VOLUNTEERS OF AMERICA, INC.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
Including Independent Auditors' Report
as of and for the Years Ended June 30, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

To the Audit Committee and Board of Directors of
Volunteers of America, Inc. and Subsidiaries

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Volunteers of America, Inc. and Subsidiaries (the Organization), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of VOANS Holding Company, a majority-owned subsidiary, whose statements reflect total assets constituting 16 percent and 13 percent of the consolidated total assets at June 30, 2021 and 2020, respectively, and total revenues constituting 2 percent and 3 percent of the consolidated total revenues for the years ended June 30, 2021 and 2020, respectively. We did not audit the statement of financial position of Volunteers of America Southwest California, Inc., whose statements reflect total assets constituting 1 percent of the consolidated total assets as of June 30, 2021. We did not audit the financial statements of Edina Senior Living, LLC, a majority-owned subsidiary, as of and for the year ended June 30, 2020, whose statements reflect total assets constituting 6 percent of the consolidated total assets at June 30, 2020, and total revenues constituting 6 percent of the consolidated total revenues for the years ended June 30, 2020. Those statements were audited by other auditors, whose reports have been furnished to us, and in our opinion, insofar as it relates to the amounts included for the VOANS Holding Company, the statement of financial position amounts included for Volunteers of America Southwest California, Inc., and the amounts as of and for the year ended June 30, 2020 included for Edina Senior Living, LLC, is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Volunteers of America, Inc. and Subsidiaries as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 45-51 is presented for purposes of additional analysis rather than to present the financial position, results of operations, functional expenses, and cash flows of the subsidiaries, and it 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 consolidating information, based on our audit and the reports of the other auditors, is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Baker Tilly US, LLP

Minneapolis, Minnesota
December 22, 2021

(IN THOUSANDS)

VOLUNTEERS OF AMERICA, INC.
AND SUBSIDIARIES

	2021	2020
Assets:		
Current assets:		
Cash and cash equivalents	**$ 109,033**	$ 87,779
Accounts receivable, net of allowance for doubtful accounts	**19,877**	21,123
Current portion of notes receivable	**2,573**	3,690
Short-term investments	**19,901**	23,328
Prepaid expenses	**8,836**	4,199
Other current assets, net of allowance for doubtful accounts	**8,823**	10,490
Total current assets	**169,043**	150,609
Property and equipment, net of accumulated depreciation	**256,497**	266,449
Other assets:		
Encumbered assets	**43,865**	37,586
Long-term investments	**16,329**	15,222
Notes receivable, net of current portion and allowance for doubtful accounts	**7,953**	4,793
Reimbursable costs	**13,629**	12,756
Property held for sale	**77**	94
Right-of-use assets	**5,207**	736
Deferred charges and other assets, net of accumulated amortization	**11,340**	10,154
Limited and general partnerships' assets	**693,685**	613,548
Total other assets	**792,085**	694,889
Total assets	**$ 1,217,625**	$ 1,111,947

See notes to Consolidated Financial Statements

(IN THOUSANDS)

	2021	2020
Liabilities and net assets:		
Current liabilities:		
Accounts payable	**$ 16,370**	$ 12,432
Accrued expenses	**27,209**	25,020
Current portion of long-term debt	**6,633**	11,074
Other current liabilities	**39,384**	39,737
Total current liabilities	**89,596**	88,263
Long-term liabilities:		
Long-term debt, net of current portion	**249,937**	248,814
Other long-term liabilities	**109,664**	106,917
Limited and general partnerships' liabilities	**348,826**	318,309
Total long-term liabilities	**708,427**	674,040
Total liabilities	**798,023**	762,303
Net assets:		
Without donor restrictions:		
Controlled limited and general partnerships	**9,478**	4,258
Board designated	**14,820**	14,820
Undesignated	**192,604**	144,936
Parent	**216,902**	164,014
Non-controlling interests in limited and general partnerships and other programs	**192,088**	183,368
Total net assets without donor restrictions	**408,990**	347,382
Net assets with donor restrictions	**10,612**	2,262
Total net assets	**419,602**	349,644
Total liabilities and net assets	**$ 1,217,625**	$ 1,111,947

See notes to Consolidated Financial Statements

(IN THOUSANDS)

	Net assets without donor restrictions	Net assets with donor restrictions	Operating subtotal	Without donor restrictions: Limited and general partnerships	Without donor restrictions: Eliminations	Total
Revenues from operations:						
Public support received directly:						
Contributions	$ 907	$ 14,283	$ 15,190	$ -	$ -	$ 15,190
Contributions, in-kind	3,328	-	3,328	-	-	3,328
Total public support	4,235	14,283	18,518	-	-	18,518
Government grants and contracts	11,884	-	11,884	34,763	-	46,647
Other revenue:						
Program fees	17,008	-	17,008	25,685	(12,975)	29,718
Resident service revenue	218,436	-	218,436	-	-	218,436
Administrative income from Local Offices	15,324	-	15,324	-	-	15,324
Other operating income	16	-	16	1,867	-	1,883
Total other revenue	250,784	-	250,784	27,552	(12,975)	265,361
Net assets released from restrictions	6,269	(6,269)	-	-	-	-
Total revenues from operations	273,172	8,014	281,186	62,315	(12,975)	330,526
Operating expenses:						
Program services:						
Fostering independence	219,168	-	219,168	52,234	(5,789)	265,613
Encouraging positive development	1,074	-	1,074	-	-	1,074
Promoting self sufficiency	25,703	-	25,703	33,424	-	59,127
Total program services	245,945	-	245,945	85,658	(5,789)	325,814
Support services:						
Management and general	33,022	-	33,022	-	(227)	32,795
Fundraising	1,108	-	1,108	-	-	1,108
Total support services	34,130	-	34,130	-	(227)	33,903
Total operating expenses	280,075	-	280,075	85,658	(6,016)	359,717
Change in net assets from operations	(6,903)	8,014	1,111	(23,343)	(6,959)	(29,191)
Non-operating items:						
Interest and dividend income	2,047	1	2,048	-	-	2,048
Net realized gains on investments	3,612	6	3,618	-	-	3,618
Net unrealized gains on investments	4,321	6	4,327	-	-	4,327
Consolidation of affiliate	(2,687)	323	(2,364)	-	-	(2,364)
Related party contributions	50,891	-	50,891	-	-	50,891
Equity contributions related to limited and general partnerships	2,733	-	2,733	38,399	-	41,132
Other non-operating	(3,858)	-	(3,858)	-	-	(3,858)
Total non-operating items	57,059	336	57,395	38,399	-	95,794
Change in net assets before discontinued operations	50,156	8,350	58,506	15,056	(6,959)	66,603
Gain on discontinued operations	3,355	-	3,355	-	-	3,355
Change in net assets	53,511	8,350	61,861	15,056	(6,959)	69,958
Less change in net assets attributable to the non-controlling interest in limited and general partnerships and other programs	-	-	-	8,720	-	8,720
Change in net assets attributable to the parent	$ 53,511	$ 8,350	$ 61,861	$ 6,336	$ (6,959)	$ 61,238

See notes to Consolidated Financial Statements

CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020
(IN THOUSANDS)

	Net assets without donor restrictions	Net assets with donor restrictions	Operating subtotal	Without donor restrictions: Limited and general partnerships	Without donor restrictions: Eliminations	Total
Revenues from operations:						
Public support received directly:						
Contributions	$ 2,785	$ 3,153	$ 5,938	$ -	$ -	$ 5,938
Contributions, in-kind	6,487	-	6,487	-	-	6,487
Total public support	9,272	3,153	12,425	-	-	12,425
Government grants and contracts	9,185	-	9,185	30,151	-	39,336
Other revenue:						
Program fees	9,828	-	9,828	25,272	(7,320)	27,780
Resident service revenue	229,271	-	229,271	-	-	229,271
Administrative income from Local Office:	14,580	-	14,580	-	-	14,580
Other operating income	20	-	20	1,793	-	1,813
Total other revenue	253,699	-	253,699	27,065	(7,320)	273,444
Net assets released from restrictions	3,318	(3,318)	-	-	-	-
Total revenues from operations	275,474	(165)	275,309	57,216	(7,320)	325,205
Operating expenses:						
Program services:						
Fostering independence	222,908	-	222,908	50,671	(5,299)	268,280
Promoting self sufficiency	27,800	-	27,800	31,850	-	59,650
Total program services	250,708	-	250,708	82,521	(5,299)	327,930
Support services:						
Management and general	30,190	-	30,190	-	(480)	29,710
Fundraising	1,598	-	1,598	-	-	1,598
Total support services	31,788	-	31,788	-	(480)	31,308
Total operating expenses	282,496	-	282,496	82,521	(5,779)	359,238
Change in net assets from operations	(7,022)	(165)	(7,187)	(25,305)	(1,541)	(34,033)
Non-operating items:						
Interest and dividend income	3,011	1	3,012	-	-	3,012
Net realized gains on investments	358	-	358	-	-	358
Net unrealized losses on investments	(743)	(1)	(744)	-	-	(744)
Related party contributions	6,846	-	6,846	-	-	6,846
Equity contributions related to limited and general partnerships	-	-	-	10,565	-	10,565
Other non-operating	508	-	508	4,292	-	4,800
Total non-operating items	9,980	-	9,980	14,857	-	24,837
Change in net assets before discontinued operations	2,958	(165)	2,793	(10,448)	(1,541)	(9,196)
Loss on discontinued operations	(62)	-	(62)	-	-	(62)
Change in net assets	2,896	(165)	2,731	(10,448)	(1,541)	(9,258)
Less change in net assets attributable to the non-controlling interest in limited and general partnerships and other programs	-	-	-	(11,025)	-	(11,025)
Change in net assets attributable to the parent	$ 2,896	$ (165)	$ 2,731	$ 577	$ (1,541)	$ 1,767

See notes to Consolidated Financial Statements

(IN THOUSANDS)

	Attributable to the parent			Attributable to the non-controlling interests	
	Net assets without donor restrictions	Net assets with donor restrictions	Subtotal	Net assets without donor restrictions	Total
Balance, June 30, 2019	$ 162,082	$ 2,427	$ 164,509	$ 194,393	$ 358,902
Change in net assets	1,932	(165)	1,767	(11,025)	(9,258)
Balance, June 30, 2020	164,014	2,262	166,276	183,368	349,644
Change in net assets	52,888	8,350	61,238	8,720	69,958
Balance, June 30, 2021	**$ 216,902**	**$ 10,612**	**$ 227,514**	**$ 192,088**	**$ 419,602**

See notes to Consolidated Financial Statements

(IN THOUSANDS)

		2021		2020
Cash flows from operating activities:				
Change in net assets	$	69,958	$	(9,258)
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Non-controlling interest in limited and general partnerships and other programs		(8,720)		11,025
Change in limited and general partnerships		(38,993)		(6,417)
Increase in allowance for doubtful accounts		403		113
Depreciation and amortization		13,420		12,525
Amortization of right of use assets		623		-
Operating lease payments		(611)		-
Consolidation of affiliate		2,364		-
Loss (gain) on:				
Sale of fixed asset		491		-
Disposal of discontinued operations		(3,335)		62
Joint ventures		1,637		(81)
Net realized and unrealized investment losses (gains)		(7,568)		371
(Increase) decrease in operating assets:				
Accounts receivable		(1,594)		(2,399)
Prepaid expenses		(4,498)		(507)
Other current assets		508		66
Deferred charges and other assets		(833)		(538)
Increase (decrease) in operating liabilities:				
Accounts payable		2,967		1,537
Accrued expenses		2,118		2,619
Other liabilities		3,362		10,898
Net cash provided by operating activities		31,699		20,016
Cash flows from investing activities:				
Purchase of property and equipment		(2,194)		(11,071)
Sale of property and equipment		3,289		425
Change in reimbursable costs and other assets		-		(2,460)
Notes receivable:				
Advances		(12,417)		(5,709)
Payments		8,294		4,910
(Decrease) increase in unearned revenue and other long term liabilities		(3,289)		5,622
Cash proceeds withdrawn from investments		10,630		1,407
Cash obtained from consolidation of affiliate		1,398		-
Change in investments including encumbered assets		(9,649)		691
Net cash used in investing activities		(3,938)		(6,185)
Cash flows from financing activities:				
Changes in line of credit		80		4,000
Long-term debt and capital lease liability:				
Proceeds		818		6,164
Payments		(9,847)		(7,499)
Increase in other long-term assets		(700)		(257)
Net cash (used in) provided by financing activities		(9,649)		2,408
Net increase in cash and cash equivalents and restricted cash equivalents		18,112		16,239
Cash and cash equivalents and restricted cash equivalents, beginning		119,494		103,255
Cash and cash equivalents and restricted cash equivalents, ending[1]	$	137,606	$	119,494
Supplemental disclosures of cash flow information:				
Cash paid for interest	$	32,499	$	30,514
Cash paid for income taxes	$	82	$	-
Non-cash investing and financing activity:				
Net deficit obtained upon consolidation of affiliate	$	(2,674)	$	-
Right of use assets obtained in exchange for new operating lease liabilities	$	5,411	$	-
Property and equipment financed through debt	$	152	$	1,486
Debt settled upon sale of discontinued operations	$	5,115	$	-

[1] Reconciliation of cash and cash equivalents and restricted cash equivalents to consolidated statement of financial position:

		2021		2020
Cash and cash equivalents	$	109,033	$	87,779
Restricted cash equivalents included in short-term investments		7,206		9,994
Restricted cash equivalents included in encumbered assets (bond trust funds)		21,367		21,721
Total cash and cash equivalents and restricted cash equivalents	$	137,606	$	119,494

See notes to Consolidated Financial Statements

(IN THOUSANDS)

	Program services				Support services				Limited and general partnerships				
	Fostering independence	Encouraging Positive Development	Promoting self sufficiency	Total program services	Management and general	Fundraising	Total support services	Consolidated operating subtotal	Fostering independence	Promoting self sufficiency	Total program services	Eliminations	Total
Salaries and wages	$ 88,040	$ 479	$ 7,373	$ 95,892	$ 16,155	$ 61	$ 16,216	$ 112,108	$ 5,306	$ 3,506	$ 8,812	$ -	$ 120,920
Employee benefits	14,681	152	2,023	16,856	6,475	18	6,493	23,349	854	537	1,391	-	24,740
Professional services	15,270	57	5,306	20,633	4,571	799	5,370	26,003	3,995	1,500	5,495	-	31,498
In-Kind	-	-	3,255	3,255	-	-	-	3,255	-	-	-	-	3,255
Occupancy	6,850	245	630	7,725	486	-	486	8,211	9,640	8,285	17,925	-	26,136
Specific assistance	42,297	-	3,733	46,030	610	-	610	46,640	-	-	-	-	46,640
Program supplies and expenses	9,285	100	1,019	10,404	193	-	193	10,597	1,759	1,112	2,871	-	13,468
Office supplies and expenses	3,005	41	826	3,872	812	200	1,012	4,884	14	15	29	-	4,913
Travel, conferences & meetings	1,648	-	324	1,972	131	-	131	2,103	115	79	194	-	2,297
Depreciation and amortization	11,959	-	678	12,637	312	-	312	12,949	15,015	9,572	24,587	-	37,536
Interest	18,635	-	232	18,867	826	-	826	19,693	12,680	6,907	19,587	(5,789)	33,491
Other	7,498	-	304	7,802	2,451	30	2,481	10,283	2,856	1,911	4,767	(227)	14,823
	$ 219,168	$ 1,074	$ 25,703	$ 245,945	$ 33,022	$ 1,108	$ 34,130	$ 280,075	$ 52,234	$ 33,424	$ 85,658	$ (6,016)	$ 359,717

See notes to Consolidated Financial Statements

(IN THOUSANDS)

	Program services			Support services				Limited and general partnerships				
	Fostering independence	Promoting self sufficiency	Total program services	Management and general	Fundraising	Total support services	Consolidated operating subtotal	Fostering independence	Promoting self sufficiency	Total program services	Eliminations	Total
Salaries and wages	$ 91,233	$ 6,694	$ 97,927	$ 15,282	$ -	$ 15,282	$ 113,209	$ 4,866	$ 3,461	$ 8,327	$ -	$ 121,536
Employee benefits	16,695	1,859	18,554	6,473	-	6,473	25,027	768	438	1,206	-	26,233
Professional services	14,011	4,292	18,303	4,084	1,514	5,598	23,901	3,513	1,377	4,890	-	28,791
In-Kind	-	6,840	6,840	-	-	-	6,840	-	-	-	-	6,840
Occupancy	6,537	134	6,671	575	-	575	7,246	8,161	7,409	15,570	-	22,816
Specific assistance	44,580	3,021	47,601	17	-	17	47,618	-	-	-	-	47,618
Program supplies and expenses	8,641	911	9,552	179	-	179	9,731	1,597	1,011	2,608	-	12,339
Office supplies and expenses	3,046	1,221	4,267	550	57	607	4,874	8	7	15	-	4,889
Travel, conferences & meetings	1,782	1,290	3,072	800	-	800	3,872	126	92	218	-	4,090
Depreciation and amortization	11,262	577	11,839	265	-	265	12,104	13,801	9,090	22,891	-	34,995
Interest	17,085	267	17,352	823	-	823	18,175	11,737	6,946	18,683	(5,299)	31,559
Other	8,036	694	8,730	1,142	27	1,169	9,899	6,094	2,019	8,113	(480)	17,532
	$ 222,908	$ 27,800	$ 250,708	$ 30,190	$ 1,598	$ 31,788	$ 282,496	$ 50,671	$ 31,850	$ 82,521	$ (5,779)	$ 359,238

See notes to Consolidated Financial Statements

1. Nature of business and summary of significant accounting policies

Nature of business:

Volunteers of America, Inc. (National Organization) is an interdenominational church and a national non-profit human service organization that demonstrates its faith through acts of compassion, local service programs, and opportunities for individual and community involvement. Established in 1896 by Christian social reformers Ballington and Maud Booth, the National Organization provides administrative and management services to 31 locally chartered and unchartered corporations (Local Offices) authorized to operate under the name of Volunteers of America. The Local Offices provide a wide variety of human service programs to help people in need. Volunteers of America is one of the nation's most comprehensive human service charities.

Organization:

Volunteers of America National Services (National Services), a subsidiary of the National Organization, owns and operates nursing care facilities for the elderly which provide skilled nursing, convalescent and rehabilitative care; apartments for the elderly which provide a secure, independent living environment and supportive services; and assisted living programs that provide assistance with activities of daily living to elderly residents who can no longer live in an independent environment. The National Organization operates facilities and programs in Arizona, California, Colorado, Florida, Massachusetts, Michigan, Minnesota, Nevada, New York, North Carolina, Ohio and Texas. Additionally, the Organization and its subsidiaries develop and manage subsidized and affordable housing throughout the country.

National Services includes the accounts of its wholly-owned subsidiaries: Volunteers of America Care Facilities and Subsidiary; VOA Care Centers, Minnesota and Subsidiary; Volunteers of America National Services Foundation; Volunteers of America Assisted Living Communities; Volunteers of America Home Health Services; Volunteers of America National Services Development Corporation; VOA National Housing Corporation; The Homestead at Boulder City, Inc., an 80 percent owned subsidiary; The Homestead at Coon Rapids, Inc., The Homestead at Montrose, Inc.; Sleepy Eye Area Home Health; Volunteers of America Homestead 2000, Inc.; VOA Rehabilitation Centers, Inc.; VOA Lee County Health Care Facility, Inc.; VOANS Senior CommUnity Meals, Inc.; VOANS PACE Holding Company and its subsidiaries, including a 60 percent owned subsidiary; Essex St. Commercial, LLC; Edina Senior Living, LLC, an 80 percent owned subsidiary; VOANS Holding Company; VOANS Insurance Company, Inc.; Summit VOANS, LLC; Intrepid VOA, LLC; Coronado VOANS, LLC; VOA PR SPE, LLC; Sunshine Development Corporation; and certain real estate general and limited partnerships.

On August 1, 2020, National Services sold a skilled nursing and assisted living facility located in Tempe, Arizona to an unrelated party. The sales price was $7,872,000. National Services recorded a gain on the sale of approximately $3,718,000 during the year ended June 30, 2021. The results of operations for the facility have been reclassified to gain (loss) on discontinued operations.

Volunteers of America Correctional Services, a subsidiary, includes Volunteers of America Puerto Rico RRC, Inc., its wholly-owned subsidiary.

Volunteers of America Futures Fund, Inc. (VOA Futures Fund) is a wholly owned subsidiary.

1. Nature of business and summary of significant accounting policies (continued):

Effective May 13, 2021, Volunteers of America Southwest California, Inc. (VOACASW) became an unchartered Local Office, at which point Volunteers of America, Inc.'s National Organization and Board of Directors took control of VOACASW. As a result of the change in control, VOACASW's assets, liabilities, and net assets as of June 30, 2021, and the revenues, expenses, gains, and losses for the period from May 13, 2021 through June 30, 2021 are consolidated with the financial statements of the National Organization. VOACASW includes the accounts for Southern California Development Corporation of Volunteers of America, Inc., a wholly owned subsidiary.

Volunteers of America, Inc., Volunteers of America National Services, VOA Futures Fund, Volunteers of America Southwest California, Inc. and Volunteers of America Correctional Services are referred to collectively as the Organization.

Management determined that there is substantial doubt about Edina Senior Living, LLC's ability to continue as a going concern, due to lower than budgeted occupancy levels for each of the years ending June 30, 2021 and June 30, 2020. These lower than budgeted occupancy levels along with the required minimum lease payments and long-term debt obligations of the Company have led to cash flow issues for Edina Senior Living, LLC. As a result of the cash flow issues, the amount owed to an affiliated company has grown over the last two fiscal years. Edina Senior Living, LLC's members acknowledged that, in its current financial condition, they would be unable to meet its obligations. Edina Senior Living, LLC's members are currently negotiating lease modifications with the landlord and have budgeted for increased occupancy levels and operating expenses savings in fiscal year 2022 to help with cash flow. Because it is not possible at this time to predict the outcome of the member's efforts, substantial doubt remains regarding the ability of the Edina Senior Living, LLC to continue as a going concern during the ensuing year. Volunteers of America Care Facilities and Subsidiary has guaranteed certain obligations of Edina Senior Living, LLC, and accordingly, may have to absorb those obligations in the event of default by Edina Senior Living, LLC. Edina Senior Living, LLC constitutes approximately 6 percent of the consolidated total assets at June 30, 2021 and 2020, and approximately 6 percent of the consolidated total revenues for the years ended June 30, 2021 and 2020.

Program services provided by the Organization are described as follows:

Fostering Independence - Through programs designed to provide care where needed while supporting independence to the degree possible, National Services offers services to the elderly and to those with disabilities, mental illness, and HIV/AIDS.

Health Care and Elderly Services:

National Services promotes the well-being of individuals through health education and screening, home health care, adult day care, transitional senior housing, assisted living facilities, nursing home care, and Program of All-Inclusive Care for the Elderly (PACE). Nursing home care provides skilled and intermediate nursing care, and secures special care units for people with memory loss and rehabilitation. The PACE program provides a full range of care to seniors with chronic care needs while allowing them to remain in their own homes for as long as possible.

1. Nature of business and summary of significant accounting policies (continued):

Promoting Self-Sufficiency -

Housing:

The National Organization works to promote the self-sufficiency of those who have experienced homelessness or other personal crises, including chemical dependency, involvement with the corrections system, and unemployment.

Housing - Disabled and Elderly Housing:

National Services affords individuals and families an opportunity to live in safe, well-maintained, service-enriched rental housing. This program offers residents an array of activities and services that respond to the needs and interests of residents. Elderly housing offers recreational, social, and health services. Housing for persons with disabilities have specifically designed services that support the residents' independent functioning.

Housing - Single Adults and Families:

National Services affords individuals and families an opportunity to live in safe, well-maintained, service-enriched rental housing. This program offers residents an array of activities and services that respond to the needs and interests of residents.

National Services is the sponsor for certain Single Asset Entities (SAEs) and is developing additional affordable housing sites to be organized as SAEs. The SAEs are stand-alone entities and are not consolidated with the Organization. See disclosure further within Note 1 regarding reimbursable costs for the 3 and 4 individual and family properties under development at June 30, 2021 and 2020, respectively.

Community enhancement:

The National Organization provides administrative and management services to the Local Offices from its headquarters office located in Alexandria, Virginia.

Mission focus:

The National Organization provides management, program expertise, and leadership to its Local Offices and ensures that the work of the Organization fulfills the mission of providing programs and services that help abused and neglected children, youth at risk, the elderly, people with disabilities, homeless individuals and families, and many others. It facilitates development of an organization-wide plan. It commissions and ordains ministers and fosters the spiritual growth of leadership across the Organization. It articulates the mission of Volunteers of America and updates this message to keep it timely and meaningful. It promotes organizational values that instill pride and unite the Organization.

The National Organization establishes effective partnerships with government, businesses, churches, and community organizations and participates in the national dialogue affecting the work of Volunteers of America.

1. Nature of business and summary of significant accounting policies (continued):

Advocacy and government relations:

The National Organization advocates on a local, national, and international level for those groups served by Volunteers of America, maintains effective federal government relations, and encourages Local Offices to maintain effective state and local government relations. It informs Local Offices of legislative and regulatory proposals affecting their work, analyzes their impact, and identifies national public policy initiatives and works towards their fulfillment.

Board development:

The National Organization's and Local Office's boards of directors provide leadership and direction for the Organization as they work with national and local staff. This program establishes a model for board effectiveness, provides training, communicates regularly with local boards, administers charters, and works to expand the Organization nationally and internationally.

Communications:

The National Organization provides publication, public relations, marketing, graphic, online, and other communications support for the Organization. It conveys the mission and messages of Volunteers of America, maintains a national awareness campaign, and develops and ensures proper use of Volunteers of America trademarks. National Organization communications staff also provides professional, technical, and operational support to the Local Offices. These communication efforts are designed to build public awareness and enhance the Organization's programs and services for people in need.

Service development:

The National Organization gathers and analyzes national data and trends on the types of services provided and forecasts needs and opportunities for additional services. It participates in the risk for new models of service delivery and launches national initiatives for service delivery.

The National Organization also establishes expectations of the Organization's leadership and a program to develop leadership skills. It invites individuals who share the values of Volunteers of America to volunteer for, commit to, and participate in the work of the Organization. It identifies and supports national leadership for the Organization's primary service areas. It provides technical assistance to Local Offices on legal, financial and accounting, human resources, planning, and other management areas.

Financial development:

The National Organization facilitates the Organization's access to capital and raises funds for national and local initiatives. It makes training and supporting materials for financial development available to Local Offices. It creates national relationships with corporate partners. It develops enterprises that generate revenue to fund the work of the Organization. It monitors the financial condition of Local Offices and offers assistance when applicable.

1. Nature of business and summary of significant accounting policies (continued):

Principles of consolidation:

All significant intercompany balances and transactions have been eliminated in consolidation. Intercompany guarantees that are eliminated in consolidation are not disclosed in the notes to the consolidated financial statements as the related obligations are eliminated on the consolidated statements of financial position.

Intercompany profits eliminated in consolidation related to developer fees earned and paid to National Services were $7,186,000 and $2,007,000 for the years ended June 30, 2021 and 2020, respectively. The cumulative amount of intercompany profits eliminated in consolidation related to developer fees earned and paid to National Services was $ 56,664,000 and $49,478,000 at June 30, 2021 and 2020, respectively.

Under generally accepted accounting principles in the United States of America, general partners in limited partnerships that keep substantive participating rights are presumed to control the limited partnerships regardless of the extent of their ownership interest; therefore, the limited partnerships' financial statements are consolidated with those of the general partners with substantive participating rights, regardless of the percentage ownership in the limited partnerships.

There are 166 Housing and Urban Development (HUD) financed properties and general partnership entities that National Services controls or in which it has economic interest, but not both. National Organization also has economic interests in all chartered local offices but does not possess control. Occasionally, the Organization may have control over unchartered local offices but does not have economic interest. Therefore, the Organization is not required to consolidate these HUD properties, general partnership entities or the 31 Local Offices for the fiscal years ended June 30, 2021 and 2020, except for VOACASW, as disclosed above.

Use of estimates:

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents:

Cash equivalents are all highly liquid investments with an original 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 encumbered (see Note 3). The carrying amount approximates fair value because of the short maturity of those instruments.

1. Nature of business and summary of significant accounting policies (continued):

Investments:

Investments consist of: (a) cash and cash equivalents; (b) certificates of deposits, and (c) deposits that have been pooled with those of other affiliates of the Organization (pooled investments). The pooled investments are maintained in accounts consisting primarily of marketable securities (Note 4). The pooled investments are recorded at fair value based on quoted market prices of the underlying securities. Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value. The fair value of investments is based on the underlying value of the securities and will fluctuate based on overall changes in market conditions. Investment income or loss (including realized gains and losses on investments, interest, and dividends) and change in unrealized gains and losses on investments are excluded from the change in net assets from operations.

Although the Organization's investments are invested in a variety of financial instruments managed by investment advisors, the fair values reported in the consolidated financial statements are subject to various market risks including changes in the equity markets, the interest rate environment, and economic conditions. Due to the level of risk associated with investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the fair value of investments reported in the accompanying consolidated statements of financial position could change materially in the near term.

Fair value measurements:

The Organization's financial instruments are measured at estimated fair value using inputs from among the three levels of the fair value hierarchy as follows:

Level 1 inputs: Quoted prices in active markets for identical assets or liabilities, which prices are available at the measurement date.

Level 2 inputs: Includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (i.e. interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

Level 3 inputs: Unobservable inputs that reflect management's estimates about the assumptions that market participants would use in pricing the asset or liability. These inputs are developed based on the best information available, including internally-developed data.

1. Nature of business and summary of significant accounting policies (continued):

Notes and accounts receivable:

Notes and accounts receivable consist of third-party payors and patient receivables, housing, and other receivables and are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debts based on its assessment of the current status of individual account balances that are still outstanding. After management has used exhaustive collection efforts, uncollectible notes and accounts receivable balances are charged to the provision for bad debts. At June 30, 2021 and 2020, the allowance for doubtful accounts for accounts receivable was $2,709,000 and $2,736,000, respectively, and the allowance for doubtful accounts for notes receivable was $10,635,000 and $11,241,000, respectively.

Notes receivable, net of current portion, generally bear no interest and result from activity with managed apartment complexes, and affiliates, from development activity with affiliates and from some loans to Local Offices for operations (see Notes 6 and 16).

Property and equipment and depreciation method:

Land, buildings, and equipment are recorded at cost. Donations of property and equipment are recorded at their fair value at the date of gift.

Depreciation and amortization are computed on the straight-line method based generally upon the following estimated useful lives:

Land and improvements	10 years
Building	30-40 years
Building improvements	10-40 years
Furniture and equipment	3-10 years
Transportation vehicles	3-5 years

Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that materially extend the life of an asset are capitalized.

Amortization of assets acquired under leases is included in accumulated depreciation.

Impairment of property and equipment:

Property and equipment are evaluated for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. If expected cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of the assets. There was no impairment loss recognized during the years ended June 30, 2021 and 2020.

1. Nature of business and summary of significant accounting policies (continued):

Leases:

The Organization has entered into various building and equipment leases. The operating leases are included in right-of-use assets and other liabilities on the consolidated statements of financial position.

Right-of-use assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Leases with an initial term of 12 months or less are not recorded on the consolidated statements of financial position and are recognized as lease expense on a straight line basis over the lease term. The leases recorded on the consolidated balance sheet do not provide an implicit lease rate, therefore, the Organization has utilized an incremental borrowing rate as the basis to calculate the present value of future lease payments at lease commencement. The incremental borrowing rate represents the rate that would have to be paid to borrow funds on a collateralized basis over a similar term and in a similar economic environment.

The Organization has elected to include the assets relating to financing leases within property and equipment on the consolidated balance sheet. The Organization classifies leases as financing leases when the lease transfers ownership of the underlying asset to the Organization at the end of the lease term or the lease grants the Organization the option to purchase the underlying asset that the Organization is reasonably certain to exercise.

Encumbered assets:

Encumbered assets represent the total of all assets that are encumbered by donor restrictions, legal agreements, and board designation and are otherwise unavailable for the general use of the Organization. This category includes donor restricted assets, board designated assets, bond trust funds, equity investments, and escrow deposits required by funding sources in the development of low-income housing (see Note 3).

Reimbursable costs:

Reimbursable costs are funds advanced for the construction of various low-income housing projects sponsored by National Services that will be managed by an affiliate of the Organization. These projects are developed using low-income housing tax credits (LIHTC) and tax-exempt bond financing. Prior to receiving funding, the sponsor advances funds for options and other due diligence costs related to the acquisition and development of these projects. The majority of these advances are reimbursed within 18 to 24 months of being incurred upon satisfactory completion of the due diligence process. Thereafter, additional advances may be necessary to provide cash flow between the time a cost has been incurred and approved for reimbursement, and the receipt of the reimbursement.

1. Nature of business and summary of significant accounting policies (continued):

Limited and general partnerships:

National Services usually creates a limited partnership for tax credit properties where it is the general partner or wholly owns the general partner, and receives tax credits, which it in turn sells to an investor or to a limited partner. Overall, National Services's ownership percentage of the limited partnerships is generally less than 1 percent. These housing projects serve family and single adults, the elderly and disabled, or individuals with HIV/AIDS.

Assets and liabilities of the limited partnerships consist principally of buildings, construction-in-progress, and long-term debt (see further detail in Note 13). Non-controlled interests in the limited partnerships of $199,859,000 and $190,059,000 at June 30, 2021 and 2020, respectively, represent the ownership by the limited partners and not that of the general partners that is required under generally accepted accounting principles in the United States of America to be included in the consolidated financial statements.

National Services, through several of the majority-owned general partnerships, has notes receivable from the related limited partnerships totaling approximately $3,387,000 at June 30, 2021 and 2020. These notes are carried at $0, because the Organization believes the related properties will not yield any financial return and collectability of the notes is uncertain. If cash is received for these notes in the future, revenues and gains would be recognized.

Net assets:

Net assets are classified into two categories: net assets without donor restrictions and net assets with donor restrictions. All net assets are considered to be without donor restrictions unless specifically restricted by the donor or by law. Net assets with donor restrictions include contributions with temporary, donor-imposed time, or purpose restrictions. Net assets with donor restrictions become net assets without donor restrictions and are reported in the consolidated statements of activities as net assets released from restrictions, when the time restrictions expire, or the contributions are used for their restricted purpose. Net assets with donor restrictions also include contributions with donor-imposed restrictions requiring resources to be maintained in perpetuity, but permitting unrestricted use of all or part of the investment income earned on the corpus.

Revenues from operations:

Operations are defined 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, disposing of other assets, related party contributions and equity contributions related to limited and general partnerships are reported as non-operating.

1. Nature of business and summary of significant accounting policies (continued):

Public support:

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 net present value of the amounts expected to be collected. Conditional promises to give – that is, those with a measureable performance or other barrier and a right of return – are not included as support until such time as the conditions are substantially met. Contributions are recorded within net assets without donor restrictions unless specifically restricted by the donor or by law. As of June 30, 2021 and 2020, the Organization has received approximately $2,329,000 and $2,002,000, respectively, of conditional promises to give, which is recorded within other current liabilities.

The Organization recognizes contribution revenue for certain goods and services received at the fair value of those gifts.

Government grants and contracts:

VOAPR has a multi-year agreement with the Federal Bureau of Prisons for residential reentry program services for the previously incarcerated. The contracts specified daily billable rates for each category of service. Performance obligations are determined based on the nature of services provided. Payments for the services have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied over time as services are provided.

Other operating revenue:

Resident services revenue consists of skilled nursing, assisted living, independent living, and ancillary services which are reported at the estimated net realizable amounts from residents, third-party payers, and others for services rendered. National services has determined that the services included in the monthly or daily fees have the same timing and pattern of transfer and are a series of distinct services that are considered on performance obligation which is satisfied over time as services are provided.

Administrative income from Local Office represents the fees earned by the National Organization providing administrative and management services to 31 locally chartered and unchartered corporations (Local Offices) authorized to operate under the name of Volunteers of America. The fee is based on a percentage of net revenue reported by locally chartered and unchartered offices to the National Organization and billed on a monthly basis. The Organization has determined that the services included in the monthly affiliate fee have the same timing pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied during the month the services are billed and provided.

1. Nature of business and summary of significant accounting policies (continued):

Operating revenues includes amounts received from federal and state funding sources related to the COVID-19 pandemic. The Organization accounts for this funding in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605 guidance for conditional contributions and accordingly, revenues are measured and recognized when barriers are substantially met, which occurs when the Organization complies with the terms and conditions related to the purpose of the grant rather than those that are administrative in nature.

In March 2020, the Coronavirus Aid, Relief, and Economic Security ("CARES") Act was signed into law to combat the financial effects of COVID-19. The CARES Act created a Provider Relief Fund to provide financial support for hospitals and other healthcare providers. The Organization received approximately $5,683,000 and $6,803,000 in 2021 and 2020, respectively, related to this and other state funding sources. In accordance with the terms and conditions, the Organization could apply the funding against lost revenues and eligible expenses. The Organization estimated lost revenues by comparing to fiscal year 2019 actual revenues.

Management believes that the Organization complied with all terms and conditions of the PRF. However, the Department of Health and Human Services has indicated that PRF payments are subject to future reporting and audit requirements. Further, noncompliance with the terms and conditions of the PRF, which can be subject to future government review and interpretation, could result in repayment of some or all of the support received. An estimate of the possible effects cannot be made as of the date these financial statements were issued and, it is unknown whether there will be further developments in regulatory guidance.

The Organization has incurred lost revenues and eligible expenses in accordance with the current terms and conditions of the Provider Relief Fund as of June 30, 2021 and 2020, of approximately $5,575,000 and $5,897,000, respectively. As of June 30, 2021 and 2020, $1,014,000 and $906,000, respectively, was included in due to third-party payors and patients on the consolidated statements of financial position as the Organization determined the recognition criteria had not yet been met as of year-end.

Other revenue also includes fees earned through the management and development of affordable housing and rental income for the limited and partnership interests.

Developer fee revenue:

National Services recognizes developer fee revenue when the earnings process is complete and specific benchmarks have been reached. Developer fee revenue is included as part of other operating income within other revenues in the consolidated statements of activities.

Cumulative costs associated with earning this revenue are capitalized until the revenue can be matched with the associated net expenses. This resulted in capitalizing approximately $703,000 and $256,000 of developer fees as reimbursable costs for the fiscal years ended June 30, 2021 and 2020, respectively. The reimbursable costs are expected to be matched with future developer fee revenues.

Deferred developer fee revenues and HUD consulting fee revenues are not recognized until actually paid due to the uncertainty of their collectability.

1. Nature of business and summary of significant accounting policies (continued):

Allocation of functional expenses:

Program and support service expenses are specifically identified with or allocated to the various functions. Expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as square footage and time and effort.

Income taxes:

Under provisions of Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the applicable states, the Organization is a public charity, other than VOANS Insurance Company, Inc. and Edina Senior Living, LLC, and is exempt from income taxes. The Organization has evaluated its tax positions for uncertainty and has no unrecognized tax matters that are required to be disclosed. The Organization recognized income tax expense of $41,000 and $22,000 related to unrelated business income generated from investments in joint ventures, and there were cash payments for income taxes of $82,000 and $96,000 in 2021 and 2020, respectively.

Concentration of credit risk:

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash and cash equivalents, investments, encumbered assets, notes receivable, and accounts receivable.

The Organization places its cash and cash equivalents, investments, and encumbered assets with high credit quality financial institutions. At times, such amounts may be in excess of the Federal Deposit Insurance Company (FDIC) insurance limits. The Organization has not experienced any loss associated with this practice.

With respect to third-party payor and patient receivables included in accounts receivable, the Organization grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements.

New accounting pronouncements adopted in the current year:

In February 2016, FASB issued ASU No. 2016-02, *Leases*. ASU No. 2016-02 was issued to increase transparency and comparability among entities. Lessees will need to recognize nearly all lease transactions (other than leases that meet the definition of a short-term lease) on the statement of financial position as a lease liability and a right-of-use asset (as defined). The Organization adopted this guidance as of July 1, 2020, utilizing the modified retrospective method of adoption, and the adoption of this standard did not have a material impact on the Organization's business practices, financial condition, or results of operations during the year ended June 30, 2021. The Organization recorded the right-of-use assets and liabilities on the consolidated statement of financial position and expanded disclosures in Note 12.

1. Nature of business and summary of significant accounting policies (continued):

Future accounting pronouncements:

In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The purpose of the ASU is to clarify the presentation and disclosure of contributed nonfinancial assets with an intention to provide the reader of the financial statements a clearer understanding of what type of nonfinancial assets were received and how they are used and recognized by the Organization. The Organization is required to adopt ASU No. 2020-07 in fiscal year 2022; management is currently evaluating the impact of adoption of this standard.

Subsequent events:

Management has evaluated for subsequent events through December 22, 2021, the date the consolidated financial statements were issued.

Reclassifications:

Certain reclassifications have been made to the 2020 consolidated financial statements to conform to the 2021 presentation.

2. Operating revenues:

Operating revenues consist of the following for the years ended June 30, 2021 and 2020. The Organization disaggregates revenue from contracts with customers by type of service as this depicts the nature, amount, timing and uncertainty of its revenue and cash flows as affected by economic factors:

	2021					
	VOA, Inc.	**VOA FF**	**VOA Corr.**	**VOA CASW**	**VOANS**	**Total**
			(in thousands)			
Public support	$ 14,755	$ 2,102	$ 1	$ 41	$ 1,619	**$ 18,518**
Resident service revenue	-	-	-	-	218,436	**218,436**
Program fees	637	-	-	370	28,711	**29,718**
Program fees-affiliate fees	15,324	-	-	-	-	**15,324**
Government grants and contracts	-	-	4,569	1,740	40,338	**46,647**
Other operating income	16	-	-	-	1,867	**1,883**
Total	**$ 30,732**	**$ 2,102**	**$ 4,570**	**$ 2,151**	**$ 290,971**	**$ 330,526**

	2020					
	VOA, Inc.	VOA FF	VOA Corr.	VOA CASW	VOANS	Total
			(in thousands)			
Public support	$ 10,560	$ 323	$ 26	$ -	$ 1,516	$ 12,425
Resident service revenue	-	-	-	-	229,271	229,271
Program fees	666	-	-	-	27,114	27,780
Program fees-affiliate fees	14,580	-	-	-	-	14,580
Government grants and contracts	-	-	3,664	-	35,672	39,336
Other operating income	20	-	-	-	1,793	1,813
Total	$ 25,826	$ 323	$ 3,690	$ -	$ 295,366	$ 325,205

Payment terms and conditions for the National Services resident contracts vary by contract type and payor source, although terms generally include payment to be made within 30 days. Operating revenues for recurring and routine monthly services are generally billed each month as services are rendered. Operating revenues for ancillary services are generally billed monthly in arrears. Revenues collected from residents in advance are recognized as unearned revenue until the performance obligations are satisfied and are included in unearned revenues in the accompanying statements of financial position. National Services applies the practical expedient in ASC 606, and therefore does not disclose amounts for remaining performance obligations that have original expected durations of one year or less.

3. Encumbered assets:

At June 30, 2021 and 2020, encumbered assets included assets restricted either externally, by donor restriction or legal agreement, or restricted internally, by board designation.

Bond trust funds consist of assets held by trustees under various indenture agreements. Amounts held in bond trust funds in excess of amounts required under the indenture agreements are classified as short-term investments. These investments consisting of short-term treasury funds and certificates of deposit and are recorded at cost, which approximates fair value.

	VOA, Inc.	VOA CASW	VOANS	2021	2020
		(in thousands)			
Cash and cash equivalents	$ 6,565	$ 323	$ -	$ 6,888	$ 333
Investments (see Note 4)	15,610	-	-	15,610	15,532
Bond trust funds	-	-	21,367	21,367	21,721
Encumbered assets	$ 22,175	$ 323	$ 21,367	$ 43,865	$ 37,586

4. Investments:

At June 30, 2021 and 2020, investments were as follows:

	VOA, Inc.	VOA CASW	VOANS	2021	2020
		(in thousands)			
Unencumbered and Encumbered Investments:					
Cash and cash equivalents	$ 3,289	$ -	$ 6,924	$ 10,213	$ 9,613
Certificates of deposit	-	-	5,186	5,186	5,803
Fixed income	8,118	21	2,027	10,166	11,704
Equities	20,532	59	5,684	26,275	26,962
	$ 31,939	$ 80	$ 19,821	$ 51,840	$ 54,082
Investments included in encumbered assets (see Note 3)	$ 15,610	$ -	$ -	$ 15,610	$ 15,532
Short-term investments	-	80	19,821	19,901	23,328
Long-term investments	16,329	-	-	16,329	15,222
Total	$ 31,939	$ 80	$ 19,821	$ 51,840	$ 54,082

National Organization sponsors the National Organization Pooled Investment program open to eligible Local Offices and subsidiaries. The combined fair value of the program's assets is approximately $72,705,970 and $68,427,000 at June 30, 2021 and 2020, respectively. There were 16 total active participants at June 30, 2021 which include the National Organization, 13 Local Offices, National Services, and two subsidiaries of National Services in the program. Local Offices, National Services, and subsidiaries account for 61 percent of the total portfolio in the program at June 30, 2021. Each participant has ownership of its allocated assets and recognizes its allocated earnings. The National Office records the portion of other participants' investment, $44,540,000 and $38,382,000 at June 30, 2021 and 2020, respectively, as assets and equal offsetting liabilities, netted within the investment line on the consolidated statements of financial position.

5. Liquidity and availability of resources:

The following table reflects the Organization's financial assets available for general expenditure within one year at June 30, 2021 and 2020. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. Unavailable financial assets consist of assets whose use is limited by loan and other agreements.

	2021	2020
	(in thousands)	
Financial assets:		
Cash and cash equivalents	**$ 109,033**	$ 87,779
Short-term investments (uncollateralized)	**12,901**	16,328
Appropriation from board designated endowment for subsequent year	**823**	958
Receivables and other current assets	**31,274**	30,426
Cash and cash equivalents included in limited and general partnership's assets	**6,921**	6,802
Tenant receivables included in limited and general partnership's assets	**1,547**	1,117
Total	**$ 162,499**	$ 143,410

The Organization’s limited and general partnerships are required to maintain a reserve for replacement account and also deposit any residual revenue, as defined, into a residual receipts account. The use of the funds in these accounts is subject to approval by HUD, and is generally limited to capital expenditures and service coordinator expenses. The Organization’s limited and general partnerships also had escrow deposits held in a separate account in accordance with its loan agreements. These deposits are limited as to its use to the payment of real estate taxes and property and mortgage insurance. The total balance of such funds was $64,226,000 at June 30, 2021 and $48,194,000 at June 30, 2020.

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. The Organization invests cash in excess of daily requirements in short-term investments. To assist management with satisfying any unanticipated liquidity needs, the Organization has lines of credit that can be drawn upon (Note 10).

The National Organization maintains a board designated endowment fund of $14,820,000 with cumulative earnings thereon of $5,766,000 and $9,127,000 as of June 30, 2021 and 2020, respectively (Note 15), which is not included in the table above. It has a policy of appropriating endowment assets available for expenditure each year no greater than 4 percent of the market value of the funds at the end of the preceding fiscal year. Subject to the approval of the Organization’s Board of Directors, the board designated endowment funds may be drawn upon for strategic program initiatives requiring initial working capital, or in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities (see Note 15).

6. Notes receivable:

Notes receivable consist of the following at June 30:

	2021 (in thousands)	2020 (in thousands)
Notes receivable	**$ 21,161**	$ 19,724
Less current portion	**(2,573)**	(3,690)
	18,588	16,034
Less allowance	**(10,635)**	(11,241)
Notes receivable, long term	**$ 7,953**	$ 4,793

Activity in the allowance for doubtful accounts related to notes receivable was as follows:

	2021 (in thousands)	2020 (in thousands)
Balance at beginning of year	**$ 11,241**	$ 10,430
Provision for losses	**156**	2,550
Charge-off	**(160)**	(61)
Recoveries	**(602)**	(1,678)
Notes receivable, long term	**$ 10,635**	$ 11,241

7. Property and equipment:

Property and equipment consists of the following at June 30:

	2021 (in thousands)	2020 (in thousands)
Land and improvements	**$ 17,055**	$ 17,375
Buildings and improvements	**321,495**	321,197
Furniture and equipment	**45,946**	44,699
	384,496	383,271
Less accumulated depreciation	**(127,999)**	(116,822)
	$ 256,497	$ 266,449

Depreciation expense for the years ended June 30, 2021 and 2020, was $12,910,000 and $12,057,000, respectively.

Construction costs are included in building and improvements. During the years ended June 30, 2021 and 2020, National Services incurred interest costs totaling $33,171,000 and $33,133,000, respectively, of which approximately $0 and $1,912,000, respectively, was capitalized.

8. Fair value measurements:

The Organization has categorized its financial instruments based on the priority of the inputs to the valuation technique into a three-level fair value hierarchy. This fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), observable market based inputs or unobservable inputs that are corroborated by market data (Level 2), and the lowest priority to unobservable inputs (Level 3).

Financial assets that are carried at estimated fair value are categorized based on the inputs to the valuation technique as follows for the years ended June 30, 2021 and 2020. There were no financial instruments valued using Level 3 inputs at June 30, 2021 and 2020.

	2021 (in thousands)		
	Total	**Level 1**	**Level 2**
Financial Assets Category			
Fixed income	**$ 10,166**	**$ -**	**$ 10,166**
Equities:			
Common stock	**12,274**	**12,274**	**-**
Mutual funds	**8,939**	**8,939**	**-**
Total financial assets at fair value	**31,379**	**$ 21,213**	**$ 10,166**
Investments measured at net assets value (a)	**5,062**		
Financial assets at cost			
Cash and cash equivalents	**17,101**		
Certificates of deposit	**5,186**		
Bond trust funds	**21,367**		
Total short-term and long-term investments and encumbered assets	**$ 80,095**		

8. Fair value measurements (continued):

	2020 (in thousands)		
	Total	Level 1	Level 2
Financial Assets Category			
Fixed income	$ 11,704	$ -	$ 11,704
Equities:			
Common stock	12,088	12,088	-
Mutual funds	7,714	7,714	-
Total financial assets at fair value	31,506	$ 19,802	$ 11,704
Investments measured at net assets value (a)	7,160		
Financial assets at cost			
Cash and cash equivalents	9,946		
Certificates of deposit	5,803		
Bond trust funds	21,721		
Total short-term and long-term investments and encumbered assets	$ 76,136		

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at June 30, 2021 and 2020.

Mutual funds and common stock are valued at fair value based on quoted market prices for identical securities in active markets that the Organization has the ability to access at the measurement date. Fixed income securities are valued at fair value based on quoted prices for similar assets in active markets and inputs other than quoted prices that are observable for the asset (i.e. interest rates, yield curves, etc.).

9. Deferred charges and other assets:

Included in deferred charges and other assets are the following investments in joint ventures:

National Services has a one-third ownership interest with two unrelated parties in Alliance Technology Solutions Holding Company, LLC to invest in a company whose purpose is to develop and deal with computer and software technology focused upon the elderly and their care providers. During the year ending June 30, 2021, Alliance Technology Solutions Holding Company, LLC sold its underlying interest in the software development company. As a result, the National Services received a $630,000 distribution of sale proceeds. The Organization uses the equity method to account for this investment, and accordingly has reduced the investment to $0 and $2,000 at June 30, 2021 and 2020, respectively. The Organization recognized a gain (loss) on this investment of $628,000 and ($2,000) for the years ended June 30, 2021 and 2020, respectively.

As of June 30, 2020, the National Services was a forty-five percent owner of the outstanding shares of Essential Decisions, Inc. (EDI). Effective December 31, 2020, the Organization sold its interest and received proceeds from the sale of $481,000. The Organization uses the equity method to account for this investment, and accordingly has decreased the investment to $0 and $2,746,000 at June 30, 2021 and 2020, respectively. The Organization recognized a (loss) gain on this investment of ($2,265,000), and $83,000 for the years ended June 30, 2021 and 2020, respectively.

Deferred compensation plan:

The National Organization maintains an executive deferred compensation plan. The plan is open to qualified employees and is based on amounts designated by the plan administrator. The assets are maintained within a trust and are held for eventual payment of the liability. The trust is recorded in deferred charges and other assets and in other long-term liabilities in the amount of $6,024,000 and $5,173,000 as of June 30, 2021 and 2020, respectively, at its fair value.

10. Lines of credit:

The National Organization entered into a Revolving Credit Agreement for working capital in the amount of $10,000,000. The agreement expires February 28, 2023. The unpaid principal balance bears interest at an annual rate equal to 1.5 percent plus the one-month London Interbank Offered Rate (LIBOR). The interest rate was 1.59 percent and 1.68 percent at June 30, 2021 and 2020, respectively. No collateral is required. At June 30, 2021 and 2020, the full amount of the Revolving Credit Agreement was available to the Organization.

10. Lines of credit (continued):

The National Organization also has a line of credit with their investment institution secured by their investments in the National Pooled Investment program, where they can borrow up to 50 percent against their investment value. Other participants in the National Pooled Investment program also have access to this line of credit. At June 30, 2021 and 2020, $7,745,000 and $10,190,000, respectively, was outstanding from other National Pooled Investment participants, where the balance is collateralized by their investments. The unpaid principal balance bears interest at an annual rate equal to 1.0 percent plus the overnight LIBOR rate. The interest rate was 1.08 percent at June 30, 2021 and 2020. The note is secured by the pooled investment funds. At June 30, 2021 and 2020, the National Services had an outstanding balance of $7,000,000.

11. Long-term debt:

Long-term debt consists of the following at June 30:

	2021 (in thousands)	2020 (in thousands)
Real estate notes and mortgages, 0% to 6.6%, due in varying amounts through 2044	**$ 26,034**	$ 30,091
Revenue bonds, 3% to 8%, due in varying amounts through 2053	**239,044**	237,927
	265,078	268,018
Less unamortized discount	**1,999**	2,112
Less unamortized deferred financing costs	**6,509**	6,018
	256,570	259,888
Less current portion	**6,633**	11,074
	$ 249,937	$ 248,814

Future annual maturities of long-term debt, for the year ended June 30, are as follows:

	Amount (in thousands)
2022	$ 6,633
2023	6,157
2024	6,955
2025	15,531
2026	6,032
Thereafter	223,770
	$ 265,078

At June 30, 2021 and 2020, substantially all of the property and equipment is pledged as collateral for the long-term debt. The term of these certain types of long-term debt agreements include various covenants including financial and other non-financial matters with which the Organization must comply.

12. Leases:

National Services leases certain buildings and equipment under noncancelable operating leases expiring through October 2034, and noncancelable finance leases expiring through November 2046. The weighted-average remaining lease term as of June 30, 2021 is 25.3 years for the finance leases and 11.6 years for the operating leases. The weighted-average discount rate used for the year ending June 30, 2021 is 5.3% for the finance leases and 3.3% for the operating leases.

VOA Puerto Rico, RRC leases its land under noncancelable operating leases expiring on July 1, 2023 and leases its building under noncancelable finance leases expiring on July 1, 2023. The remaining lease term as of June 30, 2021 is 2 years for both the finance and operating lease. The discount rate used for the year ending June 30, 2021 is 28.7% for the finance leases and 4.3% for the operating leases. The building was recorded at fair value on the lease commencement date. The rent for each succeeding lease year shall be adjusted by the annual increase in the Consumer Price Index ("CPI") for the calendar month of the commencement date preceding such lease anniversary year. Thus, the January CPI is to be used in determining the percent increase in rent, effective for the February rent payment. The increase in rent during 2021 and 2020 was 1.4 percent and 2.5 percent, respectively.

The cost of the assets recorded under finance lease agreements and related accumulated amortization is as follows at June 30:

	2021 (in thousands)	2020 (in thousands)
Assets recorded under finance lease agreements	**$ 74,477**	$ 74,794
Less accumulated amortization (included in accumulated depreciation, Note 6)	**13,281**	10,813
	$ 61,196	$ 63,981

The lease cost and other required information for the year ended June 30, 2021 are:

	2021 (in thousands)
Finance lease cost:	
Amortization of right of use asset	**$ 2,926**
Interest on lease liabilities	**4,475**
Operating lease cost	**778**
Short-term lease cost	**6,755**
Total lease cost	**$ 14,934**

12. Leases (continued):

Future minimum lease payments are as follows:

	Finance (in thousands)	Operating (in thousands)
Years ending June 30:		
2022	$ 5,037	$ 844
2023	5,312	720
2024	5,252	395
2025	5,357	403
2026	5,416	384
Thereafter	130,990	3,057
Total lease payments	157,364	5,803
Less interest	74,359	1,003
Lease liabilities	83,005	4,800
Less current portion	4,937	693
Long-term portion of lease liabilities	$ 78,068	$ 4,107

Lease liabilities are presented in other current liabilities and other long-term liabilities on the consolidated statement of financial position. Future minimum lease payments at June 30, 2020, prior to the Organization's adoption of Topic 842, are as follows:

	Finance (in thousands)	Operating (in thousands)
Years ending June 30:		
2021	$ 5,007	$ 114
2022	5,002	114
2023	5,277	114
2024	5,218	-
2025	5,323	-
Thereafter	136,396	-
Total lease payments	162,223	$ 342
Less interest	78,803	
Lease liabilities	83,420	
Less current portion	4,860	
Long-term portion of lease liabilities	$ 78,560	

13. Limited and general partnerships:

The Organization has elected to present the assets and liabilities of the real estate limited and general partnerships on a non-classified basis in the consolidated statements of financial position, in accordance with industry practice for real estate companies. The assets and liabilities are composed of the following at June 30, 2021 and 2020:

	2021 (in thousands)	2020 (in thousands)
Cash and cash equivalents	**$ 6,921**	$ 6,802
Account receivable, net	**1,547**	1,117
Prepaid expenses	**3,831**	4,022
Total current assets	**12,299**	11,941
Property and equipment, net	**672,395**	601,017
Encumbered assets	**64,226**	48,194
Other long-term assets	**24,868**	20,175
Total assets before eliminations	**773,788**	681,327
Eliminations	**(80,103)**	(67,779)
Total limited and general partnerships' assets	**$ 693,685**	$ 613,548
Accounts payable	**$ 8,061**	$ 6,665
Accrued expenses	**59,408**	54,315
Other current liabilities	**1,357**	1,954
Total current liabilities	**68,826**	62,934
Long-term debt, net of current portion	**480,645**	411,729
Other long-term liabilities	**14,980**	12,347
Total liabilities before eliminations	**564,451**	487,010
Eliminations	**(215,625)**	(168,701)
Total limited and general partnerships' liabilities	**$ 348,826**	$ 318,309

14. Retirement plans:

Defined benefit plans:

The National Organization participates with its Local Offices and National Services in a non-contributory defined benefit pension and retirement plan, called The Volunteers of America National Pension Plan. The plan's employer identification number is 13-1692595 and the plan year end is December 31. This plan is a multi-employer plan and thus the National Organization is not required to record the unfunded pension liability in its financial statements. The plan's disclosure information regarding the projected benefit obligation and unfunded status as they relate solely to the National Organization is not available, which is typical for multi-employer plans. Because this plan is a church plan and not subject to the Employment Retirement Security Act of 1974 (ERISA), the National Organization is not required to file a Form 5500. This unfunded liability is collectively the liability of all participating employers. If there were any cash shortfalls in the plan, the plan would look towards the participating employers to help fund these amounts. As the participating employers of this plan are affiliated with the National Organization, it is not anticipated that any employer will choose to stop participating.

The following table presents certain actuarial valuation information with respect to the plan for the plan year beginning on January 1:

	2021	2020
	(in thousands)	(in thousands)
Market value of plan assets	**$ 84,016**	$ 72,918
Present value of accumulated plan benefits	**79,520**	76,301
Funded (unfunded) plan benefits	**$ 4,496**	$ (3,383)

The financial health of the multi-employer pension plan is indicated by the zone status, as defined by the Pension Protection Act of 2006, which represents the funded status of the plan as certified by the plan's actuary. Plans in the red zone are less than 65 percent funded, the yellow zone are between 65 percent and 80 percent funded, and the green zone are at least 80 percent funded.

The following table presents certain financial information for the plan as June 30:

	2021	2020
	(in thousands)	(in thousands)
Funded status	**65% or more**	Less than 65%
Employer's contribution to the plan	**$ 1,807**	$ 1,531
Total contributions received by the plan	**$ 5,176**	$ 4,775
Employer's contribution >5% of total contributions to the plan	**Yes**	Yes
Total fair value of plan assets at year end	**$ 90,721**	$ 73,487
Projected benefit obligation	**$ 119,259**	$ 114,885

Because the Plan is not subject to ERISA, a funding improvement plan based on the projected benefit obligation is not required; however, the Organization has voluntarily implemented a contribution assessment.

14. Retirement plans (continued):

VOA National Housing Corporation has a separate defined benefit plan which is a single employer plan and recognizes the funded status of the defined benefit pension plan as a net asset or liability and recognizes changes in the funded status in the year in which the change occurs through a separate line item within the change in unrestricted net assets, apart from expenses, to the extent those changes are not included in the net periodic pension costs. For the years ended June 30, 2021 and 2020, the funded status reported on the consolidated statements of financial position is included in other long-term liabilities and was measured as the difference between the fair value of plan assets and the benefit obligation.

The following table presents certain information with respect to the plan for non-minister employees at June 30, 2021 and 2020:

	2021		2020	
	(in thousands)		(in thousands)	
Projected benefit obligation	**$**	**9,052**	$	8,744
Plan assets, at fair value		**7,614**		6,115
Unfunded status	**$**	**1,438**	$	2,629
Net periodic benefit cost	**$**	**372**	$	428
Employer contributions	**$**	**472**	$	347
Benefits paid	**$**	**299**	$	312
Weighted average assumptions used to determine benefit obligation at June 30:				
Discount rate		**3.75%**		3.75%
Rate of compensation increase		**Graded**		4.00%
Weighted average assumptions used to determine net periodic benefit cost for the year ended June 30:				
Discount rate		**3.75%**		4.00%
Expected return on plan assets		**6.75%**		7.25%
Rate of compensation increase		**Graded**		4.00%

The expected long-term rate of return for the plan's total assets is based on both VOA National Housing Corporation's historical rate of return and the expected rate of return on VOA National Housing Corporation's asset classes, weighted based on target allocations for each class.

The net gain (loss) related to the unrecognized component of net periodic pension cost recognized in the years ended June 30, 2021 and 2020 was approximately $1,092,000 and $449,000, respectively. The net prior service credit related to the unrecognized component of net periodic pension cost recognized in the years ended June 30, 2021 and 2020 was approximately $0 and $385,000, respectively.

14. Retirement plans (continued):

The accumulated benefit obligation was $8,964,000 and $8,720,000 at June 30, 2021 and 2020, respectively.

VOA National Housing Corporation uses the Pri-2012 Mortality Tables projected forward with scale MP-2020 for males and females.

The expected rates of return on pension plan assets are based on the historical rate of return of the plan, industry trends, and current market trends. The decisions have traditionally been conservative in nature.

VOA National Housing Corporation employs a global allocation model by investing in two mutual funds. The funds are allowed to move between various asset classes predicated on the fund manager's assessment of over/under valued markets or sectors. Therefore, there are no set target allocation percentages or ranges for the classes of plan assets. This investment strategy is reviewed quarterly by National Services.

The fair values of VOA National Housing Corporation's postretirement plan assets at June 30, 2021 and 2020, by asset category (Note 8), are as follows

	2021 Level1 (in thousands)	2020 Level 1 (in thousands)
Global asset allocation mutual funds	**$ 7,614**	$ 6,115

The following benefit payments, which reflect expected future services, as appropriate, are expected to be paid as follows:

	Amount (in thousands)
2022	$ 403
2023	430
2024	452
2025	471
2026	486
2027-2031	2,700

Defined contribution plans:

The Organization participates in defined contribution retirement plans. The plans cover all employees who have met certain employment requirements. The Organization authorized contributions of $983,000 and $1,077,000 for the years ended June 30, 2021 and 2020, respectively.

15. Net assets:

Net assets with donor restrictions:

At June 30, 2021 and 2020, net assets with donor restrictions could be expended for the following:

	2021 Level1 (in thousands)	2020 Level 1 (in thousands)
Awards of Volunteers of America Local Offices and other program services	**$ 9,822**	$ 1,549
Scholarships to Volunteers of America employees	**67**	54
Contributions received from donors to be maintained in perpetuity	**723**	659
	$ 10,612	$ 2,262

Net assets with donor restrictions were released from restriction during the years ended June 30, 2021 and 2020 fulfilling donor stipulations for the following purposes:

	2021 Level1 (in thousands)	2020 Level 1 (in thousands)
Awards of Volunteers of America Local Offices and other program services	**$ 6,269**	$ 3,318

Board designated net assets:

Board designated net assets include the VOA Trust for $6,000,000, and VOA Irrevocable Trust for $6,000,000. The two trusts were created by the Board of Directors using the proceeds of a settlement and the net proceeds from a syndication of certain HUD financed projects. The trusts are exempt from federal and state income taxes and are all considered unrestricted. The remaining board designated net assets include additional contributions to the board designated fund. The board designated net assets are not designated for a specific purpose other than to support the mission of the Organization to be used at the discretion of the Board of Directors.

The terms of both trusts are irrevocable and vest the trustees, who are the members of the Finance Committee, with all powers over investment, management, and distribution of the principal assets. These trusts are invested with the National Organization's Pooled Investment program which is monitored by the Investment Committee. The assets must be invested with the care, skill, and diligence that a prudent person acting in this capacity would undertake. All investments will be made within the guidelines of quality, marketability, and diversification mandated by controlling statutes. The target asset class investment mix for the board designated endowment funds is to have 40 percent of the endowment invested in fixed income securities and 60 percent in equities.

15. Net assets (continued):

The objectives of the account should be pursued as a long-term goal designed to maximize the returns without exposure to undue risk, with a total targeted net return of 4.5-6 percent annually. Understanding that a long-term positive correlation exists between performance volatility (risk) and expected returns in the securities markets and the short-term investment objective is for the portfolio to minimize the likelihood of low or negative total returns.

For the years ended June 30, 2021 and 2020, the National Organization has a policy of appropriating endowment assets available for expenditure each year no greater than 4 percent of the market value of the funds at the end of the preceding fiscal year. In establishing this policy, the National Organization considered the long-term expected return on its endowment. Accordingly, the National Organization expects the current appropriation policy to allow its endowment to grow at an average of 4.25 percent annually over a moving three (3) year period. This is consistent with the National Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity, as well as, to provide additional real growth through investment return.

Board designated funds included in net assets without donor restrictions at June 30, 2021 and 2020 are as follows:

	2021			
	Board Designated Endowment (Encumbered)	**Other Board Designated (Encumbered)**	**Total Board Designated (Encumbered)**	**2020 Earnings (Undesignated)**
Beginning balance, July 1, 2020	**$ 14,820**	**$ -**	**$ 14,820**	**$ 9,127**
Investment net gains	**-**	**-**	**-**	**5,031**
Withdrawal of endowment assets per approved	**-**	**-**	**-**	**(838)**
Reduction of endowment assets to fund programs (board approved)	**-**	**-**	**-**	**(7,554)**
Transfers	**-**	**-**	**-**	**-**
Ending balance, June 30, 2021	**$ 14,820**	**$ -**	**$ 14,820**	**$ 5,766**
Appropriation of endowment assets available for subsequent year				**$ 823**

15. Net assets (continued):

	2020			
	Board Designated Endowment (Encumbered)	Other Board Designated (Encumbered)	Total Board Designated (Encumbered)	2019 Earnings (Undesignated)
Beginning balance, July 1, 2019	$ 14,820	$ -	$ 14,820	$ 10,357
Investment net gains	-	-	-	272
Withdrawal of endowment assets per approved	-	-	-	(1,020)
Reduction of endowment assets to fund programs (board approved)	-	-	-	(482)
Transfers	-	-	-	-
Ending balance, June 30, 2020	$ 14,820	$ -	$ 14,820	$ 9,127
Appropriation of endowment assets available for subsequent year				$ 958

16. Related party transactions:

Administrative income from Local offices and program fees:

Administrative fees from the Local Offices are calculated based on a Board-approved formula, whereby approximately 2.25 percent of all revenues without donor restrictions received by the Local Offices, subject to certain maximum thresholds, are paid to the National Organization to provide funding for programs, supporting services, and additional pension contributions. Total administrative fees charged were $15,324,000 and $14,580,000 during the years ended June 30, 2021 and 2020, respectively.

Other services are also provided to Local Offices in exchange for negotiated “program fees.” These services for assistance in programs include vehicle donations, direct mail fundraising, website development and maintenance, and low-income housing development. Total fees charged were $637,000 and $666,000 during the years ended June 30, 2021 and 2020, respectively.

Notes and advances to Local Offices:

Notes receivable from Local Offices are generally unsecured, carry no interest, and are due within 1 to 15 years. Specific repayment plans are negotiated with each Local Office based on their local Board-approved business plan and cash flow forecasts. Notes receivable from Local Offices was $4,028,000 and $1,128,000 at June 30, 2021 and 2020, respectively.

Notes receivable:

National Services was assigned a note receivable in 2013, which was originally associated with the sale of a related housing property. The original note included an obligation to pay a portion to Volunteers of America Chesapeake, Inc. The amount owed as of June 30, 2021 and 2020 is $1,634,000 and $1,571,000, respectively.

16. Related party transactions (continued):

Awards and grants to Local Offices:

In the years ended June 30, 2021 and 2020, the National Organization awarded approximately $6,745,000 and $3,160,000, respectively, to various Local Offices for development purposes. Endowment awards are made on the basis of specific criteria determined by the Board of Directors and on the basis of competitive proposals submitted by the Local Offices. Grants to Local Offices are made on the basis of a local Board-approved business plan specifically addressing development objectives and future sources of revenue and working capital.

Related party contributions:

During the years ended June 30, 2021 and 2020, the Organization received contributions of $50,891,000 and $6,846,000, respectively, from affiliated housing properties. The amounts are included in other changes in net assets without donor restrictions on the consolidated statements of activities.

17. Contributions-in-kind:

For the years ended June 30, 2021 and 2020, the National Organization received $10,000 and $19,000, respectively, in various goods, which its participating Local Offices use in its program services. The National Organization received $3,245,000 and $6,423,000 in professional services, and public service advertising and branding for the years ended June 30, 2021 and 2020, respectively. Additionally, National Services received $73,000 and $45,000 in various goods for the years ended June 30, 2021 and 2020, respectively. These amounts are reflected as revenue and expense in the accompanying consolidated financial statements.

18. Discontinued operations:

Carrying amounts of major assets and liabilities of discontinued operations are as follows:

	2021 **(in thousands)**	2020 (in thousands)
Cash and short-term investments	**$ -**	$ 9
Third-party payor and patient receivables, net	**-**	431
Property and equipment, net	**-**	3,701
Other classes of assets that are not major	**-**	226
Total assets of the discontinued operations	**$ -**	$ 4,367
Accounts payable and accrued expenses	**$ -**	$ 501
Other classes of liabilities that are not major	**-**	48
Total liabilities of the discontinued operations	**$ -**	$ 549

18. Discontinued operations (continued):

Major classes of line items constituting gain (loss) on discontinued operations are as follows:

	2021	2020
Operating revenues, net	**$ 665**	$ 8,531
Salaries and employee benefits	**(459)**	(4,573)
Other operating expenses	**(408)**	(3,281)
Other revenue and expense items that are not major	**(161)**	(739)
Gain on disposal	**3,718**	-
Gain (loss) on discontinued operations	**$ 3,355**	$ (62)

Total operating and investing cash flows of the discontinued operations are as follows:

	2021	2020
Net cash provided by operating activities	**$** 147	$ 563
Net cash used in investing activities	(15)	(337)

Functional expenses of the discontinued operations are as follows:

	2021		
	Program Services	**Support Services**	**Total**
Salaries and employee benefits	**$ 443**	**$ 16**	**$ 459**
Other	**383**	**25**	**408**
Depreciation	**24**	**-**	**24**
Interest	**136**	**1**	**137**
Total expenses	**$ 986**	**$ 42**	**$ 1,028**

	2020		
Salaries and employee benefits	$ 4,457	$ 116	$ 4,573
Other	2,073	1,208	3,281
Depreciation	389	8	397
Interest	342	-	342
Total expenses	$ 7,261	$ 1,332	$ 8,593

19. Paycheck Protection Program:

In fiscal year 2021, the Organization received proceeds in the amount of $15,651,000 under the Paycheck Protection Program ("PPP") which was established as part of the Coronavirus Aid, Relief and Economic Security ("CARES") Act and is administered through the Small Business Administration ("SBA"). The PPP provides loans to qualifying non-profit organizations in amounts up to 2.5 times their average monthly payroll expenses and was designed to provide a direct financial incentive for qualifying non-profit organizations to keep their workforce employed during the Coronavirus crisis. PPP loans are uncollateralized and guaranteed by the SBA. Advances from the PPP are forgivable after a "covered period" (eight or twenty-four weeks) as long as the borrower maintains its payroll levels and uses the proceeds for eligible expenses, including payroll, benefits, mortgage interest, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries and wages more than 25% during the covered period. The Organization initially recorded the funds as a refundable advance and will record the forgiveness in accordance with guidance for conditional contributions when there is no longer a measurable performance or other barrier and a right of return of the PPP loan, or when such conditions are explicitly waived.

As of June 30, 2021, the Organization does not believe it has met all the conditions attached to the PPP funds, therefore, no grant revenue is recorded within its consolidated statement of activities for the year ended June 30, 2021. The full amount of $15,651,000 of PPP funds received are recorded as other current liabilities on the Organization's June 30, 2021 consolidated statement of financial position. The Organization believes it will overcome the remaining barriers and the remaining refundable advances will be reported as grant revenue within its consolidated statement of activities for the year ending June 30, 2022.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan is forgiven or repaid in full and to provide that documentation to the SBA upon request. The Organization does not believe the results of any audits or reviews by the SBA would have a material impact on the consolidated financial statements.

20. Commitments and contingencies:

Self-insured medical benefits:

National Services has a self-insured employee health plan that the National Organization is also a participant. It contracts with an administrative service company to supervise and administer the program and act as its representative. The National Services insures for excessive and unexpected claims and is liable for claims with limits determined through actuarial reports. Claims up to the insurance limit will be funded by the National Services. The National Services has stop-loss insurance to cover excess claims over $250,000 per individual. Estimated future claims for incurred medical and dental services of approximately $3,212,000 and $3,425,000 were recorded as part of accrued expenses on the consolidated statements of financial position at June 30, 2021 and 2020, respectively.

Medical malpractice claims coverage:

National Services is subject to various legal proceedings and claims which arise in the ordinary course of business. National Services maintains malpractice insurance coverage for claims made during the policy year. In management's opinion, adequate provision has been made for amounts expected to be paid under the policy's deductible limits for unasserted claims not covered by the policy and any other uninsured liability.

20. Commitments and contingencies (continued):

Workers' compensation insurance:

Workers' compensation policies are subject to audit and retroactive adjustment. Any significant variations in anticipated claims cost could result in adjustments to health insurance and workers' compensation expense for the Organization when the effect becomes reasonably determinable.

Sponsorship:

In November 2018, Volunteers of America, Inc. entered into a Title Sponsorship Agreement with the Ladies Professional Golf Association, Inc. for $8,500,000 over a 5-year period from 2019 to 2023. This is part of the National Organization's Branding Initiative. The Organization also has an agreement for approximately $1,300,000 each year over a 4-year period from April 2019 to June 2023 for advertising.

Industry developments:

The senior living services industry is subject to numerous laws, regulations, and administrative directives of federal, state, and local governments and agencies. Compliance with these laws, regulations, and administrative directives is subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments for resident services previously billed.

County of San Diego Contract Dispute:

The County of San Diego ("County") discontinued a contract with VOACASW in January 2020. VOACASW is currently involved in a contract dispute with the County of San Diego. The dispute is related to questioned disallowance cost associated with the quality of the documentation standards used by VOACWSW to record costs incurred with the implementation of a new contract. The amount of the dispute is $6,760,250. Discussions are ongoing with VOACASW and the County for a reasonable and fair settlement for the current dispute. VOACASW believes they will agree to a settlement with the County during the 2022 fiscal year.

Legal:

The Organization is party to various legal actions arising in the ordinary course of business. While it is not feasible for management to determine the outcome of these actions, information available at this time, including management's discussions with legal counsel, does not indicate that these matters will have a material adverse effect on the Organization's consolidated financial position or future results of operations.

World events:

The spread of COVID-19 around the world has caused volatility in the U.S. market, supply chains, businesses and communities. The Organization's evaluation of the effects of these events is ongoing as of the date the accompanying consolidated financial statements were issued. COVID-19 may impact various parts of the Organization's 2021-2022 operations and financial performance, including but not limited to additional costs for emergency preparedness, disease control and containment, potential shortages of personnel, supply chain disruption or declines in revenue. The extent of the impact will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

(IN THOUSANDS)

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

	Volunteers of America, Inc.	Volunteers of America, Inc Futures Fund	Volunteers of America Correctional Services	Volunteers of America Southwest California	Volunteers of America National Services	Eliminations	Total
Assets:							
Current assets:							
Cash and cash equivalents	$ 7,285	$ 2,833	$ 192	$ 885	$ 97,838	$ -	$ 109,033
Accounts receivable, net	2,516	1	882	525	16,749	(796)	19,877
Current portion of notes receivable	490	-	-	-	2,188	(105)	2,573
Short-term investments	-	-	-	80	19,821	-	19,901
Prepaid expenses	2,163	-	275	131	6,267	-	8,836
Other current assets, net	-	-	-	-	8,823	-	8,823
Total current assets	12,454	2,834	1,349	1,621	151,686	(901)	169,043
Property and equipment, net	4,949	-	698	3,683	247,167	-	256,497
Other assets:							
Encumbered assets	22,175	-	-	323	21,367	-	43,865
Long-term investments	16,329	-	-	-	-	-	16,329
Notes receivable, net of current portion	4,095	206	-	956	2,849	(153)	7,953
Reimbursable costs	-	-	-	-	13,629	-	13,629
Property held for sale	77	-	-	-	-	-	77
Right-of-use assets	-	-	384	-	4,823	-	5,207
Deferred charges and other assets, net	6,026	-	54	165	5,095	-	11,340
Limited and general partnerships' assets	-	-	-	-	693,685	-	693,685
Total other assets	48,702	206	438	1,444	741,448	(153)	792,085
Total assets	$ 66,105	$ 3,040	$ 2,485	$ 6,748	$ 1,140,301	$ (1,054)	$ 1,217,625
Liabilities and net assets:							
Current liabilities:							
Accounts payable	$ 3,734	$ -	$ 103	$ 778	$ 11,810	$ (55)	$ 16,370
Accrued expenses	2,200	46	111	975	23,979	(102)	27,209
Current portion of long-term debt	331	-	105	200	6,102	(105)	6,633
Other current liabilities	4,275	-	319	2,593	32,808	(611)	39,384
Total current liabilities	10,540	46	638	4,546	74,699	(873)	89,596
Long-term liabilities:							
Long-term debt, net of current portion	3,308	-	153	4,571	243,658	(1,753)	249,937
Other long-term liabilities	6,369	13	382	305	102,623	(28)	109,664
Limited and general partnerships' liabilities	-	-	-	-	348,826	-	348,826
Total long-term liabilities	9,677	13	535	4,876	695,107	(1,781)	708,427
Total liabilities	20,217	59	1,173	9,422	769,806	(2,654)	798,023
Net assets:							
Without donor restrictions							
Controlled limited and general partnerships	-	-	-	-	9,478	-	9,478
Board designated	14,820	-	-	-	-	-	14,820
Undesignated	23,712	46	1,312	(2,995)	168,929	1,600	192,604
Parent	38,532	46	1,312	(2,995)	178,407	1,600	216,902
Non-controlling interests in limited and general partnerships and other programs	-	-	-	-	192,088	-	192,088
Total net assets without donor restrictions	38,532	46	1,312	(2,995)	370,495	1,600	408,990
Net assets with donor restrictions	7,356	2,935	-	321	-	-	10,612
Total net assets	45,888	2,981	1,312	(2,674)	370,495	1,600	419,602
Total liabilities and net assets	$ 66,105	$ 3,040	$ 2,485	$ 6,748	$ 1,140,301	$ (1,054)	$ 1,217,625

VOLUNTEERS OF AMERICA, INC.
AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021
(IN THOUSANDS)

	Volunteers of America, Inc.		Volunteers of America Futures Fund, Inc.		Volunteers of Correctional Services	Volunteers of America Southwest California		Volunteers of National Services					
	Net assets without donor restrictions	Net assets with donor restrictions	Net assets without donor restrictions	Net assets with donor restrictions	Net assets without donor restrictions	Net assets without donor restrictions	Net assets with donor restrictions	Net assets without donor restrictions	Eliminations	Operating subtotal	Net assets without donor restrictions Limited and general partnerships	Eliminations	Total
Revenue from operations:													
Public support received directly:													
Contributions	$ 2,110	$ 12,183	$ 2	$ 2,100	$ 1	$ 41	$ -	$ 1,546	$ (2,793)	$ 15,190	$ -	$ -	$ 15,190
Contributions, in-kind	3,255	-	-	-	-	-	-	73	-	3,328	-	-	3,328
Total public support	5,365	12,183	2	2,100	1	41	-	1,619	(2,793)	18,518	-	-	18,518
Government grants and contracts			-	-	4,569	1,740	-	5,575		11,884	34,763	-	46,647
Other revenue:													
Program fees	2,942	-	-	-	-	370	-	16,001	(2,305)	17,008	25,685	(12,975)	29,718
Resident service revenue	-	-	-	-	-	-	-	218,436	-	218,436	-	-	218,436
Administrative income from Local Offices	15,702	-	-	-	-	-	-	-	(378)	15,324	-	-	15,324
Other operating income	247	-	-	-	-	-	-	-	(231)	16	1,867	-	1,883
Total other revenue	18,891	-	-	-	-	370	-	234,437	(2,914)	250,784	27,552	(12,975)	265,361
Net assets released from restrictions	5,884	(5,884)	383	(383)	-	2	(2)	-	-	-	-	-	-
Total revenues from operations	30,140	6,299	385	1,717	4,570	2,153	(2)	241,631	(5,707)	281,186	62,315	(12,975)	330,526
Operating expenses:													
Program services:													
Fostering independence	35	-	-	-	-	178	-	218,955	-	219,168	52,234	(5,789)	265,613
Encouraging positive development	-	-	-	-	-	1,074	-	-	-	1,074	-	-	1,074
Promoting self sufficiency	23,919	-	377	-	3,680	480	-	62	(2,815)	25,703	33,424	-	59,127
Total program services	23,954	-	377	-	3,680	1,732	-	219,017	(2,815)	245,945	85,658	(5,789)	325,814
Support services:													
Management and general	7,665	-	6	-	545	734	-	28,586	(4,514)	33,022	-	(227)	32,795
Fundraising	1,052	-	-	-	-	7	-	49	-	1,108	-	-	1,108
Total support services	8,717	-	6	-	545	741	-	28,635	(4,514)	34,130	-	(227)	33,903
Total operating expenses	32,671	-	383	-	4,225	2,473	-	247,652	(7,329)	280,075	85,658	(6,016)	359,717
Change in net assets from operations	(2,531)	6,299	2	1,717	345	(320)	(2)	(6,021)	1,622	1,111	(23,343)	(6,959)	(29,191)
Non-operating items:													
Interest and dividend income	533	1	6	-	-	-	-	1,530	(22)	2,048	-	-	2,048
Net realized gains on investments	2,719	6	-	-	-	-	-	893	-	3,618	-	-	3,618
Net unrealized losses on investments	3,309	6	-	-	-	13	-	999	-	4,327	-	-	4,327
Consolidation of affiliate	-	-	-	-	-	(2,687)	323	-	-	(2,364)	-	-	(2,364)
Related party contributions	-	-	-	-	-	-	-	50,891	-	50,891	-	-	50,891
Equity contributions related to limited and general partnerships	-	-	-	-	-	-	-	2,733	-	2,733	38,399	-	41,132
Other non-operating	-	-	-	-	-	(1)	-	(3,857)	-	(3,858)	-	-	(3,858)
Total non-operating items	6,561	13	6	-	-	(2,675)	323	53,189	(22)	57,395	38,399	-	95,794
Change in net assets before discontinued operations	4,030	6,312	8	1,717	345	(2,995)	321	47,168	1,600	58,506	15,056	(6,959)	66,603
Gain on discontinued operations	-	-	-	-	-	-	-	3,355	-	3,355	-	-	3,355
Change in net assets	4,030	6,312	8	1,717	345	(2,995)	321	50,523	1,600	61,861	15,056	(6,959)	69,958
Less change in net assets attributable to the non-controlling interest in limited and general partnerships and other programs	-	-	-	-	-	-	-	-	-	-	8,720	-	8,720
										-			
Change in net assets attributable to the parent	$ 4,030	$ 6,312	$ 8	$ 1,717	$ 345	$ (2,995)	$ 321	$ 50,523	$ 1,600	$ 61,861	$ 6,336	$ (6,959)	$ 61,238

(IN THOUSANDS)

	Volunteers of America, Inc.	Volunteers of America, Inc Futures Fund	Volunteers of America Correctional Services	Volunteers of America Southwest California	Volunteers of America National Services	Eliminations	Total
Cash flows from operating activities:							
Change in net assets	$ 10,342	$ 1,725	$ 345	$ (2,674)	$ 58,620	$ 1,600	$ 69,958
Adjustments to reconcile change in net assets to net cash provided by operating activities:							
Non-controlling interest in limited and general partnership and other programs	-	-	-	-	(8,720)	-	(8,720)
Change in limited and general partnerships	-	-	-	-	(38,993)	-	(38,993)
Increase in allowance for doubtful accounts	1,302	-	-	17	684	(1,600)	403
Depreciation and amortization	485	-	354	45	12,536	-	13,420
Amortization of right of use assets	-	-	168	-	455	-	623
Operating lease payments	-	-	(168)	-	(443)	-	(611)
Consolidation of affiliates	-	-	-	2,364	-	-	2,364
Loss (gain) on:							
Sale of fixed asset	-	-	-	8	483	-	491
Disposal of discontinued operations	-	-	-	-	(3,335)	-	(3,335)
Joint ventures	-	-	-	-	1,637	-	1,637
Net realized and unrealized investment (gain) losses	(6,039)	-	-	(12)	(1,517)	-	(7,568)
(Increase) decrease in operating assets:							
Accounts receivable	303	(2)	(552)	(183)	(706)	(454)	(1,594)
Prepaid expenses	(1,839)	-	(155)	8	(2,512)	-	(4,498)
Other current assets	510	-	-	(2)	-	-	508
Deferred charges in other assets	(851)	-	-	18	-	-	(833)
Increase (decrease) in operating liabilities:							
Accounts payable	1,929	(30)	(12)	74	832	174	2,967
Accrued expenses	145	27	(24)	19	1,942	9	2,118
Other liabilities	(8,818)	(13)	-	-	12,027	164	3,362
Net cash provided by operating activities	(2,531)	1,707	(44)	(316)	32,990	(107)	31,699
Cash flows from investing activities:							
Purchase of property and equipment, net	(373)	-	(37)	(1)	(1,783)	-	(2,194)
Sale of property and equipment	-	-	-	-	3,289	-	3,289
Notes Receivable:							
Advances	(5,605)	(4)	-	-	(7,033)	225	(12,417)
Payments	1,403	-	-	-	7,116	(225)	8,294
Increase in unearned revenue and other long term liabilities	-	-	-	-	(3,396)	107	(3,289)
Cash proceeds withdrawn from investments	8,271	-	-	70	2,289	-	10,630
Cash obtained from consolidation of affiliate	-	-	-	1,398	-	-	1,398
Change in investments including encumbered assets	(9,649)	-	-	-	-	-	(9,649)
Net cash (used in) provided by investing activities	(5,953)	(4)	(37)	1,467	482	107	(3,938)
Cash flows from financing activities:							
Changes in line of credit	-	-	-	80	-	-	80
Long-term debt and finance lease liability:							
Proceeds	-	-	-	-	818	-	818
Payments	(330)	-	(225)	(23)	(9,269)	-	(9,847)
Decrease in:							
Other long-term assets	-	-	(103)	-	(597)	-	(700)
Net cash (used in) provided by financing activities	(330)	-	(328)	57	(9,048)	-	(9,649)
Net (decrease) increase in cash and cash equivalents and restricted cash equivalents	(8,814)	1,703	(409)	1,208	24,424	-	18,112
Cash and cash equivalents and restricted cash equivalents, beginning	16,099	1,130	601	-	101,664	-	119,494
Cash and cash equivalents and restricted cash equivalents, ending	$ 7,285	$ 2,833	$ 192	$ 1,208	$ 126,088	$ -	$ 137,606
Supplemental disclosures of cash flow information:							
Cash paid for interest	$ 182	$ -	$ 126	$ 2	$ 32,189	$ -	$ 32,499
Cash paid for income taxes	$ -	$ -	$ -	$ -	$ 82	$ -	$ 82
Non-cash investing and financing activity:							
Net deficit obtained upon consolidation of affiliate	$ -	$ -	$ -	$ (2,674)	$ -	$ -	$ (2,674)
Right of use assets obtained in exchange for new operating lease liabilities	$ -	$ -	$ 552	$ -	$ 4,859	$ -	$ 5,411
Property and equipment financed through debt	$ -	$ -	$ -	$ -	$ 152	$ -	$ 152
Debt settled upon sale of discontinued operations	$ -	$ -	$ -	$ -	$ 5,115	$ -	$ 5,115

(IN THOUSANDS)

	Volunteers of America, Inc.							Volunteers of America, Inc Futures Fund		
	Program services			Support services				Program services	Support services	
	Fostering independence	Promoting self sufficiency	Total program services	Management and general	Fundraising	Total support services	Subtotal	Promoting self sufficiency	Management and general	Subtotal
Salaries and wages	$ -	$ 6,167	$ 6,167	$ 2,173	$ 56	$ 2,229	$ 8,396	$ 123	$ -	$ 123
Employee benefits	-	1,553	1,553	2,652	17	2,669	4,222	29	-	29
Professional services	18	4,866	4,884	573	757	1,330	6,214	35	-	35
In-Kind	-	3,255	3,255	-	-	-	3,255	-	-	-
Occupancy	-	171	171	109	-	109	280	-	-	-
Specific assistance	-	6,186	6,186	558	-	558	6,744	188	-	188
Program supplies and expenses	-	-	-	-	-	-	-	-	-	-
Office supplies and expenses	-	738	738	523	200	723	1,461	2	-	2
Travel, conferences & meetings	-	233	233	9	-	9	242	-	-	-
Depreciation and amortization	17	324	341	155	-	155	496	-	-	-
Interest	-	128	128	61	-	61	189	-	-	-
Other	-	298	298	852	22	874	1,172	-	6	6
	$ 35	$ 23,919	$ 23,954	$ 7,665	$ 1,052	$ 8,717	$ 32,671	$ 377	$ 6	$ 383

(IN THOUSANDS)

	Volunteers of America Southwest						Volunteers of America Correctional Services		
	Program services	Program services	Program services	Support services			Program services	Support services	
	Encouraging Positive Development	Fostering Independence	Promoting self sufficiency	Management and general	Fundraising	Subtotal	Promoting self sufficiency	Management and general	Subtotal
Salaries and wages	**$ 479**	**$ 89**	**$ 158**	**$ 171**	**$ 5**	**$ 902**	**$ 925**	**$ -**	**$ 925**
Employee benefits	**152**	**24**	**46**	**63**	**1**	**286**	**395**	**-**	**395**
Professional services	**57**	**3**	**37**	**172**	**1**	**270**	**368**	**545**	**913**
In-Kind	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Occupancy	**245**	**20**	**48**	**91**	**-**	**404**	**411**	**-**	**411**
Specific assistance	**-**	**6**	**152**	**34**	**-**	**192**	**-**	**-**	**-**
Program supplies and expenses	**100**	**21**	**12**	**-**	**-**	**133**	**945**	**-**	**945**
Office supplies and expenses	**41**	**14**	**23**	**67**	**-**	**145**	**63**	**-**	**63**
Travel, conferences & meetings	**-**	**1**	**4**	**8**	**-**	**13**	**87**	**-**	**87**
Depreciation and amortization	**-**	**-**	**-**	**37**	**-**	**37**	**354**	**-**	**354**
Interest	**-**	**-**	**-**	**26**	**-**	**26**	**126**	**-**	**126**
Other	**-**	**-**	**-**	**65**	**-**	**65**	**6**	**-**	**6**
	$ 1,074	**$ 178**	**$ 480**	**$ 734**	**$ 7**	**$ 2,473**	**$ 3,680**	**$ 545**	**$ 4,225**

(IN THOUSANDS)

	Volunteers of America National Services						
	Program services			Support services			
	Fostering independence	Promoting self sufficiency	Total program services	Management and general	Fundraising	Total support services	Subtotal
Salaries and wages	$ 87,951	$ -	$ 87,951	$ 13,811	$ -	$ 13,811	$ 101,762
Employee benefits	14,657	-	14,657	4,099	-	4,099	18,756
Professional services	15,249	-	15,249	5,629	41	5,670	20,919
In-Kind	-	-	-	-	-	-	-
Occupancy	6,830	-	6,830	513	-	513	7,343
Specific assistance	42,291	-	42,291	18	-	18	42,309
Program supplies and expenses	9,264	62	9,326	193	-	193	9,519
Office supplies and expenses	2,991	-	2,991	222	-	222	3,213
Travel, conferences & meetings	1,647	-	1,647	114	-	114	1,761
Depreciation and amortization	11,942	-	11,942	120	-	120	12,062
Interest	18,635	-	18,635	739	-	739	19,374
Other	7,498	-	7,498	3,128	8	3,136	10,634
	$ 218,955	$ 62	$ 219,017	$ 28,586	$ 49	$ 28,635	$ 247,652

(IN THOUSANDS)

	Eliminations	Consolidated operating subtotal	Limited and general partnerships	Eliminations	Consolidated total
Salaries and wages	$ -	$ 112,108	$ 8,812	$ -	$ 120,920
Employee benefits	(339)	23,349	1,391	-	24,740
Professional services	(2,348)	26,003	5,495	-	31,498
In-Kind	-	3,255	-	-	3,255
Occupancy	(227)	8,211	17,925	-	26,136
Specific assistance	(2,793)	46,640	-	-	46,640
Program supplies and expenses	-	10,597	2,871	-	13,468
Office supplies and expenses	-	4,884	29	-	4,913
Travel, conferences & meetings	-	2,103	194	-	2,297
Depreciation and amortization	-	12,949	24,587	-	37,536
Interest	(22)	19,693	19,587	(5,789)	33,491
Other	(1,600)	10,283	4,767	(227)	14,823
	$ (7,329)	$ 280,075	$ 85,658	$ (6,016)	$ 359,717