

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

June 30, 2021

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 Combined Financial Statements

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, 2021, 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.

Management's Responsibility for the Combined Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. 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 \$2,621,702 and total revenues of \$1,268,752 for the year ended June 30, 2021. 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. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

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

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

Opinion

In our opinion, 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, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other 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 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 (CFR) 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, 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 (a nonprofit organization) and affiliates' 2020 combined financial statements, and our report dated November 10, 2020, expressed an unmodified opinion on those audited combined financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited combining 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 2, 2021, on our consideration of the 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 to solely 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 the Volunteers of America of North Louisiana's internal control over financial reporting and compliance.

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

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
November 2, 2021

Volunteers of America of North Louisiana and Affiliates
Shreveport, Louisiana

Combined Statement of Financial Position
June 30, 2021
(with Comparative Totals for 2020)

	2021	2020
ASSETS		
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	\$ 2,314,868	\$ 2,533,940
ACCOUNTS RECEIVABLE, NET	1,662,697	1,370,154
PLEDGES RECEIVABLE, NET	488,345	436,869
PREPAID EXPENSES	171,898	144,632
OTHER CURRENT ASSETS	69,172	69,460
TOTAL CURRENT ASSETS	4,706,980	4,555,055
FIXED ASSETS		
LAND AND BUILDINGS	9,637,162	9,639,668
FURNISHINGS AND EQUIPMENT	2,077,087	1,899,636
ACCUMULATED DEPRECIATION	(7,760,434)	(7,325,043)
TOTAL FIXED ASSETS	3,953,815	4,214,261
OTHER ASSETS		
DESIGNATED AND RESTRICTED ASSETS	4,361,167	3,597,191
NOTES RECEIVABLE, NET	-	100,000
OTHER ASSETS	1,716,976	1,695,035
TOTAL OTHER ASSETS	6,078,143	5,392,226
TOTAL ASSETS	\$ 14,738,938	\$ 14,161,542
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 241,837	\$ 236,207
ACCRUED EXPENSES	849,923	793,342
REFUNDABLE ADVANCES	1,048,861	2,363,911
OTHER CURRENT LIABILITIES	40,975	32,592
TOTAL CURRENT LIABILITIES	2,181,596	3,426,052
OTHER LIABILITIES		
MORTGAGES PAYABLE, NON CURRENT	640,000	640,000
MORTGAGE PAYABLE - HUD MULTI-FAMILY	549,433	584,598
LONG TERM NOTES PAYABLE	138,000	138,000
OTHER LONG TERM LIABILITIES	149,511	182,423
TOTAL OTHER LIABILITIES	1,476,944	1,545,021
TOTAL LIABILITIES	3,658,540	4,971,073
NET ASSETS		
WITHOUT DONOR RESTRICTIONS	2,131,569	818,883
WITH DONOR RESTRICTIONS	8,948,829	8,371,586
TOTAL NET ASSETS	11,080,398	9,190,469
TOTAL LIABILITIES AND NET ASSETS	\$ 14,738,938	\$ 14,161,542

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, 2021
(with Comparative Totals for 2020)

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>2021 TOTAL</u>	<u>2020</u>
REVENUE FROM OPERATIONS				
<i>PUBLIC SUPPORT RECEIVED DIRECTLY</i>				
Contributions	\$ 1,959,786	\$ 894,027	\$ 2,853,813	\$ 1,887,753
Contributions, In-Kind	438,964	-	438,964	468,739
<i>PUBLIC SUPPORT RECEIVED INDIRECTLY</i>				
United Way	31,921	-	31,921	67,559
TOTAL PUBLIC SUPPORT	<u>2,430,671</u>	<u>894,027</u>	<u>3,324,698</u>	<u>2,424,051</u>
 <i>REVENUE & GRANTS FROM GOVERNMENTAL AGENCIES</i>				
Government Grants & Contracts	13,098,669	-	13,098,669	12,593,572
PPP Loan Forgiveness	2,067,775	-	2,067,775	-
TOTAL REVENUE & GRANTS FROM GOVERNMENTAL AGENCIES	<u>15,166,444</u>	<u>-</u>	<u>15,166,444</u>	<u>12,593,572</u>
 <i>OTHER REVENUE</i>				
Program Service Fees	572,110	-	572,110	611,102
Rental Income	550	-	550	600
Other Operating Revenue	9,282	-	9,282	22,779
TOTAL OTHER REVENUE	<u>581,942</u>	<u>-</u>	<u>581,942</u>	<u>634,481</u>
NET ASSETS RELEASED FROM RESTRICTION	852,570	(852,570)	-	-
TOTAL REVENUE FROM OPERATIONS	<u>19,031,627</u>	<u>41,457</u>	<u>19,073,084</u>	<u>15,652,104</u>
 OPERATING EXPENSES				
Encouraging Positive Development	2,349,322	-	2,349,322	2,252,497
Fostering Independence	9,219,402	-	9,219,402	9,670,313
Promoting Self-Sufficiency	3,215,940	-	3,215,940	2,126,383
TOTAL PROGRAM SERVICES	<u>14,784,664</u>	<u>-</u>	<u>14,784,664</u>	<u>14,049,193</u>
Management and General	2,730,971	-	2,730,971	2,467,679
Fund Raising	678,746	-	678,746	715,736
TOTAL SUPPORTING SERVICES	<u>3,409,717</u>	<u>-</u>	<u>3,409,717</u>	<u>3,183,415</u>
TOTAL OPERATING EXPENSES	<u>18,194,381</u>	<u>-</u>	<u>18,194,381</u>	<u>17,232,608</u>
 EXCESS (DEFICIT) FROM OPERATIONS	<u>837,246</u>	<u>41,457</u>	<u>878,703</u>	<u>(1,580,504)</u>
 <i>NON-OPERATING ACTIVITY</i>				
Net Interest and Dividend Income	277,705	81,290	358,995	678,892
Gains (Losses) on Disposition of Fixed Assets	(25,547)	-	(25,547)	(13,348)
Gains (Losses) from Insurance Proceeds	7,883	-	7,883	(1,060)
Gains (Losses) on Investments	215,399	454,496	669,895	(31,503)
TOTAL NON-OPERATING ACTIVITY	<u>475,440</u>	<u>535,786</u>	<u>1,011,226</u>	<u>632,981</u>
 CHANGE IN NET ASSETS	<u>1,312,686</u>	<u>577,243</u>	<u>1,889,929</u>	<u>(947,523)</u>
NET ASSETS AT BEGINNING OF PERIOD	818,883	8,371,586	9,190,469	10,137,992
NET ASSETS AT END OF PERIOD	<u>\$ 2,131,569</u>	<u>\$ 8,948,829</u>	<u>\$ 11,080,398</u>	<u>\$ 9,190,469</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, 2021
(with Comparative Totals for 2020)

	Program Services				Supporting Services			2021 Totals	2020
	Encouraging Positive Development	Fostering Independence	Promoting Self- Sufficiency	Total	Management and General	Fund Raising	Total		
Salaries and Wages	\$ 1,320,821	\$ 5,571,997	\$ 1,130,783	\$ 8,023,601	\$ 1,336,263	\$ 336,174	\$ 1,672,437	\$ 9,696,038	\$ 9,401,913
Employee Benefits	211,303	847,956	174,143	1,233,402	269,201	57,164	326,365	1,559,767	1,497,613
Professional Services	180,276	625,030	348,185	1,153,491	891,007	151,936	1,042,943	2,196,434	1,913,923
Occupancy	315,766	419,437	98,570	833,773	107,464	9,259	116,723	950,496	925,719
Specific Assistance	227,081	1,007,769	1,244,588	2,479,438	13,805	15,479	29,284	2,508,722	1,959,612
Program Supplies and Equipment	59,079	168,702	95,812	323,593	33,400	5,718	39,118	362,711	361,072
Office Supplies and Expense	23,121	41,687	17,739	82,547	13,738	37,012	50,750	133,297	177,461
Interest	-	55,963	-	55,963	24,378	-	24,378	80,341	63,470
Travel, Conferences and Meetings	5,953	100,681	10,579	117,213	8,222	1,084	9,306	126,519	216,317
Other	-	43,848	54	43,902	-	64,920	64,920	108,822	173,038
Total Expenses Before Depreciation	2,343,400	8,883,070	3,120,453	14,346,923	2,697,478	678,746	3,376,224	17,723,147	16,690,138
Depreciation	5,922	336,332	95,487	437,741	33,493	-	33,493	471,234	542,470
Total Functional Expenses	\$ 2,349,322	\$ 9,219,402	\$ 3,215,940	\$ 14,784,664	\$ 2,730,971	\$ 678,746	\$ 3,409,717	\$ 18,194,381	\$ 17,232,608

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, 2021
(with Comparative Totals for 2020)

	2021	2020
Change in Net Assets	\$ 1,889,929	\$ (947,523)
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by (Used in) Operating Activities		
Depreciation	471,234	542,470
Contributions Restricted for Long-term Purposes	76,750	(7,750)
Restricted Interest & Dividends	(120,265)	(89,371)
(Gain) Loss on Sale of Fixed Assets	25,547	13,348
(Gain) Loss on Investments	(669,895)	31,503
(Increase) Decrease in:		
Accounts Receivable, Net	(292,543)	67,331
Pledges Receivable	(51,476)	-
Prepaid Expenses	(27,268)	93,447
Other Assets	48,088	(34,265)
Increase (Decrease) in:		
Accounts Payable	23,961	59,072
Refundable Advances	(1,315,050)	2,363,911
Accrued Expenses	66,279	106,795
Other Liabilities	(30,982)	26,832
Net Cash Provided by (Used in) Operating Activities	94,309	2,226,462
Cash Flows from Investing Activities		
Proceeds from Sale of Fixed Assets	1,500	1,000
Proceeds from (Loans to) Related Parties	(2,204)	17,098
Proceeds from Sale of Investments	446,126	19,966
Purchase of Investments	(198,516)	(214,350)
Purchase of Fixed Assets	(257,234)	(163,737)
Annual Distribution from Endowment	109,894	103,584
Net Cash Provided by (Used in) Investing Activities	99,566	(236,439)
Cash Flows from Financing Activities		
Contributions Restricted for Long-term Purposes	(76,750)	7,750
Restricted Interest and Dividends	120,265	89,371
Payments on Notes Payable	(32,228)	(29,537)
Net Cash Provided by (Used in) Financing Activities	11,287	67,584
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	205,162	2,057,607
Cash, Cash Equivalents, and Restricted Cash - Beginning	3,220,235	1,162,628
Cash, Cash Equivalents, and Restricted Cash - Ending	\$ 3,425,397	\$ 3,220,235
Supplemental Disclosure of Cash Flow Information:		
Cash Paid for Interest During the Year	\$ 80,341	\$ 57,572

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, 2021

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 afterschool care

Community Enhancement

- Parents as Teachers – parent education and family support
- Family Resource Center – family preservation
- Neighbors for Neighbors – family support
- Neighbor Good – assistance to families affected by the pandemic

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

- Personal Care – in-home supports for developmentally disabled persons
- Supported Independent Living – assisted independence for developmentally disabled persons
- Adult Day Health Care – community-based center providing services for medical, nursing, social, and personal care needs to adults who have physical, mental or functional impairments

Elderly Services

- Senior Lunch – meal in social setting for senior citizens

Mental Health

- GAPS – supportive housing for mentally ill persons in a congregate setting
- SHOC & Level up – supportive housing for mentally ill persons in scattered site apartments
- Homeless Outreach – case management and assistance for persons with a serious mental illness or other disorder who are homeless or at risk of homelessness
- PSH Central LA – housing with supportive services for mentally ill adults
- Rapid Rehousing – housing for people who are homeless and in need of immediate assistance
- Adult Behavioral Health – home and community-based outpatient services for adults with serious mental illness
- Youth Behavioral Health – school, community, and home-based behavioral health services for youth, ages 5 to 20, experiencing emotional and/or behavior problems

Housing – Disabled Housing and Elderly Housing

- HUD Management – 150 units at 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 crisis, 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

Correctional Services

- Exit 318 – rapid rehousing solutions for ex-offenders to support successful reintegration into the community
- Turning Point – employment development, transportation, housing, and family reunification for ex-offenders

Homeless Services

- Supportive Services for Veteran Families – eviction prevention, employment, and other services for veterans and their families to prevent future homelessness

Housing

- VA Housing – transitional housing for homeless veterans
- Safe Haven – transitional shelter for homeless veterans

- Permanent Supportive Housing – case management for behavioral health adults to obtain and maintain housing

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 & 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 4.25%, 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.

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 also 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 (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied. Prior to adoption of Topic 606, VOANLA recognized revenue when persuasive evidence of an arrangement existed, delivery of the product or service had occurred.

A significant portion of the Organization's grants and contracts are from government agencies. These 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 Assets – Noncash (In-kind) donations are recorded as contributions at their fair values within the fiscal period. Contributed investments are recorded at fair values at the date of the donation.

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

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 2021. Accordingly, no tax expense was incurred during the year ended June 30, 2021.

Investments - Investments are carried at fair value. 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, 2021.

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 present 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. The Organization can have exposure from time to time due to cash balances held in excess of the FDIC coverage. At June 30, 2021, 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, 2021:

	<u>Receivable</u>	<u>Revenue</u>
Medicaid	20 %	42 %
U.S. Department of Health and Human Services	6 %	8 %
U.S. Department of Housing and Urban Development	21 %	20 %
U.S. Department of Veterans Affairs	25 %	21 %
State of Louisiana	12 %	4 %
Other Sources	16 %	5 %
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

Accounting Standards Update 2014-09

In May 2014, the Financial Accounting Standards Board issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). This guidance specifies that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU and its amendments supersede the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry specific guidance.

Effective July 1, 2020, VOANLA adopted Topic 606, using the modified retrospective method. This method allows the standard to be adopted retrospectively through a cumulative adjustment to net assets recognized upon adoption; however, no adjustment to net assets was necessary upon adoption. Further, the 2020 combined financial statements have not been restated and continue to be reported under the accounting standards in effect for that year.

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 \$700,000 is available in full. See Note 12.

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 \$109,894 was made in fiscal year 2021, of which \$72,924 was from donor-restricted endowments. In the next 12 months, a distribution of \$113,894 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	\$4,535,082
Add: endowment fund distribution for next fiscal year	113,894
Subtract: board-designated endowment and other reserves	<u>(1,232,838)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$3,416,138</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	\$1,795,351
Post adoption services	190,318
Greatest need & future support	<u>553,377</u>
	2,539,046
Subject to expenditure for specified purposes:	
Children & families supplies & assistance	9,986
Employee services	17,995
Renovation projects	17,500
Housing to support low income persons with disabilities - HUD	<u>4,043,300</u>
	4,088,781
Subject to the passage of time:	
Pledge receivables subject to payment after discount to fair market value	<u>2,321,001</u>
	<u>2,321,001</u>
Total net assets with donor restrictions	<u>\$8,948,829</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	\$ 1,113,717
Scholarships & educational support	<u>74,927</u>
Total board-designated net assets	<u>\$ 1,188,644</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 amounts other than restricted cash):

	Beginning of Year	End of Year
Cash and Cash Equivalents	\$ 2,533,940	\$2,314,868
Designated and Restricted Assets	658,945	1,079,080
Other Assets	27,350	31,449
Total	<u>\$ 3,220,235</u>	<u>\$3,425,397</u>

Note 7 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:

	Level 1 Quoted Prices in Active Markets	Level 2 Other Observable Inputs	Level 3 Unobservable Inputs
Investments (included in designated and restricted assets)	\$ 3,666,213	\$ 56,267	\$ -

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.

Note 8 Notes Receivable

Volunteers of America of North Louisiana advanced funds to a related party in November 2013 in the amount of \$200,000, at a rate of 1%, to be used in connection with a housing project in Shreveport, Louisiana. During 2019, \$100,000 of the principal balance was paid. The remaining principal of \$100,000 plus all accrued interest was paid on December 21, 2020. See Note 18.

Note 9 Investments

Investments at June 30, 2021, are summarized as follows:

	Cost	Fair Value	Unrealized Gain (Loss)
Money Market	\$ 477,052	\$ 477,052	\$ -
Mutual Funds	1,858,351	2,696,130	837,779
Fixed Income	497,209	554,508	57,299
	<u>2,832,612</u>	<u>3,727,690</u>	<u>895,078</u>
Less Current Investments (included in cash and cash equivalents)	<u>-</u>	<u>-</u>	<u>-</u>
Long-Term Investments (included in designated and restricted assets)	<u>\$ -</u>	<u>\$ 3,727,690</u>	<u>\$ 895,078</u>

Investment return for the year ended June 30, 2021, is composed of interest and dividends of \$120,271, realized gains of \$58,459 and unrealized gains of \$611,436, and non-donor restricted dividends of \$233,293 paid from Louisiana Workers' Compensation Corporation. There were no investment fees paid for the account.

Note 10 Accounts Receivable

At June 30, 2021, accounts receivable consisted of the following:

Grants and Contracts Receivable	\$ 1,693,860
Other Accounts Receivable	61,282
Less Allowance for Uncollectible Receivables	(92,445)
Total	<u>\$ 1,662,697</u>

Note 11 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 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 \$1,460,738 as of June 30, 2021.

\$ 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 \$1,460,738 as of June 30, 2021.

250,000

Promissory note payable to VOA Futures Fund, Inc., in the original amount of \$138,000 with 2.5% interest rate per annum, unsecured, for the implementation of a school-based behavioral health program for the youth in Bossier Parish Schools. Accrued interest as of June 30, 2021 was \$9,612. Quarterly payments shall be paid in an amount equal to 100% of the remaining cash flow as defined in the loan agreement. This note matures September 30, 2022, whereupon the outstanding principal and all accrued interest shall be paid.

138,000

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 \$419,917 as of June 30, 2021

584,597

1,362,597

Less Current Portion, included in other current liabilities

(35,164)

Long-Term Portion

\$ 1,327,433

Interest expense for the year ended June 30, 2021, totaled \$80,341.

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

2022	\$ 35,164
2023	176,367
2024	291,861
2025	435,676
2026	49,836
Thereafter	373,693
Total	<u>\$ 1,362,597</u>

Note 12 Line of Credit

Volunteers of America of North Louisiana maintains a line of credit payable to a financial institution, with a maximum credit of \$350,000, with interest based on the prime rate as quoted in the Wall Street Journal (the "Index") at an initial rate of 4.25%, maturing on February 27, 2022. This line of credit is secured by real estate and land. The real estate has a net book value of \$116,061.

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, 2021, the net book value of these receivables totaled \$281,736.

There was no interest expense for the year ended June 30, 2021. There were no balance outstanding on the lines of credit as of June 30, 2021.

Note 13 Leases

The Organization leases certain facilities, equipment, and vehicles under operating leases, which expire at various dates. The minimum future lease obligations under such leases are as follows for the fiscal years ending June 30:

2022	\$	528,697
2023		106,669
2024		72,474
2025		16,666
Thereafter		64,800
Total	\$	<u>789,305</u>

Total rent expense under all leases amounted to \$780,568 for the year ended June 30, 2021, and is included in occupancy, program supplies and equipment, and travel, conferences and meetings expenses within the combined statement of functional expenses.

Note 14 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, 2021.

Total Pledges Receivable	\$	2,513,425
Less: Allowance for uncollectible pledges	(156,501)
Less: Discount, 4.25%	(192,422)
Net Pledges Receivable		<u>2,164,502</u>
Less Current Pledges Receivable	(488,345)
Long-term Pledges Receivable (included in other assets)	\$	<u>1,676,157</u>
Gross pledges due in:		
Less than 1 year	\$	596,927
1 – 5 years		1,906,916
After 5 years		9,582
Total Pledges Receivable	\$	<u>2,513,425</u>

Note 15 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 16 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 commissioned ministers through December 31, 1999. No other ministers were allowed to participate after that date. Pension plan expense was \$47,253 for the year ended June 30, 2021.

Note 17 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 \$19,000. 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; employees hired prior to May 1, 2015 followed a two-year vesting rule. Contributions made to the plan are at the discretion of the Board of Directors. Retirement plan expense was \$165,491 for the year ended June 30, 2021, under this plan.

Note 18 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, 2021, totaled \$290,755. The amount due to Volunteers of America, Inc. for charter services as of June 30, 2021, was \$25,683. The Organization also entered into a loan agreement with VOA Futures Fund, Inc., which provides flexible capital for the expansion of services to affiliates of Volunteers of America, Inc. The principal balance of this loan as of June 30, 2021, is \$138,000. See Note 11.

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 \$44,190 for the year ended June 30, 2021. In addition to management fees, the

Organization paid certain expenses, including salaries, on behalf of the project; these expenses totaled \$270,858 for the year ended June 30, 2021. At June 30, 2021, the project owed the Organization \$38,217, which is included in other current assets.

Volunteers of America of North Louisiana co-manages 2901 Dee St., Inc., doing business as Embassy House Apartments, that is also part of the national affiliation of Volunteers of America, Inc. Management fees charged by the Organization to the Embassy property totaled \$5,760 for the year ended June 30, 2021. In addition to management fees, the Organization paid certain expenses, including salaries, on behalf of the property; these expenses totaled \$64,913 for the year ended June 30, 2021. At June 30, 2021, Embassy owed the Organization \$13,601, 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 \$17,497. In addition, the Organization paid certain expenses, including salaries, on behalf of the property and project; these expenses totaled \$66,328 for the year ended June 30, 2021. At June 30, 2021, the project owed the Organization \$9,621, 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 clients who lease apartments at the McAdoo property. Rent subsidy expenses paid to McAdoo totaled \$144,684 for the current year.

Volunteers of America of North Louisiana had a \$200,000 note receivable with Renaissance Neighborhood Development Corporation, which is affiliated with Volunteers of America of Southeast Louisiana. A payment of \$100,000 was received on May 1, 2019, reducing the principal balance to \$100,000. There was a final payment of \$112,547 made on December 21, 2020, which paid the remaining principle and accrued interest. See Note 8.

Note 19 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, 2021, the approximate amount of accumulated and vested employee leave benefits was \$222,762, which is included in accrued expenses on the combined statement of financial position.

Note 20 Accrued Expenses

At June 30, 2021, accrued expenses consisted of the following:

Accrued payroll	\$	507,770
Accrued annual leave payable		222,762
Other accrued expenses		119,391
	\$	<u>849,923</u>

Note 21 Refundable Advances

Volunteers of America of North Louisiana has recorded refundable advances of \$1,048,861 for the year ended June 30, 2021, for prepayments received in advance of satisfying conditions stipulated by the donors.

Note 22 Revenue

In accordance with Topic 606, the VOANLA is recognizing revenue at the point of service for adult day healthcare, disability and behavioral health services for eligible persons, housing development management fees, and meal plans for various clients. As of June 30, 2021, there was \$0 of performance obligations to be satisfied. Revenue of \$5,598,458 was recognized for the year ended June 30, 2021, 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* (Topic 958).

Disaggregated Revenue

A summary of disaggregated revenue information for the year ended June 30, 2021 follows:

Topic 606 revenue	
Medicaid	\$ 5,481,792
Management Fees	67,866
Other	48,800
Total revenue recognized at point of service	<u>5,598,458</u>
Revenue not subject to recognition under Topic 606	<u>13,474,625</u>
Total revenue	<u>\$ 19,073,083</u>

Contract Balances

A summary of beginning and ending contract balances is as follows

Receivable from contracts, beginning of year	\$ 448,234
Receivable from contracts, end of year	\$ 327,317

Note 23 Change in Accounting Principle

VOANL changed its accounting method for recognizing Paycheck Protection Program ("PPP") notes payable to follow the guidance in FASB ASC 958, *Not-for-Profit Entities* and have chosen to account for PPP loans as a government grant.

The change in accounting principle was adopted on a modified prospective basis in 2021. As a result, there was no cumulative-effect adjustment to opening net assets without donor restrictions or opening net assets with donor restrictions as of July 1, 2020. For the year ended June 30, 2020, the effect of the change in accounting principle was an increase of refundable advances and a reduction of loan term debt of \$2,043,200, included in the combined statement of financial position.

Note 24 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"). The PPP provides for forgivable loans to qualifying organizations. The loan and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll costs, rent and utilities and the borrower maintains specified levels of payroll and employment.

In July 2021, VOANLA formally received forgiveness of the PPP loan from the SBA. VOANLA recognized the PPP loan forgiveness of \$2,067,775 as revenue during the year ended June 30, 2021.

Note 26 Contingencies

As noted in Note 11, 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.

Volunteers of America of North Louisiana is part of a multi-employer defined benefit pension plan that is currently underfunded. The 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 the shortfalls. As of June 30, 2021, the liability, if any, of Volunteers of America of North Louisiana cannot be determined.

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.

Note 27 Fire Damage

Volunteers of America of North Louisiana incurred fire damage to one of its properties on April 21, 2021. The business and property loss/damage as of June 30, 2021 has been estimated to be \$286,735. At June 30, 2021, recoupment from insurance claims was still pending and repair work has not started.

Note 28 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, 2021.

Composition

Endowment net assets composition by type of fund as of June 30, 2021, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowment Funds			
Donor Restricted	\$ -	\$ 2,539,045	\$ 2,539,045
Donor Non-restricted	1,188,644	-	1,188,644
Total Endowment Funds	<u>\$ 1,188,644</u>	<u>\$ 2,539,045</u>	<u>\$ 3,727,689</u>

A reconciliation of the beginning and ending balances of endowment funds as of June 30, 2021, is as follows:

Balance, Beginning	\$ 966,241	\$ 1,999,432	\$ 2,965,673
Contributions	5,000	76,750	81,750
Investment Income (Loss)	254,374	535,786	790,160
Distributions	(36,971)	(72,923)	(109,894)
Balance, Ending	<u>\$ 1,188,644</u>	<u>\$ 2,539,045</u>	<u>\$ 3,727,689</u>

Note 29 Risks and Uncertainties

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, broad domestic and international stock market indices have declined and the Organization's fair value of investments has declined similarly. Such declines in the fair value of investments held by the Organization may materially and adversely impact the Organization's ability to achieve its investment objectives and therefore, its operational objectives. In addition, the extent to which these events will affect the amounts reported in future financial statements remains uncertain.

Note 30 Subsequent Events

Volunteers of America of North Louisiana has evaluated subsequent events through November 2, 2021, the date which the combined financial statements were available to be issued. The following item occurred:

On July 29, 2021, the Small Business Administration approved forgiveness for the full amount of VOANLA's PPP loan and accrued interest.

Supplementary Information

Volunteers of America of North Louisiana
Shreveport, Louisiana

Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2021

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>Passed through the Central Louisiana Human Services District</u>				
Projects for Assistance in Transition from Homelessness	93.150	2000521181	\$ 66,943	\$ -
<u>Passed through the Louisiana Department of Children and Family Services</u>				
Promoting Safe and Stable Families Child Welfare Family Resource Center	93.556	2000308551	88,240	-
Promoting Safe and Stable Families Child Welfare Family Resource Center	93.556	2000546915	262,122	-
Total Promoting Safe and Stable Families			350,362	-
<u>Passed through the Central Louisiana Human Services District</u>				
Block Grants for Community Mental Health Services - PSH	93.958	2000506139	29,367	-
<u>Passed through the Northwest Louisiana Human Services District</u>				
Block Grants for Community Mental Health Services - GAPS	93.958	2000524076	303,803	-
Block Grants for Community Mental Health Services - SHOC	93.958	2000518366	139,143	-
Block Grants for Community Mental Health Services - Level Up	93.958	2000524095	228,700	-
Total Block Grants for Community Mental Health			671,646	-
U.S. Department of Homeland Security				
<u>Passed through the United Way of Northwest Louisiana</u>				
Emergency Food & Shelter National Board Program - Phase 37	97.024	356400-022	14,000	-
Emergency Food & Shelter National Board Program - Phase 38	97.024	356400-022	4,000	-
COVID-19 Emergency Food & Shelter National Board Program	97.024	356400-022	20,000	-
Total Emergency Food & Shelter National Board Program			38,000	-
U.S. Department of Education				
<u>Passed through Louisiana Department of Education</u>				
Twenty-First Century Community Learning Center	84.287	2000455916	227,672	-
U.S. Department of Housing and Urban Development				
<u>Direct Awards</u>				
Continuum of Care Program - GAPS (Congregate)	14.267	LA0039L6H021912	233,588	-
Continuum of Care Program - GAPS (Congregate)	14.267	LA0039L6H022013	135,392	-
Continuum of Care Program - SHOC (Scattered)	14.267	LA0046L6H021912	409,144	-
Continuum of Care Program - SHOC (Scattered)	14.267	LA0046L6H022013	36,495	-
Continuum of Care Program - Level Up	14.267	LA0340L6H021900	144,515	-
Continuum of Care Program - Supportive Permanent Housing	14.267	LA0141L6H071912	31,024	-
Continuum of Care Program - Supportive Permanent Housing	14.267	LA0141L6H072013	130,004	-
Continuum of Care Program - Supportive Permanent Housing	14.267	LA0188L6H071805	6,932	-
Continuum of Care Program - Rapid Rehousing 1	14.267	LA0266L6H071803	18,021	-
Continuum of Care Program - Rapid Rehousing 2	14.267	LA0288L6H071902	96,263	-
Continuum of Care Program - Rapid Rehousing 2	14.267	LA0288L6H072003	39,400	-
Total Continuum of Care Program			1,280,778	-
CDBG - Entitlement Grants Cluster				
<u>Passed through City of Shreveport, Louisiana</u>				
COVID-19 Community Development Block Grant	14.218	2020-CDBG-CV-008	10,000	-
<u>Passed through City of Bossier City, Louisiana</u>				
Community Development Block Grants - Lighthouse Bossier	14.218	B-20-MC-22-0009	12,828	-
Total CDBG - Entitlement Grants Cluster			22,828	-
<u>Passed through City of Shreveport, Louisiana</u>				
COVID-19 Emergency Solutions Grant Program	14.231	2020-ESG-CV-003	58,000	-
Hope VI Cluster				
<u>Passed through City of Shreveport, Louisiana</u>				
Choice Neighborhoods Implementation Grants	14.889	2019-00000413	276,944	129,697
Total Hope VI Cluster			276,944	129,697
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	K1901	64,800	-
Total WIOA Cluster			64,800	-
U.S. Department of Veteran Affairs				
<u>Direct Awards</u>				
VA Homeless Providers Grant and Per Diem Program - Transitional Housing	64.024	VOAA820-0435-667-SI-18-0	435,846	-
VA Homeless Providers Grant and Per Diem Program - Transitional Housing	64.024	VOAA820-1464-667-PD-21	653,937	-
Total VA Homeless Providers Grant and Per Diem Program			1,089,783	-
<u>Passed through the Volunteers of America Southeast Louisiana, Inc.</u>				
VA Supportive Services for Veteran Families Program	64.033	12-LA-038	376,886	-
COVID-19 VA Supportive Services for Veteran Families Program	64.033	12-LA-038-CA	676,337	-
Total VA Supportive Services for Veteran Families			1,053,223	-
Total expenditures of federal awards			\$ 5,230,346	\$ 129,697

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

Notes to the Schedule of Expenditures of Federal Awards
June 30, 2021

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, 2021. 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 \$129,697 in federal funds to subrecipients during the year ended June 30, 2021.

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, 2021.

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, 2021.

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, 2021**

Agency Head Name: Charles Meehan

Purpose	Amount
Salary	\$ 124,298
Benefits-insurance	15,757
Benefits-retirement	26,499
Cell phone	900
Reimbursements	23,120
Housing	50,000
Special meals	264
Other (including payments made by other parties on behalf of the agency head)	97

Volunteers of America of North Louisiana and Affiliates
Shreveport, Louisiana

Combining Statement of Financial Position
June 30, 2021

	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	\$ 2,308,271	\$ 1,077	\$ 233	\$ 2,991	\$ 11	\$ 1,013	\$ 1,272	\$ -	\$ 2,314,868
ACCOUNTS RECEIVABLE, NET	1,610,647	3	59	642	91	50,832	423	-	1,662,697
PLEDGES RECEIVABLE, NET	488,345	-	-	-	-	-	-	-	488,345
PREPAID EXPENSES	169,898	-	-	2,000	-	-	-	-	171,898
OTHER CURRENT ASSETS	130,000	-	-	-	-	-	-	(60,828)	69,172
TOTAL CURRENT ASSETS	4,707,161	1,080	292	5,633	102	51,845	1,695	(60,828)	4,706,980
FIXED ASSETS									
LAND AND BUILDINGS	3,940,841	1,125,516	1,139,275	1,192,770	1,008,569	634,062	596,129	-	9,637,162
FURNITURE AND EQUIPMENT	1,226,358	133,899	154,122	126,126	118,996	147,667	169,917	-	2,077,067
ACCUMULATED DEPRECIATION	(3,262,516)	(850,944)	(1,023,999)	(731,725)	(763,392)	(586,021)	(541,837)	-	(7,760,434)
TOTAL FIXED ASSETS	1,904,683	408,471	269,398	587,171	364,175	195,708	224,209	-	3,953,815
OTHER ASSETS									
DESIGNATED AND RESTRICTED ASSETS	3,850,727	72,956	73,009	77,239	95,898	76,370	114,966	-	4,361,167
OTHER ASSETS	1,715,493	835	-	473	-	155	20	-	1,716,976
TOTAL OTHER ASSETS	5,566,220	73,791	73,009	77,712	95,898	76,525	114,988	-	6,078,143
TOTAL ASSETS	\$ 12,178,064	\$ 483,342	\$ 342,699	\$ 670,516	\$ 460,175	\$ 324,078	\$ 340,892	\$ (60,828)	\$ 14,738,938
LIABILITIES AND NET ASSETS									
CURRENT LIABILITIES									
ACCOUNTS PAYABLE	\$ 198,150	\$ 7,336	\$ 22,251	\$ 7,401	\$ 12,872	\$ 10,390	\$ 5,501	\$ (22,064)	\$ 241,837
ACCRUED EXPENSES	845,660	7,648	7,170	6,419	8,583	7,007	6,200	(38,764)	849,923
REFUNDABLE ADVANCES	1,048,861	-	-	-	-	-	-	-	1,048,861
OTHER CURRENT LIABILITIES	4,929	103	227	479	4	17,601	17,632	-	40,975
TOTAL CURRENT LIABILITIES	2,097,600	15,087	29,648	14,299	21,459	34,998	29,333	(60,828)	2,181,596
OTHER LIABILITIES									
MORTGAGES PAYABLE - NON CURRENT	640,000	-	-	-	-	-	-	-	640,000
MORTGAGES PAYABLE - HUD MULTI-FAMILY	-	-	-	-	-	274,412	275,021	-	549,433
LONG TERM NOTES PAYABLE	138,000	-	-	-	-	-	-	-	138,000
OTHER LONG TERM LIABILITIES	125,587	4,144	6,058	3,922	4,563	2,698	2,539	-	149,511
TOTAL OTHER LIABILITIES	903,587	4,144	6,058	3,922	4,563	277,110	277,560	-	1,476,944
TOTAL LIABILITIES	3,001,187	19,231	35,706	18,221	26,022	312,108	306,893	(60,828)	3,658,540
NET ASSETS									
WITHOUT DONOR RESTRICTION	4,271,348	(499,489)	(777,707)	(478,005)	(430,547)	11,970	33,999	-	2,131,569
WITH DONOR RESTRICTION	4,905,529	963,600	1,084,700	1,130,300	864,700	-	-	-	8,948,829
TOTAL NET ASSETS	9,176,877	464,111	306,993	652,295	434,153	11,970	33,999	-	11,080,398
TOTAL LIABILITIES AND NET ASSETS	\$ 12,178,064	\$ 483,342	\$ 342,699	\$ 670,516	\$ 460,175	\$ 324,078	\$ 340,892	\$ (60,828)	\$ 14,738,938

See Independent Auditors' Report.

Volunteers of America of North Louisiana and Affiliates
Shreveport, Louisiana

Combining Statement of Activities
for the Year Ended June 30, 2021

	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</i>									
Contributions	\$ 2,853,813	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,853,813
Contributions Inkind	438,964	-	-	-	-	-	-	-	438,964
United Way	31,921	-	-	-	-	-	-	-	31,921
TOTAL PUBLIC SUPPORT	3,324,698	-	-	-	-	-	-	-	3,324,698
<i>REVENUE & GRANTS FROM GOVERNMENTAL AGENCIES</i>									
Government Grants & Contracts	12,174,198	142,731	165,434	155,060	125,769	167,964	167,513	-	13,098,669
PPP Loan Forgiveness	2,067,775	-	-	-	-	-	-	-	2,067,775
TOTAL REVENUE & GRANTS FROM GOVERNMENTAL AGENCIES	14,241,973	142,731	165,434	155,060	125,769	167,964	167,513	-	15,166,444
<i>OTHER REVENUE</i>									
Program Service Fees	309,358	50,565	71,949	47,336	47,270	79,616	43,246	(77,230)	572,110
Rental Income	550	-	-	-	-	-	-	-	550
Other Operating Income	4,983	1,269	1,060	232	774	155	819	-	9,282
TOTAL OTHER REVENUE	314,891	51,824	73,009	47,568	48,044	79,771	44,065	(77,230)	581,942
TOTAL REVENUE FROM OPERATIONS	17,881,562	194,555	238,443	202,628	173,813	247,735	211,578	(77,230)	19,073,084
<i>OPERATING EXPENSES</i>									
Encouraging Positive Development	2,349,322	-	-	-	-	-	-	-	2,349,322
Fostering Independence	8,131,094	181,126	221,639	176,624	180,806	178,252	149,861	-	9,219,402
Promoting Self-Sufficiency	3,215,940	-	-	-	-	-	-	-	3,215,940
TOTAL PROGRAM SERVICES	13,696,356	181,126	221,639	176,624	180,806	178,252	149,861	-	14,784,664
Management and General	2,544,287	45,020	48,296	48,735	39,131	41,843	40,889	(77,230)	2,730,971
Fund Raising	678,746	-	-	-	-	-	-	-	678,746
TOTAL SUPPORTING SERVICES	3,223,033	45,020	48,296	48,735	39,131	41,843	40,889	(77,230)	3,409,717
TOTAL OPERATING EXPENSES	16,919,389	226,146	269,935	225,359	219,937	220,095	190,750	(77,230)	18,194,381
EXCESS (DEFICIT) FROM OPERATIONS	962,173	(31,591)	(31,492)	(22,731)	(46,124)	27,640	20,828	-	878,703
<i>NON-OPERATING ACTIVITY</i>									
Interest and Dividend Income	358,793	37	21	27	39	27	51	-	358,995
Gains (Losses) on Disposition of Fixed Assets	1,500	-	(27,047)	-	-	-	-	-	(25,547)
Gains (Losses) from Insurance Proceeds	7,883	-	-	-	-	-	-	-	7,883
Gains (Losses) on Investments	669,895	-	-	-	-	-	-	-	669,895
SURPLUS (DEFICIT) FROM NON-OPERATING ACTIVITY	1,038,071	37	(27,026)	27	39	27	51	-	1,011,226
CHANGE IN NET ASSETS	2,000,244	(31,554)	(58,518)	(22,704)	(46,085)	27,667	20,879	-	1,889,929
NET ASSETS (DEFICIT) AT BEGINNING OF YEAR	7,176,633	495,665	365,511	674,999	480,238	(15,697)	13,120	-	9,190,469
NET ASSETS (DEFICIT) AT END OF YEAR	\$ 9,176,877	\$ 464,111	\$ 306,993	\$ 652,295	\$ 434,153	\$ 11,970	\$ 33,999	\$ -	\$ 11,080,398

See Independent Auditors' Report.

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

Combining Statement of Functional Expenses
for the Year Ended June 30, 2021

	Volunteers of America of North Louisiana Consolidated	HUD Multi-Family Combined	2021 Totals
Salaries and Wages	\$ 9,426,087	\$ 269,951	\$ 9,696,038
Employee Benefits	1,499,433	60,334	1,559,767
Professional Services	2,013,969	182,465	2,196,434
Occupancy	788,810	161,686	950,496
Specific Assistance to Individuals	2,317,119	191,603	2,508,722
Program Supplies and Equipment	311,524	51,187	362,711
Office Supplies and Expense	133,124	173	133,297
Interest	27,876	52,465	80,341
Travel, Conferences, and Meetings	119,706	6,813	126,519
Other	106,401	2,421	108,822
Total Expenses Before Depreciation	<u>16,744,049</u>	<u>979,098</u>	<u>17,723,147</u>
Depreciation	<u>175,340</u>	<u>295,894</u>	<u>471,234</u>
Total Functional Expenses	<u>\$ 16,919,389</u>	<u>\$ 1,274,992</u>	<u>\$ 18,194,381</u>

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, 2021, 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 October 29, 2021. 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 Organization'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.

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) to determine the 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 may exist that have not been identified.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

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

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
November 2, 2021



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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

We have audited Volunteers of America of North Louisiana's compliance with the types of compliance requirements described 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, 2021. 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 Organization'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 received federal awards during the year ended June 30, 2021. 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.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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, 2021.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

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

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
November 2, 2021

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

Schedule of Findings and Questioned Costs
June 30, 2021

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
64.033	COVID-19 VA Supportive Services for Veteran Families Program
64.033	VA Supportive Services for Veteran Families Program

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

Auditee qualified as low-risk auditee? **Yes**

Section II – Financial Statement Findings Reported in Accordance with *Governmental Auditing Standards*

None

Section III – Federal Award Findings and Questioned Costs

None

Prior Year Findings

None