

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

**June 30, 2019**

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

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## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Volunteers of America of North Louisiana (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

## Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Volunteers of America of North Louisiana as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Summarized Comparative Information

We have previously audited Volunteers of America of North Louisiana's 2018 consolidated financial statements and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated November 6, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

## Other Matters

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of compensation, benefits and other payments to agency head or chief executive officer is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 information is fairly stated, in all material respects, in relation to the consolidated 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 31, 2019, on our consideration of the Volunteers of America of North Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Volunteers of America of North Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Volunteers of America of North Louisiana's internal control over financial reporting and compliance.

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

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana  
October 31, 2019

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

Consolidated Statement of Financial Position  
June 30, 2019  
(with Comparative Totals for 2018)

	2019	2018
<b>ASSETS</b>		
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	\$ 489,373	\$ 753,396
ACCOUNTS RECEIVABLE, NET	1,421,153	1,098,237
PLEDGES RECEIVABLE, NET	530,315	502,591
PREPAID EXPENSES	112,324	82,117
OTHER CURRENT ASSETS	143,244	142,060
TOTAL CURRENT ASSETS	2,696,409	2,578,401
FIXED ASSETS		
LAND AND BUILDINGS	3,898,957	3,901,981
FURNISHINGS AND EQUIPMENT	1,362,667	1,593,489
ACCUMULATED DEPRECIATION	(3,022,284)	(2,982,031)
TOTAL FIXED ASSETS	2,239,340	2,513,439
OTHER ASSETS		
DESIGNATED AND RESTRICTED ASSETS	3,032,779	3,043,138
NOTES RECEIVABLE, NET	100,000	200,000
OTHER ASSETS	1,630,966	1,638,027
TOTAL OTHER ASSETS	4,763,745	4,881,165
 TOTAL ASSETS	 \$ 9,699,494	 \$ 9,973,005
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 116,355	\$ 123,049
LINE OF CREDIT	-	212,326
ACCRUED EXPENSES	676,977	803,257
OTHER CURRENT LIABILITIES	11,571	(519)
TOTAL CURRENT LIABILITIES	804,903	1,138,113
OTHER LIABILITIES		
MORTGAGES PAYABLE, NON CURRENT	640,000	640,000
LONG TERM NOTES PAYABLE	138,000	-
OTHER LONG TERM LIABILITIES	127,314	179,119
TOTAL OTHER LIABILITIES	905,314	819,119
TOTAL LIABILITIES	1,710,217	1,957,232
NET ASSETS		
WITHOUT DONOR RESTRICTIONS	3,005,143	2,706,440
WITH DONOR RESTRICTIONS	4,984,134	5,309,333
TOTAL NET ASSETS	7,989,277	8,015,773
TOTAL LIABILITIES AND NET ASSETS	\$ 9,699,494	\$ 9,973,005

The accompanying Notes are an integral part of these statements.

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

Consolidated Statement of Activities  
for the Year Ended June 30, 2019  
(with Comparative Totals for 2018)

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>2019 TOTAL</u>	<u>2018</u>
<b>REVENUE FROM OPERATIONS</b>				
<i>PUBLIC SUPPORT RECEIVED DIRECTLY</i>				
Contributions	\$ 1,528,698	\$ 1,332,975	\$ 2,861,673	\$ 2,625,742
Contributions, In-Kind	491,789	-	491,789	467,858
<i>PUBLIC SUPPORT RECEIVED INDIRECTLY</i>				
United Way	75,865	-	75,865	112,411
Combined Federal Campaign	297	-	297	108
<i>TOTAL PUBLIC SUPPORT</i>	<u>2,096,649</u>	<u>1,332,975</u>	<u>3,429,624</u>	<u>3,206,119</u>
<i>REVENUE &amp; GRANTS FROM GOVERNMENTAL AGENCIES</i>	11,421,793	-	11,421,793	11,614,702
<i>OTHER REVENUE</i>				
Program Service Fees	548,539	-	548,539	443,988
Rental Income	650	-	650	600
Other Operating Revenue	12,849	-	12,849	12,693
<i>TOTAL OTHER REVENUE</i>	<u>562,038</u>	<u>-</u>	<u>562,038</u>	<u>457,281</u>
<i>NET ASSETS RELEASED FROM RESTRICTION</i>	<u>1,471,192</u>	<u>(1,471,192)</u>	<u>-</u>	<u>-</u>
<b>TOTAL REVENUE FROM OPERATIONS</b>	<u>15,551,672</u>	<u>(138,217)</u>	<u>15,413,455</u>	<u>15,278,102</u>
<b>OPERATING EXPENSES</b>				
Encouraging Positive Development	2,060,572	-	2,060,572	1,901,255
Fostering Independence	8,525,233	-	8,525,233	8,664,858
Promoting Self-Sufficiency	1,955,017	-	1,955,017	2,350,111
<i>TOTAL PROGRAM SERVICES</i>	<u>12,540,822</u>	<u>-</u>	<u>12,540,822</u>	<u>12,916,224</u>
Management and General	2,459,168	-	2,459,168	2,556,687
Fund Raising	736,181	-	736,181	1,016,504
<i>TOTAL SUPPORTING SERVICES</i>	<u>3,195,349</u>	<u>-</u>	<u>3,195,349</u>	<u>3,573,191</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>15,736,171</u>	<u>-</u>	<u>15,736,171</u>	<u>16,489,415</u>
<b>EXCESS (DEFICIT) FROM OPERATIONS</b>	(184,499)	(138,217)	(322,716)	(1,211,313)
<i>NON-OPERATING ACTIVITY</i>				
Net interest and dividend income	162,084	42,168	204,252	272,196
Gains (losses) on disposition of assets	20,610	-	20,610	-
Gains (losses) on investments	21,412	49,946	71,358	73,643
<i>SURPLUS (DEFICIT) FROM NON-OPERATING ACTIVITY</i>	<u>204,106</u>	<u>92,114</u>	<u>296,220</u>	<u>345,839</u>
<b>CHANGE IN NET ASSETS</b>	19,607	(46,103)	(26,496)	(865,474)
<i>NET ASSETS AS ORIGINALLY STATED</i>	2,706,440	5,309,333	8,015,773	8,881,247
<i>PRIOR PERIOD ADJUSTMENTS</i>	279,096	(279,096)	-	-
<i>NET ASSETS AT BEGINNING OF PERIOD</i>	<u>2,985,536</u>	<u>5,030,237</u>	<u>8,015,773</u>	<u>8,881,247</u>
<i>NET ASSETS AT END OF PERIOD</i>	<u>\$ 3,005,143</u>	<u>\$ 4,984,134</u>	<u>\$ 7,989,277</u>	<u>\$ 8,015,773</u>

The accompanying Notes are an integral part of these statements.

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

Consolidated Statement of Functional Expenses  
for the Year Ended June 30, 2019  
(with Comparative Totals for 2018)

	Program Services				Supporting Services			2019 Totals	2018
	Encouraging Positive Development	Fostering Independence	Promoting Self- Sufficiency	Total	Management and General	Fund Raising	Total		
Salaries and Wages	\$ 1,092,196	\$ 5,535,599	\$ 819,284	\$ 7,447,079	\$ 1,080,250	\$ 322,822	\$ 1,403,072	\$ 8,850,151	\$ 9,025,548
Employee Benefits	187,707	871,615	153,542	1,212,864	225,304	56,964	282,268	1,495,132	1,749,443
Professional Services	139,088	490,912	99,361	729,361	730,875	174,520	905,395	1,634,756	1,724,807
Occupancy	315,792	213,081	61,982	590,855	97,468	10,990	108,458	699,313	670,777
Specific Assistance	199,369	865,106	650,992	1,715,467	9,591	956	10,547	1,726,014	1,754,323
Program Supplies and Equipment	57,316	238,562	50,584	346,462	47,536	11,216	58,752	405,214	389,518
Office Supplies and Expense	21,909	70,097	15,005	107,011	15,022	79,197	94,219	201,230	156,509
Travel, Conferences and Meetings	35,725	109,748	8,970	154,443	28,214	17,581	45,795	200,238	296,337
Interest	-	-	-	-	27,530	-	27,530	27,530	18,044
Other	-	89,725	-	89,725	-	61,935	61,935	151,660	379,639
<b>Total Expenses Before Depreciation</b>	<b>2,049,102</b>	<b>8,484,445</b>	<b>1,859,720</b>	<b>12,393,267</b>	<b>2,261,790</b>	<b>736,181</b>	<b>2,997,971</b>	<b>15,391,238</b>	<b>16,164,945</b>
Depreciation	11,470	40,788	95,297	147,555	197,378	-	197,378	344,933	324,470
<b>Total Functional Expenses</b>	<b>\$ 2,060,572</b>	<b>\$ 8,525,233</b>	<b>\$ 1,955,017</b>	<b>\$ 12,540,822</b>	<b>\$ 2,459,168</b>	<b>\$ 736,181</b>	<b>\$ 3,195,349</b>	<b>\$ 15,736,171</b>	<b>\$ 16,489,415</b>

The accompanying Notes are an integral part of these statements.

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

Consolidated Statement of Cash Flows  
for the Year Ended June 30, 2019  
(with Comparative Totals for 2018)

	2019	2018
Change in Net Assets	\$ ( 26,496)	\$ ( 865,474)
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by (Used in) Operating Activities		
Depreciation	344,933	324,470
Contributions restricted for long-term purposes	( 6,000)	( 43,500)
Contributions restricted to purchase equipment	( 100,698)	-
Noncash capital contributions	-	( 101,831)
Restricted interest & dividends	( 79,604)	( 78,860)
Gain on Sale of Fixed Assets	( 20,610)	-
Gain on Investment Transactions	( 71,358)	( 73,643)
(Increase) Decrease in:		
Accounts Receivable, Net	( 322,917)	442,856
Pledges Receivable, Net	( 27,725)	74,349
Prepaid Expenses	( 30,208)	2,752
Other Assets	8,138	116,782
Increase (Decrease) in:		
Accounts Payable	( 6,693)	( 37,831)
Contract Advances	-	( 36,600)
Accrued Expenses	( 126,280)	102,084
Other Liabilities	11,940	( 11,970)
Net Cash Used in Operating Activities	( 453,578)	( 186,416)
Cash Flows from Investing Activities		
Proceeds from sale of fixed assets	150	-
Proceeds from property and equipment insurance recovery	20,460	-
Proceeds from (Loans to) related parties	( 2,260)	( 36,806)
Proceeds from Sale of Investments	122,166	118,418
Purchase of Investments	( 92,104)	( 124,861)
Purchase of Fixed Assets	( 70,833)	( 53,283)
Repayment of notes receivable	100,000	-
Net Cash Provided by (Used in) Investing Activities	77,579	( 96,532)
Cash Flows from Financing Activities		
Contributions restricted for long-term purposes	6,000	43,500
Contributions restricted to purchase equipment	100,698	-
Restricted interest and dividends	79,604	78,860
Net Activity on Line of Credit	( 212,326)	( 56,503)
Payments on Notes Payable	-	( 302,652)
Proceeds from Issuance of Notes Payable	138,000	200,500
Net Cash Provided by (Used in) Financing Activities	111,976	( 36,295)
Net Increase (Decrease) in Cash and Cash Equivalents	( 264,023)	( 319,243)
Cash and Cash Equivalents - Beginning	753,396	1,072,639
Cash and Cash Equivalents - Ending	\$ 489,373	\$ 753,396
Supplemental Disclosure of Cash Flow Information:		
Cash Paid for Interest During the Year	\$ 27,530	\$ 18,044
Schedule of Noncash Investing Transactions		
Noncash Equipment Grant from LA Department of Transportation	\$ -	\$ 101,831

The accompanying Notes are an integral part of these statements.

# Volunteers of America of North Louisiana Shreveport, Louisiana

Notes to the Consolidated Financial Statements  
June 30, 2019

## **Note 1 Organization**

The consolidated financial statements for Volunteers of America of North Louisiana include Volunteers of America of North Louisiana, Volunteers of America of North Louisiana Housing Development Corporation and McAdoo Services Corporation, which collectively are referred to as “the Organization”. Volunteers of America of North Louisiana is a nonprofit spiritually based human services organization, incorporated in the State of Louisiana, that provides social services within North and Central Louisiana under a charter from Volunteers of America, Inc., a national nonprofit spiritually based organization providing local human service programs, and opportunities for individual and community involvement.

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

### **Encouraging Positive Development**

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

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

#### **Children and Youth**

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

#### **Community Enhancement**

- Parents as Teachers – parent education and family support
- Family Resource Center – family preservation
- Neighbors for Neighbors – family support

### **Fostering Independence**

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

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

#### **Disabilities Services**

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

#### **Elderly Services**

- Senior Lunch – meal in social setting for senior citizens

### **Mental Health**

- GAPS – supportive housing for mentally ill persons in a congregate setting
- SHOC – supportive housing for mentally ill persons in scattered site apartments
- Intensive Sheltering – respite care for chronically mentally ill adults
- HUD Central LA – housing with supportive services for mentally ill adults
- Rapid Rehousing – housing for people who are homeless and in need of immediate assistance
- Behavioral Health - Adults – home and community-based outpatient services for adults with serious mental illness
- Behavioral Health - Youth – school, community, and home-based behavioral health services for youth, ages 5 to 20, experiencing emotional and/or behavior problems
- Community Health – prevention of recurring emergency room visits and hospital stays by ensuring adherence to discharge plan

### **Housing – Disabled Housing and Elderly Housing**

- HUD Management – 100 units at 6 properties housing persons with disabilities

### **Promoting Self-Sufficiency**

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

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

#### **Community Enhancement**

- Partners in Literacy – adult literacy
- Choice Neighborhoods - initiative dedicated to redeveloping neighborhoods through community services and affordable housing

#### **Correctional Services**

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

#### **Homeless Services**

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

#### **Housing**

- VA Housing – transitional housing for homeless veterans
- Safe Haven – transitional shelter for homeless veterans
- Permanent Supportive Housing – case management for behavioral health adults to obtain and maintain housing

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

#### **Supporting Services**

- Management & General
- Fundraising

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

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

### **Accounting Pronouncements Adopted**

In August 2016, the FASB issued ASU 2016-14, "Presentation of Financial Statements of Not-for-Profit Entities" (Topic 958). The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. In addition, ASU 2016-14 removes the requirements that not-for-profit entities that chose to prepare the statements of cash flows using the direct method must also present a reconciliation (the indirect method). Volunteers of America of North Louisiana adopted this ASU as of and for the year ended June 30, 2019.

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

Principles of Consolidation - The consolidated financial statements for Volunteers of America of North Louisiana include the accounts of Volunteers of America of North Louisiana, Volunteers of America of North Louisiana Housing Development Corporation and McAdoo Services Corporation, which collectively are referred to as "the Organization". All material inter-organization transactions have been eliminated.

Net Assets - Under the provisions of FASB ASU 2016-14, net assets and revenues and contributions, expenses, gains, and losses are classified based on the existence of absence of donor-imposed restrictions. Accordingly, Volunteers of America of North Louisiana classifies net assets into two categories: with or without donor-imposed restrictions. All net assets are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Net assets with donor restrictions that are perpetual in nature include contributions with donor-imposed restrictions requiring resources to be maintained in perpetuity, but permitting use of all or part of the investment income earned on the contributions.

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

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

Property and Equipment - Land, buildings and equipment purchased by Volunteers of America of North Louisiana are recorded at cost. The Organization follows the practice of capitalizing all expenditures for land, buildings and equipment over \$5,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed on the straight-line method based upon the following estimated useful lives of the assets: furniture and equipment – five to ten years; transportation vehicles – five years; and buildings and improvements – thirty years. Repairs in excess of \$5,000 that do not significantly extend the life of the underlying asset are expensed as incurred. Certain property and equipment purchased with grant funds may revert back to the funding agency if the program is closed or abandoned and proceeds from the sale of certain property could be returned to the granting agency.

Cash Equivalents - Cash equivalents are all highly liquid investments with a maturity of three months or less when purchased, 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 maturity of those instruments.

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

Contributions - Contributions are generally recorded only upon receipt, unless evidence of an unconditional promise to give has been received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The discount on these amounts are computed using a rate of 5.05%, which is based on the average borrowing rate on the Organization's lines of credit. Conditional promises to give are not included as support until such time as the conditions are substantially met. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

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

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

Income Taxes - Under provisions of Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the State of Louisiana, Volunteers of America of North Louisiana is exempt from income taxes, except for net income from unrelated business income, as a subordinate unit of Volunteers of America, Inc. Volunteers of America, Inc. is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as a religious organization described in Section 501(c)(3). There were no unrelated business activities in 2019. Accordingly, no tax expense was incurred for the year ended June 30, 2019.

Volunteers of America of North Louisiana has adopted the provisions of FASB ASC 740-10-25. Under FASB ASC 740-10-25, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not the position will be sustained. The Organization does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. For the year ended June 30, 2019, there were no interest or penalties recorded or included in its financial statements.

Investments - Investments consist primarily of mutual funds, bonds and cash reserve funds. They are recorded at fair value based on quoted market prices. All other investments are reported at historical cost, if purchased, or, if contributed, at fair value on the date contributed.

Underwater Endowments - Underwater endowments are donor restricted endowment funds for which the fair value of the fund at the reporting date is less than either the original gift amount or the amount required to be maintained by the donor or by law that extends donor restrictions. The entire balance of the endowment fund is reported in the "with donor restrictions class of net assets". The Organization had no underwater endowments at June 30, 2019.

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

Volunteers of America of North Louisiana's endowment fund consists of donor-restricted endowments and a board-restricted endowment. Consistent with Article VIII of the By-Laws of the Volunteers of America of North Louisiana Endowment, the board expects to distribute annually up to 5% of the trailing five-year average of year-end fund market value. A distribution of \$102,737 was made in fiscal year 2019, of which \$71,150 was from donor-restricted endowments. In the next 12 months, a distribution of \$103,584 will be available, in accordance with the spending policy. Although Volunteers of America of North Louisiana does not intend to spend from its board-restricted endowment, these funds could be drawn upon if the board of directors approves that action.

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

Current assets, excluding nonfinancial assets	\$2,584,085
Add: endowment fund distribution for next fiscal year	103,584
Subtract: board-designated endowment and other reserves	<u>(916,671)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$1,770,998</u>

Summary Financial Information for 2018 - The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Volunteers of America of North Louisiana's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

Functional Expenses - The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the various functions. The consolidated statements of functional expenses present the natural classification detail of expense by function. Accordingly, certain costs have been allocated among the community programs, management and general, and fundraising expenses.

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

Concentrations of Credit Risk - Volunteers of America of North Louisiana maintains its cash balances at several different financial institutions and investment companies in its service delivery area. The balances with the financial institutions are insured by the FDIC up to \$250,000 for each bank. The Organization can have exposure from time to time due to cash balances held in excess of the FDIC coverage. At June 30, 2019, the Organization's cash balances held in money market investment accounts are insured by SIPC and the investment company's excess insurance coverage.

The Organization has the following mix of receivables and revenue from governmental agencies at June 30, 2019:

	Receivable	Revenue
Medicaid	56 %	61 %
U.S. Department of Health and Human Services	0 %	5 %
U.S. Department of Housing and Urban Development	8 %	12 %
U.S. Department of Veterans Affairs	18 %	17 %
State of Louisiana	7 %	2 %
Other Sources	11 %	3 %
Total	<u>100 %</u>	<u>100 %</u>

Fair Value Measurements - FASB ASC 820.10 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

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

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

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

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

### **Note 3 Net Assets with Donor Restrictions**

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

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

Strengthening children & families	\$1,501,657
Post adoption services	149,114
Greatest need & future support	384,845
	<u>2,035,616</u>
Subject to expenditure for specified purposes:	
Children & families supplies & assistance	6,043
Employee services	25,627
Renovation projects	39,035
	<u>70,705</u>
Subject to the passage of time:	
Pledge receivables subject to payment	2,327,813
Grant received in current fiscal year for next year	550,000

	<u>2,877,813</u>
Total net assets with donor restrictions	<u>\$4,984,134</u>

**Note 4 Board Designated Net Assets**

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

Board designated endowments & quasi endowments, subject to spending policy and appropriation, to support the following purposes:	
Greatest need & future support	\$ 808,530
Scholarships & educational support	<u>62,670</u>
	871,200
Other funding for the following purposes:	
Cash reserves for future support	1,277
Capital reserve fund	<u>44,194</u>
Total board-designated net assets	<u>\$ 916,671</u>

**Note 5 Fair Value Measurements**

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

	<u>Level 1</u> Quoted Prices in Active Markets	<u>Level 2</u> Other Observable Inputs	<u>Level 3</u> Unobservable Inputs
Investments	\$ <u>2,867,163</u>	\$ <u>188,225</u>	\$ <u>-</u>
Pledges receivable (included in pledges receivable and other assets)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>2,133,646</u>

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

The table below presents information about fair value measurements that use significant unobservable inputs (Level 3):

	<u>Pledges</u>
Balance as of June 30, 2018	\$ 2,116,717
Payments received	( 580,301 )
New pledges made	660,280
Write-offs	( 191,410 )
Change in allowance	146,067
Change in discount	( 17,707 )
Balance as of June 30, 2019	<u>\$ 2,133,646</u>

**Note 6 Notes Receivable**

Volunteers of America of North Louisiana advanced funds to a related party in November 2013 in the amount of \$200,000, at a rate of 1%, to be used in connection with a housing project in Shreveport, Louisiana. During 2019, \$100,000 of the principal balance was paid. The remaining principal of \$100,000 plus all accrued interest is due in November 2029. See Note 16.

**Note 7 Investments**

Investments at June 30, 2019, are summarized as follows:

	Cost	Fair Value	Unrealized Gain (Loss)
Money Market	\$ 263,659	\$ 263,659	\$ -
Mutual Funds	1,331,134	1,711,491	380,357
Fixed Income	915,129	946,571	31,442
Other Assets	88,172	133,667	45,495
	<u>2,598,094</u>	<u>3,055,388</u>	<u>457,294</u>
Less Current Investments (included in cash and cash equivalents)	<u>149,573</u>	<u>149,573</u>	<u>-</u>
Long-Term Investments (included in designated and restricted assets)	<u>\$ 2,448,521</u>	<u>\$ 2,905,815</u>	<u>\$ 457,294</u>

Investment return for the year ended June 30, 2019, is composed of interest and dividends of \$84,384, a non-donor restricted dividend of \$136,691 paid from Louisiana Workers' Compensation Corporation, realized losses of \$20,882 and unrealized gains of \$92,240. Investment expenses of \$19,429 are netted against gains (losses) on investments.

**Note 8 Accounts Receivable**

At June 30, 2019, accounts receivable consisted of the following:

Grants and Contracts Receivable	\$ 1,484,663
Other Accounts Receivable	48,347
Less Allowance for Uncollectible Receivables	( 111,857 )
Total	<u>\$ 1,421,153</u>

**Note 9 Debt**

Direct subsidy conditional grant in the amount of \$390,000, commencing August 2009, governed by an Affordable Housing Program Agreement for Rental Project with the Federal Home Loan Bank of Dallas with 0% interest. Grant has fifteen year retention period and will not have to be repaid as long as the Organization complies with the agreement. The agreement is secured by real estate with a net book value of \$1,625,323 as of June 30, 2019.

\$ 390,000

Promissory note payable to the Louisiana Housing Finance Agency in the original amount of \$250,000 with 0% interest rate, payable in annual installments of \$25,000 but not in excess of an amount equal to fifty percent of surplus cash, due on first day of April, commencing April 2010; provided however, that all payments due hereunder shall be payable only out of and to the extent of the surplus cash to be determined by the Agency and after a cash distribution to the Organization of not more than \$10,000. This note matures April 1, 2020, and shall be forgiven on that date if the housing project has been maintained in accordance with the Agency's Affordable Rental Housing Program Regulatory Agreement. Note is secured by a continuing security interest in all rights, title and interest acquired or arising out of this note. The note is secured by real estate with a net book value of \$1,625,323 as of June 30, 2019.

250,000

Promissory note payable to VOA Futures Fund, Inc., in the original amount of \$138,000 with 2.5% interest rate per annum, for the implementation of a school-based behavioral health program for the youth in Bossier Parish Schools (see Note 16). Quarterly payments shall be paid in an amount equal to 100% of the remaining cash flow as defined in the loan agreement. This note matures September 30, 2022, whereupon the outstanding principal and all accrued interest shall be paid.

	138,000
	<u>778,000</u>
Less Current Portion	( - )
Long-Term Portion	<u>\$ 778,000</u>

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

2020	\$ 250,000
2021	-
2022	-
2023	138,000
2024	-
Thereafter	<u>390,000</u>
Total	<u>\$ 778,000</u>

#### Note 10 Line of Credit

Volunteers of America of North Louisiana maintains a revolving line of credit payable to a financial institution, with a maximum credit of \$1,000,000, with interest based on the prime rate as quoted in the Wall Street Journal (the "Index") plus 0.25% over the index, with a minimum amount of 5.500%, maturing on February 13, 2020. This line of credit is secured by deposits, receivables, real estate and land. The real estate and land have a net book value of \$153,347. Interest expense for the year ended June 30, 2019, was \$27,530. There was no balance outstanding on the line of credit as of June 30, 2019.

#### Note 11 Leases

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

2020	\$ 497,806
2021	124,852
2022	33,778
2023-2025	<u>1,870</u>
Total	<u>\$ 658,306</u>

Total rent expense under all leases amounted to \$857,083 for the year ended June 30, 2019, and is included in occupancy, equipment, and travel expenses.

#### Note 12 Pledges Receivable

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

Following is a recap of the Organization's pledges receivable at June 30, 2019.

Total Pledges Receivable	\$ 2,658,161
Less: Allowance for uncollectible pledges	( 194,167 )
Less: Discount, 5.05%	<u>( 330,348 )</u>
Net Pledges Receivable	2,133,646

Less Current Pledges Receivable	( <u>530,315</u> )
Long-term Pledges Receivable (included in other assets)	\$ <u>1,603,331</u>
Gross pledges due in:	
Less than 1 year	\$ 627,978
1 – 5 years	2,027,593
After 5 years	<u>2,590</u>
Total Pledges Receivable	\$ <u>2,658,161</u>

### Note 13 Allocation of Functional Expenses

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

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

### Note 14 Pension Plan for Ministers

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

The financial health of the multi-employer pension plan is indicated by the zone status, as defined by the Pension Protection Act of 2006, which represents the funded status of the plan as certified by the plan's actuary. As of June 30, 2019, the date of the most recent available information, the plan is less than 65% funded. Because the plan is not subject to ERISA, a funding improvement plan is not required; however, the national organization has voluntarily implemented a contribution assessment. The plan is administered through a commercial insurance company and covers all commissioned ministers through December 31, 1999. Pension plan expense was \$41,467 for the year ended June 30, 2019.

### Note 15 Retirement Plan

Volunteers of America of North Louisiana's retirement savings plan is organized under Internal Revenue Code Section 403(b). The plan allows all employees with one year of service to participate. Employees are able to contribute annually up to the statutory limitation, currently \$19,000. The Organization will contribute up to five (5%) percent of gross wages on a dollar for dollar match of employee's contribution. Employees are one hundred (100%) percent vested after three years of service; employees hired prior to May 1, 2015 followed a two-year vesting rule. Contributions made to the plan are at the discretion of the Board of Directors. Retirement plan expense was \$127,106 for the year ended June 30, 2019, under this plan.

## Note 16 Related-Party Transactions

Volunteers of America of North Louisiana is affiliated with Volunteers of America, Inc., which provides supporting services to the agency for a fee. Charter services for the fiscal year ended June 30, 2019, totaled \$328,315. The amount due to Volunteers of America, Inc. for charter services as of June 30, 2019, was \$21,765. The Organization also entered into a loan agreement with VOA Futures Fund, Inc., which provides flexible capital for the expansion of services to affiliates of Volunteers of America, Inc. The principal balance of this loan as of June 30, 2019, is \$138,000.

Volunteers of America of North Louisiana manages seven HUD projects that are part of the national affiliation of Volunteers of America, Inc. Management fees charged by the Organization to the HUD projects totaled \$124,697 for the year ended June 30, 2019. In addition to management fees, the Organization paid certain expenses, including salaries, on behalf of the projects; these expenses totaled \$737,505. At June 30, 2019, the projects owed the Organization \$91,377, which is included in other current assets.

Volunteers of America of North Louisiana co-manages 2901 Dee St., Inc., doing business as Embassy House Apartments, that is also part of the national affiliation of Volunteers of America, Inc. Management and bookkeeping fees charged by the Organization to the Embassy property totaled \$14,115 for the year ended June 30, 2019. In addition to management and bookkeeping fees, the Organization paid certain expenses, including salaries, on behalf of the property; these expenses totaled \$79,291. At June 30, 2019, Embassy owed the Organization \$42,906, which is included in other current assets.

Volunteers of America of North Louisiana, in connection with McAdoo Services Corporation, manages the McAdoo property and project to facilitate the development and provision of affordable housing and humanitarian services to qualified individuals in residence. Management fees charged to the McAdoo property totaled \$15,249. In addition, the Organization paid certain expenses, including salaries, on behalf of the property and project; these expenses totaled \$55,752. At June 30, 2019, the project owed the Organization \$7,836, which is included in other current assets. The Organization leases office space from the McAdoo property to operate housing programs. Office rent expense totaled \$12,600 for the current year. The Organization also subsidizes rent clients who lease apartments at the McAdoo property. Rent subsidy expenses paid to McAdoo totaled \$102,590 for the current year.

Volunteers of America of North Louisiana had a \$200,000 note receivable with Renaissance Neighborhood Development Corporation, which is affiliated with Volunteers of America of Southeast Louisiana. A payment of \$100,000 was received on May 1, 2019, reducing the principal balance to \$100,000. See Note 6.

## Note 17 Compensated Absences - Accrued Leave

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

At June 30, 2019, the approximate amount of accumulated and vested employee leave benefits was \$205,139, which is included in accrued expenses.

## Note 18 Accrued Expenses

At June 30, 2019, accrued expenses consisted of the following:

Accrued payroll	\$	408,645
Accrued annual leave payable		205,139
Other accrued expenses		63,193
	\$	<u>676,977</u>

## Note 19 Contingencies

As noted in Note 9, Volunteers of America of North Louisiana has a conditional grant for \$390,000 and a promissory note outstanding for \$250,000 that will not have to be repaid as long as the Organization

complies with the stipulated terms of these two agreements. In the event the Organization does not comply, they will be liable to repay these amounts.

Volunteers of America of North Louisiana is part of a multi-employer defined benefit pension plan that is currently underfunded. The unfunded liability is collectively the liability of all participating employers. If there were any cash shortfalls in the plan, the plan would look towards the participating employers to help fund the shortfalls. As of June 30, 2019, the liability, if any, of Volunteers of America of North Louisiana cannot be determined.

Volunteers of America of North Louisiana participates in a number of federally assisted grant programs. These programs are subject to program compliance audits under the Single Audit Act. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants. The Organization's management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

On July 14, 2017, the Rural Veterans Coordination Pilot federal award program was closed. A Telemed van in the amount of \$143,478 was purchased with grant funds in May 2015. The net book value of the van as of June 30, 2019, was \$23,913. The Department of Veteran Affairs assisted the Organization in locating another agency to assume ownership of the van for use in the same function. As of June 30, 2019, the van title had not yet been transferred.

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

## **Note 20 Endowments**

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

### *Interpretation of Relevant Law*

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

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

### *Return Objectives, Risk Parameters, and Spending Policy*

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

#### *Strategies Employed for Achieving Objectives*

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

#### *Funds with Deficits*

From time to time, the fair value of assets associated with individual endowment funds may fall below the level that the donor or UPMIFA requires the Organization to maintain as a fund of perpetual duration. Deficiencies of this nature are required to be reported in net assets with donor restrictions. There were no such deficiencies at June 30, 2019.

#### *Composition*

Endowment net assets composition by type of fund as of June 30, 2019, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowment Funds			
Donor Restricted	\$ -	\$ 2,035,616	\$ 2,035,616
Donor Non-restricted	871,200	-	871,200
Total Endowment Funds	<u>\$ 871,200</u>	<u>\$ 2,035,616</u>	<u>\$ 2,906,816</u>

A reconciliation of the beginning and ending balances of endowment funds as of June 30, 2019, is as follows:

Balance, Beginning	\$ 770,750	\$ 2,093,769	\$ 2,864,519
Contributions	7,500	6,000	13,500
Investment Income (Loss)	39,419	92,114	131,533
Distributions	(31,587)	(71,150)	(102,737)
Re-classes	85,118	(85,118)	-
Balance, Ending	<u>\$ 871,200</u>	<u>\$ 2,035,616</u>	<u>\$ 2,906,816</u>

#### **Note 21 Subsequent Events**

Volunteers of America of North Louisiana has evaluated subsequent events through October 31, 2019, the date which the consolidated financial statements were available to be issued.

## **Additional Information**

# Volunteers of America of North Louisiana

Shreveport, Louisiana

Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor's Number	Total Federal Expenditures	Pass-Through to Subrecipients
<b>U.S. Department of Agriculture Food and Nutrition Service</b>				
<u>Passed through Louisiana Department of Education-CACFP</u>				
Child and Adult Care Food Program - ADHC	10.558	2005-079764676	\$ 34,913	\$ -
Child and Adult Care Food Program - ADHC	10.558	2006-079764676	10,391	
Total Child and Adult Care Food Program			<u>45,304</u>	
<b>U.S. Department of Health and Human Services</b>				
<u>Passed through the Central Louisiana Human Services District</u>				
Projects for Assistance in Transition from Homelessness	93.150	200028193	72,983	
<u>Passed through the Louisiana Department of Children and Family Services</u>				
Promoting Safe and Stable Families - Child Welfare Family Resource Center	93.556	1000160252	274,524	
<u>Passed through the Central Louisiana Human Services District</u>				
Block Grants for Community Mental Health Services - PSH	93.958	2000310058	29,720	
<u>Passed through the Northwest Louisiana Human Services District</u>				
Block Grants for Community Mental Health Services - GAPS	93.958	2000292754	153,728	
Block Grants for Community Mental Health Services - SHOC	93.958	2000292016	39,143	
Total Block Grants for Community Mental Health			<u>222,591</u>	
<b>U.S. Department of Homeland Security</b>				
<u>Passed through the United Way of Northwest Louisiana</u>				
Emergency Food and Shelter National Board Program	97.024	356400-022	10,000	
<b>U.S. Department of Housing and Urban Development</b>				
<u>Direct Awards</u>				
Continuum of Care Program - GAPS (Congregate)	14.267	LA0039L6H021811	221,266	
Continuum of Care Program - GAPS (Congregate)	14.267	LA0039L6H021710	152,884	
Continuum of Care Program - SHOC (Scattered)	14.267	LA0046L6H021811	45,467	
Continuum of Care Program - SHOC (Scattered)	14.267	LA0046L6H021710	604,994	
Continuum of Care Program - Supportive Permanent Housing	14.267	LA0141L6H071710	121,833	
Continuum of Care Program - Supportive Permanent Housing	14.267	LA0141L6H071609	37,819	
Continuum of Care Program - Supportive Permanent Housing	14.267	LA0188L6H071704	15,126	
Continuum of Care Program - Supportive Permanent Housing	14.267	LA0188L6H071603	10,387	
Continuum of Care Program - Rapid Rehousing 1	14.267	LA0268L6H071702	95,200	
Continuum of Care Program - Rapid Rehousing 1	14.267	LA0268L6H071601	32,437	
Continuum of Care Program - Rapid Rehousing 2	14.267	LA0288L6H071701	8,685	
Continuum of Care Program - Rapid Rehousing 2	14.267	LA0288L6H071600	14,750	
Total Continuum of Care Program			<u>1,360,848</u>	
<b>CDBG - Entitlement Grants Cluster</b>				
<u>Passed through City of Bossier City, Louisiana</u>				
Community Development Block Grants - LightHouse Bossier City	14.218	B-18-MC-22-0009	11,762	
Community Development Block Grants - LightHouse Bossier City	14.218	B-17-MC-22-0009	500	
Total CDBG - Entitlement Grants Cluster			<u>12,262</u>	
<b>U.S. Department of Labor</b>				
<u>WIOA Cluster</u>				
<u>Passed through City of Shreveport, Louisiana</u>				
Workforce Innovation and Opportunity Act Youth Academic Preparation	17.259	K1801	95,040	
Total WIOA Cluster			<u>95,040</u>	
<b>U.S. Department of Veteran Affairs</b>				
<u>Direct Awards</u>				
VA Homeless Providers Grant and Per Diem Program - Transitional Housing	64.024	VOAA820-0435-667-SI-18-0	652,813	
<u>Passed through the Volunteers of America of Greater New York</u>				
VA Homeless Providers Grant and Per Diem Program - Safe Haven	64.024	GS-02F-097AA	388,038	
Total VA Homeless Providers Grant and Per Diem Program			<u>1,040,851</u>	
<u>Passed through the Volunteers of America Southeast Louisiana, Inc.</u>				
VA Supportive Services for Veteran Families Program	64.033	12-LA-038	544,858	
Total expenditures of federal awards			<u>\$ 3,679,261</u>	<u>\$ -</u>

See Independent Auditors' Report.

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

Notes to the Schedule of Expenditures of Federal Awards  
June 30, 2019

**Note 1 Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Volunteers of America of North Louisiana under programs of the federal government for the year ended June 30, 2019. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the organization, it is not intended to and does not present the financial position or changes in net assets of Volunteers of America of North Louisiana.

**Note 2 Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. Volunteers of America of North Louisiana has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

**Note 3 Matching Requirements**

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

**Note 4 Subrecipients**

Volunteers of America of North Louisiana did not provide federal funds to any subrecipients during the year ended June 30, 2019.

**Note 5 Loans**

Volunteers of America of North Louisiana did not expend federal awards related to loans or loan guarantees during the year ended June 30, 2019.

**Note 6 Non-Cash Awards**

Volunteers of America of North Louisiana did not expend federal awards related to non-cash awards during the year ended June 30, 2019.

# Volunteers of America of North Louisiana

Shreveport, Louisiana

## Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer

Agency Head Name: Charles Meehan

Purpose	Amount
Salary	\$ 107,401
Benefits-insurance	12,412
Benefits-retirement	25,905
Cell phone	900
Vehicle rental	
Reimbursements	22,167
Travel	1,312
Conference travel	
Housing	56,000
Special meals	1,885
Other (including payments made by other parties on behalf of the agency head)	206

See Independent Auditors' Report.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Volunteers of America of North Louisiana (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 31, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Volunteers of America of North Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Volunteers of America of North Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of Volunteers of America of North Louisiana's internal control.

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Volunteers of America of North Louisiana's 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Volunteers of America of North Louisiana in a separate letter dated October 31, 2019.

### **Purpose of this Report**

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

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

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana  
October 31, 2019



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

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

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

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

#### ***Management's Responsibility***

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

#### ***Auditors' Responsibility***

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

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

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

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

## Report on Internal Control Over Compliance

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

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

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

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

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

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana  
October 31, 2019

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

Schedule of Findings and Questioned Costs  
June 30, 2019

**Section I – Summary of Auditors’ Results**

**Financial Statements**

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

**Federal Awards**

Internal control over major programs:	
Significant deficiency(ies) identified?	<b>None reported</b>
Material weakness(es) identified?	<b>No</b>

A separate management letter was issued on October 31, 2019.

Type of auditors’ report issued on compliance for major programs:	<b>Unmodified</b>
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	<b>No</b>

Identification of major programs:

CFDA Number	Name of Program or Cluster
14.267	Continuum of Care Program
93.958	Block Grants for Community Mental Health Services

Dollar threshold used to distinguish between Type A and Type B programs:	<b>\$750,000</b>
--------------------------------------------------------------------------	------------------

Auditee qualified as low-risk auditee?	<b>No</b>
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**Section II – Financial Statement Findings Reported in Accordance with *Governmental Auditing Standards***

**None**

**Section III – Federal Award Findings and Questioned Costs**

**None**

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

Summary Schedule of Prior Audit Findings  
June 30, 2019

**Financial Statement Findings Reported in Accordance with Governmental Auditing Standards**

**2018-001 Pledges Receivable**

*Fiscal Year in Which the Finding Initially Occurred: 2018*

*Criteria:*

Per Volunteers of America of North Louisiana's policy, pledges should be recorded over a maximum of five years in an amount based on payment history. The pledge receivable listing should accurately reflect promises to give and should not include duplicate pledges.

*Condition:*

During testing of pledges receivable, it was noted that two significant pledges were not recorded in accordance with the entity's policy. It was also noted that when one donor converted an existing pledge to a different type in the current year it was recorded as an additional pledge instead of replacing the existing pledge.

*Status:*

Corrective action has been implemented.

**2018-002 Allowance for Pledges**

*Fiscal Year in Which the Finding Initially Occurred: 2018*

*Criteria:*

The estimate of the allowance for uncollectible pledges should be consistently applied and include consideration of collection history.

*Condition:*

During testing of the allowance for uncollectible pledges, it was noted that the estimation of the allowance is not consistently applied to all pledges.

*Status:*

Corrective action has been implemented.

**Federal Award Findings and Questioned Costs**

**None**



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## Management Letter

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

We have audited the consolidated financial statements of Volunteers of America of North Louisiana as of and for the year ended June 30, 2019, and the related notes to the financial statements and have issued our report thereon dated October 31, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of the Uniform Guidance.

As a part of our examination, we have issued our report on the financial statements, dated October 31, 2019, and our report on internal control over financial reporting and compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards and on compliance for each major program and internal control over compliance required by the Uniform Guidance dated October 31, 2019.

During the course of our examination, we became aware of the following matters which represent immaterial deviations of compliance or suggestions for improved internal controls:

### **MLC 2019-001 Suspension and Debarment Compliance Requirement**

Year of Origination – June 30, 2018

#### *Observation:*

Non-Federal entities are prohibited from contracting with or making subawards to parties suspended or debarred from receiving federal funds. For all vendors that are expected to be paid \$25,000 or more and all subawards, Volunteers of America of North Louisiana must verify that the vendor or subrecipient is not suspended or debarred or otherwise excluded from participating in the transaction. This verification may be accomplished by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA) and available on the internet at sam.gov, collecting a certification from the entity, collecting a certification from the entity, or adding a clause or condition to the covered transactions with that entity.

Volunteers of America of North Louisiana did not retain documentation of the verifications performed for vendors paid over \$25,000 in federal award funds. The entity does not have documentation on file demonstrating compliance with the requirement. The entity does not have policies and procedures in place requiring documentation demonstrating compliance be retained.

*Recommendations:*

We recommend that the entity retain documentation of verifications performed for vendors expected to be paid \$25,000 or more in federal funds and all subrecipients to ensure they are not suspended or debarred.

*Views of responsible officials and corrective actions:*

Management acknowledges and agrees with the auditor recommendations. For vendors/subrecipients with expenses exceeding \$25,000 in federal programs, we have developed a process for documenting annual verification that the vendor/subrecipient is not on the Excluded Parties List System. For new vendor/subrecipient contracts in excess of \$25,000 in federal programs, including renewals, we will obtain certification the entity is not suspended or debarred or otherwise excluded from participating in the transaction.

We recommend management address the foregoing issue as an improvement to operations and the administration of public programs. We are available to further explain the suggestion or help implement the recommendation.

This report is intended solely for the information and use of the Board of Directors of Volunteers of America, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

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

**CARR, RIGGS & INGRAM, LLC**

Shreveport, Louisiana  
October 31, 2019

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

**STATEWIDE AGREED-UPON PROCEDURES REPORT**

**For the fiscal period July 1, 2018 through June 30, 2019**



**CRI** CARR  
RIGGS &  
INGRAM

CPAs and Advisors

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## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

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

We have performed the procedures enumerated below, which were agreed to by the Board of Directors of Volunteers of America of North Louisiana ("VOANL") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures Year 3 (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. VOANL's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated results are as follows:

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

1. Obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories:
  - a) ***Disaster Recovery/ Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

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

### ***Collections***

2. Obtained a listing of deposit sites for the fiscal period where deposits for cash/check/money orders (cash) are prepared and management's representation that the listing is complete. Randomly selected five deposit sites (or all deposit sites if less than five).

**Results: Obtained a listing of deposit sites for the fiscal period and management's representation that the listing is complete.**

3. For each deposit site selected, obtained a listing of collection locations and management's representation that the listing is complete. Randomly selected one collection location for each deposit site, obtained and inspected 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:

**Results: Obtained a listing of collection locations and management's representation that the listing is complete.**

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

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

- 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 to the deposit.

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

- 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.

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

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

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

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

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

5. Obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account and any accounts that only have electronic deposits. Selected the entity's main operating account and randomly selected 4 additional accounts that have deposits other than EFTs. Randomly selected two deposit dates for each of the 5 bank accounts selected (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

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

**Results: There were no pre-numbered receipts for the deposits selected.**

- b) Traced mail log sheet to the deposit slip.

**Results: Four exceptions were identified as a result of applying the procedure. Three deposits were missing collection logs and one deposit was missing the deposit slip.**

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

**Results: One exception was identified as result of applying the procedure. One deposit was missing the deposit slip.**

- d) Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than ten miles from the collection location or the deposit is less than \$100).

**Results: Four exceptions were identified as result of applying the procedure. Four deposits over \$100 were not made within one business day when the bank is less than ten miles from the collection location.**

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

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

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

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

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

CARR, RIGGS, & INGRAM, LLC  
Shreveport, Louisiana  
December 20, 2019



Volunteers of America®  
NORTH LOUISIANA

December 20, 2019

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AND

Carr, Riggs, & Ingram  
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RE: Management Response to Agreed-Upon Procedures

Volunteers of America of North Louisiana has reviewed the Independent Accountant's report on applying agreed-upon procedures and is in agreement with the report as provided by Carr, Riggs, & Ingram. Management has made note of these results and will investigate areas in need of process improvements.

Respectfully,

Jennifer Trowbridge  
CFO

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