

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

Audits of Consolidated Financial Statements

June 30, 2019 and 2018



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## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Volunteers of America Southeast Louisiana, Inc. and Subsidiaries (the Organization) (VOASELA), which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Community Living Centers, Inc. and 2901 Dee, Inc., d/b/a Embassy House, a subsidiary of Renaissance Neighborhood Development Corporation (RNDC), wholly-owned subsidiaries of the Organization, whose statements reflect total assets constituting 1.7% of consolidated total assets at June 30, 2018, and total revenues constituting 1.0% of consolidated total revenues for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion for 2018, insofar as it relates to the amounts included for Community Living Centers, Inc. and 2901 Dee, Inc., d/b/a Embassy House, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

## LOUISIANA • TEXAS

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RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each is separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

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

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

### **Opinion**

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Volunteers of America Southeast Louisiana, Inc. and Subsidiaries as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Other Information*

Our audits were conducted for the purposes of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, which insofar as it relates to Community Living Centers, Inc. and 2901 Dee, Inc., d/b/a Embassy House, as of and for the year ended June 30, 2018, is based on the reports of other auditors, 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 17, 2019, 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.

**Emphasis of a Matter**

As discussed in Note 2 to the financial statements, in 2019, the Organization adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

As discussed in Note 23 to the financial statements, the 2018 financial statements have been restated to correct an error. Our opinion is not modified with respect to this matter.



A Professional Accounting Corporation

Covington, LA  
October 17, 2019

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**  
Consolidated Statements of Financial Position  
June 30, 2019 and 2018

	2019	2018 Restated
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 4,276,780	\$ 5,766,328
Grants Receivable, Net of Allowance for Doubtful Accounts of \$87,660 at 2019 and \$72,877 at 2018	3,812,082	3,101,204
Pledges Receivable, Net	655,399	647,759
Prepaid Expenses	1,060,624	1,089,540
Other Current Assets	809,401	702,273
<b>Total Current Assets</b>	<b>10,614,286</b>	<b>11,307,104</b>
<b>Fixed Assets</b>		
Fixed Assets, Net	93,770,653	96,882,559
<b>Total Fixed Assets</b>	<b>93,770,653</b>	<b>96,882,559</b>
<b>Other Assets</b>		
Designated and Restricted Assets	3,369,491	3,081,560
Long-Term Investments	7,082,968	6,789,587
Pledges Receivable, Net	1,158,879	527,155
Notes Receivable - RNDC	23,523	-
Note Receivable - Investment Partner	-	11,779,669
Investment in Joint Ventures	403,599	400,068
Other Assets	-	27,722
<b>Total Other Assets</b>	<b>12,038,460</b>	<b>22,605,761</b>
<b>Total Assets</b>	<b>\$ 116,423,399</b>	<b>\$ 130,795,424</b>

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, 2019 and 2018

	2019	2018 Restated
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 1,280,457	\$ 1,255,050
Mortgages and Notes Payable	7,150,152	8,132,155
Accrued Expenses	1,519,442	2,143,083
Other Current Liabilities	286,359	165,527
<b>Total Current Liabilities</b>	<b>10,236,410</b>	11,695,815
<b>Other Liabilities</b>		
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	41,141,294	62,567,365
<b>Total Other Liabilities</b>	<b>41,141,294</b>	62,567,365
<b>Total Liabilities</b>	<b>51,377,704</b>	74,263,180
<b>Net Assets</b>		
Net Assets Without Donor Restrictions		
Attributable to VOASELA	29,954,259	28,996,575
Attributable to Non-Controlling Interests	34,041,751	27,408,683
Net Assets With Donor Restrictions	1,049,685	126,986
<b>Total Net Assets</b>	<b>65,045,695</b>	56,532,244
<b>Total Liabilities and Net Assets</b>	<b>\$ 116,423,399</b>	\$ 130,795,424

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, 2019 and 2018

	2019	2018 Restated
<b>Net Assets Without Donor Restrictions</b>		
<b>Revenue, Support, and Gains</b>		
<b>Without Donor Restrictions</b>		
Public Support Received Directly		
Contributions and Special Events	\$ 1,303,704	\$ 1,616,333
Public Support Received Indirectly		
United Way		
Allocations	130,836	121,603
Net Assets Released from Restrictions	304,260	589,382
	<hr/>	<hr/>
<b>Total Public Support</b>	<b>1,738,800</b>	<b>2,327,318</b>
	<hr/>	<hr/>
<b>Revenues and Grants from Governmental</b>		
<b>Agencies</b>	<b>21,206,162</b>	<b>20,298,994</b>
	<hr/>	<hr/>
<b>Other Revenue</b>		
Program Service Fees	6,733,856	8,245,599
Rental Income	5,596,432	5,818,564
Other Operating Income	473,969	528,053
	<hr/>	<hr/>
<b>Total Other Revenue</b>	<b>12,804,257</b>	<b>14,592,216</b>
	<hr/>	<hr/>
<b>Total Revenue, Support, and Gains</b>		
<b>Without Donor Restrictions</b>	<b>35,749,219</b>	<b>37,218,528</b>
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The accompanying notes are an integral part of these consolidated financial statements.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**  
Consolidated Statements of Activities (Continued)  
For the Years Ended June 30, 2019 and 2018

	2019	2018 Restated
<b>Expenses</b>		
<b>Operating Expenses</b>		
<b>Program Services</b>		
Encouraging Positive Development	10,986,887	10,156,530
Fostering Independence	8,485,001	7,750,468
Promoting Self-Sufficiency	14,509,078	14,707,731
	<u>33,980,966</u>	<u>32,614,729</u>
<b>Supporting Services</b>		
Management and General	4,433,013	5,152,829
Fundraising	1,040,098	833,457
	<u>5,473,111</u>	<u>5,986,286</u>
	<u>39,454,077</u>	<u>38,601,015</u>
	<u>(3,704,858)</u>	<u>(1,382,487)</u>

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, 2019 and 2018

	2019	2018 Restated
<b>Other Activities</b>		
<b>Non-Operating Gains (Losses) and Other Revenue</b>		
(Loss) Gain on Disposition of Assets	(80,272)	16,513
Net Investment Return	683,309	854,184
Income Tax Expense	(408)	(17,940)
Cancellation of Debt Income	6,089,650	-
Other Non-Operating Gains	(46,747)	2,233,520
	<u>6,645,532</u>	<u>3,086,277</u>
<b>Surplus from Other Activities</b>		
	<u>6,645,532</u>	<u>3,086,277</u>
<b>Change in Net Assets</b>	2,940,674	1,703,790
<b>Other Changes in Net Assets</b>	<u>4,650,078</u>	<u>6,211,424</u>
<b>Total Change in Net Assets Without Donor Restrictions</b>	7,590,752	7,915,214
<b>Net Assets With Donor Restrictions</b>		
Public Support Received Directly		
Contributions	1,226,959	716,368
Net Assets Released from Restrictions	(304,260)	(589,382)
	<u>922,699</u>	<u>126,986</u>
<b>Change in Net Assets With Donor Restrictions</b>		
	<u>922,699</u>	<u>126,986</u>
<b>Total Change in Net Assets</b>	8,513,451	8,042,200
<b>Net Assets, Beginning of Year</b>	<u>56,532,244</u>	<u>48,490,044</u>
<b>Net Assets, End of Year</b>	<u>\$ 65,045,695</u>	<u>\$ 56,532,244</u>

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, 2019**  
**With Summarized Comparative Information for the Year Ended June 30, 2018**

	Program Services				Supporting Services			2019 Total	2018 Restated
	Encouraging Positive Development	Fostering Independence	Promoting Self- Sufficiency	Subtotal	Management and General	Fundraising	Subtotal		
Salaries	\$ 5,146,213	\$ 5,386,432	\$ 3,964,471	\$ 14,497,116	\$ 1,933,692	\$ 322,998	\$ 2,256,690	\$ 16,753,806	\$ 15,694,766
Employee Benefits	797,295	762,190	640,371	2,199,856	300,649	48,197	348,846	2,548,702	2,422,821
Professional Services	1,263,186	536,756	1,318,250	3,118,192	1,395,102	313,893	1,708,995	4,827,187	5,639,535
Occupancy	383,233	643,994	1,261,934	2,289,161	130,624	26	130,650	2,419,811	2,456,333
Specific Assistance to Individuals	121,881	264,216	1,602,409	1,988,506	7,060	-	7,060	1,995,566	1,862,256
Program Supplies and Equipment	2,866,376	405,301	1,351,509	4,623,186	90,163	18,955	109,118	4,732,304	4,241,225
Office Supplies and Expenses	79,121	51,887	177,424	308,432	91,082	15,224	106,306	414,738	412,006
Travel, Conferences, and Meetings	163,150	222,048	116,786	501,984	44,929	58,848	103,777	605,761	585,556
Depreciation and Amortization	63,895	151,662	3,218,958	3,434,515	69,717	-	69,717	3,504,232	3,608,070
Interest	5,725	22,307	724,095	752,127	265,327	-	265,327	1,017,454	1,218,658
Other	96,812	38,208	132,871	267,891	104,668	261,957	366,625	634,516	459,789
<b>Total</b>	<b>\$ 10,986,887</b>	<b>\$ 8,485,001</b>	<b>\$ 14,509,078</b>	<b>\$ 33,980,966</b>	<b>\$ 4,433,013</b>	<b>\$ 1,040,098</b>	<b>\$ 5,473,111</b>	<b>\$ 39,454,077</b>	<b>\$ 38,601,015</b>

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, 2019 and 2018

	2019	2018 Restated
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 8,513,451	\$ 8,042,200
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	3,504,232	3,608,070
Gain on Investments	(232,377)	(273,128)
Loss (Gain) on Disposition of Assets	80,272	(16,513)
Bad Debt Expense	366,238	480,107
Forgiveness of Debt	-	(200,000)
Cancellation of Debt Income	(6,089,650)	-
(Increase) Decrease in Operating Assets		
Grants Receivable, Net	(1,077,116)	(696,803)
Pledges Receivable, Net	(639,364)	84,404
Prepaid Expenses	495,140	207,278
Other Current Assets	(107,128)	(271,294)
Designated and Restricted Assets	(287,931)	(283,920)
Investment in Joint Ventures	105,000	104,000
Increase (Decrease) in Operating Liabilities		
Accounts Payable	25,407	(754,021)
Accrued Expenses	(623,641)	(136,947)
Other Current Liabilities	120,832	(83,181)
<b>Net Cash Provided by Operating Activities</b>	<b>4,153,365</b>	<b>9,810,252</b>

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, 2019 and 2018

	2019	2018 Restated
<b>Cash Flows from Investing Activities</b>		
Proceeds from Sale of Investments	891,709	5,782,553
Purchase of Investments	(952,713)	(6,107,786)
Increase in Notes Receivable - RNDC	(23,523)	-
Decrease (Increase) in Notes Receivable - Investment Partner	9,319	(219,407)
Decrease in Other Assets	27,722	-
Proceeds from Sale of Fixed Assets	152,790	13,000
Purchase of Fixed Assets	(531,835)	(2,963,457)
<b>Net Cash Used in Investing Activities</b>	<b>(426,531)</b>	<b>(3,495,097)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from Mortgages and Notes Payable	148,424	2,243,338
Principal Payments on Mortgages and Notes Payable	(5,330,754)	(8,874,153)
Loan Origination Fees Paid	(34,052)	(1,875)
<b>Net Cash Used in Financing Activities</b>	<b>(5,216,382)</b>	<b>(6,632,690)</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(1,489,548)</b>	<b>(317,535)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>5,766,328</b>	<b>6,083,863</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 4,276,780</b>	<b>\$ 5,766,328</b>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Interest Paid	\$ 1,169,238	\$ 1,052,069
<b>Non-Cash Transactions</b>		
Cancellation of Debt Income	\$ 6,089,650	\$ -
Financed Insurance Premiums	\$ 466,224	\$ 410,793

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

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

**Notes to Consolidated Financial Statements**

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**Note 1. Organization**

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

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

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

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

**Notes to Consolidated Financial Statements**

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**Note 1. Organization (Continued)**

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 the 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.

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.

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

**Notes to Consolidated Financial Statements**

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**Note 1. Organization (Continued)**

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:

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

**Fostering Independence**

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

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

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

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

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

**Notes to Consolidated Financial Statements**

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**Note 1. Organization (Continued)**

**Promoting Self-Sufficiency**

The Organization provides services to promote self-sufficiency to those who have experienced homelessness or other personal 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.

**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.

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

**Notes to Consolidated Financial Statements**

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**Note 2. Summary of Significant Accounting Policies**

**Basis of Presentation (Continued)**

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, 2019 and 2018, there was \$1,049,685 and \$126,986, respectively, of net assets with donor restrictions.

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

**Principles of Consolidation**

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

**Non-Controlling Interest**

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

**Use of Estimates**

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

**Cash and Cash Equivalents**

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

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

**Notes to Consolidated Financial Statements**

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**Note 2. Summary of Significant Accounting Policies**

**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 15 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.

**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. The Organization follows the practice of capitalizing all expenditures for land, buildings, and equipment over \$2,500. The fair value of donated fixed assets is similarly capitalized.

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

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

**Restricted and Designated Assets**

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

**Operations**

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

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

**Notes to Consolidated Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Contributions**

Contributions are generally recorded only upon receipt, unless evidence of an unconditional promise to give has been received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of amounts expected to be collected. Conditional promises to give are not included as support until such time as the conditions are substantially met. All contributions are considered available for use unless specifically restricted by the donor.

**Contributed Services**

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

**Revenue Recognition**

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

**Public Support and Revenue**

A significant portion of support for the Organization is provided by fees from federal, state, and local governmental agencies. The Organization relies on continued funding in order to provide ongoing and continued programs.

**Income Taxes**

Under provisions of Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the State of Louisiana, the Organization is exempt from income taxes, except for net income from unrelated business income, as a subordinate unit of Volunteers of America, Inc. Volunteers of America, Inc. is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as a religious organization described in Section 501(c)(3). There was no material unrelated business income in 2019 and 2018 and, accordingly, no tax expense was incurred during the years ended June 30, 2019 and 2018.

RNDC has two subsidiaries, Millennium Properties, Inc. and Riverfront Self Storage, LLC, that are subject to federal and state income taxes. Tax expense for the years ended June 30, 2019 and 2018 totaled \$408 and \$17,940, respectively

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.

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

**Notes to Consolidated Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Income Taxes (Continued)**

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

**Advertising Expenses**

The Organization expenses the costs of advertising as incurred. Advertising expense was \$312,841 and \$288,088 for the years ended June 30, 2019 and 2018, 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 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 2018**

The consolidated financial statements and supplementary information for the year ended June 30, 2018 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 consolidated financial statements for the year ended June 30, 2018, from which the summarized information was derived.

**Recent Accounting Pronouncements**

On May 28, 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*. ASU 2014-09 provides a single comprehensive principles-based standard for the recognition of revenue through the application of the following processes:

1. Identify the contract(s) with a customer,
2. Identify the performance obligations in the contract,
3. Determine the transaction price,
4. Allocate the transaction price to the performance obligations in the contract, and
5. Recognize revenue when, or as, the entity satisfies a performance obligation.

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

**Notes to Consolidated Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Recent Accounting Pronouncements (Continued)**

ASU 2014-09 affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of non-financial assets unless those contracts are within the scope of other standards. The core principle of the guidance in ASU 2014-09 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 requires expanded disclosures about the nature, timing, and uncertainty of revenue, as well as certain additional quantitative and qualitative disclosures. It is effective for the Organization's annual reporting period beginning July 1, 2019.

Entities may use one of two methods for applying ASU 2014-09: (a) retrospective to each prior reporting period presented with the option to elect certain practical expedients as defined within the scope of ASU 2014-09; or (b) retrospective with the cumulative effect of initially applying ASU 2014-09 recognized at the date of initial application and providing certain additional disclosures as defined within ASU 2014-09. The Organization anticipates adopting the standard using the retrospective method with the cumulative effect of initially applying ASU 2014-09 recognized as a change in beginning net assets at the date of initial application.

The Organization is utilizing a comprehensive approach to assess the impact of the guidance on each of its significant revenue streams. Additionally, the Organization is evaluating the impact of the new guidance on disclosures, as well as the impact on controls to support the recognition. Based on the foregoing, the Organization does not anticipate this standard having a material impact on its financial statements as of and for the year ending June 30, 2020.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides analysis and guidance on how the entity should identify between the two types of transactions which would then determine which standard to follow (ASU 2014-09 or FASB Subtopic 958-605) in recognizing the revenue or expense of the transaction. ASU 2018-08 is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. Management is still evaluating the impact implementation of ASU 2018-08 will have on the Organization's financial statements.

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

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Recent Accounting Pronouncements (Continued)**

In January 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as financing or operating leases. A lessee should recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2016-02 is effective for financial statements issued for annual periods beginning after December 15, 2019. Management is currently evaluating the impact ASU 2016-02 will have on its financial statements.

**Implementation of Accounting Pronouncement**

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adopted ASU 2016-14 and has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented. There was no impact to net assets as a whole or the total change in net assets as a result of these reclassifications.

**Reclassifications**

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

**Note 3. Liquidity and Availability**

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

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

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

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

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**Note 3. Liquidity and Availability (Continued)**

As of June 30, 2019, financial assets available for general operating purposes within one year of the consolidated statement of financial position date comprise the following:

Cash and Cash Equivalents	\$ 4,276,780
Grants Receivable, Net	<u>3,812,082</u>
<b>Total</b>	<b><u>\$ 8,088,862</u></b>

**Note 4. Pledges Receivable**

At June 30, 2019 and 2018, amounts included in pledges receivable were as follows:

	<b>2019</b>	<b>2018</b>
Pledges Receivable	<b>\$ 2,357,586</b>	\$ 1,636,854
Less: Discount of Long-Term Pledges	<b>(111,833)</b>	(24,929)
Less: Allowance for Doubtful Accounts	<b>(431,475)</b>	(437,011)
<b>Pledges Receivable, Net</b>	<b><u>\$ 1,814,278</u></b>	<b><u>\$ 1,174,914</u></b>

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

<b>Year Ending June 30,</b>	<b>Amount</b>
2020	\$ 973,209
2021	348,035
2022	250,432
2023	158,260
2024	135,250
Thereafter	<u>492,400</u>
<b>Total</b>	<b><u>\$ 2,357,586</u></b>

**Note 5. Note Receivable - Investment Partner**

Note receivable - investment partner consists of a note receivable from ESIC New Market Partners XLVII Investment Fund, LLC which originated through the project financing of 1770 Tchoupitoulas, LLC, an RNDC subsidiary, in July 2012. The balance of the note was \$-0- and \$11,779,669 for the years ended June 30, 2019 and June 30, 2018, respectively. See Note 21 for further details.

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

**Notes to Consolidated Financial Statements**

**Note 6. Fixed Assets**

At June 30, 2019 and 2018, fixed assets consisted of the following:

	2019	2018
Land	\$ 8,133,958	\$ 8,193,800
Buildings and Improvements	103,690,884	104,010,317
Vehicles	382,503	382,503
Furniture and Equipment	6,763,911	6,395,127
	<u>118,971,256</u>	<u>118,981,747</u>
Less: Accumulated Depreciation	(25,200,603)	(22,099,188)
<b>Total Fixed Assets, Net</b>	<b><u>\$ 93,770,653</u></b>	<b><u>\$ 96,882,559</u></b>

Depreciation expense was \$3,410,679 and \$3,550,031 for the years ended June 30, 2019 and 2018, respectively.

**Note 7. Designated and Restricted Assets**

The Organization has agreements with agencies that require funded reserves and the restriction of certain deposits which are custodial in nature. At June 30, 2019 and 2018, designated and restricted assets were as follows:

	2019	2018
Custodial Funds	\$ 2,136	\$ 2,136
Escrow	541,400	1,220,136
Security Deposits	221,311	107,896
Replacement Reserve Funds	2,604,644	1,751,392
<b>Total</b>	<b><u>\$ 3,369,491</u></b>	<b><u>\$ 3,081,560</u></b>

**Note 8. Line of Credit**

The Organization has a \$1,000,000 line of credit. The line had an interest rate of 5.15% at June 30, 2019 and matured on June 30, 2019. There was no balance on this line of credit at June 30, 2019 and 2018. The note was renewed on August 31, 2019. See Note 22 for the new terms.

The Organization is subject to a restrictive financial covenant under this agreement. At June 30, 2019 and 2018, the Organization was in compliance with this covenant.

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

**Note 9. Mortgages and Notes Payable**

The following is a summary of mortgages and notes payable at June 30, 2019 and 2018:

	2019	2018
Two (2) notes payable to the Louisiana Housing Finance Agency, with maturity dates of August 31, 2044 and May 20, 2045, with interest rates of 0.0%, secured by CDBG Piggyback Program Leasehold Mortgage, for Chateau Carre' and New Covington.	<b>\$ 15,653,320</b>	\$ 15,801,730
One (1) note payable to Terrebonne Parish Consolidated Government, secured by land and buildings, with an interest rate of 0.0%, maturing on June 1, 2049, for Bayou Cane Apartments.	<b>5,633,206</b>	5,660,829
One (1) note payable to Terrebonne Council on Aging, Inc., with an interest rate of 0.0%, maturing on March 29, 2066, for Houma School Apartments.	<b>5,500,000</b>	5,500,000
One (1) note payable to Capital One Multifamily Finance, secured by land and buildings, with an interest rate of 4.28%, maturing on July 1, 2031, for Bayou Cane Apartments.	<b>3,333,808</b>	3,371,578
Two (2) notes payable to the Louisiana Housing Finance Agency with maturity dates ranging from December 31, 2026 to September 1, 2045, with interest rates ranging from 0.0% to 4.0%, for Chateau Carre' and New Covington.	<b>2,792,354</b>	2,934,055
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.	<b>2,673,861</b>	2,700,000
One (1) note payable to Capital One, National Association, secured by land and buildings, with an interest rate of 7.0%, maturing on June 16, 2026, for Chateau Carre'.	<b>2,465,087</b>	2,460,310
Note payable to Iberia Bank, secured by land and buildings (Tchoupitoulas), with an interest rate equal to the London Interbank Offered Rate (LIBOR) plus 3.0%, maturing November 2, 2019.	<b>2,346,848</b>	2,508,700
Note payable to the State of Louisiana, Division of Administration, Office of Community Development in connection with the acquisition, ownership, development, rehabilitation, construction, and leasing of those certain buildings and other improvements located at 1770 and 1744-46 Tchoupitoulas Street, with an interest rate of 1.0% per annum, maturing July 2, 2037.	<b>1,992,593</b>	2,091,981
Note payable to Enterprise Community Loan Fund, Inc., with an interest rate of 6.0%, maturing November 30, 2019.	<b>1,462,463</b>	1,485,263
Note payable to Iberia Bank, secured by land, with an interest rate of 5.25%, payable in 26 monthly payments of \$16,433 and one final payment totaling \$1,419,450, due on October 11, 2019.	<b>1,446,133</b>	1,643,333

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

**Note 9. Mortgages and Notes Payable (Continued)**

	2019	2018
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.	1,221,945	1,266,314
Four (4) notes payable to Volunteers of America National Services, unsecured, with interest rates of 0.0%, with maturity dates ranging from the earlier of the date on which the borrower receives pre-development financing or closes on the real estate and construction and equity financing.	760,000	860,000
Financed insurance premium with monthly installments of \$37,345 including interest at 4.48%, maturing May 2020.	466,224	410,793
Construction loan payable to Whitney Bank, which converted to a note payable on July 6, 2017, with interest rate of 5.25%, maturing July 6, 2022.	456,781	495,079
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 \$4,951.65, with a maturity date of June 2024.	284,406	-
Two (2) notes payable to PNC Bank, National Association, secured by land and buildings, maturity dates of October 1, 2033, with interest rates ranging from 3.21% to 4.60%, for The Cottages at Mile Branch.	254,395	3,747,217
Note payable to Volunteers of America National Services, unsecured, with an interest rate of 0.0%, with annual payments of \$5,433 due from net cash flow as defined by the promissory note beginning on May 1, 2016, and the remaining balance due at maturity May 1, 2025.	163,000	163,000
Note payable to a financial institution, secured by equipment, with an interest rate of 4.5%, with monthly payments of \$8,813, maturing January 28, 2021.	161,230	257,238
Note payable to Volunteers of America North Louisiana, with an interest rate of 1.0%, maturing November 12, 2029.	100,000	200,000
Note payable to Home Bank, secured with land and buildings (326 Buckeye Lane), with an interest rate of 5.25%, maturing October 19, 2023.	98,057	-
Notes payable to banks secured by vehicles, with interest rates of 4.0%, payable in monthly installments ranging from \$420 to \$851, with maturity dates ranging from August 2019 to February 2021.	23,509	62,669
One (1) note payable to the ESIC New Market Partners XLVII LP, with an interest rate of 1.0%, for 1770 Tchoupitoulas.	-	9,700,000
Three (3) notes payable to the VOANS CDC Sub I National Service, unsecured, with interest rates of 1.0%, for 1770 Tchoupitoulas.	-	8,160,000

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

**Notes to Consolidated Financial Statements**

**Note 9. Mortgages and Notes Payable (Continued)**

	2019	2018
Note payable to The Powers Foundation, with an interest rate of 2.0%, matured on December 31, 2017.	-	250,000
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 \$3,622, with a maturity date of June, 2024.	-	235,935
	<b>49,289,220</b>	71,966,024
Less: Debt Issuance Costs, Net of Amortization	<b>(997,774)</b>	(1,266,504)
<b>Total</b>	<b>\$ 48,291,446</b>	<b>\$ 70,699,520</b>

Scheduled principal payments due on the above mortgages and notes payable subsequent to June 30, 2019, are as follows:

Year Ending June 30,	Amount
2020	\$ 7,150,152
2021	532,799
2022	482,524
2023	758,377
2024	4,056,781
Thereafter	36,308,587
<b>Total</b>	<b>\$ 49,289,220</b>

Interest expense was \$1,017,454 and \$1,205,732 for the years ended June 30, 2019 and 2018, respectively.

The Organization was in compliance with debt covenants at June 30, 2019.

**Note 10. Related Party Transactions**

The Organization is affiliated with Volunteers of America, Inc., which provides supporting services to the Organization for a fee. Affiliate fees were \$586,212 and \$792,616 for the years ended June 30, 2019 and 2018, respectively. Amounts payable to Volunteers of America, Inc. totaled \$146,891 and \$61,828 at June 30, 2019 and 2018, respectively.

Volunteers of America National Services is a guarantor of the debt of RNDC and has loans to RNDC as of June 30, 2019 and 2018 of \$923,000 and \$1,023,000, respectively.

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

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**Note 10. Related Party Transactions (Continued)**

VOANS CDE Sub I has an outstanding loan to 1770 Tchoupitoulas, LLC, with a balance of \$-0- and \$8,160,000 as of June 30, 2019 and 2018, respectively. See Note 21 for further details.

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

**Note 11. Leases**

The Organization has several operating leases for the rental of office space and vehicles which are non-cancelable over the next three (3) years and several operating leases for the rental of office space on a month-to-month basis.

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of June 30, 2019 and in the aggregate are as follows:

<b>Year Ending June 30,</b>	<b>Amount</b>
2020	\$ 183,625
2021	169,503
2022	<u>134,088</u>
<b>Total</b>	<u><u>\$ 487,216</u></u>

Rental expense under month-to-month and non-cancelable operating leases were \$239,161 and \$214,012 for the years ended June 30, 2019 and 2018, respectively.

**Note 12. Pension Plan for Ministers**

The Organization participates in a non-contributory defined benefit pension and retirement plan. The plan is administered through a commercial insurance company and covers all ministers commissioned through December 31, 1999. Pension plan expenses were \$88,745 and \$74,090 for the years ended June 30, 2019 and 2018, respectively.

**Note 13. 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 5.0% of employee contributions. The Organization contributed \$203,628 and \$177,673 for the years ended June 30, 2019 and 2018, respectively.

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

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**Note 14. 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 15 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 15. 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: <ul style="list-style-type: none"><li>• Quoted prices for similar assets or liabilities in active markets;</li><li>• Quoted prices for identical or similar assets or liabilities in inactive markets;</li><li>• Inputs other than quoted prices that are observable for the asset or liability; and</li><li>• Inputs that are derived principally from or corroborated by observable market data by correlation or other means.</li></ul> If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

**Note 15. 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:

- Common stocks, corporate bonds, and U.S. government securities, when present, are valued at the closing price reported on the active market on which the individual securities are traded.
- Mutual funds are valued at the net asset value (NAV) of shares held at year-end.
- Pooled investment accounts are measured at fair value using the net asset value per share (or its equivalent).

The following tables set forth, by level within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2019 and 2018:

June 30, 2019	Level 1	Level 2	Level 3	Total
<b>Equity Funds</b>	\$ 5,779,171	\$ -	\$ -	\$ 5,779,171
<b>Common Stock</b>	636,164	-	-	636,164
<b>Corporate Bonds</b>	346,211	-	-	346,211
<b>Fixed Income Funds</b>	117,930	554	-	118,484
<b>Government Bonds</b>	118,257	-	-	118,257
<b>Government Agencies</b>	42,360	-	-	42,360
<b>Real Estate Funds</b>	40,562	-	-	40,562
<b>Preferred Stock</b>	1,759	-	-	1,759
<b>Investments, at Fair Value</b>	<b>\$ 7,082,414</b>	<b>\$ 554</b>	<b>\$ -</b>	<b>\$ 7,082,968</b>
<b>June 30, 2018</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Mutual Funds</b>				
Equity Funds	\$ 5,139,300	\$ -	\$ -	\$ 5,139,300
Fixed Income Funds	107,069	24,697	-	131,766
Common Stock	897,840	-	-	897,840
Government Securities	172,181	-	-	172,181
Corporate Bonds	366,738	-	-	366,738
<b>Total Assets in the Fair Value Hierarchy</b>	<b>6,683,128</b>	<b>24,697</b>	<b>-</b>	<b>6,707,825</b>
<b>Investments Measured at Net Asset Value (a)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81,762</b>
<b>Investments, at Fair Value</b>	<b>\$ 6,683,128</b>	<b>\$ 24,697</b>	<b>\$ -</b>	<b>\$ 6,789,587</b>

(a) In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

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

**Notes to Consolidated Financial Statements**

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**Note 15. Fair Value Measurements (Continued)**

**Transfers Between Levels**

For the years ended June 30, 2019 and 2018, there were no significant transfers between Levels 1 and 2 and no transfers in or out of Level 3.

**Investments Using the Net Asset Value per Share Practical Expedient**

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient as of June 30, 2018. There were no investments measured at net asset value as of June 30, 2019. There are no redemption restrictions for these investments.

<b>June 30, 2018</b>	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency (if Currently Eligible)</b>	<b>Redemption Notice Period</b>
<b>Pooled Investment Fund</b>	\$ 81,762	N/A	Daily	N/A

The main objective of this fund is to generate, over a three-year moving time period, a return that is equal to or greater than 3.0% in excess of the consumer price index and 6.0% overall. The portfolio is invested to create long-term appreciation of assets, consistent returns, and to minimize the likelihood of low or negative returns.

**Note 16. Contingencies**

The Organization receives fees and grants from federal, state, and local governmental agencies. The programs sponsored by these agencies are subject to discretionary audits by the granting agencies. There have been no audits by granting agencies during the 2019 fiscal year and management does not anticipate any adjustments as a result of future audits. Any adjustments from an audit performed by a granting agency would flow through the 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.

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

**Notes to Consolidated Financial Statements**

**Note 17. Net Assets With Donor Restrictions**

At June 30, 2019 and 2018, net assets with donor restrictions totaled \$1,049,685 and \$126,986, respectively.

At June 30, 2019 and 2018, net assets with donor restrictions, comprised of donor-imposed stipulations that expire when the purpose restriction is accomplished and the passage of time, were as follows:

	2019	2018
<b>With Donor Restrictions - Purpose and Time:</b>		
Tolmas Charitable Trust Pledge	\$ 858,692	\$ -
<b>With Donor Restrictions - Purpose:</b>		
Repairs on Wheels Grant	134,789	101,996
Supportive Living Services Grant	32,594	-
Veterans Program Grant	23,610	-
Community Living Services Grant	-	24,990
<b>Total Net Assets With Donor Restrictions as to Purpose and Time</b>	<b>\$ 1,049,685</b>	<b>\$ 126,986</b>

**Note 18. Changes in Consolidated Net Assets**

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

	Attributable to VOASELA	Attributable to Non- Controlling Interests	Total Net Assets
<b>Balance, June 30, 2017</b>	\$ 26,117,296	\$ 22,372,748	\$ 48,490,044
Change in Net Assets from Operations and Other Activities	3,006,265	(1,175,489)	1,830,776
Other Changes in Net Assets	-	6,211,424	6,211,424
<b>Balance, June 30, 2018</b>	29,123,561	27,408,683	56,532,244
Change in Net Assets from Operations and Other Activities	1,880,383	1,982,990	3,863,373
Other Changes in Net Assets	-	4,650,078	4,650,078
<b>Balance, June 30, 2019</b>	<b>\$ 31,003,944</b>	<b>\$ 34,041,751</b>	<b>\$ 65,045,695</b>

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

**Notes to Consolidated Financial Statements**

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**Note 19. Other Changes in Net Assets**

Other changes in net assets primarily consist of amounts related to distributions and contributions for the years ended June 30, 2019 and 2018.

**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, 2019, the Organization had \$3,700,396 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. (the VIC). Pursuant to the Amended and Restated Operating Agreement dated July 2, 2012 (the Tenant Operating Agreement), the Tenant is formed between 1770 Tchoupitoulas Manager, LLC and ESIC New Markets Partners XLVII Investment Fund, LLC (the Investment Fund). At the original closing, October 12, 2011, 1770 Tchoupitoulas, LLC entered into certain Qualified Low-Income Community Investment Loan Agreements (QLICI Loans) in the aggregate sum of \$17,860,000 with VOANS CDE Subsidiary 1, LLC and ESIC New Markets Partners XLVII LP (the CDEs). These loans were funded by a combination of sources including new market tax credit (NMTC) equity and historic tax credit (HTC) equity. RNDC used the following funds to make a loan to the Investment Fund in the amount of \$13,233,050. At the date of unwind described below, the outstanding balance owed RNDC totaled \$11,770,350, due to payments being made on the note.

On October 13, 2018, the seven-year credit period terminated. The members distributed the assets of the Companies in complete redemption and liquidation of the member interests to dissolve the Companies. Prior to October 11, 2018, the VIC sold its interest in 1770 Tchoupitoulas, LLC to RNDC for \$1.00, since the fair market value of the assets 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. This amount is shown on the accompanying consolidated statements of activities. The asset and liability described above between 1770 Tchoupitoulas, LLC and RNDC are eliminated in the consolidation process.

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

**Notes to Consolidated Financial Statements**

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**Note 22. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 17, 2019, and determined that the following events occurred that require disclosure:

On August 31, 2019, the line of credit was renewed in the amount of \$1,000,000, maturing on August 31, 2021, with an initial interest rate of 4.994%.

On September 25, 2019, 2901 Dee Inc. transferred ownership of Embassy Apartments through an Act of Cash Sale to the single asset tax credit entity, The Embassy Apartments Shreveport, LLC for the price of \$1,500,000. The Embassy Apartments Shreveport, LLC entered into a loan agreement with a bank for a \$4,542,490 conventional construction loan, which will convert to a \$1,503,634 permanent conventional loan at the conversion date, which is projected to be October 1, 2020. Also on September 25, 2019, The Embassy Apartments Shreveport, LLC entered into the First Amended and Restated Operating Agreement with The Embassy Apartments Shreveport MM, LLC as the Managing Member and Wincopin Circle LLLP as the substitute Investor Member. This agreement includes the terms for the total \$3,908,925 LIHTC equity to be invested into the Embassy Apartments rehabilitation, of which \$100 was funded at closing. RNDC loaned \$198,054 to The Embassy Apartments Shreveport, LLC to be used for construction costs. RNDC also made a \$31,666 managing member capital contribution, which was funded from the existing Embassy Replacement Reserve and used for development expenses. 2901 Dee Inc.'s Enterprise Community Loan Fund existing debt of \$1,471,895 was paid off from a draw on the bank Construction Loan, which was also funded at the closing on September 25, 2019.

On September 27, 2019, 1770 Tchoupitoulas, Inc. entered into a promissory note with a bank totaling \$4.9 million. Debt totaling \$4,796,222 at June 30, 2019 was paid off with this new promissory note entered into on 1770 Tchoupitoulas, Inc. The interest rate is 4.5% and the principal and interest are due monthly based on a twenty-year amortization. The balance is due at maturity, September 2024.

No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**Note 23. Prior Period Adjustment**

The accompanying financial statements for 2018 have been restated to include the affiliate fee accrual as of June 30, 2018. The effect of the restatement was to decrease the change in net assets for 2018 by \$172,825.

## **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, 2019**

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Louisiana Revised Statute (LRS) 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 LRS 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 supplemental report.

**Agency Head**  
James M. LeBlanc, President/CEO

<b>Purpose</b>	<b>Compensation and Benefits Funded by Use</b>
Salary	\$ 130,564
Bonus	\$ 20,000
Benefits - Insurance	\$ 3,742
Benefits - Retirement	\$ 23,143
Benefits - Other	\$ 848
Car Allowance (Lease, Insurance, Gasoline)	\$ 6,250
Per Diem	\$ -
Reimbursements (Electronic Devices)	\$ 488
Local Entertainment/Sales	\$ -
Registration Fees	\$ -
Conference/Sales Mission Travel	\$ -
Local Transportation/Parking	\$ -
Continuing Professional Education Fees	\$ 469
Housing	\$ -
Unvouchered Expenses	\$ -
Dues and Subscriptions	\$ -

See independent auditor's report.

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

Schedule I

**Consolidating Statement of Financial Position**

**For the Year Ended June 30, 2019**

**With Summarized Comparative Information for the Year Ended June 30, 2018**

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Eliminations	2019 Consolidated	2018 Restated
<b>Assets</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 1,179,715	\$ 3,097,065	\$ 4,276,780	\$ -	\$ 4,276,780	\$ 5,766,328
Grants Receivable, Net of Allowance for Doubtful Accounts of \$87,660 at 2019 and \$72,877 at 2018	3,688,795	126,428	3,815,223	(3,141)	3,812,082	3,101,204
Pledges Receivable, Net	655,399	-	655,399	-	655,399	647,759
Prepaid Expenses	554,161	506,463	1,060,624	-	1,060,624	1,089,540
Other Current Assets	232,705	576,696	809,401	-	809,401	702,273
<b>Total Current Assets</b>	<b>6,310,775</b>	<b>4,306,652</b>	<b>10,617,427</b>	<b>(3,141)</b>	<b>10,614,286</b>	<b>11,307,104</b>
<b>Fixed Assets</b>						
Fixed Assets, Net	7,602,732	86,167,921	93,770,653	-	93,770,653	96,882,559
<b>Total Fixed Assets</b>	<b>7,602,732</b>	<b>86,167,921</b>	<b>93,770,653</b>	<b>-</b>	<b>93,770,653</b>	<b>96,882,559</b>
<b>Other Assets</b>						
Designated and Restricted Assets	46,945	3,322,546	3,369,491	-	3,369,491	3,081,560
Long-Term Investments	5,490,045	1,592,923	7,082,968	-	7,082,968	6,789,587
Pledges Receivable, Net	1,158,879	-	1,158,879	-	1,158,879	527,155
Note Receivable and Other Amounts Due from RNDC	3,259,960	-	3,259,960	(3,236,437)	23,523	-
Notes Receivable - Investment Partner	-	-	-	-	-	11,779,669
Investment in Joint Ventures	403,599	-	403,599	-	403,599	400,068
Investment in Subsidiaries	10,004,710	-	10,004,710	(10,004,710)	-	-
Other Assets	-	-	-	-	-	27,722
<b>Total Other Assets</b>	<b>20,364,138</b>	<b>4,915,469</b>	<b>25,279,607</b>	<b>(13,241,147)</b>	<b>12,038,460</b>	<b>22,605,761</b>
<b>Total Assets</b>	<b>\$ 34,277,645</b>	<b>\$ 95,390,042</b>	<b>\$ 129,667,687</b>	<b>\$ (13,244,288)</b>	<b>\$ 116,423,399</b>	<b>\$ 130,795,424</b>

See independent auditor's report.

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

Schedule I

**Consolidating Statement of Financial Position (Continued)**

**For the Year Ended June 30, 2019**

**With Summarized Comparative Information for the Year Ended June 30, 2018**

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Eliminations	2019 Consolidated	2018 Restated
<b>Liabilities and Net Assets</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 897,463	\$ 382,994	\$ 1,280,457	\$ -	\$ 1,280,457	\$ 1,255,050
Mortgages and Notes Payable	650,338	6,499,814	7,150,152	-	7,150,152	8,132,155
Accrued Expenses	1,390,494	128,948	1,519,442	-	1,519,442	2,143,083
Other Current Liabilities	50,374	239,775	290,149	(3,790)	286,359	165,527
<b>Total Current Liabilities</b>	<b>2,988,669</b>	<b>7,251,531</b>	<b>10,240,200</b>	<b>(3,790)</b>	<b>10,236,410</b>	<b>11,695,815</b>
<b>Other Liabilities</b>						
Due to VOASELA, Inc.	-	1,207,764	1,207,764	(1,207,764)	-	-
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	285,032	42,884,287	43,169,319	(2,028,025)	41,141,294	62,567,365
<b>Total Other Liabilities</b>	<b>285,032</b>	<b>44,092,051</b>	<b>44,377,083</b>	<b>(3,235,789)</b>	<b>41,141,294</b>	<b>62,567,365</b>
<b>Total Liabilities</b>	<b>3,273,701</b>	<b>51,343,582</b>	<b>54,617,283</b>	<b>(3,239,579)</b>	<b>51,377,704</b>	<b>74,263,180</b>
<b>Net Assets</b>						
Net Assets Without Donor Restrictions	29,954,259	44,046,460	74,000,719	(10,004,709)	63,996,010	56,405,258
Net Assets With Donor Restrictions	1,049,685	-	1,049,685	-	1,049,685	126,986
<b>Total Net Assets</b>	<b>31,003,944</b>	<b>44,046,460</b>	<b>75,050,404</b>	<b>(10,004,709)</b>	<b>65,045,695</b>	<b>56,532,244</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 34,277,645</b>	<b>\$ 95,390,042</b>	<b>\$ 129,667,687</b>	<b>\$ (13,244,288)</b>	<b>\$ 116,423,399</b>	<b>\$ 130,795,424</b>

See independent auditor's report.

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

Schedule II

**Consolidating Statement of Activities**

**For the Year Ended June 30, 2019**

**With Summarized Comparative Information for the Year Ended June 30, 2018**

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Elimination	2019 Consolidated	2018 Restated
<b>Net Assets Without Donor Restrictions</b>						
<b>Revenues</b>						
<b>Revenues from Operations</b>						
Public Support Received Directly Contributions and Special Events	\$ 1,303,704	\$ -	\$ 1,303,704	\$ -	\$ 1,303,704	\$ 1,616,333
Public Support Received Indirectly United Way Allocations	130,836	-	130,836	-	130,836	121,603
Net Assets Released from Restrictions	304,260	-	304,260	-	304,260	589,382
<b>Total Public Support</b>	<b>1,738,800</b>	<b>-</b>	<b>1,738,800</b>	<b>-</b>	<b>1,738,800</b>	<b>2,327,318</b>
<b>Revenues and Grants from Governmental Agencies</b>	<b>21,206,162</b>	<b>-</b>	<b>21,206,162</b>	<b>-</b>	<b>21,206,162</b>	<b>20,298,994</b>
<b>Other Revenue</b>						
Program Service Fees	8,654,708	62,675	8,717,383	(1,983,527)	6,733,856	8,245,599
Rental Income	257,934	5,555,135	5,813,069	(216,637)	5,596,432	5,818,564
Other Operating Income	12,589	509,380	521,969	(48,000)	473,969	528,053
<b>Total Other Revenue</b>	<b>8,925,231</b>	<b>6,127,190</b>	<b>15,052,421</b>	<b>(2,248,164)</b>	<b>12,804,257</b>	<b>14,592,216</b>
<b>Total Operating Revenue Without Donor Restrictions</b>	<b>31,870,193</b>	<b>6,127,190</b>	<b>37,997,383</b>	<b>(2,248,164)</b>	<b>35,749,219</b>	<b>37,218,528</b>

See independent auditor's report.

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

Schedule II

**Consolidating Statement of Activities (Continued)**

**For the Year Ended June 30, 2019**

**With Summarized Comparative Information for the Year Ended June 30, 2018**

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Elimination	2019 Consolidated	2018 Restated
<b>Expenses</b>						
<b>Operating Expenses</b>						
<b>Program Services</b>						
Encouraging Positive Development	10,986,887	-	10,986,887	-	10,986,887	10,156,530
Fostering Independence	8,485,001	-	8,485,001	-	8,485,001	7,750,468
Promoting Self-Sufficiency	8,476,920	7,125,030	15,601,950	(1,092,872)	14,509,078	14,707,731
<b>Total Program Services</b>	<b>27,948,808</b>	<b>7,125,030</b>	<b>35,073,838</b>	<b>(1,092,872)</b>	<b>33,980,966</b>	<b>32,614,729</b>
<b>Supporting Services</b>						
Management and General	3,810,571	1,798,175	5,608,746	(1,175,733)	4,433,013	5,152,829
Fundraising	1,040,098	-	1,040,098	-	1,040,098	833,457
<b>Total Supporting Services</b>	<b>4,850,669</b>	<b>1,798,175</b>	<b>6,648,844</b>	<b>(1,175,733)</b>	<b>5,473,111</b>	<b>5,986,286</b>
<b>Total Operating Expenses</b>	<b>32,799,477</b>	<b>8,923,205</b>	<b>41,722,682</b>	<b>(2,268,605)</b>	<b>39,454,077</b>	<b>38,601,015</b>
<b>Deficit from Operations</b>	<b>(929,284)</b>	<b>(2,796,015)</b>	<b>(3,725,299)</b>	<b>20,441</b>	<b>(3,704,858)</b>	<b>(1,382,487)</b>

See independent auditor's report.

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

**Schedule II**

**Consolidating Statement of Activities (Continued)**

**For the Year Ended June 30, 2019**

**With Summarized Comparative Information for the Year Ended June 30, 2018**

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Elimination	2019 Consolidated	2018 Restated
<b>Other Activities</b>						
<b>Non-Operating Gains (Losses) and Other Revenue</b>						
(Loss) Gain on Disposition of Assets	(80,272)	-	(80,272)	-	(80,272)	16,513
Net Investment Return	422,394	281,355	703,749	(20,440)	683,309	854,184
Income Tax Expense	-	(408)	(408)	-	(408)	(17,940)
Income from Investment in Subsidiaries	1,591,593	-	1,591,593	(1,591,593)	-	-
Cancellation of Debt Income	-	6,089,650	6,089,650	-	6,089,650	-
Other Non-Operating (Losses) Gains	(46,747)	-	(46,747)	-	(46,747)	2,233,520
<b>Surplus from Other Activities</b>	<b>1,886,968</b>	<b>6,370,597</b>	<b>8,257,565</b>	<b>(1,612,033)</b>	<b>6,645,532</b>	<b>3,086,277</b>
<b>Change in Net Assets</b>	<b>957,684</b>	<b>3,574,582</b>	<b>4,532,266</b>	<b>(1,591,592)</b>	<b>2,940,674</b>	<b>1,703,790</b>
<b>Other Changes in Net Assets</b>	<b>-</b>	<b>4,650,078</b>	<b>4,650,078</b>	<b>-</b>	<b>4,650,078</b>	<b>6,211,424</b>
<b>Change in Net Assets Without Donor Restrictions</b>	<b>957,684</b>	<b>8,224,660</b>	<b>9,182,344</b>	<b>(1,591,592)</b>	<b>7,590,752</b>	<b>7,915,214</b>
<b>Net Assets With Donor Restrictions</b>						
Public Support Received Directly Contributions and Special Events	1,226,959	-	1,226,959	-	1,226,959	716,368
Net Assets Released from Restrictions	(304,260)	-	(304,260)	-	(304,260)	(589,382)
<b>Change in Net Assets With Donor Restrictions</b>	<b>922,699</b>	<b>-</b>	<b>922,699</b>	<b>-</b>	<b>922,699</b>	<b>126,986</b>
<b>Total Change in Net Assets</b>	<b>1,880,383</b>	<b>8,224,660</b>	<b>10,105,043</b>	<b>(1,591,592)</b>	<b>8,513,451</b>	<b>8,042,200</b>
<b>Net Assets, Beginning of Year</b>	<b>29,123,561</b>	<b>35,821,800</b>	<b>64,945,361</b>	<b>(8,413,117)</b>	<b>56,532,244</b>	<b>48,490,044</b>
<b>Net Assets, End of Year</b>	<b>\$ 31,003,944</b>	<b>\$ 44,046,460</b>	<b>\$ 75,050,404</b>	<b>\$ (10,004,709)</b>	<b>\$ 65,045,695</b>	<b>\$ 56,532,244</b>

See independent auditor's report.

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

**Schedule III**

**Consolidating Statement of Functional Expenses**

**For the Year Ended June 30, 2019**

**With Summarized Comparative Information for the Year Ended June 30, 2018**

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Eliminations	2019 Consolidated	2018 Restated
Salaries and Wages	\$ 16,753,806	\$ -	\$ 16,753,806	\$ -	\$ 16,753,806	\$ 15,694,766
Employee Benefits	2,548,702	-	2,548,702	-	2,548,702	2,422,821
Professional Services	3,803,675	2,966,483	6,770,158	(1,942,971)	4,827,187	5,639,535
Occupancy	1,949,538	701,015	2,650,553	(230,742)	2,419,811	2,456,333
Specific Assistance to Individuals	1,995,566	-	1,995,566	-	1,995,566	1,862,256
Program Supplies and Equipment	3,626,435	1,126,289	4,752,724	(20,420)	4,732,304	4,241,225
Office Supplies and Expenses	384,643	50,723	435,366	(20,628)	414,738	412,006
Travel, Conferences, and Meetings	618,015	13,260	631,275	(25,514)	605,761	585,556
Depreciation and Amortization	610,106	2,895,191	3,505,297	(1,065)	3,504,232	3,608,070
Interest	36,532	1,001,362	1,037,894	(20,440)	1,017,454	1,218,658
Other	472,459	168,881	641,340	(6,824)	634,516	459,789
<b>Total</b>	<b>\$ 32,799,477</b>	<b>\$ 8,923,204</b>	<b>\$ 41,722,681</b>	<b>\$ (2,268,604)</b>	<b>\$ 39,454,077</b>	<b>\$ 38,601,015</b>

See independent auditor's report.

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

**Schedule IV**

**Consolidating Statement of Financial Position - VOASELA, Inc.**

**For the Year Ended June 30, 2019**

**With Summarized Comparative Information for the Year Ended June 30, 2018**

	Consolidated VOA					2019	2018
	VOASELA, Inc.	CLC, Inc.	Development, Inc.	Subtotal	Eliminations	Consolidated	Restated
<b>Assets</b>							
<b>Current Assets</b>							
Cash and Cash Equivalents	\$ 1,139,071	\$ 15,562	\$ 25,082	\$ 1,179,715	\$ -	\$ 1,179,715	\$ 1,960,064
Grants Receivable, Net of Allowance for Doubtful Accounts of \$87,660 at 2019 and \$72,877 at 2018	3,582,713	-	106,082	3,688,795	-	3,688,795	2,904,607
Pledges Receivable, Net	655,399	-	-	655,399	-	655,399	647,759
Accounts Receivable, CLC, Inc.	133,055	-	-	133,055	(133,055)	-	-
Accounts Receivable, Limited Partnerships	1,095,590	-	-	1,095,590	(1,095,590)	-	-
Interest Receivable, VOA Development	64,692	-	-	64,692	(64,692)	-	-
Notes Receivable, VOA Development	349,938	-	-	349,938	(349,938)	-	-
Prepaid Expenses	531,639	516	22,006	554,161	-	554,161	541,699
Other Current Assets	209,726	858	22,121	232,705	-	232,705	217,746
<b>Total Current Assets</b>	<b>7,761,823</b>	<b>16,936</b>	<b>175,291</b>	<b>7,954,050</b>	<b>(1,643,275)</b>	<b>6,310,775</b>	<b>6,271,875</b>
<b>Fixed Assets, Net</b>	<b>5,088,992</b>	<b>18,285</b>	<b>2,495,455</b>	<b>7,602,732</b>	<b>-</b>	<b>7,602,732</b>	<b>8,341,610</b>
<b>Other Assets</b>							
Designated and Restricted Assets	142,163	2,136	3,671	147,970	(101,025)	46,945	58,862
Long-Term Investments	5,490,045	-	-	5,490,045	-	5,490,045	5,271,066
Pledges Receivable, Net	1,158,879	-	-	1,158,879	-	1,158,879	527,155
Notes Receivable	4,005,236	-	-	4,005,236	(745,276)	3,259,960	3,538,114
Investment in Joint Ventures	403,599	-	-	403,599	-	403,599	400,068
Investment in Subsidiaries	10,247,003	-	-	10,247,003	(242,293)	10,004,710	8,413,117
<b>Total Other Assets</b>	<b>21,446,925</b>	<b>2,136</b>	<b>3,671</b>	<b>21,452,732</b>	<b>(1,088,594)</b>	<b>20,364,138</b>	<b>18,208,382</b>
<b>Total Assets</b>	<b>\$ 34,297,740</b>	<b>\$ 37,357</b>	<b>\$ 2,674,417</b>	<b>\$ 37,009,514</b>	<b>\$ (2,731,869)</b>	<b>\$ 34,277,645</b>	<b>\$ 32,821,867</b>

See independent auditor's report.

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

**Schedule IV**

**Consolidating Statement of Financial Position - VOASELA, Inc. (Continued)**

**For the Year Ended June 30, 2019**

**With Summarized Comparative Information for the Year Ended June 30, 2018**

	VOASELA, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2019 Consolidated	2018 Restated
<b>Liabilities and Net Assets</b>							
<b>Current Liabilities</b>							
Accounts Payable	\$ 969,958	\$ 14,046	\$ 14,484	\$ 998,488	\$ (101,025)	\$ 897,463	\$ 1,048,371
Accounts Payable, VOASELA, Inc.	-	133,055	1,840,866	1,973,921	(1,973,921)	-	-
Mortgages and Notes Payable	650,338	-	-	650,338	-	650,338	781,945
Note Payable, VOASELA, Inc.	-	-	349,938	349,938	(349,938)	-	-
Interest Payable, VOASELA, Inc.	-	-	64,692	64,692	(64,692)	-	-
Accrued Expenses	1,346,905	41	43,548	1,390,494	-	1,390,494	1,648,089
Other Current Liabilities	41,563	2,136	6,675	50,374	-	50,374	35,163
<b>Total Current Liabilities</b>	<b>3,008,764</b>	<b>149,278</b>	<b>2,320,203</b>	<b>5,478,245</b>	<b>(2,489,576)</b>	<b>2,988,669</b>	<b>3,513,568</b>
<b>Other Liabilities</b>							
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	285,032	-	-	285,032	-	285,032	184,738
<b>Total Other Liabilities</b>	<b>285,032</b>	<b>-</b>	<b>-</b>	<b>285,032</b>	<b>-</b>	<b>285,032</b>	<b>184,738</b>
<b>Total Liabilities</b>	<b>3,293,796</b>	<b>149,278</b>	<b>2,320,203</b>	<b>5,763,277</b>	<b>(2,489,576)</b>	<b>3,273,701</b>	<b>3,698,306</b>
<b>Net Assets</b>							
Net Assets Without Donor Restrictions	29,954,259	(111,921)	354,214	30,196,552	(242,293)	29,954,259	28,996,575
Net Assets With Donor Restrictions	1,049,685	-	-	1,049,685	-	1,049,685	126,986
<b>Total Net Assets</b>	<b>31,003,944</b>	<b>(111,921)</b>	<b>354,214</b>	<b>31,246,237</b>	<b>(242,293)</b>	<b>31,003,944</b>	<b>29,123,561</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 34,297,740</b>	<b>\$ 37,357</b>	<b>\$ 2,674,417</b>	<b>\$ 37,009,514</b>	<b>\$ (2,731,869)</b>	<b>\$ 34,277,645</b>	<b>\$ 32,821,867</b>

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, 2019**

**With Summarized Comparative Information for the Year Ended June 30, 2018**

	VOASELA, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2019 Consolidated	2018 Restated
<b>Net Assets Without Donor Restrictions</b>							
<b>Revenue, Support, and Gains</b>							
<b>Without Donor Restrictions</b>							
Public Support Received Directly Contributions and Special Events	\$ 1,303,704	\$ -	\$ -	\$ 1,303,704	\$ -	\$ 1,303,704	\$ 1,616,333
Public Support Received Indirectly United Way Allocations	130,836	-	-	130,836	-	130,836	121,603
Net Assets Released from Restrictions	304,260	-	-	304,260	-	304,260	589,382
<b>Total Public Support</b>	<b>1,738,800</b>	<b>-</b>	<b>-</b>	<b>1,738,800</b>	<b>-</b>	<b>1,738,800</b>	<b>2,327,318</b>
<b>Revenues and Grants from Governmental Agencies</b>	<b>20,652,898</b>	<b>-</b>	<b>553,264</b>	<b>21,206,162</b>	<b>-</b>	<b>21,206,162</b>	<b>20,023,994</b>
<b>Other Revenue</b>							
Program Service Fees	9,093,478	-	-	9,093,478	(438,770)	8,654,708	7,814,832
Rental Income	-	-	257,934	257,934	-	257,934	236,098
Other Operating Income	12,589	-	-	12,589	-	12,589	34,801
<b>Total Other Revenue</b>	<b>9,106,067</b>	<b>-</b>	<b>257,934</b>	<b>9,364,001</b>	<b>(438,770)</b>	<b>8,925,231</b>	<b>8,085,731</b>
<b>Total Revenue, Support, and Gains Without Donor Restrictions</b>	<b>31,497,765</b>	<b>-</b>	<b>811,198</b>	<b>32,308,963</b>	<b>(438,770)</b>	<b>31,870,193</b>	<b>30,437,043</b>

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, 2019**

**With Summarized Comparative Information for the Year Ended June 30, 2018**

	VOASELA, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2019 Consolidated	2018 Restated
<b>Expenses</b>							
<b>Operating Expenses</b>							
<b>Program Services</b>							
Encouraging Positive Development	10,986,887	-	-	10,986,887	-	10,986,887	10,156,530
Fostering Independence	8,476,326	-	8,675	8,485,001	-	8,485,001	7,750,468
Promoting Self-Sufficiency	7,898,178	53,478	979,942	8,931,598	(454,678)	8,476,920	8,038,969
<b>Total Program Services</b>	<b>27,361,391</b>	<b>53,478</b>	<b>988,617</b>	<b>28,403,486</b>	<b>(454,678)</b>	<b>27,948,808</b>	<b>25,945,967</b>
<b>Supporting Services</b>							
Management and General	3,810,571	-	-	3,810,571	-	3,810,571	4,254,082
Fundraising	1,040,098	-	-	1,040,098	-	1,040,098	833,457
<b>Total Supporting Services</b>	<b>4,850,669</b>	<b>-</b>	<b>-</b>	<b>4,850,669</b>	<b>-</b>	<b>4,850,669</b>	<b>5,087,539</b>
<b>Total Operating Expenses</b>	<b>32,212,060</b>	<b>53,478</b>	<b>988,617</b>	<b>33,254,155</b>	<b>(454,678)</b>	<b>32,799,477</b>	<b>31,033,506</b>
<b>Surplus (Deficit) from Operations</b>	<b>(714,295)</b>	<b>(53,478)</b>	<b>(177,419)</b>	<b>(945,192)</b>	<b>15,908</b>	<b>(929,284)</b>	<b>(596,463)</b>

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, 2019**

**With Summarized Comparative Information for the Year Ended June 30, 2018**

	VOASELA, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2019 Consolidated	2018 Restated
<b>Other Activities</b>							
<b>Non-Operating Gains (Losses) and Other Revenue</b>							
(Loss) Gain on Disposition of Assets	67,167	(80,272)	-	(13,105)	(67,167)	(80,272)	16,513
Net Investment Return	438,124	178	-	438,302	(15,908)	422,394	358,180
Income from Investment in Subsidiaries	1,302,620	-	-	1,302,620	288,973	1,591,593	867,529
Other Non-Operating (Losses) Gains	(135,932)	22,018	-	(113,914)	67,167	(46,747)	2,233,520
<b>Surplus from Other Activities</b>	<b>1,671,979</b>	<b>(58,076)</b>	<b>-</b>	<b>1,613,903</b>	<b>273,065</b>	<b>1,886,968</b>	<b>3,475,742</b>
<b>Change in Net Assets Without Donor Restrictions</b>	<b>957,684</b>	<b>(111,554)</b>	<b>(177,419)</b>	<b>668,711</b>	<b>288,973</b>	<b>957,684</b>	<b>2,879,279</b>
<b>Net Assets With Donor Restrictions</b>							
Public Support Received Directly							
Contributions and Special Events	1,226,959	-	-	1,226,959	-	1,226,959	716,368
Net Assets Released from Restrictions	(304,260)	-	-	(304,260)	-	(304,260)	(589,382)
<b>Change in Net Assets With Donor Restrictions</b>	<b>922,699</b>	<b>-</b>	<b>-</b>	<b>922,699</b>	<b>-</b>	<b>922,699</b>	<b>126,986</b>
<b>Change in Net Assets</b>	<b>1,880,383</b>	<b>(111,554)</b>	<b>(177,419)</b>	<b>1,591,410</b>	<b>288,973</b>	<b>1,880,383</b>	<b>3,006,265</b>
<b>Net Assets, Beginning of Year</b>	<b>29,123,561</b>	<b>(367)</b>	<b>531,633</b>	<b>29,654,827</b>	<b>(531,266)</b>	<b>29,123,561</b>	<b>26,117,296</b>
<b>Net Assets, End of Year</b>	<b>\$ 31,003,944</b>	<b>\$ (111,921)</b>	<b>\$ 354,214</b>	<b>\$ 31,246,237</b>	<b>\$ (242,293)</b>	<b>\$ 31,003,944</b>	<b>\$ 29,123,561</b>

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**  
Consolidating Statement of Functional Expenses - VOASELA, Inc.  
For the Year Ended June 30, 2019  
With Summarized Comparative Information for the Year Ended June 30, 2018

Schedule VI

	Consolidated VOA					2019	2018
	VOASELA, Inc.	CLC, Inc.	Development, Inc.	Subtotal	Eliminations	Consolidated	Restated
Salaries and Wages	\$ 17,043,302	\$ -	\$ -	\$ 17,043,302	\$ (289,496)	\$ 16,753,806	\$ 15,503,294
Employee Benefits	2,558,029	-	-	2,558,029	(9,327)	2,548,702	2,422,821
Professional Services	3,546,582	37,394	347,742	3,931,718	(128,043)	3,803,675	4,058,746
Occupancy	1,550,667	4,454	395,780	1,950,901	(1,363)	1,949,538	1,748,082
Specific Assistance	1,995,566	-	-	1,995,566	-	1,995,566	1,862,256
Program Supplies and Equipment	3,583,240	3,745	47,120	3,634,105	(7,670)	3,626,435	3,442,241
Office Supplies and Expenses	368,347	-	17,989	386,336	(1,693)	384,643	365,377
Travel, Conferences, and Meetings	618,984	-	209	619,193	(1,178)	618,015	575,163
Depreciation and Amortization	462,928	-	147,178	610,106	-	610,106	620,403
Interest	22,931	7,810	21,699	52,440	(15,908)	36,532	59,258
Other	461,484	75	10,900	472,459	-	472,459	375,865
<b>Total</b>	<b>\$ 32,212,060</b>	<b>\$ 53,478</b>	<b>\$ 988,617</b>	<b>\$ 33,254,155</b>	<b>\$ (454,678)</b>	<b>\$ 32,799,477</b>	<b>\$ 31,033,506</b>

See independent auditor's report.

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

Schedule VII

**Consolidating Statement of Financial Position - VOA Development, Inc.**

**For the Year Ended June 30, 2019**

**With Summarized Comparative Information for the Year Ended June 30, 2018**

	VOA Development, Inc.	Consolidated VOA Development 2, Inc	Subtotal	Eliminations	2019 Consolidated	2018 Restated
<b>Assets</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ 4,269	\$ 20,813	\$ 25,082	\$ -	\$ 25,082	\$ 14,881
Grants Receivable, Net of Allowance for Doubtful Accounts of \$31,203 at 2019 and \$34,693 at 2018	91,110	14,972	106,082	-	106,082	34,331
Prepaid Expenses	-	22,006	22,006	-	22,006	19,943
Other Current Assets	5,926	16,195	22,121	-	22,121	22,121
<b>Total Current Assets</b>	<b>101,305</b>	<b>73,986</b>	<b>175,291</b>	<b>-</b>	<b>175,291</b>	<b>91,276</b>
<b>Fixed Assets, Net</b>	<b>1,011,317</b>	<b>1,484,138</b>	<b>2,495,455</b>	<b>-</b>	<b>2,495,455</b>	<b>2,643,773</b>
<b>Other Assets</b>						
Designated and Restricted Assets	1,615	2,056	3,671	-	3,671	792
<b>Total Other Assets</b>	<b>1,615</b>	<b>2,056</b>	<b>3,671</b>	<b>-</b>	<b>3,671</b>	<b>792</b>
<b>Total Assets</b>	<b>\$ 1,114,237</b>	<b>\$ 1,560,180</b>	<b>\$ 2,674,417</b>	<b>\$ -</b>	<b>\$ 2,674,417</b>	<b>\$ 2,735,841</b>

See independent auditor's report.

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

Schedule VII

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

**For the Year Ended June 30, 2019**

**With Summarized Comparative Information for the Year Ended June 30, 2018**

	VOA Development, Inc.	Consolidated VOA Development 2, Inc.	Subtotal	Eliminations	2019 Consolidated	2018 Restated
<b>Liabilities and Net Assets</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 14,134	\$ 350	\$ 14,484	\$ -	\$ 14,484	\$ 2,691
Accounts Payable - VOASELA, Inc.	402,992	1,437,874	1,840,866	-	1,840,866	1,359,322
Note Payable - VOASELA, Inc.	176,439	173,499	349,938	-	349,938	728,283
Interest Payable - VOASELA, Inc.	1,449	63,243	64,692	-	64,692	55,534
Accrued Expenses	34,201	9,347	43,548	-	43,548	52,313
Other Current Liabilities	3,330	3,345	6,675	-	6,675	6,065
<b>Total Current Liabilities</b>	<b>632,545</b>	<b>1,687,658</b>	<b>2,320,203</b>	<b>-</b>	<b>2,320,203</b>	<b>2,204,208</b>
<b>Total Liabilities</b>	<b>632,545</b>	<b>1,687,658</b>	<b>2,320,203</b>	<b>-</b>	<b>2,320,203</b>	<b>2,204,208</b>
<b>Net Assets</b>						
Net Assets Without Donor Restrictions	481,692	(127,478)	354,214	-	354,214	531,633
<b>Total Net Assets</b>	<b>481,692</b>	<b>(127,478)</b>	<b>354,214</b>	<b>-</b>	<b>354,214</b>	<b>531,633</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,114,237</b>	<b>\$ 1,560,180</b>	<b>\$ 2,674,417</b>	<b>\$ -</b>	<b>\$ 2,674,417</b>	<b>\$ 2,735,841</b>

See independent auditor's report.

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

**Schedule VIII**

**Consolidating Statement of Activities - VOA Development, Inc.**

**For the Year Ended June 30, 2019**

**With Summarized Comparative Information for the Year Ended June 30, 2018**

	VOA Development, Inc.	Consolidated VOA Development 2, Inc	Subtotal	Eliminations	2019 Consolidated	2018 Restated
<b>Net Assets Without Donor Restrictions</b>						
<b>Revenue, Support, and Gains Without Donor Restrictions</b>						
<b>Revenues and Grants from Governmental Agencies</b>	\$ 298,269	\$ 254,995	\$ 553,264	\$ -	\$ 553,264	\$ 606,384
<b>Other Revenue</b>						
Rental Income	138,495	119,439	257,934	-	257,934	236,098
Other Operating Income	-	-	-	-	-	500
<b>Total Other Revenue</b>	<b>138,495</b>	<b>119,439</b>	<b>257,934</b>	<b>-</b>	<b>257,934</b>	<b>236,598</b>
<b>Total Revenue, Support, and Gains Without Donor Restrictions</b>	<b>436,764</b>	<b>374,434</b>	<b>811,198</b>	<b>-</b>	<b>811,198</b>	<b>842,982</b>
<b>Expenses</b>						
<b>Operating Expenses</b>						
<b>Program Services</b>						
Fostering Independence	-	8,675	8,675	-	8,675	8,675
Promoting Self-Sufficiency	446,521	533,421	979,942	-	979,942	1,110,901
<b>Total Program Services</b>	<b>446,521</b>	<b>542,096</b>	<b>988,617</b>	<b>-</b>	<b>988,617</b>	<b>1,119,576</b>
<b>Total Operating Expenses</b>	<b>446,521</b>	<b>542,096</b>	<b>988,617</b>	<b>-</b>	<b>988,617</b>	<b>1,119,576</b>
<b>Deficit from Operations</b>	<b>(9,757)</b>	<b>(167,662)</b>	<b>(177,419)</b>	<b>-</b>	<b>(177,419)</b>	<b>(276,594)</b>

See independent auditor's report.

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

**Schedule VIII**

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

**For the Year Ended June 30, 2019**

**With Summarized Comparative Information for the Year Ended June 30, 2018**

	VOA Development, Inc.	Consolidated VOA Development 2, Inc	Subtotal	Eliminations	2019 Consolidated	2018 Restated
<b>Other Activities</b>						
<b>Non-Operating Gains (Losses) and Other Revenue</b>						
Interest and Dividend Income	-	-	-	-	-	43
<b>Surplus from Other Activities</b>	-	-	-	-	-	43
<b>Change in Net Assets Without Donor Restrictions</b>	<b>(9,757)</b>	<b>(167,662)</b>	<b>(177,419)</b>	-	<b>(177,419)</b>	<b>(276,551)</b>
<b>Change in Net Assets</b>	<b>(9,757)</b>	<b>(167,662)</b>	<b>(177,419)</b>	-	<b>(177,419)</b>	<b>(276,551)</b>
<b>Net Assets, Beginning of Year</b>	<b>491,449</b>	<b>40,184</b>	<b>531,633</b>	-	<b>531,633</b>	<b>808,184</b>
<b>Net Assets, End of Year</b>	<b>\$ 481,692</b>	<b>\$ (127,478)</b>	<b>\$ 354,214</b>	<b>\$ -</b>	<b>\$ 354,214</b>	<b>\$ 531,633</b>

See independent auditor's report.

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

**Schedule IX**

**Consolidating Statement of Functional Expenses - VOA Development, Inc.**

**For the Year Ended June 30, 2019**

**With Summarized Comparative Information for the Year Ended June 30, 2018**

	VOA Development, Inc.	Consolidated VOA Development 2, Inc	Subtotal	Eliminations	2019 Consolidated	2018 Restated
Professional Services	\$ 150,208	\$ 197,534	\$ 347,742	\$ -	\$ 347,742	\$ 384,280
Occupancy	209,423	186,357	395,780	-	395,780	400,958
Program Supplies and Equipment	21,827	25,293	47,120	-	47,120	44,941
Office Supplies and Expenses	3,677	14,312	17,989	-	17,989	49,544
Travel, Conferences, and Meetings	27	182	209	-	209	347
Depreciation and Amortization	44,709	102,469	147,178	-	147,178	147,179
Interest	13,025	8,674	21,699	-	21,699	34,020
Other	3,625	7,275	10,900	-	10,900	58,307
<b>Total</b>	<b>\$ 446,521</b>	<b>\$ 542,096</b>	<b>\$ 988,617</b>	<b>\$ -</b>	<b>\$ 988,617</b>	<b>\$ 1,119,576</b>

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**  
**Consolidating Statement of Financial Position - VOA Development 2, Inc.**  
**For the Year Ended June 30, 2019**  
**With Summarized Comparative Information for the Year Ended June 30, 2018**

Schedule X

	VOA Development 2, Inc.	Limited Partnership (Canal SRO)	Subtotal	Eliminations	2019 Consolidated	2018 Restated
<b>Assets</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	\$ -	\$ 20,813	\$ 20,813	\$ -	\$ 20,813	\$ 12,732
Grants Receivable, Net of Allowance for Doubtful Accounts of \$13,803 at 2019 and \$13,803 at 2018	-	14,972	14,972	-	14,972	3,153
Interest Receivable - Limited Partnerships	190,281	-	190,281	(190,281)	-	-
Note Receivable - Limited Partnerships	354,300	-	354,300	(354,300)	-	-
Prepaid Expenses	-	22,006	22,006	-	22,006	19,943
Other Current Assets	-	16,195	16,195	-	16,195	16,195
<b>Total Current Assets</b>	<b>544,581</b>	<b>73,986</b>	<b>618,567</b>	<b>(544,581)</b>	<b>73,986</b>	<b>52,023</b>
<b>Fixed Assets, Net</b>	<b>-</b>	<b>1,484,138</b>	<b>1,484,138</b>	<b>-</b>	<b>1,484,138</b>	<b>1,587,747</b>
<b>Other Assets</b>						
Designated and Restricted Assets	-	2,056	2,056	-	2,056	783
Investment in Subsidiary	(435,317)	-	(435,317)	435,317	-	-
<b>Total Other Assets</b>	<b>(435,317)</b>	<b>2,056</b>	<b>(433,261)</b>	<b>435,317</b>	<b>2,056</b>	<b>783</b>
<b>Total Assets</b>	<b>\$ 109,264</b>	<b>\$ 1,560,180</b>	<b>\$ 1,669,444</b>	<b>\$ (109,264)</b>	<b>\$ 1,560,180</b>	<b>\$ 1,640,553</b>

See independent auditor's report.

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

Schedule X

**Consolidating Statement of Financial Position - VOA Development 2, Inc. (Continued)**

**For the Year Ended June 30, 2019**

**With Summarized Comparative Information for the Year Ended June 30, 2018**

	VOA Development 2, Inc.	Limited Partnership (Canal SRO)	Subtotal	Eliminations	2019 Consolidated	2018 Restated
<b>Liabilities and Net Assets</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ -	\$ 350	\$ 350	\$ -	\$ 350	\$ 98
Accounts Payable - VOASELA, Inc.	-	1,437,874	1,437,874	-	1,437,874	1,359,322
Note Payable - VOA Development, Inc.	-	354,300	354,300	(354,300)	-	-
Note Payable - VOASELA, Inc.	173,499	-	173,499	-	173,499	173,499
Interest Payable - VOASELA, Inc.	63,243	-	63,243	-	63,243	54,568
Interest Payable - VOA Development, Inc.	-	190,281	190,281	(190,281)	-	-
Accrued Expenses	-	9,347	9,347	-	9,347	10,407
Other Current Liabilities	-	3,345	3,345	-	3,345	2,475
<b>Total Current Liabilities</b>	<b>236,742</b>	<b>1,995,497</b>	<b>2,232,239</b>	<b>(544,581)</b>	<b>1,687,658</b>	<b>1,600,369</b>
<b>Total Liabilities</b>	<b>236,742</b>	<b>1,995,497</b>	<b>2,232,239</b>	<b>(544,581)</b>	<b>1,687,658</b>	<b>1,600,369</b>
<b>Net Assets</b>						
Without Donor Restrictions	(127,478)	(435,317)	(562,795)	435,317	(127,478)	40,184
<b>Total Net Assets</b>	<b>(127,478)</b>	<b>(435,317)</b>	<b>(562,795)</b>	<b>435,317</b>	<b>(127,478)</b>	<b>40,184</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 109,264</b>	<b>\$ 1,560,180</b>	<b>\$ 1,669,444</b>	<b>\$ (109,264)</b>	<b>\$ 1,560,180</b>	<b>\$ 1,640,553</b>

See independent auditor's report.

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

**Schedule XI**

**Consolidating Statement of Activities - VOA Development 2, Inc.**

**For the Year Ended June 30, 2019**

**With Summarized Comparative Information for the Year Ended June 30, 2018**

	VOA Development 2, Inc.	Limited Partnership (Canal SRO)	Subtotal	Eliminations	2019 Consolidated	2018 Restated
<b>Net Assets Without Donor Restrictions</b>						
<b>Revenue, Support, and Gains Without Donor Restrictions</b>						
<b>Revenues and Grants from Governmental Agencies</b>	\$ -	\$ 254,995	\$ 254,995	\$ -	\$ 254,995	\$ 273,596
<b>Other Revenue</b>						
Rental Income	-	119,439	119,439	-	119,439	109,594
<b>Total Other Revenue</b>	-	119,439	119,439	-	119,439	109,594
<b>Total Revenue, Support, and Gains Without Donor Restrictions</b>	-	374,434	374,434	-	374,434	383,190
<b>Expenses</b>						
<b>Operating Expenses</b>						
<b>Program Services</b>						
Fostering Independence	8,675	-	8,675	-	8,675	8,675
Promoting Self-Sufficiency	-	549,328	549,328	(15,907)	533,421	572,969
<b>Total Program Services</b>	8,675	549,328	558,003	(15,907)	542,096	581,644
<b>Total Operating Expenses</b>	8,675	549,328	558,003	(15,907)	542,096	581,644
<b>Deficit from Operations</b>	(8,675)	(174,894)	(183,569)	15,907	(167,662)	(198,454)

See independent auditor's report.

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

**Schedule XI**

**Consolidating Statement of Activities - VOA Development 2, Inc. (Continued)  
For the Year Ended June 30, 2019  
With Summarized Comparative Information for the Year Ended June 30, 2018**

	VOA Development 2, Inc.	Limited Partnership (Canal SRO)	Subtotal	Eliminations	2019 Consolidated	2018 Restated
<b>Other Activities</b>						
<b>Non-Operating Gains (Losses) and Other Revenue</b>						
Interest and Dividend Income	15,907	-	15,907	(15,907)	-	43
Loss on Investment in Subsidiary	(174,894)	-	(174,894)	174,894	-	-
<b>(Deficit) Surplus from Other Activities</b>	(158,987)	-	(158,987)	158,987	-	43
<b>Change in Net Assets Without Donor Restrictions</b>	(167,662)	(174,894)	(342,556)	174,894	(167,662)	(198,411)
<b>Change in Net Assets</b>	(167,662)	(174,894)	(342,556)	174,894	(167,662)	(198,411)
<b>Net Assets, Beginning of Year</b>	40,184	(260,423)	(220,239)	260,423	40,184	238,595
<b>Net Assets, End of Year</b>	\$ (127,478)	\$ (435,317)	\$ (562,795)	\$ 435,317	\$ (127,478)	\$ 40,184

See independent auditor's report.

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

**Schedule XII**

**Consolidating Statement of Functional Expenses - VOA Development 2, Inc.**

**For the Year Ended June 30, 2019**

**With Summarized Comparative Information for the Year Ended June 30, 2018**

	VOA Development 2, Inc.	Limited Partnership (Canal SRO)	Subtotal	Eliminations	2019 Consolidated	2018 Restated
Professional Services	\$ -	\$ 197,534	\$ 197,534	\$ -	\$ 197,534	\$ 193,356
Occupancy	-	186,357	186,357	-	186,357	192,848
Program Supplies and Equipment	-	25,293	25,293	-	25,293	21,450
Office Supplies and Expenses	-	14,312	14,312	-	14,312	25,710
Travel, Conferences, and Meetings	-	182	182	-	182	308
Depreciation and Amortization	-	102,469	102,469	-	102,469	102,470
Interest	8,675	15,906	24,581	(15,907)	8,674	8,678
Other	-	7,275	7,275	-	7,275	36,824
<b>Total</b>	<b>\$ 8,675</b>	<b>\$ 549,328</b>	<b>\$ 558,003</b>	<b>\$ (15,907)</b>	<b>\$ 542,096</b>	<b>\$ 581,644</b>

See independent auditor's report.

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Volunteers of America Southeast Louisiana, Inc. and Subsidiaries (the Organization), which comprise the statement of financial position as of June 30, 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 17, 2019.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

**LOUISIANA • TEXAS**

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**Compliance and Other Matters**

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

**Purpose of this Report**

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

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



A Professional Accounting Corporation

Covington, LA  
October 17, 2019

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

Single Audit Report

For the Year Ended June 30, 2019



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

Independent Auditor's Report

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

**Report on Compliance for Each Major Federal Program**

We have audited Volunteers of America Southeast Louisiana, Inc. and Subsidiaries' (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2019. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

### **Opinion on Each Major Federal Program**

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

### **Report on Internal Control Over Compliance**

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

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

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

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

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

We have audited the consolidated financial statements of the Organization as of and for the year ended June 30, 2019, and have issued our report thereon dated December 10, 2019, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

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

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

A Professional Accounting Corporation

Covington, LA  
December 10, 2019

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2019**

<b>FEDERAL GRANTOR/ PASS-THROUGH AGENCY/ PROGRAM TITLE</b>	<b>Federal CFDA Number</b>	<b>Agency Number</b>	<b>Federal Expenditures</b>	<b>Pass-Through to Subrecipients</b>
<b>U.S. Department of Agriculture and Rural Development</b>				
Direct Programs:				
Rural Housing Preservation Grant	10.433	22-052-720709750-002	\$ 12,659	\$ -
<b>Total U.S. Department of Agriculture and Rural Development</b>			<b>12,659</b>	<b>-</b>
<b>U.S. Department of Housing and Urban Development</b>				
Direct Programs:				
Supportive Housing Program	14.235	LA124L6H061710	116,997	-
Supportive Housing Program	14.235	LA0076L6H031709	965,292	-
Supportive Housing Program	14.235	LA0122L6H061710	167,535	-
Supportive Housing Program	14.235	LA00255I6H061702	227,093	-
Supportive Housing Program	14.235	LA0285L6H061701	111,553	-
Supportive Housing Program	14.235	LA0121L6H061710	334,204	-
Supportive Housing Program	14.235	LA0119L6H061609, LA0119L6H061710	198,116	-
Supportive Housing Program	14.235	LA0125L6H061710	45,188	-
Supportive Housing Program	14.235	LA0177L6H061605, LA0177L6H061706	37,486	-
Supportive Housing Program	14.235	LA0177L6H061605, LA0187L6H061706	83,101	-
Supportive Housing for the Elderly	14.157	LA480000001	47,663	-
Supportive Housing for the Elderly	14.157	LA480000002	45,542	-
Moderate Rehabilitation Single Room Occupancy	14.249	LA001SC0001, LA001SR001	298,269	-
Moderate Rehabilitation Single Room Occupancy	14.249	LA001SR002	254,995	-
Mortgage Insurance for the Purchase or Refinancing of Existing Multifamily Housing Projects	14.157	064-EH036	273,491	-
Subtotal - Direct Programs			<b>3,206,525</b>	<b>-</b>
Passed through Volunteers of America, Inc.: Multifamily Housing Service Coordinators	14.191	MFSC176139	111,581	-
Passed through State of Louisiana: Community Development Block Grant	14.218	735481	156,796	-
Passed through City of Kenner: Community Development Block Grant	14.218	B-13-MC-22008	16,839	-
Passed through Parish of Jefferson: Community Development Block Grant	14.218	55-00015443	574,697	-
Passed through UNITY for the Homeless: Continuum of Care Program	14.267	LA0062L6H031710, LA0062L6H031811	113,100	-
Subtotal - Pass-through Programs			<b>973,013</b>	<b>-</b>
<b>Total U.S. Department of Housing and Urban Development</b>			<b>4,179,538</b>	<b>-</b>
<b>U.S. Department of Justice</b>				
Direct Programs:				
Juvenile Mentoring Program	16.726	2017-MV-FX-0025	100,925	-
Second Chance Act Reentry Initiative	16.812	2017-CZ-BX-0013	124,830	-
Subtotal - Direct Programs			<b>225,755</b>	<b>-</b>
Passed through Florida Parishes Human Services Authority: Comprehensive Opioid Abuse Program	16.838	PO2000402152	52,182	-
Passed through Louisiana Commission on Law Enforcement Crime Victim Assistance	16.575	2016-VA-04-3859	73,264	-
Passed through Mid-Atlantic Network of Youth and Family Services Juvenile Mentoring Program	16.726	2014-JU-FX-0008	8,791	-
Subtotal - Pass-through Programs			<b>134,237</b>	<b>-</b>
<b>Total U.S. Department of Justice</b>			<b>359,992</b>	<b>-</b>

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2019**

<b>FEDERAL GRANTOR/ PASS-THROUGH AGENCY/ PROGRAM TITLE</b>	<b>Federal CFDA Number</b>	<b>Agency Number</b>	<b>Federal Expenditures</b>	<b>Pass-Through to Subrecipients</b>
<b>U.S. Department of Labor</b>				
Direct Programs:				
Homeless Veterans Reintegration Project	17.805	HV-30713-17-60-5-22	294,992	-
Homeless Veterans Reintegration Project	17.805	HV-30714-17-60-5-22	201,246	-
<b>Total U.S. Department of Labor</b>			<b>496,238</b>	<b>-</b>
<b>U.S. Department of Veteran Affairs</b>				
Direct Programs:				
Homeless Providers Grant and Per Diem Program	64.024	VOAN750-0469-629-SI-18-0	389,873	-
Homeless Providers Grant and Per Diem Program	64.024	VOAN750-0437-629-BH-18-0	10,146	-
Homeless Providers Grant and Per Diem Program	64.024	VOAN750-0537-629-LD-18-0	314,885	-
Homeless Providers Grant and Per Diem Program	64.024	VA-256-15-C-0044	96,139	-
Homeless Providers Grant and Per Diem Program	64.024	VA-256-15-C-0076	100,253	-
Supportive Services for Veteran Families	64.033	12-LA-038	1,880,159	929,002
<b>Total U.S. Department of Veteran Affairs</b>			<b>2,791,455</b>	<b>929,002</b>
<b>U.S. Department of Health and Human Services</b>				
Direct Programs:				
Rural Communities Opioid Response Program	93.211	G25RH33026	12,280	-
Passed through State of Louisiana:				
Projects for Assistance in Transition from Homelessness	93.150	19384	47,187	-
HIV Care Formula Grant	93.917	728154	543,101	-
HIV Prevention Activities	93.940	734751	24,485	-
Block Grants for Community Mental Health Services	93.958	PO2000362016	68,772	-
Passed through Florida Parishes Human Services Authority:				
Opioid Mobile Response Team	93.788	PO 2000388711	192,800	-
Peer Support Specialist	93.788	PO2000386942	120,500	-
Passed through Unity of Greater New Orleans:				
Substance Abuse and Mental Health Services	93.243	IH79SM053337-01	142,714	-
<b>Subtotal - Pass-through Programs</b>			<b>1,139,559</b>	<b>-</b>
<b>Total U.S. Department of Health and Human Services</b>			<b>1,151,839</b>	<b>-</b>
<b>Corporation for National and Community Service</b>				
Direct Programs:				
Retired and Senior Volunteer Program	94.002	16SRWLA002	91,351	-
<b>Total Corporation for National and Community Service</b>			<b>91,351</b>	<b>-</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 9,083,072</b>	<b>\$ 929,002</b>

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2019**

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**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, 2019. 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* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, 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, as applicable, either the cost principles in Office of Management and Budget Circular A-122, Cost Principles for Non-Profit Organizations, or 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 as provided for in section 200.414 of the Uniform Guidance.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2019**

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**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:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
64.033	Supportive Services for Veteran Families
93.917	HIV Care Formula Grant

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

Auditee qualified as low-risk auditee? Yes

**Section II. Findings - Financial Statement Audit**

None.

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

None.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.  
AND SUBSIDIARIES**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2019**

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None.

## 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, 2018 - June 30, 2019

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

We have performed the procedures enumerated below, which were agreed to by Volunteers of America Southeast Louisiana, Inc. and Subsidiaries (the Organization) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Organization's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated results are as follows:

### ***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and Debit Cards, Fuel Cards, P-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).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

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

### ***Bank Reconciliations***

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- 2. Obtain a listing of client 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 four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g., initialed and dated, electronically logged);

- b) Bank reconciliations include evidence that a member of management/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
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: We selected five bank accounts and obtained bank statements and reconciliations for the month of April 2019. Criteria 2(a) and 2(b) were met without exception. While performing procedure 2(c), we noted that for one bank account selected, the reconciliation did not indicate the date of outstanding items; therefore we were unable to determine if there were reconciling items outstanding for more than 12 months. No documentation was available for this account to reflect that management had researched reconciling items outstanding either.

Management's Response: As noted by the auditor, four of the five bank reconciliations met the standard and so we will ensure that every bank reconciliation is brought to that standard.

### ***Collections***

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- 3. 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 five deposit sites (or all deposit sites if less than five).

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

- 4. 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 (i.e., five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not 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.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

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

5. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

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

6. Randomly select two deposit dates for each of the five bank accounts selected for procedure #2 under "Bank Reconciliations" above (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). Obtain supporting documentation for each of the ten deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than ten miles from the collection location or the deposit is less than \$100).
  - e) Trace the actual deposit per the bank statement to the general ledger.

Results: We randomly selected two deposit dates for each of the five bank accounts selected for procedure #2 above and obtained supporting documentation for each of the ten deposits. Criteria 6(a), 6(b), 6(c), and 6(e) were met without exception. While performing procedure 6(d), we noted that for two of the deposits tested there was no record of when the funds were received; therefore, we were not able to determine the date of receipt for comparison with the deposit date.

Management's Response: The Organization has a check logging system where all checks are logged in and signed out by the person making the deposit. We will make sure that this is included with all deposits.

We were not engaged to and did not conduct an examination or review, 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.

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



A Professional Accounting Corporation

Covington, LA  
December 10, 2019