

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

Audits of Consolidated Financial Statements

June 30, 2020 and 2019



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Independent Auditor's Report

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Volunteers of America Southeast Louisiana, Inc. and Subsidiaries (the Organization) (VOASELA), which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

LOUISIANA • TEXAS

Opinion

In our opinion, based on our audits, the financial statements referred to above present fairly, in all material respects, the financial position of Volunteers of America Southeast Louisiana, Inc. and Subsidiaries as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were conducted for the purposes of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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 6, 2020, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Covington, LA
October 6, 2020

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Consolidated Statements of Financial Position
June 30, 2020 and 2019

	2020	2019
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 7,411,133	\$ 4,299,035
Accounts Receivable, Net of Allowance for Doubtful		
Accounts of \$118,863 at 2020 and \$87,660 at 2019	3,519,336	3,812,082
Pledges Receivable, Net	647,023	655,399
Prepaid Expenses	1,051,134	1,060,624
Other Current Assets	2,266,933	1,135,625
	<hr/>	<hr/>
Total Current Assets	14,895,559	10,962,765
Fixed Assets		
Fixed Assets, Net	94,323,852	93,444,429
	<hr/>	<hr/>
Total Fixed Assets	94,323,852	93,444,429
Other Assets		
Designated and Restricted Assets	3,520,511	3,369,491
Long-Term Investments	7,472,291	7,060,713
Pledges Receivable, Net	822,571	1,158,879
Amounts Due from Related Parties	28,089	23,523
Investment in Joint Ventures	395,073	403,599
	<hr/>	<hr/>
Total Other Assets	12,238,535	12,016,205
	<hr/>	<hr/>
Total Assets	\$ 121,457,946	\$ 116,423,399

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, 2020 and 2019

	2020	2019
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 1,650,769	\$ 1,280,457
Mortgages and Notes Payable	7,450,174	7,150,152
Accrued Expenses	2,098,620	1,519,442
Other Current Liabilities	550,515	286,359
Total Current Liabilities	11,750,078	10,236,410
Other Liabilities		
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	44,947,614	41,141,294
Total Other Liabilities	44,947,614	41,141,294
Total Liabilities	56,697,692	51,377,704
Net Assets		
Net Assets Without Donor Restrictions		
Attributable to VOASELA	29,925,553	29,954,259
Attributable to Non-Controlling Interests	33,316,092	34,041,751
Net Assets With Donor Restrictions	1,518,609	1,049,685
Total Net Assets	64,760,254	65,045,695
Total Liabilities and Net Assets	\$ 121,457,946	\$ 116,423,399

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, 2020 and 2019

	2020	2019
Net Assets Without Donor Restrictions		
Revenue, Support, and Gains		
Without Donor Restrictions		
Public Support Received Directly		
Contributions and Special Events	\$ 1,098,932	\$ 1,303,704
Public Support Received Indirectly		
United Way		
Allocations	155,926	130,836
Net Assets Released from Restrictions	334,482	304,260
	<hr/>	<hr/>
Total Public Support	1,589,340	1,738,800
	<hr/>	<hr/>
Revenues and Grants from Governmental		
Agencies	22,940,465	21,206,162
	<hr/>	<hr/>
Other Revenue		
Program Service Fees	6,801,471	6,733,856
Rental Income	5,842,979	5,596,432
Other Operating Income	497,851	473,969
	<hr/>	<hr/>
Total Other Revenue	13,142,301	12,804,257
	<hr/>	<hr/>
Total Revenue, Support, and Gains		
Without Donor Restrictions	37,672,106	35,749,219
	<hr/>	<hr/>

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, 2020 and 2019

	2020	2019
Operating Expenses		
Program Services		
Encouraging Positive Development	11,011,871	10,986,887
Fostering Independence	8,700,246	8,485,001
Promoting Self-Sufficiency	14,857,788	14,509,078
	<hr/>	<hr/>
Total Program Services	34,569,905	33,980,966
	<hr/>	<hr/>
Supporting Services		
Management and General	4,900,371	4,433,013
Fundraising	699,027	1,040,098
	<hr/>	<hr/>
Total Supporting Services	5,599,398	5,473,111
	<hr/>	<hr/>
Total Operating Expenses	40,169,303	39,454,077
	<hr/>	<hr/>
Deficit from Operations	(2,497,197)	(3,704,858)
	<hr/>	<hr/>

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, 2020 and 2019

	2020	2019
Other Activities		
Loss on Disposition of Assets	(69,475)	(80,272)
Net Investment Return	503,926	683,309
Income Tax Expense	(389)	(408)
Cancellation of Debt Income	750,000	6,089,650
Other Non-Operating Gains (Losses)	36,015	(46,747)
	<hr/>	<hr/>
Surplus from Other Activities	1,220,077	6,645,532
	<hr/>	<hr/>
Change in Net Assets	(1,277,120)	2,940,674
	<hr/>	<hr/>
Other Changes in Net Assets	522,755	4,650,078
	<hr/>	<hr/>
Change in Net Assets Without Donor Restrictions	(754,365)	7,590,752
	<hr/>	<hr/>
Net Assets With Donor Restrictions		
Public Support Received Directly		
Contributions	803,406	1,226,959
Net Assets Released from Restrictions	(334,482)	(304,260)
	<hr/>	<hr/>
Change in Net Assets With Donor Restrictions	468,924	922,699
	<hr/>	<hr/>
Total Change in Net Assets	(285,441)	8,513,451
	<hr/>	<hr/>
Net Assets, Beginning of Year	65,045,695	56,532,244
	<hr/>	<hr/>
Net Assets, End of Year	<u>\$ 64,760,254</u>	<u>\$ 65,045,695</u>

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

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2020

	Program Services				Supporting Services				Total
	Encouraging Positive Development	Fostering Independence	Promoting Self- Sufficiency	Subtotal	Management and General	Fundraising	Subtotal		
Salaries	\$ 5,454,871	\$ 5,420,695	\$ 4,062,603	\$ 14,938,169	\$ 2,297,757	\$ 373,520	\$ 2,671,277	\$ 17,609,446	
Employee Benefits	814,370	757,745	604,010	2,176,125	305,628	53,002	358,630	2,534,755	
Professional Services	1,578,360	495,957	1,715,949	3,790,266	1,578,937	202,745	1,781,682	5,571,948	
Occupancy	212,376	611,563	1,626,581	2,450,520	193,674	433	194,107	2,644,627	
Specific Assistance to Individuals	135,587	385,993	1,697,516	2,219,096	159	250	409	2,219,505	
Program Supplies and Equipment	2,389,483	461,143	926,747	3,777,373	79,911	7,367	87,278	3,864,651	
Office Supplies and Expenses	93,623	62,089	169,655	325,367	91,305	13,925	105,230	430,597	
Travel, Conferences, and Meetings	183,208	211,898	20,095	415,201	38,130	28,105	66,235	481,436	
Depreciation and Amortization	62,128	119,515	3,089,218	3,270,861	67,313	-	67,313	3,338,174	
Interest	3,226	21,214	744,524	768,964	159,177	-	159,177	928,141	
Other	84,639	152,434	200,890	437,963	88,380	19,680	108,060	546,023	
Total	\$ 11,011,871	\$ 8,700,246	\$ 14,857,788	\$ 34,569,905	\$ 4,900,371	\$ 699,027	\$ 5,599,398	\$ 40,169,303	

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

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2019

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

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, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
Change in Net Assets	\$ (285,441)	\$ 8,513,451
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	3,338,174	3,504,232
Gain on Investments	(216,518)	(232,377)
Loss on Disposition of Assets	69,475	80,272
Bad Debt Expense	146,397	366,238
Cancellation of Debt Income	(750,000)	(6,089,650)
(Increase) Decrease in Operating Assets		
Accounts Receivable, Net	188,840	(1,077,116)
Pledges Receivable, Net	302,193	(639,364)
Prepaid Expenses	461,706	495,140
Other Current Assets	(1,131,308)	(324,269)
Designated and Restricted Assets	(151,020)	(287,931)
Investment in Joint Ventures	8,526	105,000
Increase (Decrease) in Operating Liabilities		
Accounts Payable	386,056	25,407
Accrued Expenses	579,178	(623,641)
Other Current Liabilities	264,156	120,832
Net Cash Provided by Operating Activities	3,210,414	3,936,224

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, 2020 and 2019

	2020	2019
Cash Flows from Investing Activities		
Proceeds from Sale of Investments	1,110,612	891,709
Purchase of Investments	(1,305,672)	(930,458)
Increase in Amounts Due from Related Parties	(4,566)	(23,523)
Decrease in Notes Receivable - Investment Partner	-	9,319
Decrease in Other Assets	-	27,722
Proceeds from Sale of Fixed Assets	-	152,790
Purchase of Fixed Assets	(4,198,834)	(314,694)
	<u>(4,398,460)</u>	<u>(187,135)</u>
Net Cash Used in Investing Activities		
Cash Flows from Financing Activities		
Proceeds from Mortgages and Notes Payable	11,518,459	148,424
Principal Payments on Mortgages and Notes Payable	(7,149,088)	(5,330,754)
Payments of Debt Issuance Costs	(69,227)	(34,052)
	<u>4,300,144</u>	<u>(5,216,382)</u>
Net Cash Provided by (Used in) Financing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents	3,112,098	(1,467,293)
Cash and Cash Equivalents, Beginning of Year	4,299,035	5,766,328
Cash and Cash Equivalents, End of Year	\$ 7,411,133	\$ 4,299,035
Supplemental Disclosure of Cash Flow Information		
Interest Paid	\$ 927,522	\$ 1,169,238
Non-Cash Transactions		
Cancellation of Debt Income	\$ 750,000	\$ 6,089,650
Financed Insurance Premiums	\$ 452,216	\$ 466,224
Proceeds from Sale of Fixed Assets	\$ 15,744	\$ -

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

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

Notes to Consolidated Financial Statements

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 Community Living Centers, Inc., VOA Development, Inc., VOA Development 2, Inc., Canal Street Single Room Occupancy (SRO) Limited Partnership, and Renaissance Neighborhood Development Corporation, which will be collectively referred to as the Organization.

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

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

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

Notes to Consolidated Financial Statements

Note 1. Organization (Continued)

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.

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

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

Notes to Consolidated Financial Statements

Note 1. Organization (Continued)

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

Encouraging Positive Development

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

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

Fostering Independence

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

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

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

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

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

Notes to Consolidated Financial Statements

Note 1. Organization (Continued)

Promoting Self-Sufficiency

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

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

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

Homeless Services: This program provides shelter for homeless individuals.

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

Management and General

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

Fundraising

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

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

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

Basis of Presentation

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

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

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

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

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

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

As of June 30, 2020 and 2019, there was \$1,518,609 and \$1,049,685, 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, Community Living Centers, Inc., VOA Development, Inc., and VOA Development 2, Inc., and RNDC in which Volunteers of America Southeast Louisiana, Inc. has a controlling interest. All significant intercompany transactions have been eliminated.

Non-Controlling Interest

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

Use of Estimates

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

Cash and Cash Equivalents

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

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

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

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.

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, Community Living Centers Inc., 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.

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

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

Restricted and Designated Assets

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

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

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

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.

Contributions

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

Contributed Services

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

Revenue Recognition

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

Public Support and Revenue

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

Income Taxes

Under provisions of Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the State of Louisiana, the Organization is exempt from income taxes, except for net income from unrelated business income, as a subordinate unit of Volunteers of America, Inc. Volunteers of America, Inc. is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as a religious organization described in Section 501(c)(3). There was no material unrelated business income in fiscal years ended June 30, 2020 and 2019.

RNDC has two subsidiaries, Millennium Properties, Inc. and Riverfront Self Storage, LLC, that are subject to federal and state income taxes. Tax expense for the years ended June 30, 2020 and 2019 totaled \$389 and \$408, respectively.

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

Note 2. Summary of Significant Accounting Policies (Continued)

Income Taxes (Continued)

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

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

Advertising Expenses

The Organization expenses the costs of advertising as incurred. Advertising expense was \$237,399 and \$312,841 for the years ended June 30, 2020 and 2019, 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 2019

The consolidated financial statements and supplementary information for the year ended June 30, 2019 contain certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Organization's financial statements and related notes or the consolidated financial statements for the year ended June 30, 2019, from which the summarized information was derived.

Recent Accounting Pronouncements

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

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

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

Note 2. Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements (Continued)

ASU 2014-09 affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of non-financial assets unless those contracts are within the scope of other standards. The core principle of the guidance in ASU 2014-09 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 requires expanded disclosures about the nature, timing, and uncertainty of revenue, as well as certain additional quantitative and qualitative disclosures. In June 2020, the FASB issued ASU 2020-05 which defers the effective date of ASU 2014-09, making it effective for annual reporting periods beginning after December 15, 2019.

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

The Organization is utilizing a comprehensive approach to assess the impact of the guidance on each of its significant revenue streams. Additionally, the Organization is evaluating the impact of the new guidance on disclosures, as well as the impact on controls to support the recognition. Based on the foregoing, the Organization does not anticipate this standard having a material impact on its financial statements as of and for the year ending June 30, 2021.

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

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

Note 2. Summary of Significant Accounting Policies (Continued)

Implementation of Accounting Pronouncement

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determines whether a contribution is conditional. The Organization has implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements accordingly. The amendments have been applied retrospectively to all periods presented, with no effect on net assets.

Reclassifications

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

Note 3. Liquidity and Availability

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

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

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

As of June 30, 2020, financial assets available for general operating purposes within one year of the consolidated statement of financial position date comprise the following:

Cash and Cash Equivalents	\$ 7,411,133
Accounts Receivable, Net	<u>3,519,336</u>
Total	<u>\$ 10,930,469</u>

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

Note 4. Pledges Receivable

At June 30, 2020 and 2019, amounts included in pledges receivable were as follows:

	2020	2019
Pledges Receivable	\$ 2,055,393	\$ 2,357,586
Less: Discount of Long-Term Pledges	(158,399)	(111,833)
Less: Allowance for Doubtful Accounts	(427,400)	(431,475)
Pledges Receivable, Net	\$ 1,469,594	\$ 1,814,278

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

Year Ending June 30,	Amount
2021	\$ 1,005,151
2022	254,332
2023	163,260
2024	136,250
2025	130,450
Thereafter	365,950
Total	\$ 2,055,393

Note 5. Fixed Assets

At June 30, 2020 and 2019, fixed assets consisted of the following:

	2020	2019
Land	\$ 7,959,374	\$ 8,133,958
Buildings and Improvements	107,692,362	103,364,660
Vehicles	382,503	382,503
Furniture and Equipment	6,254,948	6,763,911
Construction in Progress	100,542	-
	122,389,729	118,645,032
Less: Accumulated Depreciation	(28,065,877)	(25,200,603)
Total Fixed Assets, Net	\$ 94,323,852	\$ 93,444,429

Depreciation expense was \$3,234,191 and \$3,410,679 for the years ended June 30, 2020 and 2019, respectively.

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

Note 6. Designated and Restricted Assets

The Organization has agreements with agencies that require funded reserves and the restriction of certain deposits which are custodial in nature. At June 30, 2020 and 2019, designated and restricted assets were as follows:

	2020	2019
Custodial Funds	\$ -	\$ 2,136
Escrow	527,172	541,400
Security Deposits	260,168	221,311
Replacement Reserve Funds	2,733,171	2,604,644
Total	\$ 3,520,511	\$ 3,369,491

Note 7. Line of Credit

The Organization has a \$1,000,000 line of credit. The line had an interest rate of 2.91% at June 30, 2020 and matured on August 31, 2020. There was no balance on this line of credit at June 30, 2020 and 2019. The line of credit was renewed on September 21, 2020. See Note 22 for the new terms

The Organization is subject to a restrictive financial covenant under this agreement. At June 30, 2020 and 2019, the Organization was in compliance with this covenant.

Note 8. Mortgages and Notes Payable

The following is a summary of mortgages and notes payable at June 30, 2020 and 2019:

	2020	2019
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 Apartments, respectively.	\$ 15,548,839	\$ 15,653,320
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.	5,586,005	5,633,206
One (1) note payable to Terrebonne Council on Aging, Inc., with an interest rate of 0%, maturing March 29, 2066, for Houma School Apartments.	5,500,000	5,500,000

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

Note 8. Mortgages and Notes Payable (Continued)

	2020	2019
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.	4,779,086	-
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.	3,286,834	3,333,808
One (1) note payable to Home Bank, secured by cash collateral pledge of \$114,000, with an interest rate of 4.25%, maturing on October 1, 2020, for Embassy Apartments Shreveport.	3,282,710	-
One (1) note payable to the Louisiana Housing Finance Agency with an interest rate of 0%, maturing on December 31, 2026, for New Covington Apartments.	2,707,850	2,792,354
One (1) note payable to Capital One, secured by land and buildings, with an interest rate of 5.05%, maturing on November 1, 2033, for Houma School Apartments.	2,633,078	2,673,861
One (1) note payable to Capital One, secured by land and buildings, with an interest rate of 7.0%, maturing June 16, 2026, for Chateau Carre'.	2,412,534	2,465,087
One (1) note payable to Home Bank, related to the Paycheck Protection Program (PPP) potentially forgivable under the CARES Act; in the absence of forgiveness, the loan is payable in 18 monthly payments of \$111,151 including interest at 1.0% commencing December 2020, maturing on May 5, 2022.	1,974,695	-
One (1) note payable to Iberia Bank, secured by land, with an interest rate of 4.25%, maturing on October 10, 2020.	1,315,287	1,446,133
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 3.2%, maturing May 1, 2045, for New Covington Apartments.	1,206,685	1,221,945
Four (4) notes payable to Volunteers of America National Services, with interest rates of 0%, payable on demand.	660,000	760,000
One (1) note payable to Enterprise Community Investment, Inc., with an interest rate of 2.0%, maturing on November 20, 2020.	500,000	-
One (1) note payable to Federal Home Loan Bank of Atlanta, secured by property and the rents, profits, issues, products, and income from the property, with an interest rate of 0%, maturing on July 31, 2038.	500,000	-

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

Note 8. Mortgages and Notes Payable (Continued)

	2020	2019
Financed insurance premium with monthly installments of \$38,468 including interest at 3.49%, maturing April 2021.	378,599	466,224
One (1) note payable to PNC Bank, secured by land and buildings, with an interest rate of 4.6%, maturing on October 1, 2033, for The Cottages at Mile Branch.	250,795	254,395
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.	215,592	284,406
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	-
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 flows 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	-
One (1) note payable to Volunteers of America North Louisiana, with an interest rate of 1.0%, maturing November 12, 2029, for 2901 Dee Inc.	100,000	100,000
One (1) note payable to Home Bank secured with land and buildings (326 Buckeye Lane), with an interest rate of 5.25%, maturing October 19, 2023.	95,082	98,057
One (1) note payable to a financial institution, secured by equipment, with an interest rate of 4.5%, with monthly payments of \$8,813, maturing January 28, 2021.	60,760	161,230
Three (3) notes payable to banks secured by vehicles, with interest rates of 4.0%, payable in monthly installments ranging from \$420 to \$851, with maturity dates ranging from August 2019 to February 2021.	5,321	23,509
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 flows as defined by the promissory note beginning on May 1, 2016, and the remaining balance due at maturity, for 2901 Dee Inc.	-	163,000

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

Note 8. Mortgages and Notes Payable (Continued)

	2020	2019
One (1) construction loan payable to Whitney Bank, which converted to a note payable on July 6, 2017, with interest rate of 5.25%.	-	456,781
One (1) note payable to Enterprise Community Loan Fund, Inc., with an interest rate of 6.0%, matured on November 30, 2019.	-	1,462,463
One (1) note payable to the State of Louisiana, Division of Administration, Office of Community Development in connection with the acquisition, ownership, development, rehabilitation, construction, and leasing of those certain buildings and other improvements located at 1770 and 1744-46 Tchoupitoulas Street, with an interest rate of 1.0% per annum.	-	1,992,593
One (1) note payable to Iberia Bank secured by land and buildings (Tchoupitoulas), with an interest rate equal to the London Interbank Offered Rate (LIBOR) plus 3.0%, matured on November 2, 2019.	-	2,346,848
	53,360,806	49,289,220
Less: Debt Issuance Costs, Net of Amortization	(963,018)	(997,774)
Total	\$ 52,397,788	\$ 48,291,446

Scheduled principal payments due on the above mortgages and notes payable subsequent to June 30, 2020 are as follows:

Year Ending June 30,	Amount
2021	\$ 7,450,174
2022	1,714,310
2023	520,593
2024	645,486
2025	4,411,279
Thereafter	<u>38,618,964</u>
Total	<u>\$ 53,360,806</u>

Interest expense was \$928,141 and \$1,017,454 for the years ended June 30, 2020 and 2019, respectively.

The Organization was in compliance with debt covenants at June 30, 2020.

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

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 were \$815,420 and \$586,212 for the years ended June 30, 2020 and 2019, respectively. Amounts payable to Volunteers of America, Inc. totaled \$140,910 and \$146,891 at June 30, 2020 and 2019, respectively.

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

Volunteers of America North Louisiana, Inc. has an outstanding loan 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 and vehicles which are non-cancelable over the next five (5) years and several operating leases for the rental of office space on a month-to-month basis.

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of June 30, 2020 and in the aggregate are as follows:

Year Ending June 30,	Amount
2021	\$ 219,613
2022	182,080
2023	39,243
2024	27,675
2025	<u>19,670</u>
Total	<u>\$ 488,281</u>

Rental expense under month-to-month and non-cancelable operating leases were \$340,881 and \$318,990 for the years ended June 30, 2020 and 2019, respectively.

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

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 were \$84,392 and \$88,745 for the years ended June 30, 2020 and 2019, 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 \$217,970 and \$203,628 for the years ended June 30, 2020 and 2019, 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 15 for further details.

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

Note 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).

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Notes to Consolidated Financial Statements

Note 14. Fair Value Measurements (Continued)

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

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 table sets forth, by level within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2020:

June 30, 2020	Level 1	Level 2	Level 3	Total
Equity Funds	\$ 6,157,517	\$ -	\$ -	\$ 6,157,517
Common Stocks	543,666	-	-	543,666
Corporate Bonds	434,473	-	-	434,473
Fixed Income Funds	64,886	-	-	64,886
Government Bonds	169,627	-	-	169,627
Government Agencies	74,244	-	-	74,244
Real Estate Funds	27,878	-	-	27,878
Investments, at Fair Value	\$ 7,472,291	\$ -	\$ -	\$ 7,472,291

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Notes to Consolidated Financial Statements

Note 14. Fair Value Measurements (Continued)

The following table sets forth, by level within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2019:

June 30, 2019	Level 1	Level 2	Level 3	Total
Equity Funds	\$ 5,779,171	\$ -	\$ -	\$ 5,779,171
Common Stocks	613,909	-	-	613,909
Corporate Bonds	346,211	-	-	346,211
Fixed Income Funds	117,930	554	-	118,484
Government Bonds	118,257	-	-	118,257
Government Agencies	42,360	-	-	42,360
Real Estate Funds	40,562	-	-	40,562
Preferred Stock	1,759	-	-	1,759
Investments, at Fair Value	\$ 7,060,159	\$ 554	\$ -	\$ 7,060,713

Transfers between Levels

For the years ended June 30, 2020 and 2019, there were no significant transfers between Levels 1 and 2 and no transfers in or out of Level 3.

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.

During 2019, RNDC entered into a contract with a construction company totaling \$3.6 million for renovations on Embassy Apartments Shreveport, LLC. At June 30, 2020, the amount remaining on the contract totaled \$947,063. Included in other current liabilities is retainage due to this construction company totaling \$290,480 as of June 30, 2020.

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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. As discussed in Note 8, the Organization's PPP loan may qualify for forgiveness. However, the Organization may be required to repay its PPP loan to the extent any balance remains unforgiven.

Note 17. Net Assets With Donor Restrictions

At June 30, 2020 and 2019, net assets with donor restrictions totaled \$1,518,609 and \$1,049,685, respectively.

At June 30, 2020 and 2019, 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:

	2020	2019
With Donor Restrictions - Purpose and Time		
Tolmas Charitable Trust Pledge	\$ 784,647	\$ 858,692
With Donor Restrictions - Purpose		
Community Living Services Grant	507,675	-
Repairs on Wheels Grant	66,788	134,789
Fresh Food Factor	78,060	-
Supportive Living Services Grant	37,829	32,594
Veterans Program Grant	23,610	23,610
Supportive Services	20,000	-
Total Net Assets With Donor Restrictions as to Purpose and Time	\$ 1,518,609	\$ 1,049,685

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

Notes to Consolidated Financial Statements

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, 2018	\$ 29,123,561	\$ 27,408,683	\$ 56,532,244
Change in Net Assets from Operations and Other Activities	1,880,383	1,982,990	3,863,373
Other Changes in Net Assets	-	4,650,078	4,650,078
Balance, June 30, 2019	31,003,944	34,041,751	65,045,695
Change in Net Assets from Operations and Other Activities	440,218	(1,248,414)	(808,196)
Other Changes in Net Assets	-	522,755	522,755
Balance, June 30, 2020	<u>\$ 31,444,162</u>	<u>\$ 33,316,092</u>	<u>\$ 64,760,254</u>

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, 2020 and 2019.

Note 20. Concentration of Credit Risk

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

At June 30, 2020 and 2019, the Organization had \$7,015,811 and \$3,700,396, respectively, in excess of the FDIC insured limit.

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

Notes to Consolidated Financial Statements

Note 21. New Market Tax Credit Exit

1770 Tchoupitoulas, LLC and 1770 Tchoupitoulas Master Tenant, LLC (the Companies), were formed on February 29, 2012 and March 12, 2012, respectively. Pursuant to the Operating Agreement dated July 2, 2012, the Landlord is formed between RNDC and VOANS Investor Corp. (the VIC). Pursuant to the Amended and Restated Operating Agreement dated July 2, 2012 (the Tenant Operating Agreement), the Tenant is formed between 1770 Tchoupitoulas Manager, LLC and ESIC New Markets Partners XLVII Investment Fund, LLC (the Investment Fund). At the original closing, October 12, 2011, 1770 Tchoupitoulas, LLC entered into certain Qualified Low-Income Community Investment Loan Agreements (QLICI Loans) in the aggregate sum of \$17,860,000 with VOANS CDE Subsidiary 1, LLC and ESIC New Markets Partners XLVII LP (the CDEs). These loans were funded by a combination of sources including new market tax credit (NMTC) equity and historic tax credit (HTC) equity. RNDC used the following funds to make a loan to the Investment Fund in the amount of \$13,233,050. At the date of unwind described below, the outstanding balance owed RNDC totaled \$11,770,350, due to payments being made on the note.

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

On September 27, 2019, 1770 Tchoupitoulas, Inc. entered into a promissory note with a bank totaling \$4.9 million. Part of these proceeds was used to pay off RNDC's note payable with the State of Louisiana, Division of Administration, Office of Community Development. Due to the loan forgiveness conditions of this note being met, 30% of the original principal amount of the loan, \$750,000, was forgiven and recognized as cancellation of debt income for the year ended June 30, 2020 and is shown on the accompanying consolidated statements of activities.

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

Notes to Consolidated Financial Statements

Note 22. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 6, 2020, and determined that the following event occurred that requires disclosure:

On September 16, 2020, RNDC entered into a line of credit with Home Bank totaling \$1,000,000, maturing September 16, 2022, with an initial interest rate of 4.5%.

On September 21, 2020, the line of credit was renewed in the amount of \$1,000,000, maturing on September 21, 2021, with an initial interest rate of 2.906%.

No other subsequent events occurring after October 6, 2020 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, 2020

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

Agency Head
James M. LeBlanc, President/CEO

Purpose	Compensation and Benefits Funded by Use
Salary	\$ 206,134
Bonus	\$ 30,000
Benefits - Insurance	\$ 2,516
Benefits - Retirement	\$ 33,932
Benefits - Other	\$ 1,033
Car Allowance (Lease, Insurance, Gasoline)	\$ 9,375
Per Diem	\$ -
Reimbursements (Electronic Devices)	\$ 675
Local Entertainment/Sales	\$ -
Registration Fees	\$ -
Conference/Sales Mission Travel	\$ -
Local Transportation/Parking	\$ -
Continuing Professional Education Fees	\$ 524
Housing	\$ -
Unvouchered Expenses	\$ -
Dues and Subscriptions	\$ -

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Consolidating Statement of Financial Position
June 30, 2020
With Summarized Comparative Information at June 30, 2019

Schedule I

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Eliminations	2020 Consolidated	2019 Consolidated
Assets						
Current Assets						
Cash and Cash Equivalents	\$ 4,558,344	\$ 2,852,789	\$ 7,411,133	\$ -	\$ 7,411,133	\$ 4,299,035
Accounts Receivable, Net of Allowance for Doubtful						
Accounts of \$58,626 at 2020 and \$118,863 at 2019	3,317,160	206,366	3,523,526	(4,190)	3,519,336	3,812,082
Pledges Receivable, Net	647,023	-	647,023	-	647,023	655,399
Prepaid Expenses	582,868	468,266	1,051,134	-	1,051,134	1,060,624
Other Current Assets	254,983	2,011,950	2,266,933	-	2,266,933	1,135,625
Total Current Assets	9,360,378	5,539,371	14,899,749	(4,190)	14,895,559	10,962,765
Fixed Assets						
Fixed Assets, Net	7,238,328	87,085,524	94,323,852	-	94,323,852	93,444,429
Total Fixed Assets	7,238,328	87,085,524	94,323,852	-	94,323,852	93,444,429
Other Assets						
Designated and Restricted Assets	74,141	3,446,370	3,520,511	-	3,520,511	3,369,491
Long-Term Investments	5,903,576	1,568,715	7,472,291	-	7,472,291	7,060,713
Pledges Receivable, Net	822,571	-	822,571	-	822,571	1,158,879
Note Receivable and Other						
Amounts Due from Related Parties	3,044,194	-	3,044,194	(3,016,105)	28,089	23,523
Investment in Joint Ventures	395,073	-	395,073	-	395,073	403,599
Investment in Subsidiaries	9,947,525	-	9,947,525	(9,947,525)	-	-
Total Other Assets	20,187,080	5,015,085	25,202,165	(12,963,630)	12,238,535	12,016,205
Total Assets	\$ 36,785,786	\$ 97,639,980	\$ 134,425,766	\$ (12,967,820)	\$ 121,457,946	\$ 116,423,399

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Consolidating Statement of Financial Position (Continued)
June 30, 2020
With Summarized Comparative Information at June 30, 2019

Schedule I

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Eliminations	2020 Consolidated	2019 Consolidated
Liabilities and Net Assets						
Current Liabilities						
Accounts Payable	\$ 898,757	\$ 780,053	\$ 1,678,810	\$ (28,041)	\$ 1,650,769	\$ 1,280,457
Mortgages and Notes Payable	1,244,526	6,205,648	7,450,174	-	7,450,174	7,150,152
Accrued Expenses	1,766,078	332,542	2,098,620	-	2,098,620	1,519,442
Other Current Liabilities	41,822	512,883	554,705	(4,190)	550,515	286,359
Total Current Liabilities	3,951,183	7,831,126	11,782,309	(32,231)	11,750,078	10,236,410
Other Liabilities						
Due to VOASELA, Inc.	-	2,988,065	2,988,065	(2,988,065)	-	-
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	1,390,441	43,557,173	44,947,614	-	44,947,614	41,141,294
Total Other Liabilities	1,390,441	46,545,238	47,935,679	(2,988,065)	44,947,614	41,141,294
Total Liabilities	5,341,624	54,376,364	59,717,988	(3,020,296)	56,697,692	51,377,704
Net Assets						
Net Assets Without Donor Restrictions	29,925,553	43,263,616	73,189,169	(9,947,524)	63,241,645	63,996,010
Net Assets With Donor Restrictions	1,518,609	-	1,518,609	-	1,518,609	1,049,685
Total Net Assets	31,444,162	43,263,616	74,707,778	(9,947,524)	64,760,254	65,045,695
Total Liabilities and Net Assets	\$ 36,785,786	\$ 97,639,980	\$ 134,425,766	\$ (12,967,820)	\$ 121,457,946	\$ 116,423,399

See independent auditor's report.

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

Schedule II

Consolidating Statement of Activities

For the Year Ended June 30, 2020

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

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Elimination	2020 Consolidated	2019 Consolidated
Net Assets Without Donor Restrictions						
Revenues, Support, and Gains						
Without Donor Restrictions						
Public Support Received Directly						
Contributions and Special Events	\$ 1,048,932	\$ 50,000	\$ 1,098,932	\$ -	\$ 1,098,932	\$ 1,303,704
Public Support Received Indirectly						
United Way						
Allocations	155,926	-	155,926	-	155,926	130,836
Net Assets Released from Restrictions	334,482	-	334,482	-	334,482	304,260
Total Public Support	1,539,340	50,000	1,589,340	-	1,589,340	1,738,800
Revenues and Grants from Governmental Agencies	22,940,465	-	22,940,465	-	22,940,465	21,206,162
Other Revenue						
Program Service Fees	8,315,507	536,389	8,851,896	(2,050,425)	6,801,471	6,733,856
Rental Income	242,017	5,812,194	6,054,211	(211,232)	5,842,979	5,596,432
Other Operating Income	8,412	539,439	547,851	(50,000)	497,851	473,969
Total Other Revenue	8,565,936	6,888,022	15,453,958	(2,311,657)	13,142,301	12,804,257
Total Revenue, Support, and Gains Without Donor Restrictions	33,045,741	6,938,022	39,983,763	(2,311,657)	37,672,106	35,749,219

See independent auditor's report.

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

Schedule II

Consolidating Statement of Activities (Continued)

For the Year Ended June 30, 2020

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

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Elimination	2020 Consolidated	2019 Consolidated
Operating Expenses						
Program Services						
Encouraging Positive Development	11,212,423	-	11,212,423	(200,552)	11,011,871	10,986,887
Fostering Independence	8,700,246	-	8,700,246	-	8,700,246	8,485,001
Promoting Self-Sufficiency	8,416,888	7,252,726	15,669,614	(811,826)	14,857,788	14,509,078
Total Program Services	28,329,557	7,252,726	35,582,283	(1,012,378)	34,569,905	33,980,966
Supporting Services						
Management and General	4,472,028	1,727,622	6,199,650	(1,299,279)	4,900,371	4,433,013
Fundraising	699,027	-	699,027	-	699,027	1,040,098
Total Supporting Services	5,171,055	1,727,622	6,898,677	(1,299,279)	5,599,398	5,473,111
Total Operating Expenses	33,500,612	8,980,348	42,480,960	(2,311,657)	40,169,303	39,454,077
Deficit from Operations	(454,871)	(2,042,326)	(2,497,197)	-	(2,497,197)	(3,704,858)

See independent auditor's report.

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

Schedule II

Consolidating Statement of Activities (Continued)

For the Year Ended June 30, 2020

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

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Elimination	2020 Consolidated	2019 Consolidated
Other Activities						
Loss on Disposition of Assets	(2,540)	(66,935)	(69,475)	-	(69,475)	(80,272)
Net Investment Return	449,875	54,051	503,926	-	503,926	683,309
Income Tax Expense	-	(389)	(389)	-	(389)	(408)
Income from Investment in Subsidiaries	(57,185)	-	(57,185)	57,185	-	-
Cancellation of Debt Income	-	750,000	750,000	-	750,000	6,089,650
Other Non-Operating Gains (Losses)	36,015	-	36,015	-	36,015	(46,747)
Surplus from Other Activities	426,165	736,727	1,162,892	57,185	1,220,077	6,645,532
Change in Net Assets	(28,706)	(1,305,599)	(1,334,305)	57,185	(1,277,120)	2,940,674
Other Changes in Net Assets	-	522,755	522,755	-	522,755	4,650,078
Change in Net Assets Without Donor Restrictions	(28,706)	(782,844)	(811,550)	57,185	(754,365)	7,590,752
Net Assets With Donor Restrictions						
Public Support Received Directly						
Contributions and Special Events	803,406	-	803,406	-	803,406	1,226,959
Net Assets Released from Restrictions	(334,482)	-	(334,482)	-	(334,482)	(304,260)
Change in Net Assets With Donor Restrictions	468,924	-	468,924	-	468,924	922,699
Total Change in Net Assets	440,218	(782,844)	(342,626)	57,185	(285,441)	8,513,451
Net Assets, Beginning of Year	31,003,944	44,046,460	75,050,404	(10,004,709)	65,045,695	56,532,244
Net Assets, End of Year	\$ 31,444,162	\$ 43,263,616	\$ 74,707,778	\$ (9,947,524)	\$ 64,760,254	\$ 65,045,695

See independent auditor's report.

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

Schedule III

Consolidating Statement of Functional Expenses

For the Year Ended June 30, 2020

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

	Consolidated VOASELA, Inc.	Consolidated RNDC	Subtotal	Eliminations	2020 Consolidated	2019 Consolidated
Salaries and Wages	\$ 17,609,446	\$ -	\$ 17,609,446	\$ -	\$ 17,609,446	\$ 16,753,806
Employee Benefits	2,534,755	-	2,534,755	-	2,534,755	2,548,702
Professional Services	4,233,055	3,077,917	7,310,972	(1,739,024)	5,571,948	4,827,187
Occupancy	1,884,301	978,462	2,862,763	(218,136)	2,644,627	2,419,811
Specific Assistance to Individuals	2,219,505	-	2,219,505	-	2,219,505	1,995,566
Program Supplies and Equipment	3,126,553	992,835	4,119,388	(254,737)	3,864,651	4,732,304
Office Supplies and Expenses	382,524	68,147	450,671	(20,074)	430,597	414,738
Travel, Conferences, and Meetings	532,228	26,651	558,879	(77,443)	481,436	605,761
Depreciation and Amortization	547,442	2,790,909	3,338,351	(177)	3,338,174	3,504,232
Interest	45,425	882,716	928,141	-	928,141	1,017,454
Other	385,378	162,711	548,089	(2,066)	546,023	634,516
Total	\$ 33,500,612	\$ 8,980,348	\$ 42,480,960	\$ (2,311,657)	\$ 40,169,303	\$ 39,454,077

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Consolidating Statement of Financial Position - VOASELA, Inc.
June 30, 2020
With Summarized Comparative Information at June 30, 2019

Schedule IV

	VOASELA, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2020 Consolidated	2019 Consolidated
Assets							
Current Assets							
Cash and Cash Equivalents	\$ 4,537,688	\$ 15,523	\$ 5,133	\$ 4,558,344	\$ -	\$ 4,558,344	\$ 1,179,715
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$58,626 at 2020 and \$118,863 at 2019	3,113,173	-	203,987	3,317,160	-	3,317,160	3,688,795
Pledges Receivable, Net	647,023	-	-	647,023	-	647,023	655,399
Accounts Receivable, CLC, Inc.	130,191	-	-	130,191	(130,191)	-	-
Accounts Receivable, Limited Partnerships	1,096,093	-	-	1,096,093	(1,096,093)	-	-
Interest Receivable, VOA Development	86,708	-	-	86,708	(86,708)	-	-
Notes Receivable, VOA Development	349,938	-	-	349,938	(349,938)	-	-
Prepaid Expenses	565,813	-	17,055	582,868	-	582,868	554,161
Other Current Assets	232,862	-	22,121	254,983	-	254,983	232,705
Total Current Assets	10,759,489	15,523	248,296	11,023,308	(1,662,930)	9,360,378	6,310,775
Fixed Assets, Net	4,856,335	-	2,381,993	7,238,328	-	7,238,328	7,602,732
Other Assets							
Designated and Restricted Assets	254,840	-	5,042	259,882	(185,741)	74,141	46,945
Long-Term Investments	5,903,576	-	-	5,903,576	-	5,903,576	5,490,045
Pledges Receivable, Net	822,571	-	-	822,571	-	822,571	1,158,879
Notes Receivable	3,960,018	-	-	3,960,018	(915,824)	3,044,194	3,259,960
Investment in Joint Ventures	395,073	-	-	395,073	-	395,073	403,599
Investment in Subsidiaries	9,965,818	-	-	9,965,818	(18,293)	9,947,525	10,004,710
Total Other Assets	21,301,896	-	5,042	21,306,938	(1,119,858)	20,187,080	20,364,138
Total Assets	\$ 36,917,720	\$ 15,523	\$ 2,635,331	\$ 39,568,574	\$ (2,782,788)	\$ 36,785,786	\$ 34,277,645

See independent auditor's report.

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

Schedule IV

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

June 30, 2020

With Summarized Comparative Information at June 30, 2019

	VOASELA, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2020 Consolidated	2019 Consolidated
Liabilities and Net Assets							
Current Liabilities							
Accounts Payable	\$ 1,087,354	\$ 185	\$ 168,010	\$ 1,255,549	\$ (356,792)	\$ 898,757	\$ 897,463
Accounts Payable, VOASELA, Inc.	-	130,191	1,840,866	1,971,057	(1,971,057)	-	-
Mortgages and Notes Payable	1,244,526	-	-	1,244,526	-	1,244,526	650,338
Note Payable, VOASELA, Inc.	-	-	349,938	349,938	(349,938)	-	-
Interest Payable, VOASELA, Inc.	-	-	86,708	86,708	(86,708)	-	-
Accrued Expenses	1,720,014	-	46,064	1,766,078	-	1,766,078	1,390,494
Other Current Liabilities	31,223	-	10,599	41,822	-	41,822	50,374
Total Current Liabilities	4,083,117	130,376	2,502,185	6,715,678	(2,764,495)	3,951,183	2,988,669
Other Liabilities							
Mortgages and Notes Payable, Less Unamortized Debt Issuance Costs	1,390,441	-	-	1,390,441	-	1,390,441	285,032
Total Other Liabilities	1,390,441	-	-	1,390,441	-	1,390,441	285,032
Total Liabilities	5,473,558	130,376	2,502,185	8,106,119	(2,764,495)	5,341,624	3,273,701
Net Assets							
Net Assets Without Donor Restrictions	29,925,553	(114,853)	133,146	29,943,846	(18,293)	29,925,553	29,954,259
Net Assets With Donor Restrictions	1,518,609	-	-	1,518,609	-	1,518,609	1,049,685
Total Net Assets	31,444,162	(114,853)	133,146	31,462,455	(18,293)	31,444,162	31,003,944
Total Liabilities and Net Assets	\$ 36,917,720	\$ 15,523	\$ 2,635,331	\$ 39,568,574	\$ (2,782,788)	\$ 36,785,786	\$ 34,277,645

See independent auditor's report.

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

Schedule V

Consolidating Statement of Activities - VOASELA, Inc.

For the Year Ended June 30, 2020

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

	VOASELA, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2020 Consolidated	2019 Consolidated
Net Assets Without Donor Restrictions							
Revenue, Support, and Gains							
Without Donor Restrictions							
Public Support Received Directly							
Contributions and Special Events	\$ 1,048,932	\$ -	\$ -	\$ 1,048,932	\$ -	\$ 1,048,932	\$ 1,303,704
Public Support Received Indirectly							
United Way							
Allocations	155,926	-	-	155,926	-	155,926	130,836
Net Assets Released from Restrictions	334,482	-	-	334,482	-	334,482	304,260
Total Public Support	1,539,340	-	-	1,539,340	-	1,539,340	1,738,800
Revenues and Grants from Governmental Agencies	22,391,124	-	549,341	22,940,465	-	22,940,465	21,206,162
Other Revenue							
Program Service Fees	8,747,256	-	-	8,747,256	(431,749)	8,315,507	8,654,708
Rental Income	-	-	242,017	242,017	-	242,017	257,934
Other Operating Income	2,428	-	5,984	8,412	-	8,412	12,589
Total Other Revenue	8,749,684	-	248,001	8,997,685	(431,749)	8,565,936	8,925,231
Total Revenue, Support, and Gains Without Donor Restrictions	32,680,148	-	797,342	33,477,490	(431,749)	33,045,741	31,870,193

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Consolidating Statement of Activities - VOASELA, Inc. (Continued)
For the Year Ended June 30, 2020

Schedule V

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

	VOASELA, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2020 Consolidated	2019 Consolidated
Operating Expenses							
Program Services							
Encouraging Positive Development	11,212,423	-	-	11,212,423	-	11,212,423	10,986,887
Fostering Independence	8,700,246	-	-	8,700,246	-	8,700,246	8,485,001
Promoting Self-Sufficiency	7,845,743	392	1,018,410	8,864,545	(447,657)	8,416,888	8,476,920
Total Program Services	27,758,412	392	1,018,410	28,777,214	(447,657)	28,329,557	27,948,808
Supporting Services							
Management and General	4,472,028	-	-	4,472,028	-	4,472,028	3,810,571
Fundraising	699,027	-	-	699,027	-	699,027	1,040,098
Total Supporting Services	5,171,055	-	-	5,171,055	-	5,171,055	4,850,669
Total Operating Expenses	32,929,467	392	1,018,410	33,948,269	(447,657)	33,500,612	32,799,477
(Deficit) Surplus from Operations	(249,319)	(392)	(221,068)	(470,779)	15,908	(454,871)	(929,284)

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Consolidating Statement of Activities - VOASELA, Inc. (Continued)
For the Year Ended June 30, 2020
With Summarized Comparative Information for the Year Ended June 30, 2019

Schedule V

	VOASELA, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2020 Consolidated	2019 Consolidated
Other Activities							
Loss on Disposition of Assets	-	(2,540)	-	(2,540)	-	(2,540)	(80,272)
Net Investment Return	465,783	-	-	465,783	(15,908)	449,875	422,394
(Loss) Income from Investment in Subsidiaries	(281,185)	-	-	(281,185)	224,000	(57,185)	1,591,593
Other Non-Operating Gains (Losses)	36,015	-	-	36,015	-	36,015	(46,747)
Surplus from Other Activities	220,613	(2,540)	-	218,073	208,092	426,165	1,886,968
Change in Net Assets	(28,706)	(2,932)	(221,068)	(252,706)	224,000	(28,706)	957,684
Change in Net Assets Without Donor Restrictions	(28,706)	(2,932)	(221,068)	(252,706)	224,000	(28,706)	957,684
Net Assets With Donor Restrictions							
Public Support Received Directly Contributions and Special Events	803,406	-	-	803,406	-	803,406	1,226,959
Net Assets Released from Restrictions	(334,482)	-	-	(334,482)	-	(334,482)	(304,260)
Change in Net Assets With Donor Restrictions	468,924	-	-	468,924	-	468,924	922,699
Total Change in Net Assets	440,218	(2,932)	(221,068)	216,218	224,000	440,218	1,880,383
Net Assets, Beginning of Year	31,003,944	(111,921)	354,214	31,246,237	(242,293)	31,003,944	29,123,561
Net Assets, End of Year	\$ 31,444,162	\$ (114,853)	\$ 133,146	\$ 31,462,455	\$ (18,293)	\$ 31,444,162	\$ 31,003,944

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Consolidating Statement of Functional Expenses - VOASELA, Inc.
For the Year Ended June 30, 2020
With Summarized Comparative Information for the Year Ended June 30, 2019

Schedule VI

	VOASELA, Inc.	CLC, Inc.	Consolidated VOA Development, Inc.	Subtotal	Eliminations	2020 Consolidated	2019 Consolidated
Salaries and Wages	\$ 17,857,743	\$ -	\$ -	\$ 17,857,743	\$ (248,297)	\$ 17,609,446	\$ 16,753,806
Employee Benefits	2,574,648	-	-	2,574,648	(39,893)	2,534,755	2,548,702
Professional Services	3,982,235	269	378,340	4,360,844	(127,789)	4,233,055	3,803,675
Occupancy	1,477,390	123	417,324	1,894,837	(10,536)	1,884,301	1,949,538
Specific Assistance	2,219,505	-	-	2,219,505	-	2,219,505	1,995,566
Program Supplies and Equipment	3,079,020	-	49,475	3,128,495	(1,942)	3,126,553	3,626,435
Office Supplies and Expenses	370,088	-	15,256	385,344	(2,820)	382,524	384,643
Travel, Conferences, and Meetings	531,953	-	446	532,399	(171)	532,228	618,015
Depreciation and Amortization	429,179	-	118,263	547,442	-	547,442	610,106
Interest	38,573	-	22,760	61,333	(15,908)	45,425	36,532
Other	369,133	-	16,546	385,679	(301)	385,378	472,459
Total	\$ 32,929,467	\$ 392	\$ 1,018,410	\$ 33,948,269	\$ (447,657)	\$ 33,500,612	\$ 32,799,477

See independent auditor's report.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Consolidating Statement of Financial Position - VOA Development, Inc.
June 30, 2020
With Summarized Comparative Information at June 30, 2019

Schedule VII

	VOA Development, Inc.	VOA Development 2, Inc.	2020 Consolidated	2019 Consolidated
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 3,961	\$ 1,172	\$ 5,133	\$ 25,082
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$22,757 at 2020 and \$31,203 at 2019	173,338	30,649	203,987	106,082
Prepaid Expenses	-	17,055	17,055	22,006
Other Current Assets	5,926	16,195	22,121	22,121
Total Current Assets	183,225	65,071	248,296	175,291
Fixed Assets, Net	985,376	1,396,617	2,381,993	2,495,455
Other Assets				
Designated and Restricted Assets	2,340	2,702	5,042	3,671
Total Other Assets	2,340	2,702	5,042	3,671
Total Assets	\$ 1,170,941	\$ 1,464,390	\$ 2,635,331	\$ 2,674,417

See independent auditor's report.

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

Schedule VII

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

June 30, 2020

With Summarized Comparative Information at June 30, 2019

	VOA Development, Inc.	VOA Development 2, Inc.	2020 Consolidated	2019 Consolidated
Liabilities and Net Assets				
Current Liabilities				
Accounts Payable	\$ 50,428	\$ 117,582	\$ 168,010	\$ 14,484
Accounts Payable - VOASELA, Inc.	402,992	1,437,874	1,840,866	1,840,866
Note Payable - VOASELA, Inc.	176,439	173,499	349,938	349,938
Interest Payable - VOASELA, Inc.	8,301	78,407	86,708	64,692
Accrued Expenses	36,717	9,347	46,064	43,548
Other Current Liabilities	4,950	5,649	10,599	6,675
Total Current Liabilities	679,827	1,822,358	2,502,185	2,320,203
Total Liabilities	679,827	1,822,358	2,502,185	2,320,203
Net Assets				
Net Assets Without Donor Restrictions	491,114	(357,968)	133,146	354,214
Total Net Assets	491,114	(357,968)	133,146	354,214
Total Liabilities and Net Assets	\$ 1,170,941	\$ 1,464,390	\$ 2,635,331	\$ 2,674,417

See independent auditor's report.

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

Schedule VIII

Consolidating Statement of Activities - VOA Development, Inc.

For the Year Ended June 30, 2020

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

	VOA Development, Inc.	VOA Development 2, Inc.	2020 Consolidated	2019 Consolidated
Net Assets Without Donor Restrictions				
Revenue, Support, and Gains				
Without Donor Restrictions				
Revenues and Grants from Governmental Agencies	\$ 324,484	\$ 224,857	\$ 549,341	\$ 553,264
Other Revenue				
Rental Income	128,774	113,243	242,017	257,934
Other Operating Income	3,081	2,903	5,984	-
Total Other Revenue	131,855	116,146	248,001	257,934
Total Revenue, Support, and Gains Without Donor Restrictions	456,339	341,003	797,342	811,198

See independent auditor's report.

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

Schedule VIII

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

For the Year Ended June 30, 2020

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

	VOA Development, Inc.	VOA Development 2, Inc.	2020 Consolidated	2019 Consolidated
Operating Expenses				
Program Services				
Fostering Independence	-	-	-	8,675
Promoting Self-Sufficiency	446,917	571,493	1,018,410	979,942
Total Program Services	446,917	571,493	1,018,410	988,617
Total Operating Expenses	446,917	571,493	1,018,410	988,617
Income (Deficit) from Operations	9,422	(230,490)	(221,068)	(177,419)
Change in Net Assets Without Donor Restrictions	9,422	(230,490)	(221,068)	(177,419)
Total Change in Net Assets	9,422	(230,490)	(221,068)	(177,419)
Net Assets, Beginning of Year	481,692	(127,478)	354,214	531,633
Net Assets, End of Year	\$ 491,114	\$ (357,968)	\$ 133,146	\$ 354,214

See independent auditor's report.

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

Schedule IX

Consolidating Statement of Functional Expenses - VOA Development, Inc.

For the Year Ended June 30, 2020

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

	VOA Development, Inc.	VOA Development 2, Inc.	2020 Consolidated	2019 Consolidated
Professional Services	\$ 155,923	\$ 222,417	\$ 378,340	\$ 347,742
Occupancy	214,072	203,252	417,324	395,780
Program Supplies and Equipment	24,988	24,487	49,475	47,120
Office Supplies and Expenses	6,881	8,375	15,256	17,989
Travel, Conferences, and Meetings	198	248	446	209
Depreciation and Amortization	30,309	87,954	118,263	147,178
Interest	6,852	15,908	22,760	21,699
Other	7,694	8,852	16,546	10,900
Total	\$ 446,917	\$ 571,493	\$ 1,018,410	\$ 988,617

See independent auditor's report.

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the 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, 2020, 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 6, 2020.

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) 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

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

Purpose of this Report

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

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

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

A Professional Accounting Corporation

Covington, LA
October 6, 2020

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

Single Audit Report

For the Year Ended June 30, 2020



Contents

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited Volunteers of America Southeast Louisiana, Inc. and Subsidiaries' (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2020. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the consolidated financial statements of the Organization as of and for the year ended June 30, 2020, and have issued our report thereon dated December 23, 2020, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

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

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

A Professional Accounting Corporation

Covington, LA
December 23, 2020

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020**

FEDERAL GRANTOR/ PASS-THROUGH AGENCY/ PROGRAM TITLE	Federal CFDA Number	Agency Number	Federal Expenditures	Pass-Through to Subrecipients
U.S. Department of Housing and Urban Development				
Direct Programs:				
Supportive Housing Program	14.235	LA124L6H061811	118,850	-
Supportive Housing Program	14.235	LA0076L6H031810	1,053,804	-
Supportive Housing Program	14.235	LA0122L6H061811	170,776	-
Supportive Housing Program	14.235	LA00255I6H061702, LA0255L6H061803	242,034	-
Supportive Housing Program	14.235	LA0285L6H061802	115,890	-
Supportive Housing Program	14.235	LA0121L6H061811	598,175	-
Supportive Housing Program	14.235	LA0177L6H061706, LA0177L6H061807	42,296	-
Supportive Housing Program	14.235	LA0187L6H061706, LA0187L6H061807	79,916	-
Section 8 Housing Assistance Payments Program	14.195	LA480000001	81,458	-
Section 8 Housing Assistance Payments Program	14.195	LA480000002	77,472	-
Subtotal - Direct Programs			2,580,671	-
Passed through New Orleans Housing Authority:				
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	LA001SC0001, LA001SR001	324,484	-
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	LA001SR002	224,857	-
Passed through Volunteers of America, Inc.:				
Multifamily Housing Service Coordinators	14.191	LA48C59500100	101,066	-
Passed through State of Louisiana:				
Community Development Block Grant	14.218	735481	222,313	-
Passed through City of Kenner:				
Community Development Block Grant	14.218	B-13-MC-22008	68,337	-
Passed through St. Tammany Parish Government:				
Community Development Block Grant	14.218	22-0525-720709/50-002	23,286	-
Passed through Parish of Jefferson:				
Community Development Block Grant	14.218	21280-1176-139-7454-81927-001	462,002	-
Passed through UNITY for the Homeless:				
Continuum of Care Program	14.267	LA0062L6H031811	106,621	-
Subtotal - Pass-through Programs			1,532,966	-
Total U.S. Department of Housing and Urban Development			4,113,637	-
U.S. Department of Justice				
Direct Programs:				
Juvenile Mentoring Program	16.726	2017-MV-FX-0025	105,944	-
Second Chance Act Reentry Initiative	16.812	2017-CZ-BX-0013	145,762	-
Subtotal - Direct Programs			251,706	-
Passed through Florida Parishes Human Services Authority:				
Comprehensive Opioid Abuse Program	16.838	PO2000402152	102,783	-
Passed through Office of Juvenile Justice				
Juvenile Mentoring Program	16.726	2019-JJ-FX-0013	5,850	-
Subtotal - Pass-through Programs			108,633	-
Total U.S. Department of Justice			360,339	-

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2020

FEDERAL GRANTOR/ PASS-THROUGH AGENCY/ PROGRAM TITLE	Federal CFDA 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	VA256-15-C-0078	89,673	-
Homeless Providers Grant and Per Diem Program	64.024	VA256-15-C-0044	93,725	-
Homeless Providers Grant and Per Diem Program	64.024	VOAN750-0469-629-SI-18-0	451,834	-
Homeless Providers Grant and Per Diem Program	64.024	VOAN750-0437-629-BH-18-0	7,349	-
Homeless Providers Grant and Per Diem Program	64.024	VOAN750-0537-629-LD-18-0	330,939	-
Homeless Providers Grant and Per Diem Program	64.024	VOAN750-1183-629-CM-20	52,814	-
Supportive Services for Veteran Families	64.033	12-LA-038	1,539,422	810,036
Supportive Services for Veteran Families	64.033	12-LA-038-CA	788,343	387,751
Total U.S. Department of Veteran Affairs			3,354,099	1,197,787
U.S. Department of Health and Human Services				
Direct Programs:				
Rural Communities Opioid Response Program	93.211	G25RH33026	169,543	-
Passed through State of Louisiana:				
HIV Care Formula Grant	93.917	728154	880,890	-
Block Grants for Community Mental Health Services	93.958	PO 2000448450	67,223	-
Passed through Florida Parishes Human Services Authority:				
Opioid Mobile Response Team	93.788	PO 2000459966	311,701	-
Peer Support Specialist	93.788	PO2000478894	242,782	-
Passed through Unity of Greater New Orleans:				
Substance Abuse and Mental Health Services	93.243	IH79SM053337-01	44,242	-
Passed through DHH for Children and Families				
Substance Abuse and Mental Health Services	93.060	90R0075-01-01	137,358	-
Passed through Substance Abuse Mental Health Administration				
Substance Abuse and Mental Health Administration	93.243	IH79SM053337-01	322,792	-
Subtotal - Pass-through Programs			2,006,988	-
Total U.S. Department of Health and Human Services			2,176,531	-
Corporation for National and Community Service				
Direct Programs:				
Retired and Senior Volunteer Program	94.002	19SRWLA001	85,988	-
Total Corporation for National and Community Service			85,988	-
Total Expenditures of Federal Awards			\$ 10,090,594	\$ 1,197,787

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

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, 2020. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management and Budget Circular A-122, Cost Principles for Non-Profit Organizations, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. De Minimis Cost Rate

The Organization uses indirect cost rates negotiated and approved by the grant awarding agencies, and has elected not to use the 10% de minimis indirect cost rate as provided for in section 200.414 of the Uniform Guidance.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies identified? None Reported
- Noncompliance material to the financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? No
- Significant deficiencies identified? Yes

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
14.218	Community Development Block Grant
14.249	Section 8 Moderate Rehabilitation Single Room Occupancy
64.024	Homeless Providers Grant and Per Diem Program

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

Auditee qualified as low-risk auditee? Yes

Section II. Findings - Financial Statement Audit

None.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

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

2020 - 001 Section 8 Moderate Rehabilitation Single Room Occupancy Internal Control Over Compliance

CFDA: 14.249
Year: Year ended June 30, 2020
Federal Agency: U.S. Department of Housing and Urban Development
Pass-through Entity: New Orleans Housing Authority
Criteria: Title 2, Part 200, Subpart A, Section 200.62
Condition: There was a lack of evidence of implementation of internal controls over compliance.
Cause: 10 of 40 items tested lacked proper review by the third party to ensure program participants met the eligibility requirement.
Effect: Improper documentation of secondary review.
Recommendation: We recommend that management ensures the implementation and documentation of a proper secondary review.
Management's Response: See corrective action plan.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020**

2020 - 002 Homeless Providers Grant and Per Diem Program Internal Control Over Compliance

CFDA: 64.024
Year: Year ended June 30, 2020
Federal Agency: U.S. Department of Veteran Affairs
Criteria: Title 2, Part 200, Subpart A, Section 200.62
Condition: There was a lack of evidence of implementation of internal controls over compliance.
Cause: All 3 items tested lacked proper review by the case manager or the program manager to ensure the accuracy of program participants' contribution rate.
Effect: Improper documentation of primary review.
Recommendation: We recommend that management ensures the implementation and documentation of a proper primary review.
Management's Response: See corrective action plan.

**VOLUNTEERS OF AMERICA SOUTHEAST LOUISIANA, INC.
AND SUBSIDIARIES**
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2020

None.



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Volunteers of America Southeast Louisiana, Inc. Corrective Action Plan

RE: Finding 2020-001, Internal Control Over Compliance of the Section 8 Moderate Rehabilitation Single Room Occupancy

Property Management is aware of the deficiency and will endeavor to provide complete documentation to the tenant files.

The accounting department will begin quarterly visits in the first quarter of 2021 to the two Single Room Occupancy (SRO) sites in order to review a random sample of tenant files for evidence of third-party review.

RE: Finding 2020-002, Internal Control Over Compliance of the Homeless Providers Grant and Per Diem Program

Program Management is aware of the deficiency and has already begun the practice of case manager review to ensure the accuracy of program participants' contribution rate. Such review will be documented via email approval.

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