

**Volunteers of America of North Louisiana
and Affiliates
Shreveport, Louisiana**

June 30, 2023

Volunteers of America of North Louisiana and Affiliates Shreveport, Louisiana

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Volunteers of America of North Louisiana
Shreveport, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying combined financial statements of Volunteers of America of North Louisiana (a nonprofit organization) and affiliates, which comprise the combined statement of financial position as of June 30, 2023, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, based on our audit and the reports of the other auditors, the combined financial statements referred to above present fairly, in all material respects, the financial position of Volunteers of America of North Louisiana and affiliates as of June 30, 2023, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Bossier City VOA Independent Housing, Inc., Shreveport VOA Community Living Center I, Inc., Shreveport VOA Community Living Center II, Inc., Alexandria VOA Living Center, Inc., Ruston VOA Living Center, Inc., and Pineville Volunteers of America Living Center, Inc., which statements reflect total assets of \$2,490,682 as of June 30, 2023 and total revenues of \$1,291,040 for the year then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Bossier City VOA Independent Housing, Inc., Shreveport VOA Community Living Center I, Inc., Shreveport VOA Community Living Center II, Inc., Alexandria VOA Living Center, Inc., Ruston VOA Living Center, Inc., and Pineville Volunteers of America Living Center, Inc., is based solely on the reports of the other auditors.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Volunteers of America of North Louisiana and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 2 to the combined financial statements, on July 1, 2022, Volunteers of America of North Louisiana and affiliates adopted FASB ASC 842, *Leases*. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Volunteers of America of North Louisiana 's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Volunteers of America of North Louisiana's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Volunteers of America of North Louisiana's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying schedule of compensation, benefits and other payments to agency head or chief executive officer and the combining statements of financial position, activities and functional expenses are presented for purposes of additional analysis of the combined financial statement and are not a required part of the combined financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 compensation, benefits and other payments to agency head or chief executive officer; the combining statements of financial position, activities, and functional expenses; and schedule of expenditures of federal awards which insofar as it relates to the amounts included for Bossier City VOA Independent Housing, Inc., Shreveport VOA Community Living Center I, Inc., Shreveport VOA Community Living Center II, Inc., Alexandria VOA Living Center, Inc., Ruston VOA Living Center, Inc., and Pineville Volunteers of America Living Center, Inc., is based solely on the reports of the other auditors, is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Volunteers of America of North Louisiana and affiliates' 2022 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated November 9, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2023, on our consideration of Volunteers of America of North Louisiana'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Volunteers of America of North Louisiana's 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 Volunteers of America of North Louisiana's internal control over financial reporting and compliance.



CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
November 13, 2023

Volunteers of America of North Louisiana and Affiliates
Shreveport, Louisiana

Combined Statement of Financial Position
June 30, 2023
(with Comparative Totals for 2022)

	2023	2022 (Restated)
ASSETS		
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	\$ 4,632,846	\$ 3,825,948
ACCOUNTS RECEIVABLE, NET	1,979,567	1,784,500
PLEDGES RECEIVABLE, NET	564,747	552,759
PREPAID EXPENSES	125,129	171,556
OTHER CURRENT ASSETS	128,809	146,762
TOTAL CURRENT ASSETS	7,431,098	6,481,525
FIXED ASSETS		
LAND AND BUILDINGS	9,582,077	9,513,110
FURNISHINGS AND EQUIPMENT	1,638,999	1,828,335
CONSTRUCTION IN PROGRESS	33,630	-
ACCUMULATED DEPRECIATION	(7,952,100)	(7,827,787)
TOTAL FIXED ASSETS	3,302,606	3,513,658
OTHER ASSETS		
OPERATING LEASE RIGHT-OF-USE ASSETS, NET	487,206	-
DESIGNATED AND RESTRICTED ASSETS	4,241,081	4,044,632
LONG TERM INVESTMENTS	124,520	62,126
OTHER ASSETS	2,047,771	1,955,553
TOTAL OTHER ASSETS	6,900,578	6,062,311
TOTAL ASSETS	\$ 17,634,282	\$ 16,057,494
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 251,344	\$ 396,879
CURRENT PORTION OF LONG TERM DEBT	291,861	176,367
ACCRUED EXPENSES	564,885	640,526
REFUNDABLE ADVANCES	50,995	629,982
CURRENT PORTION OF OPERATING LEASE LIABILITIES	229,523	-
OTHER CURRENT LIABILITIES	38,988	33,201
TOTAL CURRENT LIABILITIES	1,427,596	1,876,955
OTHER LIABILITIES		
MORTGAGES PAYABLE - NON CURRENT	390,000	640,000
MORTGAGE PAYABLE - HUD MULTI-FAMILY	469,206	511,067
OPERATING LEASE LIABILITIES, LESS CURRENT PORTION	257,682	-
OTHER LONG TERM LIABILITIES	107,561	119,477
TOTAL OTHER LIABILITIES	1,224,449	1,270,544
TOTAL LIABILITIES	2,652,045	3,147,499
NET ASSETS		
WITHOUT DONOR RESTRICTIONS	4,930,957	3,307,062
WITH DONOR RESTRICTIONS	10,051,280	9,602,933
TOTAL NET ASSETS	14,982,237	12,909,995
TOTAL LIABILITIES AND NET ASSETS	\$ 17,634,282	\$ 16,057,494

The accompanying Notes are an integral part of these combined financial statements.

Volunteers of America of North Louisiana and Affiliates
Shreveport, Louisiana

Combined Statement of Activities
for the Year Ended June 30, 2023
(with Comparative Totals for 2022)

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>2023 TOTAL</u>	<u>2022 (Restated)</u>
REVENUE FROM OPERATIONS				
<i>PUBLIC SUPPORT RECEIVED DIRECTLY</i>				
Contributions	\$ 2,228,283	\$ 1,174,744	\$ 3,403,027	\$ 3,374,303
Contributions of Non-financial Assets	329,087	-	329,087	412,278
<i>PUBLIC SUPPORT RECEIVED INDIRECTLY</i>				
United Way	595	-	595	16,406
Combined Federal Campaign	780	-	780	197
<i>TOTAL PUBLIC SUPPORT</i>	<u>2,558,745</u>	<u>1,174,744</u>	<u>3,733,489</u>	<u>3,803,184</u>
<i>REVENUE & GRANTS FROM GOVERNMENTAL AGENCIES</i>				
Government Grants & Contracts	15,906,542	-	15,906,542	14,822,205
PPP Loan Forgiveness	-	-	-	1,646
<i>TOTAL REVENUE & GRANTS FROM GOVERNMENTAL AGENCIES</i>	<u>15,906,542</u>	<u>-</u>	<u>15,906,542</u>	<u>14,823,851</u>
<i>OTHER REVENUE</i>				
Program Service Fees	778,670	-	778,670	681,773
Rental Income	600	-	600	650
Other Operating Revenue	7,171	-	7,171	8,426
<i>TOTAL OTHER REVENUE</i>	<u>786,441</u>	<u>-</u>	<u>786,441</u>	<u>690,849</u>
<i>NET ASSETS RELEASED FROM RESTRICTION</i>	<u>947,100</u>	<u>(947,100)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUE FROM OPERATIONS	<u>20,198,828</u>	<u>227,644</u>	<u>20,426,472</u>	<u>19,317,884</u>
OPERATING EXPENSES				
Encouraging Positive Development	2,607,979	-	2,607,979	2,715,952
Fostering Independence	9,728,410	-	9,728,410	8,883,151
Promoting Self-Sufficiency	3,332,991	-	3,332,991	3,137,522
<i>TOTAL PROGRAM SERVICES</i>	<u>15,669,380</u>	<u>-</u>	<u>15,669,380</u>	<u>14,736,625</u>
Management and General	2,581,831	-	2,581,831	2,614,132
Fund Raising	785,508	-	785,508	803,603
<i>TOTAL SUPPORTING SERVICES</i>	<u>3,367,339</u>	<u>-</u>	<u>3,367,339</u>	<u>3,417,735</u>
TOTAL OPERATING EXPENSES	<u>19,036,719</u>	<u>-</u>	<u>19,036,719</u>	<u>18,154,360</u>
EXCESS (DEFICIT) FROM OPERATIONS	1,162,109	227,644	1,389,753	1,163,524
<i>NON-OPERATING ACTIVITY</i>				
Interest and Dividend Income	291,887	49,877	341,764	288,696
Gains (Losses) on Disposition of Fixed Assets	29,699	-	29,699	29,995
Insurance Proceeds	52,661	-	52,661	51,953
Gain on Involuntary Conversion	-	-	-	95,896
Gains (Losses) on Investments	87,539	170,826	258,365	(395,467)
<i>TOTAL NON-OPERATING ACTIVITY</i>	<u>461,786</u>	<u>220,703</u>	<u>682,489</u>	<u>71,073</u>
CHANGE IN NET ASSETS	1,623,895	448,347	2,072,242	1,234,597
<i>NET ASSETS AT BEGINNING OF PERIOD</i>	3,307,062	9,602,933	12,909,995	11,675,398
<i>NET ASSETS AT END OF PERIOD</i>	<u>\$ 4,930,957</u>	<u>\$ 10,051,280</u>	<u>\$ 14,982,237</u>	<u>\$ 12,909,995</u>

The accompanying Notes are an integral part of these combined financial statements.

Volunteers of America of North Louisiana and Affiliates
Shreveport, Louisiana

Combined Statement of Functional Expenses
for the Year Ended June 30, 2023
(with Comparative Totals for 2022)

	Program Services				Supporting Services			2023 Totals	2022
	Encouraging Positive Development	Fostering Independence	Promoting Self- Sufficiency	Total	Management and General	Fund Raising	Total		
Salaries and Wages	\$ 1,322,014	\$ 5,802,190	\$ 1,149,641	\$ 8,273,845	\$ 1,313,255	\$ 286,426	\$ 1,599,681	\$ 9,873,526	\$ 9,577,175
Employee Benefits	225,045	888,654	202,500	1,316,199	252,934	32,386	285,320	1,601,519	1,525,288
Professional Services	276,455	976,328	408,350	1,661,133	771,703	302,426	1,074,129	2,735,262	2,587,649
Occupancy	302,743	268,594	300,570	871,907	115,705	10,069	125,774	997,681	987,426
Specific Assistance	222,849	1,091,156	977,494	2,291,499	10,735	1,768	12,503	2,304,002	2,071,051
Program Supplies and Equipment	183,755	199,148	155,362	538,265	35,808	9,405	45,213	583,478	414,424
Office Supplies and Expense	10,674	24,259	9,021	43,954	9,984	18,333	28,317	72,271	75,815
Interest	-	47,164	-	47,164	-	-	-	47,164	54,652
Travel, Conferences and Meetings	64,444	104,895	35,966	205,305	46,850	25,765	72,615	277,920	242,571
Other	-	50,382	-	50,382	-	98,930	98,930	149,312	185,623
Total Expenses Before Depreciation	2,607,979	9,452,770	3,238,904	15,299,653	2,556,974	785,508	3,342,482	18,642,135	17,721,674
Depreciation	-	275,640	94,087	369,727	24,857	-	24,857	394,584	432,686
Total Functional Expenses	\$ 2,607,979	\$ 9,728,410	\$ 3,332,991	\$ 15,669,380	\$ 2,581,831	\$ 785,508	\$ 3,367,339	\$ 19,036,719	\$ 18,154,360

The accompanying Notes are an integral part of these combined financial statements.

Volunteers of America of North Louisiana and Affiliates
Shreveport, Louisiana

Combined Statement of Cash Flows
for the Year Ended June 30, 2023
(with Comparative Totals for 2022)

	2023	2022 (Restated)
Change in Net Assets	\$ 2,072,242	\$ 1,234,597
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by (Used in) Operating Activities		
Depreciation	394,584	432,686
Contributions Restricted for Long-term Purposes	56,000	76,000
Restricted Interest & Dividends	(49,877)	(44,825)
Gain on Involuntary Conversion	-	(95,896)
Gain on Insurance Proceeds	(52,661)	(51,953)
(Gain) Loss on Sale of Fixed Assets	(29,699)	(29,995)
Amortization of Operating Lease Right-of-Use Assets	255,713	-
(Gain) Loss on Investments	(258,365)	395,467
(Increase) Decrease in:		
Accounts Receivable, Net	(195,067)	(121,802)
Pledges Receivable, Net	(11,988)	(64,414)
Prepaid Expenses	47,318	343
Other Assets	(604,440)	(316,166)
Increase (Decrease) in:		
Accounts Payable	736,925	155,041
Refundable Advances	(578,987)	176,121
Accrued Expenses	(898,884)	(209,397)
Operating Lease Liabilities	(255,713)	-
Client Custodial Receipts	(11,077)	(27,550)
Other Liabilities	282,263	559
Net Cash Provided by (Used in) Operating Activities	898,287	1,508,816
Cash Flows from Investing Activities		
Proceeds from Sale of Fixed Assets	29,699	83,140
Proceeds from Insurance	52,661	281,071
Proceeds from (Loans to) Related Parties	(7,858)	(75,368)
Purchase of Investments	(191,125)	(394,616)
Purchase of Fixed Assets	(183,891)	(141,307)
Annual Distribution from Endowment	121,696	113,894
Net Cash Provided by (Used in) Investing Activities	(178,818)	(133,186)
Cash Flows from Financing Activities		
Contributions Restricted for Long-term Purposes	(56,000)	(76,000)
Restricted Interest and Dividends	49,877	44,825
Proceeds from Cash Overdraft	573	-
Payments on Notes Payable	(38,367)	(35,163)
Net Cash Provided by (Used in) Financing Activities	(43,917)	(66,338)
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	675,552	1,309,292
Cash, Cash Equivalents, and Restricted Cash - Beginning	4,734,689	3,425,397
Cash, Cash Equivalents, and Restricted Cash - Ending	\$ 5,410,241	\$ 4,734,689
Supplemental Disclosure of Cash Flow Information:		
Cash Paid for Interest During the Year	\$ 47,164	\$ 54,652
Schedule of Noncash Transactions		
Lease Liabilities Arising from Obtaining Right-of-Use Assets	\$ 95,874	\$ -

The accompanying Notes are an integral part of these combined financial statements.

Volunteers of America of North Louisiana and Affiliates Shreveport, Louisiana

Notes to the Combined Financial Statements
June 30, 2023

Note 1 Organization

Volunteers of America of North Louisiana (VOANLA) is a nonprofit spiritually based human services organization, incorporated in the State of Louisiana, that provides social services within North and Central Louisiana under a charter from Volunteers of America, Inc., a national nonprofit spiritually based organization providing local human service programs, and opportunities for individual and community involvement. The consolidated financial statements for Volunteers of America of North Louisiana include the accounts of Volunteers of America of North Louisiana, Volunteers of America of North Louisiana Holding Corporation and Volunteers of America of North Louisiana McAdoo Services Corporation.

These combined financial statements include the consolidated financial statements of VOANLA and the following affiliated corporations regulated by the U.S. Department of Housing and Urban Development (HUD Projects) which are affiliated by common control and management:

Alexandria VOA Living Center, Inc.
Bossier City VOA Independent Housing, Inc.
Shreveport VOA Community Living Center I, Inc.
Shreveport VOA Community Living Center II, Inc.
Pineville Volunteers of America Living Center, Inc.
Ruston VOA Living Center, Inc.

Throughout these combined financial statements, VOANLA and affiliated companies are collectively referred to as the Organization.

The Organization's programs are grouped into three major impact areas:

Encouraging Positive Development

Volunteers of America provides services to encourage positive development for troubled and at-risk children and youth, while also promoting the healthy development of all children, adolescents and their families. The Organization's programs provide a continuum of care and support for young people ages birth to 21 through prevention, early intervention, crisis intervention and long-term services.

For Volunteers of America of North Louisiana, this impact area includes the following program categories:

Children and Youth

- Communities in Schools – mentor and school-based services
- The LightHouse – school-based and community-based learning services

Community Enhancement

- Neighbors for Neighbors – family support

Fostering Independence

Volunteers of America fosters the health and independence of the elderly and persons with disabilities, mental illness and HIV/AIDS through quality affordable housing, health care services and a wide range of community services.

For Volunteers of America of North Louisiana, this impact area includes the following program categories:

Disabilities Services

- Direct Support – in-home supports for persons living with development disabilities
- Supervised Independent Living – support and care for persons living with disabilities, providing opportunity to be as independent as possible

Health Care Services

- Community Health Worker – medical case management to connect those in need of mental or medical care with health and social services available in the community to improve their quality of life

Mental Health

- GAPS – supportive housing for persons living with mentally illness in a congregate setting
- SHOC & Level up – supportive housing for persons living with mental illness in scattered site apartments
- Adult Behavioral Health – home and community-based outpatient services for adults living with serious mental illness
- Youth Behavioral Health – school, home and community-based behavioral health services for youth experiencing emotional and/or behavior problems

Housing – Disabled Housing and Elderly Housing

- HUD Management – 150 units at seven (7) HUD Multi-family properties, housing persons with disabilities.

Promoting Self-Sufficiency

Volunteers of America promotes self-sufficiency for individuals and families who have experienced homelessness or other personal crises, including chemical dependency, involvement with the corrections system and unemployment. The Organization focuses on solution-oriented approaches, using a continuum of services from prevention to intervention to long-term support.

For Volunteers of America of North Louisiana, this impact area includes the following program categories:

Community Enhancement

- Choice Neighborhoods - initiative dedicated to redeveloping neighborhoods through community services and affordable housing

Health Care

- Neighbor Good: Healthy Living Project – nutrition, health and wellness education

Correctional Services

- Exit 318 – rapid rehousing solutions for ex-offenders to support successful reintegration into the community

Homeless Services

- Supportive Services for Veteran Families – eviction prevention, employment, and other services for veterans and their families to prevent future homelessness
- VA Housing – transitional housing providing shelter, food, and counseling to veterans in need as they transition to permanent housing
- Safe Haven – emergency transitional shelter for homeless veterans

The continued existence of new funds for the preceding programs, which are primarily funded through grants and contracts, will be dependent upon contractual renewals with the Organization's various funding sources.

Supporting Services

- Management and General
- Fundraising

Note 2 Summary of Significant Accounting Policies

Basis of Accounting - The accounting policies of Volunteers of America of North Louisiana conform to accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to voluntary health and welfare organizations. The Organization prepares its combined financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

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

Principles of Consolidation and Combination – All significant inter-organization transactions and balances have been eliminated from the combined financial statements.

Net Assets – The Organization classifies net assets into two categories: with or without donor-imposed restrictions. All net assets are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Net assets with donor restrictions that are perpetual in nature include contributions with donor-imposed restrictions requiring resources to be maintained in perpetuity, but permitting use of all or part of the investment income earned on the contributions.

Accounts Receivable – Volunteers of America of North Louisiana predominantly extends credit through billing for reimbursement of allowed costs in connection with providing services under contract or grant with various federal and state agencies. The Organization also extends credit to select individuals in the course of other services for fees in Central and North Louisiana. All extensions of credit are on an unsecured basis. Grant receivables are recorded at the amount billed and are deemed delinquent based on contractual terms.

Allowance for Doubtful Accounts – The allowance for doubtful accounts is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the receivables in light of historical experience, the nature and type of account, adverse situations that may affect the payer's ability to repay and prevailing economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available. Receivables deemed uncollectible are charged against the allowance.

Promises to Give (Pledges Receivable) – Contributions, including unconditional promises to give, are recognized as revenues in the period the contribution of the promise is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The discount on these amounts are computed using a rate of 8.25%, which is based on the average borrowing rate on the Organization's lines of credit. Conditional promises to give are not recognized until the promise becomes unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution, and nature of fund-raising activity. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Property and Equipment – Land, buildings and equipment purchased by Volunteers of America of North Louisiana are recorded at cost. The Organization follows the practice of capitalizing all expenditures for land, buildings and equipment over \$5,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed on the straight-line method based upon the following

estimated useful lives of the assets: furniture and equipment – five to ten years; transportation vehicles – five years; and buildings and improvements – thirty years. Repairs in excess of \$5,000 that do not significantly extend the life of the underlying asset are expensed as incurred. Certain property and equipment purchased with grant funds may revert back to the funding agency if the program is closed or abandoned and proceeds from the sale of certain property could be returned to the granting agency.

Leases – The Organization leases equipment, real estate and vehicles. Management determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities in the combined statement of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, management uses the fitted yield on zero coupon bonds based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, Management considers factors such as if the Organization has obtained substantially all of the rights to the underlying asset through exclusivity, if the Organization can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

Cash, Cash Equivalents and Restricted Cash – For purposes of financial presentation, the Organization considers all investments and certificates of deposit with original maturities of less than three months or less to be cash equivalents, unless held for reinvestment as part of the investment portfolio. Restricted cash, included in designated and restricted assets and other assets on the statement of financial position, consists of amounts required to be held in separate accounts under regulatory agreements with HUD.

Restricted and Designated Assets - Restricted and designated assets represent the total of assets that are encumbered by donor restrictions, legal agreements, and board designation or are otherwise unavailable for the general use of the Organization. This category generally includes client/custodial funds, escrow/reserve funds, with or without donor restrictions, and securities that are pledged and held by the lender as collateral for financing. Donors include other types of contributors, including makers of certain grants.

Revenue Recognition – Program service fees and payments under various contracts are accounted for under ASC Topic 606, *Revenue from Contracts with Customers*, recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied.

A significant portion of the Organization's grants and contracts are from government agencies. The benefits received by the public as a result of the assets transferred is not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. 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. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets with donor restrictions and net assets released from restrictions.

Contributed Non-Financial Assets – In-kind contributions are reflected as contributions at their fair value at date of donation and reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. The Organization recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. The Organization’s policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the assets will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

All gifts-in-kind received by the Organization for the year ended June 30, 2023 were considered without donor restrictions and able to be used by the Organization as determined by the Board of Directors and management.

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

Income Taxes – Under provisions of Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the State of Louisiana, Volunteers of America of North Louisiana 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 were no unrelated business activities in 2023. Accordingly, no tax expense was incurred during the year ended June 30, 2023.

Investments – Investments are recorded at fair value based on quoted market prices. All other investments are reported at historical cost, if purchased, or, if contributed, at fair value on the date contributed. The net realized and unrealized gains (losses) on investments are reflected in the combined statement of activities as gains (losses) on investments. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Income and realized and unrealized net gains on investments of endowment and similar funds are reported as follows:

- as increases in net assets with donor restrictions if the terms of the gift require that they be added to the principal of a permanent endowment fund and if the terms of the gift impose restrictions on the use of the income;
- as increases in net assets without donor restrictions in all other cases.

Underwater Endowments – Underwater endowments are donor restricted endowment funds for which the fair value of the fund at the reporting date is less than either the original gift amount or the amount required to be maintained by the donor or by law that extends donor restrictions. The entire balance of the endowment fund is reported in the “with donor restrictions” class of net assets. The Organization had no underwater endowments at June 30, 2023.

Summary Financial Information for 2022 – The financial statements include 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Functional Expenses – The costs of providing the various program services and supporting activities have been summarized on a functional basis in the combined statement of activities. Accordingly, certain costs have been allocated among the various functions. The combined statement of functional expenses presents the natural classification detail of expense by function. Accordingly, certain costs have been allocated among the community programs, management and general, and fundraising expenses. Certain administrative costs associated with the grant process are not included under grants on the combined statement of functional expenses and have been more appropriately reflected under community programs.

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

Concentrations of Credit Risk – Volunteers of America of North Louisiana maintains its cash balances at several different financial institutions and investment companies in its service delivery area. The balances with the financial institutions are insured by the FDIC up to \$250,000 for each bank. As of June 30, 2023, the VOANLA had approximately \$1,555,000 in uninsured cash deposits. At June 30, 2023, the Organization's cash balances held in money market investment accounts are insured by SIPC and the investment company's excess insurance coverage.

Volunteers of America of North Louisiana has the following mix of receivables and revenue from governmental agencies at June 30, 2023:

	<u>Receivable</u>	<u>Revenue</u>
Medicaid	27 %	44 %
U.S. Department of Housing and Urban Development	18 %	17 %
U.S. Department of Veterans Affairs	26 %	20 %
U.S. Department of Education	13 %	3 %
Other Sources	16 %	16 %
Total	<u>100 %</u>	<u>100 %</u>

Fair Value Measurements – FASB ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given both to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Recently Adopted Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASU] 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statement to assess the amount, timing, and uncertainty of cash flows arising from leases

The Organization adopted the standard effective July 1, 2022 and recognized and measured leases existing at, or entered into after, July 1, 2022 (the beginning of the earliest comparative period presented) using a modified retrospective approach, with certain practical expedients available. As of July 1, 2022, the Organization recognized \$742,918 of ROU assets and lease liabilities for operating leases.

Note 3 Liquidity and Availability

Volunteers of America of North Louisiana's working capital and cash flows have seasonal variations during the year due to the timing of cash receipts related to grant funding and concentrations of contributions received near calendar year-end and fiscal year-end. To manage liquidity, the Organization maintains two lines of credit. The lines of credit are drawn upon as needed during the year to manage cash flow. As of the combined statement of financial position date, the \$1,000,000 is available in full. See Note 11.

Volunteers of America of North Louisiana's endowment fund consists of donor-restricted endowments and a board-restricted endowment. Consistent with Article VIII of the By-Laws of the Volunteers of America of North Louisiana Endowment, the board expects to distribute annually up to 5% of the trailing five-year average of year-end fund market value. A distribution of \$121,696 was made in fiscal year 2023, of which \$81,192 was from donor-restricted endowments. In the next 12 months, a distribution of \$129,619 will be available, in accordance with the spending policy. Although Volunteers of America of North Louisiana does not intend to spend from its board-restricted endowment, these funds could be drawn upon if the board of directors approves that action.

The following reflects Volunteers of America of North Louisiana's financial assets as of the combined statement of financial position date, reduced by amounts not available for general use within one year of the combined statement of financial position date.

Current assets, excluding nonfinancial assets	\$7,213,914
Add: endowment fund distribution for next fiscal year	124,684
Subtract: board-designated endowment and other reserves	<u>(1,160,367)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$6,178,231</u>

Note 4 Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes and/or periods:

Funds of perpetual duration, subject to spending policy and appropriation, to support the following purposes:

Strengthening children & families	\$ 1,670,758
Post adoption services	179,176
Greatest need & future support	<u>661,270</u>
	<u>2,511,204</u>

Subject to expenditure for specified purposes:

Children & families supplies & assistance	720,675
Assistance for persons with disabilities	14,491
Employee services	7,783
Renovation projects	13,272
Housing for low income persons with disabilities - HUD	<u>4,043,300</u>
	<u>4,799,521</u>

Subject to the passage of time:

Pledge receivables subject to payment after discount to fair market value	<u>2,740,555</u>
	<u>2,740,555</u>
Total net assets with donor restrictions	<u>\$10,051,280</u>

Note 5 Board Designated Net Assets

The Organization's governing board has designated net assets included in the "net assets without donor restrictions" for the following purposes:

Board designated endowments & quasi endowments, subject to spending policy and appropriation, to support the following purposes:

Greatest need & future support	\$ 1,046,445
Scholarships & educational support	<u>69,728</u>
Total board-designated net assets	<u>\$ 1,116,173</u>

Note 6 Cash, Cash Equivalents, and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the combined statement of financial position to the amounts presented in the combined statement of cash flows. Total designated and restricted assets and other assets per the combined statement of position include the respective designated and restricted assets and other assets listed below:

	Beginning of Year	End of Year
Cash and Cash Equivalents	\$3,825,948	\$4,632,846
Designated and Restricted Assets	875,356	749,406
Other Assets	33,385	27,689
Total	<u>\$4,734,689</u>	<u>\$5,410,241</u>

Note 7 Investments

Investments at June 30, 2023, are summarized as follows:

	Cost	Fair Value	Unrealized Gain (Loss)
Money Market	\$ 184,997	\$ 184,997	\$ -
Mutual Funds	1,679,440	2,223,832	544,392
Fixed Income	927,808	927,825	17
Annuities	<u>400,000</u>	<u>415,242</u>	<u>15,242</u>
	3,192,245	3,751,896	559,651
Less: Current Investments	<u>-</u>	<u>-</u>	<u>-</u>
Long-Term Investments (included in designated and restricted assets and long term investments)	<u>\$ 3,192,245</u>	<u>\$ 3,751,896</u>	<u>\$ 559,651</u>

Investment return for the year ended June 30, 2023, is composed of interest and dividends of \$135,255, realized losses of \$9 and unrealized gains of \$258,374, dividends without donor restrictions of \$206,509 paid from Louisiana Workers' Compensation Corporation. There were no investment fees paid for the account. Investment return is included in interest and dividend income and gains (losses) and gains and losses on investments.

Note 8 Fair Value Measurements

The Organization's measurements of fair value are made on a recurring basis and their valuation techniques for assets and liabilities recorded at fair value are as follows:

	<u>Level 1</u> Quoted Prices in Active Markets for Identical Assets	<u>Level 2</u> Significant Other Observable Inputs	<u>Level 3</u> Significant Unobservable Inputs	<u>Total</u>
Pledges Receivables	\$ -	\$ 2,563,821	\$ -	\$ 2,563,821
Long Term Investments	\$ 124,520	\$ -	\$ -	\$ 124,520
Investments (included in designated and restricted assets)	\$ 2,647,380	\$ 689,274	\$ 415,242	\$ 3,751,896

Management determines the fair value measurement valuation policies and procedures, including those for Level 3 recurring and nonrecurring measurements. Management determines if the current valuation techniques used in fair value measurements are still appropriate, and evaluates and adjusts the unobservable inputs used in the fair value measurements based on current market conditions and third-party information.

There were no transfers in or out of Level 3 investments during the year ended June 30, 2023. The table below presents information about recurring fair market measurements that us significant unobservable inputs (Level 3 measurements):

Balance, July 1, 2022	\$ 406,539
Change in unrealized gains for the period	8,703
Balance June 30, 2023	<u>\$ 415,242</u>

Note 9 Accounts Receivable

At June 30, 2023, accounts receivable consisted of the following:

Grants and Contracts Receivable	\$ 2,056,862
Other Accounts Receivable	36,540
Less Allowance for Uncollectible Receivables	(113,836)
Total	<u>\$ 1,979,567</u>

Note 10 Debt

Direct subsidy conditional grant in the amount of \$390,000, commencing August 2009, governed by an Affordable Housing Program Agreement for Rental Project with the Federal Home Loan Bank of Dallas with 0% interest. Grant has fifteen year retention period ending August 9, 2024 and will not have to be repaid as long as the Organization complies with the agreement. The agreement is secured by real estate with a net book value of \$1,296,154 as of June 30, 2023.

\$ 390,000

Promissory note payable to the Louisiana Housing Finance Agency in the original amount of \$250,000 with 0% interest rate, payable in annual installments of \$25,000 but not in excess of an amount equal to fifty percent of surplus cash, due on first day of April, commencing April 2010; provided however, that all payments due hereunder shall be payable only out of and to the extent of the surplus cash to be determined by the Agency and after a cash distribution to the Organization of not more than \$10,000. This note matures April 1, 2024, and shall be forgiven on that date if the housing project has been maintained in accordance with the Agency's Affordable Rental Housing Program Regulatory Agreement. Note is secured by a continuing security interest in all rights, title and interest acquired or arising out of this note. The note is secured by real estate with a net book value of \$1,296,154 as of June 30, 2023.

250,000

Mortgage notes, in the original amount of \$962,400, for two HUD affiliated properties, insured by the Federal Housing Administration, is payable over 40 years in monthly installments, including combined principal and interest of \$7,077 at 8.75%. All interest is charged to expense. The notes are secured by a mortgage on real estate and improvements thereon. The maturity date for both mortgages is January 1, 2032. The notes are secured by real estate with a net book value of \$435,203 as of June 30, 2023.

511,067

1,151,067

Less Current Portion

(291,861)

Long-Term Portion

\$ 859,206

Interest expense for the year ended June 30, 2023, totaled \$47,164.

The following is a schedule of the debt maturing in subsequent years ending June 30:

2024	\$	291,861
2025		435,676
2026		49,836
2027		54,376
2028		59,329
Thereafter		259,989
Total	\$	<u>1,151,067</u>

Note 11 Line of Credit

Volunteers of America of North Louisiana maintains two lines of credit payable to a financial institution, with a maximum credit of \$1,000,000. Interest is based on the prime rate as quoted in the Wall Street Journal (the "Index") plus 1.00 point (the "Margin"), for an initial rate of 9.25%, maturing on September 15, 2023. The lines of credit are secured by real estate, accounts receivable, and UCC Collateral. At June 30, 2023, the net book value of the real estate totaled \$143,783.

The Organization also maintains a line of credit payable to a company that is associated with a Board Member, with a maximum credit of \$350,000, bearing interest at the rate of 0.18% per annum, due and payable no later than June 30, 2023. This line of credit is secured by non-federal accounts receivable less than 90 days old. At June 30, 2023, this line of credit expired.

Note 12 Pledges Receivable

Pledges receivable consists primarily of multi-year unconditional promises to give from various donors. If the pledge contains donor restrictions, those restrictions are recognized when the initial pledge is recorded and as payments are received. Unconditional pledges are recorded at their discounted net present value, less any reserves for uncollectible pledges.

Following is a recap of the Organization's pledges receivable at June 30, 2023.

Gross pledges due in:	
Less than 1 year	\$ 716,888
1 – 5 years	2,549,859
After 5 years	5,682
Total Pledges Receivable	<u>\$ 3,272,429</u>
Total Pledges Receivable	\$ 3,272,429
Less: Allowance for uncollectible pledges	(176,736)
Less: Discount, 8.25%	(531,872)
Net Pledges Receivable	2,563,821
Less Current Pledges Receivable	(564,747)
Long-term Pledges Receivable (included in other assets)	<u>\$ 1,999,074</u>

Note 13 Allocation of Functional Expenses

The combined financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. The following methods are used for allocation of those expenses.

<u>Elements of Cost</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort reporting
Telecommunications	Employee count
Occupancy	Square footage
Property/General Liability	Square footage
Auto	Usage
Professional Liability	Employee count
Equipment Rental	Usage

Note 14 Pension Plan for Ministers

Volunteers of America of North Louisiana participates in a non-contributory defined benefit pension and retirement plan with the Volunteers of America, Inc. national organization called The Volunteers of America National Pension Plan. The plan's employer identification number is 13-1692595. The plan is a multi-employer plan and is not required to record the unfunded pension liability in its financials. The plan's disclosure information regarding the projected benefit obligation and unfunded status as they relate solely to Volunteers of America of North Louisiana is not available, which is typical for multi-employer plans. Because this plan is a church plan, and not subject to the Employment Retirement Security Act of 1974 (ERISA), the Organization is not required to file a Form 5500. This unfunded liability is collectively the liability of all participating employers. If there were any cash shortfalls in the plan, the plan would look towards the participating employers to help fund these amounts. The Organization has no plans to withdraw from its multi-employer pension plan.

The financial health of the multi-employer pension plan is indicated by the zone status, as defined by the Pension Protection Act of 2006, which represents the funded status of the plan as certified by the plan's actuary. Because the plan is not subject to ERISA, a funding improvement plan is not required; however, the national organization has voluntarily implemented a contribution assessment. The plan is administered through a commercial insurance company and covers all ministers commissioned through December 31, 1999. Pension plan expense was \$16,130 for the year ended June 30, 2023.

Note 15 Retirement Plan

Volunteers of America of North Louisiana's retirement savings plan is organized under Internal Revenue Code Section 403(b). The plan allows all employees with one year of service to participate. Employees are able to contribute annually up to the statutory limitation, currently \$22,500. The Organization will contribute up to five (5%) percent of gross wages on a dollar for dollar match of employee's contribution. Employees are one hundred (100%) percent vested after three years of service. Contributions made to the plan are at the discretion of the Board of Directors. Retirement plan expense was \$182,651 for the year ended June 30, 2023, under this plan.

Note 16 Related-Party Transactions

Volunteers of America of North Louisiana is affiliated with Volunteers of America, Inc., which provides supporting services to the agency for a fee. Charter services for the fiscal year ended June 30, 2023, totaled \$374,439. The amount due to Volunteers of America, Inc. for charter services as of June 30, 2023, was \$27,906; for Minister's Pension was \$2,030; for 2023 Minister Dues was \$1,000. The Organization also had a loan agreement with VOA Futures Fund, Inc., which provided flexible capital for the expansion of services to affiliates of Volunteers of America, Inc. The principal balance of this loan of \$138,000 was paid in October 2022.

Volunteers of America of North Louisiana manages Shreveport VOA Elderly Housing, Inc., a HUD project that is part of the national affiliation of Volunteers of America, Inc. Management fees charged by the Organization to the HUD project totaled \$58,861 for the year ended June 30, 2023. In addition to management fees, the Organization paid certain expenses, including salaries, on behalf of the project; these expenses totaled \$272,155 for the year ended June 30, 2023. At June 30, 2023, the project owed the Organization \$83,677, which is included in other current assets.

Volunteers of America of North Louisiana, in connection with McAdoo Services Corporation, manages the McAdoo property and project to facilitate the development and provision of affordable housing and humanitarian services to qualified individuals in residence. Management fees charged to the McAdoo property totaled \$18,248. In addition, the Organization paid certain expenses, including salaries, on behalf of the property and project; these expenses totaled \$51,939 for the year ended June 30, 2023. At June 30, 2023, the project owed the Organization \$14,782, which is included in other current assets. The Organization leases office space from the McAdoo property to operate housing programs. Office rent expense totaled \$13,908 for the current year. The Organization also subsidizes rent for clients who lease apartments at the McAdoo property. Rent subsidy expenses paid to McAdoo totaled \$139,145 for the current year.

Volunteers of America of North Louisiana entered into an agreement to transfer management of the Central Louisiana programs to Volunteers of America of South Central Louisiana effective July 1, 2022, and a transition period beginning April 1, 2022. As part of the transition, there were transactions such as ongoing support including data quality and other costs. At June 30, 2023, Volunteers of America of South Central Louisiana owed the Organization \$2,433.

Note 17 Compensated Absences - Accrued Leave

Employees may accrue up to 160 hours of vacation leave each year. Upon an employee's separation of employment, earned and/or accrued leave will be paid up to a maximum of 160 hours. Employees can also accrue sick leave, but accumulated sick leave is forfeited upon separation of employment.

At June 30, 2023, the approximate amount of accumulated and vested employee leave benefits was \$232,374, which is included in accrued expenses on the combined statement of financial position.

Note 18 Accrued Expenses

At June 30, 2023, accrued expenses consisted of the following:

Accrued payroll	\$	198,428
Accrued annual leave payable		232,374
Other accrued expenses		134,083
	\$	<u>564,885</u>

Note 19 Refundable Advances

Volunteers of America of North Louisiana has recorded refundable advances of \$50,995 for the year ended June 30, 2023, for prepayments received in advance of satisfying conditions stipulated by the donors.

Note 20 Contributions-in-Kind

VOANLA’s combined financial statements include the following in-kind contribution revenue and associated expense.

Use of facilities	\$ 239,949
Transportation services	40,320
Food	12,739
Educational supplies & books	7,389
Personal protective supplies	20,990
Personal care supplies	<u>7,700</u>
	<u>\$ 329,087</u>

Use of facilities consists of parking for employees at our offices, educational & recreational center usage, and school-based classroom space (including custodial, computers, and internet access) for afterschool tutoring and mentoring to youth. For classroom space, fair market value was estimated by the donor in a memorandum of understanding. If not provided, the fair market value was determined by comparison to other local facilities or vendors.

Transportation services included use of local school buses and drivers during summer to transport students enrolled in our program. Fair market value was based on a cost per trip and estimated by the donor in a memorandum of understanding.

Other donated goods (educational supplies, books, food, furnishings and personal care items such as clothing, hygiene and household items), benefited all our service areas. Fair market value was determined using market rates for similar items.

Other donated services during the fiscal year consisted of local advertising spots. Fair market value was determined using market rates for similar service.

It is VOANLA’s policy to sell all contributed vehicles immediately upon receipt at auction or for salvage unless the vehicle is restricted for use by the donor. No vehicles received during the period were restricted for use. All vehicles were sold and valued according to the actual cash proceeds on their disposition.

Note 21 Revenue

In accordance with Topic 606, the VOANLA is recognizing revenue at the point of service for disability and behavioral health services for eligible persons, housing development management fees, and other fees for client services. As of June 30, 2023, there was \$0 of performance obligations to be satisfied. Revenue of \$8,602,636 was recognized for the year ended June 30, 2023, that was related to current year performance obligations. The Organization's method of recognizing revenue is the input method for performance obligations to be satisfied at the point of service.

The Organization's remaining revenues from contributions, grants, contracts, fundraisers, and other sources are recognized in accordance with FASB ASC Topic 958, *Not-for-Profit Entities*.

Disaggregated Revenue

A summary of disaggregated revenue information for the year ended June 30, 2023 follows:

Topic 606 revenue	
Medicaid	\$ 6,965,020
Management Fees	78,961
Other	1,558,655
Total revenue recognized at point of service	<u>8,602,636</u>
Revenue not subject to recognition under Topic 606	<u>11,823,836</u>
Total revenue	<u>\$ 20,426,472</u>

Contract Balances

A summary of beginning and ending contract balances is as follows

Receivable from contracts, beginning of year	\$ 405,127
Receivable from contracts, end of year	\$ 721,377

Note 22 Commitments and Contingencies

Conditional Grants

As noted in Note 10, Volunteers of America of North Louisiana has a conditional grant for \$390,000 and a promissory note outstanding for \$250,000 that will not have to be repaid as long as the Organization complies with the stipulated terms of these two agreements. In the event the Organization does not comply, they will be liable to repay these amounts.

HUD has provided four capital advances to the Organization's affiliated companies under Section 811 of the National Housing Act. These capital advances provided funding totaling \$4,043,300. Under the terms of the Regulatory Agreements, there is no interest payable and repayment of the capital advance is not required. The Regulatory Agreements require that the housing remain available for very low-income disabled persons. HUD maintains deeds to secure debt (mortgages) on the property. Land, buildings and equipment related to the projects serve as collateral for the mortgage notes. If default occurs by the Projects under the terms of the Regulatory Agreements, the entire capital advance will at once become due and payable without notice at the option of the Secretary of HUD. Interest will be payable on demand with respect to the payment of the capital advances upon default. Management fully intends to stay in compliance with each Capital Advance Agreement.

Other Grants

Volunteers of America of North Louisiana participates in a number of federally assisted grant programs. These programs are subject to program compliance audits under the Single Audit Act. Such audits could

lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants. The Organization's management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Net client service revenue related to Medicaid is reported at the estimated net realizable amounts from third-party payors and others for services rendered. Revenue under third-party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement.

Lease Commitments

The Organization has operating leases for land, office space, equipment and vehicles. These leases have remaining base lease terms of less than 1 to 50 years. The 50 year lease has a 10 year renewal option. The following information for the year ended June 30, 2023 were as follows:

The components of lease expense were as follows:

Operating leases included in occupancy, program supplies and equipment, and travel, conferences and meetings expenses	\$ 260,511
Short-term leases included in occupancy, program supplies and equipment, and travel, conferences and meetings expenses	<u>675,204</u>
Total operating lease costs	<u>\$ 935,715</u>

Other information related to leases was as follows:

Supplemental Cash Flow Information

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases	\$ 211,432
Right-of-use assets obtained in exchange for lease obligations-operating leases	\$ 95,874
Weighted average remaining lease term-operating leases	4.53 years
Weighted average discount rate-operating leases	3.03%

Future minimum lease payments under non-cancellable operating leases as of June 30, 2023, were as follows:

2024	\$ 239,920
2025	125,178
2026	76,932
2027	35,603
2028	2,400
Thereafter	<u>57,400</u>
Total future minimum lease payments	537,433
Less imputed interest	(<u>50,228</u>)
Present value of lease liabilities	<u>\$ 487,205</u>

Lease liabilities reported as of June 30, 2023 were as follows:

Current maturities of operating lease liabilities	\$ 229,523
Operating lease liabilities, less current maturities	<u>257,682</u>
Total	<u>\$ 487,205</u>

Paycheck Protection Program

In April 2020, VOANLA received a forgivable loan in the amount of \$2,043,200 under the Paycheck Protection Program ("PPP"), pursuant to the CARES Act and administered by the Small Business Administration ("SBA"). In July 2021, VOANLA formally received forgiveness of the PPP loan from the SBA. Loans issued in excess of

\$2 million are subject to audit by the SBA. The VOANL may be required to return a portion of the loan proceeds at the conclusion of the SBA audit. Any proceeds required to be returned will be repaid under the statutory terms of the PPP Program, including interest at 1%. For PPP loans greater than \$150,000, the borrower must retain all records relating to the borrower's PPP loan for six years from the date the loan is forgiven or repaid in full.

Note 23 Endowments

Volunteers of America of North Louisiana has donor restricted funds and non-donor restricted funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Organization accounts for donor-restricted funds consistent with the provisions of Uniform Prudent management of Institutional Funds Act ("UPMIFA") as adopted by the State of Louisiana. The Organization seeks to preserve the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. Accordingly, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

1. The duration and preservation of the fund.
2. The purposes of the Organization and the donor restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Organization.
7. The investment policies of the Organization.

Return Objectives, Risk Parameters, and Spending Policy

The Organization invests its funds in companies and opportunities whose operational philosophy and management activities are consistent with the overall mission and objectives of the Organization. The primary objective is the long-term growth of the fund's assets. It is recognized that short-term fluctuations may result in the loss of capital earned on occasion. However, in the absence of contributions and withdrawals, the asset value of the funds should grow in the long run and earn rates of return greater than those of an appropriate market index, while avoiding excess risk. The next objective is the preservation of purchasing power. Asset growth, exclusive of contributions and withdrawals, should exceed the rate of inflation. The final objective is to preserve the value of the assets by earning a positive return over the investment time horizon. The Organization has adopted the Total Return Concept to determine dollars available for distribution.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that is balanced between equity-based investments and fixed income investments to achieve its long-term return objectives within prudent risk constraints.

Funds with Deficits

From time to time, the fair value of assets associated with individual endowment funds may fall below the level that the donor or UPMIFA requires the Organization to maintain as a fund of perpetual duration.

Deficiencies of this nature are required to be reported in net assets with donor restrictions. There were no such deficiencies at June 30, 2023.

Composition

Endowment net assets composition by type of fund as of June 30, 2023, is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Endowment Net Assets</u>
Endowment Funds			
Donor Restricted	\$ -	\$ 2,511,204	\$ 2,511,204
Board Designated	1,116,173	-	1,116,173
Total Endowment Funds	<u>\$ 1,116,173</u>	<u>\$ 2,511,204</u>	<u>\$ 3,627,377</u>

A reconciliation of the beginning and ending balances of endowment funds as of June 30, 2023, is as follows:

Balance, Beginning	\$ 1,057,488	\$ 2,315,691	\$ 3,373,179
Contributions	-	56,000	56,000
Investment Income (Loss)	99,188	220,704	319,892
Distributions	<u>(40,503)</u>	<u>(81,191)</u>	<u>(121,696)</u>
Balance, Ending	<u>\$ 1,116,173</u>	<u>\$ 2,511,204</u>	<u>\$ 3,627,377</u>

Note 24 Restatement of Prior Year Summarized Information

In 2023, the Organization discovered various grants and contracts were improperly deferred at June 30, 2022, and those grants and contracts should have been recorded as restricted contributions. The effect of the restatement of the prior year summarized accounts are as follows:

	<u>As Previously Reported</u>	<u>Restated</u>	<u>Amount of Restatement</u>
Refundable Advances	\$ 1,174,982	\$ 629,982	\$ (545,000)
Contributions	\$ 3,424,303	\$ 3,374,303	\$ 50,000
Net Assets as of June 30, 2022	\$ 12,364,995	\$ 12,909,995	\$ 545,000

Note 25 Subsequent Events

Volunteers of America of North Louisiana has evaluated subsequent events through November 13, 2023, the date which the combined financial statements were available to be issued.

Supplementary Information

Volunteers of America of North Louisiana

Shreveport, Louisiana

Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grantor's Number	Total Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of Health and Human Services				
<u>Direct Awards</u>				
COVID-19-Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	93.498	Phase 4	\$ 337,730	\$ -
U.S. Department of Health and Human Services				
<u>Passed through the Northwest Louisiana Human Services District</u>				
Block Grants for Community Mental Health Services - GAPS	93.958	2000524076	156,395	
Block Grants for Community Mental Health Services - SHOC	93.958	2000518366	39,143	
COVID-19-Block Grants for Community Mental Health Services - SHOC	93.958	2000518366	202,747	
Block Grants for Community Mental Health Services - Level Up	93.958	2000524095	298,139	
Total Block Grants for Community Mental Health			696,424	-
U.S. Department of Homeland Security				
<u>Passed through the United Way of Northwest Louisiana</u>				
Emergency Food & Shelter National Board Program - Phase 39	97.024	356400-022-PHASE 39	5,000	
COVID-19-EFSP ARPAP	97.024	356400-022-PHASE ARPAP	10,000	
Emergency Food & Shelter National Board Program - Phase 40	97.024	356400-022-PHASE 40	3,700	
Total Emergency Food & Shelter National Board Program			18,700	-
U.S. Department of Education				
<u>Passed through Louisiana Department of Education</u>				
Twenty-First Century Community Learning Center	84.287	2000455916	410,691	-
U.S. Department of Housing and Urban Development				
<u>Direct Awards</u>				
Continuum of Care Program - GAPS (Congregate)	14.267	LA0039L6H022114	221,378	
Continuum of Care Program - SHOC (Scattered)	14.267	LA0046L6H022114	615,503	
Continuum of Care Program - SHOC (Scattered)	14.267	LA0046L6H022115	15,973	
Continuum of Care Program - Level Up	14.267	LA0340L6H022001	111,966	
Continuum of Care Program - Level Up	14.267	LA0340L6H022102	252,184	
Total Continuum of Care Program			1,217,004	-
CDBG - Entitlement Grants Cluster				
<u>Passed through City of Shreveport, Louisiana</u>				
COVID-19-Community Development Block Grant	14.218	2022-CDBG-CV3-010	109,151	
<u>Passed through City of Bossier City, Louisiana</u>				
Community Development Block Grants - Lighthouse Bossier	14.218	B-21-MC-22-0009	4,542	
Total CDBG - Entitlement Grants Cluster			113,693	-
Hope VI Cluster				
<u>Passed through City of Shreveport, Louisiana</u>				
Choice Neighborhoods Implementation Grants	14.889	2019-00000413	416,568	191,640
Total Hope VI Cluster			416,568	191,640
U.S. Department of Labor				
WIOA Cluster				
<u>Passed through City of Shreveport, Louisiana</u>				
Workforce Innovation and Opportunity Act Youth academic Preparation	17.259	K2201	97,500	
Total WIOA Cluster			97,500	-
U.S. Department of Veteran Affairs				
<u>Direct Awards</u>				
VA Homeless Providers Grant and Per Diem Program - Transitional Housing	64.024	VOAA820-1464-667-PD-21	1,300,346	
Total VA Homeless Providers Grant and Per Diem Program			1,300,346	-
<u>Passed through the Volunteers of America Southeast Louisiana, Inc.</u>				
VA Supportive Services for Veteran Families Program - Shallow Subsidy	64.033	12-LA-038	243,198	
VA Supportive Services for Veteran Families Program - VASH	64.033	12-LA-038	52,131	
VA Supportive Services for Veteran Families Program	64.033	12-LA-038	545,973	
COVID-19-VA Supportive Services for Veteran Families Program	64.033	12-LA-038-CA	277,760	
Total VA Supportive Services for Veteran Families			1,119,062	-
Total expenditures of federal awards			\$ 5,727,718	\$ 191,640

**Volunteers of America of North Louisiana
Shreveport, Louisiana**

Notes to the Schedule of Expenditures of Federal Awards
June 30, 2023

Note 1 Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Volunteers of America of North Louisiana under programs of the federal government for the year ended June 30, 2023. The information on this Schedule is prepared 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 (the 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 or changes in net assets of Volunteers of America of North Louisiana.

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 may or may not be allowable or may be limited as to reimbursement. Volunteers of America of North Louisiana has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

Note 3 Matching Requirements

Certain federal programs require Volunteers of America of North Louisiana to contribute non-federal funds (matching funds) to support the federally funded programs. The Organization has met its matching requirements. The Schedule does not include the expenditure of non-federal funds.

Note 4 Subrecipients

Volunteers of America of North Louisiana provided \$191,640 in federal funds to subrecipients during the year ended June 30, 2023.

Note 5 Loans

Volunteers of America of North Louisiana did not expend federal awards related to loans or loan guarantees during the year ended June 30, 2023.

Note 6 Non-Cash Awards

Volunteers of America of North Louisiana did not expend federal awards related to non-cash awards during the year ended June 30, 2023.

Volunteers of America of North Louisiana
Shreveport, Louisiana

**Schedule of Compensation, Benefits and Other Payments to Agency Head
or Chief Executive Officer
For the Year Ended June 30, 2023**

Agency Head Name: Carolyn Hammond

Purpose	Amount
Salary	\$ 148,500
Benefits-insurance	10,869
Vehicle rental	8,275
Reimbursements	11,864
Travel	4,038
Benefits - life insurance	343
Housing	25,500
Other (including payments made by other parties on behalf of the agency head)	1,156

**Volunteers of America of North Louisiana and Affiliates
Shreveport, Louisiana**

Combining Statement of Financial Position
June 30, 2023

	Volunteers of America of North Louisiana Consolidated	Alexandria VOA Living Center, Inc.	Bossier City VOA Independent Housing, Inc.	Pineville Volunteers of America Living Center, Inc.	Ruston VOA Living Center, Inc.	Shreveport VOA Community Living Center I, Inc.	Shreveport VOA Community Living Center II, Inc.	Eliminations	Total
ASSETS									
CURRENT ASSETS									
CASH AND CASH EQUIVALENTS	\$ 4,466,914	\$ 235	\$ 1,703	\$ 3,443	\$ 10,897	\$ 73,658	\$ 75,996	\$ -	\$ 4,632,846
ACCOUNTS RECEIVABLE, NET	1,953,768	12,841	960	966	1,692	8,931	409	-	1,979,567
PLEDGES RECEIVABLE, NET	564,747	-	-	-	-	-	-	-	564,747
PREPAID EXPENSES	125,129	-	-	-	-	-	-	-	125,129
OTHER CURRENT ASSETS	228,486	-	-	-	-	-	-	(99,677)	128,809
TOTAL CURRENT ASSETS	7,339,044	13,076	2,663	4,409	12,589	82,589	76,405	(99,677)	7,431,098
FIXED ASSETS									
LAND AND BUILDINGS	3,827,371	1,131,916	1,188,100	1,186,857	1,003,317	608,739	635,777	-	9,582,077
FURNITURE AND EQUIPMENT	754,346	125,779	150,951	139,385	124,680	176,290	167,568	-	1,638,999
CONSTRUCTION IN PROGRESS	-	-	-	-	-	-	33,630	-	33,630
ACCUMULATED DEPRECIATION	(3,010,488)	(952,259)	(1,113,270)	(827,119)	(854,344)	(608,621)	(585,999)	-	(7,952,100)
TOTAL FIXED ASSETS	1,571,229	305,436	225,781	499,123	273,653	176,408	250,976	-	3,302,606
OTHER ASSETS									
OPERATING LEASE RIGHT-OF-USE ASSETS	450,410	-	-	36,796	-	-	-	-	487,206
DESIGNATED AND RESTRICTED ASSETS	3,711,786	87,735	96,297	98,603	101,803	91,086	53,771	-	4,241,081
LONG TERM INVESTMENTS	124,520	-	-	-	-	-	-	-	124,520
OTHER ASSETS	2,046,288	835	-	473	-	155	20	-	2,047,771
TOTAL OTHER ASSETS	6,333,004	88,570	96,297	135,872	101,803	91,241	53,791	-	6,900,578
TOTAL ASSETS	\$ 15,243,277	\$ 407,082	\$ 324,741	\$ 639,404	\$ 388,045	\$ 350,238	\$ 381,172	\$ (99,677)	\$ 17,634,282
LIABILITIES AND NET ASSETS									
CURRENT LIABILITIES									
ACCOUNTS PAYABLE	\$ 218,177	\$ 10,199	\$ 13,450	\$ 3,995	\$ 54,739	\$ 15,516	\$ 19,579	\$ (84,311)	\$ 251,344
CURRENT PORTION OF LONG TERM DEBT	250,000	-	-	-	-	20,883	20,978	-	291,861
ACCRUED EXPENSES	529,577	9,558	7,325	9,413	13,197	4,977	6,204	(15,366)	564,885
REFUNDABLE ADVANCES	50,995	-	-	-	-	-	-	-	50,995
CURRENT PORTION OF OPERATING LEASE LIABILITIES	227,325	-	-	2,198	-	-	-	-	229,523
OTHER CURRENT LIABILITIES	3,414	687	321	459	266	203	33,638	-	38,988
TOTAL CURRENT LIABILITIES	1,279,488	20,444	21,096	16,065	68,202	41,579	80,399	(99,677)	1,427,596
OTHER LIABILITIES									
MORTGAGES PAYABLE - NON CURRENT	390,000	-	-	-	-	-	-	-	390,000
MORTGAGES PAYABLE - HUD MULTI-FAMILY	-	-	-	-	-	234,389	234,817	-	469,206
OPERATING LEASE LIABILITIES, LESS CURRENT PORTION	223,084	-	-	34,598	-	-	-	-	257,682
OTHER LONG TERM LIABILITIES	83,488	3,905	6,525	4,690	3,647	2,418	2,888	-	107,561
TOTAL OTHER LIABILITIES	696,572	3,905	6,525	39,288	3,647	236,807	237,705	-	1,224,449
TOTAL LIABILITIES	1,976,060	24,349	27,621	55,353	71,849	278,386	318,104	(99,677)	2,652,045
NET ASSETS									
WITHOUT DONOR RESTRICTION	7,259,237	(580,867)	(787,580)	(546,249)	(548,504)	71,852	63,068	-	4,930,957
WITH DONOR RESTRICTION	6,007,980	963,600	1,084,700	1,130,300	864,700	-	-	-	10,051,280
TOTAL NET ASSETS	13,267,217	382,733	297,120	584,051	316,196	71,852	63,068	-	14,982,237
TOTAL LIABILITIES AND NET ASSETS	\$ 15,243,277	\$ 407,082	\$ 324,741	\$ 639,404	\$ 388,045	\$ 350,238	\$ 381,172	\$ (99,677)	\$ 17,634,282

See Independent Auditors' Report.

**Volunteers of America of North Louisiana and Affiliates
Shreveport, Louisiana**

Combining Statement of Activities
for the Year Ended June 30, 2023

	Volunteers of America of North Louisiana Consolidated	Alexandria VOA Living Center, Inc.	Bossier City VOA Independent Housing, Inc.	Pineville Volunteers of America Living Center, Inc.	Ruston VOA Living Center, Inc.	Shreveport VOA Community Living Center I, Inc.	Shreveport VOA Community Living Center II, Inc.	Eliminations	Total
REVENUE FROM OPERATIONS									
<i>PUBLIC SUPPORT RECEIVED DIRECTLY</i>									
Contributions	\$ 3,403,027	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,403,027
Contributions of Non-financial Assets	329,087	-	-	-	-	-	-	-	329,087
<i>PUBLIC SUPPORT RECEIVED INDIRECTLY</i>									
United Way	595	-	-	-	-	-	-	-	595
Combined Federal Campaign	780	-	-	-	-	-	-	-	780
TOTAL PUBLIC SUPPORT	3,733,489	-	-	-	-	-	-	-	3,733,489
<i>REVENUE & GRANTS FROM GOVERNMENTAL AGENCIES</i>									
Government Grants & Contracts	14,943,250	138,788	178,561	155,979	118,699	206,948	164,317	-	15,906,542
TOTAL REVENUE & GRANTS FROM GOVERNMENTAL AGENCIES	14,943,250	138,788	178,561	155,979	118,699	206,948	164,317	-	15,906,542
<i>OTHER REVENUE</i>									
Program Service Fees	500,080	54,037	78,744	53,224	45,215	47,924	45,246	(45,800)	778,670
Rental Income	600	-	-	-	-	-	-	-	600
Other Operating Income	3,813	215	1,747	210	265	70	851	-	7,171
TOTAL OTHER REVENUE	504,493	54,252	80,491	53,434	45,480	47,994	46,097	(45,800)	786,441
TOTAL REVENUE FROM OPERATIONS	19,181,232	193,040	259,052	209,413	164,179	254,942	210,414	(45,800)	20,426,472
<i>OPERATING EXPENSES</i>									
Encouraging Positive Development	2,607,979	-	-	-	-	-	-	-	2,607,979
Fostering Independence	8,445,292	216,188	255,299	220,209	206,361	199,565	185,496	-	9,728,410
Promoting Self-Sufficiency	3,332,991	-	-	-	-	-	-	-	3,332,991
TOTAL PROGRAM SERVICES	14,386,262	216,188	255,299	220,209	206,361	199,565	185,496	-	15,669,380
Management and General	2,508,953	19,223	27,993	20,222	19,367	17,204	14,669	(45,800)	2,581,831
Fund Raising	785,508	-	-	-	-	-	-	-	785,508
TOTAL SUPPORTING SERVICES	3,294,461	19,223	27,993	20,222	19,367	17,204	14,669	(45,800)	3,367,339
TOTAL OPERATING EXPENSES	17,680,723	235,411	283,292	240,431	225,728	216,769	200,165	(45,800)	19,036,719
EXCESS (DEFICIT) FROM OPERATIONS	1,500,509	(42,371)	(24,240)	(31,018)	(61,549)	38,173	10,249	-	1,389,753
<i>NON-OPERATING ACTIVITY</i>									
Interest and Dividend Income	341,573	12	40	12	42	43	42	-	341,764
Gains (Losses) on Disposition of Fixed Assets	29,699	-	-	-	-	-	-	-	29,699
Insurance Proceeds	52,661	-	-	-	-	-	-	-	52,661
Gains (Losses) on Investments	258,365	-	-	-	-	-	-	-	258,365
TOTAL NON-OPERATING ACTIVITY	682,298	12	40	12	42	43	42	-	682,489
CHANGE IN NET ASSETS	2,182,807	(42,359)	(24,200)	(31,006)	(61,507)	38,216	10,291	-	2,072,242
NET ASSETS (DEFICIT) AT BEGINNING OF YEAR	11,084,410	425,092	321,320	615,057	377,703	33,636	52,777	-	12,909,995
NET ASSETS (DEFICIT) AT END OF YEAR	\$ 13,267,217	\$ 382,733	\$ 297,120	\$ 584,051	\$ 316,196	\$ 71,852	\$ 63,068	\$ -	\$ 14,982,237

Volunteers of America of North Louisiana and Affiliates Shreveport, Louisiana

Combining Statement of Functional Expenses
for the Year Ended June 30, 2023

	Volunteers of America of North Louisiana Consolidated	HUD Multi-Family Combined	Combined Total
Salaries and Wages	\$ 9,519,150	\$ 354,376	\$ 9,873,526
Employee Benefits	1,549,518	52,001	1,601,519
Professional Services	2,457,277	277,985	2,735,262
Occupancy	838,630	159,051	997,681
Specific Assistance	2,200,580	103,422	2,304,002
Program Supplies and Equipment	508,805	74,673	583,478
Office Supplies and Expense	72,271	-	72,271
Interest	882	46,282	47,164
Travel, Conferences and Meetings	256,974	20,946	277,920
Other	146,421	2,891	149,312
Total Expenses Before Depreciation	17,550,508	1,091,627	18,642,135
Depreciation	130,215	264,369	394,584
Total Functional Expenses	\$ 17,680,723	\$ 1,355,996	\$ 19,036,719

See Independent Auditors' Report.



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

To the Board of Directors
Volunteers of America of North Louisiana
Shreveport, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of Volunteers of America of North Louisiana (a nonprofit organization), which comprise the combined statement of financial position as of June 30, 2023, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated November 13, 2023. Our report includes a reference to other auditors who audited the financial statements of Bossier City VOA Independent Housing, Inc., Shreveport VOA Community Living Center I, Inc., Shreveport VOA Community Living Center II, Inc., Alexandria VOA Living Center, Inc., Ruston VOA Living Center, Inc., and Pineville Volunteers of America Living Center, Inc., affiliates, as described in our report on the Volunteers of America of North Louisiana's combined financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered Volunteers of America of North Louisiana's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of Volunteers of America of North Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of Volunteers of America of North Louisiana'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 combined 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Volunteers of America of North Louisiana's combined 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 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 Volunteers of America of North Louisiana'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 Volunteers of America of North Louisiana'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.



CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana

November 13, 2023



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
Volunteers of America of North Louisiana
Shreveport, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Volunteers of America of North Louisiana's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Volunteers of America of North Louisiana's major federal programs for the year ended June 30, 2023. Volunteers of America of North Louisiana's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The Volunteers of America of North Louisiana's combined financial statements include the operations of Bossier City VOA Independent Housing, Inc., Shreveport VOA Community Living Center I, Inc., Shreveport VOA Community Living Center II, Inc., Alexandria VOA Living Center, Inc., Ruston VOA Living Center, Inc., and Pineville Volunteers of America Living Center, Inc., affiliates, which expended federal awards which were not included in Volunteers of America of North Louisiana's schedule of expenditures of federal awards during the year ended June 30, 2023. Our audit, described below, did not include the operations of Bossier City VOA Independent Housing, Inc., Shreveport VOA Community Living Center I, Inc., Shreveport VOA Community Living Center II, Inc., Alexandria VOA Living Center, Inc., Ruston VOA Living Center, Inc., and Pineville Volunteers of America Living Center, Inc.

In our opinion, Volunteers of America of North Louisiana 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, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Volunteers of America of North Louisiana and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Volunteers of America of North Louisiana's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Volunteers of America of North Louisiana's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Volunteers of America of North Louisiana's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Volunteers of America of North Louisiana's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Volunteers of America of North Louisiana's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Volunteers of America of North Louisiana's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Volunteers of America of North Louisiana's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
November 13, 2023

**Volunteers of America of North Louisiana
Shreveport, Louisiana**

Schedule of Findings and Questioned Costs
June 30, 2023

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unmodified
Compliance and internal control over financial reporting:	
Significant deficiency(ies) identified?	None reported
Material weakness(es) identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Significant deficiency(ies) identified?	None reported
Material weakness(es) identified?	No
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a)?	None

Identification of major programs:

Assistance Listing Number	Name of Program or Cluster
14.267	Continuum of Care Program
93.498	Covid-19 - Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	Yes
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Section II – Financial Statement Findings Reported in Accordance with *Governmental Auditing Standards*

None

Section III – Federal Award Findings and Questioned Costs

None

Prior Year Audit Findings

2022-001 Suspected Fraudulent Billings

CONDITION

Volunteers of America of North Louisiana discovered a suspected case of fraud in their Youth Behavioral Health program, noting they may have erroneously submitted \$6,056 in suspected fraudulent claims to Medicaid. A clinical supervisor became concerned about a clinician's attendance, and upon further investigation, found that some billed services were signed and submitted with a timestamp prior to the session's reported start time. There is no proof these billed services were not provided to clients. The Organization's policy is that all billable services are to be signed and submitted after the service end time. The Organization was not aware that the electronic health record would allow a clinician to sign and submit a service prior to the scheduled start time. The Organization researched all services provided by the clinician during her employment and noted that the total amount billed for the suspicious services totaled \$6,056. The clinician was asked to come in and explain the inconsistencies and her whereabouts while on the clock, but she refused to appear and ceased communications with her supervisor. Additional attempts made to discuss the inconsistencies were unsuccessful, and the employee was terminated.

Status: Finding was resolved.



Volunteers of America of North Louisiana

STATEWIDE AGREED-UPON PROCEDURES REPORT

June 30, 2023





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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of the Volunteers of America of North Louisiana
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. Volunteers of America of North Louisiana's (VOANL's) management is responsible for those C/C areas identified in the SAUPs.

VOANL has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

Results: No exceptions were identified as a result of applying this procedure.

b) ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

Results: No exceptions were identified as a result of applying this procedure.

- c) **Disbursements**, including processing, reviewing, and approving.

Results: No exceptions were identified as a result of applying this procedure.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Results: No exceptions were identified as a result of applying this procedure.

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

Results: No exceptions were identified as a result of applying this procedure.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Results: No exceptions were identified as a result of applying this procedure.

- g) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Results: No exceptions were identified as a result of applying this procedure.

- h) **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Results: Written policies do not address allowable business uses, required approvers of statements, or monitoring card usage.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Results: This procedure is not applicable to VOANL as a nonprofit.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: This procedure is not applicable to VOANL as a nonprofit.

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical

location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results: No exceptions were identified as a result of applying this procedure.

- l) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: This procedure is not applicable to VOANL as a nonprofit.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Results: No exceptions were identified as a result of applying this procedure.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

Results: No exceptions were identified as a result of applying this procedure.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results: This procedure is not applicable as VOANL is not a governmental entity.

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: No exceptions were identified as a result of applying this procedure.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

Results: No exceptions were identified as a result of applying this procedure.

b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Results: No exceptions were identified as a result of applying this procedure.

c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: No exceptions were identified as a result of applying this procedure.

Collections (excluding electronic funds transfers)

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

Results: CRI obtained a listing of deposits sites and management's representation that the listing was complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

a) Employees responsible for cash collections do not share cash drawers/registers;

Results: No exceptions were identified as a result of applying this procedure.

b) Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

Results: No exceptions were identified as a result of applying this procedure.

- c) Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

Results: No exceptions were identified as a result of applying this procedure.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: No exceptions were identified as a result of applying this procedure.

- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

Results: No exceptions were identified as a result of applying this procedure.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3 (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

Results: The receipts selected for this procedure were not sequentially pre-numbered.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Results: As noted above, receipts were not sequentially pre-numbered; however, CRI traced receipt documentation to the related deposit slips without exception.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

Results: No exceptions were identified as a result of applying this procedure.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Results: No exceptions were identified as a result of applying this procedure.

- e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were identified as a result of applying this procedure.

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

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

Results: CRI obtained a listing of locations that process payments and management's representation that the listing was complete.

9. For each location selected under procedure #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

Results: No exceptions were identified as a result of applying this procedure.

- b) At least two employees are involved in processing and approving payments to vendors;

Results: No exceptions were identified as a result of applying this procedure.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

Results: No exceptions were identified as a result of applying this procedure.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

Results: No exceptions were identified as a result of applying this procedure.

- e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Results: No exceptions were identified as a result of applying this procedure.

10. For each location selected under procedure #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

- a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

Results: No exceptions were identified as a result of applying this procedure.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #9 above, as applicable.

Results: No exceptions were identified as a result of applying this procedure.

- 11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Results: No exceptions were identified as a result of applying this procedure.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

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

Results: CRI obtained a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards for the fiscal period and management's representation that the listing is complete.

- 13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

Results: No exceptions were identified as a result of applying this procedure.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: No exceptions were identified as a result of applying this procedure.

- 14. Using the monthly statements or combined statements selected under procedure #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should

have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Results: No exceptions were identified as a result of applying this procedure.

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

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

Results: No exceptions were identified as a result of applying this procedure.

b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

Results: No exceptions were identified as a result of applying this procedure.

c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1h; and

Results: No exceptions were identified as a result of applying this procedure.

d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were identified as a result of applying this procedure.

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

Results: This procedure is not applicable to VOANL as a nonprofit.

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

Results: The contracts selected for this procedure did not require approval by the governing board, as such, this procedure is not applicable.

- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

Results: No exceptions were identified as a result of applying this procedure.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were identified as a result of applying this procedure.

Payroll and Personnel

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

Results: No exceptions were identified as a result of applying this procedure.

- 18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #17 above, obtain attendance records and leave documentation for the pay period, and

- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

Results: No exceptions were identified as a result of applying this procedure.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials;

Results: No exceptions were identified as a result of applying this procedure.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

Results: No exceptions were identified as a result of applying this procedure.

- d) Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Results: No exceptions were identified as a result of applying this procedure.

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

Results: No exceptions were identified as a result of applying this procedure.

20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: No exceptions were identified as a result of applying this procedure.

Ethics

21. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17 obtain ethics documentation from management, and

- a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

Results: This procedure is not applicable to VOANL as a nonprofit.

- b) Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results: This procedure is not applicable to VOANL as a nonprofit.

22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: This procedure is not applicable to VOANL as a nonprofit.

Debt Service

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was

obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Results: This procedure is not applicable to VOANL as a nonprofit.

24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: This procedure is not applicable to VOANL as a nonprofit.

Fraud Notice

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Results: Management represented that no misappropriations of public funds or assets occurred during the fiscal period.

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

Results: No exceptions were identified as a result of applying this procedure.

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

Results: We performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Results: We performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and

observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We performed the procedure and discussed the results with management.

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results: No exceptions were identified as a result of applying this procedure.

Prevention of Sexual Harassment

29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Results: This procedure is not applicable to VOANL as a nonprofit.

30. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Results: This procedure is not applicable to VOANL as a nonprofit.

31. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Results: This procedure is not applicable to VOANL as a nonprofit.

We were engaged by Volunteers of America of North Louisiana to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or

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

We are required to be independent of Volunteers of America of North Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS, & INGRAM, LLC

Shreveport, Louisiana

November 13, 2023

A Ministry of Service

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Carolyn Hammond
President/CEO



November 13, 2023

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And

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RE: Management's Response to Agreed-Upon Procedures

Management of Volunteers of America of North Louisiana has reviewed the Independent Accountants' Report on Applying Agreed-Upon Procedures. We are in agreement with the report of Carr, Riggs & Ingram, LLC. Volunteers of America of North Louisiana will add policies and procedures and implement changes as considered necessary and cost-beneficial to meet the expectations identified in the report and future agreed-upon procedures engagements.

Sincerely,



Jennifer Trowbridge, CFO

Board of Directors

Keith Evans, Chair
William C. Bradford, Jr.
Liz Buhler
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