

# **Volunteers of America Ohio & Indiana**

**(A Non-Profit Organization)**

YEARS ENDED JUNE 30, 2021 AND 2020

# VOLUNTEERS OF AMERICA OHIO & INDIANA

(A Non-Profit Organization)

YEARS ENDED JUNE 30, 2021 AND 2020

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## Independent Auditor's Report

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Volunteers of America Ohio & Indiana (the "Organization") (A Non-Profit Organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Volunteers of America Ohio & Indiana as of June 30, 2021 and 2020, and changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

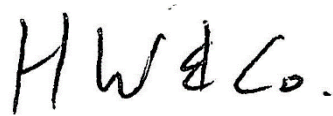
As discussed in Note 1 to the financial statements, effective July 1, 2020, Volunteers of America Ohio & Indiana adopted Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*. Our opinion is not modified with respect to this matter.

**Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of Federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2021 on our consideration of Volunteers of America Ohio & Indiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Volunteers of America Ohio & Indiana's internal control over financial reporting and compliance.



Cleveland, Ohio  
October 12, 2021

# VOLUNTEERS OF AMERICA OHIO & INDIANA

(A Non-Profit Organization)

## STATEMENTS OF FINANCIAL POSITION - JUNE 30, 2021 AND 2020

### ASSETS

	2021	2020
<b>Current assets:</b>		
Cash and cash equivalents	\$ 24,193,825	\$ 7,421,831
Accounts receivable, net of allowance of \$931,000 at June 30, 2021 and \$1,498,000 at June 30, 2020	3,626,844	4,612,053
Pledges receivable, net	58,874	57,465
Prepaid expenses	247,450	245,149
Assets held for sale	1,033,717	-
Total current assets	29,160,710	12,336,498
<b>Fixed assets:</b>		
Land and buildings	46,399,133	48,593,817
Furnishings and equipment	8,983,682	10,842,042
Accumulated depreciation	(22,874,699)	(24,904,652)
Total fixed assets	32,508,116	34,531,207
<b>Other assets:</b>		
Long-term investments	16,536,347	13,262,195
Other assets	1,629,249	1,838,658
Total other assets	18,165,596	15,100,853
	<b>\$ 79,834,422</b>	<b>\$ 61,968,558</b>

### LIABILITIES AND NET ASSETS

<b>Current liabilities:</b>		
Accounts payable	\$ 1,524,364	\$ 1,591,982
Current portion of long-term debt	353,269	446,358
PPP note payable	7,700,517	
Accrued expenses	2,310,513	2,209,851
Other current liabilities	587,379	1,230,223
Total current liabilities	12,476,042	5,478,414
<b>Other liabilities:</b>		
Notes and loan payable	1,797,165	1,785,576
Mortgages payable, noncurrent	3,376,165	3,579,433
Interest rate swap liability	393,015	625,147
Other liabilities	28,136	34,014
Total other liabilities	5,594,481	6,024,170
Total liabilities	18,070,523	11,502,584
<b>Net assets:</b>		
Without donor restrictions:		
General	53,647,292	44,794,431
Board designated	6,523,359	5,106,966
Total net assets without donor restrictions	60,170,651	49,901,397
With donor restrictions	1,593,248	564,577
Total net assets	61,763,899	50,465,974
	<b>\$ 79,834,422</b>	<b>\$ 61,968,558</b>

See notes to financial statements.

# VOLUNTEERS OF AMERICA OHIO & INDIANA

(A Non-Profit Organization)

## STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues from operations:</b>			
Public support received directly:			
Contributions	\$ 22,622,400	\$ 1,183,351	\$ 23,805,751
Contributions, in-kind	-	31,482	31,482
Legacies and bequests	399,920	-	399,920
Total public support	23,022,320	1,214,833	24,237,153
<b>Revenue and grants from governmental agencies</b>	46,065,513	-	46,065,513
<b>Other revenue:</b>			
Program service fees	695,310	-	695,310
Rental income	411,921	-	411,921
HHS stimulus	967,628	-	967,628
Other operating revenue	56,265	-	56,265
Total revenue	71,218,957	1,214,833	72,433,790
<b>Net assets released from restrictions</b>	186,162	(186,162)	-
<b>Total revenue from operations</b>	71,405,119	1,028,671	72,433,790
<b>Operating expenses:</b>			
Retail stores	12,988,781	-	12,988,781
Auto donation	408,857	-	408,857
Veterans services	14,810,217	-	14,810,217
Re-entry programs	14,005,428	-	14,005,428
Housing programs	3,072,279	-	3,072,279
Behavioral health	9,215,042	-	9,215,042
Total program services	54,500,604	-	54,500,604
Management and general	9,041,397	-	9,041,397
Resource development	973,988	-	973,988
Total supporting services	10,015,385	-	10,015,385
Total operating expenses	64,515,989	-	64,515,989
<b>Excess from operations</b>	6,889,130	1,028,671	7,917,801
<b>Nonoperating gains, losses and other revenue:</b>			
Investment gain, net	923,869	-	923,869
Loss on disposition of fixed assets	(889)	-	(889)
Change in value of interest rate swap	232,132	-	232,132
Unrealized gain on investments, net	2,225,012	-	2,225,012
Excess from other activities	3,380,124	-	3,380,124
<b>Change in net assets</b>	10,269,254	1,028,671	11,297,925
<b>Net assets, beginning of year</b>	49,901,397	564,577	50,465,974
<b>Net assets, ending of year</b>	\$ 60,170,651	\$ 1,593,248	\$ 61,763,899

See notes to financial statements.

# VOLUNTEERS OF AMERICA OHIO & INDIANA

(A Non-Profit Organization)

## STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues from operations:</b>			
Public support received directly:			
Contributions	\$ 18,934,848	\$ 345,910	\$ 19,280,758
Contributions, in-kind	-	53,541	53,541
Legacies and bequests	130,874	-	130,874
Total public support	19,065,722	399,451	19,465,173
<b>Revenue and grants from governmental agencies</b>	43,869,658	-	43,869,658
<b>Other revenue:</b>			
Program service fees	697,706	-	697,706
Rental income	375,679	-	375,679
Other operating revenue	67,384	-	67,384
Total revenue	64,076,149	399,451	64,475,600
<b>Net assets released from restrictions</b>	151,936	(151,936)	-
<b>Total revenue from operations</b>	64,228,085	247,515	64,475,600
<b>Operating expenses:</b>			
Retail stores	11,998,660	-	11,998,660
Auto donation	477,432	-	477,432
Veterans services	12,780,574	-	12,780,574
Re-entry programs	13,692,981	-	13,692,981
Housing programs	3,369,196	-	3,369,196
Behavioral health	12,434,802	-	12,434,802
Total program services	54,753,645	-	54,753,645
Management and general	8,910,795	-	8,910,795
Resource development	1,084,781	-	1,084,781
Total supporting services	9,995,576	-	9,995,576
Total operating expenses	64,749,221	-	64,749,221
<b>Excess (shortfall) from operations</b>	(521,136)	247,515	(273,621)
<b>Nonoperating gains, losses and other revenue:</b>			
Investment gain, net	322,835	-	322,835
Gain on disposition of fixed assets	240	-	240
Change in value of interest rate swap	(319,741)	-	(319,741)
Unrealized gain on investments, net	627,718	-	627,718
Excess from other activities	631,052	-	631,052
<b>Change in net assets</b>	109,916	247,515	357,431
<b>Net assets, beginning of year (as restated, see Note 1)</b>	49,791,481	317,062	50,108,543
<b>Net assets, ending of year</b>	\$ 49,901,397	\$ 564,577	\$ 50,465,974

See notes to financial statements.

## VOLUNTEERS OF AMERICA OHIO & INDIANA

### STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

	Program Services						Program Services Total	Supporting Services		Supporting Services Total	Total Program and Supporting Services Expenses
	Retail Stores	Auto Donation	Veteran Services	Re-entry Programs	Housing Programs	Behavioral Health		Management and General	Resource Development		
Salaries	\$ 7,771,304	\$ 126,894	\$ 6,557,822	\$ 7,003,020	\$ 1,267,398	\$ 5,208,534	\$ 27,934,972	\$ 4,187,230	\$ 602,850	\$ 4,790,080	\$ 32,725,052
Employee benefits	425,221	15,850	1,151,839	1,104,916	259,133	1,098,113	4,055,072	871,170	163,113	1,034,283	5,089,355
Professional services	376,327	204,001	406,327	877,284	118,333	1,043,612	3,025,884	2,550,971	55,946	2,606,917	5,632,801
Occupancy expense	2,131,488	10,011	697,090	1,378,893	137,592	467,690	4,822,764	499,999	8,063	508,062	5,330,826
Specific assistance	-	-	4,121,997	18,226	932,086	231,686	5,303,995	-	-	-	5,303,995
Program supplies and equipment	1,384,519	37,416	855,915	2,437,934	86,304	612,395	5,414,483	175,264	8,235	183,499	5,597,982
Office supplies and expenses	306,609	5,638	267,085	151,053	52,294	121,893	904,572	314,972	119,472	434,444	1,339,016
Travel, conferences and meetings	210,332	1,694	190,696	232,396	26,500	116,225	777,843	58,074	12,515	70,589	848,432
Depreciation and amortization	376,244	7,353	559,706	595,624	192,134	315,317	2,046,378	319,958	3,656	323,614	2,369,992
Interest	-	-	-	194,293	-	-	194,293	4,376	-	4,376	198,669
Other	6,737	-	1,740	11,789	505	(423)	20,348	59,383	138	59,521	79,869
<b>Total functional expenses</b>	<b>\$ 12,988,781</b>	<b>\$ 408,857</b>	<b>\$ 14,810,217</b>	<b>\$ 14,005,428</b>	<b>\$ 3,072,279</b>	<b>\$ 9,215,042</b>	<b>\$ 54,500,604</b>	<b>\$ 9,041,397</b>	<b>\$ 973,988</b>	<b>\$ 10,015,385</b>	<b>\$ 64,515,989</b>

See notes to financial statements.



## VOLUNTEERS OF AMERICA OHIO & INDIANA

### STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2020

	Program Services						Program Services Total	Supporting Services		Supporting Services Total	Total Program and Supporting Services Expenses
	Retail Stores	Auto Donation	Veteran Services	Re-entry Programs	Housing Programs	Behavioral Health		Management and General	Resource Development		
Salaries	\$ 6,955,184	\$ 126,584	\$ 6,264,201	\$ 6,991,498	\$ 1,403,584	\$ 6,264,994	\$ 28,006,045	\$ 4,314,199	\$ 677,138	\$ 4,991,337	\$ 32,997,382
Employee benefits	606,341	25,587	994,141	1,131,558	292,426	1,471,967	4,522,020	897,175	173,845	1,071,020	5,593,040
Professional services	241,007	235,434	341,364	678,052	86,903	1,450,336	3,033,096	2,524,915	99,943	2,624,858	5,657,954
Occupancy expense	1,797,390	8,454	682,618	1,215,355	135,220	437,655	4,276,692	337,443	14,930	352,373	4,629,065
Specific assistance	-	-	2,288,180	30,692	1,039,141	272,871	3,630,884	-	-	-	3,630,884
Program supplies and equipment	1,145,649	57,755	1,049,482	2,346,722	109,580	714,367	5,423,555	197,048	11,838	208,886	5,632,441
Office supplies and expenses	642,474	13,676	297,131	219,485	68,206	121,570	1,362,542	187,245	54,574	241,819	1,604,361
Travel, conferences and meetings	229,073	1,732	266,033	277,545	29,498	251,213	1,055,094	88,499	47,056	135,555	1,190,649
Depreciation and amortization	367,266	7,353	583,250	585,401	200,657	215,296	1,959,223	348,058	3,199	351,257	2,310,480
Interest	-	-	-	203,597	11	-	203,608	10,304	-	10,304	213,912
Bad debt expense	-	-	-	-	-	1,226,350	1,226,350	-	-	-	1,226,350
Other	14,276	857	14,174	13,076	3,970	8,183	54,536	5,909	2,258	8,167	62,703
<b>Total functional expenses</b>	<b><u>\$ 11,998,660</u></b>	<b><u>\$ 477,432</u></b>	<b><u>\$ 12,780,574</u></b>	<b><u>\$ 13,692,981</u></b>	<b><u>\$ 3,369,196</u></b>	<b><u>\$ 12,434,802</u></b>	<b><u>\$ 54,753,645</u></b>	<b><u>\$ 8,910,795</u></b>	<b><u>\$ 1,084,781</u></b>	<b><u>\$ 9,995,576</u></b>	<b><u>\$ 64,749,221</u></b>

# VOLUNTEERS OF AMERICA OHIO & INDIANA

## STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 11,297,925	\$ 357,431
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	2,369,992	2,310,480
Bad debts	-	1,226,350
Loss on disposal of assets	889	-
Unrealized gain on investments	(2,225,012)	(627,718)
Change in value of interest rate swap	(232,132)	319,741
Change in estimate of workers compensation liability (see Note 1)	(945,362)	(1,205,031)
Decrease (increase) in assets:		
Accounts receivable	985,209	(1,219,981)
Pledges receivable	(1,409)	(5,614)
Prepaid expenses	(2,301)	172,100
Other assets	(44,022)	(701,426)
Increase (decrease) in liabilities:		
Accounts payable	(67,618)	92,303
Accrued expenses	100,662	295,089
Contract/grant advances	-	(68,338)
Other current liabilities	302,518	(2,747)
Other liabilities	(5,878)	(39,426)
Net cash provided by operating activities	11,533,461	903,213
<b>Cash flows from investing activities:</b>		
Purchases of fixed assets and construction-in-progress	(904,282)	(1,833,595)
Proceeds from sale of fixed assets	-	240
Net investment activity	(1,049,140)	(429,827)
Net cash used in investing activities	(1,953,422)	(2,263,182)
<b>Cash flows from financing activities:</b>		
Proceeds from long-term debt	161,590	573,000
Proceeds from PPP note payable	7,700,517	-
Principal payments on long-term debt	(446,358)	(407,560)
Net cash provided by financing activities	7,415,749	165,440
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	16,995,788	(1,194,529)
<b>Cash, cash equivalents and restricted cash, beginning</b>	7,421,831	8,616,360
<b>Cash, cash equivalents and restricted cash, ending</b>	<b>\$ 24,417,619</b>	<b>\$ 7,421,831</b>

See notes to financial statements.

# VOLUNTEERS OF AMERICA OHIO & INDIANA

(A Non-Profit Organization)

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

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

#### **Description of organization:**

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

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

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

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

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

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

# VOLUNTEERS OF AMERICA OHIO & INDIANA

(A Non-Profit Organization)

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2021 AND 2020

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

#### **Description of organization (continued):**

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

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

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

#### **Supporting services:**

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

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

#### **Prior period adjustment:**

The Organization adjusted net assets without donor restriction at June 30, 2019 by \$305,406 during the year ended June 30, 2020 to record the previously unrecorded interest rate swap liability.

# VOLUNTEERS OF AMERICA OHIO & INDIANA

(A Non-Profit Organization)

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2021 AND 2020

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

#### Recently adopted accounting standard:

#### Revenue from contracts with customers:

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers* including all related amendments (Topic 606). The guidance in this ASU supersedes the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry-specific guidance throughout the industry topics of the FASB Accounting Standards Codification (“ASC”). The core principle of this ASU is that an entity should recognize revenue to depict the transfer of promised goods or services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps: (1) identify the contract(s), (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation. The Organization adopted the provisions of this ASU effective for the year ended June 30, 2021 using the modified retrospective transition method, however, there was no cumulative effect on the opening net asset balance as of July 1, 2020. Results for the year ended June 30, 2021 are presented under ASC 606; year ended June 30, 2020 comparative information has not been restated and is reported under the accounting standards in effect for that period. There were no material changes to the recording of the revenue by the Organization with the implementation of this ASU.

#### Basis of accounting:

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

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

#### Use of estimates:

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

#### Cash and cash equivalents:

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

# VOLUNTEERS OF AMERICA OHIO & INDIANA

(A Non-Profit Organization)

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2021 AND 2020

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

#### Cash and cash equivalents (continued):

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

Cash and cash equivalents includes \$7,700,517 received by the Organization from the Small Business Administration's ("SBA") Paycheck Protection Program ("PPP").

#### Accounts receivable:

Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by considering a number of factors, including the age of the receivable, changes in collection patterns, the composition of accounts by payer type, and general industry conditions. Receivables are written off when deemed uncollectible. The Organization recorded an allowance for doubtful accounts totaling approximately \$931,000 at June 30, 2021 and \$1,498,000 at June 30, 2020.

#### Pledges receivable:

Pledges receivable represent unconditional promises to give. Unpaid pledges from campaigns, net of allowance for doubtful pledges, are \$170,727 at June 30, 2021 and \$190,148 at June 30, 2020.

These receivables are pledged to be received as follows:

<u>Year ending June 30,</u>	
2022	\$ 69,263
2023	63,312
2024	40,646
2025	23,696
2026	<u>3,939</u>
	<u>\$ 200,856</u>

At June 30, 2021 and 2020, an allowance of \$30,129 and \$33,555 was recorded for doubtful pledges, respectively.

# VOLUNTEERS OF AMERICA OHIO & INDIANA

(A Non-Profit Organization)

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2021 AND 2020

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

#### Assets held for sale:

Assets held for sale represent the net book value of land, building and improvements, and furnishings and equipment at the Organization's Columbus, Ohio office building that was actively for sale at June 30, 2021. Assets held for sale are composed of the following at June 30, 2021:

Land and building	\$ 3,105,709
Furnishings and equipment	2,257,404
Accumulated depreciation	<u>(4,329,396)</u>
	<u>\$ 1,033,717</u>

During July 2021, the Organization finalized the sale of the above property for \$3,150,000.

#### Property and equipment:

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

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

#### Investments:

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

#### Restricted and designated assets:

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

# VOLUNTEERS OF AMERICA OHIO & INDIANA

(A Non-Profit Organization)

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2021 AND 2020

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

#### Liquidity and availability:

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

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 16,493,308	\$ 7,421,831
Accounts receivable, net	3,626,844	4,612,053
Pledges receivable, net	<u>58,874</u>	<u>57,465</u>
	<u>\$ 20,179,026</u>	<u>\$ 12,091,349</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Additionally, the Organization's Board designated fund consists of investments whose income is not restricted for specific purpose, and therefore is available for general expenditures as approved by the Board. Furthermore, the Organization has \$3,000,000 available for borrowing under its lines of credit (Note 5) and \$7,700,517 in funds from the SBA PPP note payable which is expected to be forgiven in the fiscal year ended June 30, 2022 (Note 2).

#### Net assets:

The Organization classifies net assets into two categories: with or without donor/grantor-imposed restrictions. All net assets are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Net assets with donor-imposed restrictions that are perpetual in nature include contributions with donor-imposed restrictions requiring resources to be maintained in perpetuity, but permitting use of all or part of the investment income earned on the contribution. The Board of Directors has designated net assets without donor restrictions totaling \$6,523,359 at June 30, 2021 and \$5,106,966 at June 30, 2020. Net assets with donor/grantor restrictions are used for the specific purpose and are normally used over a few years until the restriction is completed.

#### Revenue recognition:

The Organization generates revenue from contributions, revenue and grants from governmental agencies and program service fees. Revenue is reported at the amount that reflects consideration to which the Organization expects to be entitled in exchange for providing the goods or services. Revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the goods and services provided by the Organization. The Organization recognizes revenue in the statements of activities and contract assets in the statements of financial position only when goods and services have been sold and delivered or have been provided. Since the Organization has performed its obligations under the contracts, it has unconditional rights to the consideration recorded as contract assets and therefore, classifies those billed amounts as accounts receivable. There were no contract assets at June 30, 2021 and 2020.



# VOLUNTEERS OF AMERICA OHIO & INDIANA

(A Non-Profit Organization)

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2021 AND 2020

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

#### Revenue recognition (continued):

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

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

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

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

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

#### Disaggregation of revenue:

The Organization has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors: payors, method of reimbursement, and timing of when revenue is recognized. The following is a summary of the composition of revenue from governmental agencies by payor for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Department of Corrections	38%	37%
Veterans Administration	32	30
Department of Medicaid	10	9

# VOLUNTEERS OF AMERICA OHIO & INDIANA

(A Non-Profit Organization)

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2021 AND 2020

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

#### Disaggregation of revenue (continued):

	<u>2021</u>	<u>2020</u>
State Programs	8	11
Department of Labor	5	3
County Programs	2	3
Community Shelter Boards	2	2
Department of Housing and Urban Development	1	1
Other	<u>2</u>	<u>4</u>
Total	<u>100%</u>	<u>100%</u>

#### Contributed services:

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

#### Operations:

The Organization defines operations as all program and supporting service activities undertaken (see Note 1). Revenues that result from these activities and their related expenses are reported as operations. Gains, losses and other revenue that result from ancillary activities, such as investing liquid assets and disposing of fixed or other assets, are reported as nonoperating.

#### Income taxes:

Under provision of Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the States of Ohio and Indiana, Volunteers of America Ohio & Indiana is exempt from income taxes, except for net income from unrelated business income, as a subordinate unit of Volunteers of America, Inc. Volunteers of America, Inc. is exempt from Federal income taxes under Section 501(a) of the Internal Revenue Code as a religious organization described in Section 501(c)(3). For the fiscal years ended June 30, 2021 and 2020, there was no taxable net income resulting from unrelated business activities. Accordingly, no tax expense was incurred during the years ended June 30, 2021 and 2020.

# VOLUNTEERS OF AMERICA OHIO & INDIANA

(A Non-Profit Organization)

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2021 AND 2020

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

#### Functional expenses:

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

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

#### Changes in estimate:

For the period from July 1, 2002 through June 30, 2006, a portion of the Organization participated in the Ohio Bureau of Workers' Compensation Retrospective Rating Plan. Under the plan, a portion of the risk associated with claims was assumed by the Organization. The period of liability has since expired and as a result, the Organization decreased the recorded liability by \$945,362 during the year ended June 30, 2021 and \$1,205,031 during the year ended June 30, 2020.

#### Recent accounting pronouncements:

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). This ASU affects all entities that enter into a lease, with some specified scope exceptions. This ASU requires lessees to recognize assets and liabilities on the statement of financial position for leases with lease terms greater than twelve months. The recognition, measurement and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as finance or operating lease. This ASU amends current guidance that requires only capital leases to be recognized on the lessee's statement of financial position. The ASU will also require additional disclosures on the amount, timing and uncertainty of cash flows arising from leases. During June 2020, FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers* (Topic 606) and *Leases* (Topic 842) *Effective Dates for Certain Entities* to defer the implementation dates of the previously issued ASUs. Therefore, the Organization required to adopt and implement the ASU for leases for fiscal years beginning after December 31, 2021 (year end June 30, 2023), however early application is permitted. The Organization is currently evaluating the impact this ASU will have on its financial statements and will adopt the provisions of this ASU upon the effective date.

# VOLUNTEERS OF AMERICA OHIO & INDIANA

(A Non-Profit Organization)

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2021 AND 2020

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

#### Recent accounting pronouncements (continued):

In September 2020, the FASB issued ASU No. 2020-07, *Not for Profit Entities* (Topic 958): Presentation and Disclosures by Not for Profit Entities for Contributed Nonfinancial Assets. This ASU is intended to increase transparency about contributed nonfinancial assets, including how the assets are used and valued. This ASU is effective for fiscal years beginning after June 15, 2021 (year end June 30, 2023). Early adoption of this ASU is permitted and retrospective application is required.

The Organization is currently evaluating the impact these ASUs will have on its financial statements and will adopt the provisions of these ASUs upon the effective dates.

### 2. COVID-19 pandemic:

On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic with multiple jurisdictions in the United States declaring a state of emergency. Certain states issued “stay-at-home” orders for non-essential businesses, as defined. The Organization had determined it qualified as an essential business. However, economic uncertainties have arisen which has contributed to significant volatility for businesses. Consequently, there is and will continue to be uncertainty and risk with respect to the Organization and its financial results that may have continuing adverse consequences for an extended period of time. On March 27, 2020, the Coronavirus Aid Relief and Economic Security Act (the “CARES Act”) was signed into law. As a result, the Organization received significant funds from the SBA PPP forgivable loan program and stimulus funds during the year ended June 30, 2021 and may be receiving additional stimulus funds during the year ended June 30, 2022.

This funding was provided to assist with ongoing operations of the Organization. Management has, and will continue to, monitor the situation to make changes to its operations in an attempt to minimize any future financial impact. The Organization was impacted by certain provisions of the CARES Act, as summarized below:

#### Stimulus funding:

The Organization received stimulus funding from programs under the CARES Act and subsequently issued guidance during the year ended June 30, 2021. The funds are required to be used for increase in expenses and/or lost revenue relating to the COVID-19/pandemic. The Organization recognizes stimulus relief funds as income once there is reasonable assurance that the applicable terms and conditions required to retain the funds have been met. During the year ended June 30, 2021, the Organization received and recognized \$967,628 of aggregate stimulus relief funds as HHS stimulus revenue. The above amounts received are Federal funds received from the U.S. Department of Health and Human Services (HHS).

## VOLUNTEERS OF AMERICA OHIO & INDIANA

(A Non-Profit Organization)

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2021 AND 2020

#### 2. COVID-19 pandemic (continued):

##### SBA Paycheck Protection Program note payable:

During the year ended June 30, 2021, the Organization received a forgivable loan from the SBA PPP totaling \$7,700,517 and will be applying for loan forgiveness. The loan funds were provided from the provisions of the CARES Act and are forgivable by the SBA, if amounts are used for eligible payroll costs and other eligible expenses as defined in the CARES Act and other SBA related issued guidance. The Organization expects to receive approval for loan forgiveness from the financial institution and the SBA during the year ended June 30, 2022. In accordance with US GAAP, the Organization has recorded the forgivable loan in accordance with FASB ASC 450-30 (Debt) and, therefore has recorded the loan as a current liability until the loan is expected to be forgiven by the SBA during the year ended June 30, 2022. The loan is an unsecured two year note payable with interest at 1%, however, no interest has been accrued on the note since the amount is not material and is expected to be forgiven during the year ended June 30, 2022.

#### 3. Investments:

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

<u>June 30, 2021</u>	<u>Aggregate Cost</u>	<u>Market Value</u>	<u>Unrealized Gain</u>
Cash and money market funds	\$ 551,193	\$ 551,193	
Certificates of deposit	1,125,713	1,164,690	\$ 38,977
Corporate stocks and bonds	4,745,930	8,386,732	3,640,802
Mutual funds	<u>5,097,248</u>	<u>6,433,732</u>	<u>1,336,484</u>
	<u>\$ 11,520,084</u>	<u>\$ 16,536,347</u>	<u>\$ 5,016,263</u>
<u>June 30, 2020</u>	<u>Aggregate Cost</u>	<u>Market Value</u>	<u>Unrealized Gain</u>
Cash and money market funds	\$ 226,913	\$ 226,913	
Certificates of deposit	1,649,234	1,717,627	\$ 68,393
Corporate stocks and bonds	5,313,511	7,460,038	2,146,527
Mutual funds	<u>3,281,286</u>	<u>3,857,617</u>	<u>576,331</u>
	<u>\$ 10,470,944</u>	<u>\$ 13,262,195</u>	<u>\$ 2,791,251</u>

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

# VOLUNTEERS OF AMERICA OHIO & INDIANA

(A Non-Profit Organization)

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2021 AND 2020

### 4. Fair value:

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

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

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

Assets measured at fair value on a recurring basis at June 30, 2021 and 2020 were as follows:

<u>Level 1</u>	<u>2021</u>	<u>2020</u>
Equity securities:		
Consumer products industry	\$ 1,649,915	\$ 1,219,943
Financial industry	790,183	663,182
Food and beverage industry	280,884	177,566
Health care industry	651,274	726,310
Industrial goods industry	440,481	348,441
Manufacturing industry	298,037	301,358
Oil and gas industry	445,874	234,843
Services industry	1,672,975	1,031,468
Technology industry	495,805	601,742
Utilities industry	<u>336,845</u>	<u>203,732</u>
Total equity securities	7,062,273	5,508,585
Money market funds	551,193	226,913
Certificates of deposit	1,164,690	1,717,627
Corporate bonds	1,324,459	1,951,453
Mutual funds:		
Equity funds	2,426,270	1,995,592
Bond funds	<u>4,007,462</u>	<u>1,862,025</u>
	16,536,347	13,262,195

# VOLUNTEERS OF AMERICA OHIO & INDIANA

(A Non-Profit Organization)

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2021 AND 2020

### 4. Fair value (continued):

<u>Level 2</u>	<u>2021</u>	<u>2020</u>
Interest rate swap liability	<u>(393,015)</u>	<u>(625,147)</u>
	<u>\$ 16,143,332</u>	<u>\$ 12,637,048</u>

The following is a description of the Organization's valuation methodologies for assets and liabilities measured at fair value. Fair value for Level 1 is based upon quoted market prices for equities, net asset values at the end of the year for mutual funds, and face value which approximates fair value for money market funds, certificates of deposit, government securities and corporate bonds.

### 5. Lines of credit:

At June 30, 2021 and 2020, the Organization had a line of credit with a total maximum amount of \$1,000,000 available. No funds were drawn on the line of credit at June 30, 2021 and 2020. The interest rate was 4.5% at June 30, 2021 and 2020.

A second line of credit with a total maximum of \$2,000,000 is available. No funds were drawn on the line of credit at June 30, 2021 and 2020. The interest rate was 3.25% at June 30, 2021 and 2020.

### 6. Mortgages payable:

A mortgage payable in the amount of \$103,367 at June 30, 2020 was due in monthly installments of \$8,699 including interest at a rate of 3.07% at June 30, 2020, payable to a bank. Interest expense under this mortgage totaled \$1,480 in 2021 and \$7,761 in 2020. This loan was collateralized by the associated property and includes an interest rate swap and was payable through May 2021. All outstanding principal and interest was repaid at maturity in May 2021.

A mortgage payable in the amount of \$3,579,435 at June 30, 2021 and \$3,772,424 at June 30, 2020 is due in monthly installments of \$32,095 including interest at 2.37% at June 30, 2021 and 2.48% at June 30, 2020 payable to a bank. Interest expense under this mortgage totaled \$192,438 in 2021 and \$153,563 in 2020. This loan is collateralized by the associated property and includes an interest rate swap, and is payable through March 2029.

A promissory note was entered into on July 26, 2018 for \$1,000,000 with the Indiana Housing and Community Development Authority (IHCDA) with a zero percent (0%) per annum interest rate until paid in full. The loan will mature July 31, 2024. The scheduled annual payments will be deemed received by IHCDA if paid directly to the Welcoming Indiana's Next Generation Fund (WINGS Fund) of the City of Evansville, Indiana. A similar agreement was made with IHCDA for a property in Columbus, Indiana. This loan will mature August 31, 2024. The balance under this agreement totaled \$1,947,164 at June 30, 2021 and \$1,935,576 at June 30, 2020. Amounts up to \$500,000 per note will be forgiven as long as each payment is made in a timely manner.

# VOLUNTEERS OF AMERICA OHIO & INDIANA

(A Non-Profit Organization)

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2021 AND 2020

### 6. Mortgages payable (continued):

Along with the first and second mortgages noted above, the Organization entered into interest rate swap agreements with a financial institution in May 2011, which expired in May 2021 and in March 2019, which expires in April 2029 to fix the monthly mortgage payments at a set amount. The notional amount of the interest rate swaps was \$3,579,435 at June 30, 2021 and \$3,875,792 at June 30, 2020. The Organization's interest rate swap liabilities are \$393,015 at June 30, 2021 and \$625,147 at June 30, 2020. The fair value of the interest rate swap is based on calculations prepared by the financial institution which provides for a reasonable approximation of the fair market value. The fair value represents an amount the financial institution would receive from the Organization if the swap agreement was canceled at that date. The fair value fluctuates based on current interest rates. The Organization makes monthly payments at a fixed rate of 5.75% and receives monthly payments at a variable rate of 3.07% at June 30, 2020 for the first mortgage (based on USD-LIBOR – ICE plus 2.9%) and 2.37% at June 30, 2021 and 2.47% at June 30, 2020 for the second mortgage (based on USD-LIBOR – ICE plus 2.3%). The net amounts are recorded monthly as interest expense.

Annual maturities are as follows:

<u>Year ending June 30,</u>	
2022	\$ 353,269
2023	364,095
2024	375,497
2025	1,734,671
2026	250,155
Thereafter	<u>2,448,912</u>
	<u>\$ 5,526,599</u>

### 7. Operating leases:

The Organization leases vehicles, equipment, apartments and buildings under both non-cancelable and month-to-month leases. The non-cancelable leases have various terms, the latest expiring in April 2040. Lease payments required for non-cancelable leases over the next five years are as follows:

<u>Year ending June 30,</u>	
2022	\$ 1,774,729
2023	1,631,045
2024	1,197,455
2025	892,965
2026	890,392
Thereafter	<u>3,933,446</u>
	<u>\$ 10,320,032</u>



# VOLUNTEERS OF AMERICA OHIO & INDIANA

(A Non-Profit Organization)

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2021 AND 2020

### 7. Operating leases (continued):

Rent expense under these leases and other leases that expired during the year was \$3,606,794 for the year ended June 30, 2021 and \$3,280,009 for the year ended June 30, 2020.

The Organization has entered into a non-cancelable operating lease agreement to lease a portion of one of its facilities. Future rental income to be received under the non-cancelable lease is as follows:

<u>Year ending June 30,</u>	
2022	\$ 31,800
2023	<u>31,800</u>
	<u>\$ 63,600</u>

Rent income under these leases and other leases that expired during the year was \$254,325 in 2021 and \$241,075 in 2020.

### 8. Retirement plans:

The Organization participates in a non-contributory defined benefit pension and retirement plan. The plan is administered through a commercial insurance company and covers all ministers commissioned through December 31, 1999. The plan also covers executive management effective July 1, 2013. Pension plan expense was \$301,829 in 2021 and \$260,475 in 2020. Because the plan is a multi-employer plan, the accumulated benefits and net assets available for benefits as they relate solely to the Organization are not readily available.

All employees are covered by a 403(b) plan provided by Volunteers of America, Inc. Under this plan, fulltime employee contributions up to 3% of compensation are matched. Fulltime employees vest in the Organization's match over a period of five years based on initial service date. Expense for the 403(b) plan was \$278,404 in 2021 and \$264,481 in 2020.

### 9. Related party transactions:

The Organization is affiliated with Volunteers of America, Inc., which provides supporting services to the Organization for a fee. Chartering services fees for the fiscal year ended June 30, 2021 and 2020 totaled \$1,195,818 and \$1,175,778, respectively. Amounts due to Volunteers of America, Inc. for national fees was \$24,971 at June 30, 2021 and 2020.

Volunteers of America, Inc.'s Direct Mail Campaign generated \$171,766 in 2021 and \$69,201 in 2020, of which the Organization paid \$91,930 in 2021 and \$30,016 in 2020.

# VOLUNTEERS OF AMERICA OHIO & INDIANA

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## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2021 AND 2020

### 9. Related party transactions (continued):

In August 2014, the Organization signed an additional guaranty of completion for the construction of a 100-unit mental health housing facility located in Columbus. This tax credit project began construction in September 2014 and was completed in January 2016. The equity partners have fully funded the project and all loans are being repaid at which time the guarantee will no longer be required. The amount guaranteed to cover this agreement is \$8.2 million. In addition, the Organization received a developer fee related to the tax credit project. The Organization was owed \$209,507 from the project at June 30, 2021 which is included in accounts receivable in the accompanying statement of financial position.

### 10. Net assets with donor restrictions:

Net assets with donor restrictions at June 30, 2021 and 2020 consisted of:

	<u>2021</u>	<u>2020</u>
Time restricted pledges	\$ 157,518	\$ 192,738
Time restricted contributions	<u>1,435,730</u>	<u>371,839</u>
	<u>\$ 1,593,248</u>	<u>\$ 564,577</u>

### 11. Net assets released from restriction:

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

Purpose restrictions accomplished at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Other expenditures	<u>\$ 186,162</u>	<u>\$ 151,936</u>

### 12. Beneficial interest in trust:

Volunteers of America Ohio & Indiana is one of several beneficiaries of a charitable trust. The Organization elected to receive 5% of the average market value. The total amount received was \$1,885 for the year ended June 30, 2020. The fair market value of the charitable trust was \$962,434 at June 30, 2020. During the year ended June 30, 2021, the charitable trust was liquidated. During the year ended June 30, 2021, the Organization received \$196,296 which represented \$16.33% of the principal balance of the trust and is recorded as a legacy and bequest in the financial statements.

Because neither the trust termination value nor the trust termination date could be determined, no amounts had been recorded as an asset, instead income was recognized as received.

# VOLUNTEERS OF AMERICA OHIO & INDIANA

(A Non-Profit Organization)

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2021 AND 2020

### 13. Statements of cash flows:

Due to the Organization's implementation of ASU No. 2016-18, cash and restricted cash included in the statements of cash flows at June 30, 2021 and 2020 consists of the following:

	<u>2021</u>	<u>2020</u>
Cash	\$ 24,193,825	\$ 7,421,831
Restricted cash (other assets)	<u>223,794</u>	<u>                    </u>
	<u>\$ 24,417,619</u>	<u>\$ 7,421,831</u>

During fiscal years ended June 30, 2021 and 2020, the Organization paid cash for interest totaling \$194,353 and \$216,302, respectively.

Supplemental disclosure of noncash investing and financing activities:

During the fiscal year ended June 30, 2021, the Organization reclassified property with a net book value of \$1,033,717 as assets held for sale (Note 1).

### 14. Subsequent events:

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 12, 2021, the date the Organization's financial statements were available to be issued.

**VOLUNTEERS OF AMERICA OF OHIO & INDIANA**

(A Non-Profit Organization)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2021

Federal Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity/ Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development:			
Supportive Housing Program:			
Permanent Supportive Housing - Columbus	14.267	OH0094U5E031811	\$ 538,022
Supportive Housing Program - Crossroads	14.235	OH0174L5E071710	92,933
Supportive Housing Program - Crossroads	14.235	OH0174L5E071811	186,866
Supportive Housing Program - Almost Home	14.235	OH0565L5E071802	147,110
Supportive Housing Program - Almost Home	14.235	OH0565L5E071903	<u>24,523</u>
Subtotal			<u>451,432</u>
Emergency Shelter Program - Harmon/Crossroads	14.231	S-L-19-7IM-1	84,000
Passed through from the Board of County Commissioners Erie County:			
Emergency Shelter Program	14.231	N/A	<u>14,917</u>
Subtotal			<u>98,917</u>
Passed through from an Indiana County:			
Community Development Block Grant	14.218	N/A	5,889
Passed through from Erie County:			
Community Development Block Grant	14.218	N/A	<u>9,026</u>
Total U.S. Department of Housing and Urban Development			<u>1,103,286</u>
U.S. Department of Labor:			
Homeless Veterans Reintegration Program - Akron-Canton	17.805	HV-33328-19-60-5-39/HV33328HV9	7,141
Homeless Veterans Reintegration Program - Akron-Canton	17.805	HV33328HV0	148,385
Homeless Veterans Reintegration Program - Cleveland	17.805	HV35273HV0	316,513
Homeless Veterans Reintegration Program - Cincinnati	17.805	HV35275HV0	314,968
Homeless Veterans Reintegration Program - Columbus	17.805	HV-33326-19-60-5-39/HV33326HV9	817
Homeless Veterans Reintegration Program - Columbus	17.805	HV35274HV0	257,971
Homeless Veterans Reintegration Program - Dayton	17.805	HV-33829-19-60-5-39/HV33829HV9	29,409
Homeless Veterans Reintegration Program - Dayton	17.805	HV-33829-19-60-5-39/HV33829HV9	289,844
Homeless Veterans Reintegration Program - Fort Wayne	17.805	HV25282HV0	235,150
Homeless Veterans Reintegration Program - Indianapolis	17.805	HV35279HV0	284,264
Homeless Veterans Reintegration Program - Gary	17.805	HV-33828-19-60-5-39/HV33828HV	<u>215,000</u>
Total U.S. Department of Labor			<u>2,099,462</u>
U.S. Department of Veteran Affairs:			
Supportive Services for Veteran Families - Columbus, Cleveland, Dayton	64.033	2019-OH-269-20	1,701,199
Supportive Services for Veteran Families - Columbus, Cleveland, Dayton	64.033	2019-OH-269-CA	726,741
Supportive Services for Veteran Families - Columbus, Cleveland, Dayton	64.033	2019-OH-269-C2	1,737,156
Supportive Services for Veteran Families - Evansville and Indianapolis	64.033	2015-IN-201-20	561,526
Supportive Services for Veteran Families - Evansville and Indianapolis	64.033	2015-IN-201-CA	51,400
Supportive Services for Veteran Families - Evansville and Indianapolis	64.033	2015-IN-2015-C2	1,171,784
Supportive Services for Veteran Families - Evansville and Indianapolis	64.033	2015-IN-201-21	318,296
CDBG Veterans Grant	64.033	317-938-3889	<u>69,222</u>
Subtotal			<u>6,337,324</u>

**VOLUNTEERS OF AMERICA OHIO & INDIANA**

(A Non-Profit Organization)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2021

Federal Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity/ Identifying Number	Federal Expenditures
Grant and Per Diem - Cleveland/Sandusky	64.024	VOAO121-0360-541-SI-18-0	69,188
Grant and Per Diem - Cleveland/Sandusky	64.024	VOAO121-0371-541-BH-18-0	44,989
Grant and Per Diem - Cleveland/Sandusky	64.024	VOAO121-0382-541-CT-18-0	11,952
Grant and Per Diem - Cleveland/Sandusky	64.024	VOAO121-1399-541-PD-21	367,972
Grant and Per Diem - Columbus	64.024	VOAO121-0376-757-SI-18-0	60,865
Grant and Per Diem - Columbus	64.024	VOAO121-0299-757-BH-18-0	37,693
Grant and Per Diem - Columbus	64.024	VOAO121-0277-757-CT-18-0	42
Grant and Per Diem - Columbus	64.024	VOAO121-1415-757-PD-21	469,216
Grant and Per Diem - Cincinnati	64.024	VOAO121-0487-539-SI-18-0	55,047
Grant and Per Diem - Cincinnati	64.024	VOAO121-0291-539-BH-18-0	183,659
Grant and Per Diem - Cincinnati	64.024	VOAO121-0502-539-HH-18-0	18,770
Grant and Per Diem - Cincinnati	64.024	VOAO121-1392-539-PD-21	880,435
Grant and Per Diem - Dayton	64.024	VOAO121-0482-552-SI-18-0	125,413
Grant and Per Diem - Dayton	64.024	VOAO121-0401-552-BH-18-0	19,864
Grant and Per Diem - Dayton	64.024	VOAO121-1402-552-PD-21	487,499
Grant and Per Diem - Indianapolis	64.024	VOAI815-0665-610-BH-18-0	50,843
Grant and Per Diem - Indianapolis	64.024	VOAI815-0593-610-SI-18-0	87,516
Grant and Per Diem - Indianapolis	64.024	VOAO121-1411-610-PD-21	307,514
Emergency Shelter - VAEH Columbus	64.024	VA250-14-D-0045	233,501
Case Management Grant - Dayton	64.024	VOAO1211175	78,680
Case Management Grant - Cincinnati	64.024	VOAO1211173	82,865
Case Management Grant - Cleveland	64.024	VOAO1211174	192,577
Case Management Grant - Columbus	64.024	VOAO1211177	106,231
Case Management Grant - Fort Wayne	64.024	VOAO1211176	69,659
Special Needs Grant - Cleveland	64.024	19-343-OH	59,541
Special Needs Grant - Cleveland	64.024	20-343-OH	180,519
Special Needs Grant - Columbus	64.024	19-366-OH	4,082
Special Needs Grant - Columbus	64.024	20-366-OH	<u>156,182</u>
Subtotal			<u>4,442,314</u>
Total U.S. Department of Veterans Affairs			<u>10,779,638</u>
U.S. Department of Health and Human Services:			
HIV Care Formula Grants			
Passed through from:			
Indiana State Department of Health	93.917	Contract # 38659	872,522
ACYF - Children's Bureau	93.087	90CU008403	100,403
ACYF - Children's Bureau	93.087	90CU008404	<u>248,740</u>
Subtotal			<u>349,143</u>
Pregnant and Postpartum Women	93.243	17TI80351A	<u>328,632</u>
Total U.S. Department of Health and Human Services			<u>1,550,297</u>
U.S. Department of Homeland Security:			
Federal Emergency Management Agency Pass-through from:			
Emergency Food and Shelter National Board Program- Erie County	97.024	LRO ID: 673400-002 33	<u>16,073</u>
Total U.S. Department of Homeland Security			<u>16,073</u>
Total Expenditures of Federal Awards			<u><u>\$ 15,548,756</u></u>

## VOLUNTEERS OF AMERICA OHIO & INDIANA

(A Non-Profit Organization)

### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2021

#### Notes to Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2021

**Note A- Basis of presentation:**

The accompanying schedule of expenditures of Federal awards (the Schedule) includes the Federal award activity of Volunteers of America Ohio & Indiana under programs of the Federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of Volunteers of America Ohio & Indiana, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Volunteers of America Ohio & Indiana.

**Note B- Summary of significant accounting policies:**

- (1) Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
  
- (2) Volunteers of America Ohio & Indiana has not elected to use the 10% de minimis indirect cost rate as allowed under the *Uniform Guidance*, except when required by the granting agency.
  
- (3) No awards passed through to subrecipients.

Independent Auditor’s Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Volunteers of America Ohio & Indiana (the “Organization”) (a Non-Profit Organization), which comprise the statements of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 12, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Volunteers of America Ohio & Indiana’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Volunteers of America Ohio & Indiana’s internal control. Accordingly, we do not express an opinion on the effectiveness of Volunteers of America Ohio & Indiana’s internal control.

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Volunteers of America Ohio & Indiana’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

HW&Co.

Cleveland, Ohio  
October 12, 2021



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

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

**Report on Compliance for Each Major Federal Program**

We have audited Volunteers of America Ohio & Indiana's (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Volunteers of America Ohio & Indiana's major Federal programs for the year ended June 30, 2021. Volunteers of America Ohio & Indiana's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of Volunteers of America Ohio & Indiana's compliance.

**Opinion on Each Major Federal Program**

In our opinion, Volunteers of America Ohio & Indiana complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2021.

### **Report on Internal Control over Compliance**

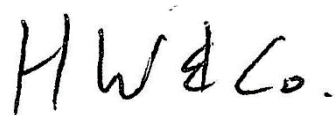
Management of Volunteers of America Ohio & Indiana is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Volunteers of America Ohio & Indiana's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

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

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

### **Purpose of this Report**

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



Cleveland, Ohio  
October 12, 2021

# VOLUNTEERS OF AMERICA OHIO & INDIANA

(A Non-Profit Organization)

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2021

### Section I – Summary of Auditor’s Results

#### Financial Statements

Type of auditor’s report issued: unmodified

Internal control over financial reporting:

- ◆ Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
- ◆ Significant deficiency(ies) identified? \_\_\_\_\_ Yes      X   None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes      X   No

#### Federal Award

Internal control over major programs:

- ◆ Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
- ◆ Significant deficiency(ies) identified? \_\_\_\_\_ Yes      X   None reported

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

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
64.033	U.S. Department of Veteran Affairs
93.917	U.S. Department of Health and Human Services

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

- ◆ Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes      X   No

### Section II – Financial Statement Findings

No findings were noted.

**VOLUNTEERS OF AMERICA OHIO & INDIANA**

(A Non-Profit Organization)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

**Section III – Federal Award Findings and Questioned Costs**

No findings were noted.

**VOLUNTEERS OF AMERICA OHIO & INDIANA, INC.**  
**(A Non-Profit Organization)**

SCHEDULE OF STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 2021

State Grantor/Pass Through Grantor/Program Name	Agreement Number	Type of Funding	Revenue	Disbursed
STATE PROGRAMS				
Indiana Department of Child Services - Community Based Services	A93-6-16-CB-PO-3286	Fee for Service	\$ 1,261,033	\$ 1,261,033
Indiana Department of Corrections	40451-A1	Fee for Service	<u>756,300</u>	<u>756,300</u>
Total state and local government financial assistance			<u><u>\$ 2,017,333</u></u>	<u><u>\$ 2,017,333</u></u>

**Note A- Basis of presentation:**

The accompanying schedule of state and local government financial assistance (the schedule) includes the financial assistance activity of Volunteers of America Ohio & Indiana, Inc. under programs from the State of Indiana and local Indiana governmental agencies for the year ended June 30, 2021. The information in the schedule is presented in accordance with the requirements of Indiana State Board of Accounts. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The schedule does not include direct Federal grant activity or Federal grant activity passed through from the State of Indiana as these programs are already included on the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

**Note B- Summary of significant accounting policies:**

The schedule is reported on the accrual basis of accounting.