 0	\$ 2,730,321
Grants receivable, net of allowance for doubtful accounts of \$108,000 at June 30, 2007	2,500,950	0	0	58,011	2,558,961	0	2,558,961
Pledges receivable, net discounts and allowance for doubtful accounts of \$47,594 at June 30, 2007	52,076	0	0	0	52,076	0	52,076
Accounts receivable, CLC, Inc.	547,444	0	0	0	547,444	(547,444)	0
Accounts receivable, VOAGNO, Inc.	0	0	280,958	0	280,958	(280,958)	0
Accounts receivable, VOA Development, Inc.	126,936	0	0	15,123	142,059	(142,059)	0
Interest receivable, Limited Partnerships	722,585	0	0	0	722,585	(722,585)	0
Note receivable, CLC, Inc.	0	0	1,205,767	0	1,205,767	(1,205,767)	0
Prepaid expenses	20,445	0	0	0	20,445	(20,445)	0
Other current assets	3,310	0	0	(9,565)	(6,255)	0	(6,255)
	39,114	0	0	20,546	59,660	0	59,660
<b>Total current assets</b>	<b>6,281,003</b>	<b>12,688</b>	<b>1,486,725</b>	<b>533,605</b>	<b>8,314,021</b>	<b>(2,919,258)</b>	<b>5,394,763</b>
<b>Fixed assets:</b>							
Land and buildings	7,252,533	485,200	0	5,550,572	13,288,305	0	13,288,305
Furnishings and equipment	1,303,366	43,710	0	129,088	1,476,164	0	1,476,164
Accumulated depreciation	(2,550,939)	(111,587)	0	(867,796)	(3,530,322)	0	(3,530,322)
<b>Total fixed assets</b>	<b>6,004,960</b>	<b>417,323</b>	<b>0</b>	<b>4,811,864</b>	<b>11,234,147</b>	<b>0</b>	<b>11,234,147</b>
<b>Other assets:</b>							
Designated and restricted assets	116,779	20,635	0	0	137,414	0	137,414
Long-term investments	2,501,467	0	0	0	2,501,467	0	2,501,467
Notes receivable	23,630	0	0	0	23,630	0	23,630
Investment in joint ventures	2,719,716	0	981,047	0	3,700,763	(3,595,083)	105,680
<b>Total other assets</b>	<b>5,361,592</b>	<b>20,635</b>	<b>981,047</b>	<b>0</b>	<b>6,363,274</b>	<b>(3,595,083)</b>	<b>2,768,191</b>
<b>Total assets</b>	<b>\$ 17,647,555</b>	<b>\$ 450,646</b>	<b>\$ 2,467,772</b>	<b>\$ 5,345,469</b>	<b>\$ 25,911,442</b>	<b>\$ (6,514,341)</b>	<b>\$ 19,397,101</b>

See Independent Auditors' Report on Supplementary Information.

SCHEDULE I

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES**  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2007

	VOA/GNO, Inc.	CLC, Inc.	VOA Development, Inc.	Limited Partnerships	Subtotal	Eliminations	Consolidated
<b>LIABILITIES AND NET ASSETS</b>							
<b>Current liabilities:</b>							
Bank overdrafts	\$ 202,211	\$ 0	\$ 0	\$ 0	\$ 202,211	\$ 0	\$ 202,211
Accounts payable	482,591	1,224	346	17,657	501,818	0	501,818
Accounts payable, VOA/GNO, Inc.	0	547,444	127,199	1,272,924	1,947,567	(1,947,567)	0
Accounts payable, VOA Development, Inc.	280,958	0	0	368,792	649,750	(649,750)	0
Mortgages and notes payable	149,877	5,417	0	0	155,294	0	155,294
Note payable, VOA/GNO, Inc.	0	20,445	1,205,767	1,205,765	2,431,977	(2,431,977)	0
Interest payable, VOA/GNO, Inc.	0	0	0	722,585	722,585	(722,585)	0
Accrued expenses	1,461,169	27,859	0	51,093	1,540,121	0	1,540,121
Other current liabilities	1,298,702	0	0	5,495	1,304,197	0	1,304,197
Total current liabilities	3,875,508	603,389	1,333,312	3,644,311	9,455,520	(5,751,879)	3,703,641
<b>Other liabilities:</b>							
Mortgages and notes payable	3,207,706	408,329	0	0	3,616,035	0	3,616,035
Other liabilities	6,725	0	0	0	6,725	0	6,725
Total other liabilities	3,214,431	408,329	0	0	3,622,760	0	3,622,760
Total liabilities	7,089,939	1,010,718	1,333,312	3,644,311	13,078,280	(5,751,879)	7,326,401
<b>Net Assets:</b>							
Unrestricted net assets	10,557,616	(560,072)	1,134,460	1,701,158	12,833,162	(762,462)	12,070,700
Total net assets	10,557,616	(560,072)	1,134,460	1,701,158	12,833,162	(762,462)	12,070,700
Total liabilities and net assets	\$ 17,647,555	\$ 450,646	\$ 2,467,772	\$ 5,345,469	\$ 25,911,442	\$ (6,514,341)	\$ 19,397,101

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - VOA DEVELOPMENT, INC.  
JUNE 30, 2007**

	VOA Development, Inc.	VOA Development 2, Inc.	Subtotal	Eliminations	Consolidated
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Grants receivable, net of allowance for doubtful accounts of \$ 0 at June 30, 2007	0	0	0	0	0
Pledges receivable, net discounts and allowance for doubtful accounts of \$ 0 at June 30, 2007	0	0	0	0	0
Accounts receivable, CLC, Inc.	0	0	0	0	0
Accounts receivable, VOA/GNO, Inc.	280,958	0	280,958	0	280,958
Accounts receivable, VOA Development, Inc.	0	0	0	0	0
Note receivable, Limited Partnerships	790,802	414,965	1,205,767	0	1,205,767
Note receivable, CLC, Inc.	0	0	0	0	0
Prepaid expenses	0	0	0	0	0
Other current assets	0	0	0	0	0
Total current assets	1,071,760	414,965	1,486,725	0	1,486,725
Fixed assets:					
Land and buildings	0	0	0	0	0
Furnishings and equipment	0	0	0	0	0
Accumulated depreciation	0	0	0	0	0
Total fixed assets	0	0	0	0	0
Other assets:					
Designated and restricted assets	0	0	0	0	0
Long-term investments	0	0	0	0	0
Notes receivable	0	0	0	0	0
Investment in joint ventures	60,792	920,255	981,047	0	981,047
Total other assets	60,792	920,255	981,047	0	981,047
Total assets	\$ 1,132,552	\$ 1,335,220	\$ 2,467,772	\$ 0	\$ 2,467,772

See Independent Auditors' Report on Supplementary Information.

SCHEDULE II

VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - VOA DEVELOPMENT, INC.  
JUNE 30, 2007

	VOA Development, Inc.	VOA Development 2, Inc.	Subtotal	Eliminations	Consolidated
<b>LIABILITIES AND NET ASSETS</b>					
Current liabilities:					
Bank overdrafts	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accounts payable	346	0	346	0	346
Accounts payable, VOA/GNO, Inc.	0	127,199	127,199	0	127,199
Accounts payable, VOA Development, Inc.	0	0	0	0	0
Mortgages and notes payable	0	0	0	0	0
Note payable, VOA/GNO, Inc.	790,802	414,963	1,205,767	0	1,205,767
Accrued expenses	0	0	0	0	0
Other current liabilities	0	0	0	0	0
Total current liabilities	791,148	542,164	1,333,312	0	1,333,312
Other liabilities:					
Mortgages and notes payable	0	0	0	0	0
Other liabilities	0	0	0	0	0
Total other liabilities	0	0	0	0	0
Total liabilities	791,148	542,164	1,333,312	0	1,333,312
Net Assets:					
Unrestricted net assets	341,404	793,056	1,134,460	0	1,134,460
Total net assets	341,404	793,056	1,134,460	0	1,134,460
Total liabilities and net assets	\$ 1,132,552	\$ 1,335,220	\$ 2,467,772	\$ 0	\$ 2,467,772

See Independent Auditors' Report on Supplementary Information.



**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION - LIMITED PARTNERSHIPS**  
**JUNE 30, 2007**

	Tulane Avenue SRO	Canal Street SRO	Subtotal	Eliminations	Consolidated
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 125,826	\$ 323,664	\$ 449,490	\$ 0	\$ 449,490
Grants receivable, net of allowance for doubtful accounts of \$ 0 at June 30, 2007	22,461	35,550	58,011	0	58,011
Pledges receivable, net discounts and allowance for doubtful accounts of \$ 0 at June 30, 2007	0	0	0	0	0
Accounts receivable, CLC, Inc.	0	0	0	0	0
Accounts receivable, VOA/GNO, Inc.	0	0	0	0	0
Accounts receivable, VOA Development, Inc.	15,123	0	15,123	0	15,123
Note receivable, CLC, Inc.	0	0	0	0	0
Prepaid expenses	0	(9,565)	(9,565)	0	(9,565)
Other current assets	5,926	14,620	20,546	0	20,546
Total current assets	169,336	364,269	533,605	0	533,605
<b>Fixed assets:</b>					
Land and buildings	2,896,832	2,653,740	5,550,572	0	5,550,572
Furnishings and equipment	60,362	68,726	129,088	0	129,088
Accumulated depreciation	(588,826)	(298,970)	(887,796)	0	(887,796)
Total fixed assets	2,388,368	2,423,496	4,811,864	0	4,811,864
<b>Other assets:</b>					
Designated and restricted assets	0	0	0	0	0
Long-term investments	0	0	0	0	0
Notes receivable	0	0	0	0	0
Investment in joint ventures	0	0	0	0	0
Total other assets	0	0	0	0	0
Total assets	\$ 2,557,704	\$ 2,787,765	\$ 5,345,469	\$ 0	\$ 5,345,469

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION - LIMITED PARTNERSHIPS**  
**JUNE 30, 2007**

	Tulane Avenue SRO	Canal Street SRO	Subtotal	Eliminations	Consolidated
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current liabilities:</b>					
Bank overdrafts	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accounts payable	4,360	13,297	17,657	0	17,657
Accounts payable, VOA/GNO, Inc.	892,019	380,905	1,272,924	0	1,272,924
Accounts payable, VOA Development, Inc.	60,792	308,000	368,792	0	368,792
Mortgages and notes payable	0	0	0	0	0
Note payable, VOA Development	790,802	414,963	1,205,765	0	1,205,765
Interest payable, VOA/GNO	722,585	0	722,585	0	722,585
Accrued expenses	1,640	49,453	51,093	0	51,093
Other current liabilities	5,495	0	5,495	0	5,495
<b>Total current liabilities</b>	<b>2,477,693</b>	<b>1,166,618</b>	<b>3,644,311</b>	<b>0</b>	<b>3,644,311</b>
<b>Other liabilities:</b>					
Mortgages and notes payable	0	0	0	0	0
Other liabilities	0	0	0	0	0
<b>Total other liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>	<b>2,477,693</b>	<b>1,166,618</b>	<b>3,644,311</b>	<b>0</b>	<b>3,644,311</b>
<b>Net Assets:</b>					
Unrestricted net assets	80,011	1,621,147	1,701,158	0	1,701,158
<b>Total net assets</b>	<b>80,011</b>	<b>1,621,147</b>	<b>1,701,158</b>	<b>0</b>	<b>1,701,158</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,557,704</b>	<b>\$ 2,787,765</b>	<b>\$ 5,345,469</b>	<b>\$ 0</b>	<b>\$ 5,345,469</b>

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007**

**REVENUES****Revenues from operations:****Public support received directly:**

Contributions  
Special events, net of direct benefit cost of  
\$25,581 for the year ended June 30, 2007  
Legacies and bequests

\$	1,854,987	\$	0	\$	0	\$	(7,524)	\$	1,847,463	\$	0	\$	1,847,463
	107,849		0		0		0		107,849		0		107,849
	6,132		0		0		0		6,132		0		6,132

**Public support received indirectly:****United way:**

Allocations  
Designations

Volunteers of America

	171,848		0		0		0		171,848		0		171,848
	12,336		0		0		0		12,336		0		12,336
	1,184,635		0		0		0		1,184,635		0		1,184,635

Total public support

	3,337,787		0		0		(7,524)		3,330,263		0		3,330,263
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**Revenues and grants from governmental agencies**

	20,969,683		83,028		0		84,050		21,136,761		0		21,136,761
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**Other revenues:**

Program service fees

Rental income

Other operating income

	511,457		0		0		450		511,907		(9,856)		502,051
	54,337		20,286		0		114,293		188,916		(20,286)		168,630
	102,473		36,836		0		36,739		176,048		(37,078)		138,970

Total other revenue

	668,267		57,122		0		151,482		876,871		(67,220)		809,651
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Total operating revenue

	24,975,737		140,150		0		228,008		25,343,895		(67,220)		25,276,675
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See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007**

	VOA/GNO, Inc.	CLC, Inc.	VOA Development, Inc.	Limited Partnerships	Subtotal	Eliminations	Consolidated
<b>EXPENSES</b>							
<b>Operating expenses:</b>							
Program services:							
Encouraging positive development	\$ 1,308,820	\$ 0	\$ 0	\$ 0	\$ 1,308,820	\$ 0	\$ 1,308,820
Fostering independence	8,146,257	178,898	0	0	8,325,155	(30,142)	8,295,013
Promoting self-sufficiency	10,397,851	0	0	555,405	10,953,256	(116,358)	10,836,898
Total program services	19,852,928	178,898	0	555,405	20,587,231	(146,500)	20,440,731
Supporting services:							
Management and general	1,842,748	0	0	0	1,842,748	0	1,842,748
Fundraising	788,028	0	0	0	788,028	0	788,028
Total supporting services	2,630,776	0	0	0	2,630,776	0	2,630,776
Affiliate fees:							
Fees paid to national organization	320,423	0	0	0	320,423	0	320,423
Total affiliate fees	320,423	0	0	0	320,423	0	320,423
Total operating expenses	22,804,127	178,898	0	555,405	23,538,430	(146,500)	23,391,930
Excess (deficit) from operations	2,171,610	(38,748)	0	(327,397)	1,805,465	79,280	1,884,745

See Independent Auditors' Report on Supplementary Information.

SCHEDULE IV

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

CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007

	VOA/GNO, Inc.	CLC, Inc.	VOA Development, Inc.	Limited Partnerships	Subtotal	Eliminations	Consolidated
<b>OTHER ACTIVITIES</b>							
Non-operating gains (losses) and other revenue:							
Interest and dividend income	\$ 245,238	\$ 1,842	\$ 0	\$ 9,471	\$ 256,551	\$ (79,280)	\$ 177,271
Gain (loss) on disposition of assets	(105,436)	0	0	0	(105,436)	0	(105,436)
Gain (loss) on investments	295,107	0	0	0	295,107	0	295,107
Capital grants and contributions	1,188,000	0	0	0	1,188,000	0	1,188,000
Other non-operating gains (losses)	100,154	0	0	6,356	106,510	0	106,510
Surplus (deficit) from other activities	1,723,063	1,842	0	15,827	1,740,732	(79,280)	1,661,452
Change in net assets	3,894,673	(36,906)	0	(311,570)	3,546,197	0	3,546,197
Other changes in net assets	0	0	0	100,000	100,000	0	100,000
Net assets, beginning of year	6,662,943	(523,166)	1,134,460	1,912,728	9,186,965	(762,462)	8,424,503
Net assets, end of year	\$ 10,557,616	\$ (560,072)	\$ 1,134,460	\$ 1,701,158	\$ 12,833,162	\$ (762,462)	\$ 12,070,700

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF ACTIVITIES - VOA DEVELOPMENT, INC.  
FOR THE YEAR ENDED JUNE 30, 2007**

	VOA Development, Inc.	VOA Development 2, Inc.	Subtotal	Eliminations	Consolidated
<b>REVENUES</b>					
Revenues from operations:					
Public support received directly:					
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special events, net of direct benefit cost of \$ 0 for the year ended June 30, 2007	0	0	0	0	0
Legacies and bequests	0	0	0	0	0
Public support received indirectly:					
United way:					
Allocations	0	0	0	0	0
Designations	0	0	0	0	0
Volunteers of America	0	0	0	0	0
Total public support	0	0	0	0	0
Revenues and grants from governmental agencies	0	0	0	0	0
Other revenue:					
Program service fees	0	0	0	0	0
Rental income	0	0	0	0	0
Other operating income	0	0	0	0	0
Total other revenue	0	0	0	0	0
Total operating revenue	0	0	0	0	0

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF ACTIVITIES - VOA DEVELOPMENT, INC.  
FOR THE YEAR ENDED JUNE 30, 2007**

	VOA Development, Inc.	VOA Development 2, Inc.	Subtotal	Eliminations	Consolidated
<b>EXPENSES</b>					
Operating expenses:					
Program services:					
Encouraging positive development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fostering independence	0	0	0	0	0
Promoting self-sufficiency	0	0	0	0	0
Total program services	0	0	0	0	0
Supporting services:					
Management and general	0	0	0	0	0
Fundraising	0	0	0	0	0
Total supporting services	0	0	0	0	0
Affiliate fees:					
Fees paid to national organization	0	0	0	0	0
Total affiliate fees	0	0	0	0	0
Total operating expenses	0	0	0	0	0
Excess (deficit) from operations	0	0	0	0	0

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF ACTIVITIES - VOA DEVELOPMENT, INC.  
FOR THE YEAR ENDED JUNE 30, 2007**

	VOA Development, Inc.	VOA Development 2, Inc.	Subtotal	Eliminations	Consolidated
<b>OTHER ACTIVITIES</b>					
Non-operating gains (losses) and other revenue:					
Interest and dividend income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Gain (loss) on disposition of assets	0	0	0	0	0
Gain (loss) on investments	0	0	0	0	0
Other non-operating gains (losses)	0	0	0	0	0
Surplus (deficit) from other activities	0	0	0	0	0
Change in net assets	0	0	0	0	0
Net assets, beginning of year	341,404	793,056	1,134,460	0	1,134,460
Net assets, end of year	\$ 341,404	\$ 793,056	\$ 1,134,460	\$ 0	\$ 1,134,460

See Independent Auditors' Report on Supplementary Information.



**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF ACTIVITIES - LIMITED PARTNERSHIPS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	Tulane Avenue SRO	Canal Street SRO	Subtotal	Eliminations	Consolidated
<b>REVENUES</b>					
Revenues from operations:					
Public support received directly:					
Contributions	\$ (3,711)	\$ (3,813)	\$ (7,524)	\$ 0	\$ (7,524)
Special events, net of direct benefit cost of \$ 0 for the year ended June 30, 2007	0	0	0	0	0
Legacies and bequests	0	0	0	0	0
Public support received indirectly:					
United way:					
Allocations	0	0	0	0	0
Designations	0	0	0	0	0
Volunteers of America	0	0	0	0	0
Total public support	(3,711)	(3,813)	(7,524)	0	(7,524)
Revenues and grants from governmental agencies	12,750	71,300	84,050	0	84,050
Other revenue:					
Program service fees	300	150	450	0	450
Rental income	13,752	100,541	114,293	0	114,293
Other operating income	27,948	8,791	36,739	0	36,739
Total other revenue	42,000	109,482	151,482	0	151,482
Total operating revenue	51,039	176,969	228,008	0	228,008

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF ACTIVITIES - LIMITED PARTNERSHIPS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Tulane Avenue SRO</u>	<u>Canal Street SRO</u>	<u>Subtotal</u>	<u>Eliminations</u>	<u>Consolidated</u>
<b>EXPENSES</b>					
Operating expenses:					
Program services:					
Encouraging positive development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fostering independence	0	0	0	0	0
Promoting self-sufficiency	249,232	306,173	555,405	0	555,405
Total program services	249,232	306,173	555,405	0	555,405
Supporting services:					
Management and general	0	0	0	0	0
Fundraising	0	0	0	0	0
Total supporting services	0	0	0	0	0
Affiliate fees:					
Fees paid to national organization	0	0	0	0	0
Total affiliate fees	0	0	0	0	0
Total operating expenses	249,232	306,173	555,405	0	555,405
Excess (deficit) from operations	(198,193)	(129,204)	(327,397)	0	(327,397)

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF ACTIVITIES - LIMITED PARTNERSHIPS  
FOR THE YEAR ENDED JUNE 30, 2007**

	Tulane Avenue SRO	Canal Street SRO	Subtotal	Eliminations	Consolidated
<b>OTHER ACTIVITIES</b>					
Non-operating gains (losses) and other revenue:					
Interest and dividend income	\$ 2,984	\$ 6,487	\$ 9,471	\$ 0	\$ 9,471
Gain (loss) on disposition of assets	0	0	0	0	0
Gain (loss) on investments	0	0	0	0	0
Other non-operating gains (losses)	0	6,356	6,356	0	6,356
Surplus (deficit) from other activities	2,984	12,843	15,827	0	15,827
Change in net assets	(195,209)	(116,361)	(311,570)	0	(311,570)
Other changes in net assets	0	100,000	100,000	0	100,000
Net assets, beginning of year	275,220	1,637,508	1,912,728	0	1,912,728
Net assets, end of year	\$ 80,011	\$ 1,621,147	\$ 1,701,158	\$ 0	\$ 1,701,158

See Independent Auditors' Report on Supplementary Information.

SCHEDULE VII

VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2007

	VOA/GNO, Inc.	CLC, Inc.	VOA Development, Inc.	Limited Partnerships	Subtotal	Eliminations	Consolidated
Salaries	\$ 12,032,601	\$ 22,471	\$ 0	\$ 0	\$ 12,055,072	\$ 0	\$ 12,055,072
Pension	148,660	0	0	0	148,660	0	148,660
Other employee benefits	572,342	999	0	0	573,341	0	573,341
Payroll taxes	1,003,603	1,159	0	0	1,004,762	0	1,004,762
Legal fees	72,595	82	0	1,412	74,089	0	74,089
Accounting fees	61,795	3,797	0	0	65,592	0	65,592
Other professional fees	1,504,373	10,288	0	56,564	1,571,225	(67,220)	1,504,005
Supplies	483,768	30	0	14,229	498,027	0	498,027
Telecommunications	233,136	0	0	5,403	238,539	0	238,539
Postage	34,794	107	0	606	35,507	0	35,507
Occupancy	973,779	62,952	0	183,659	1,220,390	0	1,220,390
Interest	133,982	34,901	0	81,145	250,028	(79,280)	170,748
Insurance	474,335	24,252	0	56,078	554,665	0	554,665
Equipment rental and maintenance	81,313	0	0	4,243	85,556	0	85,556
Printing and publications	96,085	0	0	0	96,085	0	96,085
Travel and transportation	619,195	0	0	214	619,409	0	619,409
Conferences and meetings	93,475	0	0	1,901	95,376	0	95,376
Specific assistance to individuals	3,394,842	0	0	0	3,394,842	0	3,394,842
Other	277,960	0	0	(6,144)	271,816	0	271,816
Depreciation	191,071	17,860	0	156,095	365,026	0	365,026
Total functional expenses	\$ 22,483,704	\$ 178,898	\$ 0	\$ 555,405	\$ 23,218,007	\$ (146,500)	\$ 23,071,507

See Independent Auditors' Report on Supplementary Information.

SCHEDULE VIII

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

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES - VOA DEVELOPMENT, INC.  
FOR THE YEAR ENDED JUNE 30, 2007

	VOA Development, Inc.	VOA Development 2, Inc.	Subtotal	Eliminations	Consolidated
Salaries	\$ 0	\$ 0	\$ 0	0	0
Pension	0	0	0	0	0
Other employee benefits	0	0	0	0	0
Payroll taxes	0	0	0	0	0
Legal fees	0	0	0	0	0
Accounting fees	0	0	0	0	0
Other professional fees	0	0	0	0	0
Supplies	0	0	0	0	0
Telecommunications	0	0	0	0	0
Postage	0	0	0	0	0
Occupancy	0	0	0	0	0
Interest	0	0	0	0	0
Insurance	0	0	0	0	0
Equipment rental and maintenance	0	0	0	0	0
Printing and publications	0	0	0	0	0
Travel and transportation	0	0	0	0	0
Conferences and meetings	0	0	0	0	0
Specific assistance to individuals	0	0	0	0	0
Other	0	0	0	0	0
Depreciation	0	0	0	0	0
Total functional expenses	\$ 0	\$ 0	\$ 0	0	\$ 0

See Independent Auditors' Report on Supplementary Information.

SCHEDULE IX

VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES - LIMITED PARTNERSHIPS  
FOR THE YEAR ENDED JUNE 30, 2007

	Tulane Avenue SRO	Canal Street SRO	Subtotal	Eliminations	Consolidated
Salaries	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Pension	0	0	0	0	0
Other employee benefits	0	0	0	0	0
Payroll taxes	0	0	0	0	0
Legal fees	963	449	1,412	0	1,412
Accounting fees	0	0	0	0	0
Other professional fees	33,700	22,864	56,564	0	56,564
Supplies	1,529	12,700	14,229	0	14,229
Telecommunications	2,230	3,173	5,403	0	5,403
Postage	178	428	606	0	606
Occupancy	58,018	125,641	183,659	0	183,659
Interest	79,280	1,865	81,145	0	81,145
Insurance	18,593	37,485	56,078	0	56,078
Equipment rental and maintenance	3,267	976	4,243	0	4,243
Printing and publications	0	0	0	0	0
Travel and transportation	171	43	214	0	214
Conferences and meetings	1,422	479	1,901	0	1,901
Specific assistance to individuals	0	0	0	0	0
Other	(8,866)	2,722	(6,144)	0	(6,144)
Depreciation	58,747	97,348	156,095	0	156,095
Total functional expenses	\$ 249,232	\$ 306,173	\$ 555,405	\$ 0	\$ 555,405

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2006**

**ASSETS**

	VOA/GNO, Inc.	CLC, Inc.	VOA Development, Inc.	Limited Partnerships	Subtotal	Eliminations	Consolidated
<b>Current assets:</b>							
Cash and cash equivalents	\$ 2,886,858	\$ 14,712	\$ 0	\$ 410,251	\$ 3,311,821	\$ 0	\$ 3,311,821
Grants receivable, net of allowance for doubtful accounts of \$227,486 at June 30, 2006	2,765,279	62,668	0	526,751	3,354,698	0	3,354,698
Pledges receivable, net of discounts and allowance for doubtful accounts of \$65,474 at June 30, 2006	99,026	0	0	0	99,026	0	99,026
Accounts receivable, CLC, Inc.	527,120	0	0	0	527,120	(527,120)	0
Accounts receivable, VOA/GNO, Inc.	0	0	280,958	0	280,958	(280,958)	0
Accounts receivable, VOA Development, Inc.	127,199	0	0	15,123	142,322	(142,322)	0
Interest receivable, Limited Partnerships	643,305	0	0	0	643,305	(643,305)	0
Note receivable, CLC, Inc.	20,445	0	0	0	20,445	(20,445)	0
Prepaid expenses	1,834	0	0	0	1,834	0	1,834
Other current assets	28,764	0	0	12,465	41,229	0	41,229
<b>Total current assets</b>	<b>7,099,830</b>	<b>77,380</b>	<b>280,958</b>	<b>964,390</b>	<b>8,422,758</b>	<b>(1,614,150)</b>	<b>6,808,608</b>
<b>Fixed assets:</b>							
Land and buildings	4,929,742	474,625	0	4,030,298	9,434,665	0	9,434,665
Furnishings and equipment	1,200,918	34,470	0	10,950	1,246,338	0	1,246,338
Accumulated depreciation	(2,373,080)	(93,727)	0	(711,701)	(3,178,508)	0	(3,178,508)
<b>Total fixed assets</b>	<b>3,757,580</b>	<b>415,368</b>	<b>0</b>	<b>3,329,547</b>	<b>7,502,495</b>	<b>0</b>	<b>7,502,495</b>
<b>Other assets:</b>							
Designated and restricted assets	418,030	18,627	0	0	436,657	0	436,657
Long-term investments	1,903,819	0	0	0	1,903,819	0	1,903,819
Notes receivable	24,631	0	0	0	24,631	0	24,631
Investment in joint ventures	1,514,771	0	981,047	0	2,495,818	(2,390,138)	105,680
<b>Total other assets</b>	<b>3,861,251</b>	<b>18,627</b>	<b>981,047</b>	<b>0</b>	<b>4,860,925</b>	<b>(2,390,138)</b>	<b>2,470,787</b>
<b>Total assets</b>	<b>\$ 14,718,661</b>	<b>\$ 511,375</b>	<b>\$ 1,262,005</b>	<b>\$ 4,294,137</b>	<b>\$ 20,786,178</b>	<b>\$ (4,004,288)</b>	<b>\$ 16,781,890</b>

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2006**

	VOA/GNO, Inc.	CLC, Inc.	VOA Development, Inc.	Limited Partnerships	Subtotal	Eliminations	Consolidated
<b>LIABILITIES AND NET ASSETS</b>							
<b>Current liabilities:</b>							
Bank overdrafts	\$ 540,121	\$ 0	\$ 0	\$ 0	\$ 540,121	\$ 0	\$ 540,121
Accounts payable	992,082	592	0	8,886	1,001,560	0	1,001,560
Accounts payable, VOA/GNO, Inc.	0	527,120	127,199	516,181	1,170,500	(1,170,500)	0
Accounts payable, VOA Development, Inc.	280,958	0	0	368,692	649,650	(649,650)	0
Accounts payable, Limited Partnerships	14,777	0	346	0	15,123	(15,123)	0
Mortgages and notes payable	146,405	9,200	0	972	156,577	0	156,577
Note payable, VOA/GNO, Inc.	0	20,445	0	742,803	763,248	(763,248)	0
Interest payable, VOA/GNO, Inc.	0	0	0	643,305	643,305	(643,305)	0
Accrued expenses	976,500	63,550	0	50,066	1,090,116	0	1,090,116
Other current liabilities	2,353,400	0	0	50,504	2,403,904	0	2,403,904
Total current liabilities	5,304,243	620,907	127,545	2,381,409	8,434,104	(3,241,826)	5,192,278
<b>Other liabilities:</b>							
Mortgages and notes payable	2,744,750	413,634	0	0	3,158,384	0	3,158,384
Other liabilities	6,725	0	0	0	6,725	0	6,725
Total other liabilities	2,751,475	413,634	0	0	3,165,109	0	3,165,109
Total liabilities	8,055,718	1,034,541	127,545	2,381,409	11,599,213	(3,241,826)	8,357,387
<b>Net Assets:</b>							
Unrestricted net assets	6,662,943	(523,166)	1,134,460	1,912,728	9,186,965	(762,462)	8,424,503
Total net assets	6,662,943	(523,166)	1,134,460	1,912,728	9,186,965	(762,462)	8,424,503
Total liabilities and net assets	\$ 14,718,661	\$ 511,375	\$ 1,262,005	\$ 4,294,137	\$ 20,786,178	\$ (4,004,286)	\$ 16,781,890

See Independent Auditors' Report on Supplementary Information.



**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION - VOA DEVELOPMENT, INC.**  
**JUNE 30, 2006**

	VOA Development, Inc.	VOA Development 2, Inc.	Subtotal	Eliminations	Consolidated
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Grants receivable, net of allowance for doubtful accounts of \$ 0 at June 30, 2006	0	0	0	0	0
Pledges receivable, net discounts and allowance for doubtful accounts of \$ 0 at June 30, 2006	0	0	0	0	0
Accounts receivable, CLC, Inc.	0	0	0	0	0
Accounts receivable, VOA/GNO, Inc.	280,958	0	280,958	0	280,958
Accounts receivable, VOA Development, Inc.	0	0	0	0	0
Note receivable, CLC, Inc.	0	0	0	0	0
Prepaid expenses	0	0	0	0	0
Other current assets	0	0	0	0	0
<b>Total current assets</b>	<b>280,958</b>	<b>0</b>	<b>280,958</b>	<b>0</b>	<b>280,958</b>
<b>Fixed assets:</b>					
Land and buildings	0	0	0	0	0
Furnishings and equipment	0	0	0	0	0
Accumulated depreciation	0	0	0	0	0
<b>Total fixed assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other assets:</b>					
Designated and restricted assets	0	0	0	0	0
Long-term investments	0	0	0	0	0
Notes receivable	0	0	0	0	0
Investment in joint ventures	60,792	920,255	981,047	0	981,047
<b>Total other assets</b>	<b>60,792</b>	<b>920,255</b>	<b>981,047</b>	<b>0</b>	<b>981,047</b>
<b>Total assets</b>	<b>\$ 341,750</b>	<b>\$ 920,255</b>	<b>\$ 1,262,005</b>	<b>\$ 0</b>	<b>\$ 1,262,005</b>

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION - VOA DEVELOPMENT, INC.**  
**JUNE 30, 2006**

	VOA Development, Inc.	VOA Development 2, Inc.	Subtotal	Eliminations	Consolidated
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current liabilities:</b>					
Bank overdrafts	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accounts payable	0	0	0	0	0
Accounts payable, VOA/GNO, Inc.	0	127,199	127,199	0	127,199
Accounts payable, VOA Development, Inc.	0	0	0	0	0
Accounts payable, Limited Partnerships	346	0	346	0	346
Mortgages and notes payable	0	0	0	0	0
Note payable, VOA/GNO, Inc.	0	0	0	0	0
Accrued expenses	0	0	0	0	0
Other current liabilities	0	0	0	0	0
<b>Total current liabilities</b>	<b>346</b>	<b>127,199</b>	<b>127,545</b>	<b>0</b>	<b>127,545</b>
<b>Other liabilities:</b>					
Mortgages and notes payable	0	0	0	0	0
Other liabilities	0	0	0	0	0
<b>Total other liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities</b>	<b>346</b>	<b>127,199</b>	<b>127,545</b>	<b>0</b>	<b>127,545</b>
<b>Net Assets:</b>					
Unrestricted net assets	341,404	793,056	1,134,460	0	1,134,460
<b>Total net assets</b>	<b>341,404</b>	<b>793,056</b>	<b>1,134,460</b>	<b>0</b>	<b>1,134,460</b>
<b>Total liabilities and net assets</b>	<b>\$ 341,750</b>	<b>\$ 920,255</b>	<b>\$ 1,262,005</b>	<b>\$ 0</b>	<b>\$ 1,262,005</b>

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION - LIMITED PARTNERSHIPS**  
**JUNE 30, 2006**

	Tulane Avenue SRO	Canal Street SRO	Subtotal	Eliminations	Consolidated
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 182,878	\$ 221,373	\$ 410,251	\$ 0	\$ 410,251
Grants receivable, net of allowance for doubtful accounts of \$ 0 at June 30, 2006	274,252	252,499	526,751	0	526,751
Pledges receivable, net discounts and allowance for doubtful accounts of \$ 0 at June 30, 2006	0	0	0	0	0
Accounts receivable, CLC, Inc.	0	0	0	0	0
Accounts receivable, VOA/GNO, Inc.	0	0	0	0	0
Accounts receivable, VOA Development, Inc.	15,123	0	15,123	0	15,123
Note receivable, CLC, Inc.	0	0	0	0	0
Prepaid expenses	0	0	0	0	0
Other current assets	5,925	6,540	12,465	0	12,465
Total current assets	478,178	486,412	964,590	0	964,590
Fixed assets:					
Land and buildings	1,919,531	2,110,767	4,030,298	0	4,030,298
Furnishings and equipment	2,229	8,721	10,950	0	10,950
Accumulated depreciation	(510,079)	(201,622)	(711,701)	0	(711,701)
Total fixed assets	1,411,681	1,917,866	3,329,547	0	3,329,547
Other assets:					
Designated and restricted assets	0	0	0	0	0
Long-term investments	0	0	0	0	0
Notes receivable	0	0	0	0	0
Investment in joint ventures	0	0	0	0	0
Total other assets	0	0	0	0	0
Total assets	\$ 1,889,859	\$ 2,404,278	\$ 4,294,137	\$ 0	\$ 4,294,137

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION - LIMITED PARTNERSHIPS**  
**JUNE 30, 2006**

	Tulane Avenue SRO	Canal Street SRO	Subtotal	Eliminations	Consolidated
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current liabilities:</b>					
Bank overdrafts	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accounts payable	0	8,886	8,886	0	8,886
Accounts payable, VOA/GNO, Inc.	134,755	381,426	516,181	0	516,181
Accounts payable, VOA Development, Inc.	60,692	308,000	368,692	0	368,692
Mortgages and notes payable	0	972	972	0	972
Note payable, VOA/GNO, Inc.	742,803	0	742,803	0	742,803
Interest payable, VOA/GNO, Inc.	643,305	0	643,305	0	643,305
Accrued expenses	5,495	44,571	50,066	0	50,066
Other current liabilities	27,589	22,915	50,504	0	50,504
Total current liabilities	1,614,639	766,770	2,381,409	0	2,381,409
<b>Other liabilities:</b>					
Mortgages and notes payable	0	0	0	0	0
Other liabilities	0	0	0	0	0
Total other liabilities	0	0	0	0	0
Total liabilities	1,614,639	766,770	2,381,409	0	2,381,409
<b>Net Assets:</b>					
Unrestricted net assets	275,220	1,637,508	1,912,728	0	1,912,728
Total net assets	275,220	1,637,508	1,912,728	0	1,912,728
Total liabilities and net assets	\$ 1,889,859	\$ 2,404,278	\$ 4,294,137	\$ 0	\$ 4,294,137

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2006**

	VOAGNO, Inc.	CLC, Inc.	VOA Development, Inc.	Limited Partnerships	Subtotal	Eliminations	Consolidated
<b>REVENUES</b>							
Revenues from operations:							
Public support received directly:							
Contributions	\$ 1,515,932	\$ 0	\$ 0	\$ 462	\$ 1,516,394	\$ 0	\$ 1,516,394
Special events, net of direct benefit cost of \$5,732 for the year ended June 30, 2006	8,185	0	0	0	8,185	0	8,185
Legacies and bequests	42,763	0	0	0	42,763	0	42,763
Public support received indirectly:							
United way:							
Allocations	45,092	0	0	0	45,092	0	45,092
Designations	23,070	0	0	0	23,070	0	23,070
Volunteers of America	85,384	0	0	0	85,384	0	85,384
Total public support	1,720,426	0	0	462	1,720,888	0	1,720,888
Revenues and grants from governmental agencies	12,654,986	94,798	0	56,503	12,806,287	0	12,806,287
Other revenue:							
Program service fees	563,304	0	0	0	563,304	(6,403)	556,901
Rental income	47,398	18,836	0	52,196	118,430	(18,836)	99,594
Other operating income	167,868	0	0	2,153	170,021	(42,175)	127,846
Total other revenue	778,570	18,836	0	54,349	851,755	(67,414)	784,341
Total operating revenue	15,153,982	113,634	0	111,314	15,378,930	(67,414)	15,311,516

See Independent Auditors' Report on Supplementary Information.

VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2006

	VOA/GNO, Inc.	CLC, Inc.	VOA Development, Inc.	Limited Partnerships	Subtotal	Eliminations	Consolidated
<b>EXPENSES</b>							
Operating expenses:							
Program services:							
Encouraging positive development	\$ 1,552,382	\$ 0	\$ 0	\$ 0	\$ 1,552,382	\$ 0	\$ 1,552,382
Fostering independence	8,445,873	135,166	0	0	8,581,039	(25,239)	8,555,800
Promoting self-sufficiency	3,835,624	0	0	460,907	4,296,531	(121,455)	4,175,076
Total program services	13,833,879	135,166	0	460,907	14,429,952	(146,694)	14,283,258
Supporting services:							
Management and general	1,505,017	0	0	0	1,505,017	0	1,505,017
Fundraising	104,167	0	0	0	104,167	0	104,167
Total supporting services	1,609,184	0	0	0	1,609,184	0	1,609,184
Affiliate fees:							
Fees paid to national organization	238,271	0	0	0	238,271	0	238,271
Total affiliate fees	238,271	0	0	0	238,271	0	238,271
Total operating expenses	15,681,334	135,166	0	460,907	16,277,407	(146,694)	16,130,713
Excess (deficit) from operations	(527,352)	(21,532)	0	(349,593)	(898,477)	79,280	(819,197)

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2006**

	VOA/GNO, Inc.	CLC, Inc.	VOA Development, Inc.	Limited Partnerships	Subtotal	Eliminations	Consolidated
<b>OTHER ACTIVITIES</b>							
Non-operating gains (losses) and other revenue:							
Interest and dividend income	\$ 186,871	\$ 129	\$ 0	\$ 2,025	\$ 189,025	\$ (79,280)	\$ 109,745
Gain (loss) on disposition of assets	710,665	(257,616)	0	(616,513)	(163,464)	0	(163,464)
Gain (loss) on investments	60,332	0	0	0	60,332	0	60,332
Other non-operating gains (losses)	37,796	0	0	0	37,796	0	37,796
Surplus (deficit) from other activities	995,664	(257,487)	0	(614,488)	123,689	(79,280)	44,409
Change in net assets	468,312	(279,019)	0	(964,081)	(774,788)	0	(774,788)
Other changes in net assets	564,025	0	0	279,654	843,679	0	843,679
Net assets, beginning of year	5,630,606	(244,147)	1,134,460	2,597,155	9,118,074	(762,462)	8,355,612
Net assets, end of year	\$ 6,662,943	\$ (523,166)	\$ 1,134,460	\$ 1,912,728	\$ 9,186,965	\$ (762,462)	\$ 8,424,303

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF ACTIVITIES - VOA DEVELOPMENT, INC.  
FOR THE YEAR ENDED JUNE 30, 2006**

	VOA Development, Inc.	VOA Development 2, Inc.	Subtotal	Eliminations	Consolidated
<b>REVENUES</b>					
Revenues from operations:					
Public support received directly:					
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special events, net of direct benefit cost of \$ 0 for the year ended June 30, 2006	0	0	0	0	0
Legacies and bequests	0	0	0	0	0
Public support received indirectly:					
United way:					
Allocations	0	0	0	0	0
Designations	0	0	0	0	0
Volunteers of America	0	0	0	0	0
Total public support	0	0	0	0	0
Revenues and grants from governmental agencies	0	0	0	0	0
Other revenue:					
Program service fees	0	0	0	0	0
Rental income	0	0	0	0	0
Other operating income	0	0	0	0	0
Total other revenue	0	0	0	0	0
Total operating revenue	0	0	0	0	0

See Independent Auditors' Report on Supplementary Information.



SCHEDULE XIV

VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF ACTIVITIES - VOA DEVELOPMENT, INC.  
FOR THE YEAR ENDED JUNE 30, 2006

	VOA Development, Inc.	VOA Development 2, Inc.	Subtotal	Eliminations	Consolidated
<b>EXPENSES</b>					
Operating expenses:					
Program services:					
Encouraging positive development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fostering independence	0	0	0	0	0
Promoting self-sufficiency	0	0	0	0	0
Total program services	0	0	0	0	0
Supporting services:					
Management and general	0	0	0	0	0
Fundraising	0	0	0	0	0
Total supporting services	0	0	0	0	0
Affiliate fees:					
Fees paid to national organization	0	0	0	0	0
Total affiliate fees	0	0	0	0	0
Total operating expenses	0	0	0	0	0
Excess (deficit) from operations	0	0	0	0	0

See Independent Auditors' Report on Supplementary Information.

SCHEDULE XIV

VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF ACTIVITIES - VOA DEVELOPMENT, INC.  
FOR THE YEAR ENDED JUNE 30, 2006

	VOA Development, Inc.	VOA Development 2, Inc.	Subtotal	Eliminations	Consolidated
<b>OTHER ACTIVITIES</b>					
Non-operating gains (losses) and other revenue:					
Interest and dividend income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Gain (loss) on disposition of assets	0	0	0	0	0
Gain (loss) on investments	0	0	0	0	0
Other non-operating gains (losses)	0	0	0	0	0
Surplus (deficit) from other activities	0	0	0	0	0
Change in net assets	0	0	0	0	0
Net assets, beginning of year	341,404	793,056	1,134,460	0	1,134,460
Net assets, end of year	\$ 341,404	\$ 793,056	\$ 1,134,460	\$ 0	\$ 1,134,460

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF ACTIVITIES - LIMITED PARTNERSHIPS  
FOR THE YEAR ENDED JUNE 30, 2006**

	Tulane Avenue SRO	Canal Street SRO	Subtotal	Eliminations	Consolidated
<b>REVENUES</b>					
Revenues from operations:					
Public support received directly:					
Contributions	\$ 262	\$ 200	\$ 462	\$ 0	\$ 462
Special events, net of direct benefit cost of \$ 0 for the year ended June 30, 2006	0	0	0	0	0
Legacies and bequests	0	0	0	0	0
Public support received indirectly:					
United way:					
Allocations	0	0	0	0	0
Designations	0	0	0	0	0
Volunteers of America	0	0	0	0	0
Total public support	262	200	462	0	462
Revenues and grants from governmental agencies	31,390	25,113	56,503	0	56,503
Other revenues:					
Program service fees	0	0	0	0	0
Rental income	29,769	22,427	52,196	0	52,196
Other operating income	920	1,233	2,153	0	2,153
Total other revenue	30,689	23,660	54,349	0	54,349
Total operating revenue	62,341	48,973	111,314	0	111,314

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF ACTIVITIES - LIMITED PARTNERSHIPS  
FOR THE YEAR ENDED JUNE 30, 2006**

	Tulane Avenue SRO	Canal Street SRO	Subtotal	Eliminations	Consolidated
<b>EXPENSES</b>					
Operating expenses:					
Program services:					
Encouraging positive development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fostering independence	0	0	0	0	0
Promoting self-sufficiency	237,532	223,375	460,907	0	460,907
Total program services	237,532	223,375	460,907	0	460,907
Supporting services:					
Management and general	0	0	0	0	0
Fundraising	0	0	0	0	0
Total supporting services	0	0	0	0	0
Affiliate fees:					
Fees paid to national organization	0	0	0	0	0
Total affiliate fees	0	0	0	0	0
Total operating expenses	237,532	223,375	460,907	0	460,907
Excess (deficit) from operations	(175,191)	(174,402)	(349,593)	0	(349,593)

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF ACTIVITIES - LIMITED PARTNERSHIPS  
FOR THE YEAR ENDED JUNE 30, 2006**

	Tulane Avenue SRO	Canal Street SRO	Subtotal	Eliminations	Consolidated
<b>OTHER ACTIVITIES</b>					
Non-operating gains (losses) and other revenue:					
Interest and dividend income	\$ 1,135	\$ 890	\$ 2,025	\$ 0	\$ 2,025
Gain (loss) on disposition of assets	(372,587)	(243,926)	(616,513)	0	(616,513)
Gain (loss) on investments	0	0	0	0	0
Other non-operating gains (losses)	0	0	0	0	0
Surplus (deficit) from other activities	(371,452)	(243,036)	(614,488)	0	(614,488)
Change in net assets	(546,643)	(417,438)	(964,081)	0	(964,081)
Other changes in net assets	(39,643)	319,297	279,654		279,654
Net assets, beginning of year	861,506	1,735,649	2,597,155	0	2,597,155
Net assets, end of year	\$ 275,220	\$ 1,637,508	\$ 1,912,728	\$ 0	\$ 1,912,728

See Independent Auditors' Report on Supplementary Information.

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

**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2006**

	VOA/GNO, Inc.	CLC, Inc.	VOA Development, Inc.	Limited Partnerships	Subtotal	Eliminations	Consolidated
Salaries	\$ 7,631,050	\$ 10,860	\$ 0	\$ 0	\$ 7,641,910	\$ 0	\$ 7,641,910
Pension	154,727	358	0	0	155,085	0	155,085
Other employee benefits	509,515	2,617	0	0	512,132	0	512,132
Payroll taxes	804,778	1,239	0	0	806,017	0	806,017
Legal fees	20,207	0	0	760	20,967	0	20,967
Accounting fees	30,750	5,025	0	30,832	66,607	0	66,607
Other professional fees	1,315,933	7,649	0	43,097	1,366,679	(67,414)	1,299,265
Supplies	373,441	0	0	5,420	378,861	0	378,861
Telecommunications	177,086	2,980	0	5,922	185,988	0	185,988
Postage	19,821	0	0	0	19,821	0	19,821
Occupancy	756,960	29,999	0	79,940	866,899	0	866,899
Interest	154,362	38,957	0	105,677	298,996	(79,280)	219,716
Insurance	356,393	22,748	0	121,013	500,154	0	500,154
Equipment rental and maintenance	42,428	0	0	2,191	44,619	0	44,619
Printing and publications	27,437	0	0	0	27,437	0	27,437
Travel and transportation	484,310	0	0	78	484,388	0	484,388
Conferences and meetings	63,661	0	0	71	63,732	0	63,732
Specific assistance to individuals	1,575,112	0	0	0	1,575,112	0	1,575,112
Other	715,675	0	0	33,261	748,936	0	748,936
Depreciation	229,417	12,734	0	32,645	274,796	0	274,796
Total functional expenses	\$ 15,443,063	\$ 135,166	\$ 0	\$ 460,907	\$ 16,039,136	\$ (146,694)	\$ 15,892,442

See Independent Auditors' Report on Supplementary Information.

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

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES - VOA DEVELOPMENT, INC.  
FOR THE YEAR ENDED JUNE 30, 2006

	VOA Development, Inc.	VOA Development 2, Inc.	Subtotal	Eliminations	Consolidated
Salaries	\$ 0	\$ 0	\$ 0	0	0
Pension	0	0	0	0	0
Other employee benefits	0	0	0	0	0
Payroll taxes	0	0	0	0	0
Legal fees	0	0	0	0	0
Accounting fees	0	0	0	0	0
Other professional fees	0	0	0	0	0
Supplies	0	0	0	0	0
Telecommunications	0	0	0	0	0
Postage	0	0	0	0	0
Occupancy	0	0	0	0	0
Interest	0	0	0	0	0
Insurance	0	0	0	0	0
Equipment rental and maintenance	0	0	0	0	0
Printing and publications	0	0	0	0	0
Travel and transportation	0	0	0	0	0
Conferences and meetings	0	0	0	0	0
Specific assistance to individuals	0	0	0	0	0
Other	0	0	0	0	0
Depreciation	0	0	0	0	0
Total functional expenses	\$ 0	\$ 0	\$ 0	0	\$ 0

See Independent Auditors' Report on Supplementary Information.

SCHEDULE XVIII

VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.

AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES - LIMITED PARTNERSHIPS

FOR THE YEAR ENDED JUNE 30, 2006

	Tplane Avenue SRO	Canal Street SRO	Subtotal	Eliminations	Consolidated
Salaries	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Pension	0	0	0	0	0
Other employee benefits	0	0	0	0	0
Payroll taxes	0	0	0	0	0
Legal fees	350	410	760	0	760
Accounting fees	9,780	21,052	30,832	0	30,832
Other professional fees	22,342	20,755	43,097	0	43,097
Supplies	3,036	2,384	5,420	0	5,420
Telecommunications	633	5,289	5,922	0	5,922
Postage	0	0	0	0	0
Occupancy	23,978	55,962	79,940	0	79,940
Interest	79,280	26,397	105,677	0	105,677
Insurance	66,078	54,935	121,013	0	121,013
Equipment rental and maintenance	1,122	1,069	2,191	0	2,191
Printing and publications	0	0	0	0	0
Travel and transportation	71	78	78	0	78
Conferences and meetings	0	0	0	0	0
Specific assistance to individuals	0	0	0	0	0
Other	14,617	18,644	33,261	0	33,261
Depreciation	16,245	16,400	32,645	0	32,645
Total functional expenses	\$ 237,532	\$ 223,375	\$ 460,907	\$ 0	\$ 460,907

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## EXHIBIT I

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES**  
**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGET vs. ACTUAL**  
**LOUISIANA GOVERNOR'S OFFICE OF ELDERLY AFFAIRS**  
**ELDERLY PROTECTIVE SERVICES, CFMS #630360**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>			
Revenues from operations:			
Revenues and grants from governmental agencies	\$ 300,612	\$ 297,242	\$ (3,370)
Other revenue:			
Other operating income	0	2,424	2,424
Total other revenue	0	2,424	2,424
Total operating revenue	300,612	299,666	(946)
<b><u>EXPENSES</u></b>			
Operating expenses:			
Program services:			
Salaries	165,000	166,907	(1,907)
Pension	5,080	# 4,835	245
Other employee benefits	9,145	# 8,692	453
Payroll taxes	11,431	10,903	528
Other professional fees	712	805	(93)
Supplies	13,520	12,075	1,445
Telecommunications	7,116	6,605	511
Postage	712	670	42
Occupancy	33,445	29,991	3,454
Insurance	4,270	3,670	600
Equipment rental and maintenance	7,827	7,242	585
Printing and publications	2,135	1,956	179
Travel and transportation	3,000	3,945	(945)
Conferences and meetings	712	918	(206)
Other	32,211	33,265	(1,054)
Total expenses	296,316	292,479	3,837
Excess (deficit) from operations	\$ 4,296	\$ 7,187	\$ 2,891

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## EXHIBIT II

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES**  
**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGET vs. ACTUAL**  
**LOUISIANA GOVERNOR'S OFFICE OF ELDERLY AFFAIRS**  
**RETIRED SENIOR VOLUNTEER PROGRAM, CPMS #618180 & #630360**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>			
Revenues from operations:			
Revenues and grants from governmental agencies	\$ 22,384	\$ 7,611	\$ (14,773)
Other revenue:			
Other operating income	0	3,448	3,448
Total other revenue	0	3,448	3,448
Total operating revenue	22,384	11,059	(11,325)
<b><u>EXPENSES</u></b>			
Operating expenses:			
Program services:			
Salaries	7,633	7,633	0
Pension	(67)	(67)	0
Other employee benefits	923	923	0
Payroll taxes	490	490	0
Other professional fees	30	30	0
Supplies	291	291	0
Postage	39	39	0
Occupancy	0	0	0
Insurance	353	353	0
Equipment rental and maintenance	0	0	0
Printing and publications	0	0	0
Travel and transportation	142	142	0
Conferences and meetings	122	122	0
Specific assistance to individuals	168	168	0
Other	1,219	1,219	0
Administrative fees paid to National organization	0	0	0
Total expenses	11,343	11,343	0
Excess (deficit) from operations	\$ 11,041	\$ (284)	\$ (11,325)

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**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES**  
**SCHEDULE OF REVENUE AND EXPENSE BY PROGRAM (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	Program Services				Supporting Services	Total
	Encouraging Positive Development	Fostering Independence	Promoting Self-Sufficiency	Total		
<b>REVENUE</b>						
Client generated self-support	\$ 89,525	\$ 221,275	\$ 393,753	\$ 704,553	\$ 105,098	\$ 809,651
Board generated support	8,053	109,068	205,721	322,842	2,823,237	3,146,079
Governmental grants and contracts	1,101,905	9,179,380	10,759,939	21,041,224	95,537	21,136,761
Other revenue	5,036	47,649	(25,018)	26,667	1,634,785	1,661,452
United Way designations	0	0	0	0	12,336	12,336
<b>Total revenue</b>	<b>1,204,519</b>	<b>9,557,372</b>	<b>11,333,395</b>	<b>22,095,286</b>	<b>4,670,993</b>	<b>26,766,279</b>
United Way allocation	0	0	38,441	38,441	133,407	171,848
<b>Grand total revenue</b>	<b>1,204,519</b>	<b>9,557,372</b>	<b>11,371,836</b>	<b>22,133,727</b>	<b>4,804,400</b>	<b>26,938,127</b>
<b>EXPENSES</b>						
Compensation expenses	772,444	5,698,259	6,136,184	12,606,887	1,174,948	13,781,835
Occupancy expenses	45,819	725,006	377,176	1,148,001	72,389	1,220,390
Travel and transportation expenses	13,722	249,785	202,701	466,208	153,201	619,409
Specific assistance to individuals	28,436	323,803	3,030,820	3,383,059	11,783	3,394,842
Board generated self-support	0	0	0	0	320,423	320,423
Other direct program support	443,614	1,180,153	913,541	2,537,308	1,152,697	3,690,005
<b>Total expenses before depreciation</b>	<b>1,304,035</b>	<b>8,177,006</b>	<b>10,660,422</b>	<b>20,141,463</b>	<b>2,885,441</b>	<b>23,026,904</b>
Depreciation	4,785	118,007	176,476	299,268	65,758	365,026
<b>Total expenses</b>	<b>1,308,820</b>	<b>8,295,013</b>	<b>10,836,898</b>	<b>20,440,731</b>	<b>2,951,199</b>	<b>23,391,930</b>
<b>Net difference</b>	<b>\$ (104,301)</b>	<b>\$ 1,262,359</b>	<b>\$ 534,938</b>	<b>\$ 1,692,996</b>	<b>\$ 1,853,201</b>	<b>\$ 3,546,197</b>

See Independent Auditors' Report on Supplementary Information.

## EXHIBIT IV

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.**  
**AND SUBSIDIARIES**  
**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGET vs. ACTUAL**  
**LOUISIANA GOVERNOR'S OFFICE OF ELDERLY AFFAIRS**  
**ELDERLY PROTECTIVE SERVICES, CFMS #616588**  
**FOR THE YEAR ENDED JUNE 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>			
Revenues from operations:			
Revenues and grants from governmental agencies	\$ 335,608	\$ 334,811	\$ (797)
Other revenue:			
Other operating income	0	5,207	5,207
Total other revenue	0	5,207	5,207
Total operating revenue	335,608	340,018	4,410
<b><u>EXPENSES</u></b>			
Operating expenses:			
Program services:			
Salaries	192,908	198,994	(6,086)
Pension	9,364	8,832	532
Other employee benefits	25,407	23,965	1,442
Payroll taxes	13,456	12,692	764
Other professional fees	2,446	3,200	(754)
Supplies	4,721	6,176	(1,455)
Telecommunications	5,560	7,274	(1,714)
Postage	783	1,024	(241)
Occupancy	20,545	20,518	27
Insurance	7,079	9,259	(2,180)
Equipment rental and maintenance	(308)	(403)	95
Printing and publications	680	889	(209)
Travel and transportation	11,286	6,444	4,842
Conferences and meetings	3,700	4,842	(1,142)
Other	37,981	37,920	61
Total expenses	335,608	341,626	(6,018)
Excess (deficit) from operations	\$ 0	\$ (1,608)	\$ (1,608)

See Independent Auditors' Report on Supplementary Information.

## EXHIBIT V

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.**  
**AND SUBSIDIARIES**  
**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGET vs. ACTUAL**  
**LOUISIANA GOVERNOR'S OFFICE OF ELDERLY AFFAIRS**  
**RETIRED SENIOR VOLUNTEER PROGRAM, CFMS #604683 & 618180**  
**FOR THE YEAR ENDED JUNE 30, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>			
Revenues from operations:			
Revenues and grants from governmental agencies	\$ 25,652	\$ 25,652	\$ 0
Other revenue:			
Other operating income	6,223	7,557	1,334
Total other revenue	6,223	7,557	1,334
Total operating revenue	31,875	33,209	1,334
<b><u>EXPENSES</u></b>			
Operating expenses:			
Program services:			
Salaries	21,771	21,771	0
Pension	669	669	0
Other employee benefits	1,958	1,958	0
Payroll taxes	1,971	1,971	0
Other professional fees	64	64	0
Supplies	189	189	0
Telecommunications	33	33	0
Postage	135	135	0
Occupancy	302	302	0
Insurance	624	624	0
Equipment rental and maintenance	0	0	0
Printing and publications	97	97	0
Travel and transportation	397	397	0
Conferences and meetings	0	0	0
Specific assistance to individuals	257	257	0
Other	3,408	3,408	0
Administrative fees paid to National organization	0	0	0
Total expenses	31,875	31,875	0
Excess (deficit) from operations	\$ 0	\$ 1,334	\$ 1,334

See Independent Auditors' Report on Supplementary Information.

VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
SCHEDULE OF REVENUE AND EXPENSE BY PROGRAM (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2006

	Program Services				Supporting Services	Total
	Encouraging Positive Development	Fostering Independence	Promoting Self-Sufficiency	Total		
<b>REVENUE</b>						
Client generated self-support	\$ 116,224	\$ 270,144	\$ 238,570	\$ 624,938	\$ 159,403	\$ 784,341
Board generated support	70,962	64,530	670,611	806,103	846,623	1,652,726
Governmental grants and contracts	1,033,893	8,727,530	3,044,879	12,806,302	(15)	12,806,287
Other revenue	(22,637)	(94,110)	(12,895)	(129,642)	174,051	44,409
United Way designations	18,954	0	0	18,954	4,116	23,070
Total revenue	1,217,396	8,968,094	3,941,165	14,126,655	1,184,178	15,310,833
United Way allocation	39,942	5,150	0	45,092	0	45,092
Grand total revenue	1,257,338	8,973,244	3,941,165	14,171,747	1,184,178	15,355,925
<b>EXPENSES</b>						
Compensation expenses	937,750	5,836,662	1,263,549	8,137,961	977,183	9,115,144
Occupancy expenses	36,848	547,537	206,199	790,584	76,315	866,899
Travel and transportation expenses	20,168	265,154	182,749	468,071	16,317	484,388
Specific assistance to individuals	21,747	230,124	1,322,378	1,574,249	863	1,575,112
Board generated self-support	0	0	0	0	238,271	238,271
Other direct program support	536,731	1,563,614	986,144	3,086,489	489,614	3,576,103
Total expenses before depreciation	1,553,244	8,443,091	4,061,019	14,057,354	1,798,563	15,855,917
Depreciation	(862)	112,709	114,057	225,904	48,892	274,796
Total expenses	1,552,382	8,555,800	4,175,076	14,283,258	1,847,455	16,130,713
Net difference	\$ (295,044)	\$ 417,444	\$ (233,911)	\$ (111,511)	\$ (663,277)	\$ (774,788)

See Independent Auditors' Report on Supplementary Information.



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Paul K. Andoh, Sr., CPA

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

---

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

We have audited the consolidated financial statements of **Volunteers of America of Greater New Orleans, Inc. and subsidiaries (the Organization)** as of and for the year ended June 30, 2007, and have issued our report thereon dated October 5, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered **the Organization's** internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of **the Organization's** internal control over financial reporting.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects **the Organization's** ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of **the Organization's** financial statements that is more than inconsequential will not be prevented or detected by **the Organization's** internal control.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

---

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

**Internal Control Over Financial Reporting, continued**

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of 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*.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

---

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

We noted certain other matters that we have reported to management of the **Organization** in a separate letter dated October 5, 2007.

The Organizations responses to the findings identified in our audit are described in a separate Corrective Action Plan. We did not audit the **Organization's** response contained in the Corrective Action Plan and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Directors, management, the Louisiana Legislative Auditor and Federal awarding agencies and pass-through entities and is not intended and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Bruno & Tervalon LLP*  
**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

October 5, 2007



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

---

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

**Compliance**

We have audited the compliance of **Volunteers of America of Greater New Orleans, Inc. and subsidiaries (the Organization)** with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2007. **The Organization's** major Federal programs are identified in the Summary of Independent Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of **the Organization's** management. Our responsibility is to express an opinion on **the Organizations's** compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about **the Organization's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of **the Organization's** compliance with those requirements.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

---

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

**Compliance, continued**

In our opinion, the **Organization** complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2007. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned cost as item 2007-01.

**Internal Control Over Compliance**

The management of the **Organization** is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered the **Organization's** internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the **Organization's** internal control over compliance.

A *control deficiency* in the **Organization's** internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the **Organization's** ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the **Organization's** internal control.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

---

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

**Internal Control Over Compliance, continued**

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be detected by **the Organization's** internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

**The Organization's** responses to the findings identified in our audit are described in a separate Corrective Action Plan. We did not audit **the Organization's** response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Directors, management, the Louisiana Legislative Auditor and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Bruno & Tervalon LLP*  
**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

October 5, 2007

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007**

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**Section I – Summary of Independent Auditors' Results**

1. Type of report issued on the financial statements: Unqualified.
2. Did the audit disclose any material weaknesses in internal control over financial reporting? No.
3. Did the audit disclose any significant deficiencies in internal control over financial reporting that are not considered to be material weaknesses? None reported.
4. Did the audit disclose any non-compliance which is material to the financial statements? None reported.
5. Did the audit disclose any material weaknesses in internal control over major Federal programs? No.
6. Did the audit disclose any significant deficiencies in internal control over major programs that are not considered to be material weaknesses? None reported.
7. Type of report issued on compliance for major programs: Unqualified.
8. Did the audit disclose any audit findings required to be reported in accordance with OMB Circular A-133, Section .510(a)? Yes.
9. Was a management letter issued? Yes.
10. Identification of Major Programs:

<u>CFDA No.</u>	<u>Description</u>
14.157	Section 202 Direct Loan Program
14.235	Supportive Housing Program
93.556	Promoting Safe and Stable Families
93.558	Temporary Assistance for Needy Families
93.667	Social Services Block Grant
97.032	Crisis Counseling
97.036	Disaster Grants - Public Assistance
97.084	Hurricane Katrina Case Management Initiative Program

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007**

---

**Section I – Summary of Independent Auditors' Results, continued**

11. Dollar threshold used to distinguish between Type A and Type B Programs:  
**\$300,000.**

12. Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133? **No.**

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007**

---

**Section II – Financial Statement Findings**

No matters reported.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007**

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

**Audit Finding Reference Number**

2007-01 – Eligibility

**Federal Agency/CFDA Number and Title**

<u>CFDA #</u>	<u>Name of Federal Program</u>
	<u>U.S. Department of Health and Human Services</u>
93.558	Temporary Assistance for Needy Families

**Federal Award Year**

June 30, 2007

**Pass-Through Entity**

State of Louisiana

**Criteria**

OMB Circular A-133 Compliance Supplement stipulates the maintenance of eligibility determination and re-determination documentation/verifications for each individual and benefits paid to or on behalf of the individual.

**Conditions and Perspectives**

Eligibility determination documentation to support the participant's eligibility to receive benefits from the program for four (4) of the forty (40) participants selected for testing could not be located.



**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007**

---

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

**Audit Finding Reference Number**

2007-01 – Eligibility, continued

**Cause**

Participants eligibility determination file could not be located.

**Questioned Costs**

\$ -0-

**Effect**

Participant's eligibility status could not be verified.

**Recommendation**

We recommend that controls related to retention of participant eligibility determination documentation be strengthened.

**Management's Response**

Volunteers of America of Greater New Orleans will ensure that controls related to retention of participant eligibility determination documentation be strengthened. We will do this by having a check list of eligibility signed by program director to be accompanied with the check request for benefits to be paid for participant. The signature will verify that eligibility documentation is in the participant's file.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.  
AND SUBSIDIARIES  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

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**Financial Statement Findings**

No matters were reported.

**Federal Award Findings and Questioned Costs**

No matters were reported.

**Management Letter Comments**

See separate letter to management dated October 5, 2007.

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

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The audit report was discussed during the course of the audit and at an exit conference held with the management of the **Organization**. The individuals who participated in those discussions were as follows:

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

---

Mr. James M. LeBlanc	President/CEO
Ms. Brenda Chenevert	Vice-President of Finance and Administration
Ms. Carol Meyers	Controller

**BRUNO & TERVALON LLP  
CERTIFIED PUBLIC ACCOUNTANTS**

---

Mr. Michael B. Bruno, CPA	Managing Partner
Mr. Armand E. Pinkney	Manager



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Paul K. Andoh, Sr., CPA

## INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

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

In planning and performing our audit of the consolidated financial statements of Volunteers of America of Greater New Orleans, Inc. and Subsidiaries (the Organization) for the year ended June 30, 2007, we considered the Organization's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the consolidated financial statements and not to provide assurance on internal control.

However, during the course of our audit, we became aware of the following matters that we believe are opportunities for strengthening internal control and improving operating efficiency. The following summarizes our comments and recommendations concerning those matters.

### LIMITED PARTNERSHIP RECEIVABLES

At June 30, 2007, included in "Investment in Joint Ventures" on the books of Volunteers of America of Greater New Orleans are the following amounts:

- o A promissory note receivable from Tulane Avenue Single Room Occupancy (SRO), Limited Partnership dated December 20, 1996 in the amount \$980,958 at a ten percent (10%) interest rate, payable in equal annual installments maturing on March 20, 2011. As of June 30, 2007 principal repayments of this note receivable has totaled \$188,155 leaving an unpaid principal balance of \$792,803 at June 30, 2007. Although all assets related to the loan revert back to VOA/GNO, Inc. in case of default, this loan is in a delinquent status based on the terms of the loan agreement; and
- o VOA/GNO, Inc. has other receivables of \$1,092,380 from the Tulane Avenue SRO, Limited Partnership and \$803,865 from the Canal Street SRO Limited Partnership, representing various cost paid by VOAGNO, Inc. on behalf of the Tulane Avenue and Canal Street SRO, Limited Partnerships.

## INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

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

### LIMITED PARTNERSHIP RECEIVABLES, continued

#### Recommendation

In summary, at June 30, 2007, the Organization has significant receivables from SRO Limited Partnerships and the ultimate collectability of these receivables should be closely evaluated in relation to the available cash flows need of the VOAGNO, Inc. and ultimate realization of amounts due from the SRO's.

#### Management's Response

The SRO Limited Partnerships were formed with low income tax credits bought by our partner JP Morgan Chase. Normally the property is held for 15 years and the tax credits are used by the Limited Partner. Although these receivables are real, we do not anticipate collecting them, but expect that the property will revert to Volunteers of America of Greater New Orleans instead at the end of the tax credit period, due to the fact that the Limited Partner (J.P. Morgan Chase) would be responsible for 99% of the receivables due to Volunteers of America of Greater New Orleans.

During consolidation of Volunteers of America of Greater New Orleans and its affiliates these receivables and payables are eliminated.

## INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

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

### RECONCILIATION OF INTER-COMPANY ACTIVITY

The Organization, as reflected in the consolidated financial statements, consist of Volunteers of America of Greater New Orleans, Inc. Community Living Centers, Inc., Volunteers of America, Development, Inc., Volunteers of America Development 2, Inc., Tulane Avenue Limited Partnership, Inc. and Canal Street Limited Partnership, Inc. As a result various transactions occur during the course of the year between these entities and at year-end these entities have various outstanding receivables and payables.

### Recommendation

We recommend that all inter-company activity between these entities by reconciled on a quarterly basis to facilitate the preparation of inter-company eliminating journal entries at year-end in conjunction with the preparation of the financial statements of the Organization.

### Management's Response

Several of our affiliate corporations have inter-company activity between their entities and Volunteers of America of Greater New Orleans. With housing development increasing we foresee more inter-company activity between newly formed low income tax credit entities and Volunteers of America of Greater New Orleans. We will reconcile all activity on a monthly basis. Quarterly, we will present consolidated financials for Volunteers of America of Greater New Orleans and its affiliates to the Finance Committee.

## INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

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

### INTERNAL CONTROL

During the course of our test work we noted the following weaknesses in internal control:

- At June 30, 2007, the Organization's book and records indicate that the Organization maintains petty cash balances of approximately \$7,400 and fourteen (14) facilities under the care of thirteen (13) individual custodians. Our discussions with management indicated that there were no physical cash counts performed at June 30, 2007 nor during the year to physically verify the existence of petty cash balances;
- The Organization implemented the use of system generated checks as opposed to the use of pre-numbered checks for its check disbursement function. However our review indicated that controls are not in place to prevent the manipulation of numerical check sequence of checks used as well as proper segregation of duties between the check preparation and check signing function;
- Included in the outstanding check list of the operating account were forty-nine (49) checks that had been outstanding in excess of six (6) months. Additionally, we also noted five (5) checks each in excess of \$10,000, that were generated in June 2007, aggregating to approximately \$78,000 that had not yet cleared the bank as of August 31, 2007.

### Recommendation

We recommend, as currently being implemented subsequent to year-end, the Organization strengthen existing internal control procedures to include (a) performing periodic cash counts to ensure the physical existence of cash as reflected on its books and records; (b) ensuring the propriety of all reconciling items appearing in monthly bank reconciliations; (c) restricting access to check sequence overrides and ensuring proper segregation of duties; and (c) reviewing outstanding checks for timely clearance and investigate any long outstanding items.

## INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

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

### INTERNAL CONTROL, continued

#### Management's Response

- We maintain petty cash at many of our facilities. We also now must maintain separate petty cash for consumers at our group homes. We have implemented a written petty cash procedure. Petty cash will have quarterly physical counts to ensure the physical existence of cash as reflected in our records.
- To prevent the manipulation of numerical check sequence access to checks, sequence overrides will be restricted. We will ensure proper segregation of duties between the check preparations and check signing function.
- We will review outstanding checks for timely clearance and investigate any long outstanding items.



INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

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

STATUS OF PRIOR YEAR COMMENTS

	<u>Resolved</u>	<u>Unresolved</u>
Pledges Receivable	X	
Supporting Documentation	X	
Client File Maintenance	X	
Other Matters	X	

This letter does not affect our report dated October 5, 2007 on the consolidated financial statements of the **Organization**.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various **Organization** personnel, and we will be pleased to discuss these comments in further detail at your convenience, perform an additional study of these matters or assist you in implementing the recommendations.

This report is intended solely for the information of the Board of Directors, management and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bruno & Tervalon LLP*  
BRUNO & TERVALON LLP  
CERTIFIED PUBLIC ACCOUNTANTS

October 5, 2007



**Volunteers of America**  
Greater New Orleans  
*Touching Lives. Building Community.*

Leonard D. Simmons, Jr.  
Chair

James M. LeBlanc  
President/CEO

**Board of Directors**

Patrick Brister

Karin Dumas

Matthew S. French, M.D.

Frank A. Glaviano

Thomas J. Grace

Eugene Green

Arthur C. Harris, Sr.

Alex Lewis, III

Kurt Maloney

Michelle Kchoe Ogden

Robert C. Rhoden, Jr.

Alexis B. Robinson

To: Volunteers of America of Greater New Orleans, Inc.  
Board of Directors and Audit committee

From: Brenda Chenevert  
V.P. Finance

Re: Fiscal 2007 Audit Finding Corrective Action Plan  
Audit Finding Reference Number 2007-01-Eligibility

Volunteers of America  
of Greater New Orleans  
is accredited by CARF



Volunteers of America of Greater New Orleans will ensure that controls related to retention of participant eligibility determination documentation be strengthened. We will do this by having a check list of eligibility signed by program director to be accompanied with the check request for benefits to be paid for participant. The signature will verify that eligibility documentation is in the participant's file.



**To: Volunteers of America Greater New Orleans, Inc.  
Board of Directors and Audit Committee**

**From: Brenda Chenevert  
V. P. Finance**

**Re: Fiscal 2007 Management Letter Corrective Action plan**

**Limited Partnership Receivables**

The SRO Limited Partnerships were formed with low income tax credits bought by our partner JP Morgan Chase. Normally the property is held for 15 years and the tax credits are used by the Limited Partner. Although these receivables are real, we do not anticipate collecting them, but expect that the property will revert to Volunteers of America of Greater New Orleans instead at the end of the tax credit period, due to the fact that the Limited Partner (J.P. Morgan Chase) would be responsible for 99% of the receivables due to Volunteers of America of Greater New Orleans.

During consolidation of Volunteers of America of Greater New Orleans and its affiliates these receivables and payables are eliminated.

**Reconciliation of Inter-Company Activity**

Several of our affiliate corporations have inter-company activity between their entities and Volunteers of America of Greater New Orleans. With housing development increasing we foresee more inter-company activity between newly formed low income tax credit entities and Volunteers of America of Greater New Orleans. We will reconcile all activity on a monthly basis. Quarterly, we will present consolidated financials for Volunteers of America of Greater New Orleans and its affiliates to the Finance Committee.

### Internal Control

- We maintain petty cash at many of our facilities. We also now must maintain separate petty cash for consumers at our group homes. We have implemented a written petty cash procedure. Petty cash will have quarterly physical counts to ensure the physical existence of cash as reflected in our records.
- To prevent the manipulation of numerical check sequence access to checks, sequence overrides will be restricted. We will ensure proper segregation of duties between the check preparations and check signing function.
- We will review outstanding checks for timely clearance and investigate any long outstanding items.