VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. AND SUBSIDIARIES

Audits of Consolidated Financial Statements

June 30, 2023 and 2022

LAPORTE
CPAs & BUSINESS ADVISORS

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LAPORTE
CPAs & BUSINESS ADVISORS

LaPorte, APAC
5100 Village Walk | Suite 300
Covington, LA 70433
985.892.5850 | Fax 985.892.5956
LaPorte.com

Independent Auditor's Report

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

Opinion
We have audited the accompanying consolidated financial statements of Volunteers of America Southeast Louisiana, Inc. and Subsidiaries (the Organization), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2023, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

LaPorte

A Professional Accounting Corporation

Covington, LA
October 25, 2023

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Consolidated Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Cash and Cash Equivalents	$ 5,637,347	$ 7,793,707
Accounts Receivable, Net of Allowance for Doubtful Accounts of $73,360 at 2023 and $126,792 at 2022	5,948,197	5,121,653
Pledges Receivable, Net	445,423	507,486
Prepaid Expenses	1,773,066	1,248,511
Due from Projects in Development	75,894	2,752,173
Investments	2,079,239	-
Other Current Assets	2,196,765	1,717,198
Total Current Assets	18,155,931	19,140,728
Fixed Assets, Net	156,477,054	139,127,584
Other Assets		
Designated and Restricted Deposits	3,956,043	17,060,570
Due from Projects in Development	838,709	1,582,435
Long-Term Investments	7,902,837	7,345,769
Pledges Receivable, Net	832,885	792,781
Notes Receivable	78,042	-
Investment in Joint Ventures	420,578	396,854
Deferred Tax Assets	289,237	309,885
Right-of-Use Assets - Operating Leases	3,384,812	-
Right-of-Use Assets - Finance Leases	297,909	-
Total Other Assets	18,001,052	27,488,294
Total Assets	$ 192,634,037	$ 185,756,606

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

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Consolidated Statements of Financial Position (Continued)
June 30, 2023 and 2022

	2023	2022
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	$ 2,463,791	$ 3,900,222
Lines of Credit	1,023,832	245,167
Mortgages and Notes Payable	14,984,982	11,258,991
Accrued Expenses	1,877,625	2,531,410
Lease Liability - Operating Leases	160,519	-
Lease Liability - Finance Leases	96,977	-
Other Current Liabilities	2,523,901	3,880,176
Due to Projects in Development	585,361	169,659
Total Current Liabilities	23,716,988	21,985,625
Other Liabilities		
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	75,362,306	82,525,309
Lease Liability - Operating Leases	731,286	-
Lease Liability - Finance Leases	181,129	-
Total Other Liabilities	76,274,721	82,525,309
Total Liabilities	99,991,709	104,510,934
Net Assets		
Net Assets Without Donor Restrictions		
Attributable to VOASELA	38,765,009	34,901,379
Attributable to Non-Controlling Interests	51,986,002	45,299,183
Net Assets With Donor Restrictions	1,891,317	1,045,110
Total Net Assets	92,642,328	81,245,672
Total Liabilities and Net Assets	$ 192,634,037	$ 185,756,606

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

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Consolidated Statements of Activities
For the Years Ended June 30, 2023 and 2022

	2023	2022
Net Assets Without Donor Restrictions		
Revenue, Support, and Gains		
Without Donor Restrictions		
Public Support Received Directly		
Contributions and Special Events	**$ 2,122,729**	$ 1,734,634
Contributions of Nonfinancial Assets	**134,238**	177,904
Public Support Received Indirectly		
United Way Allocations	**91,613**	158,217
Net Assets Released from Restrictions	**1,156,122**	1,070,749
Total Public Support	**3,504,702**	3,141,504
Revenues and Grants from Governmental Agencies	**26,828,143**	26,638,320
Other Revenue		
Program Service Fees	**7,011,085**	6,554,688
Rental Income	**7,803,756**	5,738,169
Other Operating Income	**904,629**	756,352
Total Other Revenue	**15,719,470**	13,049,209
Total Revenue, Support, and Gains Without Donor Restrictions	**46,052,315**	42,829,033

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

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Consolidated Statements of Activities (Continued)
For the Years Ended June 30, 2023 and 2022

	2023	2022
Operating Expenses		
Program Services		
Encouraging Positive Development	**13,319,393**	13,197,490
Fostering Independence	**9,115,870**	8,838,132
Promoting Self-Sufficiency	**19,156,808**	16,210,387
Total Program Services	**41,592,071**	38,246,009
Supporting Services		
Management and General	**5,488,705**	4,895,037
Fundraising	**1,242,588**	1,008,449
Total Supporting Services	**6,731,293**	5,903,486
Total Operating Expenses	**48,323,364**	44,149,495
Deficit from Operations	**(2,271,049)**	(1,320,462)

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

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Consolidated Statements of Activities (Continued)
For the Years Ended June 30, 2023 and 2022

	2023	2022
Other Activities		
Loss on Disposition of Assets	**(9,950)**	(1,934,916)
Net Investment Return (Loss)	**900,912**	(1,368,778)
Income Tax (Expense) Benefit	**(20,648)**	25,574
Other Non-Operating Gains	**3,063,460**	1,215,348
Surplus (Deficit) from Other Activities	**3,933,774**	(2,062,772)
Change in Net Assets	**1,662,725**	(3,383,234)
Other Changes in Net Assets	**8,887,724**	3,586,085
Change in Net Assets Without Donor Restrictions	**10,550,449**	202,851
Net Assets With Donor Restrictions		
Public Support Received Directly		
Contributions and Special Events	**2,002,329**	738,412
Net Assets Released from Restrictions	**(1,156,122)**	(1,070,749)
Change in Net Assets With Donor Restrictions	**846,207**	(332,337)
Total Change in Net Assets	**11,396,656**	(129,486)
Net Assets, Beginning of Year	**81,245,672**	81,375,158
Net Assets, End of Year	**$ 92,642,328**	$ 81,245,672

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

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program Services				Supporting Services			
	Encouraging Positive Development	Fostering Independence	Promoting Self-Sufficiency	Subtotal	Management and General	Fundraising	Subtotal	Total
Salaries and Wages	$ 5,337,635	$ 5,588,119	$ 4,764,058	$ 15,689,812	$ 1,969,722	$ 330,702	$ 2,300,424	$ 17,990,236
Employee Benefits	777,134	751,898	653,798	2,182,830	330,555	59,944	390,499	2,573,329
Professional Services	3,253,685	374,315	2,512,544	6,140,544	1,914,057	209,373	2,123,430	8,263,974
Occupancy	549,651	694,203	1,233,116	2,476,970	582,656	251	582,907	3,059,877
Specific Assistance to Individuals	1,136,652	505,312	1,610,277	3,252,241	3,540	-	3,540	3,255,781
Program Supplies and Equipment	1,834,899	549,040	1,824,020	4,207,959	174,211	4,996	179,207	4,387,166
Office Supplies and Expenses	94,301	79,205	213,628	387,134	103,384	43,754	147,138	534,272
Travel, Conferences, and Meetings	167,758	214,068	103,983	485,809	79,100	19,975	99,075	584,884
Depreciation and Amortization	81,909	247,505	4,758,496	5,087,910	77,823	-	77,823	5,165,733
Interest	-	27,751	1,169,776	1,197,527	75,511	-	75,511	1,273,038
Other	85,769	84,454	313,112	483,335	178,146	573,593	751,739	1,235,074
Total	$ 13,319,393	$ 9,115,870	$ 19,156,808	$ 41,592,071	$ 5,488,705	$ 1,242,588	$ 6,731,293	$ 48,323,364

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

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2022

	Program Services				Supporting Services			
	Encouraging Positive Development	Fostering Independence	Promoting Self-Sufficiency	Subtotal	Management and General	Fundraising	Subtotal	Total
Salaries and Wages	$ 5,823,683	$ 5,649,860	$ 4,258,938	$ 15,732,481	$ 1,993,383	$ 366,085	$ 2,359,468	$ 18,091,949
Employee Benefits	816,627	726,113	567,858	2,110,598	312,857	54,646	367,503	2,478,101
Professional Services	2,677,775	263,289	1,864,692	4,805,756	1,963,243	68,245	2,031,488	6,837,244
Occupancy	217,231	663,578	1,687,165	2,567,974	140,050	1,433	141,483	2,709,457
Specific Assistance to Individuals	1,342,037	409,727	1,579,752	3,331,516	930	768	1,698	3,333,214
Program Supplies and Equipment	1,723,671	481,572	1,385,111	3,590,354	111,998	8,942	120,940	3,711,294
Office Supplies and Expenses	127,671	77,679	178,098	383,448	117,405	21,058	138,463	521,911
Travel, Conferences, and Meetings	169,141	249,648	91,390	510,179	35,260	13,640	48,900	559,079
Depreciation and Amortization	77,751	97,855	3,322,052	3,497,658	81,951	-	81,951	3,579,609
Interest	-	13,586	804,122	817,708	12,288	-	12,288	829,996
Other	221,903	205,225	471,209	898,337	125,672	473,632	599,304	1,497,641
Total	$ 13,197,490	$ 8,838,132	$ 16,210,387	$ 38,246,009	$ 4,895,037	$ 1,008,449	$ 5,903,486	$ 44,149,495

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

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Change in Net Assets	$ 11,396,656	$ (129,486)
Adjustments to Reconcile Change in Net Assets		
to Net Cash Provided by Operating Activities		
Depreciation and Amortization	5,165,733	3,579,609
(Gain) Loss on Investments	(397,146)	1,570,340
Loss on Disposition of Assets	9,950	1,934,916
Bad Debt Expense	434,523	665,567
Forgiveness of Debt Income	(83,222)	(83,222)
Deferred Tax Expense (Benefit)	20,648	(31,824)
(Increase) Decrease in Operating Assets		
Accounts Receivable, Net	(1,326,106)	(1,323,232)
Pledges Receivable, Net	86,998	(219,308)
Prepaid Expenses	3,974	416,972
Due from Projects in Development	3,420,005	(2,407,092)
Other Current Assets	(479,567)	(269,569)
Investment in Joint Ventures	(23,724)	24,238
Right-of-Use Assets - Operating Leases	210,682	-
Increase (Decrease) in Operating Liabilities		
Accounts Payable	(1,436,431)	1,707,426
Accrued Expenses	(653,785)	349,674
Other Current Liabilities	(1,356,275)	2,540,145
Due to Projects in Development	415,702	621,474
Lease Liability - Operating Leases	(155,689)	-
Net Cash Provided by Operating Activities	15,252,926	8,946,628
Cash Flows from Investing Activities		
Proceeds from Sale of Investments	4,462,321	2,931,287
Purchases of Investments	(6,701,482)	(2,461,400)
Increase in Notes Receivable	(78,042)	-
Purchases of Fixed Assets	(12,116,126)	(8,800,504)
Net Cash Used in Investing Activities	(14,433,329)	(8,330,617)

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

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Consolidated Statements of Cash Flows (Continued)
For the Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows from Financing Activities		
Proceeds from Lines of Credit	**1,023,832**	-
Proceeds from Mortgages and Notes Payable	**4,182,774**	-
Principal Payments on Mortgages and Notes Payable	**(20,689,971)**	(1,233,833)
Payments of Debt Issuance Costs	**(519,595)**	-
Principal Payments on Finance Leases	**(77,524)**	-
Net Cash Used in Financing Activities	**(16,080,484)**	(1,233,833)
Net Decrease in Cash, Cash Equivalents, and Restricted Cash	**(15,260,887)**	(617,822)
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	**24,854,277**	25,472,099
Cash, Cash Equivalents, and Restricted Cash, End of Year	**$ 9,593,390**	$ 24,854,277
Supplemental Disclosure of Cash Flow Information		
Cash Paid for Interest	**$ 1,239,781**	$ 778,268
Non-Cash Transactions		
Financed Insurance Premiums	**$ 528,529**	$ 515,583
Purchases of Fixed Assets with Proceeds from Mortgages and Notes Payable	**$ 12,743,974**	$ 24,928,500
Purchases of Fixed Assets with Proceeds from Line of Credit	**$ -**	$ 245,167
Refinance of Mortgages and Notes Payable	**$ 5,337,096**	$ 245,167
Recognition of Operating Lease Right-of-Use Assets	**$ 3,578,161**	$ -
Operating Lease Liability Arising from Right-of-Use Assets	**$ 1,047,494**	$ -
Finance Lease Liability Arising from Right-of-Use Assets	**$ 139,678**	$ -

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

Note 1. Organization

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

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

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

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

Note 1. Organization (Continued)

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

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

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

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

Note 1. Organization (Continued)

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

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

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

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

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

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

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

Homeless Services: This program provides shelter for homeless individuals.

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

Note 1. Organization (Continued)

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

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

Note 2. Summary of Significant Accounting Policies

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

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

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

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

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

As of June 30, 2023 and 2022, there was $1,891,317 and $1,045,110, respectively, of net assets with donor restrictions.

Note 2. Summary of Significant Accounting Policies (Continued)

Principles of Consolidation

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

Non-Controlling Interest

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

Use of Estimates

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

Cash, Cash Equivalents, and Restricted Cash

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, unless held for reinvestment as part of the investment portfolio, pledged to secure loan agreements, or otherwise designated or restricted. The carrying amount approximates fair value because of the short-term maturity of those instruments.

Accounts Receivable

The Organization's accounts receivable are primarily due from customers and third-party payors and are recorded net of allowances for bad debts. The opening accounts receivable balance at July 1, 2021 totaled $4,280,353.

Investments

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

Note 2. Summary of Significant Accounting Policies (Continued)

Investment in Joint Ventures

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

Fixed Assets

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

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

Building and Improvements	10 - 30 Years
Vehicles	5 Years
Furniture and Equipment	3 - 8 Years

Designated and Restricted Deposits

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

Operations

The Organization defines operations as all program services and supporting activities undertaken. Revenues that result from these activities and their related expenses are reported as operations. Gains, losses, and other revenue that result from ancillary activities are reported as non-operating.

Note 2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

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

In May 2014, the FASB issued ASC Topic 606, *Revenue from Contracts with Customers*, which introduced a five step model to recognize revenue from customer contracts in an effort to increase consistency and comparability throughout global capital markets and across industries. The model identifies the contract, any separate performance obligations in the contract, determines the transaction price, allocates the transaction price, and recognizes revenue when the performance obligations are satisfied. However, this standard does not affect revenue streams that are addressed by other standards such as leases under Topic 842 and Contributions under Topic 958. Consequently, the new standard did not impact the timing of revenue recognition for grants and rental income. Management determined that the new standard applies to revenues from public support, program service fees, and management fees.

Rental income is derived from the leasing of commercial and residential properties under leases with durations of less than one year. The Organization records revenue for such leases at gross potential rent. The rental value of vacancies and other concessions are stated separately to present net rental income on the accrual basis.

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

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

A significant portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statement of financial position. As of June 30, 2023 and 2022, there have been no cost reimbursable grants received in advance of qualifying expenditures.

Note 2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

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

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

Income Taxes

Under provisions of Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the State of Louisiana, the Organization is exempt from income taxes, except for net income from unrelated business income, as a subordinate unit of Volunteers of America, Inc. Volunteers of America, Inc. is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as a religious organization described in Section 501(c)(3). There was no material unrelated business net income in fiscal years ended June 30, 2023 and 2022.

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

Note 2. Summary of Significant Accounting Policies (Continued)

Income Taxes (Continued)

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

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

Advertising Expenses

The Organization expenses the costs of advertising as incurred. Advertising expense totaled $281,727 and $245,144 for the years ended June 30, 2023 and 2022, respectively.

Functional Allocation of Expenses

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

Summary Financial Information for 2022

The financial statements and supplementary information for the year ended June 30, 2023 contain certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Organization’s financial statements and related notes or the financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified in order to be comparable with the current year presentation. These reclassifications had no impact on previously reported changes in net assets.

Note 2. Summary of Significant Accounting Policies (Continued)

Implementation of Accounting Pronouncement

In February 2016, the FASB issued ASC Topic 842, *Leases*, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their statements of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, *Leases*) and operating leases, with classification affecting the pattern of expense recognition in the statement of activities.

The Organization adopted Topic 842 on July 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements. Under this transition provision, the Organization has applied Topic 842 to reporting periods beginning on July 1, 2022, while prior periods continue to be reported and disclosed in accordance with the Organization's historical accounting treatment under ASC Topic 840, *Leases*.

The Organization elected the "package of practical expedients" under the transition guidance within Topic 842, in which the Organization does not reassess (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases, or (3) the initial direct costs for any existing leases. The Organization has not elected to adopt the "hindsight" practical expedient, and therefore will measure the ROU asset and lease liability using the remaining portion of the lease term upon adoption of ASC 842 on July 1, 2022.

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract, and (ii) the Organization obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

Note 2. Summary of Significant Accounting Policies (Continued)

Implementation of Accounting Pronouncement (Continued)

The Organization made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or July 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The Organization has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate asset classes. The non-lease components typically represent additional services transferred to the Organization, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Adoption of Topic 842 resulted in the recording of additional ROU assets and lease liabilities related to the Organization's operating leases of approximately $3.6 million and $1 million, respectively, at July 1, 2022. The adoption of the new lease standard did not materially impact consolidated change in net assets or consolidated cash flows and did not result in a cumulative-effect adjustment to the opening balance of net assets.

Recently Issued Accounting Pronouncements

In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses.

Note 2. Summary of Significant Accounting Policies (Continued)

Recently Issued Accounting Pronouncements (Continued)

The ASU requires that credit losses on available-for-sale debt securities be presented as an allowance rather than as a direct writedown. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the statement of activities as the amounts expected to be collected change. The ASU is effective for fiscal years beginning after December 15, 2022. ASU 2016-13 is effective for the Organization as of July 1, 2023. The Organization is currently evaluating the impact of adopting this new guidance on its consolidated financial statements and does not expect the impact to be significant.

Note 3. Liquidity and Availability

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

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

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

As of June 30, 2023 and 2022, financial assets available for general operating purposes within one year of the consolidated statements of financial position dates comprise the following:

	2023	2022
Cash and Cash Equivalents	**$ 5,637,347**	$ 7,793,707
Accounts Receivable, Net	**5,948,197**	5,121,653
Investments	**2,079,239**	-
Total	**$ 13,664,783**	$ 12,915,360

Note 4. Pledges Receivable

At June 30, 2023 and 2022, amounts included in pledges receivable were as follows:

	2023	2022
Pledges Receivable	**$ 2,015,403**	$ 2,129,901
Less: Discount of Long-Term Pledges	**(128,715)**	(156,215)
Less: Allowance for Doubtful Accounts	**(608,380)**	(673,419)
Pledges Receivable, Net	**$ 1,278,308**	$ 1,300,267

Amounts due are as follows:

Year Ending June 30,	Amount
2024	$ 861,228
2025	265,520
2026	238,340
2027	200,565
2028	178,890
Thereafter	270,860
Total	$ 2,015,403

Pledges receivable due in more than one year are discounted at 3.75%.

Note 5. Fixed Assets

At June 30, 2023 and 2022, fixed assets consisted of the following:

	2023	2022
Land	**$ 9,639,265**	$ 9,761,655
Buildings and Improvements	**150,997,128**	107,246,742
Vehicles	**998,658**	426,303
Furniture and Equipment	**11,016,802**	7,525,972
Construction in Progress	**22,251,206**	48,599,819
	194,903,059	173,560,491
Less: Accumulated Depreciation	**(38,426,005)**	(34,432,907)
Total Fixed Assets, Net	**$ 156,477,054**	$ 139,127,584

Depreciation expense was $4,923,202 and $3,468,254 for the years ended June 30, 2023 and 2022, respectively.

Note 6. Cash, Cash Equivalents, and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated statements of financial position that sum to the total of the same such amounts shown in the consolidated statements of cash flows as of June 30, 2023 and 2022.

		2023		2022
Cash and Cash Equivalents	**$**	**5,637,347**	$	7,793,707
Designated and Restricted Deposits		**3,956,043**		17,060,570
Total	**$**	**9,593,390**	$	24,854,277

The Organization has agreements with agencies that require funded reserves and the restriction of certain deposits which are custodial in nature. At June 30, 2023 and 2022, designated and restricted deposits were as follows:

		2023		2022
Escrow	**$**	**1,515,858**	$	1,002,215
Security Deposits		**288,751**		299,837
Replacement Reserve Funds		**2,151,434**		15,758,518
Total	**$**	**3,956,043**	$	17,060,570

Note 7. Lines of Credit

VOASELA has a $1,000,000 line of credit. The line has an interest rate of 2.85% plus the one Month Term SOFR. This line of credit matures on June 30, 2024. There was no balance on this line of credit at June 30, 2023 or 2022. VOASELA is subject to a restrictive financial covenant under this agreement. At June 30, 2023 and 2022, the Organization was in compliance with this covenant.

VOASELA has a $500,000 line of credit agreement with an interest rate of 3.00% plus the one Month Term SOFR, and a maturity date of June 30, 2024. There was no balance on this line of credit at June 30, 2023. The balance outstanding at June 30, 2022 was $245,167.

Note 7. Lines of Credit (Continued)

On September 16, 2020, RNDC entered into a line of credit agreement with Home Bank totaling $1,000,000, maturing June 30, 2024, with an interest rate of 4.5%. The balance at June 30, 2023 totaled $850,000. There was no balance on this line of credit as of June 30, 2022.

On December 8, 2022, RNDC entered into a short-term loan agreement with Volunteers of America, Inc. totaling $250,000 with any funds being borrowed expected to be repaid immediately after receipt of certain insurance proceeds, therefore, not subject to any interest. The balance at June 30, 2023 totaled $173,832. There was no balance on this line of credit as of June 30, 2022.

On June 30, 2023, RNDC entered into a promissory note with Home Bank for a construction loan agreement totaling $13,000,000, maturing June 30, 2025, with an interest rate of 6.95%. There was no balance on this note at June 30, 2023.

Note 8. Mortgages and Notes Payable

The following is a summary of mortgages and notes payable at June 30, 2023 and 2022:

	2023	2022
Two (2) notes payable to the Louisiana Housing Finance Agency, secured by CDBG Piggyback Program Leasehold Mortgage, with interest rates of -0-%, and maturity dates of August 31, 2044 and May 20, 2045, for Chateau Carre' and New Covington.	**$ 15,394,908**	$ 15,413,053
One (1) note payable to Terrebonne Parish Consolidated Government, secured by land and buildings, with an interest rate of -0-%, maturing June 1, 2049, for Bayou Cane Apartments.	**5,547,413**	5,558,633
One (1) note payable to Terrebonne Council on Aging, Inc., with an interest rate of -0-%, maturing March 29, 2066, for Houma School Apartments.	**5,499,878**	5,499,878
One (1) note payable to Home Bank, secured by a first mortgage on 1746-1770 Tchoupitoulas Street, with an interest rate of 4.5%, maturing on September 27, 2024, for 1770 Tchoupitoulas Inc.	**4,249,172**	4,427,518
One (1) note payable to Capital One Multifamily Finance, secured by land and buildings, with an interest rate of 4.28%, maturing July 1, 2031, for Bayou Cane Apartments.	**3,132,837**	3,186,491

Note 8. Mortgages and Notes Payable (Continued)

	2023	2022
One (1) note payable to Home Bank, secured by cash collateral pledge of $114,000, with an interest rate of 4.60%, maturing May 28, 2037, for Embassy Apartments Shreveport.	**1,150,092**	1,169,219
One (1) deferred payment loan to the Louisiana Housing Corporation, an interest rate of -0-%, maturing on December 31, 2026, $83,222 annual forgiveness of debt recognized for New Covington.	**2,473,696**	2,540,382
One (1) note payable to Capital One, National Association, secured by land and buildings, with an interest rate of 5.05%, maturing on November 1, 2033, for Houma School Apartments.	**2,497,497**	2,544,986
One (1) note payable to Capital One, National Association, secured by land and buildings, with an interest rate of 7.0%, maturing June 16, 2026, for Chateau Carre'.	**2,248,920**	2,308,753
One (1) note payable to Dougherty Mortgage LLC, insured by HUD under section 207/223(f) of the National Housing Act, with an interest rate of 3.20%, maturing May 1, 2045, for New Covington Apartments.	**1,092,712**	1,143,123
Four (4) notes payable to Volunteers of America National Services, with interest rates of -0-%, payable on demand.	**-**	185,000
One (1) note payable to Federal Home Loan Bank of Atlanta, secured by property and the rents, profits, issues, products, and income from the property, with an interest rate of -0-%, maturing on July 31, 2038.	**500,000**	500,000
Financed insurance premium with monthly installments of $54,635 including interest at 7.29%, maturing June 30, 2024.	**528,529**	515,583
One (1) note payable to PNC Bank, National Association, secured by land and buildings, with an interest rate of 4.60%, maturing on October 1, 2033, for The Cottages at Mile Branch.	**237,713**	242,279
One (1) mortgage payable to the U.S. Department of Housing and Urban Development, secured by a mortgage on the real estate and improvements thereon, with an interest rate of 9.25%, payable in monthly installments of $4,952, with a maturity date of June 1, 2024.	**76,123**	127,136
One (1) note payable to the City of Shreveport, with an interest rate of -0-%, forgivable at a rate of 6.67% per year over the 15 year affordability period.	**198,054**	198,054
One (1) note payable to Volunteers of America National Services, unsecured, with an interest rate of -0-%, with annual payments of $5,433 due from net cash flow as defined by the promissory note beginning on September 25, 2019, and the remaining balance due at maturity on May 1, 2051, for Embassy Apartments Shreveport.	**163,000**	163,000
One (1) note payable to Home Bank, secured by land and buildings (326 Buckeye Lane), with an interest rate of 5.25%, maturing October 19, 2023.	**85,113**	88,632

Note 8. Mortgages and Notes Payable (Continued)

	2023	2022
One (1) bond payable to Regions Bank, secured by the first mortgage on the property, with an interest rate of 4.64%, maturing December 1, 2023, for RNDC BR, LLC.	**13,230,469**	8,746,655
One (1) note payable to Lument Capital, with an interest rate of 2.85%, maturing May 1, 2062, for Valencia Park.	**11,064,935**	10,365,436
One (1) note payable to CDBG, with an interest rate of 0.35%, maturing May 1, 2062, for Valencia Park.	**6,000,000**	5,700,000
One (1) bond payable to Whitney Bank, secured by the note payable to CDBG and note payable to ORIX Real Estate Capital with an interest rate of 0.35%, for Valencia Park.	**-**	12,000,000
One (1) note payable to JP Morgan Chase Bank secured by first mortgage on the leasehold improvements with an interest rate equal to the London Interbank Offered Rate (LIBOR) plus 3.0%, matured November 18, 2022, for FSJ I.	**-**	5,164,104
One (1) note payable to JP Morgan Chase Bank secured by first mortgage on the leasehold improvements with an interest rate equal to the London Interbank Offered Rate (LIBOR) plus 3.0%, matured November 18, 2022, for FSJ II.	**-**	4,527,589
One (1) note payable to Federal Home Bank Dallas secured by land and buildings, with an interest rate of -0-%, maturing August 31, 2065.	**410,000**	410,000
One (1) note payable to the Louisiana Housing Finance Agency with an interest rate of -0-%, maturing on May 1, 2058, for RNDC BR, LLC.	**7,489,949**	2,628,423
One (1) note payable to Home Bank, secured by second mortgage, with an interest rate of 6.95%, maturing June 30, 2025, for Denham Townhomes, LLC.	**3,398,634**	-
One (1) note payable to Bellwether Enterprise Real Estate, secured by the mortgage on the property, with an interest rate of 4.17%, maturing April 1, 2063, for FSJ I.	**2,664,214**	-
One (1) note payable to Bellwether Enterprise Real Estate, secured by the mortgage on the property, with an interest rate of 4.17%, maturing April 1, 2063, for FSJ II.	**2,664,214**	-
One (1) note payable to Capital One, National Association, secured by property, with an interest rate of 4.92%, maturing on July 14, 2027.	**208,276**	-
One (1) note payable to Capital One, National Association, secured by property, with an interest rate of 4.92%, maturing on May 24, 2028.	**74,831**	-
	92,281,179	95,353,927
Less: Debt Issuance Costs, Net of Amortization	**(1,933,891)**	(1,569,627)
Total	**$ 90,347,288**	$ 93,784,300

Note 8. Mortgages and Notes Payable (Continued)

Scheduled principal payments due on the above mortgages and notes payable subsequent to June 30, 2023 are as follows:

Year Ending June 30,	Amount
2024	$ 14,984,982
2025	8,177,922
2026	2,773,977
2027	686,684
2028	656,686
Thereafter	65,000,928
Total	$ 92,281,179

Interest expense totaled $1,273,038 and $829,996 for the years ended June 30, 2023 and 2022, respectively.

Note 9. Related-Party Transactions

The Organization is affiliated with Volunteers of America, Inc., which provides supporting services to the Organization for a fee. Affiliate fees totaled $662,921 and $606,142 for the years ended June 30, 2023 and 2022, respectively. Amounts payable to Volunteers of America, Inc. totaled $134,643 for both years ended at June 30, 2023 and 2022, respectively.

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

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

Note 10. Leases

The Organization leases real estate under operating lease agreements that have initial terms ranging from 1 to 75 years. Some leases include one or more options to renew, generally at the Organization's sole discretion, with renewal terms that can extend the lease term up to 50 years. In addition, certain leases contain termination options, where the rights to terminate are held by either the Organization, the lessor or both parties. These options to extend or terminate a lease are included in the lease terms when it is reasonably certain that the Organization will exercise that option. The Organization's operating leases generally do not contain any material restrictive covenants or residual value guarantees.

Note 10. Leases (Continued)

The Organization also leases certain real estate and equipment under finance lease agreements with terms ranging from 1 to 5 years and interest rates ranging from 0.83% to 4.22%. The Organization's finance leases generally do not contain any material restrictive covenants or residual value guarantees.

Operating lease cost is recognized on a straight-line basis over the lease term. Finance lease cost is recognized as a combination of the amortization expense for the ROU assets and interest expense for the outstanding lease liabilities, and results in a front-loaded expense pattern over the lease term. The components of lease expense are as follows for the year ended June 30, 2023:

Operating Lease Cost	$	176,674
Finance Lease Cost - Amortization of Right-of-Use Assets		87,198
Finance Lease Cost - Interest on Lease Liabilities		6,017
Total Lease Cost	$	269,889

Total lease expense for operating leases totaled $235,132 for the year ended June 30, 2023.

Supplemental consolidated statement of financial position information related to leases is as follows as of June 30, 2023:

Finance Leases:		
Copiers	$	59,039
Vehicles		238,870
Total Finance Lease Right-of-Use Assets, Net	$	297,909
Other Information:		
Weighted Average Remaining Lease Term (in Years):		
Operating Leases		24.17
Finance Leases		2.15
Weighted Average Discount Rate:		
Operating Leases		2.41%
Finance Leases		3.09%

Note 10. Leases (Continued)

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the lease liabilities recognized on the consolidated statement of financial position are as follows as of June 30, 2023:

Year Ending June 30,	Operating	Finance
2024	$ 164,633	$ 104,716
2025	134,770	90,962
2026	10,629	45,633
2027	15,797	32,165
2028	15,971	19,866
Thereafter	1,219,387	1,656
Total Lease Payments	1,561,187	294,998
Less: Imputed Interest	(669,382)	(16,892)
Total Present Value of Lease Liabilities	$ 891,805	$ 278,106

Note 11. Pension Plan for Ministers

The Organization participates in a non-contributory defined benefit pension and retirement plan. The plan is administered through a commercial insurance company and covers all ministers commissioned through December 31, 1999. Pension plan expenses totaled $41,954 and $51,488 for the years ended June 30, 2023 and 2022, respectively.

Note 12. Employee Benefit Plans

The Organization offers a Section 403(b) plan to all eligible employees. Employees are eligible to participate at employment. Under the terms of the plan, after completing twelve (12) months of service, the Organization matches up to 5% of employee contributions. The Organization contributed $238,474 and $223,594 for the years ended June 30, 2023 and 2022, respectively.

Note 13. Fair Value of Financial Instruments

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

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

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

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

Note 14. Fair Value Measurements

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

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

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

Level 2 Inputs to the valuation methodology include:

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

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

Note 14. Fair Value Measurements (Continued)

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

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

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

The following tables set forth, by level within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2023 and 2022:

June 30, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Money Market Funds	**$ 977,786**	**$ -**	**$ -**	**$ 977,786**
Equity Funds	**6,697,219**	**-**	**-**	**6,697,219**
Common Stocks	**616,124**	**-**	**-**	**616,124**
Corporate Bonds	**1,051,217**	**-**	**-**	**1,051,217**
Fixed Income Funds	**110,544**	**-**	**-**	**110,544**
Government Bonds	**118,908**	**-**	**-**	**118,908**
Government Agencies	**134,262**	**-**	**-**	**134,262**
Real Estate Funds	**276,016**	**-**	**-**	**276,016**
Investments, at Fair Value	**$ 9,982,076**	**$ -**	**$ -**	**$ 9,982,076**

June 30, 2022	Level 1	Level 2	Level 3	Total
Money Market Funds	$ 408,170	$ -	$ -	$ 408,170
Equity Funds	5,600,162	-	-	5,600,162
Common Stocks	597,142	-	-	597,142
Corporate Bonds	502,892	-	-	502,892
Fixed Income Funds	68,267	-	-	68,267
Government Bonds	124,562	-	-	124,562
Government Agencies	10,554	-	-	10,554
Real Estate Funds	34,020	-	-	34,020
Investments, at Fair Value	$ 7,345,769	$ -	$ -	$ 7,345,769

Note 15. Commitments and Contingencies

The Organization receives fees and grants from federal, state, and local governmental agencies. The programs sponsored by these agencies are subject to discretionary audits by the granting agencies. Any adjustments from an audit performed by a granting agency would flow through the financial statements during the year of the audit as a change in accounting estimate.

The Organization is a defendant in various lawsuits. However, in the opinion of management, based on consultation with legal counsel, the amount of potential loss, if any, will not materially impact these financial statements.

RNDC entered into several contracts with construction companies totaling $38.7 million and $50.5 million, for 2023 and 2022, respectively. At June 30, 2023 and 2022, the amount remaining on the contracts totaled $38,722,343 and $14,063,887, respectively. Included in other current liabilities is retainage due to these construction companies totaling $1,884,431 and $3,413,302 as of June 30, 2023 and 2022, respectively.

Note 16. Net Assets With Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2023 and 2022:

	2023	2022
Expiration of Purpose and Time Restrictions		
Tolmas Charitable Trust Pledge	**$ 100,000**	$ 100,000
Satisfaction of Purpose Restrictions		
Community Living Services Grant	**265,900**	273,125
Repairs on Wheels Grant	**2,436**	57,195
Adoption	**44,513**	-
Fresh Food Factor	**50,000**	66,455
Supportive Living Services Grant	**144,890**	32,516
Veterans Program Grant	**4,100**	256,546
Supportive Services	**273**	31,000
Strategic Initiatives	**400,000**	-
Mentoring Children of Promise	**144,010**	253,912
Total Net Assets Released From Restrictions	**$ 1,156,122**	$ 1,070,749

Note 16. Net Assets With Donor Restrictions (Continued)

At June 30, 2023 and 2022, net assets with donor restrictions comprised of donor-imposed stipulations that expire when the purpose restriction and the passage of time is accomplished, were as follows:

	2023	2022
With Donor Restrictions - Purpose and Time		
Tolmas Charitable Trust Pledge	**$ 451,941**	$ 532,122
With Donor Restrictions - Purpose		
Community Living Services Grant	**-**	256,500
Repairs on Wheels Grant	**3,570**	6,006
Adoption	**105,025**	71,286
Supportive Living Services Grant	**25,423**	87,813
Veterans Program Grant	**34,790**	37,690
Supportive Services	**25,000**	25,000
Strategic Initiatives	**1,213,145**	-
Mentoring Children of Promise	**32,423**	28,693
Total Net Assets With Donor Restrictions as to Purpose and Time	**$ 1,891,317**	$ 1,045,110

Note 17. Changes in Consolidated Net Assets

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

	Attributable to VOASELA	Attributable to Non-Controlling Interests	Total Net Assets
Balance, June 30, 2021	$ 37,025,155	$ 44,350,003	$ 81,375,158
Change in Net Assets from Operations and Other Activities	(1,078,666)	(2,636,905)	(3,715,571)
Other Changes in Net Assets	-	3,586,085	3,586,085
Balance, June 30, 2022	35,946,489	45,299,183	81,245,672
Change in Net Assets from Operations and Other Activities	4,709,837	(2,200,905)	2,508,932
Other Changes in Net Assets	-	8,887,724	8,887,724
Balance, June 30, 2023	$ 40,656,326	$ 51,986,002	$ 92,642,328

Note 18. Other Changes in Net Assets

Other changes in net assets primarily consist of amounts related to distributions and contributions for the years ended June 30, 2023 and 2022.

Note 19. Contributed Non-Financial Assets

For the years ended June 30, 2023 and 2022, contributed nonfinancial assets recognized within the consolidated statements of activities include:

	2023	2022
Food	**$ 79,788**	$ 80,154
Vehicles	**54,450**	97,750
	$ 134,238	$ 177,904

Note 19. Contributed Non-Financial Assets (Continued)

VOASELA recognized contributed nonfinancial assets within revenue, including contributed vehicles, and USDA food/commodities. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

It is VOASELA's policy to sell contributed vehicles immediately upon receipt at auction or for salvage. No vehicles received during the period were restricted for use. All vehicles were initially recorded based on historical average values for non-running vehicles, running vehicles and above average vehicles. The vehicles sold and the gain or loss on the sale is recorded according to the actual cash proceeds.

Contributed food was received from the US Department of Agriculture (USDA) as commodities to be used in the School Lunch Program. The food commodities are recorded based on the value provided by the USDA.

Note 20. Concentration of Credit Risk

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

At June 30, 2023 and 2022, the Organization had $3,300,726 and $7,003,957, respectively, in excess of the FDIC insured limit.

Note 21. New Market Tax Credit Exit

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

Note 21. New Market Tax Credit Exit (Continued)

At the date of unwind described below, the outstanding balance owed RNDC totaled $11,770,350, due to payments being made on the note.

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

During the year ended June 30, 2022, the asset and liability described above between 1770 Tchoupitoulas, LLC and RNDC were written off. 1770 Tchoupitoulas, LLC recognized cancellation of debt income and RNDC recognized the loss totaling $11,770,350. The amounts were eliminated in the consolidation process.

Note 22. Income Taxes

RNDC has income tax net operating loss carryforwards related to Millennium Properties, Inc. A deferred tax asset totaling $289,237 and $309,885, as of June 30, 2023 and 2022, respectively, reflects the benefit of approximately $1.2 million available for carryforward to future years. These operating losses begin to expire in 2035.

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

A tax expense of $20,648 and a tax benefit of $25,574 were recorded for the years ended June 30, 2023 and 2022, respectively.

Note 23. Hurricane Ida

On August 29, 2021, three of RNDC's properties incurred wind and water damage from Hurricane Ida. During the years ended June 30, 2023 and 2022, insurance proceeds received totaled approximately $3.7 million and $4.5 million, respectively. Hurricane related expenses totaled approximately $1 million and $3.3 million, for the years ended June 30, 2023 and 2022, respectively. The net of these is presented on the consolidated statements of activities in other non-operating gains for the years ended June 30, 2023 and 2022. The three properties recognized a loss on the buildings totaling approximately $1.9 million which is presented on the consolidated statement of activities in loss from disposal of fixed assets for the year ended June 30, 2022.

Note 24. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 25, 2023, and determined that the following event occurred that requires disclosure:

In September 2023, Celeste Landing, LLC, a subsidiary of RNDC, entered into a new contract with a construction company totaling $8.3 million and entered into a construction loan agreement with Capital One in an amount not to exceed $10,700,677.

No other subsequent events occurring after October 25, 2023 have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended June 30, 2023

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

Agency Head
Voris Vigee, President/CEO

Purpose	Compensation and Benefits Funded by Use of Public Funds
Salary	$263,092
Bonus	$37,500
Benefits - Insurance	$4,256
Benefits - Retirement	$31,465
Benefits - Other	$712
Car Allowance (Lease, Insurance, Gasoline)	$9,000
Per Diem	$0
Reimbursements (Electronic Devices)	$675
Local Entertainment/Sales	$0
Registration Fees	$0
Conference/Sales Mission Travel	$0
Local Transportation/Parking	$0
Continuing Professional Education Fees	$0
Housing	$0
Unvouchered Expenses	$0
Dues and Subscriptions	$376

See independent auditor’s report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. **Schedule I**
AND SUBSIDIARIES
Consolidating Statement of Financial Position
June 30, 2023
With Summarized Comparative Information at June 30, 2022

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Eliminations	2023 Consolidated	2022 Consolidated
Assets						
Current Assets						
Cash and Cash Equivalents	$ 2,906,499	$ 2,730,848	$ 5,637,347	$ -	$ 5,637,347	$ 7,793,707
Accounts Receivable, Net of Allowance for Doubtful Accounts of $73,360 at 2023 and $126,792 at 2022	4,052,631	1,901,136	5,953,767	(5,570)	5,948,197	5,121,653
Pledges Receivable, Net	445,423	-	445,423	-	445,423	507,486
Prepaid Expenses	749,649	1,023,417	1,773,066	-	1,773,066	1,248,511
Due from Projects in Development	-	75,894	75,894	-	75,894	2,752,173
Investments	2,079,239	-	2,079,239	-	2,079,239	-
Other Current Assets	358,416	1,838,349	2,196,765	-	2,196,765	1,717,198
Total Current Assets	10,591,857	7,569,644	18,161,501	(5,570)	18,155,931	19,140,728
Fixed Assets, Net	7,327,611	149,149,443	156,477,054		156,477,054	139,127,584
Other Assets						
Designated and Restricted Deposits	124,480	3,831,563	3,956,043	-	3,956,043	17,060,570
Due from Projects in Development	-	838,709	838,709	-	838,709	1,582,435
Long-Term Investments	6,038,371	1,864,466	7,902,837	-	7,902,837	7,345,769
Pledges Receivable, Net	832,885	-	832,885	-	832,885	792,781
Notes Receivable and Due from Related Parties	3,213,136	-	3,213,136	(3,135,094)	78,042	-
Investment in Joint Ventures	420,578	-	420,578	-	420,578	396,854
Investment in Subsidiaries	15,472,815	-	15,472,815	(15,472,815)	-	-
Deferred Tax Assets	-	289,237	289,237	-	289,237	309,885
Right-of-Use Assets - Operating Leases	265,582	3,119,230	3,384,812	-	3,384,812	-
Right-of-Use Assets - Finance Leases	297,909	-	297,909	-	297,909	-
Total Other Assets	26,665,756	9,943,205	36,608,961	(18,607,909)	18,001,052	27,488,294
Total Assets	$ 44,585,224	$ 166,662,292	$ 211,247,516	$ (18,613,479)	$ 192,634,037	$ 185,756,606

See independent auditor’s report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Consolidating Statement of Financial Position (Continued)
June 30, 2023
With Summarized Comparative Information at June 30, 2022

Schedule I

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Eliminations	2023 Consolidated	2022 Consolidated
Liabilities and Net Assets						
Current Liabilities						
Accounts Payable	$ 1,448,708	$ 1,107,706	$ 2,556,414	$ (92,623)	$ 2,463,791	$ 3,900,222
Lines of Credit	-	1,023,832	1,023,832	-	1,023,832	245,167
Mortgages and Notes Payable	669,244	14,315,738	14,984,982	-	14,984,982	11,258,991
Accrued Expenses	915,754	961,871	1,877,625	-	1,877,625	2,531,410
Lease Liability - Operating Leases	141,132	19,387	160,519	-	160,519	-
Lease Liability - Finance Leases	96,977	-	96,977	-	96,977	-
Other Current Liabilities	134,000	2,395,471	2,529,471	(5,570)	2,523,901	3,880,176
Due to Projects in Development	-	585,361	585,361	-	585,361	169,659
Total Current Liabilities	3,405,815	20,409,366	23,815,181	(98,193)	23,716,988	21,985,625
Other Liabilities						
Due to VOASELA, Inc.	-	3,042,472	3,042,472	(3,042,472)	-	-
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	218,515	75,143,791	75,362,306	-	75,362,306	82,525,309
Lease Liability - Operating Leases	123,439	607,847	731,286	-	731,286	-
Lease Liability - Finance Leases	181,129	-	181,129	-	181,129	-
Total Other Liabilities	523,083	78,794,110	79,317,193	(3,042,472)	76,274,721	82,525,309
Total Liabilities	3,928,898	99,203,476	103,132,374	(3,140,665)	99,991,709	104,510,934
Net Assets						
Net Assets Without Donor Restrictions	38,765,009	67,458,816	106,223,825	(15,472,814)	90,751,011	80,200,562
Net Assets With Donor Restrictions	1,891,317	-	1,891,317	-	1,891,317	1,045,110
Total Net Assets	40,656,326	67,458,816	108,115,142	(15,472,814)	92,642,328	81,245,672
Total Liabilities and Net Assets	$ 44,585,224	$ 166,662,292	$ 211,247,516	$ (18,613,479)	$ 192,634,037	$ 185,756,606

See independent auditor's report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. **Schedule II**
AND SUBSIDIARIES
Consolidating Statement of Activities
For the Year Ended June 30, 2023
With Summarized Comparative Information for the Year Ended June 30, 2022

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Elimination	2023 Consolidated	2022 Consolidated
Net Assets Without Donor Restrictions						
Revenues, Support, and Gains						
Without Donor Restrictions						
Public Support Received Directly						
Contributions and Special Events	$ 2,122,729	$ -	$ 2,122,729	$ -	$ 2,122,729	$ 1,734,634
Contributions of Nonfinancial Assets	134,238	-	134,238	-	134,238	177,904
Public Support Received Indirectly						
United Way Allocations	91,613	-	91,613	-	91,613	158,217
Net Assets Released from Restrictions	1,156,122	-	1,156,122	-	1,156,122	1,070,749
Total Public Support	3,504,702	-	3,504,702	-	3,504,702	3,141,504
Revenues and Grants from Governmental Agencies	26,828,143	-	26,828,143	-	26,828,143	26,638,320
Other Revenue						
Program Service Fees	6,829,406	2,711,391	9,540,797	(2,529,712)	7,011,085	6,554,688
Rental Income	154,332	7,915,932	8,070,264	(266,508)	7,803,756	5,738,169
Other Operating Income	14,432	923,197	937,629	(33,000)	904,629	756,352
Total Other Revenue	6,998,170	11,550,520	18,548,690	(2,829,220)	15,719,470	13,049,209
Total Revenue, Support, and Gains Without Donor Restrictions	37,331,015	11,550,520	48,881,535	(2,829,220)	46,052,315	42,829,033

See independent auditor’s report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. **Schedule II**
AND SUBSIDIARIES
Consolidating Statement of Activities (Continued)
For the Year Ended June 30, 2023
With Summarized Comparative Information for the Year Ended June 30, 2022

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Elimination	2023 Consolidated	2022 Consolidated
Operating Expenses						
Program Services						
Encouraging Positive Development	13,319,393	-	13,319,393	-	13,319,393	13,197,490
Fostering Independence	9,115,870	-	9,115,870	-	9,115,870	8,838,132
Promoting Self-Sufficiency	9,154,307	11,615,275	20,769,582	(1,612,774)	19,156,808	16,210,387
Total Program Services	31,589,570	11,615,275	43,204,845	(1,612,774)	41,592,071	38,246,009
Supporting Services						
Management and General	4,661,385	2,065,548	6,726,933	(1,238,228)	5,488,705	4,895,037
Fundraising	1,242,588	-	1,242,588	-	1,242,588	1,008,449
Total Supporting Services	5,903,973	2,065,548	7,969,521	(1,238,228)	6,731,293	5,903,486
Total Operating Expenses	37,493,543	13,680,823	51,174,366	(2,851,002)	48,323,364	44,149,495
Deficit from Operations	(162,528)	(2,130,303)	(2,292,831)	21,782	(2,271,049)	(1,320,462)

See independent auditor's report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. **Schedule II**
AND SUBSIDIARIES
Consolidating Statement of Activities (Continued)
For the Year Ended June 30, 2023
With Summarized Comparative Information for the Year Ended June 30, 2022

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Elimination	2023 Consolidated	2022 Consolidated
Other Activities						
(Loss) Gain on Disposition of Assets	(10,708)	758	(9,950)	-	(9,950)	(1,934,916)
Net Investment Return (Loss)	658,532	264,158	922,690	(21,778)	900,912	(1,368,778)
Income Tax (Expense) Benefit	-	(20,648)	(20,648)	-	(20,648)	25,574
Income from Investment in Subsidiaries	3,042,917	-	3,042,917	(3,042,917)	-	-
Other Non-Operating Gains	335,417	2,728,043	3,063,460	-	3,063,460	1,215,348
Surplus (Deficit) from Other Activities	4,026,158	2,972,311	6,998,469	(3,064,695)	3,933,774	(2,062,772)
Change in Net Assets	3,863,630	842,008	4,705,638	(3,042,913)	1,662,725	(3,383,234)
Other Changes in Net Assets	-	8,887,724	8,887,724	-	8,887,724	3,586,085
Change in Net Assets Without Donor Restrictions	3,863,630	9,729,732	13,593,362	(3,042,913)	10,550,449	202,851
Net Assets With Donor Restrictions						
Public Support Received Directly						
Contributions and Special Events	2,002,329	-	2,002,329	-	2,002,329	738,412
Net Assets Released from Restrictions	(1,156,122)	-	(1,156,122)	-	(1,156,122)	(1,070,749)
Change in Net Assets With Donor Restrictions	846,207	-	846,207	-	846,207	(332,337)
Total Change in Net Assets	4,709,837	9,729,732	14,439,569	(3,042,913)	11,396,656	(129,486)
Net Assets, Beginning of Year	35,946,489	57,729,084	93,675,573	(12,429,901)	81,245,672	81,375,158
Net Assets, End of Year	$ 40,656,326	$ 67,458,816	$ 108,115,142	$ (15,472,814)	$ 92,642,328	$ 81,245,672

See independent auditor’s report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. **Schedule III**
AND SUBSIDIARIES
Consolidating Statement of Functional Expenses
For the Year Ended June 30, 2023
With Summarized Comparative Information for the Year Ended June 30, 2022

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Eliminations	2023 Consolidated	2022 Consolidated
Salaries and Wages	$ 17,990,236	$ -	$ 17,990,236	$ -	$ 17,990,236	$ 18,091,949
Employee Benefits	2,573,329	-	2,573,329	-	2,573,329	2,478,101
Professional Services	5,805,569	4,446,539	10,252,108	(1,988,134)	8,263,974	6,837,244
Occupancy	2,332,338	998,693	3,331,031	(271,154)	3,059,877	2,709,457
Specific Assistance to Individuals	3,255,781	-	3,255,781	-	3,255,781	3,333,214
Program Supplies and Equipment	2,884,837	2,014,805	4,899,642	(512,476)	4,387,166	3,711,294
Office Supplies and Expenses	439,206	103,062	542,268	(7,996)	534,272	521,911
Travel, Conferences, and Meetings	548,392	53,555	601,947	(17,063)	584,884	559,079
Depreciation and Amortization	662,648	4,503,085	5,165,733	-	5,165,733	3,579,609
Interest	35,472	1,259,348	1,294,820	(21,782)	1,273,038	829,996
Other	965,735	301,736	1,267,471	(32,397)	1,235,074	1,497,641
Total	$ 37,493,543	$ 13,680,823	$ 51,174,366	$ (2,851,002)	$ 48,323,364	$ 44,149,495

See independent auditor’s report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. **Schedule IV**
AND SUBSIDIARIES
Consolidating Statement of Financial Position - VOASELA, Inc.
June 30, 2023
With Summarized Comparative Information at June 30, 2022

	VOASELA, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2023 Consolidated	2022 Consolidated
Assets						
Current Assets						
Cash and Cash Equivalents	$ 2,497,493	$ 409,006	$ 2,906,499	$ -	$ 2,906,499	$ 4,006,767
Accounts Receivable, Net of Allowance for Doubtful Accounts of $73,360 at 2023 and $126,792 at 2022	4,031,677	20,954	4,052,631	-	4,052,631	4,712,989
Pledges Receivable, Net	445,423	-	445,423	-	445,423	507,486
Accounts Receivable, Limited Partnerships	628,608	-	628,608	(628,608)	-	-
Interest Receivable, VOA Development	12,391	-	12,391	(12,391)	-	-
Notes Receivable, VOA Development	176,439	-	176,439	(176,439)	-	-
Prepaid Expenses	749,649	-	749,649	-	749,649	656,822
Investments	2,079,239	-	2,079,239	-	2,079,239	-
Other Current Assets	336,295	22,121	358,416	-	358,416	362,403
Total Current Assets	10,957,214	452,081	11,409,295	(817,438)	10,591,857	10,246,467
Fixed Assets, Net	5,233,415	2,094,196	7,327,611	-	7,327,611	7,519,286
Other Assets						
Designated and Restricted Deposits	182,387	6,451	188,838	(64,358)	124,480	106,338
Long-Term Investments	6,038,371	-	6,038,371	-	6,038,371	5,637,466
Pledges Receivable, Net	832,885	-	832,885	-	832,885	792,781
Notes Receivable and Due from Related Parties	3,213,136	-	3,213,136	-	3,213,136	2,688,465
Investment in Joint Ventures	420,578	-	420,578	-	420,578	396,854
Investment in Subsidiaries	17,146,342	-	17,146,342	(1,673,527)	15,472,815	12,429,897
Right-of-Use Assets - Operating Leases	265,582	-	265,582	-	265,582	-
Right-of-Use Assets - Finance Leases	297,909	-	297,909	-	297,909	-
Total Other Assets	28,397,190	6,451	28,403,641	(1,737,885)	26,665,756	22,051,801
Total Assets	$ 44,587,819	$ 2,552,728	$ 47,140,547	$ (2,555,323)	$ 44,585,224	$ 39,817,554

See independent auditor’s report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. AND SUBSIDIARIES **Schedule IV**
Consolidating Statement of Financial Position - VOASELA, Inc. (Continued)
June 30, 2023
With Summarized Comparative Information at June 30, 2022

	VOASELA, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2023 Consolidated	2022 Consolidated
Liabilities and Net Assets						
Current Liabilities						
Accounts Payable	$ 1,492,166	$ 20,900	$ 1,513,066	$ (64,358)	$ 1,448,708	$ 1,041,524
Accounts Payable, VOASELA, Inc.	-	628,608	628,608	(628,608)	-	-
Line of Credit	-	-	-	-	-	245,167
Mortgages and Notes Payable	669,244	-	669,244	-	669,244	566,596
Note Payable, VOASELA, Inc.	-	176,439	176,439	(176,439)	-	-
Interest Payable, VOASELA, Inc.	-	12,391	12,391	(12,391)	-	-
Accrued Expenses	888,367	27,387	915,754	-	915,754	1,845,927
Lease Liability - Operating Leases	141,132	-	141,132	-	141,132	-
Lease Liability - Finance Leases	96,977	-	96,977	-	96,977	-
Other Current Liabilities	120,524	13,476	134,000	-	134,000	95,728
Total Current Liabilities	3,408,410	879,201	4,287,611	(881,796)	3,405,815	3,794,942
Other Liabilities						
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	218,515	-	218,515	-	218,515	76,123
Lease Liability - Operating Leases	123,439	-	123,439	-	123,439	-
Lease Liability - Finance Leases	181,129	-	181,129	-	181,129	-
Total Other Liabilities	523,083	-	523,083	-	523,083	76,123
Total Liabilities	3,931,493	879,201	4,810,694	(881,796)	3,928,898	3,871,065
Net Assets						
Net Assets Without Donor Restrictions	38,765,009	1,673,527	40,438,536	(1,673,527)	38,765,009	34,901,379
Net Assets With Donor Restrictions	1,891,317	-	1,891,317	-	1,891,317	1,045,110
Total Net Assets	40,656,326	1,673,527	42,329,853	(1,673,527)	40,656,326	35,946,489
Total Liabilities and Net Assets	$ 44,587,819	$ 2,552,728	$ 47,140,547	$ (2,555,323)	$ 44,585,224	$ 39,817,554

See independent auditor’s report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. AND SUBSIDIARIES **Schedule V**
Consolidating Statement of Activities - VOASELA, Inc.
For the Year Ended June 30, 2023
With Summarized Comparative Information for the Year Ended June 30, 2022

	VOASELA, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2023 Consolidated	2022 Consolidated
Net Assets Without Donor Restrictions						
Revenue, Support, and Gains						
Without Donor Restrictions						
Public Support Received Directly						
Contributions and Special Events	$ 2,122,729	$ -	$ 2,122,729	$ -	$ 2,122,729	$ 1,734,634
Contributions of Nonfinancial Assets	134,238	-	134,238	-	134,238	177,904
Public Support Received Indirectly						
United Way Allocations	91,613	-	91,613	-	91,613	158,217
Net Assets Released from Restrictions	1,156,122	-	1,156,122	-	1,156,122	1,070,749
Total Public Support	3,504,702	-	3,504,702	-	3,504,702	3,141,504
Revenues and Grants from Governmental Agencies	26,419,629	408,514	26,828,143	-	26,828,143	26,638,320
Other Revenue						
Program Service Fees	7,547,111	-	7,547,111	(717,705)	6,829,406	6,751,294
Rental Income	-	154,332	154,332	-	154,332	131,492
Other Operating Income	1,996	413,051	415,047	(400,615)	14,432	9,373
Total Other Revenue	7,549,107	567,383	8,116,490	(1,118,320)	6,998,170	6,892,159
Total Revenue, Support, and Gains Without Donor Restrictions	37,473,438	975,897	38,449,335	(1,118,320)	37,331,015	36,671,983

See independent auditor’s report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. **Schedule V**
AND SUBSIDIARIES
Consolidating Statement of Activities - VOASELA, Inc. (Continued)
For the Year Ended June 30, 2023
With Summarized Comparative Information for the Year Ended June 30, 2022

	VOASELA, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2023 Consolidated	2022 Consolidated
Operating Expenses						
Program Services						
Encouraging Positive Development	**13,319,393**	**-**	**13,319,393**	**-**	**13,319,393**	13,433,003
Fostering Independence	**9,115,870**	**-**	**9,115,870**	**-**	**9,115,870**	8,838,132
Promoting Self-Sufficiency	**9,346,933**	**958,015**	**10,304,948**	**(1,150,641)**	**9,154,307**	9,251,114
Total Program Services	**31,782,196**	**958,015**	**32,740,211**	**(1,150,641)**	**31,589,570**	31,522,249
Supporting Services						
Management and General	**4,661,385**	**-**	**4,661,385**	**-**	**4,661,385**	4,155,262
Fundraising	**1,242,588**	**-**	**1,242,588**	**-**	**1,242,588**	1,008,449
Total Supporting Services	**5,903,973**	**-**	**5,903,973**	**-**	**5,903,973**	5,163,711
Total Operating Expenses	**37,686,169**	**958,015**	**38,644,184**	**(1,150,641)**	**37,493,543**	36,685,960
(Deficit) Surplus from Operations	**(212,731)**	**17,882**	**(194,849)**	**32,321**	**(162,528)**	(13,977)

See independent auditor's report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. AND SUBSIDIARIES

Schedule V

Consolidating Statement of Activities - VOASELA, Inc. (Continued)
For the Year Ended June 30, 2023
With Summarized Comparative Information for the Year Ended June 30, 2022

	VOASELA, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2023 Consolidated	2022 Consolidated
Other Activities						
Loss on Disposition of Assets	(10,708)	-	(10,708)	-	(10,708)	-
Net Investment Return	658,532	-	658,532	-	658,532	(1,088,145)
Income from Investment in Subsidiaries	5,505,510	-	5,505,510	(2,462,593)	3,042,917	329,594
Cancellation of Debt	(2,444,711)	2,444,711	-	-	-	-
Other Non-Operating Gains	346,975	-	346,975	(11,558)	335,417	26,199
Surplus (Deficit) from Other Activities	4,055,598	2,444,711	6,500,309	(2,474,151)	4,026,158	(732,352)
Change in Net Assets Without Donor Restrictions	3,842,867	2,462,593	6,305,460	(2,441,830)	3,863,630	(746,329)
Net Assets With Donor Restrictions						
Public Support Received Directly						
Contributions and Special Events	2,002,329	-	2,002,329	-	2,002,329	738,412
Net Assets Released from Restrictions	(1,156,122)	-	(1,156,122)	-	(1,156,122)	(1,070,749)
Change in Net Assets With Donor Restrictions	846,207	-	846,207	-	846,207	(332,337)
Total Change in Net Assets	4,689,074	2,462,593	7,151,667	(2,441,830)	4,709,837	(1,078,666)
Net Assets, Beginning of Year	35,967,252	(789,066)	35,178,186	768,303	35,946,489	37,025,155
Net Assets, End of Year	$ 40,656,326	$ 1,673,527	$ 42,329,853	$ (1,673,527)	$ 40,656,326	$ 35,946,489

See independent auditor’s report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. **Schedule VI**
AND SUBSIDIARIES
Consolidating Statement of Functional Expenses - VOASELA, Inc.
For the Year Ended June 30, 2023
With Summarized Comparative Information for the Year Ended June 30, 2022

	VOASELA, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2023 Consolidated	2022 Consolidated
Salaries and Wages	$ 18,269,116	$ -	$ 18,269,116	$ (278,880)	$ 17,990,236	$ 18,091,949
Employee Benefits	2,613,743	-	2,613,743	(40,414)	2,573,329	2,478,101
Professional Services	5,553,551	407,910	5,961,461	(155,892)	5,805,569	5,044,782
Occupancy	2,376,634	419,098	2,795,732	(463,394)	2,332,338	2,210,104
Specific Assistance	3,458,070	-	3,458,070	(202,289)	3,255,781	3,333,214
Program Supplies and Equipment	2,841,882	50,836	2,892,718	(7,881)	2,884,837	2,762,239
Office Supplies and Expenses	427,027	13,727	440,754	(1,548)	439,206	466,318
Travel, Conferences, and Meetings	548,354	381	548,735	(343)	548,392	550,144
Depreciation and Amortization	610,350	52,298	662,648	-	662,648	558,835
Interest	35,472	-	35,472	-	35,472	19,542
Other	951,970	13,765	965,735	-	965,735	1,170,732
Total	$ 37,686,169	$ 958,015	$ 38,644,184	$ (1,150,641)	$ 37,493,543	$ 36,685,960

See independent auditor’s report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. **Schedule VII**
AND SUBSIDIARIES
Consolidating Statement of Financial Position - VOA Development, Inc.
June 30, 2023
With Summarized Comparative Information at June 30, 2022

	VOA Development, Inc.	VOA Development 2, Inc.	2023 Consolidated	2022 Consolidated
Assets				
Current Assets				
Cash and Cash Equivalents	$ 2,631	$ 406,375	$ 409,006	$ 12,229
Accounts Receivable, Net of Allowance for Doubtful Accounts of $17,400 at 2023 and $22,757 at 2022	20,343	611	20,954	19,334
Other Current Assets	5,926	16,195	22,121	22,121
Total Current Assets	28,900	423,181	452,081	53,684
Fixed Assets, Net	895,476	1,198,720	2,094,196	2,146,243
Other Assets				
Designated and Restricted Deposits	6,451	-	6,451	8,657
Total Other Assets	6,451	-	6,451	8,657
Total Assets	$ 930,827	$ 1,621,901	$ 2,552,728	$ 2,208,584

See independent auditor’s report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. **Schedule VII**
AND SUBSIDIARIES
Consolidating Statement of Financial Position - VOA Development, Inc. (Continued)
June 30, 2023
With Summarized Comparative Information at June 30, 2022

	VOA Development, Inc.	VOA Development 2, Inc.	2023 Consolidated	2022 Consolidated
Liabilities and Net Assets				
Current Liabilities				
Accounts Payable	$ 20,780	$ 120	$ 20,900	$ 633,486
Accounts Payable - VOASELA, Inc.	619,589	9,019	628,608	1,847,050
Note Payable - VOASELA, Inc.	176,439	-	176,439	349,938
Interest Payable - VOASELA, Inc.	12,391	-	12,391	108,148
Accrued Expenses	27,387	-	27,387	36,312
Other Current Liabilities	12,661	815	13,476	22,716
Total Current Liabilities	869,247	9,954	879,201	2,997,650
Total Liabilities	869,247	9,954	879,201	2,997,650
Net Assets				
Net Assets Without Donor Restrictions	61,580	1,611,947	1,673,527	(789,066)
Total Net Assets	61,580	1,611,947	1,673,527	(789,066)
Total Liabilities and Net Assets	$ 930,827	$ 1,621,901	$ 2,552,728	$ 2,208,584

See independent auditor’s report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. **Schedule VIII**
AND SUBSIDIARIES
Consolidating Statement of Activities - VOA Development, Inc.
For the Year Ended June 30, 2023
With Summarized Comparative Information for the Year Ended June 30, 2022

	VOA Development, Inc.	VOA Development 2, Inc.	2023 Consolidated	2022 Consolidated
Net Assets Without Donor Restrictions				
Revenue, Support, and Gains				
Without Donor Restrictions				
Revenues and Grants from Governmental Agencies	$ 397,009	$ 11,505	$ 408,514	$ 554,221
Other Revenue				
Rental Income	138,504	15,828	154,332	131,492
Other Operating Income	10,555	402,496	413,051	6,311
Total Other Revenue	149,059	418,324	567,383	137,803
Total Revenue, Support, and Gains Without Donor Restrictions	546,068	429,829	975,897	692,024

See independent auditor’s report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. **Schedule VIII**
AND SUBSIDIARIES
Consolidating Statement of Activities - VOA Development, Inc. (Continued)
For the Year Ended June 30, 2023
With Summarized Comparative Information for the Year Ended June 30, 2022

	VOA Development, Inc.	VOA Development 2, Inc.	2023 Consolidated	2022 Consolidated
Operating Expenses				
Program Services				
Promoting Self-Sufficiency	685,301	272,714	958,015	1,309,644
Total Program Services	685,301	272,714	958,015	1,309,644
Total Operating Expenses	685,301	272,714	958,015	1,309,644
(Deficit) Surplus from Operations	(139,233)	157,115	17,882	(617,620)
Other Activities				
Cancellation of Debt	-	2,444,711	2,444,711	-
Surplus from Other Activities	-	2,444,711	2,444,711	-
Change in Net Assets Without Donor Restrictions	(139,233)	2,601,826	2,462,593	(617,620)
Total Change in Net Assets	(139,233)	2,601,826	2,462,593	(617,620)
Net Assets, Beginning of Year	200,813	(989,879)	(789,066)	(171,446)
Net Assets, End of Year	$ 61,580	$ 1,611,947	$ 1,673,527	$ (789,066)

See independent auditor's report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Consolidating Statement of Functional Expenses - VOA Development, Inc.
For the Year Ended June 30, 2023
With Summarized Comparative Information for the Year Ended June 30, 2022

Schedule IX

	VOA Development, Inc.	VOA Development 2, Inc.	2023 Consolidated	2022 Consolidated
Professional Services	$ 278,444	$ 129,466	$ 407,910	$ 466,735
Occupancy	337,250	81,848	419,098	536,566
Program Supplies and Equipment	31,192	19,644	50,836	73,567
Office Supplies and Expenses	6,661	7,066	13,727	11,134
Travel, Conferences, and Meetings	381	-	381	22
Depreciation and Amortization	30,309	21,989	52,298	118,263
Interest	-	-	-	9,186
Other	1,064	12,701	13,765	94,171
Total	$ 685,301	$ 272,714	$ 958,015	$ 1,309,644

See independent auditor’s report.

LaPorte
CPAs & BUSINESS ADVISORS

LaPorte, APAC
5100 Village Walk | Suite 300
Covington, LA 70433
985.892.5850 | Fax 985.892.5956
LaPorte.com

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*

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the consolidated financial statements of Volunteers of America Southeast Louisiana, Inc. and Subsidiaries (the Organization), which comprise the consolidated statement of financial position as of June 30, 2023, the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 25, 2023.

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

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

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

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

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

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

LaPorte

A Professional Accounting Corporation

Covington, LA
October 25, 2023

Section I - Summary of Auditor's Results

Financial Statements

1.	Type of auditors' report issued:	Unmodified
2.	Internal control over financial reporting:	
	a. Material weaknesses identified?	No
	b. Significant deficiencies identified?	None Reported
3.	Noncompliance material to the financial statements noted?	No

Section II - Financial Statement Findings

None.

**Schedule of Prior Audit Findings
For the Year Ended June 30, 2023**

2022-001 - Proposed Audit Adjustments

This finding has been resolved.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. AND SUBSIDIARIES

Single Audit Report

For the Year Ended June 30, 2023

LAPORTE
CPAs & BUSINESS ADVISORS

Contents

LaPorte, APAC
5100 Village Walk | Suite 300
Covington, LA 70433
985.892.5850 | Fax 985.892.5956
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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a

combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance
We have audited the consolidated financial statements of the Organization as of and for the year ended June 30, 2023, and have issued our report thereon dated October 25, 2023, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

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

LaPorte

A Professional Accounting Corporation

Covington, LA
December 18, 2023

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

FEDERAL GRANTOR/ PASS-THROUGH AGENCY/ PROGRAM TITLE	Federal Assistance Listing Number	Agency Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of Housing and Urban Development				
Direct Programs:				
Continuum of Care Program	14.267	LA0255L6H062005, LA0255L6H062106	$ 258,460	$ -
Continuum of Care Program	14.267	LA0121L6H062014	1,073,044	-
Continuum of Care Program	14.267	LA0350L6H062001, LA0350L62102	248,042	-
Continuum of Care Program	14.267	LA0177L6H061908, LA0177L6H062009	21,631	-
Continuum of Care Program	14.267	LA0187L6H061908, LA0187L6H062009	42,467	-
Continuum of Care Program	14.267	LA0076L6H032113	1,162,688	-
Section 8 Housing Assistance Payments Program	14.195	LA480000001	77,241	-
Section 8 Housing Assistance Payments Program	14.195	LA480000002	73,930	-
Subtotal - Direct Programs			2,957,503	-
Passed through New Orleans Housing Authority:				
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	LA001SC0001, LA001SR001	397,009	-
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	LA001SR002	11,505	-
Passed through Volunteers of America, Inc.:				
Multifamily Housing Service Coordinators	14.191	MFSC189849	118,000	-
Passed through State of Louisiana:				
Community Development Block Grant	14.218	735481	302,986	-
Passed through City of Kenner:				
Community Development Block Grant	14.218	B-13-MC-22008	28,436	-
Passed through Parish of Jefferson:				
Community Development Block Grant	14.218	21280-1176-139-7454-82118-001	414,564	-
Subtotal - Pass-through Programs			1,272,500	-
Total U.S. Department of Housing and Urban Development			4,230,003	-
U.S. Department of Justice				
Passed through Office of Juvenile Justice				
Juvenile Mentoring Program	16.726	2019-JU-FX-0013	5,885	-
Subtotal - Pass-through Programs			5,885	-
Total U.S. Department of Justice			5,885	-
U.S. Department of Labor				
Direct Programs:				
Reintegration of Ex-Offenders	17.270	YF-39534-23-60-A22	89,796	
Homeless Veterans Reintegration Program	17.805	HV-35295-20-60-5-22	325,465	-
Homeless Veterans Reintegration Program	17.805	HV-35924-20-60-5-22	144,231	-
Total U.S. Department of Labor			559,492	-

See notes to schedule of expenditures of federal awards.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2023

FEDERAL GRANTOR/ PASS-THROUGH AGENCY/ PROGRAM TITLE	Federal Assistance Listing Number	Agency Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of Veteran Affairs				
Direct Programs:				
Homeless Providers Grant and Per Diem Program	64.024	VOAN750-1463-629-PD-21	$ 485,979	$ -
COVID-19, Homeless Providers Grant and Per Diem Program	64.024	VOAN750-1463-629-PD-21	45,275	-
Homeless Providers Grant and Per Diem Program	64.024	VA 36C25620D0002	94,581	-
Homeless Providers Grant and Per Diem Program	64.024	VA 36C25620D0004	91,698	-
Homeless Providers Grant and Per Diem Program	64.024	VOAN750-1463-629-PD-21	359,092	-
COVID-19, Homeless Providers Grant and Per Diem Program	64.024	VOAN750-1463-629-PD-21	32,794	-
Homeless Providers Grant and Per Diem Program	64.024	VOAN750-2224-629-CM-22	53,137	-
COVID-19, Supportive Services for Veteran Families Program	64.033	2012-LA-038-22	2,174,158	1,215,194
COVID-19, Supportive Services for Veteran Families Program	64.033	2012-LA-038-21	1,007,303	568,864
Supportive Services for Veteran Families Program	64.033	2012-LA-038SS	839,506	552,146
COVID-19, Supportive Services for Veteran Families Program	64.033	2012-LA-038-LT	136,582	64,215
COVID-19, Supportive Services for Veteran Families Program	64.033	2012-LA-038-23	649,133	362,048
Total U.S. Department of Veteran Affairs			5,969,238	2,762,467
U.S. Department of Health and Human Services				
Direct Programs:				
Enhance Safety of Children Affected by Substance Abuse	93.087	90CU0122-02-00	195,773	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79SM084849-01	116,388	
Special Projects of National Significance	93.928	6 U90HA39767-02-02	388,094	-
Subtotal - Direct Programs			700,255	-
Passed through State of Louisiana:				
HIV Care Formula Grant	93.917	2000599162	1,102,781	-
Passed through Florida Parishes Human Services Authority:				
Opioid STR	93.788	PO 2000682317	207,759	-
Block Grants for Community Mental Health Services	93.958	PO 2000669971	92,584	-
Passed through DHH for Children and Families				
Competitive Abstinence Education	93.060	90R0075-01-01	187,969	-
Passed through Substance Abuse Mental Health Administration				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79TI082417, 5H79TI082417, 1H79SP082125, 6H79SP082125	590,778	-
Subtotal - Pass-through Programs			2,181,871	-
Total U.S. Department of Health and Human Services			2,882,126	-
Corporation for National and Community Service				
Direct Programs:				
Retired and Senior Volunteer Program	94.002	22SRGLA001	90,240	-
Total Corporation for National and Community Service			90,240	-
Total Expenditures of Federal Awards			$ 13,736,984	$ 2,762,467

See notes to schedule of expenditures of federal awards.

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Volunteers of America Southeast Louisiana, Inc. and Subsidiaries under programs of the federal government for the year ended June 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200*, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note 2. Summary of Significant Accounting Policies

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

Note 3. De Minimis Cost Rate

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

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	None Reported
• Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

Assistance Listing Number	Name of Federal Program
14.267	Continuum of Care Program
64.024	Homeless Providers Grant and Per Diem Program
93.917	HIV Care Formula Grant
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance

Dollar threshold used to distinguish between Type A and B programs:	$750,000
Auditee qualified as low-risk auditee?	No

Section II. Findings - Financial Statement Audit

None.

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

None.

2022-001 - Proposed Audit Adjustments on Renaissance Neighborhood Development Corporation (RNDC), a subsidiary of the Organization

Current Status: Resolved.

LaPorte, APAC
5100 Village Walk | Suite 300
Covington, LA 70433
985.892.5850 | Fax 985.892.5956
LaPorte.com

AGREED-UPON PROCEDURES REPORT

Volunteers of America Southeast Louisiana, Inc. and Subsidiaries

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period July 1, 2022 - June 30, 2023

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

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

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

The procedures and associated findings are as follows:

1) Written Policies and Procedures

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

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

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

iii. ***Disbursements***, including processing, reviewing, and approving.

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

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

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

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

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

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

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

xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

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

Results: No exceptions were noted as a result of these procedures.

2) Board or Finance Committee

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

   i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

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

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

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

Results: No exceptions were found as a result of these procedures.

3) Bank Reconciliations

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

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

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

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

Results: No exceptions were found as a result of these procedures.

4) Collections (excluding electronic funds transfers)

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

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

   i. Employees responsible for cash collections do not share cash drawers/registers;

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

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

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

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

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

   i. Observe that receipts are sequentially pre-numbered.

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

   iii. Trace the deposit slip total to the actual deposit per the bank statement.

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

   v. Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were noted as a result of these procedures.

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

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

B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

   ii. At least two employees are involved in processing and approving payments to vendors;

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

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

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

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

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

   ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

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

   Results: No exceptions were found as a result of these procedures.

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

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

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

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

   ii. Observe that finance charges and late fees were not assessed on the selected statements.

C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

   Results: No exceptions were found as a result of these procedures.

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

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

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

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

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

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

Not applicable.

8) Contracts

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

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

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

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

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

Results: No exceptions were found as a result of these procedures.

9) Payroll and Personnel

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

B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:

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

ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

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

iv. Observe whether the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

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

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

Results: No exceptions were found as a result of these procedures.

10) Ethics

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and:

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

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

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

Not applicable.

11) Debt Service

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

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

Not applicable.

12) Fraud Notice

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

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

Results: No exceptions were found as a result of these procedures.

13) Information Technology Disaster Recovery/Business Continuity

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

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

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

iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

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

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

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

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

i. Number and percentage of public servants in the agency who have completed the training requirements;

ii. Number of sexual harassment complaints received by the agency;

iii. Number of complaints which resulted in a finding that sexual harassment occurred;

iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

v. Amount of time it took to resolve each complaint.

Not applicable.

We were engaged by the Organization to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

This report is intended solely to describe the scope of testing on those C/C areas identified in Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, and the results of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

LaPorte

A Professional Accounting Corporation

Covington, LA
December 14, 2023