Volunteers of America Ohio & Indiana and Subsidiaries

(A Non-Profit Organization)

YEARS ENDED JUNE 30, 2024 AND 2023

HW&Co.® CPAs & Advisors

VOLUNTEERS OF AMERICA OHIO & INDIANA AND SUBSIDIARIES

(A Non-Profit Organization)

YEARS ENDED JUNE 30, 2024 AND 2023

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Independent Auditor's Report

Board of Directors
Volunteers of America Ohio & Indiana and Subsidiaries
(A Non-Profit Organization)
Columbus, OH
Indianapolis, IN

Opinion

We have audited the accompanying consolidated financial statements of Volunteers of America Ohio & Indiana and Subsidiaries (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Volunteers of America Ohio & Indiana and Subsidiaries as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Volunteers of America Ohio & Indiana and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

Supplementary Information

Our 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, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and supplementary information, are presented for purposes of additional analysis and are 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 expenditures of Federal awards and supplementary information are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2025, on our consideration of Volunteers of America Ohio & Indiana and Subsidiaries' 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 solely 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 the effectiveness of Volunteers of America Ohio & Indiana and Subsidiaries' 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 Volunteers of America Ohio & Indiana and Subsidiaries' internal control over financial reporting and compliance.

HW+ Co.

Cleveland, Ohio
January 3, 2025

VOLUNTEERS OF AMERICA OHIO & INDIANA AND SUBSIDIARIES

(A Non-Profit Organization)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION - JUNE 30, 2024 AND 2023

ASSETS

	2024	2023 (As Restated)
Current assets:		
Cash and cash equivalents	$ 6,040,518	$ 6,726,064
Accounts receivable, net of allowance of $335,000 at June 30, 2024 and $349,800 at June 30, 2023	5,674,741	4,904,983
Accounts receivable, other	379,423	880,786
Pledges receivable, net	85,070	81,878
Prepaid expenses	399,542	401,524
Total current assets	12,579,294	12,995,235
Fixed assets:		
Land and buildings	60,032,597	57,159,292
Furnishings and equipment	12,590,274	11,255,596
Accumulated depreciation	(28,272,760)	(26,691,130)
Total fixed assets	44,350,111	41,723,758
Other assets:		
Long-term investments	35,856,266	36,847,275
Right-of-use assets, operating leases	16,444,239	15,694,982
Other assets	9,223,806	7,110,317
Total other assets	61,524,311	59,652,574
	$ 118,453,716	**$ 114,371,567**

LIABILITIES AND NET ASSETS

	2024	2023 (As Restated)
Current liabilities:		
Accounts payable	$ 2,143,639	$ 1,778,939
Current portion of loan payable:	1,277,165	150,000
Current portion of lease liability, operating leases	2,065,135	2,131,561
Accrued expenses	3,426,690	3,257,510
Deferred revenue	1,400,000	2,339,195
Other current liabilities	1,737,510	2,200,952
Total current liabilities	12,050,139	11,858,157
Other liabilities:		
Loan payable	-	1,297,165
Lease liability, operating leases, net of current portion	14,607,123	13,468,401
Other liabilities	-	5,880
Total other liabilities	14,607,123	14,771,446
Total liabilities	26,657,262	26,629,603
Net assets:		
Without donor restrictions:		
General	66,892,349	65,824,368
Board designated	12,817,303	11,347,205
Total net assets without donor restrictions	79,709,652	77,171,573
With donor restrictions	12,086,802	10,570,391
Total net assets	91,796,454	87,741,964
	$ 118,453,716	**$ 114,371,567**

See notes to consolidated financial statements.

VOLUNTEERS OF AMERICA OHIO & INDIANA AND SUBSIDIARIES

(A Non-Profit Organization)

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues from operations:			
Public support received directly:			
Contributions	$ 26,888,294	$ 1,998,702	$ 28,886,996
Revenue and grants from governmental agencies	58,761,757	-	58,761,757
Other revenue:			
Program service fees	698,258	-	698,258
Lease income	527,360	-	527,360
Other operating revenue	69,789	-	69,789
Total revenue	86,945,458	1,998,702	88,944,160
Net assets released from restrictions	482,291	(482,291)	-
Total revenue from operations	87,427,749	1,516,411	88,944,160
Operating expenses:			
Retail stores	21,833,536	-	21,833,536
Auto donation	313,626	-	313,626
Veterans services	19,050,324	-	19,050,324
Re-entry programs	17,887,991	-	17,887,991
Housing programs	1,927,085	-	1,927,085
Behavioral health	14,154,032	-	14,154,032
Total program services	75,166,594	-	75,166,594
Management and general	13,874,928	-	13,874,928
Resource development	1,445,076	-	1,445,076
Total supporting services	15,320,004	-	15,320,004
Total operating expenses	90,486,598	-	90,486,598
Excess (loss) from operations	(3,058,849)	1,516,411	(1,542,438)
Nonoperating gains, losses and other revenue:			
Investment gain, net	2,322,922	-	2,322,922
Gain from disposal of assets, net	28,224	-	28,224
Gain from casualty loss	1,424,435	-	1,424,435
Unrealized gain on investments, net	1,821,347	-	1,821,347
Excess from other activities	5,596,928	-	5,596,928
Change in net assets	2,538,079	1,516,411	4,054,490
Net assets, beginning of year	77,171,573	10,570,391	87,741,964
Net assets, ending of year	**$ 79,709,652**	**$ 12,086,802**	**$ 91,796,454**

See notes to consolidated financial statements.

VOLUNTEERS OF AMERICA OHIO & INDIANA AND SUBSIDIARIES

(A Non-Profit Organization)

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2023 (As Restated)

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues from operations:			
Public support received directly:			
Contributions	$ 25,234,753	$ 10,413,455	$ 35,648,208
Revenue and grants from governmental agencies	53,261,087	-	53,261,087
Other revenue:			
Program service fees	651,865	-	651,865
Lease income	709,154	-	709,154
Other operating revenue	281,336	-	281,336
Total revenue	80,138,195	10,413,455	90,551,650
Net assets released from restrictions	866,734	(866,734)	-
Total revenue from operations	81,004,929	9,546,721	90,551,650
Operating expenses:			
Retail stores	18,955,116	-	18,955,116
Auto donation	318,863	-	318,863
Veterans services	19,130,602	-	19,130,602
Re-entry programs	16,456,934	-	16,456,934
Housing programs	2,086,341	-	2,086,341
Behavioral health	12,156,415	-	12,156,415
Total program services	69,104,271	-	69,104,271
Management and general	11,422,816	-	11,422,816
Resource development	1,233,957	-	1,233,957
Total supporting services	12,656,773	-	12,656,773
Total operating expenses	81,761,044	-	81,761,044
Excess (loss) from operations	(756,115)	9,546,721	8,790,606
Nonoperating gains, losses and other revenue:			
Investment gain, net	861,382	-	861,382
Gain from casualty loss	559,869	-	559,869
Employee retention credit	259,830	-	259,830
Unrealized gain on investments, net	2,312,362	-	2,312,362
Excess from other activities	3,993,443	-	3,993,443
Change in net assets	3,237,328	9,546,721	12,784,049
Net assets, beginning of year	73,934,245	1,023,670	74,957,915
Net assets, ending of year	**$ 77,171,573**	**$ 10,570,391**	**$ 87,741,964**

See notes to consolidated financial statements.

VOLUNTEERS OF AMERICA OHIO & INDIANA AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	Program Services							Supporting Services			Total
							Program	Management		Supporting	Program and Supporting
	Retail Stores	Auto Donation	Veteran Services	Re-entry Programs	Housing Programs	Behavioral Health	Services Total	and General	Resource Development	Services Total	Services Expenses
Salaries	$ 10,794,228	$ 110,923	$ 7,781,335	$ 9,020,166	$ 581,868	$ 8,371,338	$ 36,659,858	$ 6,606,497	$ 893,090	$ 7,499,587	$ 44,159,445
Employee benefits	2,032,067	25,788	1,694,727	1,983,562	154,101	1,776,409	7,666,654	1,630,003	212,524	1,842,527	9,509,181
Professional services	572,523	130,720	643,154	850,251	95,278	1,030,456	3,322,382	3,810,445	177,792	3,988,237	7,310,619
Occupancy expense	4,126,741	3,633	966,583	1,346,835	71,172	820,419	7,335,383	451,053	219	451,272	7,786,655
Specific assistance	-	-	5,384,082	38,544	777,793	502,460	6,702,879	-	-	-	6,702,879
Program supplies and equipment	2,087,587	28,694	1,261,841	3,370,189	68,040	827,818	7,644,169	246,030	8,480	254,510	7,898,679
Office supplies and expenses	823,724	6,955	273,863	215,988	35,317	158,955	1,514,802	385,834	108,543	494,377	2,009,179
Travel, conferences and meetings	440,143	-	330,421	448,181	23,292	268,440	1,510,477	370,910	37,108	408,018	1,918,495
Depreciation and amortization	928,643	6,867	683,028	556,256	109,263	359,996	2,644,053	231,068	3,657	234,725	2,878,778
Interest	-	-	-	-	802	-	802	-	-	-	802
Other	27,880	46	31,290	58,019	10,159	37,741	165,135	143,088	3,663	146,751	311,886
Total functional expenses	**$ 21,833,536**	**$ 313,626**	**$ 19,050,324**	**$ 17,887,991**	**$ 1,927,085**	**$ 14,154,032**	**$ 75,166,594**	**$ 13,874,928**	**$ 1,445,076**	**$ 15,320,004**	**$ 90,486,598**

See notes to consolidated financial statements.

VOLUNTEERS OF AMERICA OHIO & INDIANA AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2023

	Program Services							Supporting Services			Total
	Retail Stores	Auto Donation	Veteran Services	Re-entry Programs	Housing Programs	Behavioral Health	Program Services Total	Management and General	Resource Development	Supporting Services Total	Total Program and Supporting Services Expenses
Salaries	$ 9,247,115	$ 115,700	$ 7,654,617	$ 7,986,100	$ 674,241	$ 7,035,174	$ 32,712,947	$ 5,204,922	$ 740,142	$ 5,945,064	$ 38,658,011
Employee benefits	1,719,288	24,963	1,719,835	1,748,170	193,517	1,600,349	7,006,122	1,440,461	191,028	1,631,489	8,637,611
Professional services	646,741	144,759	524,149	1,088,003	90,732	841,883	3,336,267	3,043,242	123,473	3,166,715	6,502,982
Occupancy expense	3,808,790	7,670	887,382	1,454,148	74,993	629,299	6,862,282	462,711	-	462,711	7,324,993
Specific assistance	-	-	5,740,205	49,843	767,060	428,732	6,985,840	-	-	-	6,985,840
Program supplies and equipment	1,862,879	11,204	1,332,109	2,868,009	96,900	818,573	6,989,674	211,232	9,826	221,058	7,210,732
Office supplies and expenses	474,557	6,164	263,886	195,662	30,337	158,698	1,129,304	311,445	130,758	442,203	1,571,507
Travel, conferences and meetings	427,826	718	363,390	393,073	32,297	242,653	1,459,957	270,864	33,696	304,560	1,764,517
Depreciation and amortization	753,410	7,353	616,032	569,366	125,784	385,057	2,457,002	228,399	3,655	232,054	2,689,056
Interest	-	-	39	76,048	-	-	76,087	209	-	209	76,296
Other	14,510	332	28,958	28,512	480	15,997	88,789	249,331	1,379	250,710	339,499
Total functional expenses	**$ 18,955,116**	**$ 318,863**	**$ 19,130,602**	**$ 16,456,934**	**$ 2,086,341**	**$ 12,156,415**	**$ 69,104,271**	**$ 11,422,816**	**$ 1,233,957**	**$ 12,656,773**	**$ 81,761,044**

See notes to consolidated financial statements.

VOLUNTEERS OF AMERICA OHIO & INDIANA AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023 (As Restated)
Cash flows from operating activities:		
Change in net assets	$ 4,054,490	$ 12,784,049
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	2,878,778	2,709,056
Recovery of credit losses	(14,800)	
Gain on forgiveness of debt	(150,000)	(150,000)
Gain on disposal of assets	(28,224)	-
Gain from casualty loss	-	(559,869)
Lease expense	2,353,514	4,721,668
Unrealized gain on investments	(1,821,347)	(2,312,362)
Change in value of interest rate swap	-	(5,830)
Increase (decrease) in assets:		
Accounts receivable	(253,595)	77,708
Pledges receivable	(3,192)	(16,586)
Prepaid expenses	1,982	(73,036)
Other assets	(122,341)	(452,396)
Increase (decrease) in liabilities:		
Accounts payable	709,803	1,334,169
Accrued expenses	309,848	263,164
Deferred revenue	(939,195)	1,508,881
Lease liability	(2,030,475)	(4,816,688)
Other current liabilities	(463,442)	704,550
Other liabilities	(5,880)	(11,478)
Net cash provided by operating activities	4,475,924	15,705,000
Cash flows from investing activities:		
Purchases of fixed assets and construction-in-progress	(8,161,167)	(9,571,612)
Proceeds from sale of fixed assets	540,733	-
Net investment activity	2,812,356	(10,867,481)
Net cash used in investing activities	(4,808,078)	(20,439,093)
Cash flows from financing activities:		
Principal payments on long-term debt	(20,000)	(3,426,165)
Payments on accounts payable for construction-in-process	(345,103)	
Net cash used in financing activities	(365,103)	(3,426,165)
Net decrease in cash, cash equivalents and restricted cash	(697,257)	(8,160,258)
Cash, cash equivalents and restricted cash, beginning	6,737,775	14,898,033
Cash, cash equivalents and restricted cash, ending	**$ 6,040,518**	**$ 6,737,775**

See notes to consolidated financial statements.

1. Description of organization and summary of significant accounting policies:

Description of organization:

Volunteers of America Ohio & Indiana and Subsidiaries ("Organization") is a nonprofit spiritually based human services organization, incorporated in Ohio, that provides social services within the States of Ohio and Indiana under a charter from Volunteers of America, Inc., a national nonprofit spiritually based organization providing local human service programs, and opportunities for individual and community involvement.

Volunteers of America, Inc. focuses on three impact areas: promoting self-sufficiency, fostering independence and encouraging positive development. Within the impact area of promoting self-sufficiency, Volunteers of America, Inc. promotes self-sufficiency for individuals and families who have experienced homelessness, or other personal crisis, including chemical dependency, involvement with the corrections system and unemployment. We focus on solution-oriented approaches, using a continuum of services from prevention to intervention to long-term support. Our local programming includes a network of Retail Stores that provide low-cost clothing and household items. In addition to meeting the emergency needs of our communities for clothing and household items, some of these locations also serve as food pantries providing food items throughout the year and holiday food and gift baskets.

Our Veterans Services include programming for transitional housing for homeless veterans under grants from Veterans Affairs along with grants to address the special needs of chronically mentally ill veterans. Veteran employment programs, Supportive Services for Veteran Families programs and a housing program for female veterans are located throughout the service areas. A Veteran Administration contract provides services to mentally ill veterans who receive residential and other support services.

Our Re-entry Programs include halfway houses providing rehabilitation services to adult populations. Programs focus on rehabilitation, life skills, substance abuse education and counseling. Referral sources include Ohio and Indiana Department of Corrections and the Federal Bureau of Prisons. The programs are located throughout the service areas.

The Housing Programs include emergency shelters for homeless families, transitional housing programs for homeless individuals and permanent supportive housing for formerly homeless families. These programs are located in Ohio. In Indiana, the Organization manages two affordable housing facilities operating under HUD 202 and owned by Volunteers of America, Inc.; Brownstone Manor and a 52-unit facility; Gardens on Carolina, a 38-unit facility.

Through programs designed to provide care where needed, while supporting independence to the degree possible, Volunteers of America, Inc. fosters the health and independence of the elderly and persons with disabilities, mental illness, and HIV/AIDS through quality affordable housing, health care services, and a wide range of community services. Our fostering independence programming includes housing programs previously noted for individuals dealing with mental health issues.

1. Description of organization and summary of significant accounting policies (continued):

Description of organization (continued):

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

The Organization provides Fresh Start programs for pregnant mothers with young children. The programs focus on early intervention for infants born testing positive for opiates at the time of birth, mothers who have recently delivered and are in need of services and early intervention for mothers with Opiate Use Disorder. There are also treatment programs for men and women under criminal justice supervision designed to provide a treatment intervention for relapse rather than incarceration. Outpatient services for those transitioning out of residential treatment are also available.

Through the use of telepsych and a partnership with AIDS service organizations, the Organization has been able to increase access to treatment for people with limited transportation with significant health concerns. This is possible through the Ryan White outpatient and telepsych program that works to expand access to services for individuals diagnosed with HIV.

Supporting services:

Supporting services include all expenses not allocable to specific program services. Management and general expenses relate to the overall administration of the Organization, encompassing human resources, accounting functions and executive administration.

Resource development includes activities related to the development function, encompassing solicitation of support from fundraisers, individuals and businesses. Resource development also include participation in the direct mail program and the website program conducted by Volunteers of America, Inc.

Principles of consolidation:

The accompanying consolidated financial statements of the Organization include the accounts of Volunteers of America Ohio & Indiana and its wholly-owned subsidiaries: VOAOHIN 919, LLC (an Indiana limited liability company) and VOAOHIN 3583, LLC (an Ohio limited liability company). During the year ended June 30, 2024, VOAOHIN 3583, LLC terminated operations. All other significant intercompany transactions have been eliminated in consolidation.

Basis of accounting:

The accounting policies of the Organization conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") as applicable to voluntary health and welfare organizations.

1. Description of organization and summary of significant accounting policies (continued):

Basis of accounting (continued):

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

Use of estimates:

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and the accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents:

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

The Organization maintains its cash in several bank deposit accounts, which, at times, may exceed Federally insured limits. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant risk on cash and cash equivalents.

Recently adopted accounting pronouncements:

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model which requires the measurement of expected credit losses based on historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amounts. The ASU requires disclosures to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in ASU 2016-13 were accounts receivable.

As a result of utilizing modified retrospective transition method, there was no effect to the opening balance of the allowance for credit losses or net assets at July 1, 2023.

1. Description of organization and summary of significant accounting policies (continued):

Accounts receivable and allowance for credit losses:

Accounts receivable are recorded as performance obligations are satisfied at established billing rates as services are rendered. Accounts receivable are recorded at amounts expected to be collected.

The Organization recognizes an expected allowance for credit losses at each statement of financial position date. In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist. Accounts receivable are evaluated individually when they do not share similar risk characteristics which could exist in circumstances where amounts are considered at risk or uncollectible.

The allowance estimate is derived from a review of the Organization's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Organization's portfolio segments have remained constant since the Organization's inception.

The Organization writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the Organization's accounting policy election. There were no write-offs during 2024.

The allowance for credit losses for accounts receivable by portfolio segment and the related activity are as follows as of June 30, 2024:

Beginning balance	$ 349,800
Provision for (recovery of) credit losses	(14,800)
Ending balance	$ 335,000

Accounts receivable, other consists of the following balances at June 30, 2024 and 2023:

	2024	2023
Employee Retention Credit (Note 2)	$ 259,830	$ 259,830
Property tax exemptions	119,593	-
Insurance casualty proceeds (Note 10)	-	620,956
	$ 397,423	$ 880,786

1. Description of organization and summary of significant accounting policies (continued):

Pledges receivable:

Pledges receivable represent unconditional promises to give. Unpaid pledges from campaigns, net of allowance for doubtful pledges, are $96,619 at June 30, 2024 and $120,380 at June 30, 2023.

These receivables are pledged to be received as follows:

Year ending June 30,	
2025	$ 100,083
2026	13,588
	$ 113,671

At June 30, 2024 and 2023, an allowance of $17,052 and $21,250 was recorded for doubtful pledges, respectively.

Property and equipment:

Land, buildings and equipment purchased by the Organization are recorded at cost. The Organization follows the practice of capitalizing all expenditures for land, buildings and equipment over $5,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed on the straight-line method based upon the following estimated useful lives of the assets:

Furniture and equipment	2 – 10 years
Transportation vehicles	2 – 7 years
Buildings and improvements	2 – 40 years

Construction-in-progress included in other long-term assets totaled $8,443,682 at June 30, 2024 and $6,283,487 at June 30, 2023. Construction-in-progress is transferred to property and equipment when placed in service.

Investments:

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

1. Description of organization and summary of significant accounting policies (continued):

Restricted and designated assets:

Restricted and designated assets represent the total of all assets that are encumbered by donor restrictions, legal agreements, and board designation or are otherwise unavailable for the general use of the Organization. This category generally includes client/custodial funds, escrow/reserve funds, with or without donor restrictions and securities that are pledged and held by the lender as collateral for financing. Donors include other types of contributors, including makers of certain grants.

Liquidity and availability:

The Organization's financial assets available within one year of the consolidated statement of financial position as of June 30, for general expenditures are as follows:

	2024	2023
Cash and cash equivalents	$ 6,040,518	$ 6,726,064
Accounts receivable, net	6,054,164	5,785,769
Pledges receivable, net	85,070	81,878
	$ 12,179,752	$ 12,593,711

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Additionally, the Organization's Board designated fund consists of investments whose income is not restricted for specific purpose, and therefore is available for general expenditures as approved by the Board. Furthermore, the Organization has $3,000,000 available for borrowing under its lines of credit (Note 5) at June 30, 2024 and 2023.

Net assets:

The Organization classifies net assets into two categories: with or without donor/grantor-imposed restrictions. All net assets are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Net assets with donor-imposed restrictions that are perpetual in nature include contributions with donor-imposed restrictions requiring resources to be maintained in perpetuity but permitting use of all or part of the investment income earned on the contribution. The Board of Directors has designated net assets without donor restrictions totaling $12,817,303 at June 30, 2024 and $11,347,205 at June 30, 2023. Net assets with donor/grantor restrictions are used for the specific purpose and are normally used over a few years until the restriction is completed.

1. Description of organization and summary of significant accounting policies (continued):

Revenue recognition:

The Organization generates revenue from contributions, revenue and grants from governmental agencies and program service fees. Revenue is reported at the amount that reflects consideration to which the Organization expects to be entitled in exchange for providing the goods or services. Revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the goods and services provided by the Organization. The Organization recognizes revenue in the statements of activities and changes in net assets and contract assets in the consolidated statements of financial position only when goods and services have been sold and delivered or have been provided. Since the Organization has performed its obligations under the contracts, it has unconditional rights to the consideration recorded as contract assets and therefore, classifies those billed amounts as accounts receivable. There were no contract assets at June 30, 2024 and 2023.

Revenues from exchange transactions are recognized as performance obligations are satisfied, which in most cases are as related costs are incurred.

Revenues from non-exchange transactions (contributions) may be subject to conditions, in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make further payments). Revenues from conditional non-exchange transactions are recognized when the barrier is satisfied. In addition, the Organization has elected the simultaneous release option for conditional contributions that are also subject to purpose restrictions. Under this option, net assets with donor restrictions will include the donor-restricted contributions for which the purpose restrictions were met in the same reporting period as the revenue is recognized.

Unconditional promises to give are recognized as revenue or support in the period the promise is received. Unconditional promises to give are recognized at their net realizable value. Conditional promises to give are recognized when the conditions on which they depend are met.

Program service fees are recognized as revenue when services have been rendered. Program service fees received in advance are deferred to the applicable year in which the related services are performed or expenditures are incurred and represent contract liabilities, which are recorded as deferred revenue in the consolidated statement of financial position.

The Organization operates Retail Stores throughout Ohio. Items for sale in these stores are the result of contributions of personal property from the general public. Consistent with Volunteers of America, Inc., the Organization records revenue when the items are sold rather than upon receipt of the goods. In the opinion of management, fair market value cannot be reasonably estimated at the time of receipt of these noncash contributions. This same approach is used for the recording of automobiles sold through the Ohio auto auction. The Organization allocates the transaction price for retail sales to each distinct product on their relative standalone selling price. Revenue is recognized when control of the product is transferred to the customer (i.e., when the Organization's performance obligation is satisfied), which typically occurs at the point of sale.

1. Description of organization and summary of significant accounting policies (continued):

Disaggregation of revenue:

The Organization has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors: payors, method of reimbursement, and timing of when revenue is recognized. The following is a summary of the composition of revenue from governmental agencies by payor for the years ended June 30, 2024 and 2023:

	2024	2023
Department of Corrections	38%	38%
Veterans Administration	30	31
Department of Medicaid	15	7
State Programs	5	8
Community Shelter Boards	2	6
Department of Labor	4	4
Other	6	6
Total	100%	100%

Contributed services and non-financial assets:

The Organization recognizes contribution revenue for certain services received at the fair value of those services, provided those services create or enhance non-financial assets or require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The related costs are allocated to the specific programs noted above and recorded as operating support and expenses in the statements of activities and changes in net assets. No amounts were donated in 2024 or 2023.

The Organization receives other donated services which do not meet the criteria for recognition in the Organization's consolidated financial statements or cannot be objectively measured. These donations, while not recognized in the consolidated financial statements, also provide valuable resources to the Organization.

Operations:

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

1. Description of organization and summary of significant accounting policies (continued):

Income taxes:

Under provision of Section 501(c)(3) of the Internal Revenue Code ("IRC") and the applicable income tax regulations of the States of Ohio and Indiana, Volunteers of America Ohio & Indiana 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 IRC as a religious organization described in Section 501(c)(3). For the fiscal years ended June 30, 2024 and 2023, there was no taxable net income resulting from unrelated business activities. Accordingly, no tax expense was incurred during the years ended June 30, 2024 and 2023.

VOAOHIN 919, LLC and VOAOHIN 3583, LLC (collectively the "Subsidiaries") are for-profit entities and, as a result, are tax-paying entities should they have taxable income. The Subsidiaries had net operating income of $117,621 during the year ended June 30, 2024 and $235,569 during the year ended June 30, 2023.

Functional expenses:

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the consolidated statement of activities and changes in net assets. The consolidated statement of functional expenses presents the natural classification detail of expense by function. Accordingly, certain costs have been allocated among the programs, management and general, and resource development expenses. Certain administrative costs associated with the grant process are not included under grants on the consolidated statement of functional expenses and have been more appropriately reflected under programs.

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages and related expenses, which are allocated based on job descriptions and estimates of time and effort. Occupancy costs, including utilities, property insurance, telephone, depreciation and interest are allocated based on square footage or the total number of beds. Professional liability insurance is allocated based on the number of beds at each location covered and a weighting factor provided by the insurance agent for the cost of the different type of beds. The remaining expenses which are not directly identifiable by program service or support activities are allocated on the best estimates of management.

Leases:

The Organization makes a determination with respect to each of its remaining leases as to whether each should be accounted for as an operating or finance lease. The classification criteria is based on if the lease has a purchase option, transfer or ownership at the end of the lease and estimates of the fair value of the leased asset, minimum lease payments, effective costs of funds, economic life of the asset, and certain other terms in the lease agreements. Any leases determined by management to be inconsequential are expensed when paid.

1. Description of organization and summary of significant accounting policies (continued):

Leases (continued):

The Organization, as lessee, recognizes right-of-use assets and lease obligations on the Organization's consolidated statements of financial position. As of the commencement date of a lease, a lease liability and corresponding right-of-use asset is established on the Organization's consolidated statements of financial position at the present value of future minimum lease payments. In accordance with FASB Accounting Standards Codification ("ASC") 842 for private companies and nonprofit organizations, the Organization elected the practical expedient which allows it to use a risk-free rate to discount future lease payments. The Organization elected the short-term lease exception policy, which permits leases with an initial term of twelve months or less to not be recorded on the consolidated statement of financial position and instead to be recognized as lease expense as incurred.

The Organization applies judgement in determining whether a contract contains a lease and whether a lease is classified as an operating lease or a finance lease. The Organization determines the lease term as the non-cancellable term of the lease, which may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The lease term is used in determining the classification between operating lease and finance lease, calculating the lease liability and determining the incremental borrowing rate.

The Organization has several lease contracts that include extension and termination options. The Organization applies judgement in evaluating whether it is reasonable certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date of the lease, the Organization reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or terminate.

For operating leases, the Organization recognizes lease expense on a straight-line basis based on payments for minimum rent due over the life of the lease plus any variable rent payments.

The Organization leases one of its buildings, as well as individual apartments, to unrelated third parties under various lease agreements. The leases have varying lease terms (all less than one year) at varying monthly amounts. The leases do not contain residual guarantees. The Organization classifies these leases as operating leases.

Management makes certain estimates and assumptions regarding these lease agreements, renewals, an amendments, including, but not limited to property values, property lives, discount rates and lease terms, all of which can impact (i) the classification and account for a lease as operating or finance, including sales-type and direct financing, (ii) variable payments that are taken into consideration when calculating lease income. The amount of depreciation and lease income would vary if different estimates and assumptions were used.

As of June 30, 2024 and 2023, the leased assets are physically distinct, the Organization does not have substitution rights, and the lessees hold the right to direct the use of and obtain substantially all of the economic benefits.

1. Description of organization and summary of significant accounting policies (continued):

Restatement:

During 2024, the Organization discovered certain adjustments that were not previously known at the time of release of the June 30, 2023 consolidated financial statements. The following restatement is included in the 2024 consolidated financial statements:

Total current assets, as previously reported at June 30, 2023	$ 12,245,235
Restatement of total current assets	750,000
Total current assets, as restated at June 30, 2023	$ 12,995,235
Total revenue without donor restrictions, as previously reported at June 30, 2023	$ 79,388,195
Restatement of total revenue without donor restrictions	750,000
Total revenue without donor restrictions, as restated at June 30, 2023	$ 80,138,195
Net assets without donor restrictions, as previously reported at June 30, 2023	$ 76,421,573
Restatement of net assets without donor restrictions	750,000
Net assets without donor restrictions, as restated at June 30, 2023	$ 77,171,573

2. COVID-19 pandemic:

The COVID-19 pandemic created economic uncertainties, which has contributed to the significant volatility for businesses. On March 27, 2020, the Coronavirus Aid Relief and Economic Security Act (the “CARES Act”) was signed into law. This funding was provided to assist with ongoing operations of the Organization. The Organization was impacted by certain provisions of the CARES Act, as summarized below:

Employee Retention Credit:

The CARES Act provides an employee retention credit (“ERC”) which is a refundable tax credit against certain employment taxes. Eligible employers were required to meet certain gross receipts reduction or were subject to fully or partially suspended operations (as defined) due to orders from an appropriate governmental authority during any calendar quarter in 2020 and through September 30, 2021. The calculation of the credit is determined based on qualifying wages (as defined) paid beginning March 13, 2020 through September 30, 2021. The Organization recorded revenue totaling $259,830 during the year ended June 30, 2023 for credits calculated for 2020. This amount is included in account receivable, other at June 30, 2024 and 2023.

2. COVID-19 pandemic (continued):

Employee Retention Credit (continued):

The Organization included the qualifying wages and credits on the IRS Form 941-X Adjusted Employer's Quarterly Tax Return. Management believes the Organization does qualify for these refundable credits, however, there can be no assurance that they will receive the outstanding refundable credits and IRS Form 941-Xs are subject to IRS examination. The IRS statute of limitations regarding the filing of the 941-Xs is four years for the filings through the quarter ended June 30, 2021 and five years for the tax filing for the quarter ended September 30, 2021. If the amounts that were recorded as revenue become subject to IRS examinations and are fully or partially disallowed, the impact could be material to the Organization's consolidated financial statements, operations and cash flows.

3. Investments:

Investments are shown on the consolidated statements of financial position at fair market value. The following summarizes cost and market value:

June 30, 2024	Aggregate Cost	Market Value	Unrealized Gain (loss)
Cash and money market funds	$ 964,030	$ 964,030	$ -
Certificates of deposit	2,386,090	2,374,245	(11,845)
Corporate stocks and bonds	17,339,167	21,531,412	4,192,245
Mutual funds	9,738,367	10,986,579	1,248,212
	$ 30,427,654	$ 35,856,266	$ 5,428,612

June 30, 2023	Aggregate Cost	Market Value	Unrealized Gain (loss)
Cash and money market funds	$ 681,975	$ 681,975	$ -
Certificates of deposit	1,900,147	1,846,910	(53,237)
Corporate stocks and bonds	16,418,928	19,689,429	3,270,501
Mutual funds	14,238,960	14,628,961	390,001
	$ 33,240,010	$ 36,847,275	$ 3,607,265

The Organization’s investments and some cash equivalents are held and managed by investment managers. Although the Organization has a diverse investment portfolio, a substantial portion of its realization is dependent upon the markets in which the investments are traded and the investment managers’ abilities to properly manage the portfolio.

4. Fair value:

The following information is presented in accordance with accounting guidance, which defines fair value as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date and establishes a framework for measuring fair value. U.S. GAAP establishes a three-level valuation hierarchy for disclosure of fair value measurements based upon the transparency of inputs to the valuation of an asset as of the measurement date.

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets in active markets.
- Level 2 – inputs to the valuation methodology include quoted prices for similar assets in active markets, and inputs that are observable for the asset, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Assets measured at fair value on a recurring basis at June 30, 2024 and 2023 were as follows:

Level 1	2024	2023
Equity securities:		
Consumer products industry	$ 1,287,827	$ 1,774,576
Financial industry	1,296,433	1,354,418
Food and beverage industry	758,885	627,456
Health care industry	1,114,282	1,391,667
Industrial goods industry	733,334	900,326
Manufacturing industry	-	28,156
Oil and gas industry	504,627	601,704
Services industry	2,562,536	2,296,235
Technology industry	1,993,580	1,484,190
Total equity securities	10,251,504	10,458,728
Money market funds	964,030	681,975
Certificates of deposit	2,374,245	1,846,910
Government securities	3,291,600	4,843,990
Corporate bonds	7,988,308	4,386,711
Mutual funds:		
Equity funds	8,487,234	11,161,065
Bond funds	2,499,345	3,467,896
	$ 35,856,266	$ 36,847,275

4. Fair value (continued):

The following is a description of the Organization's valuation methodologies for assets and liabilities measured at fair value. Fair value for Level 1 is based upon quoted market prices for equities, net asset values at the end of the year for mutual funds, and face value which approximates fair value for money market funds, certificates of deposit, government securities and corporate bonds. During December 2022, the interest rate swap was terminated and the Organization received interest income amounting to $86,746 included in other operating income in the 2023 consolidated statement of activities and net assets.

5. Lines of credit:

At June 30, 2024 and 2023, the Organization had a line of credit with a total maximum amount of $1,000,000 available. No funds were drawn on the line of credit at June 30, 2024 and 2023. The interest rate is the prime rate, which was 8.50% at June 30, 2024 and 8.25% at June 30, 2023.

A second line of credit with a total maximum of $2,000,000 is available. No funds were drawn on the line of credit at June 30, 2024 and 2023. The interest rate is the prime rate, which was 8.50% at June 30, 2024 and 8.25% at June 30, 2023.

6. Loan payable:

A promissory note was entered into on July 26, 2018 for $1,000,000 with the Indiana Housing and Community Development Authority ("IHCDA") with a zero percent (0%) per annum interest rate until paid in full. The loan matured on July 31, 2024. The scheduled annual payments will be deemed received by IHCDA if paid directly to the Welcoming Indiana's Next Generation Fund (WINGS Fund) of the City of Evansville, Indiana. A similar agreement was made with IHCDA for a property in Columbus, Indiana. This loan will mature August 31, 2024. The balance under this agreement totaled $1,277,165 at June 30, 2024 and $1,447,165 at June 30, 2023. Amounts up to $500,000 per note will be forgiven as long as each payment is made in a timely manner.

Annual maturities are as follows:

Year ending June 30,	
2025	$ 1,227,165

7. Leases:

The Organization leases vehicles, equipment, apartments and buildings under non-cancelable. The non-cancelable leases have various terms, the latest expiring in August 2036.

7. Leases (continued):

Other information related to leases included in the consolidated statements of financial position as of June 30, 2024 and 2023, is as follows:

	2024	2023
Operating lease right-of-use assets	$ 20,416,650	$ 19,204,014
Lease additions	3,670,985	1,212,636
Write-off of leases	(568,214)	-
Accumulated amortization	(7,075,182)	(4,721,668)
Net operating right-of-use assets	$ 16,444,239	$ 15,694,982
Cash paid for amounts included in the measurement of lease liabilities, operating cash flows	$ 2,806,095	$ 3,712,120
Weighted average remaining lease term	8.4 years	8.5 years
Weighted average discount rate	2.95%	2.82%

Future minimum lease payments under non-cancellable leases as of June 30, 2024 are as follows:

	Operating
2025	$ 2,521,731
2026	2,361,511
2027	2,334,546
2028	2,152,668
2029	2,061,176
Thereafter	7,403,720
Total minimum lease payments	18,835,352
Less imputed interest	(2,163,094)
Present value of future lease payments	16,672,258
Less current maturities of lease obligations	2,065,135
Long-term lease obligations	$ 14,607,123

The following is a schedule, by year, of estimated future lease income to be received measured under operating lease agreements:

Year ending June 30,	
2025	$ 211,946

The Organization recorded lease revenue totaling $527,360 in 2024 and $709,154 in 2023 and is included in the consolidated statements of activities and net assets under lease income.

8. Retirement plans:

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. The plan also covers executive management effective July 1, 2013. Pension plan expense was $407,377 in 2024 and $501,400 in 2023. Because the plan is a multi-employer plan, the accumulated benefits and net assets available for benefits as they relate solely to the Organization are not readily available.

All employees are covered by a 403(b) plan provided by Volunteers of America, Inc. Under this plan, fulltime employee contributions up to 3% of compensation are matched. Fulltime employees vest in the Organization's match over a period of five years based on initial service date. Expense for the 403(b) plan was $265,192 in 2024 and $183,475 in 2023.

9. Related party transactions:

The Organization is affiliated with Volunteers of America, Inc., which provides supporting services to the Organization for a fee. Chartering services fees amounted to $1,296,358 at June 30,2024 and $1,193,988 at June 30, 2023, which are the maximum amounts. Amounts due to Volunteers of America, Inc. for national fees was $221,454 at June 30, 2024 and $99,499 at June 30, 2023.

Volunteers of America, Inc.'s Direct Mail Campaign generated $132,032 in 2023, of which the Organization paid $123,496 in 2023. The Direct Mail Campaign was suspended in fiscal year 2024.

In August 2014, the Organization signed an additional guaranty of completion for the construction of a 100-unit mental health housing facility located in Columbus. This tax credit project began construction in September 2014 and was completed in January 2016. The equity partners have fully funded the project and all loans are being repaid at which time the guarantee will no longer be required. The amount guaranteed to cover this agreement is $8.2 million. In addition, the Organization received a developer fee related to the tax credit project.

10. Gain from casualty loss:

In 2023, one of the Organization's buildings was damaged by a fire. Losses were fully insured and, in accordance with U.S. GAAP, the Organization recorded a gain from casualty loss of $559,869 representing the excess of the insurance proceeds compared to the net book value of assets damaged in the loss. The Organization collected the entirety of the insurance proceeds during fiscal year 2024 from the insurance company, see Note 1. During 2024, the Organization received an additional $1,424,435 in insurance proceeds related to the fire loss, amounts are recorded as gain on casualty loss in the consolidated statement of activities and changes in net assets.

11. Net assets with donor restrictions:

Net assets with donor restrictions at June 30, 2024 and 2023 consisted of:

	2024	2023
Time restricted pledges	$ 96,619	$ 120,380
Time restricted contributions	11,990,183	10,450,011
	$ 12,086,802	$ 10,570,391

12. Net assets released from restriction:

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose, by occurrence of other events specified by donors during the fiscal year or the passage of time.

Purpose restrictions accomplished at June 30, 2024 and 2023:

	2024	2023
Other expenditures	$ 482,291	$ 866,734

13. Consolidated statements of cash flows:

Cash and restricted cash included in the consolidated statements of cash flows at June 30, 2024 and 2023 consists of the following:

	2024	2023
Cash	$ 6,040,518	$ 6,726,064
Restricted cash (other assets)	-	11,711
	$ 6,040,518	$ 6,737,775

During fiscal years ended June 30, 2024 and 2023, the Organization paid cash for interest totaling $802 and $73,684, respectively.

Non-cash operating and investing activities:

On July 1, 2022, operating leases right-of-use assets increased by $19,204,014 with a corresponding increase in lease liabilities due to the adoption of ASC 842. During the year ended June 30, 2023, the Organization increased right of use assets by $1,212,636 with a corresponding increase in lease liabilities for leases entered into during the year. During the year ended June 30, 2024, the Organization increased right of use assets by $3,670,985 with a corresponding increase in lease liabilities for leases entered into during the year.

The Organization financed construction-in-process with accounts payable totaling $140,668 during the year ended June 30, 2024 and $345,103 during the year ended June 30, 2023.

14. Endowments:

The Organizations Endowment holds funds committed to the Organization's charitable purpose to ensure its ability to make long-term investments in its charitable mission. The endowment pool can hold two types of endowed funds: true endowment and quasi-endowment. The Organization's endowments consist of multiple endowment funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law:

The Board of Directors of the Organization has interpreted the State of Ohio and Indiana's Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of the interpretation, the Organization classifies as donor-restricted, (a) the original value of gifts donated to the endowment, (b) the original value of subsequent donor-restricted gifts to the endowment with donor restrictions, and (c) accumulations to the endowment with donor restrictions made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1) General economic conditions;
2) The possible effect of inflation or deflation;
3) The expected tax consequences, if any, of investment decisions or strategies;
4) The role that each investment or course of action plays within the overall investment portfolio of the fund;
5) The expected total return from income and the appreciation of investments;
6) Other resources of the Organization;
7) The need of the Organization and of the fund to make distributions and preserve capital;
8) An asset's special relationship or special value, if any, to the charitable purposes of the Organization.

Endowment net assets with donor restrictions totaled $11,606,612 at June 30, 2024 and $10,480,311 at June 30, 2023.

Changes in endowment net assets for the year ended June 30, 2024 and 2023:

	2024 With Donor Restrictions	2023 With Donor Restrictions
Endowment net assets, beginning of year	$ 10,480,311	$ -
Investment income, net	1,108,437	357,928
Contributions and transfers, net	17,864	10,122,383
Endowment net assets, end of year	$ 11,606,612	$ 10,480,311

14. Endowments (continued):

Return objectives and risk parameters:

The Organization has designated responsibility for oversight of the investment management of endowed funds to the Finance Committee of the Board of Directors who has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that earn a respectable, long-term, rate of return.

Strategies employed for achieving objectives:

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

Spending policy and how the investment objectives relate to spending policy:

The Organization has a policy of appropriating for distribution each year, approximately five percent of its endowment fund’s balance over the inflation adjusted base year to support the operations of the Organization. In establishing this policy, the Organization considered the long-term expected return on its endowment. This is consistent with the Organization’s objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

15. Subsequent events:

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 3, 2025, the date the Organization’s consolidated financial statements were available to be issued.

VOLUNTEERS OF AMERICA OF OHIO & INDIANA AND SUBSIDIARIES

(A Non-Profit Organization)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

Federal Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity/ Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development:			
Supportive Housing Program:			
Continuum of Care - Columbus	14.267	OH0094U5E032114	$ 570,633
Supportive Housing Program - Crossroads	14.267	OH0174L5E072114	107,186
Supportive Housing Program - Crossroads	14.267	OH0174L5E072215	162,886
Supportive Housing Program - Almost Home	14.267	OH0565L5E072206	226,036
Supportive Housing Program - Almost Home	14.267	N/A	33,648
Subtotal			1,100,389
Emergency Shelter Program - Crossroads	14.231	S-L-21-7IM-1	44,750
Emergency Shelter Program - Crossroads	14.231	S-L-23-7IM-1	51,450
Subtotal			96,200
Total U.S. Department of Housing and Urban Development			1,196,589
U.S. Department of Labor:			
Homeless Veterans Reintegration Program - Akron-Canton	17.805	HV36555HV2	24,459
Homeless Veterans Reintegration Program - Akron-Canton	17.805	HV36555HV3	241,136
Homeless Veterans Reintegration Program - Cleveland	17.805	HV000063HV3	391,137
Homeless Veterans Reintegration Program - Cincinnati	17.805	HV000064HV3	410,019
Homeless Veterans Reintegration Program - Columbus	17.805	HV000065HV3	336,520
Homeless Veterans Reintegration Program - Dayton	17.805	HV38359HV2	107,117
Homeless Veterans Reintegration Program - Dayton	17.805	HV38359HV3	221,067
Homeless Veterans Reintegration Program - Indianapolis	17.805	HV000066HV3	265,770
Homeless Veterans Reintegration Program - Gary	17.805	HV38354HV3	265,526
Total U.S. Department of Labor			2,262,751
U.S. Department of Veteran Affairs:			
Supportive Services for Veteran Families - Columbus, Cleveland, Dayton	64.033	2019-OH-269-23	2,286,175
Supportive Services for Veteran Families - Columbus, Cleveland, Dayton	64.033	2019-OH-269-24	466,106
Supportive Services for Veteran Families - Evansville and Indianapolis	64.033	2015-IN-201-23	667,895
Supportive Services for Veteran Families - Evansville and Indianapolis	64.033	2015-IN-201-24	1,325,899
Supportive Services for Veteran Families Shallow Subsidy - Columbus, Cleveland, Dayton	64.033	2019-OH-269SS	2,120,162
Supportive Services for Veteran Families Shallow Subsidy - Evansville and Indianapolis	64.033	2015-IN-201SS	520,694
Supportive Services for Veteran Families NOFA - Cleveland	64.033	2019-OH-269-LT	121,520
Supportive Services for Veteran FamiliesNOFA - Indianapolis	64.033	2015-IN-201-LT	67,554
Subtotal			7,576,005
Supportive Services for Veteran Families Suicide Prevention	64.055	ZZ-SSG-1248-22	436,760

VOLUNTEERS OF AMERICA OF OHIO & INDIANA AND SUBSIDIARIES
(A Non-Profit Organization)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2024

Federal Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity/ Identifying Number	Federal Expenditures
Grant and Per Diem - Cleveland/Sandusky	64.024	VOAO121-1399-541-PD-21	556,606
Grant and Per Diem - Columbus	64.024	VOAO121-1415-757-PD-21	94,909
Grant and Per Diem - Cincinnati	64.024	VOAO121-1392-539-PD-21	794,675
Grant and Per Diem - Dayton	64.024	VOAO121-1402-552-PD-21	501,223
Grant and Per Diem - Indianapolis	64.024	VOAO121-1411-610-PD-21	10,968
Emergency Shelter - VAEH Columbus	64.024	VA250-14-D-0045	394,478
Grant Per Diem Facility Renovations - Cincinnati	64.024	VOAO121-2559-539-CG-22	2,000,000
Grant Per Diem Facility Renovations - Cleveland	64.024	VOAO121-2527-541-CG-22	636,203
Case Management Grant - Dayton	64.024	VOAO121-2340-552-CM-22	21,480
Case Management Grant - Dayton	64.024	VOAO121-5712-552-CM-24	69,455
Case Management Grant - Cincinnati	64.024	VOAO121-2338-539-CM-22	21,132
Case Management Grant - Cleveland	64.024	VOAO121-2341-541-CM-22	48,911
Case Management Grant - Columbus	64.024	VOAO121-2339-757-CM-22	20,919
Case Management Grant - Fort Wayne	64.024	VOAO121-2204-610-CM-22	21,637
Subtotal			5,192,596
Total U.S. Department of Veterans Affairs			13,205,361
U.S. Department of Health and Human Services:			
Passed through from:			
Indiana State Department of Health			
HIV Care Formula Grants	93.917	Contract # 46919 & 81477	616,440
Enhanced Safety for Children Affected by Substance Abuse	93.087	90CU008405	35,469
Substance Abuse Prevention and Treatment Block Grant	93.959	Contract # 68234 & N/A	439,648
Opiod STR	93.788	N/A	45,389
Total U.S. Department of Health and Human Services			1,136,946
U.S. Department of Treasury:			
American Rescue Plan Act:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	Contract # 66838	71,956
Total U.S. Department of Treasury			71,956
Total Expenditures of Federal Awards			**$ 17,873,603**

Notes to Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2024

Note A- Basis of presentation:

The accompanying schedule of expenditures of Federal awards (the Schedule) includes the Federal award activity of Volunteers of America Ohio & Indiana and Subsidiaries under programs of the Federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Volunteers of America Ohio & Indiana and Subsidiaries, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Volunteers of America Ohio & Indiana and Subsidiaries.

Note B- Summary of significant accounting policies:

(1) Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in
(2) Volunteers of America Ohio & Indiana and Subsidiaries has not elected to use the 10% de minimis indirect cost rate as allowed under the *Uniform Guidance,* except
(3) No awards passed through to subrecipients.

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*

Board of Directors
Volunteers of America Ohio & Indiana and Subsidiaries
(A Non-Profit Organization)
Columbus, OH
Indianapolis, IN

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the consolidated financial statements of Volunteers of America Ohio & Indiana and Subsidiaries (the "Organization") (a Non-Profit Organization), which comprise the consolidated statements of financial position as of June 30, 2024, and the related consolidated statements of activities and changes in net assets, 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 January 3, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Volunteers of America Ohio & Indiana and Subsidiaries' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Volunteers of America Ohio & Indiana and Subsidiaries' internal control. Accordingly, we do not express an opinion on the effectiveness of Volunteers of America Ohio & Indiana and Subsidiaries' internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompany schedule of findings and questioned costs as finding 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Volunteers of America Ohio & Indiana and Subsidiaries' consolidated financial statements are free of 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*.

Volunteers of America Ohio & Indiana and Subsidiaries' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Volunteers of America Ohio & Indiana and Subsidiaries' response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. Volunteers of America Ohio & Indiana and Subsidiaries' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

HW+ Co.

Cleveland, Ohio
January 3, 2025

Independent Auditor’s Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the *Uniform Guidance*

Board of Directors
Volunteers of America Ohio & Indiana and Subsidiaries
(A Non-Profit Organization)
Columbus, OH
Indianapolis, IN

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program
We have audited Volunteers of America Ohio & Indiana and Subsidiaries’ compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Volunteers of America Ohio & Indiana and Subsidiaries’ major Federal programs for the year ended June 30, 2024. Volunteers of America Ohio & Indiana and Subsidiaries’ major Federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Volunteers of America Ohio & Indiana and Subsidiaries 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, 2024.

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

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

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Volunteers of America Ohio & Indiana and Subsidiaries’ Federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

HW+ Co.

Cleveland, Ohio
January 3, 2025

VOLUNTEERS OF AMERICA OHIO & INDIANA AND SUBSIDIARIES

(A Non-Profit Organization)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2024

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

♦ Material weakness(es) identified?	______	Yes	X	No
♦ Significant deficiency(ies) identified?	X	Yes	______	None reported

Noncompliance material to financial statements noted?	______	Yes	X	No

Federal Award

Internal control over major programs:

♦ Material weakness(es) identified?	______	Yes	X	No
♦ Significant deficiency(ies) identified?	______	Yes	X	None reported

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

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

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.267	U.S. Department of Housing and Urban Development
64.033	U.S. Department of Veteran Affairs

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

♦ Auditee qualified as low-risk auditee?	X	Yes	______	No

Section II – Financial Statement Findings

Significant Deficiency
2024-001: General Accounting Matters:

Condition: A number of journal entries were recorded through the year-end audit process, including a prior period adjustment due to issues identified with cut-off and timely recording of transactions.

Criteria: A good system of internal control requires management have an adequate understanding of all accounting matters affecting the operations of their organization.

Cause: Management agrees and will implement accounting policies to mitigate adjustments in the future.

Effect: The effect of this deficiency is that misstatements may not be identified and corrected on a timely basis.

Recommendation: We recommend that all accounts are adjusted prior to the year-end audit process.

Section III – Federal Award Findings and Questioned Costs

No findings were noted.

VOLUNTEERS OF AMERICA OHIO & INDIANA AND SUBSIDIARIES
(A Non-Profit Organization)

SCHEDULE OF STATE AND LOCAL GOVERNMENT FINANICAL ASSISTANCE

YEAR ENDED JUNE 30, 2024

State Grantor/Pass Through Grantor/Program Name	Agreement Number	Type of Funding	Revenue	Disbursed
STATE PROGRAMS				
Indiana Department of Child Services - Community Based Services	34919	Fee for Service	$ 1,608,700	$ 1,608,700
Indiana Department of Corrections	56824-A1	Fee for Service	118,682	118,682
Total state and local government financial assistance			**$ 1,727,382**	**$ 1,727,382**

Note A- Basis of presentation:

The accompanying schedule of state and local government financial assistance (the schedule) includes the financial assistance activity of Volunteers of America Ohio & Indiana and Subsidiaries. under programs from the State of Indiana and local Indiana governmental agencies for the year ended June 30, 2024. The information in the schedule is presented in accordance with the requirements of Indiana State Board of Accounts. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The schedule does not include direct Federal grant activity or Federal grant activity passed through from the State of Indiana as these programs are already included on the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note B- Summary of significant accounting policies:

The schedule is reported on the accrual basis of accounting.