

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Consolidated Financial Statements
With Independent Auditors' Report

June 30, 2020 and 2019

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of Volunteers of America of Illinois and Affiliates (a nonprofit corporation), which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, 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 Affiliates
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 Affiliates as of June 30, 2020 and 2019, 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.

Capin Crouse LLP

Naperville, Illinois
October 16, 2020

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Consolidated Statements of Financial Position

	June 30,	
	2020	2019
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 8,373,771	\$ 742,660
Accounts receivable, net	829,104	589,560
Prepaid expenses and other assets	125,495	314,368
Due from related parties	235,566	97,161
Land held for sale	-	7,026,929
Total current assets	9,563,936	8,770,678
Noncurrent assets:		
Restricted cash	1,925,239	1,365,887
Loans receivable, related parties, net	145,000	145,000
Property and equipment, net	13,634,412	10,093,903
Total noncurrent assets	15,704,651	11,604,790
Total Assets	\$ 25,268,587	\$ 20,375,468
LIABILITIES AND NET ASSETS:		
Current liabilities:		
Accounts payable	\$ 1,180,426	\$ 293,576
Accrued expenses	714,394	532,152
Due to related parties	401,936	331,989
Deferred reimbursement	395,500	339,000
Total current liabilities	2,692,256	1,496,717
Long-term liabilities:		
Notes payable	2,970,204	2,793,833
Total liabilities	5,662,460	4,290,550
Net assets:		
Without donor restrictions:		
Controlled limited partnerships	5,611,656	4,128,342
Undesignated	10,976,871	10,187,287
	16,588,527	14,315,629
Noncontrolling interest in subsidiaries	2,823,204	1,769,289
	19,411,731	16,084,918
With donor restrictions	194,396	-
	19,606,127	16,084,918
Total Liabilities and Net Assets	\$ 25,268,587	\$ 20,375,468

See notes to consolidated financial statements

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Consolidated Statement of Activities

Year Ended June 30, 2020

	Without Donor Restrictions			Total	With Donor Restrictions	Total
	VOA-IL	West Side Veterans Housing LP	Hope Manor Village Housing LP			
OPERATING REVENUE:						
Public support:						
Contributions corporate	\$ 137,738	\$ -	\$ -	\$ 137,738	\$ -	\$ 137,738
Contributions foundations	84,246	-	-	84,246	-	84,246
Contributions individuals	175,207	-	-	175,207	-	175,207
Contributions in-kind	35,145	-	-	35,145	-	35,145
Total public support	432,336	-	-	432,336	-	432,336
Program and other revenue:						
Government fees and grants	5,850,534	-	-	5,850,534	194,396	6,044,930
Other grant income	681,309	33,900	400,000	1,115,209	-	1,115,209
Management fees	428,759	-	-	428,759	-	428,759
Rent revenue	-	576,493	-	576,493	-	576,493
Housing services reimbursement	1,857,079	-	-	1,857,079	-	1,857,079
Developer fees and other revenues	116,915	12,333	-	129,248	-	129,248
Other revenues	262,822	-	-	262,822	-	262,822
Total program and other revenue	9,197,418	622,726	400,000	10,220,144	194,396	10,414,540
Net assets released from restrictions	-	-	-	-	-	-
Total Revenue from Operations	9,629,754	622,726	400,000	10,652,480	194,396	10,846,876

See notes to consolidated financial statements

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Consolidated Statement of Activities

Year Ended June 30, 2020

(continued)

	Without Donor Restrictions			Total	With Donor Restrictions	Total
	VOA-IL	West Side Veterans Housing LP	Hope Manor Village Housing LP			
OPERATING EXPENSES:						
Program services	7,263,939	1,012,954	-	8,276,893	-	8,276,893
Supporting activities:						
Management and general	1,503,066	-	-	1,503,066	-	1,503,066
Fund-raising	73,165	-	-	73,165	-	73,165
Total supporting activities	1,576,231	-	-	1,576,231	-	1,576,231
Total Operating Expenses	8,840,170	1,012,954	-	9,853,124	-	9,853,124
Change in Net Assets	789,584	(390,228)	400,000	799,356	194,396	993,752
Net Assets, Beginning of Year	10,187,287	5,897,631	-	16,084,918	-	16,084,918
Capital contribution	-	-	2,527,457	2,527,457	-	2,527,457
Net Assets, End of Year	\$ 10,976,871	\$ 5,507,403	\$ 2,927,457	\$ 19,411,731	\$ 194,396	\$ 19,606,127

See notes to consolidated financial statements

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Consolidated Statement of Activities

Year Ended June 30, 2019

	Without Donor Restrictions			With Donor Restrictions	Total
	VOA-IL	West Side Veterans Housing LP	Total		
OPERATING REVENUE:					
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	7,256,615	-	7,256,615	-	7,256,615
Total public support	7,701,320	-	7,701,320	-	7,701,320
Program and other revenue:					
Government fees and grants	5,372,489	-	5,372,489	-	5,372,489
Management fees	428,141	-	428,141	-	428,141
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
Other revenues	175,000	-	175,000	-	175,000
Total Program and other revenue	7,727,432	597,270	8,324,702	-	8,324,702
Net assets released from restrictions	-	-	-	-	-
Total Revenue from Operations	15,428,752	597,270	16,026,022	-	16,026,022

See notes to consolidated financial statements

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATE

Consolidated Statement of Activities

Year Ended June 30, 2019

(continued)

	Without Donor Restrictions			With Donor Restrictions	Total
	VOA-IL	West Side Veterans Housing LP	Total		
OPERATING EXPENSES:					
Program services	6,759,622	891,959	7,651,581	-	7,651,581
Supporting activities:					
Management and general	1,475,433	28,764	1,504,197	-	1,504,197
Fund-raising	61,739	-	61,739	-	61,739
Total supporting activities	1,537,172	28,764	1,565,936	-	1,565,936
Total Operating Expenses	8,296,794	920,723	9,217,517	-	9,217,517
Change in Net Assets	7,131,958	(323,453)	6,808,505	-	6,808,505
Net Assets, Beginning of Year	3,055,329	6,221,084	9,276,413	-	9,276,413
Net Assets, End of Year	\$ 10,187,287	\$ 5,897,631	\$ 16,084,918	\$ -	\$ 16,084,918

See notes to consolidated financial statements

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Consolidated Statement of Functional Expenses

Year Ended June 30, 2020

	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	\$ 844,380	\$ 966,528	\$ 1,466,031	\$ 590,619	\$ 148,608	\$ 4,016,166	\$ 725,823	
Other employee benefits	122,675	156,726	181,903	61,523	13,633	536,460	126,201	148	662,809
Payroll taxes	72,846	68,318	130,408	48,884	12,867	333,323	54,772	-	388,095
Counseling and consulting fees	108,629	-	-	-	1,836	110,465	43,644	-	154,109
Legal fees	-	-	-	-	-	-	2,823	-	2,823
Accounting fees	-	-	-	-	-	-	83,726	-	83,726
Other professional fees	700	-	39,475	-	216,633	256,808	6,021	31,441	294,270
Supplies and expenses	3,039	392	22,728	277	16,229	42,665	56,402	25,372	124,439
Program supplies	3,844	-	21,223	-	-	25,067	-	-	25,067
Occupancy costs	93,302	7,120	260,411	3,786	97,129	461,748	109,963	67	571,778
Insurance	6,844	6,020	21,681	2,576	35,629	72,750	23,315	-	96,065
Travel and transportation	82,590	10,544	50,102	1,119	-	144,355	31,823	1,162	177,340
Housing and rental assistance	40,082	-	1,119,420	-	25,855	1,185,357	-	-	1,185,357
Foster family grants	521,119	-	-	-	-	521,119	-	-	521,119
Equipment rental and maintenance	-	-	15,677	-	40,129	55,806	14,439	-	70,245
Interest expense and bank fees	-	-	-	-	6,884	6,884	13,258	3,407	23,549
Telecommunications	5,255	-	6,789	-	11,355	23,399	27,447	-	50,846
Conferences and meetings	440	-	9,690	-	2,023	12,153	473	-	12,626
Subscriptions and publications	-	-	140	-	-	140	1,738	-	1,878
Postage	2	-	28	-	-	30	9,012	-	9,042
Printing	-	-	-	-	3,387	3,387	6,525	11,351	21,263
Membership dues	8,889	655	1,361	1,031	-	11,936	1,662	103	13,701
Bad debt	-	-	-	-	-	-	6,863	-	6,863
Miscellaneous	13	-	19	-	19,810	19,842	3,787	-	23,629
Gift in kind - professional services	-	-	-	-	-	-	6,645	-	6,645
Depreciation and amortization	1,018	1,145	6,666	3,477	360,947	373,253	3,455	114	376,822
National organization fees	-	63,780	-	-	-	63,780	143,249	-	207,029
Total Functional Expense	\$ 1,915,667	\$ 1,281,228	\$ 3,353,752	\$ 713,292	\$ 1,012,954	\$ 8,276,893	\$ 1,503,066	\$ 73,165	\$ 9,853,124

See notes to consolidated financial statements

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

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	
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	210,804	240,033	15,846	20,170	276,049
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	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
Total Functional Expense	\$ 1,876,371	\$ 1,218,388	\$ 3,023,266	\$ 641,597	\$ 891,959	\$ 7,651,581	\$ 1,504,197	\$ 61,739	\$ 9,217,517

See notes to consolidated financial statements

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 993,752	\$ 6,808,505
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	376,822	323,778
Donated property and equipment	-	(7,026,929)
Non-cash revenue recognition	(145,200)	-
Changes in:		
Accounts receivable	(239,544)	(81,379)
Prepaid expenses and other assets	188,873	(145,702)
Accounts payable	886,850	79,833
Accrued expenses	182,242	255,461
Due to related parties	69,947	74,441
Due from related parties, net	(138,405)	(80,322)
Deferred reimbursement	56,500	56,500
Net Cash Provided by Operating Activities	2,231,837	264,186
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale of property and equipment	7,026,929	-
Purchases of property and equipment	(3,899,960)	(15,442)
Net Cash Provided (Used) by Investing Activities	3,126,969	(15,442)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowing of notes payable	250,000	-
Payments on notes payable	(91,000)	(91,601)
Proceeds from Payroll Protection Program loan	145,200	-
Contributed capital	2,527,457	-
Net Cash Provided (Used) by Financing Activities	2,831,657	(91,601)
 Change in Cash and Cash Equivalents	 8,190,463	 157,143
Cash and Cash Equivalents, Beginning of Year	2,108,547	1,951,404
Cash and Cash Equivalents, End of Year	\$ 10,299,010	\$ 2,108,547
 Cash and Cash Equivalents:		
Cash and cash equivalents	\$ 8,373,771	\$ 742,660
Restricted cash	1,925,239	1,365,887
	\$ 10,299,010	\$ 2,108,547

See notes to consolidated financial statements

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

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 National 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 AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

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. Housing and Urban Development 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 support 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 AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

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 affiliates, West Side Veterans Housing, LP and Hope Manor Village 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. 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.

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PRINCIPLES OF CONSOLIDATION, continued

Hope Manor Village Housing, LP, (the Village Partnership) was formed as a limited partnership under the laws of the State of Illinois on January 28, 2020, for the purpose of constructing and operating a rental housing project (the Village Project). The village project is currently in the development stage and when completed it will include 36 units located in Chicago, Illinois. The village project is eligible for low-income housing tax credits pursuant to Internal Revenue Service Code Section 42. The Village Partnership has one General Partner, Hope Manor Village VOA Housing LLC, (which has a .01% interest) and one limited partner, NEF Limited Partnership, which has a 99.99% interest. The General Partner units are owned 60% by the Corporation and 40% 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 eliminated in consolidation. The Corporation's fiscal year ends on June 30. The partnership's fiscal year ends on December 31. The Partnership and Village Partnership's activities have 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, 2020 and 2019, the Corporation's cash balances exceeded federally insured limits by \$8,050,790 and \$520,294, respectively. The Corporation does not believe these funds to be at substantial risk of loss due to the lack of federal insurance coverage.

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

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 the Partnership and the Village Partnership.

	Year Ended June 30,	
	2020	2019
A replacement reserve funded at \$400 per year for each apartment unit and is in the custody of Illinois Housing Development Authority (the Authority).	\$ 128,239	\$ 162,259
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 the Authority.	284,095	278,013
A working capital reserve held by the Corporation.	102,598	102,181
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.	722,745	719,809
A real estate tax and insurance escrow in the custody of the Authority.	86,762	103,625
Construction funds held in escrow.	600,800	-
	<u>\$ 1,925,239</u>	<u>\$ 1,365,887</u>

Amounts above are not insured by the Federal Deposit Insurance Corporation. Total uninsured restricted cash at June 30, 2020 and 2019, was \$1,925,239 and \$1,365,887, 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 other receivables. Management has recorded an accounts receivable allowance of \$0 and \$6,056, respectively, related to amounts due from related parties for years ended June 30, 2020 and 2019.

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

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

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 and Village 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.

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT, REVENUE, AND EXPENSES, continued

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.

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 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The Corporation adopted the provisions of this new standard during the year ended June 30, 2020. The new standard provides a framework for determining whether a particular transaction is an exchange transaction or a contribution, and guidance to assist entities in determining whether a contribution is either conditional or unconditional. The ASU has been applied on a modified retrospective basis for agreements that were incomplete as of the ASU's effective date or that were entered into after the effective date. Adoption of this standard had no effect on change in net assets or net assets in total.

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

3. PROPERTY AND EQUIPMENT:

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

	2020	2019
Land	\$ 584,000	\$ 687,726
Buildings and improvements	11,717,631	11,742,678
Furniture and equipment	1,133,590	1,085,668
	13,435,221	13,516,072
Less: accumulated depreciation	(3,692,955)	(3,422,169)
Construction in progress	3,892,146	-
	\$ 13,634,412	\$ 10,093,903

Depreciation expense for the years ended June 30, 2020 and 2019, totaled \$359,451 and \$306,407, respectively.

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 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 5, the Authority may apply any remaining amount to the Section 1602 grant. The fee of \$42,195 and \$48,728 as of June 30, 2020 and 2019, 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:

	2020	2019
Cost	\$ 305,441	\$ 305,441
Less: accumulated amortization	(154,701)	(137,330)
Net Capitalized Costs	\$ 150,740	\$ 168,111

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

4. DEFERRED CHARGES, continued:

Amortization expense for both years ended June 30, 2020 and 2019, was \$17,371. Estimated amortization expense for each of the next five years is as follows:

2021	\$	17,371
2022		17,371
2023		17,371
2024		17,371
2025		17,371
Thereafter		63,885
	\$	150,740

5. NOTES PAYABLE:

Notes payable consists of the following as of June 30:

	2020	2019
<p>The Partnership 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

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

5. NOTES PAYABLE, continued:

The Authority provided a grant to the Partnership 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, 2020 and 2019, and is considered a junior mortgage. The mortgage, in accordance with the grant agreement, is secured by a non-interest bearing promissory note for which payment will be waived, as covenants are upheld, through December 31, 2027. 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.

	722,572	813,572
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The Authority provided an additional loan to the Partnership 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	648,805
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National provided a loan to the Village Partnership on January 28, 2020, to be used for construction of Hope Manor Village. The loan is non-interest bearing and matures December 31, 2052, when all unpaid principal is due. The loan is secured by a junior mortgage, assignment of rents and security agreement.

	250,000	-
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	3,120,944	2,961,944
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	(150,740)	(168,111)
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Less: debt issuance costs (see Note 4)

	\$ 2,970,204	\$ 2,793,833
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VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

5. NOTES PAYABLE, continued:

Future maturities are as follows at June 30:

	\$	1,200
2021		1,200
2022		1,200
2023		1,200
2024		1,200
2025		1,200
Thereafter		3,114,944
	\$	3,120,944

On January 28, 2020, the Village Partnership signed a \$3,150,000 note payable with City of Chicago, IL which matures on January 28, 2052. The note is to be used for the construction of Hope Manor Village. The note accrues interest at 3% per annum on the outstanding principal balance. As of June 30, 2020, there have been no draws on this loan by the Village Partnership.

On January 28, 2020, the Village Partnership also signed a \$7,287,771 construction loan agreement which matures on January 28, 2022. The loan is to be used for the construction of Hope Manor Village. The note accrues interest at a variable rate per annum equal to the sum of the LIBOR Rate plus an applicable margin of 2.35% on the outstanding principal balance. As of June 30, 2020, there have been no draws on this loan by the Village Partnership.

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, 2020 and 2019, there were no advances owed on the line of credit.

7. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consisted of the following as of June 30:

	2020	2019
Grant funds for future program costs	\$ 194,396	\$ -

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

8. 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 March 2024. Total lease expense for the years ended June 30, 2020 and 2019, totaled \$317,531 and \$349,018, respectively.

Future minimum rental payments are as follows:

2021	\$ 375,679
2022	345,320
2023	24,041
2024	<u>17,201</u>
	<u>\$ 762,241</u>

9. 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 25% and 12% of total revenue for the years ended June 30, 2020 and 2019, respectively.

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

	Year Ended June 30,	
	2020	2019
Homeless Veterans Reintegration	45%	49%
Cook County Foster Care	30%	27%
US Department of Veteran Affairs	12%	14%

10. CONTINGENCIES:

The Partnership 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, 2020 and 2019. 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 AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

11. 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, 2020, are as follows:

	<u>Hope Manor II</u>	<u>Hope Manor Joliet</u>	<u>National</u>
Revenues Earned by the Corporation:			
Developer fees, management fees, and payroll reimbursements	\$ 434,689	\$ 453,099	\$ 1,446,028
Expenses Incurred by the Corporation:			
Supporting services	\$ -	\$ -	\$ 207,029

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

	<u>Hope Manor II</u>	<u>Hope Manor Joliet</u>	<u>National</u>
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

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

11. RELATED PARTY TRANSACTIONS, continued:

Amounts due from/(due to) related parties for the year ended June 30, 2020, are as follows:

	Hope Manor II	Hope Manor Joliet	National
Corporation:			
Developer fees, management fees, and payroll reimbursements	\$ 21,292	\$ 236,676	\$ 77,372
Supporting services	\$ -	\$ -	\$ (45,406)
Partnership:			
Deferred developer fees and other liabilities	\$ -	\$ -	\$ (82,119)
Village Partnership:			
Deferred developer fees and other liabilities	\$ -	\$ -	\$ (74,160)
Note payable	\$ -	\$ -	\$ (250,000)

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	\$ 85,269
Supporting services	\$ -	\$ -	\$ (6,576)
Partnership:			
Deferred developer fees and other liabilities	\$ -	\$ -	\$ (96,269)

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

11. 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:

	2020	2019
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 loan is 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 loan is 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

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

12. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following table reflects the Corporation's financial assets as of June 30, 2020 and 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	\$ 8,373,771	\$ 742,660
Restricted cash	1,925,239	1,365,887
Accounts receivable	829,104	589,560
Less those unavailable for general expenditures within one year, due to:		
Restrictions on use of cash (Note 2)	<u>(1,925,239)</u>	<u>(1,365,887)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 9,202,875</u>	<u>\$ 1,332,220</u>

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.

13. RISKS AND UNCERTAINTIES:

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global economic activity and contributed to significant declines and volatility in financial markets, in addition to significant job loss. COVID-19 could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the COVID-19 outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Corporation and its financial results.

14. PAYCHECK PROTECTION PROGRAM LOAN:

The Corporation is a recipient of a Paycheck Protection Program (PPP) loan of \$145,200 granted by the Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Under the program terms, PPP loans are forgiven and recognized as grant revenue if the loan proceeds are used to maintain compensation costs and employee headcount, and other qualifying expenses (mortgage interest, rent and utilities) incurred following receipt of the loan. The Corporation met the criteria and the full amount of the loan was recognized as grant revenue at June 30, 2020.

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

15. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through October 16, 2020, 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 Affiliates
Chicago, Illinois

We have audited the consolidated financial statements of Volunteers of America of Illinois and Affiliates as of and for the year ended June 30, 2020, and our report thereon dated October 16, 2020, 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 statements of activities on pages 29-34 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 16, 2020

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Consolidating Statement of Financial Position

Year Ended June 30, 2020

	Volunteers of America of Illinois	Westside Veterans Housing LP	Hope Manor Village Housing LP	Eliminations	Total
ASSETS:					
Current assets:					
Cash and cash equivalents	\$ 8,349,100	\$ 24,671	\$ -	\$ -	\$ 8,373,771
Accounts receivable, net	676,365	52,739	100,000	-	829,104
Prepaid expenses and other assets	112,218	553,277	-	(540,000)	125,495
Due from related parties	346,806	-	-	(111,240)	235,566
Total current assets	<u>9,484,489</u>	<u>630,687</u>	<u>100,000</u>	<u>(651,240)</u>	<u>9,563,936</u>
Noncurrent assets:					
Restricted cash	-	1,324,439	600,800	-	1,925,239
Investment in Westside Veterans Housing, LP	1,600,000	-	-	(1,600,000)	-
Loans receivable, related parties, net	1,353,213	-	-	(1,208,213)	145,000
Property and equipment, net	586,160	9,619,684	4,198,746	(770,178)	13,634,412
Total noncurrent assets	<u>3,539,373</u>	<u>10,944,123</u>	<u>4,799,546</u>	<u>(3,578,391)</u>	<u>15,704,651</u>
Total Assets	<u>\$ 13,023,862</u>	<u>\$ 11,574,810</u>	<u>\$ 4,899,546</u>	<u>\$ (4,229,631)</u>	<u>\$ 25,268,587</u>

See notes to consolidated financial statements

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Consolidating Statement of Financial Position

Year Ended June 30, 2020

(continued)

	Volunteers of America of Illinois	Westside Veterans Housing LP	Hope Manor Village Housing LP	Eliminations	Total
LIABILITIES AND NET ASSETS:					
Current liabilities:					
Accounts payable	\$ 177,490	\$ 34,747	\$ 968,189	\$ -	\$ 1,180,426
Accrued expenses	1,180,234	3,723	185,400	(654,963)	714,394
Due to related parties	2,793	607,808	-	(208,665)	401,936
Deferred reimbursement	-	395,500	-	-	395,500
Total current liabilities	1,360,517	1,041,778	1,153,589	(863,628)	2,692,256
Long-term liabilities:					
Notes payable	-	3,425,629	818,500	(1,273,925)	2,970,204
Total liabilities	1,360,517	4,467,407	1,972,089	(2,137,553)	5,662,460
Net assets:					
Without donor restriction attributed to:					
Controlled limited partnership	-	4,975,182	1,756,474	(1,120,000)	5,611,656
Undesignated	11,468,949	-	-	(492,078)	10,976,871
	11,468,949	4,975,182	1,756,474	(1,612,078)	16,588,527
Noncontrolling interest in limited partnership	-	2,132,221	1,170,983	(480,000)	2,823,204
Total without donor restrictions	11,468,949	7,107,403	2,927,457	(2,092,078)	19,411,731
With donor restrictions	194,396	-	-	-	194,396
Total net assets and equity	11,663,345	7,107,403	2,927,457	(2,092,078)	19,606,127
Total Liabilities and Net Assets	\$ 13,023,862	\$ 11,574,810	\$ 4,899,546	\$ (4,229,631)	\$ 25,268,587

See notes to consolidated financial statements

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Consolidating Statements of Financial Position Year Ended June 30, 2019

	<u>Volunteers of America of Illinois</u>	<u>Westside Veterans Housing LP</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 734,037	\$ 8,623	\$ -	\$ 742,660
Accounts receivable, net	527,745	61,815	-	589,560
Prepaid expenses and other assets	314,368	540,000	(540,000)	314,368
Due from related parties	97,161	-	-	97,161
Land held for sale	7,026,929	-	-	7,026,929
Total current assets	<u>8,700,240</u>	<u>610,438</u>	<u>(540,000)</u>	<u>8,770,678</u>
Noncurrent assets:				
Restricted cash	-	1,365,887	-	1,365,887
Investment in Westside Veterans Housing, LP	1,600,000	-	(1,600,000)	-
Loans receivable, related parties, net	1,105,026	-	(960,026)	145,000
Property and equipment, net	602,035	9,983,946	(492,078)	10,093,903
Total noncurrent assets	<u>3,307,061</u>	<u>11,349,833</u>	<u>(3,052,104)</u>	<u>11,604,790</u>
Total Assets	<u>\$ 12,007,301</u>	<u>\$ 11,960,271</u>	<u>\$ (3,592,104)</u>	<u>\$ 20,375,468</u>

See notes to consolidated financial statements

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Consolidating Statements of Financial Position

Year Ended June 30, 2019

(continued)

	Volunteers of America of Illinois	Westside Veterans Housing LP	Eliminations	Total
LIABILITIES AND NET ASSETS:				
Current liabilities:				
Accounts payable	\$ 208,052	\$ 85,524	\$ -	\$ 293,576
Accrued expenses	1,072,152	3,723	(543,723)	532,152
Due to related parties	47,732	535,135	(250,878)	331,989
Deferred reimbursement	-	339,000	-	339,000
Total current liabilities	1,327,936	963,382	(794,601)	1,496,717
Long-term liabilities:				
Notes payable	-	3,499,258	(705,425)	2,793,833
Total liabilities	1,327,936	4,462,640	(1,500,026)	4,290,550
Net assets:				
Without donor restriction attributed to:				
Controlled limited partnership	-	5,248,342	(1,120,000)	4,128,342
Undesignated	10,679,365	-	(492,078)	10,187,287
	10,679,365	5,248,342	(1,612,078)	14,315,629
Noncontrolling interest in limited partnership	-	2,249,289	(480,000)	1,769,289
Total without donor restrictions	10,679,365	7,497,631	(2,092,078)	16,084,918
With donor restrictions				
Total net assets and equity	-	-	-	-
	10,679,365	7,497,631	(2,092,078)	16,084,918
Total Liabilities and Net Assets	\$ 12,007,301	\$ 11,960,271	\$ (3,592,104)	\$ 20,375,468

See notes to consolidated financial statements

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Consolidating Statement of Activities

Year Ended June 30, 2020

	Volunteers of America of Illinois			Westside Veterans Housing LP			Hope Manor Village Housing LP			Eliminations	Consolidated Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		
OPERATING REVENUE:											
Public support:											
Contributions corporate	\$ 137,738	\$ -	\$ 137,738	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,738
Contributions foundations	84,246	-	84,246	-	-	-	-	-	-	-	84,246
Contributions individuals	175,207	-	175,207	-	-	-	-	-	-	-	175,207
Contributions in-kind	35,145	-	35,145	-	-	-	-	-	-	-	35,145
Total public support	432,336	-	432,336	-	-	-	-	-	-	-	432,336
Program and other revenue:											
Government fees and grants	5,850,534	194,396	6,044,930	-	-	-	-	-	-	-	6,044,930
Other grants	681,309	-	681,309	33,900	-	33,900	400,000	-	400,000	-	1,115,209
Management fees	428,759	-	428,759	-	-	-	-	-	-	-	428,759
Rent revenue	-	-	-	576,493	-	576,493	-	-	-	-	576,493
Housing services reimbursement	2,033,285	-	2,033,285	-	-	-	-	-	-	(176,206)	1,857,079
Developer fees and other revenues	116,915	-	116,915	12,333	-	12,333	-	-	-	-	129,248
Other revenues	262,822	-	262,822	-	-	-	-	-	-	-	262,822
Total program and other revenue	9,373,624	194,396	9,568,020	622,726	-	622,726	400,000	-	400,000	(176,206)	10,414,540
Net assets released from restrictions	-	-	-	-	-	-	-	-	-	-	-
Total Revenue from Operations	9,805,960	194,396	10,000,356	622,726	-	622,726	400,000	-	400,000	(176,206)	10,846,876
OPERATING EXPENSES:											
Program services	7,440,145	-	7,440,145	1,012,954	-	1,012,954	-	-	-	(176,206)	8,276,893
Supporting activities:											
Management and general	1,503,066	-	1,503,066	-	-	-	-	-	-	-	1,503,066
Fund-raising	73,165	-	73,165	-	-	-	-	-	-	-	73,165
Total supporting activities	1,576,231	-	1,576,231	-	-	-	-	-	-	-	1,576,231
Total Operating Expenses	9,016,376	-	9,016,376	1,012,954	-	1,012,954	-	-	-	(176,206)	9,853,124
Change in Net Assets	789,584	194,396	983,980	(390,228)	-	(390,228)	400,000	-	400,000	-	993,752
Net Assets, Beginning of Year	10,679,365	-	10,679,365	7,497,631	-	7,497,631	-	-	-	(2,092,078)	16,084,918
Capital contribution	-	-	-	-	-	-	2,527,457	-	2,527,457	-	2,527,457
Net Assets, End of Year	\$ 11,468,949	\$ 194,396	\$ 11,663,345	\$ 7,107,403	\$ -	\$ 7,107,403	\$ 2,927,457	\$ -	\$ 2,927,457	\$ (2,092,078)	\$ 19,606,127

See notes to consolidated financial statements

VOLUNTEERS OF AMERICA OF ILLINOIS AND AFFILIATES

Consolidating Statement of Activities

Year Ended June 30, 2019

	Volunteers of America of Illinois			Westside Veterans Housing LP			Hope Manor Village			Eliminations	Consolidated Total
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restrictions	With Donor Restrictions	Total		
OPERATING REVENUE:											
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	7,256,615	-	7,256,615	-	-	-	-	-	-	-	7,256,615
Total public support	<u>7,701,320</u>	<u>-</u>	<u>7,701,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,701,320</u>
Program and other revenue:											
Government fees and grants	5,372,489	-	5,372,489	-	-	-	-	-	-	-	5,372,489
Management fees	428,141	-	428,141	-	-	-	-	-	-	-	428,141
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
Other revenues	175,000	-	175,000	-	-	-	-	-	-	-	175,000
Total program and 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>-</u>	<u>-</u>	<u>-</u>	<u>(165,581)</u>	<u>8,324,702</u>
Net assets released from restrictions	-	-	-	-	-	-	-	-	-	-	-
Total Revenue from Operations	<u>15,594,333</u>	<u>-</u>	<u>15,594,333</u>	<u>597,270</u>	<u>-</u>	<u>597,270</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(165,581)</u>	<u>16,026,022</u>
OPERATING EXPENSES:											
Program services	6,925,203	-	6,925,203	891,959	-	891,959	-	-	-	(165,581)	7,651,581
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>-</u>	<u>-</u>	<u>-</u>	<u>1,565,936</u>
Total Operating Expenses	<u>8,462,375</u>	<u>-</u>	<u>8,462,375</u>	<u>920,723</u>	<u>-</u>	<u>920,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(165,581)</u>	<u>9,217,517</u>
Change in Net Assets	7,131,958	-	7,131,958	(323,453)	-	(323,453)	-	-	-	-	6,808,505
Net Assets, Beginning of Year	3,547,407	-	3,547,407	7,821,084	-	7,821,084	-	-	-	(2,092,078)	9,276,413
Net Assets, End of Year	<u>\$ 10,679,365</u>	<u>\$ -</u>	<u>\$ 10,679,365</u>	<u>\$ 7,497,631</u>	<u>\$ -</u>	<u>\$ 7,497,631</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,092,078)</u>	<u>\$ 16,084,918</u>

See notes to consolidated financial statements