VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. AND SUBSIDIARIES

Audits of Consolidated Financial Statements

June 30, 2022 and 2021

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Independent Auditor's Report

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

Opinion

We have audited the consolidated financial statements of Volunteers of America Southeast Louisiana, Inc. and Subsidiaries (VOASELA), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the VOASELA as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2022, on our consideration of VOASELA'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 VOASELA's internal control over financial reporting and compliance.

LaPorte

A Professional Accounting Corporation

Covington, LA
October 17, 2022

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Consolidated Statements of Financial Position
June 30, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Cash and Cash Equivalents	**$ 7,793,707**	$ 8,966,290
Accounts Receivable, Net of Allowance for Doubtful Accounts of $126,792 at 2022 and $149,811 at 2021	**5,121,653**	4,280,353
Pledges Receivable, Net	**507,486**	630,220
Prepaid Expenses	**1,248,511**	1,149,900
Due from Projects in Development	**3,258,992**	198,841
Other Current Assets	**1,717,198**	1,447,629
Total Current Assets	**19,647,547**	16,673,233
Fixed Assets, Net	**139,127,584**	110,556,582
Other Assets		
Designated and Restricted Deposits	**17,060,570**	16,505,809
Due from Projects in Development	**1,582,435**	2,235,494
Long-Term Investments	**7,345,769**	9,385,997
Pledges Receivable, Net	**792,781**	634,374
Investment in Joint Ventures	**396,854**	421,092
Deferred Tax Assets	**309,885**	278,061
Total Other Assets	**27,488,294**	29,460,827
Total Assets	**$ 186,263,425**	$ 156,690,642

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, 2022 and 2021

	2022	2021
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	**$ 3,900,222**	$ 2,192,796
Line of Credit	**245,167**	-
Mortgages and Notes Payable	**11,258,991**	1,477,184
Accrued Expenses	**2,531,410**	2,181,736
Other Current Liabilities	**3,880,176**	1,340,031
Due to Projects in Development	**676,478**	55,004
Total Current Liabilities	**22,492,444**	7,246,751
Other Liabilities		
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	**82,525,309**	68,068,733
Total Other Liabilities	**82,525,309**	68,068,733
Total Liabilities	**105,017,753**	75,315,484
Net Assets		
Net Assets Without Donor Restrictions		
Attributable to VOASELA	**34,901,379**	35,647,708
Attributable to Non-Controlling Interests	**45,299,183**	44,350,003
Net Assets With Donor Restrictions	**1,045,110**	1,377,447
Total Net Assets	**81,245,672**	81,375,158
Total Liabilities and Net Assets	**$ 186,263,425**	$ 156,690,642

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, 2022 and 2021

		2022		2021
Net Assets Without Donor Restrictions				
Revenue, Support, and Gains				
Without Donor Restrictions				
Public Support Received Directly:				
Contributions and Special Events	$	**1,734,634**	$	1,155,258
Contributions of Nonfinancial Assets		**177,904**		214,115
Public Support Received Indirectly:				
United Way Allocations		**158,217**		132,939
Net Assets Released from Restrictions		**1,070,749**		778,604
Total Public Support		**3,141,504**		2,280,916
Revenues and Grants from Governmental Agencies		**26,638,320**		29,856,418
Other Revenue				
Program Service Fees		**6,554,688**		8,836,188
Rental Income		**5,738,169**		5,462,977
Other Operating Income		**756,352**		506,381
Total Other Revenue		**13,049,209**		14,805,546
Total Revenue, Support, and Gains Without Donor Restrictions		**42,829,033**		46,942,880

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, 2022 and 2021

	2022	2021
Operating Expenses		
Program Services		
Encouraging Positive Development	**13,197,490**	12,482,390
Fostering Independence	**8,838,132**	8,891,409
Promoting Self-Sufficiency	**16,210,387**	16,736,493
Total Program Services	**38,246,009**	38,110,292
Supporting Services		
Management and General	**4,895,037**	5,405,086
Fundraising	**1,008,449**	709,529
Total Supporting Services	**5,903,486**	6,114,615
Total Operating Expenses	**44,149,495**	44,224,907
(Deficit) Surplus from Operations	**(1,320,462)**	2,717,973

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, 2022 and 2021

	2022	2021
Other Activities		
(Loss) Gain on Disposition of Assets	**(1,934,916)**	516,367
Net Investment Return	**(1,368,778)**	1,721,011
Income Tax Benefit	**25,574**	277,701
Other Non-Operating Gains	**1,215,348**	132,387
(Deficit) Surplus from Other Activities	**(2,062,772)**	2,647,466
Change in Net Assets	**(3,383,234)**	5,365,439
Other Changes in Net Assets	**3,586,085**	11,390,627
Change in Net Assets Without Donor Restrictions	**202,851**	16,756,066
Net Assets With Donor Restrictions		
Public Support Received Directly:		
Contributions	**738,412**	637,442
Net Assets Released from Restrictions	**(1,070,749)**	(778,604)
Change in Net Assets With Donor Restrictions	**(332,337)**	(141,162)
Total Change in Net Assets	**(129,486)**	16,614,904
Net Assets, Beginning of Year	**81,375,158**	64,760,254
Net Assets, End of Year	**$ 81,245,672**	$ 81,375,158

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

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

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

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

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

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

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

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Change in Net Assets	$ (129,486)	$ 16,614,904
Adjustments to Reconcile Change in Net Assets		
to Net Cash Provided by Operating Activities		
Depreciation and Amortization	3,579,609	3,422,718
Loss (Gain) on Investments	1,570,340	(1,522,431)
Loss (Gain) on Disposition of Assets	1,934,916	(516,367)
Bad Debt Expense	665,567	309,967
Forgiveness of Debt Income	(83,222)	(83,222)
Paycheck Protection Program Loan Forgiveness	-	(1,974,695)
Deferred Tax Benefit	(31,824)	(278,061)
(Increase) Decrease in Operating Assets		
Accounts Receivable, Net	(1,323,232)	(1,020,558)
Pledges Receivable, Net	(219,308)	154,574
Prepaid Expenses	416,972	344,263
Due from Projects in Development	(2,407,092)	(2,434,335)
Other Current Assets	(269,569)	819,304
Investment in Joint Ventures	24,238	(26,019)
Increase (Decrease) in Operating Liabilities		
Accounts Payable	1,707,426	542,027
Accrued Expenses	349,674	83,116
Other Current Liabilities	2,540,145	789,516
Due to Projects in Development	621,474	55,004
Net Cash Provided by Operating Activities	8,946,628	15,279,705
Cash Flows from Investing Activities		
Proceeds from Sale of Investments	2,931,287	1,970,919
Purchase of Investments	(2,461,400)	(2,085,833)
Decrease in Amounts Due from Related Parties	-	28,089
Proceeds from Sale of Fixed Assets	-	2,606,000
Purchase of Fixed Assets	(8,800,504)	(9,441,924)
Net Cash Used in Investing Activities	(8,330,617)	(6,922,749)

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, 2022 and 2021

		2022		2021
Cash Flows from Financing Activities				
Proceeds from Mortgages and Notes Payable		**-**		12,401,976
Principal Payments on Mortgages and Notes Payable		**(1,233,833)**		(5,124,623)
Payments of Debt Issuance Costs		**-**		(817,493)
Net Cash (Used in) Provided by Financing Activities		**(1,233,833)**		6,459,860
Net (Decrease) Increase in Cash, Cash Equivalents, and Restricted Cash		**(617,822)**		14,816,816
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year		**25,472,099**		10,655,283
Cash, Cash Equivalents, and Restricted Cash, End of Year	**$**	**24,854,277**	$	25,472,099
Supplemental Disclosure of Cash Flow Information				
Cash Paid for Interest	**$**	**778,268**	$	992,750
Non-Cash Transactions				
Financed Insurance Premiums	**$**	**515,583**	$	443,029
Purchases of Fixed Assets with Proceeds from Mortgages and Notes Payable	**$**	**24,928,500**	$	12,200,302
Purchases of Fixed Assets with Proceeds from Line of Credit	**$**	**245,167**	$	-

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

Note 1. Organization

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

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

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

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

Note 1. Organization (Continued)

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

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

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

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

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:

Note 1. Organization (Continued)

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

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

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

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

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

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

Homeless Services: This program provides shelter for homeless individuals.

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

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

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

Note 2. Summary of Significant Accounting Policies

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

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

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

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

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

As of June 30, 2022 and 2021, there was $1,071,738 and $1,377,447, respectively, of net assets with donor restrictions.

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

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

Note 2. Summary of Significant Accounting Policies (Continued)

Use of Estimates

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

Cash, Cash Equivalents and Restricted Cash

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

Accounts Receivable

The Organization's accounts receivable are primarily due from customers and third-party payors and are recorded net of allowances for bad debts. The opening accounts receivable balance at July 1, 2020 totaled $3,519,336.

Investments

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

Investment in Joint Ventures

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

Fixed Assets

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

Note 2. Summary of Significant Accounting Policies (Continued)

Fixed Assets (Continued)

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

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

Designated and Restricted Deposits

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

Operations

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

Revenue Recognition

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

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

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

Note 2. Summary of Significant Accounting Policies (Continued)

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

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

A significant portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statement of financial position. As of June 30, 2022 and 2021, there have been no cost reimbursable grants received in advance of qualifying expenditures.

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

Note 2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

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

Income Taxes

Under provisions of Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the State of Louisiana, the Organization is exempt from income taxes, except for net income from unrelated business income, as a subordinate unit of Volunteers of America, Inc. Volunteers of America, Inc. is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as a religious organization described in Section 501(c)(3). There was no material unrelated business net income in fiscal years ended June 30, 2022 and 2021.

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

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

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

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

Note 2. Summary of Significant Accounting Policies (Continued)

Advertising Expenses
The Organization expenses the costs of advertising as incurred. Advertising expense totaled $245,144 and $205,669 for the years ended June 30, 2022 and 2021, 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 2021
The financial statements and supplementary information for the year ended June 30, 2022 contain certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Organization's financial statements and related notes or the financial statements for the year ended June 30, 2021, from which the summarized information was derived.

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

Implementation of Accounting Pronouncement
In September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard addresses measurement of contributed nonfinancial assets recognized by not-for-profit organizations and enhances disclosures with respect to these contributions. This ASU was adopted on a retrospective basis during the year ended June 30, 2022. See Note 20 for the enhanced disclosure.

Note 2. Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements

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

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

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.

Note 3. Liquidity and Availability (Continued)

As of June 30, 2022 and 2021, financial assets available for general operating purposes within one year of the consolidated statement of financial position dates comprise the following:

	2022	2021
Cash and Cash Equivalents	$ 7,793,707	$ 8,966,290
Accounts Receivable, Net	5,121,653	4,280,353
Total	**$ 12,915,360**	$ 13,246,643

Note 4. Pledges Receivable

At June 30, 2022 and 2021, amounts included in pledges receivable were as follows:

	2022	2021
Pledges Receivable	$ 2,129,901	$ 1,870,069
Less: Discount of Long-Term Pledges	(156,215)	(115,691)
Less: Allowance for Doubtful Accounts	(673,419)	(489,784)
Pledges Receivable, Net	**$ 1,300,267**	$ 1,264,594

Amounts due are as follows:

Year Ending June 30,	Amount
2023	$ 1,035,456
2024	233,225
2025	226,225
2026	199,545
2027	157,770
Thereafter	277,680
Total	$ 2,129,901

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

Note 5. Fixed Assets

At June 30, 2022 and 2021, fixed assets consisted of the following:

	2022	2021
Land	**$ 9,761,655**	$ 9,392,902
Buildings and Improvements	**107,246,742**	108,052,961
Vehicles	**426,303**	332,562
Furniture and Equipment	**7,525,972**	7,321,475
Construction in Progress	**48,599,819**	16,791,971
	173,560,491	141,891,871
Less: Accumulated Depreciation	**(34,432,907)**	(31,335,289)
Total Fixed Assets, Net	**$ 139,127,584**	$ 110,556,582

Depreciation expense was $3,468,254 and $3,319,863 for the years ended June 30, 2022 and 2021, respectively.

Note 6. Cash, Cash Equivalents, and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated statements of financial position that sum to the total of the same such amounts shown in the consolidated statements of cash flows as of June 30, 2022 and 2021.

	2022	2021
Cash and Cash Equivalents	**$ 7,793,707**	$ 8,966,290
Designated and Restricted Deposits	**17,060,570**	16,505,809
Total	**$ 24,854,277**	$ 25,472,099

Note 6. Cash, Cash Equivalents, and Restricted Cash (Continued)

The Organization has agreements with agencies that require funded reserves and the restriction of certain deposits which are custodial in nature. At June 30, 2022 and 2021, designated and restricted deposits were as follows:

		2022		2021
Escrow	**$**	**1,002,215**	$	1,317,975
Security Deposits		**299,837**		258,830
Replacement Reserve Funds		**15,758,518**		14,929,004
Total	**$**	**17,060,570**	$	16,505,809

Note 7. Lines of Credit

VOASELA has a $1,000,000 line of credit. The line has an interest rate of 2.85% plus the one Month Term SOFR. This line of credit matures on December 21, 2022. There was no balance on this line of credit at June 30, 2022 and 2021. The line of credit was extended on July 14, 2022 and now matures on June 30, 2023. There were no changes in the terms.

On April 1, 2022, VOASELA entered into a $500,000 line of credit agreement with an interest rate of 4.92%, and a maturity date of on December 31, 2022. The balance outstanding as of June 30, 2022 and 2021 was $245,167 and $-0-, respectively. The line of credit was converted to an amortizing loan on July 14, 2022 and principal and interest payments of $4,626 are due monthly through maturity of July 14, 2027 with the first payment due August 14, 2022. The interest rate is fixed at 4.92%.

The Organization is subject to a restrictive financial covenant under this agreement. At June 30, 2022 and 2021, the Organization was in compliance with this covenant.

On September 16, 2020, RNDC entered into a line of credit agreement with Home Bank totaling $1,000,000, which matured on September 16, 2022, with an interest rate of 4.5%. There was no balance on this line of credit at June 30, 2022 and 2021.

Note 8. Mortgages and Notes Payable

The following is a summary of mortgages and notes payable at June 30, 2022 and 2021:

	2022	2021
Two (2) notes payable to the Louisiana Housing Finance Agency, secured by CDBG Piggyback Program Leasehold Mortgage, with interest rates of -0-%, and maturity dates of August 31, 2044 and May 20, 2045, for Chateau Carre' and New Covington.	**$ 15,413,053**	$ 15,498,839
One (1) note payable to Terrebonne Parish Consolidated Government, secured by land and buildings, with an interest rate of -0-%, maturing June 1, 2049, for Bayou Cane Apartments.	**5,558,633**	5,558,633
One (1) note payable to Terrebonne Council on Aging, Inc., with an interest rate of -0-%, maturing March 29, 2066, for Houma School Apartments.	**5,499,878**	5,500,000
One (1) note payable to Home Bank, secured by a first mortgage on 1746-1770 Tchoupitoulas Street, with an interest rate of 4.5%, maturing on September 27, 2024, for 1770 Tchoupitoulas Inc.	**4,427,518**	4,627,679
One (1) note payable to Capital One Multifamily Finance, secured by land and buildings, with an interest rate of 4.28%, maturing July 1, 2031, for Bayou Cane Apartments.	**3,186,491**	3,237,871
One (1) note payable to Home Bank, secured by cash collateral pledge of $114,000, with an interest rate of 4.60%, maturing May 28, 2037, for Embassy Apartments Shreveport.	**1,169,219**	1,184,985
One (1) deferred payment loan to the Louisiana Housing Corporation, an interest rate of -0-%, maturing on December 31, 2026, $83,222 annual forgiveness of debt recognized for New Covington.	**2,540,382**	2,624,124
One (1) note payable to Capital One, National Association, secured by land and buildings, with an interest rate of 5.05%, maturing on November 1, 2033, for Houma School Apartments.	**2,544,986**	2,590,142
One (1) note payable to Capital One, National Association, secured by land and buildings, with an interest rate of 7.0%, maturing June 16, 2026, for Chateau Carre'.	**2,308,753**	2,364,552
One (1) note payable to Dougherty Mortgage LLC, insured by HUD under section 207/223(f) of the National Housing Act, with an interest rate of 3.20%, maturing May 1, 2045, for New Covington Apartments.	**1,143,123**	1,175,412

Note 8. Mortgages and Notes Payable (Continued)

	2022	2021
Four (4) notes payable to Volunteers of America National Services, with interest rates of -0-%, payable on demand.	**185,000**	435,000
property and the rents, profits, issues, products, and income from the property, with an interest rate of -0-%, maturing on July 31, 2038.	**500,000**	500,000
Financed insurance premium with monthly installments of $43,870 including interest at 3.89%, maturing April 2023.	**515,583**	443,029
One (1) note payable to PNC Bank, National Association, secured by land and buildings, with an interest rate of 4.60%, maturing on October 1, 2033, for The Cottages at Mile Branch.	**242,279**	246,636
One (1) mortgage payable to the U.S. Department of Housing and Urban Development, secured by a mortgage on the real estate and improvements thereon, with an interest rate of 9.25%, payable in monthly installments of $4,952, with a maturity date of June 2024.	**127,136**	173,358
One (1) note payable to the City of Shreveport, with an interest rate of -0-%, forgivable at a rate of 6.67% per year over the 15 year affordability period.	**198,054**	198,054
One (1) note payable to Volunteers of America National Services, unsecured, with an interest rate of -0-%, with annual payments of $5,433 due from net cash flow as defined by the promissory note beginning on September 25, 2019, and the remaining balance due at maturity on May 1, 2051, for Embassy Apartments Shreveport.	**163,000**	163,000
One (1) note payable to Home Bank, secured by land and buildings (326 Buckeye Lane), with an interest rate of 5.25%, maturing October 19, 2023.	**88,632**	91,956
One (1) bond payable to Regions Bank, secured by the first mortgage on the property, with an interest rate of 4.64%, maturing December 1, 2023, for RNDC BR, LLC.	**8,746,655**	2,152,566
One (1) note payable to ORIX Real Estate Capital, with an interest rate of 2.85%, maturing May 1, 2062, for Valencia Park.	**10,365,436**	3,966,017
One (1) note payable to CDBG, with an interest rate of 0.35%, maturing May 1, 2062, for Valencia Park.	**5,700,000**	2,162,885
One (1) bond payable to Whitney Bank, secured by the note payable to CDBG and note payable to ORIX Real Estate Capital with an interest rate of 0.35%, maturing November 1, 2023, for Valencia Park.	**12,000,000**	12,000,000
One (1) note payable to JP Morgan Chase Bank secured by first mortgage on the leasehold improvements with an interest rate equal to the London Interbank Offered Rate (LIBOR) plus 3.0%, maturing November 18, 2022, for FSJ I.	**5,164,104**	2,044,092

Note 8. Mortgages and Notes Payable (Continued)

	2022	2021
One (1) note payable to JP Morgan Chase Bank secured by first mortgage on the leasehold improvements with an interest rate equal to the London Interbank Offered Rate (LIBOR) plus 3.0%, maturing November 18, 2022, for FSJ II.	**4,527,589**	1,874,743
One (1) note payable to Federal Home Bank Dallas secured by land and buildings, with an interest rate of -0-%, maturing August 31, 2065.	**410,000**	410,000
One (1) note payable to the Louisiana Housing Finance Agency with an interest rate of -0-%, maturing on May 1, 2058, for RNDC BR, LLC.	**2,628,423**	-
	95,353,927	71,223,573
Less: Debt Issuance Costs, Net of Amortization	**(1,569,627)**	(1,677,656)
Total	**$ 93,784,300**	$ 69,545,917

Scheduled principal payments due on the above mortgages and notes payable subsequent to June 30, 2022 are as follows:

Year Ending June 30,	Amount
2023	$ 11,258,991
2024	21,662,894
2025	4,664,902
2026	2,649,855
2027	556,723
Thereafter	54,560,562
Total	$ 95,353,927

Interest expense was $829,996 and $1,008,042 for the years ended June 30, 2022 and 2021, respectively.

The Organization was in compliance with debt covenants at June 30, 2022.

Note 9. Related-Party Transactions

The Organization is affiliated with Volunteers of America, Inc., which provides supporting services to the Organization for a fee. Affiliate fees totaled $606,142 and $712,687 for the years ended June 30, 2022 and 2021, respectively. Amounts payable to Volunteers of America, Inc. totaled $134,643 and $140,910 at June 30, 2022 and 2021, respectively.

Note 9. Related-Party Transactions (Continued)

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

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

Note 10. Leases

The Organization has several operating leases for the rental of office space, vehicles, and office equipment which are non-cancelable through February 2027. Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of June 30, 2022 and in the aggregate are as follows:

Year Ending June 30,	Amount
2023	$ 336,156
2024	207,614
2025	177,520
2026	17,960
2027	11,973
Total	$ 751,223

Rental expense under month-to-month and non-cancelable operating leases totaled $419,872 and $448,745 for the years ended June 30, 2022 and 2021, respectively.

Note 11. Pension Plan for Ministers

The Organization participates in a non-contributory defined benefit pension and retirement plan. The plan is administered through a commercial insurance company and covers all ministers commissioned through December 31, 1999. Pension plan expenses totaled $51,488 and $71,456 for the years ended June 30, 2022 and 2021, respectively.

Note 12. Employee Benefit Plans

The Organization offers a Section 403(b) plan to all eligible employees. Employees are eligible to participate at employment. Under the terms of the plan, after completing twelve (12) months of service, the Organization matches up to 5% of employee contributions. The Organization contributed $223,594 and $243,454 for the years ended June 30, 2022 and 2021, respectively.

Note 13. Fair Value of Financial Instruments

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

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

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

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

Note 14. Fair Value Measurements

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

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

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

Level 2 Inputs to the valuation methodology include:

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

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

Note 14. Fair Value Measurements (Continued)

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

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

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

The following tables set forth, by level within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2022 and 2021:

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

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

Note 15. Commitments and Contingencies

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

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

RNDC entered into several contracts with construction companies totaling $50.5 million and $46.7 million, for 2022 and 2021, respectively, for renovations on General and Limited Partnerships' projects. At June 30, 2022 and 2021, the amount remaining on the contracts totaled $14,063,887 and $38,134,450, respectively. Included in other current liabilities is retainage due to these construction companies totaling $3,413,302 and $924,586 as of June 30, 2022 and 2021, respectively.

Note 16. Risks and Uncertainties

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

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

Note 17. Net Assets With Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2022 and 2021:

	2022	2021
Expiration of Purpose and Time Restrictions		
Tolmas Charitable Trust Pledge	**$ 100,000**	$ 183,647
Satisfaction of Purpose Restrictions		
Community Living Services Grant	**273,125**	-
Repairs on Wheels Grant	**57,195**	15,942
Adoption	**-**	57,200
Fresh Food Factor	**66,455**	252,061
Supportive Living Service Grant	**32,516**	77,500
Veterans Program Grant	**256,546**	14,236
Supportive Services	**31,000**	-
Mentoring Children of Promise	**253,912**	178,018
Total Net Assets Released From Restrictions	**$ 1,070,749**	$ 778,604

At June 30, 2022 and 2021, net assets with donor restrictions comprised of donor-imposed stipulations that expire when the purpose restriction and the passage of time is accomplished and net assets with donor restrictions which expire when the purpose restriction is accomplished, were as follows:

	2022	2021
With Donor Restrictions - Purpose and Time		
Tolmas Charitable Trust Pledge	**$ 532,122**	$ 614,750
With Donor Restrictions - Purpose		
Community Living Services Grant	**256,500**	522,125
Repairs on Wheels Grant	**6,006**	63,201
Adoption	**71,286**	-
Fresh Food Factor	**-**	16,455
Supportive Living Services Grant	**87,813**	37,829
Veterans Program Grant	**37,690**	29,565
Supportive Services	**25,000**	31,000
Mentoring Children of Promise	**28,693**	62,522
Total Net Assets With Donor Restrictions as to Purpose and Time	**$ 1,045,110**	$ 1,377,447

Note 18. Changes in Consolidated Net Assets

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

	Attributable to VOASELA	Attributable to Non-Controlling Interests	Total Net Assets
Balance, June 30, 2020	$ 31,444,162	$ 33,316,092	$ 64,760,254
Change in Net Assets from Operations and Other Activities	5,580,993	(356,716)	5,224,277
Other Changes in Net Assets	-	11,390,627	11,390,627
Balance, June 30, 2021	37,025,155	44,350,003	81,375,158
Change in Net Assets from Operations and Other Activities	(1,078,666)	(2,636,905)	(3,715,571)
Other Changes in Net Assets	-	3,586,085	3,586,085
Balance, June 30, 2022	$ 35,946,489	$ 45,299,183	$ 81,245,672

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, 2022 and 2021.

Note 20. Contributed Non-Financial Assets

For the years ended June 30, 2022 and 2021, contributed nonfinancial assets recognized within the consolidated statement of activities include:

	2022	2021
Food	**$ 80,154**	49,865
Vehicles	**97,750**	164,250
	$ 177,904	$ 214,115

Note 20. Contributed Non-Financial Assets (Continued)

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

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

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

Note 21. 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, 2022 and 2021, the Organization had $7,003,957 and $9,362,127, respectively, in excess of the FDIC insured limit.

Note 22. 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.

Note 22. New Market Tax Credit Exit (Continued)

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

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

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

Note 23. Income Taxes

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

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

A tax benefit of $25,574 and $277,701 was recorded for the years ended June 30, 2022 and 2021, respectively.

Note 24. Hurricane Ida

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

Note 25. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 17, 2022, and determined that the following events occurred that requires disclosure:

On July 14, 2022, VOASELA's line of credit was converted to an amortizing loan with principal and interest payments of $4,626 due monthly through maturity of July 14, 2027 with the first payment due August 14, 2022. The interest rate is fixed at 4.92%.

As of August 31, 2022, all tenants completed their move out of the single-room occupancy building of VOA Development 2, Inc. The building is now vacant awaiting the start of renovations to convert its use to a substance use disorder treatment facility with a planned opening on January 1, 2024.

Millennium Properties, Inc. received an award of funding from the State of Louisiana Office of Community Development (OCD) Middle Market Loan Program dated June 10, 2022. The funding is for the development of Denham Townhomes (the Project). The principal amount of the loan is $12,000,000 bearing interest at the rate of .5%. OCD will fund up to 90% of the loan during the construction of the Project. Construction will begin in fiscal year ending June 30, 2023.

No other subsequent events occurring after October 17, 2022 have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended June 30, 2022

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

Agency Head
Voris Vigee, President/CEO

Purpose	Compensation and Benefits Funded by Use of Public Funds
Salary	$181,784
Bonus	$0
Benefits - Insurance	$4,091
Benefits - Retirement	$31,639
Benefits - Other	$712
Car Allowance (Lease, Insurance, Gasoline)	$9,000
Per Diem	$0
Reimbursements (Electronic Devices)	$675
Local Entertainment/Sales	$0
Registration Fees	$0
Conference/Sales Mission Travel	$0
Local Transportation/Parking	$0
Continuing Professional Education Fees	$0
Housing	$0
Unvouchered Expenses	$0
Dues and Subscriptions	$314

See independent auditor’s report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. AND SUBSIDIARIES **Schedule I**
Consolidating Statement of Financial Position
June 30, 2022
With Summarized Comparative Information at June 30, 2021

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Eliminations	2022 Consolidated	2021 Consolidated
Assets						
Current Assets						
Cash and Cash Equivalents	$ 4,006,767	$ 3,786,940	$ 7,793,707	$ -	$ 7,793,707	$ 8,966,290
Accounts Receivable, Net of Allowance for Doubtful Accounts of $126,792 at 2022 and $149,811 at 2021	4,712,989	419,711	5,132,700	(11,047)	5,121,653	4,280,353
Pledges Receivable, Net	507,486	-	507,486	-	507,486	630,220
Prepaid Expenses	656,822	591,689	1,248,511	-	1,248,511	1,149,900
Due from Projects in Development	-	3,258,992	3,258,992	-	3,258,992	198,841
Other Current Assets	362,403	1,354,795	1,717,198	-	1,717,198	1,447,629
Total Current Assets	10,246,467	9,412,127	19,658,594	(11,047)	19,647,547	16,673,233
Fixed Assets, Net	7,519,286	131,608,298	139,127,584	-	139,127,584	110,556,582
Other Assets						
Designated and Restricted Deposits	106,338	16,954,232	17,060,570	-	17,060,570	16,505,809
Due from Projects in Development	-	1,582,435	1,582,435	-	1,582,435	2,235,494
Long-Term Investments	5,637,466	1,708,303	7,345,769	-	7,345,769	9,385,997
Pledges Receivable, Net	792,781	-	792,781	-	792,781	634,374
Note Receivable and Other Amounts Due from Related Parties	2,688,465	-	2,688,465	(2,688,465)	-	-
Investment in Joint Ventures	396,854	-	396,854	-	396,854	421,092
Investment in Subsidiaries	12,429,897	-	12,429,897	(12,429,897)	-	-
Deferred Tax Assets	-	309,885	309,885	-	309,885	278,061
Total Other Assets	22,051,801	20,554,855	42,606,656	(15,118,362)	27,488,294	29,460,827
Total Assets	$ 39,817,554	$ 161,575,280	$ 201,392,834	$ (15,129,409)	$ 186,263,425	$ 156,690,642

See independent auditor’s report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. **Schedule I**
AND SUBSIDIARIES
Consolidating Statement of Financial Position (Continued)
June 30, 2022
With Summarized Comparative Information at June 30, 2021

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Eliminations	2022 Consolidated	2021 Consolidated
Liabilities and Net Assets						
Current Liabilities						
Accounts Payable	$ 1,041,524	$ 2,936,225	$ 3,977,749	$ (77,527)	$ 3,900,222	$ 2,192,796
Line of Credit	245,167	-	245,167	-	245,167	-
Mortgages and Notes Payable	566,596	10,692,395	11,258,991	-	11,258,991	1,477,184
Accrued Expenses	1,845,927	685,483	2,531,410	-	2,531,410	2,181,736
Other Current Liabilities	95,728	3,788,638	3,884,366	(4,190)	3,880,176	1,340,031
Due to Projects in Development	-	676,478	676,478	-	676,478	55,004
Total Current Liabilities	3,794,942	18,779,219	22,574,161	(81,717)	22,492,444	7,246,751
Other Liabilities						
Due to VOASELA, Inc.	-	2,617,791	2,617,791	(2,617,791)	-	-
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	76,123	82,449,186	82,525,309	-	82,525,309	68,068,733
Total Other Liabilities	76,123	85,066,977	85,143,100	(2,617,791)	82,525,309	68,068,733
Total Liabilities	3,871,065	103,846,196	107,717,261	(2,699,508)	105,017,753	75,315,484
Net Assets						
Net Assets Without Donor Restrictions	34,901,379	57,729,084	92,630,463	(12,429,901)	80,200,562	79,997,711
Net Assets With Donor Restrictions	1,045,110	-	1,045,110	-	1,045,110	1,377,447
Total Net Assets	35,946,489	57,729,084	93,675,573	(12,429,901)	81,245,672	81,375,158
Total Liabilities and Net Assets	$ 39,817,554	$ 161,575,280	$ 201,392,834	$ (15,129,409)	$ 186,263,425	$ 156,690,642

See independent auditor's report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. **Schedule II**
AND SUBSIDIARIES
Consolidating Statement of Activities
For the Year Ended June 30, 2022
With Summarized Comparative Information for the Year Ended June 30, 2021

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Elimination	2022 Consolidated	2021 Consolidated
Net Assets Without Donor Restrictions						
Revenues, Support, and Gains						
Without Donor Restrictions						
Public Support Received Directly:						
Contributions and Special Events	$ 1,734,634	$ -	$ 1,734,634	$ -	$ 1,734,634	$ 1,155,258
Contributions of Nonfinancial Assets	177,904	-	177,904	-	177,904	214,115
Public Support Received Indirectly:						
United Way Allocations	158,217	-	158,217	-	158,217	132,939
Net Assets Released from Restrictions	1,070,749	-	1,070,749	-	1,070,749	778,604
Total Public Support	3,141,504	-	3,141,504	-	3,141,504	2,280,916
Revenues and Grants from Governmental Agencies	26,638,320	-	26,638,320	-	26,638,320	29,856,418
Other Revenue						
Program Service Fees	6,751,294	1,966,076	8,717,370	(2,162,682)	6,554,688	8,836,188
Rental Income	131,492	5,842,192	5,973,684	(235,515)	5,738,169	5,462,977
Other Operating Income	9,373	794,979	804,352	(48,000)	756,352	506,381
Total Other Revenue	6,892,159	8,603,247	15,495,406	(2,446,197)	13,049,209	14,805,546
Total Revenue, Support, and Gains Without Donor Restrictions	36,671,983	8,603,247	45,275,230	(2,446,197)	42,829,033	46,942,880

See independent auditor’s report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. **Schedule II**
AND SUBSIDIARIES
Consolidating Statement of Activities (Continued)
For the Year Ended June 30, 2022
With Summarized Comparative Information for the Year Ended June 30, 2021

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Elimination	2022 Consolidated	2021 Consolidated
Operating Expenses						
Program Services						
Encouraging Positive Development	13,433,003	-	13,433,003	(235,513)	13,197,490	12,482,390
Fostering Independence	8,838,132	-	8,838,132	-	8,838,132	8,891,409
Promoting Self-Sufficiency	9,251,114	7,880,132	17,131,246	(920,859)	16,210,387	16,736,493
Total Program Services	31,522,249	7,880,132	39,402,381	(1,156,372)	38,246,009	38,110,292
Supporting Services						
Management and General	4,155,262	2,050,140	6,205,402	(1,310,365)	4,895,037	5,405,086
Fundraising	1,008,449	-	1,008,449	-	1,008,449	709,529
Total Supporting Services	5,163,711	2,050,140	7,213,851	(1,310,365)	5,903,486	6,114,615
Total Operating Expenses	36,685,960	9,930,272	46,616,232	(2,466,737)	44,149,495	44,224,907
(Deficit) Surplus from Operations	(13,977)	(1,327,025)	(1,341,002)	20,540	(1,320,462)	2,717,973

See independent auditor’s report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. **Schedule II**
AND SUBSIDIARIES
Consolidating Statement of Activities (Continued)
For the Year Ended June 30, 2022
With Summarized Comparative Information for the Year Ended June 30, 2021

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Elimination	2022 Consolidated	2021 Consolidated
Other Activities						
(Loss) Gain on Disposition of Assets	-	(1,934,916)	(1,934,916)	-	(1,934,916)	516,367
Net Investment Return	(1,088,145)	(260,091)	(1,348,236)	(20,542)	(1,368,778)	1,721,011
Income Tax Benefit	-	25,574	25,574	-	25,574	277,701
Income from Investment in Subsidiaries	329,594	-	329,594	(329,594)	-	-
Other Non-Operating Gains	26,199	1,189,149	1,215,348	-	1,215,348	132,387
(Deficit) Surplus from Other Activities	(732,352)	(980,284)	(1,712,636)	(350,136)	(2,062,772)	2,647,466
Change in Net Assets	(746,329)	(2,307,309)	(3,053,638)	(329,596)	(3,383,234)	5,365,439
Other Changes in Net Assets	-	3,586,085	3,586,085	-	3,586,085	11,390,627
Change in Net Assets Without Donor Restrictions	(746,329)	1,278,776	532,447	(329,596)	202,851	16,756,066
Net Assets With Donor Restrictions						
Public Support Received Directly:						
Contributions and Special Events	738,412	-	738,412	-	738,412	637,442
Net Assets Released from Restrictions	(1,070,749)	-	(1,070,749)	-	(1,070,749)	(778,604)
Change in Net Assets With Donor Restrictions	(332,337)	-	(332,337)	-	(332,337)	(141,162)
Total Change in Net Assets	(1,078,666)	1,278,776	200,110	(329,596)	(129,486)	16,614,904
Net Assets, Beginning of Year	37,025,155	56,450,308	93,475,463	(12,100,305)	81,375,158	64,760,254
Net Assets, End of Year	$ 35,946,489	$ 57,729,084	$ 93,675,573	$ (12,429,901)	$ 81,245,672	$ 81,375,158

See independent auditor's report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. **Schedule III**
AND SUBSIDIARIES
Consolidating Statement of Functional Expenses
For the Year Ended June 30, 2022
With Summarized Comparative Information for the Year Ended June 30, 2021

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Eliminations	2022 Consolidated	2021 Consolidated
Salaries and Wages	$ 18,091,949	$ -	$ 18,091,949	$ -	$ 18,091,949	$ 18,790,804
Employee Benefits	2,478,101	-	2,478,101	-	2,478,101	2,648,402
Professional Services	5,044,782	3,577,398	8,622,180	(1,784,936)	6,837,244	7,492,618
Occupancy	2,210,104	740,085	2,950,189	(240,732)	2,709,457	2,786,461
Specific Assistance to Individuals	3,333,214	-	3,333,214	-	3,333,214	3,015,373
Program Supplies and Equipment	2,762,239	1,263,358	4,025,597	(314,303)	3,711,294	3,007,966
Office Supplies and Expenses	466,318	89,115	555,433	(33,522)	521,911	474,816
Travel, Conferences, and Meetings	550,144	22,253	572,397	(13,318)	559,079	412,729
Depreciation and Amortization	558,835	3,020,774	3,579,609	-	3,579,609	3,422,718
Interest	19,542	830,996	850,538	(20,542)	829,996	1,008,042
Other	1,170,732	386,293	1,557,025	(59,384)	1,497,641	1,164,978
Total	$ 36,685,960	$ 9,930,272	$ 46,616,232	$ (2,466,737)	$ 44,149,495	$ 44,224,907

See independent auditor's report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. **Schedule IV**
AND SUBSIDIARIES
Consolidating Statement of Financial Position - VOASELA, Inc.
June 30, 2022
With Summarized Comparative Information at June 30, 2021

	VOASELA, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2022 Consolidated	2021 Consolidated
Assets						
Current Assets						
Cash and Cash Equivalents	$ 3,994,538	$ 12,229	$ 4,006,767	$ -	$ 4,006,767	$ 4,478,152
Accounts Receivable, Net of Allowance for Doubtful Accounts of $126,792 at 2022 and $149,811 at 2021	4,693,655	19,334	4,712,989	-	4,712,989	3,915,167
Pledges Receivable, Net	507,486	-	507,486	-	507,486	630,220
Accounts Receivable, Limited Partnerships	2,437,153	-	2,437,153	(2,437,153)	-	-
Interest Receivable, VOA Development	108,148	-	108,148	(108,148)	-	-
Notes Receivable, VOA Development	349,938	-	349,938	(349,938)	-	-
Prepaid Expenses	656,822	-	656,822	-	656,822	683,452
Other Current Assets	340,282	22,121	362,403	-	362,403	241,504
Total Current Assets	13,088,022	53,684	13,141,706	(2,895,239)	10,246,467	9,948,495
Fixed Assets, Net	5,373,043	2,146,243	7,519,286	-	7,519,286	7,076,286
Other Assets						
Designated and Restricted Deposits	155,232	8,657	163,889	(57,551)	106,338	93,776
Long-Term Investments	5,637,466	-	5,637,466	-	5,637,466	7,398,056
Pledges Receivable, Net	792,781	-	792,781	-	792,781	634,374
Notes Receivable	2,688,465	-	2,688,465	-	2,688,465	2,802,076
Investment in Joint Ventures	396,854	-	396,854	-	396,854	421,092
Investment in Subsidiaries	11,661,594	-	11,661,594	768,303	12,429,897	12,100,303
Total Other Assets	21,332,392	8,657	21,341,049	710,752	22,051,801	23,449,677
Total Assets	$ 39,793,457	$ 2,208,584	$ 42,002,041	$ (2,184,487)	$ 39,817,554	$ 40,474,458

See independent auditor’s report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. **Schedule IV**
AND SUBSIDIARIES
Consolidating Statement of Financial Position - VOASELA, Inc. (Continued)
June 30, 2022
With Summarized Comparative Information at June 30, 2021

	VOASELA, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2022 Consolidated	2021 Consolidated
Liabilities and Net Assets						
Current Liabilities						
Accounts Payable	$ 1,055,692	$ 633,486	$ 1,689,178	$ (647,654)	$ 1,041,524	$ 951,238
Accounts Payable, VOASELA, Inc.	-	1,847,050	1,847,050	(1,847,050)	-	-
Line of Credit	245,167		245,167	-	245,167	-
Mortgages and Notes Payable	566,596	-	566,596	-	566,596	489,181
Note Payable, VOASELA, Inc.	-	349,938	349,938	(349,938)	-	-
Interest Payable, VOASELA, Inc.	-	108,148	108,148	(108,148)	-	-
Accrued Expenses	1,809,615	36,312	1,845,927	-	1,845,927	1,767,649
Other Current Liabilities	73,012	22,716	95,728	-	95,728	114,029
Total Current Liabilities	3,750,082	2,997,650	6,747,732	(2,952,790)	3,794,942	3,322,097
Other Liabilities						
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	76,123	-	76,123	-	76,123	127,206
Total Other Liabilities	76,123	-	76,123	-	76,123	127,206
Total Liabilities	3,826,205	2,997,650	6,823,855	(2,952,790)	3,871,065	3,449,303
Net Assets						
Net Assets Without Donor Restrictions	34,922,142	(789,066)	34,133,076	768,303	34,901,379	35,647,708
Net Assets With Donor Restrictions	1,045,110	-	1,045,110	-	1,045,110	1,377,447
Total Net Assets	35,967,252	(789,066)	35,178,186	768,303	35,946,489	37,025,155
Total Liabilities and Net Assets	$ 39,793,457	$ 2,208,584	$ 42,002,041	$ (2,184,487)	$ 39,817,554	$ 40,474,458

See independent auditor’s report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. **Schedule V**
AND SUBSIDIARIES
Consolidating Statement of Activities - VOASELA, Inc.
For the Year Ended June 30, 2022
With Summarized Comparative Information for the Year Ended June 30, 2021

	VOASELA, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2022 Consolidated	2021 Consolidated
Net Assets Without Donor Restrictions						
Revenue, Support, and Gains						
Without Donor Restrictions						
Public Support Received Directly:						
Contributions and Special Events	$ 1,734,634	$ -	$ 1,734,634	$ -	$ 1,734,634	$ 1,002,258
Contributions of Nonfinancial Assets	177,904	-	177,904	-	177,904	214,115
Public Support Received Indirectly:						
United Way Allocations	158,217	-	158,217	-	158,217	132,939
Net Assets Released from Restrictions	1,070,749	-	1,070,749	-	1,070,749	778,604
Total Public Support	3,141,504	-	3,141,504	-	3,141,504	2,127,916
Revenues and Grants from Governmental Agencies	26,084,099	554,221	26,638,320	-	26,638,320	29,856,418
Other Revenue						
Program Service Fees	7,253,896	-	7,253,896	(502,602)	6,751,294	5,466,917
Rental Income	-	131,492	131,492	-	131,492	258,593
Other Operating Income	4,513	6,311	10,824	(1,451)	9,373	9,699
Total Other Revenue	7,258,409	137,803	7,396,212	(504,053)	6,892,159	5,735,209
Total Revenue, Support, and Gains Without Donor Restrictions	36,484,012	692,024	37,176,036	(504,053)	36,671,983	37,719,543

See independent auditor's report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. **Schedule V**
AND SUBSIDIARIES
Consolidating Statement of Activities - VOASELA, Inc. (Continued)
For the Year Ended June 30, 2022
With Summarized Comparative Information for the Year Ended June 30, 2021

	VOASELA, Inc.	VOA Development, Inc.	Subtotal	Eliminations	2022 Consolidated	2021 Consolidated
Operating Expenses						
Program Services						
Encouraging Positive Development	13,433,003	-	13,433,003	-	13,433,003	12,712,461
Fostering Independence	8,838,132	-	8,838,132	-	8,838,132	8,891,409
Promoting Self-Sufficiency	8,454,706	1,309,644	9,764,350	(513,236)	9,251,114	8,572,549
Total Program Services	30,725,841	1,309,644	32,035,485	(513,236)	31,522,249	30,176,419
Supporting Services						
Management and General	4,155,262	-	4,155,262	-	4,155,262	4,752,055
Fundraising	1,008,449	-	1,008,449	-	1,008,449	709,529
Total Supporting Services	5,163,711	-	5,163,711	-	5,163,711	5,461,584
Total Operating Expenses	35,889,552	1,309,644	37,199,196	(513,236)	36,685,960	35,638,003
(Deficit) Surplus from Operations	594,460	(617,620)	(23,160)	9,183	(13,977)	2,081,540

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, 2022
With Summarized Comparative Information for the Year Ended June 30, 2021

	VOASELA, Inc.	VOA Development, Inc.	Subtotal	Eliminations	2022 Consolidated	2021 Consolidated
Other Activities						
Gain on Disposition of Assets	-	-	-	-	-	6,000
Net Investment Return	(1,078,959)	-	(1,078,959)	(9,186)	(1,088,145)	1,349,447
(Loss) Income from Investment in Subsidiaries	(288,026)	-	(288,026)	617,620	329,594	2,152,781
Other Non-Operating Gains	26,199	-	26,199	-	26,199	132,387
(Deficit) Surplus from Other Activities	(1,340,786)	-	(1,340,786)	608,434	(732,352)	3,640,615
Change in Net Assets Without Donor Restrictions	(746,326)	(617,620)	(1,363,946)	617,617	(746,329)	5,722,155
Net Assets With Donor Restrictions						
Public Support Received Directly:						
Contributions and Special Events	738,412	-	738,412	-	738,412	637,442
Net Assets Released from Restrictions	(1,070,749)	-	(1,070,749)	-	(1,070,749)	(778,604)
Change in Net Assets With Donor Restrictions	(332,337)	-	(332,337)	-	(332,337)	(141,162)
Total Change in Net Assets	(1,078,663)	(617,620)	(1,696,283)	617,617	(1,078,666)	5,580,993
Net Assets, Beginning of Year	37,045,915	(171,446)	36,874,469	150,686	37,025,155	31,444,162
Net Assets, End of Year	$ 35,967,252	$ (789,066)	$ 35,178,186	$ 768,303	$ 35,946,489	$ 37,025,155

See independent auditor's report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. **Schedule VI**
AND SUBSIDIARIES
Consolidating Statement of Functional Expenses - VOASELA, Inc.
For the Year Ended June 30, 2022
With Summarized Comparative Information for the Year Ended June 30, 2021

	VOASELA, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2022 Consolidated	2021 Consolidated
Salaries and Wages	$ 18,378,137	$ -	$ 18,378,137	$ (286,188)	$ 18,091,949	$ 18,790,804
Employee Benefits	2,526,991	-	2,526,991	(48,890)	2,478,101	2,648,402
Professional Services	4,729,106	466,735	5,195,841	(151,059)	5,044,782	4,867,035
Occupancy	1,675,944	536,566	2,212,510	(2,406)	2,210,104	2,197,118
Specific Assistance	3,333,214	-	3,333,214	-	3,333,214	3,015,373
Program Supplies and Equipment	2,699,215	73,567	2,772,782	(10,543)	2,762,239	1,916,741
Office Supplies and Expenses	457,754	11,134	468,888	(2,570)	466,318	411,320
Travel, Conferences, and Meetings	550,122	22	550,144	-	550,144	398,518
Depreciation and Amortization	440,572	118,263	558,835	-	558,835	532,899
Interest	19,541	9,186	28,727	(9,185)	19,542	38,485
Other	1,078,956	94,171	1,173,127	(2,395)	1,170,732	821,308
Total	$ 35,889,552	$ 1,309,644	$ 37,199,196	$ (513,236)	$ 36,685,960	$ 35,638,003

See independent auditor's report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. **Schedule VII**
AND SUBSIDIARIES
Consolidating Statement of Financial Position - VOA Development, Inc.
June 30, 2022
With Summarized Comparative Information at June 30, 2021

	VOA Development, Inc.	VOA Development 2, Inc.	2022 Consolidated	2021 Consolidated
Assets				
Current Assets				
Cash and Cash Equivalents	$ 6,149	$ 6,080	$ 12,229	$ 12,728
Accounts Receivable, Net of Allowance for Doubtful Accounts of $22,757 at 2022 and 2021	13,972	5,362	19,334	201,803
Prepaid Expenses	-	-	-	17,055
Other Current Assets	5,926	16,195	22,121	22,121
Total Current Assets	26,047	27,637	53,684	253,707
Fixed Assets, Net	925,535	1,220,708	2,146,243	2,263,730
Other Assets				
Designated and Restricted Deposits	5,006	3,651	8,657	12,790
Total Other Assets	5,006	3,651	8,657	12,790
Total Assets	$ 956,588	$ 1,251,996	$ 2,208,584	$ 2,530,227

See independent auditor's report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. **Schedule VII**
AND SUBSIDIARIES
Consolidating Statement of Financial Position - VOA Development, Inc. (Continued)
June 30, 2022
With Summarized Comparative Information at June 30, 2021

	VOA Development, Inc.	VOA Development 2, Inc.	2022 Consolidated	2021 Consolidated
Liabilities and Net Assets				
Current Liabilities				
Accounts Payable	$ 159,941	$ 473,545	$ 633,486	$ 341,334
Accounts Payable - VOASELA, Inc.	371,208	1,475,842	1,847,050	1,846,170
Note Payable - VOASELA, Inc.	176,439	173,499	349,938	349,938
Interest Payable - VOASELA, Inc.	12,391	95,757	108,148	98,962
Accrued Expenses	26,965	9,347	36,312	46,755
Other Current Liabilities	8,831	13,885	22,716	18,514
Total Current Liabilities	755,775	2,241,875	2,997,650	2,701,673
Total Liabilities	755,775	2,241,875	2,997,650	2,701,673
Net Assets				
Net Assets Without Donor Restrictions	200,813	(989,879)	(789,066)	(171,446)
Total Net Assets	200,813	(989,879)	(789,066)	(171,446)
Total Liabilities and Net Assets	$ 956,588	$ 1,251,996	$ 2,208,584	$ 2,530,227

See independent auditor's report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. **Schedule VIII**
AND SUBSIDIARIES
Consolidating Statement of Activities - VOA Development, Inc.
For the Year Ended June 30, 2022
With Summarized Comparative Information for the Year Ended June 30, 2021

	VOA Development, Inc.	VOA Development 2, Inc.	2022 Consolidated	2021 Consolidated
Net Assets Without Donor Restrictions				
Revenue, Support, and Gains Without Donor Restrictions				
Revenues and Grants from Governmental Agencies	$ 303,792	$ 250,429	$ 554,221	$ 629,023
Other Revenue				
Rental Income	39,767	91,725	131,492	258,593
Other Operating Income	3,563	2,748	6,311	7,017
Total Other Revenue	43,330	94,473	137,803	265,610
Total Revenue, Support, and Gains Without Donor Restrictions	347,122	344,902	692,024	894,633

See independent auditor's report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. **Schedule VIII**
AND SUBSIDIARIES
Consolidating Statement of Activities - VOA Development, Inc. (Continued)
For the Year Ended June 30, 2022
With Summarized Comparative Information for the Year Ended June 30, 2021

	VOA Development, Inc.	VOA Development 2, Inc.	2022 Consolidated	2021 Consolidated
Operating Expenses				
Program Services				
Promoting Self-Sufficiency	625,055	684,589	1,309,644	1,199,225
Total Program Services	625,055	684,589	1,309,644	1,199,225
Total Operating Expenses	625,055	684,589	1,309,644	1,199,225
Deficit from Operations	(277,933)	(339,687)	(617,620)	(304,592)
Change in Net Assets Without Donor Restrictions	(277,933)	(339,687)	(617,620)	(304,592)
Total Change in Net Assets	(277,933)	(339,687)	(617,620)	(304,592)
Net Assets, Beginning of Year	478,746	(650,192)	(171,446)	133,146
Net Assets, End of Year	$ 200,813	$ (989,879)	$ (789,066)	$ (171,446)

See independent auditor's report.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Consolidating Statement of Functional Expenses - VOA Development, Inc.
For the Year Ended June 30, 2022
With Summarized Comparative Information for the Year Ended June 30, 2021

Schedule IX

	VOA Development, Inc.	VOA Development 2, Inc.	2022 Consolidated	2021 Consolidated
Professional Services	$ 237,089	$ 229,646	$ 466,735	$ 459,090
Occupancy	280,584	255,982	536,566	490,664
Program Supplies and Equipment	28,885	44,682	73,567	41,860
Office Supplies and Expenses	6,406	4,728	11,134	10,146
Travel, Conferences, and Meetings	-	22	22	208
Depreciation and Amortization	30,309	87,954	118,263	118,263
Interest	511	8,675	9,186	24,342
Other	41,271	52,900	94,171	54,652
Total	$ 625,055	$ 684,589	$ 1,309,644	$ 1,199,225

See independent auditor's report.

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the consolidated financial statements of Volunteers of America Southeast Louisiana, Inc. and Subsidiaries (the Organization), which comprise the consolidated statement of financial position as of June 30, 2021, the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 17, 2022.

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as 2022–01, that we consider to be a material weakness.

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

VOASELA's Response to the Finding
VOASELA's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. VOASELA's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

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

LaPorte

A Professional Accounting Corporation

Covington, LA
October 17, 2022

Section I - Summary of Auditor's Results

Financial Statements

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

Section II - Financial Statement Findings

2022-01 - Proposed Audit Adjustments on RNDC

Condition: The proposed audit adjustments on RNDC had material effects on the consolidated financial statements. Several of the proposed audit adjustments included routine bookkeeping and reclassification entries that should have been posted by management prior to the year-end closing.

Criteria: On a monthly basis, management should review the balances on every entity ensuring that all closing adjustments are recorded properly and make any adjustments as needed throughout the year.

Effect: Due to the factors listed above, further investigation was needed on various account balances across several entities after the year-end closing and several adjustments were needed to reconcile the trial balances.

Cause: In the current year, the accounting staff was new and management's review process was limited.

Recommendation: We recommend that management take the opportunity to evaluate the operations of the accounting function on RNDC. Management should perform a comprehensive review of the financial statements, account reconciliations, and journal entries before closing the fiscal year. In addition, general ledger activity should be reviewed to reduce the likelihood of misstatements within the consolidated financial statements.

Management Response:

In September 2022, RNDC's former senior accountant was reassigned from VOASELA to support RNDC on a temporary basis while we find our permanent candidate.

RNDC had also hired and onboarded an additional junior accountant in August 2022 to ensure that routine bookkeeping is maintained, including routing reconciliations and adjusting journal entries.

The financial statement preparation for RNDC at September 30, 2022 and subsequent quarters will include a review by the Vice-President of Accounting and Finance and Volunteers of America National housing staff of the following additional material:

- A review of updated audit roll-forward schedules updated for the quarter;
- A review of updated Hurricane Ida subsequent repairs and renovation entries, and;
- A review the combining partnership financial statements.

The controls that RNDC had in place in the year ended June 30, 2022 are adequate and appropriate for the normal program operations, but it was the infrequent and extraordinary hurricane event and new personnel that caused the audit finding.

Management will continue to look for ways to strengthen our internal controls going forward.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Schedule of Prior Audit Findings
For the Year Ended June 30, 2022

None.

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC. AND SUBSIDIARIES

Single Audit Report

For the Year Ended June 30, 2022

LAPORTE
CPAs & BUSINESS ADVISORS

Contents

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

To the Board of Directors
Volunteers of America 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 identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2022. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the 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, 2022.

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

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

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

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

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

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

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

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

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

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

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

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

We have audited the consolidated financial statements of the Organization as of and for the year ended June 30, 2022, and have issued our report thereon dated October 17, 2022, 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.

LaPorte

A Professional Accounting Corporation

Covington, LA
December 15, 2022

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

FEDERAL GRANTOR/ PASS-THROUGH AGENCY/ PROGRAM TITLE	Federal Assistance Listing Number	Agency Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of Housing and Urban Development				
Direct Programs:				
Continuum Care	14.267	LA0255L6H061904,LA0255L6H061803	$ 255,474	$ -
Continuum Care	14.267	LA0285L6H061903	108,949	-
Continuum Care	14.267	LA0121L6H061912	917,007	-
Continuum Care	14.267	LA0350L6H061900	110,229	-
Continuum Care	14.267	LA0177L6H061908, LA0177L6H061807	34,016	-
Continuum Care	14.267	LA0187L6H061908,LA0187L6H061807	90,616	-
Continuum Care	14.267	LA0076L6H031911	1,080,557	-
Section 8 Housing Assistance Payments Program	14.195	LA480000001	80,904	-
Section 8 Housing Assistance Payments Program	14.195	LA480000002	76,932	-
Subtotal - Direct Programs			2,754,684	-
Passed through New Orleans Housing Authority:				
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	LA001SC0001, LA001SR001	303,792	-
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	LA001SR002	250,429	-
Passed through Volunteers of America, Inc.:				
Multifamily Housing Service Coordinators	14.191	LA48C59500100, MFSC176139	122,419	-
Passed through State of Louisiana:				
Community Development Block Grant	14.218	735481	370,437	-
Passed through City of Kenner:				
Community Development Block Grant	14.218	B-13-MC-22008	34,101	-
Passed through Parish of Jefferson:				
Community Development Block Grant	14.218	21280-1176-139-7454-81927-001	269,435	-
Subtotal - Pass-through Programs			1,350,613	-
Total U.S. Department of Housing and Urban Development			4,105,297	-
U.S. Department of Justice				
Passed through Office of Juvenile Justice				
Juvenile Mentoring Program	16.726	2019-JU-FX-0013	50,162	-
Subtotal - Pass-through Programs			50,162	-
Total U.S. Department of Justice			50,162	-
U.S. Department of Labor				
Direct Programs:				
Homeless Veterans Reintegration Program	17.805	HV-35295-20-60-5-22	306,227	-
Homeless Veterans Reintegration Program	17.805	HV-35924-20-60-5-22	165,493	-
Total U.S. Department of Labor			471,720	-

VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2022

FEDERAL GRANTOR/ PASS-THROUGH AGENCY/ PROGRAM TITLE	Federal Assistance Listing Number	Agency Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of Veteran Affairs				
Direct Programs:				
Homeless Providers Grant and Per Diem Program	64.024	VOAN750-1463-629-PD-21	$ 476,787	$ -
COVID-19, Homeless Providers Grant and Per Diem Program	64.024	VA 256-15-C-0044	43,751	-
Homeless Providers Grant and Per Diem Program	64.024	VA 256-15-C-0076	187,824	-
Homeless Providers Grant and Per Diem Program	64.024	VA 629C17093	333,202	-
COVID-19, Homeless Providers Grant and Per Diem Program	64.024	VA 629-C90003	107,356	-
Homeless Providers Grant and Per Diem Program	64.024	VOAN750-1183-629-CM-20	56,312	-
COVID-19, Supportive Services for Veteran Families	64.033	2012-LA-038-CA	4,212,315	2,043,158
Supportive Services for Veteran Families	64.033	2012-LA-038-20	171,075	98,101
Total U.S. Department of Veteran Affairs			5,588,622	2,141,259
U.S. Department of Health and Human Services				
Direct Programs:				
HRSA Stepping Stones Program	93.928	2OU90HA397HEPC	260,800	-
Subtotal - Direct Programs			260,800	-
Passed through State of Louisiana:				
Projects for Assistance in Transition from Homelessness	93.150	19384	228,825	-
HIV Care Formula Grant	93.917		745,909	-
Block Grants for Community Mental Health Services	93.958	PO 2000510452	91,336	-
Passed through Florida Parishes Human Services Authority:				
Opioid Mobile Response Team	93.788	PO 2000510519	233,641	-
Passed through DHH for Children and Families				
Sexual Risk Avoidance Education	93.060	90R0075-01-01	217,113	-
Passed through Substance Abuse Mental Health Administration				
Substance Abuse and Mental Health Administration	93.243	19T182417A	489,374	-
Subtotal - Pass-through Programs			2,006,198	-
Total U.S. Department of Health and Human Services			2,266,998	-
Corporation for National and Community Service				
Direct Programs:				
Retired and Senior Volunteer Program	94.002	19SRWLA001	99,680	-
Total Corporation for National and Community Service			99,680	-
Total Expenditures of Federal Awards			$ 12,582,479	$ 2,141,259

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, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200*, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note 2. Summary of Significant Accounting Policies

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

Note 3. De Minimis Cost Rate

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

Section I. Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

Assistance Listing Number	Name of Federal Program
14.249	Section 8 Moderate Rehabilitation Single Room Occupancy
64.033	Supportive Services for Veteran Families

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

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

Condition: The proposed audit adjustments on RNDC had material effects on the consolidated financial statements. Several of the proposed audit adjustments included routine bookkeeping and reclassification entries that should have been posted by management prior to the year-end closing.

Criteria: On a monthly basis, management should review the balances on every entity ensuring that all closing adjustments are recorded properly and make any adjustments as needed throughout the year.

Effect: Due to the factors listed above, further investigation was needed on various account balances across several entities after the year-end closing and several adjustments were needed to reconcile the trial balances.

Cause: In the current year, the accounting staff was new and management's review process was limited.

Recommendation: We recommend that management take the opportunity to evaluate the operations of the accounting function on RNDC. Management should perform a comprehensive review of the financial statements, account reconciliations, and journal entries before closing the fiscal year. In addition, general ledger activity should be reviewed to reduce the likelihood of misstatements within the consolidated financial statements.

Management Response:
In September 2022, RNDC's former senior accountant was reassigned from VOASELA to support RNDC on a temporary basis while we find our permanent candidate.

RNDC had also hired and onboarded an additional junior accountant in August 2022 to ensure that routine bookkeeping is maintained, including routing reconciliations and adjusting journal entries.

Section II. Findings - Financial Statement Audit (Continued)

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

The financial statement preparation for RNDC at September 30, 2022 and subsequent quarters will include a review by the Vice-President of Accounting and Finance and Volunteers of America National housing staff of the following additional material:

- A review of updated audit roll-forward schedules updated for the quarter;
- A review of updated Hurricane Ida subsequent repairs and renovation entries, and;
- A review the combining partnership financial statements.

The controls that RNDC had in place in the year ended June 30, 2022 are adequate and appropriate for the normal program operations, but it was the infrequent and extraordinary hurricane event and new personnel that caused the audit finding. Management will continue to look for ways to strengthen our internal controls going forward.

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

None.

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2022

None.

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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, 2021 - June 30, 2022

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period July 1, 2021 through June 30, 2022. Volunteers of America Southeast Louisiana, Inc. and Subsidiaries (the Organization) management is responsible for those C/C areas identified in the SAUPs.

Volunteers of America Southeast Louisiana, Inc. and Subsidiaries has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

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, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

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

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

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

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

<u>**Results**</u>: No exceptions were noted as a result of performing these procedures.

Board or Finance Committee

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

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

b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

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

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

Bank Reconciliations

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

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

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

Collections (excluding electronic funds transfers)

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

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 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/official verifies the reconciliation.

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

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 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). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

   a) Observe that receipts are sequentially pre-numbered.

   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 10 miles from the collection location or the deposit is less than $100 and the cash is stored securely in a locked safe or drawer).

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

   Not applicable.

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

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

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

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

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

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

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

   [Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

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

    a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

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

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

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

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

    a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

       [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

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

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

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

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

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

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

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

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

       Not applicable.

Contracts

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

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

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

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

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

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

Payroll and Personnel

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

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

    a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

    b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

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

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

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

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

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

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above· obtain ethics documentation from management, and:

    a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

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

    Not applicable.

Debt Service

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

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

    Not applicable.

Fraud Notice

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

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

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

Information Technology Disaster Recovery/Business Continuity

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

    a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

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

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

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

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

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

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

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

    Not applicable.

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

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

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

LaPorte

A Professional Accounting Corporation

Covington, LA
December 15, 2022