

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

Audits of Consolidated Financial Statements

June 30, 2021 and 2020



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Independent Auditor's Report

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Volunteers of America Southeast Louisiana, Inc. and Subsidiaries (the Organization) (VOASELA), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

LOUISIANA • TEXAS

Opinion

In our opinion, based on our audits, the financial statements referred to above present fairly, in all material respects, the financial position of Volunteers of America Southeast Louisiana, Inc. and Subsidiaries as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were conducted for the purposes of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2021, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Covington, LA
October 13, 2021

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Consolidated Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 8,966,290	\$ 7,134,772
Accounts Receivable, Net of Allowance for Doubtful		
Accounts of \$149,811 at 2021 and \$58,626 at 2020	4,280,353	3,519,336
Pledges Receivable, Net	630,220	647,023
Prepaid Expenses	1,149,900	1,051,134
Due from Projects in Development	2,434,335	-
Other Current Assets	1,447,629	2,266,933
	<hr/>	<hr/>
Total Current Assets	18,908,727	14,619,198
	<hr/>	<hr/>
Fixed Assets, Net	110,556,582	94,323,852
	<hr/>	<hr/>
Other Assets		
Designated and Restricted Deposits	16,505,809	3,520,511
Long-Term Investments	9,385,997	7,748,652
Pledges Receivable, Net	634,374	822,571
Amounts Due from Related Parties	-	28,089
Investment in Joint Ventures	421,092	395,073
Deferred Tax Assets	278,061	-
	<hr/>	<hr/>
Total Other Assets	27,225,333	12,514,896
	<hr/>	<hr/>
Total Assets	\$ 156,690,642	\$ 121,457,946

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

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Consolidated Statements of Financial Position (Continued)
June 30, 2021 and 2020

	2021	2020
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 2,192,796	\$ 1,650,769
Mortgages and Notes Payable	1,477,184	7,450,174
Accrued Expenses	2,181,736	2,098,620
Other Current Liabilities	1,340,031	550,515
Due to Projects in Development	55,004	-
	<hr/>	<hr/>
Total Current Liabilities	7,246,751	11,750,078
Other Liabilities		
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	<hr/>	<hr/>
	68,068,733	44,947,614
	<hr/>	<hr/>
Total Other Liabilities	68,068,733	44,947,614
	<hr/>	<hr/>
Total Liabilities	75,315,484	56,697,692
Net Assets		
Net Assets Without Donor Restrictions		
Attributable to VOASELA	35,647,708	29,925,553
Attributable to Non-Controlling Interests	44,350,003	33,316,092
Net Assets With Donor Restrictions	1,377,447	1,518,609
	<hr/>	<hr/>
Total Net Assets	81,375,158	64,760,254
	<hr/>	<hr/>
Total Liabilities and Net Assets	\$ 156,690,642	\$ 121,457,946
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The accompanying notes are an integral part of these consolidated financial statements.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Consolidated Statements of Activities
For the Years Ended June 30, 2021 and 2020

	2021	2020
Net Assets Without Donor Restrictions		
Revenue, Support, and Gains		
Without Donor Restrictions		
Public Support Received Directly		
Contributions and Special Events	\$ 1,369,373	\$ 1,098,932
Public Support Received Indirectly		
United Way		
Allocations	132,939	155,926
Net Assets Released from Restrictions	778,604	334,482
	<hr/>	<hr/>
Total Public Support	2,280,916	1,589,340
	<hr/>	<hr/>
Revenues and Grants from Governmental		
Agencies	29,856,418	22,940,465
	<hr/>	<hr/>
Other Revenue		
Program Service Fees	8,836,188	6,801,471
Rental Income	5,462,977	5,842,979
Other Operating Income	506,381	497,851
	<hr/>	<hr/>
Total Other Revenue	14,805,546	13,142,301
	<hr/>	<hr/>
Total Revenue, Support, and Gains		
Without Donor Restrictions	46,942,880	37,672,106
	<hr/>	<hr/>

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

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Consolidated Statements of Activities (Continued)
For the Years Ended June 30, 2021 and 2020

	2021	2020
Operating Expenses		
Program Services		
Encouraging Positive Development	12,482,390	11,011,871
Fostering Independence	8,891,409	8,700,246
Promoting Self-Sufficiency	16,736,493	14,857,788
	<hr/>	<hr/>
Total Program Services	38,110,292	34,569,905
	<hr/>	<hr/>
Supporting Services		
Management and General	5,405,086	4,900,371
Fundraising	709,529	699,027
	<hr/>	<hr/>
Total Supporting Services	6,114,615	5,599,398
	<hr/>	<hr/>
Total Operating Expenses	44,224,907	40,169,303
	<hr/>	<hr/>
Surplus (Deficit) from Operations	2,717,973	(2,497,197)

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

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Consolidated Statements of Activities (Continued)
For the Years Ended June 30, 2021 and 2020

	2021	2020
Other Activities		
Gain (Loss) on Disposition of Assets	516,367	(69,475)
Net Investment Return	1,721,011	503,926
Income Tax Benefit (Expense)	277,701	(389)
Cancellation of Debt Income	-	750,000
Other Non-Operating Gains	132,387	36,015
	<u>2,647,466</u>	<u>1,220,077</u>
Surplus from Other Activities	2,647,466	1,220,077
Change in Net Assets	5,365,439	(1,277,120)
Other Changes in Net Assets	11,390,627	522,755
	<u>16,756,066</u>	<u>(754,365)</u>
Change in Net Assets Without Donor Restrictions	16,756,066	(754,365)
Net Assets With Donor Restrictions		
Public Support Received Directly		
Contributions	637,442	803,406
Net Assets Released from Restrictions	(778,604)	(334,482)
	<u>(141,162)</u>	<u>468,924</u>
Change in Net Assets With Donor Restrictions	(141,162)	468,924
Total Change in Net Assets	16,614,904	(285,441)
Net Assets, Beginning of Year	64,760,254	65,045,695
Net Assets, End of Year	\$ 81,375,158	\$ 64,760,254

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

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2021

	Program Services				Supporting Services			Total
	Encouraging Positive Development	Fostering Independence	Promoting Self- Sufficiency	Subtotal	Management and General	Fundraising	Subtotal	
Salaries	\$ 6,114,253	\$ 5,676,254	\$ 4,113,000	\$ 15,903,507	\$ 2,466,765	\$ 420,532	\$ 2,887,297	\$ 18,790,804
Employee Benefits	883,436	773,631	594,746	2,251,813	329,575	67,014	396,589	2,648,402
Professional Services	2,550,496	319,279	2,974,651	5,844,426	1,547,896	100,296	1,648,192	7,492,618
Occupancy	244,190	642,058	1,720,810	2,607,058	179,377	26	179,403	2,786,461
Specific Assistance to Individuals	1,150,499	438,974	1,425,484	3,014,957	416	-	416	3,015,373
Program Supplies and Equipment	1,058,924	476,181	1,351,257	2,886,362	108,477	13,127	121,604	3,007,966
Office Supplies and Expenses	142,098	68,942	158,197	369,237	89,974	15,605	105,579	474,816
Travel, Conferences, and Meetings	130,334	170,301	75,334	375,969	15,602	21,158	36,760	412,729
Depreciation and Amortization	69,602	97,656	3,173,378	3,340,636	82,082	-	82,082	3,422,718
Interest	568	19,449	906,393	926,410	81,632	-	81,632	1,008,042
Other	137,990	208,684	243,243	589,917	503,290	71,771	575,061	1,164,978
Total	\$ 12,482,390	\$ 8,891,409	\$ 16,736,493	\$ 38,110,292	\$ 5,405,086	\$ 709,529	\$ 6,114,615	\$ 44,224,907

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

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2020

	Program Services				Supporting Services			Total
	Encouraging Positive Development	Fostering Independence	Promoting Self- Sufficiency	Subtotal	Management and General	Fundraising	Subtotal	
Salaries	\$ 5,454,871	\$ 5,420,695	\$ 4,062,603	\$ 14,938,169	\$ 2,297,757	\$ 373,520	\$ 2,671,277	\$ 17,609,446
Employee Benefits	814,370	757,745	604,010	2,176,125	305,628	53,002	358,630	2,534,755
Professional Services	1,578,360	495,957	1,715,949	3,790,266	1,578,937	202,745	1,781,682	5,571,948
Occupancy	212,376	611,563	1,626,581	2,450,520	193,674	433	194,107	2,644,627
Specific Assistance to Individuals	135,587	385,993	1,697,516	2,219,096	159	250	409	2,219,505
Program Supplies and Equipment	2,389,483	461,143	926,747	3,777,373	79,911	7,367	87,278	3,864,651
Office Supplies and Expenses	93,623	62,089	169,655	325,367	91,305	13,925	105,230	430,597
Travel, Conferences, and Meetings	183,208	211,898	20,095	415,201	38,130	28,105	66,235	481,436
Depreciation and Amortization	62,128	119,515	3,089,218	3,270,861	67,313	-	67,313	3,338,174
Interest	3,226	21,214	744,524	768,964	159,177	-	159,177	928,141
Other	84,639	152,434	200,890	437,963	88,380	19,680	108,060	546,023
Total	\$ 11,011,871	\$ 8,700,246	\$ 14,857,788	\$ 34,569,905	\$ 4,900,371	\$ 699,027	\$ 5,599,398	\$ 40,169,303

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

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in Net Assets	\$ 16,614,904	\$ (285,441)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	3,422,718	3,338,174
Gain on Investments	(1,522,431)	(216,518)
(Gain) Loss on Disposition of Assets	(516,367)	69,475
Bad Debt Expense	309,967	146,397
Paycheck Protection Program Loan Forgiveness	(1,974,695)	-
Cancellation of Debt Income	-	(750,000)
Deferred Tax Benefit	(278,061)	-
(Increase) Decrease in Operating Assets		
Accounts Receivable, Net	(1,020,558)	188,840
Pledges Receivable, Net	154,574	302,193
Prepaid Expenses	344,263	461,706
Due from Projects in Development	(2,434,335)	-
Other Current Assets	819,304	(1,131,308)
Investment in Joint Ventures	(26,019)	8,526
Increase (Decrease) in Operating Liabilities		
Accounts Payable	542,027	386,056
Accrued Expenses	83,116	579,178
Other Current Liabilities	789,516	264,156
Due to Projects in Development	55,004	-
Net Cash Provided by Operating Activities	15,362,927	3,361,434
Cash Flows from Investing Activities		
Proceeds from Sale of Investments	1,970,919	1,110,612
Purchase of Investments	(2,085,833)	(1,582,033)
Decrease (Increase) in Amounts Due from Related Parties	28,089	(4,566)
Decrease in Notes Receivable - Investment Partner	-	-
Decrease in Other Assets	-	-
Proceeds from Sale of Fixed Assets	2,606,000	-
Purchase of Fixed Assets	(21,642,226)	(4,198,834)
Net Cash Used in Investing Activities	(19,123,051)	(4,674,821)

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

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Consolidated Statements of Cash Flows (Continued)
For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Financing Activities		
Proceeds from Mortgages and Notes Payable	24,602,278	11,518,459
Principal Payments on Mortgages and Notes Payable	(5,207,845)	(7,149,088)
Payments of Debt Issuance Costs	(817,493)	(69,227)
	<hr/>	
Net Cash Provided by Financing Activities	18,576,940	4,300,144
	<hr/>	
Net Increase in Cash, Cash Equivalents and Restricted Cash	14,816,816	2,986,757
	<hr/>	
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	10,655,283	7,668,526
	<hr/>	
Cash, Cash Equivalents and Restricted Cash, End of Year	\$ 25,472,099	\$ 10,655,283
	<hr/> <hr/>	
Supplemental Disclosure of Cash Flow Information		
Interest Paid	\$ 992,750	\$ 927,522
	<hr/> <hr/>	
Non-Cash Transactions		
Cancellation of Debt Income	\$ -	\$ 750,000
Financed Insurance Premiums	\$ 443,029	\$ 452,216
Proceeds from Sale of Fixed Assets	\$ -	\$ 15,744
	<hr/> <hr/>	

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

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

Notes to Consolidated Financial Statements

Note 1. Organization

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

Community Living Centers, Inc. (CLC) is a nonprofit organization incorporated under the laws of the State of Louisiana and sponsored by VOASELA. No capital stock is authorized, issued, or outstanding. CLC was formed as a 501(c)(3) corporation to acquire an interest in real property and to construct and operate thereon two six-unit group homes under Section 202 of the National Housing Act in order to provide housing for developmentally disabled persons. CLC operated FHA Project No. 064-EH036-WHC-NP-L8 until December 21, 2018. VOASELA took over this project at that date.

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

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

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

Notes to Consolidated Financial Statements

Note 1. Organization (Continued)

Canal Street SRO Limited Partnership (the Partnership) was formed as a limited partnership under the laws of the State of Louisiana for the purpose of constructing and operating single room occupancy and efficiency housing for the homeless and elderly (Project II). All leases between Project II and tenants are operating leases. Project II consists of seventy (70) units. Project II qualified for and has been allocated low-income housing tax credits pursuant to Internal Revenue Code, Section 42, which regulates the use of Project II as to occupant eligibility and unit gross rent, among other requirements. On December 31, 2014, the limited partner investor assigned 100% of its interest and all of its rights, titles, and interest in the Partnership and its property under the partnership agreement to VOA Development 2, Inc., the general partner. On December 21, 2018, the Partnership merged with and into its sole member, VOA Development 2, Inc. The surviving entity is VOA Development 2, Inc.

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

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

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

Notes to Consolidated Financial Statements

Note 1. Organization (Continued)

Encouraging Positive Development

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

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

Fostering Independence

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

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

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

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

Promoting Self-Sufficiency

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

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

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

Notes to Consolidated Financial Statements

Note 1. Organization (Continued)

Promoting Self-Sufficiency (Continued)

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

Homeless Services: This program provides shelter for homeless individuals.

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

Management and General

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

Fundraising

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

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

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

Basis of Presentation

Financial statement presentation is in accordance with the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Accordingly, the Organization is required to report information regarding its financial position and activities according to the existence or absence of donor-imposed restrictions.

Net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for general use and not subject to donor restrictions.

Net Assets With Donor Restrictions - Net assets whose use is limited by donor- or grantor-imposed time and/or purpose restrictions. Contributions with donor restrictions are reported as revenues with donor restrictions. Once funds are expended for their restricted purpose, these net assets with donor restrictions are released to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

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

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

As of June 30, 2021 and 2020, there was \$1,377,447 and \$1,518,609, respectively, of net assets with donor restrictions.

Principles of Consolidation

The accompanying financial statements include the accounts of Volunteers of America Southeast Louisiana, Inc., its wholly-owned nonprofit subsidiaries, Community Living Centers, Inc., VOA Development, Inc., and VOA Development 2, Inc., and RNDC in which Volunteers of America Southeast Louisiana, Inc. has a controlling interest. All significant intercompany transactions have been eliminated.

Non-Controlling Interest

The financial statements include assets, liabilities, revenues, and expenses of entities that are controlled by the Organization and therefore consolidated. Non-controlling interests in the consolidated statements of financial position represent the portion of net assets owned by entities outside the Organization, for those entities in which the Organization's ownership interest is less than 100%.

Use of Estimates

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

Cash, Cash Equivalents and Restricted Cash

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.

Accounts Receivable

The Organization's accounts receivable are primarily due from customers and third-party payors and are recorded net of allowances for bad debts.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated statements of financial position. See Note 14 for discussion of fair value measurement. Net investment return (including realized and unrealized gains and losses on investments, interest, dividends, and expenses) is included in the change in net assets without donor restrictions.

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

Note 2. Summary of Significant Accounting Policies (Continued)

Investment in Joint Ventures

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

Fixed Assets

Land, buildings, building improvements, vehicles, furniture, and equipment purchased by the Organization are recorded at cost. VOASELA, Community Living Centers Inc., VOA Development Inc., VOA Development 2, Inc. and Pre-Development entities, within RNDC, follow the practice of capitalizing all expenditures for land, buildings, and equipment over \$2,500. The General and Limited Partnership entities, within RNDC, follow the practice of capitalizing all expenditures for land, buildings, and equipment over \$500. The fair value of donated fixed assets is similarly capitalized.

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

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

Designated and Restricted Deposits

Designated and restricted deposits represent the total of all assets that are encumbered by donor restrictions, legal agreements, Board of Directors' designation, or otherwise unavailable for general use by the Organization. This category generally includes assets such as client or custodial funds, escrow and reserve account funds, net assets with donor restrictions and net assets without donor restrictions, and securities that are pledged and held by the lender as collateral for financing.

Operations

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

Revenue Recognition

VOASELA's revenue is derived primarily from public support, contributions, grants, rental income, program service fees, and management fees.

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

Note 2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

In May 2014, the FASB issued ASC Topic 606, *Revenue from Contracts with Customers*, which introduced a five step model to recognize revenue from customer contracts in an effort to increase consistency and comparability throughout global capital markets and across industries. The model identifies the contract, any separate performance obligations in the contract, determines the transaction price, allocates the transaction price and recognizes revenue when the performance obligations are satisfied. However, this standard does not affect revenue streams that are addressed by other standards such as leases under Topic 840 and Contributions under Topic 958. Consequently, the new standard did not impact the timing of revenue recognition for grants and rental income. Management determined that the new standard applies to revenues from public support, program service fees, and management fees.

VOASELA's rental income is derived from the leasing of commercial and residential properties and is accounted for on an accrual basis in accordance with Topic 840. Lease agreements may include escalation provisions, and as such, rental income is recognized on a straight-line basis with an offset to straight-line rent receivables.

Grants and donations received from private foundations and nonprofit entities are accounted in accordance Topic 958. Contributions are recognized when received. Contributions are recorded as without donor restrictions or with donor restrictions, depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Public support revenue, program service revenue and management fee revenue are accounted in accordance with ASC 606.

A significant portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statement of financial position. As of June 30, 2021 and 2020, there have been no cost reimbursable grants received in advance of qualifying expenditures.

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

Note 2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

RNDC earns a development fee under the development services agreement entered with the third-party investors to develop a qualified affordable housing project (QAHP), which upon the completion is qualified for a certain tax credit. The performance obligation associated with the development services agreement is the combination of necessary actions RNDC should take to enable the QAHP to be eligible for a tax credit. The transaction price is the fixed fee specified in the development service agreement, subject to any contract adjustments contemplated in the agreement with the third-party investor. The revenue is recognized over the period of the agreement using the output measurement method, which measures progress toward completion based on project phases as specified in the development service agreement.

Property management fees are earned for managing the operations of real estate assets and are generally based on a fixed percentage of the revenues generated from the respective real estate assets. Property management fees are recorded based on a percentage of collected rents at the properties under management, and not on a straight-line basis, because such fees are contingent upon the collection of rents.

Income Taxes

Under provisions of Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the State of Louisiana, the Organization is exempt from income taxes, except for net income from unrelated business income, as a subordinate unit of Volunteers of America, Inc. Volunteers of America, Inc. is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as a religious organization described in Section 501(c)(3). There was no material unrelated business income in fiscal years ended June 30, 2021 and 2020.

RNDC has two subsidiaries, Millennium Properties, Inc. and Riverfront Self Storage, LLC, that are subject to federal and state income taxes. A tax benefit was recorded for the year ended June 30, 2021 totaling \$277,701. Tax expense for the year ended June 30, 2020 totaled \$389.

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

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

Advertising Expenses

The Organization expenses the costs of advertising as incurred. Advertising expense was \$205,669 and \$237,399 for the years ended June 30, 2021 and 2020, respectively.

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

Note 2. Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs not directly attributable to a function, including telecommunications, information technology, and general liability insurance, have been allocated among the programs and supporting services benefitted. These expenses are allocated to function based on headcount. Property insurance is allocated based on the total value of buildings and contents insured.

Summary Financial Information for 2020

The financial statements and supplementary information for the year ended June 30, 2020 contain certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Organization's financial statements and related notes or the financial statements for the year ended June 30, 2020, from which the summarized information was derived.

Recent Accounting Pronouncements

In January 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as financing or operating leases. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. In June 2020, the FASB issued ASU 2020-05 which defers the effective date of ASU 2016-02 one year, making it effective for annual reporting periods beginning after December 15, 2021. Management is currently evaluating the impact ASU 2016-02 will have on its financial statements.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848)*, which provides optional expedients and exceptions for contracts, hedging relationships, and other transactions affected by reference rate reform due to the anticipated cessation of LIBOR on or before December 31, 2021. This guidance is effective as of March 12, 2020 through December 31, 2022 and could impact the accounting for LIBOR provisions in the Organization's credit agreements. Management does not expect that the adoption of this guidance will have a significant impact on its financial statements.

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

Note 2. Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements (Continued)

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard addresses measurement of contributed nonfinancial assets recognized by not-for-profit organizations, and enhances disclosures with respect to these contributions. The ASU will be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021. Management is currently evaluating the impact ASU 2020-07 will have on its financial statements.

Implementation of Accounting Pronouncement

Effective July 1, 2020, VOASELA retrospectively changed its accounting methods for revenue recognition and financial instruments as a result of implementing the requirements in the FASB ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The new revenue recognition guidance requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which VOASELA expects to be entitled in exchange for those goods or services. VOASELA adopted ASU 2014-09 using the modified retrospective approach which did not result in any changes to the way revenue is recognized and as a result no adjustment to beginning net assets was necessary. A practical expedient was applied for revenue contracts that begin and end in the same year.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified in order to be comparable with the current year presentation.

Note 3. Liquidity and Availability

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization manages its cash available to meet general expenditures using the following:

- Operating within a prudent range of financial soundness and stability
- Maintaining adequate liquid assets
- Maintaining sufficient reserves to provide reasonable assurance of sustainability
- Having a line of credit available for times of unforeseen events or delays in payment of receivables by resource provider

Assets not available to meet general expenditures within one year of the consolidated statements of financial position date include amounts in nonspendable form.

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

Note 3. Liquidity and Availability (Continued)

As of June 30, 2021 and 2020, financial assets available for general operating purposes within one year of the consolidated statement of financial position dates comprise the following:

	2021	2020
Cash and Cash Equivalents	\$ 8,966,290	\$ 7,134,772
Accounts Receivable, Net	4,280,353	3,519,336
Total	\$ 13,246,643	\$ 10,654,108

Note 4. Pledges Receivable

At June 30, 2021 and 2020, amounts included in pledges receivable were as follows:

	2021	2020
Pledges Receivable	\$ 1,870,069	\$ 2,055,393
Less: Discount of Long-Term Pledges	(115,691)	(158,399)
Less: Allowance for Doubtful Accounts	(489,784)	(427,400)
Pledges Receivable, Net	\$ 1,264,594	\$ 1,469,594

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

Year Ending June 30,	Amount
2022	\$ 1,075,159
2023	162,260
2024	136,250
2025	130,450
2026	127,450
Thereafter	238,500
Total	\$ 1,870,069

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

Note 5. Fixed Assets

At June 30, 2021 and 2020, fixed assets consisted of the following:

	2021	2020
Land	\$ 9,392,902	\$ 7,959,374
Buildings and Improvements	108,052,961	107,692,362
Vehicles	332,562	382,503
Furniture and Equipment	7,321,475	6,254,948
Construction in Progress	16,791,971	100,542
	<u>141,891,871</u>	<u>122,389,729</u>
Less: Accumulated Depreciation	<u>(31,335,289)</u>	<u>(28,065,877)</u>
Total Fixed Assets, Net	<u>\$ 110,556,582</u>	<u>\$ 94,323,852</u>

Depreciation expense was \$3,319,863 and \$3,234,191 for the years ended June 30, 2021 and 2020, respectively.

Note 6. Cash, Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated statements of financial position that sum to the total of the same such amounts show in the consolidated statements of cash flows as of June 30, 2021 and 2020.

	2021	2020
Cash and Cash Equivalents	\$ 8,966,290	\$ 7,134,772
Designated and Restricted Deposits	<u>16,505,809</u>	<u>3,520,511</u>
	<u>\$ 25,472,099</u>	<u>\$ 10,655,283</u>

The Organization has agreements with agencies that require funded reserves and the restriction of certain deposits which are custodial in nature. At June 30, 2021 and 2020, designated and restricted deposits were as follows:

	2021	2020
Escrow	\$ 1,317,975	\$ 527,172
Security Deposits	258,830	260,168
Replacement Reserve Funds	<u>14,929,004</u>	<u>2,733,171</u>
Total	<u>\$ 16,505,809</u>	<u>\$ 3,520,511</u>

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

Note 7. Line of Credit

The Organization has a \$1,000,000 line of credit. The line had an interest rate of 2.85% at June 30, 2021 and matured on September 21, 2021. There was no balance on this line of credit at June 30, 2021 and 2020. The line of credit was extended on September 21, 2021 for 90 days and now expires on December 21, 2021. There were no changes in the terms.

The Organization is subject to a restrictive financial covenant under this agreement. At June 30, 2021 and 2020, the Organization was in compliance with this covenant.

Note 8. Mortgages and Notes Payable

The following is a summary of mortgages and notes payable at June 30, 2021 and 2020:

	2021	2020
Two (2) notes payable to the Louisiana Housing Finance Agency, secured by CDBG Piggyback Program Leasehold Mortgage, with interest rates of -0-%, and maturity dates of August 31, 2044 and May 20, 2045, for Chateau Carre' and New Covington.	\$ 15,498,839	\$ 15,548,839
One (1) note payable to Terrebonne Parish Consolidated Government, secured by land and buildings, with an interest rate of -0-%, maturing June 1, 2049, for Bayou Cane Apartments.	5,558,633	5,586,005
One (1) note payable to Terrebonne Council on Aging, Inc., with an interest rate of -0-%, maturing March 29, 2066, for Houma School Apartments.	5,500,000	5,500,000
One (1) note payable to Home Bank, secured by a first mortgage on 1746-1770 Tchoupitoulas Street, with an interest rate of 4.5%, maturing on September 27, 2024, for 1770 Tchoupitoulas Inc.	4,627,679	4,779,086
One (1) note payable to Capital One Multifamily Finance, secured by land and buildings, with an interest rate of 4.28%, maturing July 1, 2031, for Bayou Cane Apartments.	3,237,871	3,286,834
One (1) note payable to Home Bank, secured by cash collateral pledge of \$114,000, with an interest rate of 4.60%, maturing May 28, 2037, for Embassy Apartments Shreveport.	1,184,985	3,282,710
One (1) note payable to the Louisiana Housing Finance Agency with an interest rate of -0-%, maturing on December 31, 2026, for New Covington.	2,624,124	2,707,850
One (1) note payable to Capital One, National Association, secured by land and buildings, with an interest rate of 5.05%, maturing on November 1, 2033, for Houma School Apartments.	2,590,142	2,633,078

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Notes to Consolidated Financial Statements

Note 8. Mortgages and Notes Payable (Continued)

	2021	2020
One (1) note payable to Capital One, National Association, secured by land and buildings, with an interest rate of 7.0%, maturing June 16, 2026, for Chateau Carre'.	2,364,552	2,412,534
One (1) note payable to Home Bank, related to the Paycheck Protection Program (PPP) which was forgiven under the CARES Act on March 30, 2021.	-	1,974,695
One (1) note payable to Iberia Bank, secured by land, with an interest rate of 4.25%, matured on October 10, 2020.	-	1,315,287
One (1) note payable to Dougherty Mortgage LLC, insured by HUD under section 207/223(f) of the National Housing Act, with an interest rate of 3.20%, maturing May 1, 2045, for New Covington Apartments.	1,175,412	1,206,685
Four (4) notes payable to Volunteers of America National Services, with interest rates of -0-%, payable on demand.	435,000	660,000
One (1) note payable to Enterprise Community Investment, Inc., with an interest rate of 2.00%, matured on November 20, 2020.	-	500,000
One (1) note payable to Federal Home Loan Bank of Atlanta, secured by property and the rents, profits, issues, products, and income from the property, with an interest rate of -0-%, maturing on July 31, 2038.	500,000	500,000
Financed insurance premium with monthly installments of \$37,664 including interest at 3.49%, maturing April 2022.	443,029	378,599
One (1) note payable to PNC Bank, National Association, secured by land and buildings, with an interest rate of 4.60%, maturing on October 1, 2033, for The Cottages at Mile Branch.	246,636	250,795
One (1) mortgage payable to the U.S. Department of Housing and Urban Development, secured by a mortgage on the real estate and improvements thereon, with an interest rate of 9.25%, payable in monthly installments of \$4,952, with a maturity date of June 2024.	173,358	215,592
One (1) note payable to the City of Shreveport, with an interest rate of -0-%, forgivable at a rate of 6.67% per year over the 15 year affordability period.	198,054	198,054
One (1) note payable to Volunteers of America National Services, unsecured, with an interest rate of -0-%, with annual payments of \$5,433 due from net cash flow as defined by the promissory note beginning on September 25, 2019, and the remaining balance due at maturity on May 1, 2051, for Embassy Apartments Shreveport.	163,000	163,000

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

Note 8. Mortgages and Notes Payable (Continued)

	2021	2020
One (1) note payable to Volunteers of America North Louisiana, with an interest rate of 1.0%, maturing November 12, 2029, for 2901 Dee, Inc.	-	100,000
One (1) note payable to Home Bank, secured by land and buildings (326 Buckeye Lane), with an interest rate of 5.25%, maturing October 19, 2023.	91,956	95,082
One (1) note payable to a financial institution, secured by equipment, with an interest rate of 4.5%, with monthly payments of \$8,813, matured January 28, 2021.	-	60,760
Three (3) notes payable to banks secured by vehicles, with interest rates of 4.0%, payable in monthly installments ranging from \$420 to \$851, with maturity dates ranging from August 2019 to February 2021.	-	5,321
One (1) bond payable to Regions Bank, secured by the first mortgage on the property, with an interest rate of 4.64%, maturing December 1, 2023, for RNDC BR, LLC.	2,152,566	-
One (1) note payable to ORIX Real Estate Capital, with an interest rate of 2.85%, maturing May 1, 2062, for Valencia Park.	3,966,017	-
One (1) note payable to CDBG, with an interest rate of 0.35%, maturing May 1, 2062, for Valencia Park.	2,162,885	-
One (1) bond payable to Whitney Bank, secured by the note payable to CDBG and note payable to ORIX Real Estate Capital with an interest rate of 0.35%, maturing November 1, 2023, for Valencia Park.	12,000,000	-
One (1) note payable to JP Morgan Chase Bank secured by first mortgage on the leasehold improvements with an interest rate equal to the London Interbank Offered Rate (LIBOR) plus 3.0%, maturing November 18, 2022, for FSJ I.	2,044,092	-
One (1) note payable to JP Morgan Chase Bank secured by first mortgage on the leasehold improvements with an interest rate equal to the London Interbank Offered Rate (LIBOR) plus 3.0%, maturing November 18, 2022, for FSJ II.	1,874,743	-
One (1) note payable to Federal Home Bank Dallas secured by land and buildings, with an interest rate of -0%, maturing August 31, 2065.	410,000	-
	71,223,573	53,360,806
Less: Debt Issuance Costs, Net of Amortization	(1,677,656)	(963,018)
Total	\$ 69,545,917	\$ 52,397,788

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Notes to Consolidated Financial Statements

Note 8. Mortgages and Notes Payable (Continued)

Scheduled principal payments due on the above mortgages and notes payable subsequent to June 30, 2021 are as follows:

Year Ending June 30,	Amount
2022	\$ 1,477,184
2023	18,699,872
2024	756,936
2025	4,533,940
2026	2,481,622
Thereafter	<u>43,274,019</u>
Total	<u>\$ 71,223,573</u>

Interest expense was \$1,008,042 and \$928,141 for the years ended June 30, 2021 and 2020, respectively.

The Organization was in compliance with debt covenants at June 30, 2021.

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 were \$712,687 and \$815,420 for the years ended June 30, 2021 and 2020, respectively. Amounts payable to Volunteers of America, Inc. totaled \$140,910 at June 30, 2021 and 2020.

Volunteers of America National Services is a guarantor of the debt of RNDC and has outstanding loans to RNDC. See Note 8 for further details.

Volunteers of America North Louisiana, Inc. had an outstanding loan to RNDC that was paid off during the year ended June 30, 2021. See Note 8 for further details.

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

Note 10. Leases

The Organization has several operating leases for the rental of office space, vehicles and office equipment which are non-cancelable over the next four (4) years.

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Notes to Consolidated Financial Statements

Note 10. Leases (Continued)

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of June 30, 2021 and in the aggregate are as follows:

Year Ending June 30,	Amount
2022	\$ 199,379
2023	55,361
2024	37,472
2025	<u>27,492</u>
Total	<u>\$ 319,704</u>

Rental expense under month-to-month and non-cancelable operating leases were \$448,745 and \$343,131 for the years ended June 30, 2021 and 2020, respectively.

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 expenses were \$71,456 and \$84,392 for the years ended June 30, 2021 and 2020, respectively.

Note 12. Employee Benefit Plans

The Organization offers a Section 403(b) plan to all eligible employees. Employees are eligible to participate at employment. Under the terms of the plan, after completing twelve (12) months of service, the Organization matches up to 5% of employee contributions. The Organization contributed \$243,454 and \$217,970 for the years ended June 30, 2021 and 2020, respectively.

Note 13. Fair Value of Financial Instruments

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

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

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

Note 13. Fair Value of Financial Instruments (Continued)

Investments: The fair values of the Organization's marketable equity securities are based on quoted market prices in an active market. The carrying amounts of other investments approximate fair value. See Note 14 for further details.

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

Note 14. Fair Value Measurements

The fair value measurements are based on a framework that provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

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

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement

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

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Notes to Consolidated Financial Statements

Note 14. Fair Value Measurements (Continued)

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

- Equity funds, common stocks, corporate bonds, fixed income funds, government bonds, government agencies, real estate funds, and preferred stock, when present, are valued at the closing price reported on the active market on which the individual securities are traded.

The following tables set forth, by level within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2021 and 2020:

June 30, 2021	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 225,380	\$ -	\$ -	\$ 225,380
Equity Funds	7,595,191	-	-	7,595,191
Common Stocks	800,614	-	-	800,614
Corporate Bonds	412,278	-	-	412,278
Fixed Income Funds	90,355	-	-	90,355
Government Bonds	186,450	-	-	186,450
Government Agencies	36,279	-	-	36,279
Real Estate Funds	39,450	-	-	39,450
Investments, at Fair Value	\$ 9,385,997	\$ -	\$ -	\$ 9,385,997

June 30, 2020	Level 1	Level 2	Level 3	Total
Money Market Funds	\$ 276,361	\$ -	\$ -	\$ 276,361
Equity Funds	6,157,517	-	-	6,157,517
Common Stocks	543,666	-	-	543,666
Corporate Bonds	434,473	-	-	434,473
Fixed Income Funds	64,886	-	-	64,886
Government Bonds	169,627	-	-	169,627
Government Agencies	74,244	-	-	74,244
Real Estate Funds	27,878	-	-	27,878
Investments, at Fair Value	\$ 7,748,652	\$ -	\$ -	\$ 7,748,652

Transfers between Levels

For the years ended June 30, 2021 and 2020, there were no significant transfers between Levels 1 and 2 and no transfers in or out of Level 3.

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

Notes to Consolidated Financial Statements

Note 15. Commitments and 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. Any adjustments from an audit performed by a granting agency would flow through the financial statements during the year of the audit as a change in accounting estimate.

The Organization is a 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 financial statements.

RNDC entered into several contracts with construction companies totaling \$46.7 million and \$3.6 million, respectively, for 2021 and 2020, for renovations on General and Limited Partnerships' projects. At June 30, 2021 and 2020, the amount remaining on the contracts totaled \$38,134,450 and \$947,063, respectively. Included in other current liabilities is retainage due to these construction companies totaling \$924,586 and \$290,480 as of June 30, 2021 and 2020, respectively.

Note 16. Risks and Uncertainties

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern", and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to, amongst other provisions, provide emergency assistance for individuals, families, and businesses affected by the coronavirus pandemic. The Organization obtained a \$1,974,695 Paycheck Protection Program loan in May of 2020. The Organization applied for forgiveness with the lender and received notice of full forgiveness of \$1,974,695 from the Small Business Administration (SBA) on March 30, 2021. The amount of loan forgiveness is presented as a component of revenues and grants from governmental agencies in the consolidated statement of activities for the year ended June 30, 2021.

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

Notes to Consolidated Financial Statements

Note 17. Net Assets With Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2021 and 2020:

	2021	2020
Expiration of Purpose and Time Restrictions		
Tolmas Charitable Trust Pledge	\$ 183,647	\$ 74,045
Satisfaction of Purpose Restrictions		
Repairs on Wheels Grant	15,942	68,005
Adoption	57,200	58,000
Fresh Food Factor	252,061	-
Supportive Living Service Grant	77,500	26,265
Veterans Program Grant	14,236	7,800
Supportive Services	-	468
Northshore Services	-	2,750
Mentoring Children of Promise	178,018	97,149
	<u>594,957</u>	<u>260,437</u>
	<u>\$ 778,604</u>	<u>\$ 334,482</u>

At June 30, 2021 and 2020, net assets with donor restrictions comprised of donor-imposed stipulations that expire when the purpose restriction and the passage of time is accomplished and net assets with donor restrictions which expire when the purpose restriction is accomplished, were as follows:

	2021	2020
With Donor Restrictions - Purpose and Time		
Tolmas Charitable Trust Pledge	\$ 614,750	\$ 784,647
With Donor Restrictions - Purpose		
Community Living Services Grant	522,125	507,675
Repairs on Wheels Grant	63,201	66,788
Fresh Food Factor	16,455	78,060
Supportive Living Services Grant	37,829	37,829
Veterans Program Grant	29,565	23,610
Supportive Services	31,000	20,000
Mentoring Children of Promise	62,522	-
	<u>62,522</u>	<u>-</u>
Total Net Assets With Donor Restrictions as to Purpose and Time	<u>\$ 1,377,447</u>	<u>\$ 1,518,609</u>

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

Notes to Consolidated Financial Statements

Note 18. Changes in Consolidated Net Assets

Changes in consolidated net assets that are attributable to VOASELA and the non-controlling interests in subsidiaries are as follows:

	Attributable to VOASELA	Attributable to Non- Controlling Interests	Total Net Assets
Balance, June 30, 2019	\$ 31,003,944	\$ 34,041,751	\$ 65,045,695
Change in Net Assets from Operations and Other Activities	440,218	(1,248,414)	(808,196)
Other Changes in Net Assets	-	522,755	522,755
Balance, June 30, 2020	31,444,162	33,316,092	64,760,254
Change in Net Assets from Operations and Other Activities	5,580,993	(356,716)	5,224,277
Other Changes in Net Assets	-	11,390,627	11,390,627
Balance, June 30, 2021	<u>\$ 37,025,155</u>	<u>\$ 44,350,003</u>	<u>\$ 81,375,158</u>

Note 19. Other Changes in Net Assets

Other changes in net assets primarily consist of amounts related to distributions and contributions for the years ended June 30, 2021 and 2020.

Note 20. Concentration of Credit Risk

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

At June 30, 2021 and 2020, the Organization had \$9,362,127 and \$7,015,811, respectively, in excess of the FDIC insured limit.

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

Notes to Consolidated Financial Statements

Note 21. New Market Tax Credit Exit

1770 Tchoupitoulas, LLC and 1770 Tchoupitoulas Master Tenant, LLC (the Companies), were formed on February 29, 2012 and March 12, 2012, respectively. Pursuant to the Operating Agreement dated July 2, 2012, the Landlord is formed between RNDC and VOANS Investor Corp. (the VIC). Pursuant to the Amended and Restated Operating Agreement dated July 2, 2012 (the Tenant Operating Agreement), the Tenant is formed between 1770 Tchoupitoulas Manager, LLC and ESIC New Markets Partners XLVII Investment Fund, LLC (the Investment Fund). At the original closing, October 12, 2011, 1770 Tchoupitoulas, LLC entered into certain Qualified Low-Income Community Investment Loan Agreements (QLICI Loans) in the aggregate sum of \$17,860,000 with VOANS CDE Subsidiary 1, LLC and ESIC New Markets Partners XLVII LP (the CDEs). These loans were funded by a combination of sources including new market tax credit (NMTC) equity and historic tax credit (HTC) equity. RNDC used the following funds to make a loan to the Investment Fund in the amount of \$13,233,050. At the date of unwind described below, the outstanding balance owed RNDC totaled \$11,770,350, due to payments being made on the note.

On October 13, 2018, the seven-year credit period terminated. The members distributed the assets of the Companies in complete redemption and liquidation of the member interests to dissolve the Companies. Prior to October 11, 2018, the VIC sold its interest in 1770 Tchoupitoulas, LLC to RNDC for \$1.00 since the fair market value of the assets was less than the outstanding QLICI Loans of \$17,860,000. The QLICI Loans were distributed from the CDEs to the Investment Fund through the execution of the CDE Redemption Agreement. 1770 Tchoupitoulas, LLC was now obligated to its sole member, RNDC, in the amount of \$17,860,000, and RNDC carried the corresponding note receivable of \$11,770,350 owed to it from 1770 Tchoupitoulas, LLC. However, because the intercompany balances did not net to zero, 1770 Tchoupitoulas, LLC was required to recognize \$6,089,650 in cancellation of debt income for the year ended June 30, 2019. The asset and liability described above between 1770 Tchoupitoulas, LLC and RNDC were eliminated in the consolidation process.

On September 27, 2019, 1770 Tchoupitoulas, Inc. entered into a promissory note with a bank totaling \$4.9 million. Part of these proceeds was used to pay off RNDC's note payable with the State of Louisiana, Division of Administration, Office of Community Development. Due to the loan forgiveness conditions of this note being met, 30% of the original principal amount of the loan, \$750,000, was forgiven and recognized as cancellation of debt income for the year ended June 30, 2020 and is shown on the accompanying consolidated statement of activities.

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

Notes to Consolidated Financial Statements

Note 22. Income Taxes

RNDC has income tax net operating loss carryforwards related to Millennium Properties, Inc. A deferred tax asset totaling \$278,061 as of June 30, 2021 reflects the benefit of approximately \$1 million available for carryforward to future years. These operating losses begin to expire in 2035.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities (including the impact of available carryback and carryforward periods), projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that RNDC will realize the benefits of these deductible differences. The amount of the deferred tax asset considered realizable; however, could be reduced in the near-term if estimates of future taxable income during the carryforward period are reduced.

Note 23. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 13, 2021, and determined that the following events occurred that requires disclosure:

In August 2021, Hurricane Ida affected southeast Louisiana. This hurricane caused widespread property damage, flooding, power outages, and water and communication services interruptions, and severely disrupted normal economic activity in this region. Management is in the process of assessing the financial impact to the Organization.

On September 21, 2021, the line of credit was renewed in the amount of \$1,000,000, maturing on December 21, 2021, with no change of terms to the original line.

No other subsequent events occurring after October 13, 2021 have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
**Schedule of Compensation, Benefits, and Other Payments
to Agency Head**
For the Year Ended June 30, 2021

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

Agency Head

James M. LeBlanc, President/CEO July 1, 2020 - December 31, 2020

Purpose	Compensation and Benefits Funded by Use of Public Funds
Salary	\$125,612
Bonus	\$30,000
Benefits - Insurance	\$240
Benefits - Retirement	\$20,785
Benefits - Other	\$339
Car Allowance (Lease, Insurance, Gasoline)	\$4,500
Per Diem	\$0
Reimbursements (Electronic Devices)	\$394
Local Entertainment/Sales	\$0
Registration Fees	\$0
Conference/Sales Mission Travel	\$0
Local Transportation/Parking	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Dues and Subscriptions	\$176

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
**Schedule of Compensation, Benefits, and Other Payments
to Agency Head (Continued)**
For the Year Ended June 30, 2021

Voris Vigee, President/CEO January 1, 2021 - June 30, 2021

Purpose	Compensation and Benefits Funded by Use of Public Funds
Salary	\$83,805
Bonus	\$0
Benefits - Insurance	\$2,045
Benefits - Retirement	\$12,617
Benefits - Other	\$356
Car Allowance (Lease, Insurance, Gasoline)	\$4,500
Per Diem	\$0
Reimbursements (Electronic Devices)	\$338
Local Entertainment/Sales	\$0
Registration Fees	\$0
Conference/Sales Mission Travel	\$0
Local Transportation/Parking	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Dues and Subscriptions	\$511

See independent auditor's report.

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

Schedule I

Consolidating Statement of Financial Position

June 30, 2021

With Summarized Comparative Information at June 30, 2020

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Eliminations	2021 Consolidated	2020 Consolidated
Assets						
Current Assets						
Cash and Cash Equivalents	\$ 4,478,152	\$ 4,488,138	\$ 8,966,290	\$ -	\$ 8,966,290	\$ 7,134,772
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$149,811 at 2021 and \$58,626 at 2020	3,915,167	376,793	4,291,960	(11,607)	4,280,353	3,519,336
Pledges Receivable, Net	630,220	-	630,220	-	630,220	647,023
Prepaid Expenses	683,452	466,448	1,149,900	-	1,149,900	1,051,134
Due from Projects in Development	-	2,434,335	2,434,335	-	2,434,335	-
Other Current Assets	241,504	1,206,125	1,447,629	-	1,447,629	2,266,933
Total Current Assets	9,948,495	8,971,839	18,920,334	(11,607)	18,908,727	14,619,198
Fixed Assets, Net	7,076,286	103,480,296	110,556,582	-	110,556,582	94,323,852
Other Assets						
Designated and Restricted Deposits	93,776	16,412,033	16,505,809	-	16,505,809	3,520,511
Long-Term Investments	7,398,056	1,987,941	9,385,997	-	9,385,997	7,748,652
Pledges Receivable, Net	634,374	-	634,374	-	634,374	822,571
Note Receivable and Other Amounts Due from Related Parties	2,802,076	-	2,802,076	(2,802,076)	-	28,089
Investment in Joint Ventures	421,092	-	421,092	-	421,092	395,073
Investment in Subsidiaries	12,100,303	-	12,100,303	(12,100,303)	-	-
Deferred Tax Assets	-	278,061	278,061	-	278,061	-
Total Other Assets	23,449,677	18,678,035	42,127,712	(14,902,379)	27,225,333	12,514,896
Total Assets	\$ 40,474,458	\$ 131,130,170	\$ 171,604,628	\$ (14,913,986)	\$ 156,690,642	\$ 121,457,946

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Consolidating Statement of Financial Position (Continued)
June 30, 2021
With Summarized Comparative Information at June 30, 2020

Schedule I

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Eliminations	2021 Consolidated	2020 Consolidated
Liabilities and Net Assets						
Current Liabilities						
Accounts Payable	\$ 951,238	\$ 1,248,808	\$ 2,200,046	\$ (7,250)	\$ 2,192,796	\$ 1,650,769
Mortgages and Notes Payable	489,181	988,003	1,477,184	-	1,477,184	7,450,174
Accrued Expenses	1,767,649	414,087	2,181,736	-	2,181,736	2,098,620
Other Current Liabilities	114,029	1,230,192	1,344,221	(4,190)	1,340,031	550,515
Due to Projects in Development	-	55,004	55,004	-	55,004	-
Total Current Liabilities	3,322,097	3,936,094	7,258,191	(11,440)	7,246,751	11,750,078
Other Liabilities						
Due to VOASELA, Inc.	-	2,802,241	2,802,241	(2,802,241)	-	-
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	127,206	67,941,527	68,068,733	-	68,068,733	44,947,614
Total Other Liabilities	127,206	70,743,768	70,870,974	(2,802,241)	68,068,733	44,947,614
Total Liabilities	3,449,303	74,679,862	78,129,165	(2,813,681)	75,315,484	56,697,692
Net Assets						
Net Assets Without Donor Restrictions	35,647,708	56,450,308	92,098,016	(12,100,305)	79,997,711	63,241,645
Net Assets With Donor Restrictions	1,377,447	-	1,377,447	-	1,377,447	1,518,609
Total Net Assets	37,025,155	56,450,308	93,475,463	(12,100,305)	81,375,158	64,760,254
Total Liabilities and Net Assets	\$ 40,474,458	\$ 131,130,170	\$ 171,604,628	\$ (14,913,986)	\$ 156,690,642	\$ 121,457,946

See independent auditor's report.

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

Schedule II

Consolidating Statement of Activities

For the Year Ended June 30, 2021

With Summarized Comparative Information for the Year Ended June 30, 2020

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Elimination	2021 Consolidated	2020 Consolidated
Net Assets Without Donor Restrictions						
Revenues, Support, and Gains						
Without Donor Restrictions						
Public Support Received Directly Contributions and Special Events	\$ 1,216,373	\$ 153,000	\$ 1,369,373	\$ -	\$ 1,369,373	\$ 1,098,932
Public Support Received Indirectly United Way						
Allocations	132,939	-	132,939	-	132,939	155,926
Net Assets Released from Restrictions	778,604	-	778,604	-	778,604	334,482
Total Public Support	2,127,916	153,000	2,280,916	-	2,280,916	1,589,340
Revenues and Grants from Governmental Agencies	29,856,418	-	29,856,418	-	29,856,418	22,940,465
Other Revenue						
Program Service Fees	5,466,917	4,654,455	10,121,372	(1,285,184)	8,836,188	6,801,471
Rental Income	258,593	5,429,194	5,687,787	(224,810)	5,462,977	5,842,979
Other Operating Income	9,699	544,682	554,381	(48,000)	506,381	497,851
Total Other Revenue	5,735,209	10,628,331	16,363,540	(1,557,994)	14,805,546	13,142,301
Total Revenue, Support, and Gains Without Donor Restrictions	37,719,543	10,781,331	48,500,874	(1,557,994)	46,942,880	37,672,106

See independent auditor's report.

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

Schedule II

Consolidating Statement of Activities (Continued)

For the Year Ended June 30, 2021

With Summarized Comparative Information for the Year Ended June 30, 2020

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Elimination	2021 Consolidated	2020 Consolidated
Operating Expenses						
Program Services						
Encouraging Positive Development	12,712,461	-	12,712,461	(230,071)	12,482,390	11,011,871
Fostering Independence	8,891,409	-	8,891,409	-	8,891,409	8,700,246
Promoting Self-Sufficiency	8,572,549	8,232,486	16,805,035	(68,542)	16,736,493	14,857,788
Total Program Services	30,176,419	8,232,486	38,408,905	(298,613)	38,110,292	34,569,905
Supporting Services						
Management and General	4,752,055	1,932,954	6,685,009	(1,279,923)	5,405,086	4,900,371
Fundraising	709,529	-	709,529	-	709,529	699,027
Total Supporting Services	5,461,584	1,932,954	7,394,538	(1,279,923)	6,114,615	5,599,398
Total Operating Expenses	35,638,003	10,165,440	45,803,443	(1,578,536)	44,224,907	40,169,303
Surplus (Deficit) from Operations	2,081,540	615,891	2,697,431	20,542	2,717,973	(2,497,197)

See independent auditor's report.

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

Schedule II

Consolidating Statement of Activities (Continued)

For the Year Ended June 30, 2021

With Summarized Comparative Information for the Year Ended June 30, 2020

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Elimination	2021 Consolidated	2020 Consolidated
Other Activities						
Gain (Loss) on Disposition of Assets	6,000	510,367	516,367	-	516,367	(69,475)
Net Investment Return	1,349,447	392,106	1,741,553	(20,542)	1,721,011	503,926
Income Tax Benefit (Expense)	-	277,701	277,701	-	277,701	(389)
Income from Investment in Subsidiaries	2,152,781	-	2,152,781	(2,152,781)	-	-
Cancellation of Debt Income	-	-	-	-	-	750,000
Other Non-Operating Gains	132,387	-	132,387	-	132,387	36,015
Surplus from Other Activities	3,640,615	1,180,174	4,820,789	(2,173,323)	2,647,466	1,220,077
Change in Net Assets	5,722,155	1,796,065	7,518,220	(2,152,781)	5,365,439	(1,277,120)
Other Changes in Net Assets	-	11,390,627	11,390,627	-	11,390,627	522,755
Change in Net Assets Without Donor Restrictions	5,722,155	13,186,692	18,908,847	(2,152,781)	16,756,066	(754,365)
Net Assets With Donor Restrictions						
Public Support Received Directly						
Contributions and Special Events	637,442	-	637,442	-	637,442	803,406
Net Assets Released from Restrictions	(778,604)	-	(778,604)	-	(778,604)	(334,482)
Change in Net Assets With Donor Restrictions	(141,162)	-	(141,162)	-	(141,162)	468,924
Total Change in Net Assets	5,580,993	13,186,692	18,767,685	(2,152,781)	16,614,904	(285,441)
Net Assets, Beginning of Year	31,444,162	43,263,616	74,707,778	(9,947,524)	64,760,254	65,045,695
Net Assets, End of Year	\$ 37,025,155	\$ 56,450,308	\$ 93,475,463	\$ (12,100,305)	\$ 81,375,158	\$ 64,760,254

See independent auditor's report.

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

Schedule III

Consolidating Statement of Functional Expenses

For the Year Ended June 30, 2021

With Summarized Comparative Information for the Year Ended June 30, 2020

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Eliminations	2021 Consolidated	2020 Consolidated
Salaries and Wages	\$ 18,790,804	\$ -	\$ 18,790,804	\$ -	\$ 18,790,804	\$ 17,609,446
Employee Benefits	2,648,402	-	2,648,402	-	2,648,402	2,534,755
Professional Services	4,867,035	3,913,048	8,780,083	(1,287,465)	7,492,618	5,571,948
Occupancy	2,197,118	821,951	3,019,069	(232,608)	2,786,461	2,644,627
Specific Assistance to Individuals	3,015,373	-	3,015,373	-	3,015,373	2,219,505
Program Supplies and Equipment	1,916,741	1,099,796	3,016,537	(8,571)	3,007,966	3,864,651
Office Supplies and Expenses	411,320	78,088	489,408	(14,592)	474,816	430,597
Travel, Conferences, and Meetings	398,518	23,708	422,226	(9,497)	412,729	481,436
Depreciation and Amortization	532,899	2,889,819	3,422,718	-	3,422,718	3,338,174
Interest	38,485	990,099	1,028,584	(20,542)	1,008,042	928,141
Other	821,308	348,931	1,170,239	(5,261)	1,164,978	546,023
Total	\$ 35,638,003	\$ 10,165,440	\$ 45,803,443	\$ (1,578,536)	\$ 44,224,907	\$ 40,169,303

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Consolidating Statement of Financial Position - VOASELA, Inc.
June 30, 2021
With Summarized Comparative Information at June 30, 2020

Schedule IV

	VOASELA, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2021 Consolidated	2020 Consolidated
Assets							
Current Assets							
Cash and Cash Equivalents	\$ 4,465,424	\$ -	\$ 12,728	\$ 4,478,152	\$ -	\$ 4,478,152	\$ 4,324,442
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$149,811 at 2021 and \$58,626 at 2020	3,713,364	-	201,803	3,915,167	-	3,915,167	3,317,160
Pledges Receivable, Net	630,220	-	-	630,220	-	630,220	647,023
Accounts Receivable, Limited Partnerships	1,096,093	-	-	1,096,093	(1,096,093)	-	-
Interest Receivable, VOA Development	98,962	-	-	98,962	(98,962)	-	-
Notes Receivable, VOA Development	349,938	-	-	349,938	(349,938)	-	-
Prepaid Expenses	666,397	-	17,055	683,452	-	683,452	582,868
Other Current Assets	219,383	-	22,121	241,504	-	241,504	254,983
Total Current Assets	11,239,781	-	253,707	11,493,488	(1,544,993)	9,948,495	9,126,476
Fixed Assets, Net	4,812,556	-	2,263,730	7,076,286	-	7,076,286	7,238,328
Other Assets							
Designated and Restricted Deposits	204,409	-	12,790	217,199	(123,423)	93,776	74,141
Long-Term Investments	7,398,056	-	-	7,398,056	-	7,398,056	6,137,478
Pledges Receivable, Net	634,374	-	-	634,374	-	634,374	822,571
Notes Receivable	3,875,761	-	-	3,875,761	(1,073,685)	2,802,076	3,044,194
Investment in Joint Ventures	421,092	-	-	421,092	-	421,092	395,073
Investment in Subsidiaries	11,949,620	-	-	11,949,620	150,683	12,100,303	9,947,525
Total Other Assets	24,483,312	-	12,790	24,496,102	(1,046,425)	23,449,677	20,420,982
Total Assets	\$ 40,535,649	\$ -	\$ 2,530,227	\$ 43,065,876	\$ (2,591,418)	\$ 40,474,458	\$ 36,785,786

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Consolidating Statement of Financial Position - VOASELA, Inc. (Continued)
June 30, 2021
With Summarized Comparative Information at June 30, 2020

Schedule IV

	VOASELA, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2021 Consolidated	2020 Consolidated
Liabilities and Net Assets							
Current Liabilities							
Accounts Payable	\$ 1,056,938	\$ -	\$ 341,334	\$ 1,398,272	\$ (447,034)	\$ 951,238	\$ 898,757
Accounts Payable, VOASELA, Inc.	-	-	1,846,170	1,846,170	(1,846,170)	-	-
Mortgages and Notes Payable	489,181	-	-	489,181	-	489,181	1,244,526
Note Payable, VOASELA, Inc.	-	-	349,938	349,938	(349,938)	-	-
Interest Payable, VOASELA, Inc.	-	-	98,962	98,962	(98,962)	-	-
Accrued Expenses	1,720,894	-	46,755	1,767,649	-	1,767,649	1,766,078
Other Current Liabilities	95,515	-	18,514	114,029	-	114,029	41,822
Total Current Liabilities	3,362,528	-	2,701,673	6,064,201	(2,742,104)	3,322,097	3,951,183
Other Liabilities							
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	127,206	-	-	127,206	-	127,206	1,390,441
Total Other Liabilities	127,206	-	-	127,206	-	127,206	1,390,441
Total Liabilities	3,489,734	-	2,701,673	6,191,407	(2,742,104)	3,449,303	5,341,624
Net Assets							
Net Assets Without Donor Restrictions	35,668,468	-	(171,446)	35,497,022	150,686	35,647,708	29,925,553
Net Assets With Donor Restrictions	1,377,447	-	-	1,377,447	-	1,377,447	1,518,609
Total Net Assets	37,045,915	-	(171,446)	36,874,469	150,686	37,025,155	31,444,162
Total Liabilities and Net Assets	\$ 40,535,649	\$ -	\$ 2,530,227	\$ 43,065,876	\$ (2,591,418)	\$ 40,474,458	\$ 36,785,786

See independent auditor's report.

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

Schedule V

Consolidating Statement of Activities - VOASELA, Inc.

For the Year Ended June 30, 2021

With Summarized Comparative Information for the Year Ended June 30, 2020

	VOASELA, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2021 Consolidated	2020 Consolidated
Net Assets Without Donor Restrictions							
Revenue, Support, and Gains							
Without Donor Restrictions							
Public Support Received Directly							
Contributions and Special Events	\$ 1,216,373	\$ -	\$ -	\$ 1,216,373	\$ -	\$ 1,216,373	\$ 1,048,932
Public Support Received Indirectly							
United Way							
Allocations	132,939	-	-	132,939	-	132,939	155,926
Net Assets Released from Restrictions	778,604	-	-	778,604	-	778,604	334,482
Total Public Support	2,127,916	-	-	2,127,916	-	2,127,916	1,539,340
Revenues and Grants from Governmental Agencies	29,227,395	-	629,023	29,856,418	-	29,856,418	22,940,465
Other Revenue							
Program Service Fees	5,988,576	-	-	5,988,576	(521,659)	5,466,917	8,315,507
Rental Income	-	-	258,593	258,593	-	258,593	242,017
Other Operating Income	2,682	-	7,017	9,699	-	9,699	8,412
Total Other Revenue	5,991,258	-	265,610	6,256,868	(521,659)	5,735,209	8,565,936
Total Revenue, Support, and Gains Without Donor Restrictions	37,346,569	-	894,633	38,241,202	(521,659)	37,719,543	33,045,741

See independent auditor's report.

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

Schedule V

Consolidating Statement of Activities - VOASELA, Inc. (Continued)

For the Year Ended June 30, 2021

With Summarized Comparative Information for the Year Ended June 30, 2020

	VOASELA, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2021 Consolidated	2020 Consolidated
Operating Expenses							
Program Services							
Encouraging Positive Development	12,712,461	-	-	12,712,461	-	12,712,461	11,212,423
Fostering Independence	8,891,409	-	-	8,891,409	-	8,891,409	8,700,246
Promoting Self-Sufficiency	7,907,237	-	1,199,225	9,106,462	(533,913)	8,572,549	8,416,888
Total Program Services	29,511,107	-	1,199,225	30,710,332	(533,913)	30,176,419	28,329,557
Supporting Services							
Management and General	4,752,055	-	-	4,752,055	-	4,752,055	4,472,028
Fundraising	709,529	-	-	709,529	-	709,529	699,027
Total Supporting Services	5,461,584	-	-	5,461,584	-	5,461,584	5,171,055
Total Operating Expenses	34,972,691	-	1,199,225	36,171,916	(533,913)	35,638,003	33,500,612
Surplus (Deficit) from Operations	2,373,878	-	(304,592)	2,069,286	12,254	2,081,540	(454,871)

See independent auditor's report.

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

Schedule V

Consolidating Statement of Activities - VOASELA, Inc. (Continued)

For the Year Ended June 30, 2021

With Summarized Comparative Information for the Year Ended June 30, 2020

	VOASELA, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2021 Consolidated	2020 Consolidated
Other Activities							
Gain (Loss) on Disposition of Assets	6,000	-	-	6,000	-	6,000	(2,540)
Net Investment Return	1,361,701	-	-	1,361,701	(12,254)	1,349,447	449,875
Income (Loss) from Investment in Subsidiaries	1,983,802	-	-	1,983,802	168,979	2,152,781	(57,185)
Other Non-Operating Gains	17,534	114,853	-	132,387	-	132,387	36,015
Surplus from Other Activities	3,369,037	114,853	-	3,483,890	156,725	3,640,615	426,165
Change in Net Assets Without Donor Restrictions	5,742,915	114,853	(304,592)	5,553,176	168,979	5,722,155	(28,706)
Net Assets With Donor Restrictions							
Public Support Received Directly Contributions and Special Events	637,442	-	-	637,442	-	637,442	803,406
Net Assets Released from Restrictions	(778,604)	-	-	(778,604)	-	(778,604)	(334,482)
Change in Net Assets With Donor Restrictions	(141,162)	-	-	(141,162)	-	(141,162)	468,924
Total Change in Net Assets	5,601,753	114,853	(304,592)	5,412,014	168,979	5,580,993	440,218
Net Assets, Beginning of Year	31,444,162	(114,853)	133,146	31,462,455	(18,293)	31,444,162	31,003,944
Net Assets, End of Year	\$ 37,045,915	\$ -	\$ (171,446)	\$ 36,874,469	\$ 150,686	\$ 37,025,155	\$ 31,444,162

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Consolidating Statement of Functional Expenses - VOASELA, Inc.
For the Year Ended June 30, 2021

Schedule VI

With Summarized Comparative Information for the Year Ended June 30, 2020

	VOASELA, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2021 Consolidated	2020 Consolidated
Salaries and Wages	\$ 19,065,426	\$ -	\$ -	\$ 19,065,426	\$ (274,622)	\$ 18,790,804	\$ 17,609,446
Employee Benefits	2,696,679	-	-	2,696,679	(48,277)	2,648,402	2,534,755
Professional Services	4,590,064	-	459,090	5,049,154	(182,119)	4,867,035	4,233,055
Occupancy	1,719,749	-	490,664	2,210,413	(13,295)	2,197,118	1,884,301
Specific Assistance	3,015,985	-	-	3,015,985	(612)	3,015,373	2,219,505
Program Supplies and Equipment	1,875,642	-	41,860	1,917,502	(761)	1,916,741	3,126,553
Office Supplies and Expenses	403,147	-	10,146	413,293	(1,973)	411,320	382,524
Travel, Conferences, and Meetings	398,310	-	208	398,518	-	398,518	532,228
Depreciation and Amortization	414,636	-	118,263	532,899	-	532,899	547,442
Interest	26,397	-	24,342	50,739	(12,254)	38,485	45,425
Other	766,656	-	54,652	821,308	-	821,308	385,378
Total	\$ 34,972,691	\$ -	\$ 1,199,225	\$ 36,171,916	\$ (533,913)	\$ 35,638,003	\$ 33,500,612

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Consolidating Statement of Financial Position - VOA Development, Inc.
June 30, 2021
With Summarized Comparative Information at June 30, 2020

Schedule VII

	VOA Development, Inc.	VOA Development 2, Inc.	2021 Consolidated	2020 Consolidated
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 8,776	\$ 3,952	\$ 12,728	\$ 5,133
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$22,757 at 2021 and 2020	173,341	28,462	201,803	203,987
Prepaid Expenses	-	17,055	17,055	17,055
Other Current Assets	5,926	16,195	22,121	22,121
Total Current Assets	188,043	65,664	253,707	248,296
Fixed Assets, Net	955,067	1,308,663	2,263,730	2,381,993
Other Assets				
Designated and Restricted Deposits	6,028	6,762	12,790	5,042
Total Other Assets	6,028	6,762	12,790	5,042
Total Assets	\$ 1,149,138	\$ 1,381,089	\$ 2,530,227	\$ 2,635,331

See independent auditor's report.

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

Schedule VII

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

June 30, 2021

With Summarized Comparative Information at June 30, 2020

	VOA Development, Inc.	VOA Development 2, Inc.	2021 Consolidated	2020 Consolidated
Liabilities and Net Assets				
Current Liabilities				
Accounts Payable	\$ 66,084	\$ 275,250	\$ 341,334	\$ 168,010
Accounts Payable - VOASELA, Inc.	371,208	1,474,962	1,846,170	1,840,866
Note Payable - VOASELA, Inc.	176,439	173,499	349,938	349,938
Interest Payable - VOASELA, Inc.	11,880	87,082	98,962	86,708
Accrued Expenses	37,408	9,347	46,755	46,064
Other Current Liabilities	7,373	11,141	18,514	10,599
Total Current Liabilities	670,392	2,031,281	2,701,673	2,502,185
Total Liabilities	670,392	2,031,281	2,701,673	2,502,185
Net Assets				
Net Assets Without Donor Restrictions	478,746	(650,192)	(171,446)	133,146
Total Net Assets	478,746	(650,192)	(171,446)	133,146
Total Liabilities and Net Assets	\$ 1,149,138	\$ 1,381,089	\$ 2,530,227	\$ 2,635,331

See independent auditor's report.

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

Schedule VIII

Consolidating Statement of Activities - VOA Development, Inc.

For the Year Ended June 30, 2021

With Summarized Comparative Information for the Year Ended June 30, 2020

	VOA Development, Inc.	VOA Development 2, Inc.	2021 Consolidated	2020 Consolidated
Net Assets Without Donor Restrictions				
Revenue, Support, and Gains Without Donor Restrictions				
Revenues and Grants from Governmental Agencies	\$ 372,656	\$ 256,367	\$ 629,023	\$ 549,341
Other Revenue				
Rental Income	139,901	118,692	258,593	242,017
Other Operating Income	3,548	3,469	7,017	5,984
Total Other Revenue	143,449	122,161	265,610	248,001
Total Revenue, Support, and Gains Without Donor Restrictions	516,105	378,528	894,633	797,342

See independent auditor's report.

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

Schedule VIII

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

For the Year Ended June 30, 2021

With Summarized Comparative Information for the Year Ended June 30, 2020

	VOA Development, Inc.	VOA Development 2, Inc.	2021 Consolidated	2020 Consolidated
Operating Expenses				
Program Services				
Promoting Self-Sufficiency	528,473	670,752	1,199,225	1,018,410
Total Program Services	528,473	670,752	1,199,225	1,018,410
Total Operating Expenses	528,473	670,752	1,199,225	1,018,410
Deficit from Operations	(12,368)	(292,224)	(304,592)	(221,068)
Change in Net Assets Without Donor Restrictions	(12,368)	(292,224)	(304,592)	(221,068)
Total Change in Net Assets	(12,368)	(292,224)	(304,592)	(221,068)
Net Assets, Beginning of Year	491,114	(357,968)	133,146	354,214
Net Assets, End of Year	\$ 478,746	\$ (650,192)	\$ (171,446)	\$ 133,146

See independent auditor's report.

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

Schedule IX

Consolidating Statement of Functional Expenses - VOA Development, Inc.

For the Year Ended June 30, 2021

With Summarized Comparative Information for the Year Ended June 30, 2020

	VOA Development, Inc.	VOA Development 2, Inc.	2021 Consolidated	2020 Consolidated
Professional Services	\$ 207,431	\$ 251,659	\$ 459,090	\$ 378,340
Occupancy	264,923	225,741	490,664	417,324
Program Supplies and Equipment	(11,293)	53,153	41,860	49,475
Office Supplies and Expenses	6,440	3,706	10,146	15,256
Travel, Conferences, and Meetings	-	208	208	446
Depreciation and Amortization	30,309	87,954	118,263	118,263
Interest	3,579	20,763	24,342	22,760
Other	27,084	27,568	54,652	16,546
Total	\$ 528,473	\$ 670,752	\$ 1,199,225	\$ 1,018,410

See independent auditor's report.

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Volunteers of America Southeast Louisiana, Inc. and Subsidiaries (the Organization), which comprise the consolidated statement of financial position as of June 30, 2021, the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 13, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

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

A Professional Accounting Corporation

Covington, LA
October 13, 2021

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

Single Audit Report

For the Year Ended June 30, 2021



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

Independent Auditor's Report

To the Board of Directors
Volunteers of America Southeast Louisiana, Inc. and Subsidiaries

Report on Compliance for Each Major Federal Program

We have audited Volunteers of America Southeast Louisiana, Inc. and Subsidiaries' (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2021. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the consolidated financial statements of the Organization as of and for the year ended June 30, 2021, and have issued our report thereon dated October 13, 2021, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

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

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

A Professional Accounting Corporation

Covington, LA
December 14, 2021

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

FEDERAL GRANTOR/ PASS-THROUGH AGENCY/ PROGRAM TITLE	Federal Assistance Listing Number	Agency Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of Housing and Urban Development				
Direct Programs:				
Continuum Care	14.267	LA0255L6H061904,LA0255L6H061803	\$ 239,318	\$ -
Continuum Care	14.267	LA0285L6H061903	96,940	-
Continuum Care	14.267	LA0121L6H061912	863,910	-
Continuum Care	14.267	LA0350L6H061900	57,782	-
Continuum Care	14.267	LA0177L6H061908, LA0177L6H061807	40,937	-
Continuum Care	14.267	LA0187L6H061908,LA0187L6H061807	73,796	-
Continuum Care	14.267	LA0076L6H031911	1,066,754	-
Section 8 Housing Assistance Payments Program	14.195	LA480000001	80,822	-
Section 8 Housing Assistance Payments Program	14.195	LA480000002	84,870	-
Subtotal - Direct Programs			<u>2,605,129</u>	<u>-</u>
Passed through New Orleans Housing Authority:				
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	LA001SC0001, LA001SR001	372,656	-
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	LA001SR002	256,367	-
Passed through Volunteers of America, Inc.:				
Multifamily Housing Service Coordinators	14.191	LA48C59500100, MFSC176139	121,218	-
Passed through State of Louisiana:				
Community Development Block Grant	14.218	735481	251,113	-
Passed through City of Kenner:				
Community Development Block Grant	14.218	B-13-MC-22008	2,176	-
Passed through Parish of Jefferson:				
Community Development Block Grant	14.218	21280-1176-139-7454-81927-001	496,794	-
Subtotal - Pass-through Programs			<u>1,500,324</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>4,105,453</u>	<u>-</u>
U.S. Department of Justice				
Direct Programs:				
Juvenile Mentoring Program	16.726	2017-MV-FX-0025	89,570	-
Second Chance Act Reentry Initiative	16.812	2017-CZ-BX-0013	1,370	-
Subtotal - Direct Programs			<u>90,940</u>	<u>-</u>
Passed through Office of Juvenile Justice				
Juvenile Mentoring Program	16.726	2019-JU-FX-0013	29,541	-
Subtotal - Pass-through Programs			<u>29,541</u>	<u>-</u>
Total U.S. Department of Justice			<u>120,481</u>	<u>-</u>
U.S. Department of Labor				
Direct Programs:				
Homeless Veterans Reintegration Program	17.805	HV-35295-20-60-5-22	227,313	-
Homeless Veterans Reintegration Program	17.805	HV-35924-20-60-5-22	160,202	-
Total U.S. Department of Labor			<u>387,515</u>	<u>-</u>

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2021**

FEDERAL GRANTOR/ PASS-THROUGH AGENCY/ PROGRAM TITLE	Federal Assistance Listing Number	Agency Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of Veteran Affairs				
Direct Programs:				
Homeless Providers Grant and Per Diem Program	64.024	VOAN750-0469-629-SI-18-0	76,403	-
Homeless Providers Grant and Per Diem Program	64.024	VOAN750-1463-629-PD-21	417,767	-
COVID -19, Homeless Providers Grant and Per Diem Program	64.024	VA 256-15-C-0044	57,315	-
Homeless Providers Grant and Per Diem Program	64.024	VA 256-15-C-0044	14,855	-
Homeless Providers Grant and Per Diem Program	64.024	VA 256-15-C-0076	17,458	-
Homeless Providers Grant and Per Diem Program	64.024	VA 629-10020	50,728	-
Homeless Providers Grant and Per Diem Program	64.024	VA 629-10020	67,724	-
Homeless Providers Grant and Per Diem Program	64.024	VOAN750-0537-629-LD-18-0	67,198	-
Homeless Providers Grant and Per Diem Program	64.024	VA 629C17093	316,670	-
COVID -19, Homeless Providers Grant and Per Diem Program	64.024	VA 629-C90003	22,450	-
Homeless Providers Grant and Per Diem Program	64.024	VOAN750-1183-629-CM-20	68,898	-
COVID - 19, Supportive Services for Veteran Families	64.033	2012-LA-038-CA	326,465	154,473
Supportive Services for Veteran Families	64.033	2012-LA-038-20	1,307,233	722,140
Supportive Services for Veteran Families	64.033	2012-LA-038-C2	2,400,129	1,167,026
Supportive Services for Veteran Families	64.033	2012-LA-038-C3	30,254	-
Total U.S. Department of Veteran Affairs			5,241,547	2,043,639
U.S. Department of Health and Human Services				
Direct Programs:				
Rural Communities Opioid Response Program	93.211	G25RH33026	18,177	-
HRSA Stepping Stones Program	93.928	20U90HA397HEPC	145,735	-
Subtotal - Direct Programs			163,912	-
Passed through State of Louisiana:				
Projects for Assistance in Transition from Homelessness	93.150	19384	984,789	-
Block Grants for Community Mental Health Services	93.958	PO 2000510452	89,360	-
Passed through Florida Parishes Human Services Authority:				
Opioid Mobile Response Team	93.788	PO 2000510519	261,385	-
Passed through DHH for Children and Families				
Substance Abuse and Mental Health Services	93.060	90R0075-01-01	194,943	-
Passed through Substance Abuse Mental Health Administration				
Substance Abuse and Mental Health Administration	93.243	19T182417A	402,411	-
Subtotal - Pass-through Programs			1,932,888	-
Total U.S. Department of Health and Human Services			2,096,800	-
Corporation for National and Community Service				
Direct Programs:				
Retired and Senior Volunteer Program	94.002	19SRWLA001	72,706	-
Total Corporation for National and Community Service			72,706	-
Total Expenditures of Federal Awards			\$ 12,024,502	\$ 2,043,639

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Volunteers of America Southeast Louisiana, Inc. and Subsidiaries under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. De Minimis Cost Rate

The Organization uses indirect cost rates negotiated and approved by the grant awarding agencies, and has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

- Material weaknesses identified? No
- Significant deficiencies identified? No

Type of auditor's report issued on compliance for major programs: None Reported

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

Identification of major programs:

Assistance

<u>Listing Number</u>	<u>Name of Federal Program</u>
14.267	Continuum Care
93.788	Opioid Mobile Response Team

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

Auditee qualified as low-risk auditee? Yes

Section II. Findings - Financial Statement Audit

None.

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

None.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2021**

**2020 - 001 Section 8 Moderate Rehabilitation Single Room Occupancy Internal Control
Over Compliance**

Assistance Listing Number: 14.249

Year: Year ended June 30, 2020

Federal Agency: U.S. Department of Housing and Urban Development

Pass-through Entity: New Orleans Housing Authority

Criteria: Title 2, Part 200, Subpart A, Section 200.62

Condition: There was a lack of evidence of implementation of internal controls over compliance.

Cause: 10 of 40 items tested lacked proper review by the third party to ensure program participants met the eligibility requirement.

Effect: Improper documentation of secondary review.

Recommendation: We recommended that management ensured the implementation and documentation of a proper secondary review.

Management's Response: Management agreed with the recommendation above and endeavored to provide complete documentation to the tenants files. The accounting department began quarterly visits in the first quarter of fiscal year 2021 to the two Single Room Occupancy (SRO) sites in order to review a random sample of tenant files for evidence of third-party review.

Current Status: The recommendation was adopted. No similar findings were noted in the current year audit.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Summary Schedule of Prior Audit Findings (Continued)
For the Year Ended June 30, 2021**

2020 - 002 Homeless Providers Grant and Per Diem Program Internal Control Over Compliance

Assistance Listing Number: 64.024

Year: Year ended June 30, 2020

Federal Agency: U.S. Department of Veteran Affairs

Criteria: Title 2, Part 200, Subpart A, Section 200.62

Condition: There was a lack of evidence of implementation of internal controls over compliance.

Cause: All 3 items tested lacked proper review by the case manager or the program manager to ensure the accuracy of program participants' contribution rate.

Effect: Improper documentation of primary review.

Recommendation: We recommended that management ensures the implementation and documentation of a proper primary review.

Management's Response: Management agreed with the recommendation above and began the practice of a case manager review to ensure the accuracy of the program participants' contribution rates. This review was documented via email approval.

Current Status: The recommendation was adopted. No similar findings were noted in the current year audit.