

# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

Consolidated Financial Statements  
With Independent Auditors' Report

June 30, 2019 and 2018

# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

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## INDEPENDENT AUDITORS' REPORT

Board of Directors and Audit Committee  
Volunteers of America of Illinois and Affiliate  
Chicago, Illinois

We have audited the accompanying consolidated financial statements of Volunteers of America of Illinois and Affiliate (a nonprofit corporation), which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

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

Board of Directors and Audit Committee  
Volunteers of America of Illinois and Affiliate  
Chicago, Illinois

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Volunteers of America of Illinois and Affiliate as of June 30, 2019 and 2018, and the changes in its consolidated net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

Volunteers of America of Illinois and Affiliate have adopted Financial Accounting Standards Board (FASB) Accounting Standard Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, as described in Note 2. This had a material effect on the presentation of the June 30, 2019 and 2018, consolidated financial statements. Our opinion is not modified with respect to this matter.

As discussed in Note 12, certain amounts in the financial statements as of and for the year ended June 30, 2018, were restated. Our opinion is not modified with respect to this matter.

*Capin Crouse LLP*

Naperville, Illinois  
October 11, 2019

# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

## Consolidated Statements of Financial Position

	June 30,	
	2019	2018 (as restated)
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$ 742,660	\$ 637,338
Restricted cash	1,365,887	1,314,066
Accounts receivable, net	589,560	508,181
Prepaid expenses and other assets	314,368	168,666
Due from related parties	97,161	16,839
Land held for sale	7,627,055	-
Total current assets	10,736,691	2,645,090
Noncurrent assets:		
Loans receivable, related parties, net	145,000	145,000
Property and equipment, net	10,093,903	10,384,868
Total noncurrent assets	10,238,903	10,529,868
Total Assets	\$ 20,975,594	\$ 13,174,958
<b>LIABILITIES AND NET ASSETS:</b>		
Current liabilities:		
Accounts payable	\$ 293,576	\$ 213,743
Accrued expenses	532,152	276,691
Due to related parties	331,989	257,548
Total current liabilities	1,157,717	747,982
Long-term liabilities:		
Notes payable	3,336,233	3,320,062
Total liabilities	4,493,950	4,068,044
Net assets:		
Without donor restrictions attributed To:		
Controlled limited partnership	3,985,962	3,756,110
Undesignated	10,787,413	3,055,329
	14,773,375	6,811,439
Noncontrolling interest in subsidiary	1,708,269	2,295,475
Total without donor restrictions	16,481,644	9,106,914
Total Liabilities and Net Assets	\$ 20,975,594	\$ 13,174,958

See notes to consolidated financial statements

# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

## Consolidated Statements of Activities

Year Ended June 30, 2019

	Without Donor Restrictions			With Donor Restrictions	Total
	VOA-IL	West Side Veterans Housing LP	Total		
<b>OPERATING REVENUE:</b>					
Public support:					
Contributions corporate	\$ 134,456	\$ -	\$ 134,456	\$ -	\$ 134,456
Contributions foundations	148,692	-	148,692	-	148,692
Contributions individuals	161,557	-	161,557	-	161,557
Contributions in-kind	7,856,741	-	7,856,741	-	7,856,741
<b>Total public support</b>	<b>8,301,446</b>	<b>-</b>	<b>8,301,446</b>	<b>-</b>	<b>8,301,446</b>
Program and other revenue:					
Government fees and grants	5,372,489	-	5,372,489	-	5,372,489
Management fees	389,962	-	389,962	-	389,962
Rent revenue	-	573,433	573,433	-	573,433
Housing services reimbursement	1,667,569	-	1,667,569	-	1,667,569
Developer fees and other revenues	84,233	23,837	108,070	-	108,070
Non-operating revenues	175,000	-	175,000	-	175,000
<b>Total other revenue</b>	<b>7,689,253</b>	<b>597,270</b>	<b>8,286,523</b>	<b>-</b>	<b>8,286,523</b>
Net assets released from restrictions	-	-	-	-	-
<b>Total Revenue from Operations</b>	<b>15,990,699</b>	<b>597,270</b>	<b>16,587,969</b>	<b>-</b>	<b>16,587,969</b>
<b>OPERATING EXPENSES:</b>					
Program services	6,721,443	925,860	7,647,303	-	7,647,303
Supporting activities:					
Management and general	1,475,433	28,764	1,504,197	-	1,504,197
Fund-raising	61,739	-	61,739	-	61,739
<b>Total supporting activities</b>	<b>1,537,172</b>	<b>28,764</b>	<b>1,565,936</b>	<b>-</b>	<b>1,565,936</b>
<b>Total Operating Expenses</b>	<b>8,258,615</b>	<b>954,624</b>	<b>9,213,239</b>	<b>-</b>	<b>9,213,239</b>
Change in Net Assets	7,732,084	(357,354)	7,374,730	-	7,374,730
Net Assets, Beginning of Year	3,055,329	6,051,585	9,106,914	-	9,106,914
<b>Net Assets, End of Year</b>	<b>\$ 10,787,413</b>	<b>\$ 5,694,231</b>	<b>\$ 16,481,644</b>	<b>\$ -</b>	<b>\$ 16,481,644</b>

See notes to consolidated financial statements

# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

## Consolidated Statements of Activities

Year Ended June 30, 2018 (as restated)

	Without Donor Restrictions			With Donor Restrictions	Total
	VOA-IL	West Side Veterans Housing LP	Total		
<b>OPERATING REVENUE:</b>					
Public support:					
Contributions corporate	\$ 115,658	\$ -	\$ 115,658	\$ -	\$ 115,658
Contributions foundations	380,074	-	380,074	-	380,074
Contributions individuals	131,610	-	131,610	-	131,610
Contributions in-kind	10,683	-	10,683	-	10,683
Total public support	<u>638,025</u>	<u>-</u>	<u>638,025</u>	<u>-</u>	<u>638,025</u>
Program and other revenue:					
Government fees and grants	5,897,179	-	5,897,179	-	5,897,179
Management fees	389,044	-	389,044	-	389,044
Rent revenue	-	581,780	581,780	-	581,780
Housing services reimbursement	1,616,035	-	1,616,035	-	1,616,035
Developer fees and other revenues	167,685	20,839	188,524	-	188,524
Total other revenue	<u>8,069,943</u>	<u>602,619</u>	<u>8,672,562</u>	<u>-</u>	<u>8,672,562</u>
Net assets released from restrictions	65,000	-	65,000	(65,000)	-
Total Revenue from Operations	<u>8,772,968</u>	<u>602,619</u>	<u>9,375,587</u>	<u>(65,000)</u>	<u>9,310,587</u>
<b>OPERATING EXPENSES:</b>					
Program services	7,290,353	953,325	8,243,678	-	8,243,678
Supporting activities:					
Management and general	1,225,975	-	1,225,975	-	1,225,975
Fund-raising	40,173	-	40,173	-	40,173
Total supporting activities	<u>1,266,148</u>	<u>-</u>	<u>1,266,148</u>	<u>-</u>	<u>1,266,148</u>
Total Operating Expenses	<u>8,556,501</u>	<u>953,325</u>	<u>9,509,826</u>	<u>-</u>	<u>9,509,826</u>
Change in Net Assets	216,467	(350,706)	(134,239)	(65,000)	(199,239)
Net Assets, Beginning of Year	2,838,862	6,537,891	9,376,753	65,000	9,441,753
Prior period adjustment (Note 12)	-	(135,600)	(135,600)	-	(135,600)
Net Assets, Beginning of Year (as restated)	<u>2,838,862</u>	<u>6,402,291</u>	<u>9,241,153</u>	<u>65,000</u>	<u>9,306,153</u>
Net Assets, End of Year	<u>\$ 3,055,329</u>	<u>\$ 6,051,585</u>	<u>\$ 9,106,914</u>	<u>\$ -</u>	<u>\$ 9,106,914</u>

See notes to consolidated financial statements

# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

## Consolidated Statement of Functional Expenses

Year Ended June 30, 2019

	Program Services						Supporting Activities		Total Volunteers of America Illinois
	Encouraging Positive Development	Fostering Independence	Promoting Self- Sufficiency	Transitional Housing	West Side Veterans Housing LP	Total	Management and General	Fund- raising	
Salaries and wages	\$ 811,317	\$ 893,956	\$ 1,320,222	\$ 522,792	\$ 129,437	\$ 3,677,724	\$ 644,957	\$ 1,128	\$ 4,323,809
Other employee benefits	100,702	148,721	162,219	51,389	15,496	478,527	117,685	327	596,539
Payroll taxes	69,437	67,081	115,155	43,918	12,798	308,389	49,829	-	358,218
Counseling and consulting fees	83,443	-	-	-	2,178	85,621	99,230	-	184,851
Legal fees	-	-	-	-	-	-	35,623	-	35,623
Accounting fees	-	-	-	-	-	-	103,014	-	103,014
Other professional fees	1,163	-	18,266	9,800	206,526	235,755	15,846	20,170	271,771
Supplies and expenses	2,692	1,365	23,617	1,077	17,871	46,622	25,667	27,243	99,532
Program supplies	970	-	18,076	1,385	-	20,431	-	-	20,431
Occupancy costs	94,521	7,220	267,627	5,598	97,132	472,098	97,488	201	569,787
Insurance	15,910	16,276	28,638	441	32,850	94,115	8,072	-	102,187
Travel and transportation	126,054	11,985	45,657	2,365	70	186,131	35,810	4,905	226,846
Housing and rental assistance	49,064	-	940,875	733	295	990,967	-	-	990,967
Foster family grants	496,357	-	-	-	-	496,357	-	-	496,357
Equipment rental and maintenance	485	792	22,001	-	15,749	39,027	15,724	997	55,748
Interest expense and bank fees	-	-	-	-	6,865	6,865	17,619	2,971	27,455
Telecommunications	7,450	248	7,107	384	10,329	25,518	25,422	-	50,940
Conferences and meetings	398	4,268	28,104	-	3,627	36,397	29,905	-	66,302
Subscriptions and publications	296	-	199	-	-	495	417	-	912
Postage	176	-	2,026	25	-	2,227	9,176	-	11,403
Printing and publications	115	-	3,546	26	3,073	6,760	1,122	2,143	10,025
Membership dues	13,936	550	550	599	-	15,635	2,204	500	18,339
Bad debt	-	-	-	-	5,751	5,751	-	-	5,751
Miscellaneous	408	455	14,041	-	14,545	29,449	16,187	928	46,564
Gift in kind - professional services	-	-	-	-	-	-	11,218	-	11,218
Depreciation and amortization	1,477	1,691	5,340	1,065	313,089	322,662	890	226	323,778
National organization fees	-	63,780	-	-	-	63,780	141,092	-	204,872
<b>Total Functional Expense</b>	<b>\$ 1,876,371</b>	<b>\$ 1,218,388</b>	<b>\$ 3,023,266</b>	<b>\$ 641,597</b>	<b>\$ 887,681</b>	<b>\$ 7,647,303</b>	<b>\$ 1,504,197</b>	<b>\$ 61,739</b>	<b>\$ 9,213,239</b>

See notes to consolidated financial statements



# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

## Consolidated Statement of Functional Expenses

Year Ended June 30, 2018 (as restated)

	Program Services					Supporting Activities		Total Volunteers of America Illinois	
	Encouraging Positive Development	Fostering Independence	Promoting Self- Sufficiency	Transitional Housing	West Side Veterans Housing LP	Total	Management and General		Fund- raising
Salaries and wages	\$ 849,827	\$ 947,129	\$ 1,488,189	\$ 451,604	\$ 138,679	\$ 3,875,428	\$ 568,035	\$ -	\$ 4,443,463
Other employee benefits	96,308	150,019	145,760	57,701	16,783	466,571	74,195	24	540,790
Payroll taxes	76,889	72,630	134,164	37,870	10,934	332,487	44,953	-	377,440
Counseling and consulting fees	111,125	3,000	-	-	2,178	116,303	46,768	-	163,071
Legal fees	14,447	-	-	-	3,840	18,287	13,779	-	32,066
Accounting fees	-	-	-	-	15,569	15,569	57,596	-	73,165
Other professional fees	3,768	603	613	4,475	226,574	236,033	-	18,281	254,314
Supplies and expenses	3,687	1,818	24,292	940	22,832	53,569	17,504	8,557	79,630
Program supplies	481	-	20,327	105	-	20,913	-	-	20,913
Occupancy costs	88,442	11,618	180,961	6,841	95,631	383,493	79,207	6,619	469,319
Insurance	16,165	15,886	31,448	799	31,878	96,176	6,773	-	102,949
Travel and transportation	138,335	14,005	56,706	2,536	211	211,793	33,384	1,908	247,085
Specific assistance	55,421	-	1,103,238	-	1,607	1,160,266	553	-	1,160,819
Foster family payments	657,355	-	-	-	-	657,355	-	-	657,355
Equipment rental and maintenance	3,752	396	20,215	220	16,868	41,451	15,869	1,270	58,590
Interest expense and bank fees	-	-	-	-	7,423	7,423	14,512	-	21,935
Telecommunications	11,013	624	10,323	165	9,560	31,685	20,806	217	52,708
Conferences and meetings	7,985	3,375	14,534	113	1,199	27,206	26,953	-	54,159
Subscriptions and publications	-	16	199	-	-	215	1,455	-	1,670
Postage	1,325	293	2,429	130	7	4,184	11,274	222	15,680
Printing and publications	747	353	3,981	395	3,351	8,827	1,907	2,288	13,022
Membership dues	21,345	611	2,505	312	1,250	26,023	2,382	190	28,595
Bad debt	-	-	-	-	11,777	11,777	28,452	-	40,229
Miscellaneous	250	80	11,180	-	1,005	12,515	2,617	100	15,232
Gift in kind - professional services	-	-	-	-	-	-	6,249	-	6,249
Depreciation and amortization	3,916	508	4,656	328	334,169	343,577	1,999	497	346,073
National organization fees	-	84,552	-	-	-	84,552	148,753	-	233,305
<b>Total Functional Expense</b>	<b>\$ 2,162,583</b>	<b>\$ 1,307,516</b>	<b>\$ 3,255,720</b>	<b>\$ 564,534</b>	<b>\$ 953,325</b>	<b>\$ 8,243,678</b>	<b>\$ 1,225,975</b>	<b>\$ 40,173</b>	<b>\$ 9,509,826</b>

See notes to consolidated financial statements

# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

## Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2019	2018 (as restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 7,374,730	\$ (199,239)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	323,778	346,073
Donated property and equipment	(7,627,055)	-
Changes in:		
Accounts receivable	(81,379)	62,229
Prepaid expenses and other assets	(145,702)	4,280
Accounts payable	79,833	(366,732)
Accrued expenses	255,461	107,200
Due to related parties	74,441	156,639
Due from related parties, net	(80,322)	237,621
Net Cash Provided by Operating Activities	173,785	348,071
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(15,442)	(3,903)
Net Cash Used by Investing Activities	(15,442)	(3,903)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments on notes payable	(1,200)	(1,200)
Net Cash Used by Financing Activities	(1,200)	(1,200)
Change in Cash and Cash Equivalents	157,143	342,968
Cash and Cash Equivalents, Beginning of Year	1,951,404	1,608,436
Cash and Cash Equivalents, End of Year	\$ 2,108,547	\$ 1,951,404
<b>Cash and Cash Equivalents:</b>		
Available for operations	\$ 742,660	\$ 637,338
Restricted-purpose cash escrows and reserves	1,365,887	1,314,066
	\$ 2,108,547	\$ 1,951,404

See notes to consolidated financial statements

# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

## Notes to Consolidated Financial Statements

June 30, 2019 and 2018

### 1. NATURE OF ORGANIZATION:

Volunteers of America of Illinois (the Corporation), an Illinois not-for-profit corporation, is a licensed child welfare agency organization. The Corporation is part of a national ministry of service designed to reach and uplift people in need throughout the country. The Corporation is a human service organization specifically dedicated to improving the lives of children and families throughout the State of Illinois through a comprehensive range of strength-based and solution-focused programs and services without regard to race, religion, or national origin.

The Corporation is a chartered affiliate of Volunteers of America, Inc. (National). The chartered affiliate agrees to accept and promote the articles of the Constitution of Volunteers of America, Inc. and to be part of the Volunteers of America Faith Based Mission. The chartered affiliate agrees to adhere to standards, consistent with charter requirements, set forth by the Board of Directors of Volunteers of America, Inc. to implement the charter requirements.

The Corporation has a number of programs that provide social services in impact areas including positive development and fostering independence.

#### ENCOURAGING POSITIVE DEVELOPMENT

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

- Foster Care - Recruitment and support of foster parents, placement and support to children in state custody due to abuse and/or neglect.
- Child & Family Supportive Services - Programs providing a wide range of supportive services for families and/or children including child development, counseling, case management, home-based services, and assistance with special needs children and their families.
- Adoption - Programs facilitate placement in adoptive homes and provides information and support to adoptive and birth families
- Family Preservation - Provides a wide range of supportive services and case management to children at risk of abuse or neglect and their families, with goal of preserving and, if needed, reunifying the family.

# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

## Notes to Consolidated Financial Statements

June 30, 2019 and 2018

### 1. NATURE OF ORGANIZATION, continued:

#### FOSTERING INDEPENDENCE

The Corporation (and National) fosters the health and independence of the elderly, persons with disabilities, mental illness and HIV/AIDS through quality affordable housing, health care services, and a wide range of community services.

- Elderly Services - Service Coordination in Affordable Housing - Services provided to link low-income elderly and disabled residents with community services that will assist them in maintaining independence in federally subsidized and other affordable housing.
- Elderly Services - Elderly Housing - The Corporation maintains affordable apartment housing communities offering long-term residences for low-income elderly individuals. Services offered include case management, religious activities, and health and nutrition counseling/education. HUD 202 funding usually supports this housing.
- Elderly Services - Case Management - Programs designed to assess and determine the need for services, locating, coordinating and advocating for needed services, authorizing or directly purchasing services, and monitoring services at regular intervals.

#### PROMOTING SELF-SUFFICIENCY

To meet the needs of homeless veterans and their families. The program's goal is to help homeless veterans achieve economic self-sufficiency and overall stability in their lives with the support, training and opportunities needed to secure and maintain viable, long-term employment.

- Supportive Services for Veterans & Families (SSVF) - Programs designed to provide supportive services to low income Veteran families living in or transitioning to permanent housing. Services include outreach, case management, and assistance in obtaining Veterans Administration and other benefits. Benefits may include health care services, fiduciary and payee services, daily living services, personal financial planning, legal, transportation, child care, and housing counseling services. In addition, these programs may also provide time-limited financial support to third party vendors (landlords, utility companies and other vendors) to help Veteran families remain in or acquire permanent housing.
- Outreach - Programs with the goal of engaging homeless persons who are living on the streets or those at risk of homelessness by linking them with supports and services.
- Computer Center - Programs using computer technology to help clients focus on securing employment, training and needed skill development.

# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

## Notes to Consolidated Financial Statements

June 30, 2019 and 2018

### 1. NATURE OF ORGANIZATION, continued:

#### PROMOTING SELF-SUFFICIENCY, continued

- Employment Counseling and Job Placement - Provision of employment services such as assessment, counseling, job search, job development, job shadowing, employment placement and employment retention, along with support services such as child care, substance abuse counseling, mental health counseling, and education and training, with helping participants secure and retain a job and achieve their vocational goals.
- Aftercare Support - Continued case management, referrals to supportive services, structured support through an alumni network, and development of interpersonal/life skills.

#### TRANSITIONAL HOUSING

Transitional Housing - Provided for homeless veterans and their families. Comprehensive support services include outreach and assessment, emergency services and case management. The Corporation also offers Transitional Treatment Programs, providing residential therapeutic treatment for veterans recovering substance addiction, and special need services for the frail elderly, and veterans with mental illness.

- Real Estate Development - Encompasses brick and mortar development and asset building. Through this work, the Corporation develops affordable, high-quality, energy efficient construction and long-term rental communities.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Corporation prepares its consolidated financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred. The accounting policies of the Corporation conform to accounting principles generally accepted in the United States of America as applicable to voluntary health and welfare organizations. The more significant accounting policies are described below.

#### PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Volunteers of America of Illinois and its affiliate, West Side Veterans Housing, LP.

West Side Veterans Housing, LP (the Partnership), was formed as a limited partnership under the laws of the State of Illinois on December 3, 2008, for the purpose of constructing and operating a rental housing project (the Project). The project consists of 50 units located in Chicago, Illinois, and is currently operating under the name of Hope Manor Apartments. The project was placed in service in early 2012. The project is eligible for low-income housing tax credits pursuant to Internal Revenue Service Code Section 42. The Partnership has one General Partner, West Side Veterans VOA Housing Inc. NFP, (which has a .01% interest) and one limited partner, NEF Limited Partnership, which has a 99.99% interest.

# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

## Notes to Consolidated Financial Statements

June 30, 2019 and 2018

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### PRINCIPLES OF CONSOLIDATION, continued

The General Partner units are owned 70% by the Corporation and 30% by National. The Corporation is required to consolidate the partnership as it has a controlling interest in the partnership.

All material intercompany accounts and transactions have been implemented in consolidation. The Corporation's fiscal year ends on June 30. The Partnership's fiscal year ends on December 31. Partnership activity has been consolidated based on the fiscal year of the Corporation.

#### CASH AND CASH EQUIVALENTS AND CREDIT RISK

The Corporation considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents unless held for reinvestment as part of the investment portfolio, pledged to secure loan agreements, or otherwise designated or restricted. Cash equivalents include money market funds, checking accounts, and a sweep account. These accounts, from time to time, may exceed federally insured limits. At June 30, 2019 and 2018, the Corporation's cash balances exceeded federally insured limits by \$520,294 and \$379,003, respectively. The Corporation does not believe these funds to be at substantial risk of loss due to the lack of federal insurance coverage.

#### RESTRICTED CASH

The Corporation has established the following restricted-purpose cash escrows and reserves. Releases from these reserves can be obtained subject to protocols specified in the debt and partnership agreements related to West Side Veterans Housing Limited Partnership.

	<u>Year Ended June 30,</u>	
	<u>2019</u>	<u>2018</u>
A replacement reserve funded at \$400 per year for each apartment unit and is in the custody of IHDA.	\$ 162,259	\$ 129,932
An operating reserve, in the initial amount of \$271,190; the Corporation is obligated to deposit project cash flow on a priority basis, if needed, to restore any releases from the reserve and is in the custody of IHDA.	278,013	273,459
A working capital reserve held by the Corporation.	102,181	101,698
A revenue deficit reserve has been established to fund project cash deficits, subject to release protocols which are more restrictive than the operating and working capital reserves.	719,809	716,400
A real estate tax and insurance escrow in the custody of IHDA.	<u>103,625</u>	<u>92,577</u>
	<u>\$ 1,365,887</u>	<u>\$ 1,314,066</u>

# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

## Notes to Consolidated Financial Statements

June 30, 2019 and 2018

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### RESTRICTED CASH, continued

Each of the above reserve accounts are maintained with one lender. Accounts at this financial institution are not insured by the Federal Deposit Insurance Corporation. Total uninsured restricted cash at June 30, 2019 and 2018, was \$1,365,887 and \$1,314,066, respectively. The Corporation has not experienced any losses on these accounts, and believes that it is not exposed to any significant credit risk with respect to its deposits with the lender.

#### ACCOUNTS RECEIVABLE

Accounts receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense based on its assessment of the status of individual grants, contracts and others. Management has recorded an accounts receivable allowance of \$6,056 and \$6,156, respectively, related to amounts due from related parties for the both the years ended June 30, 2019 and 2018.

#### LAND HELD FOR SALE

Land held for sale consists of farm land that was donated to the Corporation during 2019 and is expected to be sold within one year. The land is valued at net realizable value and the revenue from the donation is reflected as contributions in-kind in the June 30, 2019 consolidating statement of activities.

#### FIXED ASSETS AND DEPRECIATION

Land, buildings, and equipment purchased by the Corporation are recorded at cost. The Corporation follows the practice of capitalizing all expenditures for land, buildings, and equipment over \$4,000 with a useful life greater than one year. The fair value of donated fixed assets is similarly capitalized. Tenant alterations in a leased residential facility are amortized over the life of the lease. Depreciation is computed on the straight-line method based upon the following estimated useful lives of the assets:

Buildings and improvements	30-39 years
Leasehold improvements	5-15 years
Office furniture, equipment, and vehicles	3-7 years

# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

## Notes to Consolidated Financial Statements

June 30, 2019 and 2018

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### NET ASSETS

The consolidated financial statements report amounts by class of net assets:

*Net assets without donor restrictions* are those currently available for general purposes under the direction of the board, and those resources invested in property and equipment. Board designated net assets are those net assets that the Board of Directors has set aside for specific uses such as future operating reserves, facility needs, or specific ministry opportunities. As these restrictions are initiated by the Corporation and not by donors, these net assets are presented as net assets without donor restrictions.

*Net assets with donor restrictions* are those contributed with donor stipulations for specific purposes or programs, those with time restrictions, or those not currently available for use until commitments regarding their use have been fulfilled.

#### PARTNERSHIP PROFITS, LOSS AND DISTRIBUTIONS

Profits, losses and cash distributions of the Partnership are to be allocated to the partners according to the provisions of the Partnership Agreement.

#### SUPPORT, REVENUE, AND EXPENSES

Contributions are reported as income when made, which may be when cash is received, unconditional promises are made or when ownership of donated assets is transferred. All contributions are considered available for unrestricted use unless specifically restricted by the donor or subject to legal restrictions. Gifts of cash and other assets received with donor stipulations that limit their use are reported as support without donor restrictions if restrictions are met within the same reporting period. Otherwise, they are reported as restricted support, and when a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Developer fee revenue is recognized when earned, as specified in development fee agreements. Costs incurred relating to developer fee revenue are deferred until the corresponding revenue is recognized as earned, at which time the deferred costs are charged to expense.



# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

## Notes to Consolidated Financial Statements

June 30, 2019 and 2018

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various program services and supporting activities of the ministry have been summarized on a functional basis in the consolidated statements of activities. Those expenses include depreciation, facilities, and salaries and benefits. Depreciation and facilities expenses are allocated based on a square footage basis and salaries and benefits are allocated based on estimates of time and effort. All other categories are allocated based on a detailed estimate of expenses making up each account within each respective category.

#### 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 amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

#### RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The ministry adopted the provisions of this new standard during the year ended June 30, 2019. In addition to changes in terminology used to describe categories of net assets through out the consolidated financial statements, new disclosures were added regarding liquidity and the availability of resources (Note 11), and disclosures related to functional allocation of expenses were expanded.

### 3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30:

	<u>2019</u>	<u>2018</u>
Land	\$ 687,726	\$ 555,500
Buildings and improvements	11,742,678	11,776,578
Furniture and equipment	1,085,668	1,031,991
	<u>13,516,072</u>	<u>13,364,069</u>
Less: accumulated depreciation	<u>(3,422,169)</u>	<u>(2,979,201)</u>
	<u><u>\$ 10,093,903</u></u>	<u><u>\$ 10,384,868</u></u>

Depreciation expense for the years ended June 30, 2019 and 2018, totaled \$306,407 and \$324,799, respectively.

# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

## Notes to Consolidated Financial Statements

June 30, 2019 and 2018

### 4. DEFERRED CHARGES:

Costs incurred, during the year ended June 30, 2011, to obtain financing and low income housing tax credits have been capitalized and are amortized over the term of the loan or the tax credit period.

Additionally, during the year ended June 30, 2011, as described in its commitment letter, the Partnership paid an asset management fee to the Illinois Housing Development Authority (the Authority) to reimburse the Authority for its asset management function. The fee is considered earned over a 15-year compliance period. In the event a default or an event of default occurs on the Section 1602 grant described in Note 6, the Authority may apply any remaining amount to the Section 1602 grant. The fee of \$48,728 and \$55,261 as of June 30, 2019 and 2018, respectively, is included in deferred charges and will be amortized over 15 years.

Deferred charges are netted against the note payable balance in the accompanying consolidated statements of financial position and are summarized as follows at June 30:

	<u>2019</u>	<u>2018</u>
Cost	\$ 305,441	\$ 305,441
Less: accumulated amortization	<u>(137,330)</u>	<u>(119,959)</u>
Net Capitalized Costs	<u>\$ 168,111</u>	<u>\$ 185,482</u>

Amortization expense for both years ended June 30, 2019 and 2018, was \$17,371. Estimated amortization expense for each of the next five years is as follows:

2020	\$ 17,371
2021	17,371
2022	17,371
2023	17,371
2024	17,371
Thereafter	<u>81,256</u>
	<u>\$ 168,111</u>

# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

## Notes to Consolidated Financial Statements

June 30, 2019 and 2018

5. NOTES PAYABLE:

Notes payable consists of the following as of June 30:

	2019	2018
<p>Westside Veterans Housing, LP has entered into a senior mortgage note, dated October 1, 2010, which is held by the City of Chicago in an original amount of \$1,500,000, and bears interest at 0% per annum. The entire principal balance shall be due and payable in full on December 31, 2042. The entire principal balance outstanding, together with accrued and unpaid interest thereon, if any, may also become due and payable because of acceleration or prepayment as provided in the agreement. This note is collateralized by real property held for lease, the leasehold interest and rights to the Ground Lease, and the assignment of rents and leases of the real property.</p>	\$ 1,499,567	\$ 1,499,567

<p>The Authority provided a grant to Westside Housing Veterans, LP to be used for construction of a 50-unit low-income rental housing development (Hope Manor I) on its leasehold property. The grant is a sub-award of Section 1602 American Reinvestment and Recovery Funds awarded to state agencies from Department of Treasury in an exchange program for low income housing tax credits. The grant totaling \$1,355,973 is recorded as a mortgage payable as of June 30, 2019 and 2018, and is considered a junior mortgage. The mortgage, in accordance with the grant agreements, is secured by a non-interest bearing promissory note for which payment will be waived on December 31, 2027, if all covenants of the grant are upheld. The Authority has the option to declare amounts, including recapture interest, owing under the promissory notes immediately due and payable upon occurrence and continuance of a default as described in the grant agreement.</p>	1,355,972	1,355,972
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# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

## Notes to Consolidated Financial Statements

June 30, 2019 and 2018

5. NOTES PAYABLE, continued:

The Authority provided an additional loan to Westside Housing, LP to be used for construction of Hope Manor I. The loan is considered a junior mortgage. The mortgage, in accordance with the loan agreement is secured by a non-interest bearing promissory note requiring monthly payments of \$100 after which the remaining balance will be waived on June 1, 2042, if all covenants of the loan are upheld. The Authority has the option to declare all amounts, including recapture interest, owing under the promissory notes immediately due and payable upon occurrence and continuance of a default as described in the loan agreement.

	648,805	650,005
	3,504,344	3,505,544
Less: debt issuance costs (see Note 4)	(168,111)	(185,482)
	\$ 3,336,233	\$ 3,320,062

Future maturities are as follows:

2020	\$ 1,200
2021	1,200
2022	1,200
2023	1,200
2024	1,200
Thereafter	3,498,344
	\$ 3,504,344

6. LINE OF CREDIT

The Corporation maintains a \$300,000 variable interest rate line of credit that is due on demand. The line is collateralized by all assets of the Corporation. As of both June 30, 2019 and 2018, there were no advances owed on the line of credit.

# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

## Notes to Consolidated Financial Statements

June 30, 2019 and 2018

7. LEASED FACILITIES:

The Corporation leases facilities and vehicles used for program services under operating leases. The facility lease expires on April 30, 2022. The vehicles leases expire on various dates beginning December 2019 through January 2021. Total lease expense for the years ended June 30, 2019 and 2018, totaled \$349,018 and \$344,054, respectively.

Future minimum rental payments are as follows:

2020		\$ 310,615
2021		339,718
2022		<u>317,306</u>
		<u><u>\$ 967,639</u></u>

8. CONCENTRATIONS:

The Illinois Department of Children and Family Services (DCFS) is a major source of the Corporation's operating revenues. Revenues from DCFS accounted for 12% and 25% of total revenue for the years ended June 30, 2019 and 2018, respectively.

A significant portion of government fees and grants is provided by three contracting agencies:

	Year Ended June 30,	
	2019	2018
Homeless Veterans Reintegration	49%	47%
Cook County Foster Care	27%	27%
US Department of Veteran Affairs	14%	13%

9. CONTINGENCIES:

The Project's low-income housing tax credits are contingent on its ability to maintain compliance with applicable sections of Internal Revenue Code Section 42. The amount of tax credits totaled \$1,303,413 at both June 30, 2019, and 2018. Failure to maintain compliance with occupant eligibility and/or gross rent or to correct noncompliance with a specified time period could result in recapture of previously taken tax credits plus interest. In addition, such potential noncompliance may require an adjustment to the contributed capital by the Limited Partners. Management believes they are in compliance with all requirements.

# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

## Notes to Consolidated Financial Statements

June 30, 2019 and 2018

### 10. RELATED PARTY TRANSACTIONS:

Related party transactions include transactions with Hope Manor II Veterans Housing, LP (Hope Manor II), Hope Manor Joliet Veterans Housing LP (Hope Manor Joliet), and National.

Hope Manor II was formed as a limited partnership pursuant to a Certificate of Limited Partnership filed with the state of Illinois Secretary of State during the year ended June 30, 2013. Hope Manor II has one General Partner, Hope Manor II VOA Veterans Housing LLC. (which has a .01% interest), of which the Corporation is a partner. The Corporation is not required to consolidate Hope Manor II as it does not have a controlling interest in the limited liability company.

Hope Manor Joliet was formed as a limited partnership pursuant to a Certificate of Limited Partnership filed with the State of Illinois Secretary of State during the year ended June 30, 2017. Hope Manor Joliet has one General Partner, Hope Manor Joliet VOA Veterans Housing LLC (which has a .01% interest), of which the Corporation is a member. The Corporation is not required to consolidate Hope Manor Joliet as it does not have a controlling interest in the limited liability company.

Transactions with related parties for the year ended June 30, 2019, are as follows:

	Hope Manor II	Hope Manor Joliet	National
Revenues Earned by the Corporation			
Developer fees, management fees, and payroll reimbursements	\$ 357,792	\$ 409,603	\$ 1,368,735
Expenses Incurred by the Corporation			
Supporting services	\$ -	\$ -	\$ 204,872

Transactions with related parties for the year ended June 30, 2018, are as follows:

	Hope Manor II	Hope Manor Joliet	National
Revenues Earned by the Corporation			
Developer fees, management fees, and payroll reimbursements	\$ 361,627	\$ 446,311	\$ 1,382,011
Expenses Incurred by the Corporation			
Supporting services	\$ -	\$ -	\$ 233,305

# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

## Notes to Consolidated Financial Statements

June 30, 2019 and 2018

10. RELATED PARTY TRANSACTIONS, continued:

Amounts due from/(due to) related parties for the year ended June 30, 2019, are as follows:

	Hope Manor II	Hope Manor Joliet	National
Corporation			
Developer fees, management fees, and payroll reimbursements	\$ 38,405	\$ 248,968	\$ 85,629
Supporting services	\$ -	\$ -	\$ (6,576)
Partnership			
Deferred developer fees and other liabilities	\$ -	\$ -	\$ (96,269)

Amounts due from/(due to) related parties for the year ended June 30, 2018, are as follows:

	Hope Manor II	Hope Manor Joliet	National
Corporation			
Developer fees, management fees, and payroll reimbursements	\$ 44,330	\$ 250,886	\$ 63,058
Supporting services	\$ -	\$ -	\$ (7,476)
Partnership			
Deferred developer fees and other liabilities	\$ -	\$ -	\$ (96,269)

# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

## Notes to Consolidated Financial Statements

June 30, 2019 and 2018

### 10. RELATED PARTY TRANSACTIONS, continued:

In addition to the transactions summarized above, the Corporation issued two junior loans to Hope Manor II and one junior loan to Hope Manor Joliet. The balances as of June 30 are as follows:

	2019	2018
Hope Manor II: The first junior loan, dated April 30, 2013, in the original amount of \$500,000, is a non-interest bearing note. The loan matures on December 31, 2045. The loans are secured by real estate owned by Hope Manor II.	\$ 500,000	\$ 500,000
Hope Manor II: the second junior loan, dated April 30, 2013, in the original amount of \$97,658, is accruing interest at 7% annually. The loan matures on December 31, 2045. The loans are secured by real estate owned by Hope Manor II.	101,048	101,048
Hope Manor Joliet: A junior loan in the original amount of up to \$150,000 is a non-interest bearing note. The loan matures on December 31, 2047, and is secured by the real estate owned by Hope Manor Joliet.	145,000	145,000
	746,048	746,048
Less: Allowance for doubtful loans	(601,048)	(601,048)
	\$ 145,000	\$ 145,000

### 11. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following table reflects the Corporation's financial assets as of June 30, 2019, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year or due to contractual or donor-imposed restrictions. The Corporation's general operations are funded by contributions from donors as well as grants from outside organizations.

Financial assets:	
Cash and cash equivalents	\$ 742,660
Restricted cash	1,365,887
Accounts receivable	589,560
Less those unavailable for general expenditures within one year, due to:	
Restrictions on use of cash (Note 2)	(1,365,887)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,332,220



# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

## Notes to Consolidated Financial Statements

June 30, 2019 and 2018

### 11. LIQUIDITY AND AVAILABILITY OF RESOURCES, continued:

As part of the Corporation's liquidity management process, it has a practice of structuring its financial assets to be available as its expenditures and liabilities come due. The Corporation also invests its cash in excess of its daily requirements in short-term investments. A line of credit in the amount of \$300,000, is also available to which the Corporation can use to manage unanticipated liquidity needs. Furthermore, the Corporation has \$7.6 million in donated land is intended to be liquidated and sold to a buyer during fiscal year 2020. At least half of these proceeds will serve as an additional cash reserve for the Corporation and will be available to cover unanticipated liquidated needs.

### 12. PRIOR PERIOD ADJUSTMENT

The previously issued financial statements for the year ended June 30, 2018, have been restated due to accounting errors made as a result of a misinterpretation of a mortgage agreement entered into during 2010. Accordingly, prior period adjustments have been recorded to correct the error. The effects of these adjustments on 2018 opening net assets, change in net assets and 2018 ending balances were as follows:

	As Previously Stated	Prior Period Adjustment	As Restated
July 1, 2017:			
Consolidated statement of financial position:			
Liabilities:			
Deferred reimbursement	\$ 226,000	\$ (226,000)	\$ -
Notes Payable	\$ 2,942,291	\$ 361,600	\$ 3,303,891
Net assets:			
Controlled limited partnership	\$ 3,851,030	\$ (94,920)	\$ 3,756,110
Noncontrolling interest in subsidiary	\$ 2,336,155	\$ (40,680)	\$ 2,295,475
June 30, 2018			
Consolidated statement of financial position:			
Liabilities:			
Deferred reimbursement	\$ 282,500	\$ (282,500)	\$ -
Notes payable	\$ 2,868,063	\$ 451,999	\$ 3,320,062
Net assets:			
Controlled limited partnership	\$ 3,851,030	\$ (94,920)	\$ 3,756,110
Noncontrolling interest in subsidiary	\$ 2,336,155	\$ (40,680)	\$ 2,295,475

# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

## Notes to Consolidated Financial Statements

June 30, 2019 and 2018

12. PRIOR PERIOD ADJUSTMENT, continued:

	As Previously Stated	Prior Period Adjustment	As Restated
Year Ended June 30, 2018:			
Consolidated statement of activities:			
Operating expenses:			
Program services	\$ 8,209,779	\$ 33,899	\$ 8,243,678
Change in net assets without donor restrictions	\$ (100,340)	\$ (33,899)	\$ (134,239)
Year Ended June 30, 2018:			
Consolidated statement of cash flow:			
Change in net assets	\$ (165,340)	\$ (33,899)	\$ (199,239)
Changes in:			
Depreciation and amortization	\$ 324,799	\$ 21,274	\$ 346,073
Deferred reimbursement	\$ 56,500	\$ (56,500)	\$ -
Purchases of property and equipment	\$ -	\$ (3,903)	\$ (3,903)
Payments on notes payable	\$ (74,228)	\$ 73,028	\$ (1,200)

13. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through October 11, 2019, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

## **SUPPLEMENTARY INFORMATION**

**INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTARY DATA**

Board of Directors and Audit Committee  
Volunteers of America of Illinois and Affiliate  
Chicago, Illinois

We have audited the consolidated financial statements of Volunteers of America of Illinois and Affiliate as of and for the year ended June 30, 2019, and our report thereon dated October 11, 2019, which expresses an unmodified opinion on those consolidated financial statements, appears on page 2. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and schedule of activities on pages 27-28 are presented for purposes of additional analysis of the consolidated financial statements, rather than to present the financial position and operations of the individual organizations, and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Capin Crouse LLP*

Naperville, Illinois  
October 11, 2019

# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

## Consolidating Statements of Financial Position

June 30,

	2019				2018 (as restated)			
	Volunteers of America of Illinois	Westside Veterans Housing LP	Eliminations	Total	Volunteers of America of Illinois	Westside Veterans Housing LP	Eliminations	Total
<b>ASSETS:</b>								
Current assets:								
Cash and cash equivalents	\$ 734,037	\$ 8,623	\$ -	\$ 742,660	\$ 632,072	\$ 5,266	\$ -	\$ 637,338
Restricted cash	-	1,365,887	-	1,365,887	-	1,314,066	-	1,314,066
Accounts receivable, net	527,745	61,815	-	589,560	442,829	65,352	-	508,181
Prepaid expenses and other assets	314,368	540,000	(540,000)	314,368	168,666	540,000	(540,000)	168,666
Due from related parties	97,161	-	-	97,161	16,839	-	-	16,839
Land held for sale	7,627,055	-	-	7,627,055	-	-	-	-
<b>Total current assets</b>	<b>9,300,366</b>	<b>1,976,325</b>	<b>(540,000)</b>	<b>10,736,691</b>	<b>1,260,406</b>	<b>1,924,684</b>	<b>(540,000)</b>	<b>2,645,090</b>
Noncurrent assets:								
Investment in Westside Veterans Housing, LP	1,600,000	-	(1,600,000)	-	1,600,000	-	(1,600,000)	-
Loans receivable, related parties, net	1,105,026	-	(960,026)	145,000	1,164,540	-	(1,019,540)	145,000
Property and equipment, net	602,035	9,983,946	(492,078)	10,093,903	559,479	10,279,664	(454,275)	10,384,868
<b>Total noncurrent assets</b>	<b>3,307,061</b>	<b>9,983,946</b>	<b>(3,052,104)</b>	<b>10,238,903</b>	<b>3,324,019</b>	<b>10,279,664</b>	<b>(3,073,815)</b>	<b>10,529,868</b>
<b>Total Assets</b>	<b>\$ 12,607,427</b>	<b>\$ 11,960,271</b>	<b>\$ (3,592,104)</b>	<b>\$ 20,975,594</b>	<b>\$ 4,584,425</b>	<b>\$ 12,204,348</b>	<b>\$ (3,613,815)</b>	<b>\$ 13,174,958</b>
<b>LIABILITIES, NET ASSETS, AND EQUITIES</b>								
Current liabilities:								
Accounts payable	\$ 208,052	\$ 85,524	\$ -	\$ 293,576	\$ 175,388	\$ 38,355	\$ -	\$ 213,743
Accrued expenses	1,072,152	3,723	(543,723)	532,152	816,691	3,723	(543,723)	276,691
Due to related parties	47,732	535,135	(250,878)	331,989	44,939	485,198	(272,589)	257,548
<b>Total current liabilities</b>	<b>1,327,936</b>	<b>624,382</b>	<b>(794,601)</b>	<b>1,157,717</b>	<b>1,037,018</b>	<b>527,276</b>	<b>(816,312)</b>	<b>747,982</b>
Long-term liabilities:								
Notes payable	-	4,041,658	(705,425)	3,336,233	-	4,025,487	(705,425)	3,320,062
<b>Total liabilities</b>	<b>1,327,936</b>	<b>4,666,040</b>	<b>(1,500,026)</b>	<b>4,493,950</b>	<b>1,037,018</b>	<b>4,552,763</b>	<b>(1,521,737)</b>	<b>4,068,044</b>
Net assets:								
Without donor restriction attributed To:								
Controlled limited partnership	-	5,105,962	(1,600,000)	3,505,962	-	5,356,110	(1,600,000)	3,756,110
Undesignated	11,279,491	-	(492,078)	10,787,413	3,547,407	-	(492,078)	3,055,329
	11,279,491	5,105,962	(2,092,078)	14,293,375	3,547,407	5,356,110	(2,092,078)	6,811,439
Noncontrolling interest in limited partnership	-	2,188,269	-	2,188,269	-	2,295,475	-	2,295,475
<b>Total without donor restrictions</b>	<b>11,279,491</b>	<b>7,294,231</b>	<b>(2,092,078)</b>	<b>16,481,644</b>	<b>3,547,407</b>	<b>7,651,585</b>	<b>(2,092,078)</b>	<b>9,106,914</b>
<b>Total Liabilities, Net Assets, and Equity</b>	<b>\$ 12,607,427</b>	<b>\$ 11,960,271</b>	<b>\$ (3,592,104)</b>	<b>\$ 20,975,594</b>	<b>\$ 4,584,425</b>	<b>\$ 12,204,348</b>	<b>\$ (3,613,815)</b>	<b>\$ 13,174,958</b>

See notes to consolidated financial statements

# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

## Consolidating Schedules of Activities

Year Ended June 30, 2019

	Volunteers of America of Illinois			Westside Veterans Housing LP			Eliminations	Consolidated Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
<b>OPERATING REVENUE:</b>								
Public support:								
Contributions corporate	\$ 134,456	\$ -	\$ 134,456	\$ -	\$ -	\$ -	\$ -	\$ 134,456
Contributions foundations	148,692	-	148,692	-	-	-	-	148,692
Contributions individuals	161,557	-	161,557	-	-	-	-	161,557
Contributions in-kind	7,856,741	-	7,856,741	-	-	-	-	7,856,741
Total public support	<u>8,301,446</u>	<u>-</u>	<u>8,301,446</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,301,446</u>
Program and other revenue:								
Government fees and grants	5,372,489	-	5,372,489	-	-	-	-	5,372,489
Management fees	428,141	-	428,141	-	-	-	(38,179)	389,962
Rent revenue	-	-	-	573,433	-	573,433	-	573,433
Housing services reimbursement	1,833,150	-	1,833,150	-	-	-	(165,581)	1,667,569
Developer fees and other revenues	84,233	-	84,233	23,837	-	23,837	-	108,070
Non-operating revenues	175,000	-	175,000	-	-	-	-	175,000
Total other revenue	<u>7,893,013</u>	<u>-</u>	<u>7,893,013</u>	<u>597,270</u>	<u>-</u>	<u>597,270</u>	<u>(203,760)</u>	<u>8,286,523</u>
Net assets released from restrictions	-	-	-	-	-	-	-	-
Total Revenue from Operations	<u>16,194,459</u>	<u>-</u>	<u>16,194,459</u>	<u>597,270</u>	<u>-</u>	<u>597,270</u>	<u>(203,760)</u>	<u>16,587,969</u>
<b>OPERATING EXPENSES:</b>								
Program services	6,925,203	-	6,925,203	925,860	-	925,860	(203,760)	7,647,303
Supporting activities:								
Management and general	1,475,433	-	1,475,433	28,764	-	28,764	-	1,504,197
Fund-raising	61,739	-	61,739	-	-	-	-	61,739
Total supporting activities	<u>1,537,172</u>	<u>-</u>	<u>1,537,172</u>	<u>28,764</u>	<u>-</u>	<u>28,764</u>	<u>-</u>	<u>1,565,936</u>
Total Operating Expenses	<u>8,462,375</u>	<u>-</u>	<u>8,462,375</u>	<u>954,624</u>	<u>-</u>	<u>954,624</u>	<u>(203,760)</u>	<u>9,213,239</u>
Change in Net Assets	7,732,084	-	7,732,084	(357,354)	-	(357,354)	-	7,374,730
Net Assets, Beginning of Year	3,547,407	-	3,547,407	7,651,585	-	7,651,585	(2,092,078)	9,106,914
Net Assets, End of Year	<u>\$ 11,279,491</u>	<u>\$ -</u>	<u>\$ 11,279,491</u>	<u>\$ 7,294,231</u>	<u>\$ -</u>	<u>\$ 7,294,231</u>	<u>\$ (2,092,078)</u>	<u>\$ 16,481,644</u>

See notes to consolidated financial statements

# VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

## Consolidating Schedules of Activities

Year Ended June 30, 2018 (as restated)

	Volunteers of America of Illinois			Westside Veterans Housing LP			Eliminations	Consolidated Total
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total		
OPERATING REVENUE:								
Public support:								
Contributions corporate	\$ 115,658	\$ -	\$ 115,658	\$ -	\$ -	\$ -	\$ -	\$ 115,658
Contributions foundations	380,074	-	380,074	-	-	-	-	380,074
Contributions individuals	131,610	-	131,610	-	-	-	-	131,610
Contributions in-kind	10,683	-	10,683	-	-	-	-	10,683
Total public support	<u>638,025</u>	<u>-</u>	<u>638,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>638,025</u>
Other revenue:								
Government fees and grants	5,897,179	-	5,897,179	-	-	-	-	5,897,179
Management fees	428,280	-	428,280	-	-	-	(39,236)	389,044
Rent revenue	-	-	-	581,780	-	581,780	-	581,780
Housing services reimbursement	1,779,952	-	1,779,952	-	-	-	(163,917)	1,616,035
Developer fees and other revenues	263,316	-	263,316	20,839	-	20,839	(95,631)	188,524
Total other revenue	<u>8,368,727</u>	<u>-</u>	<u>8,368,727</u>	<u>602,619</u>	<u>-</u>	<u>602,619</u>	<u>(298,784)</u>	<u>8,672,562</u>
Net assets released from restrictions	65,000	(65,000)	-	-	-	-	-	-
Total Revenue from Operations	<u>9,071,752</u>	<u>(65,000)</u>	<u>9,006,752</u>	<u>602,619</u>	<u>-</u>	<u>602,619</u>	<u>(298,784)</u>	<u>9,310,587</u>
OPERATING EXPENSES:								
Program services	7,561,494	-	7,561,494	953,325	-	953,325	(271,141)	8,243,678
Supporting activities:								
Management and general	1,253,618	-	1,253,618	-	-	-	(27,643)	1,225,975
Fund-raising	40,173	-	40,173	-	-	-	-	40,173
Total supporting activities	<u>1,293,791</u>	<u>-</u>	<u>1,293,791</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27,643)</u>	<u>1,266,148</u>
Total Operating Expenses	<u>8,855,285</u>	<u>-</u>	<u>8,855,285</u>	<u>953,325</u>	<u>-</u>	<u>953,325</u>	<u>(298,784)</u>	<u>9,509,826</u>
Change in Net Assets	216,467	(65,000)	151,467	(350,706)	-	(350,706)	-	(199,239)
Net Assets, Beginning of Year	3,330,940	65,000	3,395,940	8,137,891	-	8,137,891	(2,092,078)	9,441,753
Prior period adjustment (Note 12)	-	-	-	(135,600)	-	(135,600)	-	(135,600)
Net Assets, Beginning of Year (as restated)	<u>3,330,940</u>	<u>65,000</u>	<u>3,395,940</u>	<u>8,002,291</u>	<u>-</u>	<u>8,002,291</u>	<u>(2,092,078)</u>	<u>9,306,153</u>
Net Assets, End of Year	<u>\$ 3,547,407</u>	<u>\$ -</u>	<u>\$ 3,547,407</u>	<u>\$ 7,651,585</u>	<u>\$ -</u>	<u>\$ 7,651,585</u>	<u>\$ (2,092,078)</u>	<u>\$ 9,106,914</u>

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