

Volunteers of America Chesapeake, Inc. And Subsidiaries

Consolidated Financial Statements

For The Years Ended
June 30, 2014 And 2013



H E R T Z B A C H
— & —
C O M P A N Y , P . A .
Certified Public Accountants & Consultants

**Volunteers of America Chesapeake, Inc.
And Subsidiaries**

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H E R T Z B A C H
C O M P A N Y , P . A .
Certified Public Accountants & Consultants
Independent Auditor's Report

**To The Officers And Board Of Directors
Volunteers of America Chesapeake, Inc.
And Subsidiaries**

7901 Annapolis Road
Lanham, MD 20706

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Volunteers of America Chesapeake, Inc. (a nonprofit organization) And Subsidiaries (collectively, the Organization) which comprise the consolidated statement of financial position as of June 30, 2014, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of Volunteers of America – Virginia Beach M/R (Baker House), a local affiliate, which the statements reflect having total assets of \$383,699 and \$391,625 as of June 30, 2014 and 2013, respectively, and total support and revenues of \$104,804 and \$104,436, respectively, for the years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Volunteers of America – Virginia Beach M/R, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

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Opinion

In our opinion, based on our audit and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Volunteers of America Chesapeake, Inc. And Subsidiaries as of June 30, 2014, and the changes in their net assets, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The consolidated financial statements of Volunteers of America Chesapeake, Inc. And Subsidiaries as of June 30, 2013 were audited by other auditors, whose report dated November 8, 2013 expressed an unmodified opinion on those statements.

Report On Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2014 consolidating supplementary information shown on pages 36 to 41 is presented for purposes of additional analysis, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole. The 2013 consolidating supplementary information on pages 36 to 41 was subjected to the auditing procedures applied in the 2013 audit of the basic financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the 2013 consolidated financial statements as a whole.

Hertzbach & Company, P.A.

Rockville, Maryland
October 28, 2014

**CONSOLIDATED
FINANCIAL
STATEMENTS**

Volunteers Of America Chesapeake Inc., And Subsidiaries
Consolidated Statements Of Financial Position

June 30,	2014	2013
CURRENT ASSETS		
Cash And Cash Equivalents	\$ 3,393,401	\$ 2,346,200
Accounts Receivable (Net Of Allowance)	3,298,450	5,283,223
Prepaid Expenses	234,750	184,494
Reimbursement Receivable	310,014	-
Interest Receivable	11,309	-
	<u>7,247,924</u>	<u>7,813,917</u>
Total Current Assets	7,247,924	7,813,917
PROPERTY AND EQUIPMENT, NET	27,958,087	29,180,125
OTHER ASSETS		
Designated And Restricted Cash	1,943,762	2,345,147
Long-Term Investments	1,726,806	1,496,356
Unamortized Mortgage Costs	548,011	197,821
Deposits	40,893	39,973
Beneficial Interest In Perpetual Trust	59,014	47,951
Contribution Receivable From Charitable Remainder Trust	662,976	575,775
Other Receivables	218,593	-
Notes Receivable	8,143,016	7,828,904
	<u>13,343,071</u>	<u>12,531,927</u>
Total Other Assets	13,343,071	12,531,927
TOTAL ASSETS	\$ 48,549,082	\$ 49,525,969

See Accompanying Notes To The Consolidated Financial Statements

Volunteers Of America Chesapeake Inc., And Subsidiaries
Consolidated Statements Of Financial Position

June 30,	2014	2013
CURRENT LIABILITIES		
Accounts Payable	\$ 509,239	\$ 916,790
Current Maturities Of Long-Term Debt	1,729,277	165,034
Accrued Expenses	2,914,420	2,313,165
Other Current Liabilities	23,706	18,993
Due To Related Parties	162,259	278,627
Client Escrow Funds	150,097	101,353
Tenant Security Deposits	24,462	37,903
Refundable Advances	<u>1,592,619</u>	<u>1,560,422</u>
Total Current Liabilities	<u>7,106,079</u>	<u>5,392,287</u>
LONG-TERM LIABILITIES		
Long-Term Debt, Less Current Maturities	26,431,905	28,331,227
Post-Retirement Benefit Liability	482,295	498,090
Underfunded Pension Obligation	<u>1,926,643</u>	<u>2,092,482</u>
Total Long-Term Liabilities	<u>28,840,843</u>	<u>30,921,799</u>
Total Liabilities	35,946,922	36,314,086
NET ASSETS		
Unrestricted		
Controlling Interest	9,137,140	10,442,714
Non-controlling Interest	<u>1,803,030</u>	<u>2,145,443</u>
Total Unrestricted	10,940,170	12,588,157
Temporarily Restricted	1,602,976	575,775
Permanently Restricted	<u>59,014</u>	<u>47,951</u>
Total Net Assets	<u>12,602,160</u>	<u>13,211,883</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 48,549,082</u>	<u>\$ 49,525,969</u>

See Accompanying Notes To The Consolidated Financial Statements

Volunteers Of America Chesapeake Inc., And Subsidiaries
Consolidated Statement Of Activities And Changes In Net Assets

For The Year Ended June 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Non-controlling Interest	Total
Revenues And Support					
Public Support					
Public Support Received Directly					
Contributions - Cash	\$ 831,003	\$ -	\$ -	\$ -	\$ 831,003
Contributions - In-Kind	4,870	-	-	-	4,870
Special Events (Net Of Direct Benefit Costs)	23,512	-	-	-	23,512
Public Support Received Indirectly					
United Way	23,007	-	-	-	23,007
Total Public Support	882,392	-	-	-	882,392
Government Revenues And Grants	28,256,927	-	-	-	28,256,927
Other Revenues					
Program Service Fees	2,705,510	-	-	-	2,705,510
Developer Fee	906,864	-	-	-	906,864
Property Management Fee	46,183	-	-	-	46,183
Rental Revenue	305,954	-	-	-	305,954
Other Operating Revenues	428,104	-	-	-	428,104
Total Other Revenues	4,392,615	-	-	-	4,392,615
Total Revenues And Support	33,531,934	-	-	-	33,531,934
Expenses					
Program Services					
Encouraging Positive Development	161,558	-	-	-	161,558
Fostering Independence	18,288,458	-	-	-	18,288,458
Promoting Self-Sufficiency	10,993,873	-	-	-	10,993,873
Total Program Services	29,443,889	-	-	-	29,443,889
Supporting Services					
Management And General	5,240,550	-	-	-	5,240,550
Fund-Raising	836,422	-	-	-	836,422
Administrative Fees Paid To VOA, Inc.	606,952	-	-	-	606,952
Total Supporting Services	6,683,924	-	-	-	6,683,924
Total Program And Supporting Services	36,127,813	-	-	-	36,127,813
Decrease In Net Assets From Operations	<u>\$ (2,595,879)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,595,879)</u>

See Accompanying Notes To The Consolidated Financial Statements

Volunteers Of America Chesapeake Inc., And Subsidiaries
Consolidated Statement Of Activities And Changes In Net Assets
(Continued)

For The Year Ended June 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Non-controlling Interest	Total
Non-Operating Gains And Other					
Revenues (Losses)					
Interest And Dividends	\$ 193,492	\$ -	\$ -	\$ -	\$ 193,492
Net Gains On Investments	189,621	-	-	-	189,621
Loss On Sale Of Property And Equipment	(245,369)	-	-	-	(245,369)
Recovery Of Bad Debt	1,147,659	-	-	-	1,147,659
Decrease In Pension Obligation	165,839	-	-	-	165,839
Capital Project Grant Revenue	-	940,000	-	-	940,000
Other Net Losses	(29,678)	-	-	-	(29,678)
Non-Operational Personnel Costs	(426,168)	-	-	-	(426,168)
Change In Value Of Split-Interest Agreements	-	87,201	11,063	-	98,264
Total Non-Operating Gains And Other					
Revenues (Losses)	995,396	1,027,201	11,063	-	2,033,660
(Decrease) Increase In Net Assets Before Non-controlling Interest	(1,600,483)	1,027,201	11,063	-	(562,219)
Increase (Decrease) In Net Assets Attributable To Non-controlling Interest	342,413	-	-	(342,413)	-
Total (Decrease) Increase In Net Assets	(1,258,070)	1,027,201	11,063	(342,413)	(562,219)
Net Assets - Beginning Of Year	10,442,714	575,775	47,951	2,145,443	13,211,883
Capital Contributions	1,000	-	-	-	1,000
Capital Distributions	(48,504)	-	-	-	(48,504)
Net Assets - End Of Year	\$ 9,137,140	\$ 1,602,976	\$ 59,014	\$ 1,803,030	\$ 12,602,160

See Accompanying Notes To The Consolidated Financial Statements

Volunteers Of America Chesapeake Inc., And Subsidiaries
Consolidated Statement Of Activities And Changes In Net Assets

For The Year Ended June 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Noncontrolling Interest	Total
Revenues And Support					
Public Support					
Public Support Received Directly					
Contributions - Cash	\$ 806,653	\$ -	\$ -	\$ -	\$ 806,653
Special Events (Net Of Direct Benefit Costs)	35,734	-	-	-	35,734
Public Support Received Indirectly					
United Way	4,485	-	-	-	4,485
Total Public Support	846,872	-	-	-	846,872
Government Revenues And Grants	26,714,803	-	-	-	26,714,803
Other Revenues					
Program Service Fees	2,960,587	-	-	-	2,960,587
Sales Of Materials And Services (Net)	753	-	-	-	753
Rental Revenue	75,750	-	-	-	75,750
Other Operating Revenues	129,215	-	-	-	129,215
Total Other Revenues	3,166,305	-	-	-	3,166,305
Total Revenues And Support	30,727,980	-	-	-	30,727,980
Expenses					
Program Services					
Encouraging Positive Development	68,436	-	-	-	68,436
Fostering Independence	15,081,595	-	-	-	15,081,595
Promoting Self-Sufficiency	10,558,504	-	-	-	10,558,504
Total Program Services	25,708,535	-	-	-	25,708,535
Supporting Services					
Management And General	4,120,567	-	-	-	4,120,567
Fund-Raising	567,920	-	-	-	567,920
Administrative Fees Paid To VOA, Inc.	665,648	-	-	-	665,648
Total Supporting Services	5,354,135	-	-	-	5,354,135
Total Program And Supporting Services	31,062,670	-	-	-	31,062,670
Decrease In Net Assets From Operations	\$ (334,690)	\$ -	\$ -	\$ -	\$ (334,690)

See Accompanying Notes To The Consolidated Financial Statements

Volunteers Of America Chesapeake Inc., And Subsidiaries
Consolidated Statement Of Activities And Changes In Net Assets
(Continued)

For The Year Ended June 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Noncontrolling Interest	Total
Non-Operating Gains And Other					
Revenues (Losses)					
Interest And Dividends	\$ 247,709	\$ -	\$ -	\$ -	\$ 247,709
Net Gains On Investments	89,150	-	-	-	89,150
Contributions - In-Kind	1,880,040	-	-	-	1,880,040
Capital Gains	652,270	-	-	-	652,270
Gain On Sale Of Property And Equipment	210,949	-	-	-	210,949
Increase In Pension Obligation	(908,186)	-	-	-	(908,186)
Other Revenues	87,267	-	-	-	87,267
Change In Value Of Split-Interest Agreements	-	48,079	4,929	-	53,008
Total Non-Operating Gains And Other Revenues (Losses)	2,259,199	48,079	4,929	-	2,312,207
Increase In Net Assets Before Non-controlling Interest	1,924,509	48,079	4,929	-	1,977,517
Increase (Decrease) In Net Assets Attributable To Non-controlling Interest	281,554	-	-	(281,554)	-
Total Increase (Decrease) In Net Assets	2,206,063	48,079	4,929	(281,554)	1,977,517
Net Assets - Beginning Of Year	8,236,651	527,696	43,022	2,426,997	11,234,366
Net Assets - End Of Year	\$ 10,442,714	\$ 575,775	\$ 47,951	\$ 2,145,443	\$ 13,211,883

See Accompanying Notes To The Consolidated Financial Statements

Volunteers Of America Chesapeake Inc., And Subsidiaries
Consolidated Statement Of Functional Expenses

For The Year Ended June 30, 2014

	Program Services				Supporting Services			2014 Total
	Encouraging Positive Development	Fostering Independence	Promoting Self- Sufficiency	Subtotal	Management And General	Fund-Raising	Subtotal	
Salaries	\$ 109,295	\$ 11,665,786	\$ 5,463,127	\$ 17,238,208	\$ 2,312,539	\$ 317,587	\$ 2,630,126	\$ 19,868,334
Pension Expense	928	139,224	69,159	209,311	20,710	5,317	26,027	235,338
Other Employee Benefits	27,220	1,048,107	585,589	1,660,916	145,250	62,621	207,871	1,868,787
Payroll Taxes	6,951	874,507	415,630	1,297,088	137,619	23,384	161,003	1,458,091
Legal Fees	-	793	23,619	24,412	31,141	-	31,141	55,553
Accounting Fees	-	-	66,821	66,821	85,890	-	85,890	152,711
Other Professional Fees	5,037	393,405	531,299	929,741	734,886	231,062	965,948	1,895,689
Supplies	1,060	681,675	644,608	1,327,343	72,455	15,573	88,028	1,415,371
Telecommunications	4,855	201,398	90,517	296,770	88,974	3,914	92,888	389,658
Postage	138	2,749	6,969	9,856	17,389	17,871	35,260	45,116
Occupancy Expense	-	1,867,932	713,266	2,581,198	543,040	1,658	544,698	3,125,896
Interest	-	213,003	591,414	804,417	429,455	-	429,455	1,233,872
Insurance	1,624	319,433	244,294	565,351	127,999	900	128,899	694,250
Equipment Rental And Maintenance	1,083	52,704	80,413	134,200	37,277	-	37,277	171,477
Printing And Publications	-	4,237	12,118	16,355	22,497	100,080	122,577	138,932
Travel And Transportation	1,845	494,409	122,114	618,368	82,852	25,841	108,693	727,061
Conferences And Meetings	1,169	45,171	36,575	82,915	97,333	26,469	123,802	206,717
Specific Assistance	94	26,474	337,348	363,916	322	577	899	364,815
Other	-	38,677	10,712	49,389	62,115	3,568	65,683	115,072
Depreciation And Amortization	259	218,774	948,281	1,167,314	190,807	-	190,807	1,358,121
Total Functional Expenses	161,558	18,288,458	10,993,873	29,443,889	5,240,550	836,422	6,076,972	35,520,861
Administrative Fees - VOA, Inc.	-	-	-	-	606,952	-	606,952	606,952
Total Expenses	\$ 161,558	\$ 18,288,458	\$ 10,993,873	\$ 29,443,889	\$ 5,847,502	\$ 836,422	\$ 6,683,924	\$ 36,127,813

See Accompanying Notes To The Consolidated Financial Statements

Volunteers Of America Chesapeake Inc., And Subsidiaries
Consolidated Statement Of Functional Expenses

For The Year Ended June 30, 2013

	Program Services				Supporting Services			2013 Total
	Encouraging Positive Development	Fostering Independence	Promoting Self- Sufficiency	Subtotal	Management And General	Fund-Raising	Subtotal	
Salaries	\$ 44,472	\$ 9,505,341	\$ 4,865,637	\$ 14,415,450	\$ 2,075,838	\$ 355,849	\$ 2,431,687	\$ 16,847,137
Pension Expense	1,065	115,331	77,802	194,198	15,403	3,381	18,784	212,982
Other Employee Benefits	10,685	634,070	433,194	1,077,949	211,754	43,255	255,009	1,332,958
Payroll Taxes	2,980	594,582	340,521	938,083	96,879	19,985	116,864	1,054,947
Legal Fees	-	8,366	18,062	26,428	74,751	675	75,426	101,854
Accounting Fees	-	-	36,113	36,113	68,863	-	68,863	104,976
Other Professional Fees	(229)	303,413	453,061	756,245	479,934	49,261	529,195	1,285,440
Supplies	1,691	650,961	662,810	1,315,462	90,684	8,573	99,257	1,414,719
Telecommunications	3,603	152,401	96,484	252,488	81,933	2,365	84,298	336,786
Postage	-	3,125	3,933	7,058	17,690	74	17,764	24,822
Occupancy Expense	-	1,750,937	1,868,954	3,619,891	196,546	84	196,630	3,816,521
Interest	-	191,983	308,856	500,839	180,365	-	180,365	681,204
Insurance	1,312	262,806	246,487	510,605	81,217	1,632	82,849	593,454
Equipment Rental And Maintenance	-	46,880	84,944	131,824	19,440	485	19,925	151,749
Printing And Publications	176	16,999	36,488	53,663	22,908	46,680	69,588	123,251
Travel And Transportation	996	387,987	130,112	519,095	42,197	11,000	53,197	572,292
Conferences And Meetings	550	102,328	37,837	140,715	69,298	20,237	89,535	230,250
Specific Assistance	1,051	52,361	250,571	303,983	-	-	-	303,983
Other	84	67,549	30,343	97,976	81,357	4,384	85,741	183,717
Depreciation And Amortization	-	234,175	576,295	810,470	213,510	-	213,510	1,023,980
Total Functional Expenses	68,436	15,081,595	10,558,504	25,708,535	4,120,567	567,920	4,688,487	30,397,022
Administrative Fees - VOA, Inc.	-	-	-	-	665,648	-	665,648	665,648
Total Expenses	\$ 68,436	\$ 15,081,595	\$ 10,558,504	\$ 25,708,535	\$ 4,786,215	\$ 567,920	\$ 5,354,135	\$ 31,062,670

See Accompanying Notes To The Consolidated Financial Statements

Volunteers Of America Chesapeake Inc., And Subsidiaries
Consolidated Statements Of Cash Flows

For The Years Ended June 30,	2014	2013
CONSOLIDATED CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) Increase In Net Assets Attributable		
To The Controlling Interest	\$ (219,806)	\$ 2,259,071
Adjustments To Reconcile Increase (Decrease) In Net Assets To Net Cash And Cash Equivalents Provided By Operating Activities:		
Loss Attributable To The Non-controlling Interest	(342,413)	(281,554)
Depreciation	1,304,285	1,008,624
Loss (Gain) On Disposal Of Property And Equipment	245,369	(210,949)
Contributions - In-Kind	4,870	(1,880,040)
Amortization Of Mortgage Costs	53,836	15,356
Net Unrealized (Gains) Losses On Investment Holdings	(189,621)	142,158
Change In Value Of Split-Interest Agreements	(98,264)	(53,008)
Change In Pension Obligation	(165,839)	908,186
(Increase) Decrease In Operating Assets:		
Tenants' Security Deposits	3,610	-
Accounts Receivable	1,984,773	(1,874,248)
Due From Related Parties	-	-
Prepaid Expenses	(50,256)	(1,363)
Other Receivables	(218,593)	-
Reimbursement Receivable	(310,014)	-
Interest Receivable	(11,309)	-
Increase (Decrease) In Operating Liabilities:		
Accounts Payable	(407,551)	599,282
Accrued Expenses	601,255	217,825
Contract/Grant Advances	4,713	(44,999)
Client Escrow Funds	48,744	14,506
Tenant Security Deposits	(17,343)	(384)
Refundable Advances	32,197	(78,582)
Post Retirement Benefit Liability	(15,795)	(110,400)
 Net Cash And Cash Equivalents Provided By Operating Activities	 <u>2,236,848</u>	 <u>629,481</u>
CONSOLIDATED CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases Of Land, Buildings, And Equipment	(332,486)	(11,109,985)
Net Advances (Due To) Due From Related Parties	(116,512)	95,311
Purchase Of Investments	(40,829)	(40,689)
Decrease (Increase) Of Designated And Restricted Cash	401,677	(442,266)
Increase Of Reserves	-	(8,076)
Increase Of Notes Receivable From Affiliates	(314,112)	(7,828,904)
 Net Cash And Cash Equivalents Used In Investing Activities	 <u>(402,262)</u>	 <u>(19,334,609)</u>

See Accompanying Notes To The Consolidating Financial Statements

Volunteers Of America Chesapeake Inc., And Subsidiaries
Consolidated Statements Of Cash Flows
(Continued)

For The Years Ended June 30,	2014	2013
CONSOLIDATED CASH FLOWS FROM FINANCING ACTIVITIES		
Mortgage Costs Capitalized	\$ (404,026)	\$ (70,000)
Deposits Paid	(920)	-
Proceeds Of Notes Payable And Mortgages Payable	219,725	21,010,494
Repayments Of Notes And Mortgages Payable	(554,660)	(2,878,767)
Capital Contributions	1,000	-
Capital Distributions	(48,504)	-
	<u>(787,385)</u>	<u>18,061,727</u>
Net Cash And Cash Equivalents (Used In) Provided By Financing Activities	<u>(787,385)</u>	<u>18,061,727</u>
NET INCREASE (DECREASE) IN CONSOLIDATED CASH AND CASH EQUIVALENTS	<u>1,047,201</u>	<u>(643,401)</u>
CONSOLIDATED CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>2,346,200</u>	<u>2,989,601</u>
CONSOLIDATED CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,393,401</u>	<u>\$ 2,346,200</u>
SUPPLEMENTAL DISCLOSURE OF CONSOLIDATED CASH FLOW INFORMATION:		
Cash Paid During The Year For:		
Interest	<u>\$ 764,189</u>	<u>\$ 681,204</u>
NON-CASH TRANSACTIONS FROM INVESTING AND FINANCING ACTIVITIES:		
Imputed Interest On Noninterest-Bearing Note To Purchase Building	<u>\$ -</u>	<u>\$ 2,593</u>
In-Kind Contributions, Received And Used	<u>\$ 4,870</u>	<u>\$ 1,880,040</u>
Leasehold Improvements Abandoned In Exchange For Receivable From City Of Baltimore	<u>\$ 155,441</u>	<u>\$ -</u>

See Accompanying Notes To The Consolidating Financial Statements

**Volunteers of America Chesapeake, Inc.
And Subsidiaries
Notes To Consolidated Financial Statements
(Continued)**

For The Years Ended June 30, 2014 And 2013

1. ORGANIZATION

Volunteers of America Chesapeake, Inc., (VOAC), founded in 1896, is a non-profit, spiritually-based, human services organization recognized as a church, incorporated in Maryland. VOAC provides social services within Maryland, Washington, D.C., and Virginia under a charter from Volunteers of America, Inc., (VOA, Inc.) a national non-profit, spiritually-based organization providing local health and human service programs and opportunities for individual and community involvement. VOAC provides services to children in order to encourage positive development. VOAC also provides services to individuals with mental health problems, and those that are developmentally disabled, which help in fostering their independence. Finally, VOAC provides substance abuse treatment, community corrections, and homeless services including transitional housing, emergency shelter, and supportive housing to promote self-sufficiency among those served. Affiliated organizations controlled by VOAC include Volunteers of America Chesapeake Holding Corporation (Holding Corp), Volunteers of America - Virginia Beach M/R (Baker House), VOA PACA Housing Corporation, PACA Supportive Housing, Inc. (PACA Housing, Inc.), PACA Housing Limited Partnership II (PACA House), VOA Pratt Street Housing Corporation, Pratt Street Housing Limited Partnership (Pratt Street), VOA Irvington Woods Housing Corp., Inc., (Irvington Woods Corp), VOA Irvington Woods Limited Partnership (Irvington Woods), VOAC RRC QALICB, LLC (RRC), and VOAC RRC, Inc. (RRC Corp), (collectively, the "Organization").

In 2011, VOAC nominated 15 new Board of Director Members from the region and one member from VOA, Inc., that served as Board Chair. The VOA, Inc. Board of Directors approved the nomination of all 15 Board of Director Members. On June 26, 2012, VOAC expanded the Board of Directors to 18 members serving staggered three year terms. As of June 26, 2013, the Board of Directors expanded to 21 members. VOAC requested the reinstatement of the affiliate's charter, once the concerns that were identified during the 2008 charter review were satisfactorily resolved. VOAC underwent charter review by VOA, Inc., in March 2013 and the charter was restored for a term of three years.

A substantial portion of support for the Organization is provided by fees and grants from federal, state, and local governmental agencies. The Organization relies on continued funding in order to provide ongoing and continued programs.

Volunteers of America Chesapeake Holding Corporation (Holding Corp) was incorporated in 1993 in the State of Maryland. The Organization is recognized as a church operating as a subsidiary of VOAC. Holding Corp's primary purpose is to purchase, sell, and lease property as a 501(c)(3) corporation. Holding Corp is a non-stock corporation whose directors are predominately employees of VOAC.

Volunteers of America - Virginia Beach M/R (Baker House) was organized in December 1979 and operates as a program of VOAC to construct and operate an apartment project of 12 units to serve the disabled in Virginia Beach, Virginia, under Section 8 of the National Housing Act. Baker House is regulated by the Virginia Housing and Development Authority (VHDA). Baker House is a non-stock corporation controlled by VOAC through having the same director.

VOA PACA Housing Corporation, was incorporated in 1994 under the laws of the State of Maryland to be the general, 0.10% partner in PACA House. VOA PACA Housing Corporation's only income or loss is the result of its investment in PACA House. VOAC is the sole shareholder in VOA PACA House, Inc.

PACA Housing Limited Partnership II (PACA House) was formed as a limited partnership under the laws of the State of Maryland in July 1994 for the purpose of constructing and operating single room occupancy (SRO) and efficiency affordable housing for the homeless, under regulations defined by the Community Development Administration (CDA) of the Maryland Department of Housing and Community Development (DHCD). All leases between PACA House and tenants of the property are operating leases. PACA House consists of 76 SRO units and 30 efficiency apartments located in Baltimore, Maryland. Operations are conducted under the name of PACA House.

**Volunteers of America Chesapeake, Inc.
And Subsidiaries
Notes To Consolidated Financial Statements
(Continued)**

For The Years Ended June 30, 2014 And 2013

1. ORGANIZATION (CONTINUED)

Cash distributions related to operations from PACA House are limited by agreements between PACA House and CDA to \$375,049 per year (10% of the initial equity investment as defined by CDA) to the extent of surplus cash as defined by CDA. Undistributed amounts are cumulative and may be distributed in subsequent years if future operations provide surplus cash in excess of current requirements.

PACA House has qualified for and been allocated low-income housing tax credits pursuant to Internal Revenue Code Section 42 (Section 42), which regulates the use of PACA House as to occupant eligibility and unit gross rents, among other requirements. PACA House must meet the provisions of these regulations during each of fifteen consecutive years in order to continue to qualify to receive tax credits. In addition, PACA House has executed an Extended Low-Income Housing Covenant with CDA, which requires the utilization of the housing units pursuant to Section 42 for a minimum of 40 years, even after the disposition of the housing units by PACA House.

On May 7, 2012, PACA House's partnership agreement was amended to assign the then limited partners' 99.9% interest to PACA Supportive Housing, Inc., a Maryland non-stock corporation, which is 100% controlled by VOAC.

VOA Pratt Street Housing Corporation (Pratt Street Housing Corporation) was incorporated in December 1998 under the laws of the State of Maryland to be the general partner in Pratt Street. Pratt Street Housing Corporation's primary income or loss is the result of its investment in Pratt Street. Pratt Street's operations commenced in December 2001. VOAC is the sole stockholder of VOA Pratt Street Housing Corporation.

Pratt Street Housing Limited Partnership (Pratt Street) was formed as a limited partnership under the laws of the State of Maryland in December 1998 for the purpose of constructing and operating 35 units located in Baltimore, Maryland, for the homeless and elderly. VOA Pratt Street Housing Corporation is the .01% general partner, of which VOAC is the sole stockholder. Rehabilitation of the building in which Pratt Street rents units was completed in December 2001. At that time, Pratt Street began operating as a low-income rental housing provider. Pratt Street has qualified for and been allocated low-income housing tax credits pursuant to Section 42, as discussed above for PACA House. In addition, Pratt Street is required by a regulatory agreement with DHCD to maintain certain operating and replacement reserves under a loan agreement.

VOA Irvington Woods Housing Corp., Inc., (Irvington Woods Corp) was incorporated in 2005 under the laws of the State of Maryland to be the general, .01% partner in Irvington Woods. Irvington Woods Corp's only income or loss is the result of its investment in Irvington Woods. VOAC is the sole shareholder in Irvington Woods Corp.

VOA Irvington Woods Limited Partnership (Irvington Woods) was formed as a limited partnership under the laws of the State of Maryland on September 15, 2005, for the purpose of acquiring, owning, developing, constructing, and/or rehabilitating, leasing, managing, and operating a low-income housing project under regulations defined by CDA. Irvington Woods consists of 71 units located in Baltimore, Maryland, and is currently operating under the name of Irving Woods Apartments.

Cash distributions related to operations are limited by agreements between Irvington Woods and CDA to the extent of surplus cash as defined by CDA. Undistributed amounts are cumulative and may be distributed in subsequent years if future operations provide surplus cash in excess of current requirements.

Irvington Woods has qualified for and been allocated low-income housing tax credits pursuant to Section 42, as discussed above for PACA House. In addition, Irvington Woods has executed an Extended Low-Income Housing Covenant with CDA, which requires the utilization of the housing units pursuant to Section 42 for a minimum of 30 years, even after the disposition of the housing units by Irvington Woods.

**Volunteers of America Chesapeake, Inc.
And Subsidiaries
Notes To Consolidated Financial Statements
(Continued)**

For The Years Ended June 30, 2014 And 2013

1. ORGANIZATION (CONTINUED)

VOAC RRC, Inc., (RRC Corporation) is a not-for-profit corporation formed in June 2012 under the laws of the State of Maryland to be the member manager of VOAC RRC QALICB, LLC, with a 1% ownership and to promote the creation of the Residential Re-Entry Center in Baltimore, Maryland. VOAC is the sole shareholder in RRC Corporation.

VOAC RRC QALICB, LLC, (RRC) was formed as a limited liability company under the laws of the State of Maryland in June 2012 for the purpose of constructing a 146 bed community corrections facility located in Baltimore, Maryland, in partnership with JP Morgan Chase and Volunteers of America National Services. VOA RRC, Inc. is the member manager with 1% ownership while VOAC is the limited member with 99% ownership. VOAC will operate the community corrections program while leasing the facility from VOAC RRC QALICB, LLC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting, which recognizes income when it is earned and expenses when they are incurred.

PRINCIPLES OF CONSOLIDATION - The consolidated financial statements include the accounts of VOAC and its wholly-controlled nonprofit subsidiaries, Holding Corp, Baker House, PACA Supporting Housing, Inc., Pratt Street Housing Corporation, Irvington Woods Corp, and RRC Corporation, and the for profit entities PACA House, Pratt Street, Irvington Woods, and RRC. All material inter-organizational transactions have been eliminated in the consolidation.

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

CASH EQUIVALENTS - The Organization considers all highly-liquid investments with maturities of three months or less when purchased, unless held for reinvestment as part of the investment portfolio, to be cash equivalents. Designated and restricted deposits are not considered cash on the consolidated statements of cash flows.

ALLOWANCE FOR DOUBTFUL ACCOUNTS - Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on grant and fee for service receivables using the allowance method. The allowance is based on experience, a review of each individual receivable, and the Organization's history of uncollectible accounts. The Organization considers accounts to be past due based on management's determination. The Organization's policy is to charge off accounts receivable when management determines the receivables will not be collected.

LAND, BUILDINGS, AND EQUIPMENT - Land, buildings, and equipment are carried at cost with the exceptions mentioned in the next paragraph, and are depreciated on the straight-line method over their estimated useful lives ranging from three to twenty-seven years for financial reporting purposes. Construction in progress is capitalized as costs are incurred and is depreciated beginning in the period when placed in service. The policy of the Organization is to capitalize equipment costing over \$2,000 and having a useful life of over one year. Depreciation expense amounted to \$1,304,285 and \$1,008,624 for the years ended June 30, 2014 and 2013, respectively.

**Volunteers of America Chesapeake, Inc.
And Subsidiaries
Notes To Consolidated Financial Statements
(Continued)**

For The Years Ended June 30, 2014 And 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LAND, BUILDINGS, AND EQUIPMENT (CONTINUED) - In September 2012, VOAC purchased eight homes at substantially less than market value in Washington, D.C., for the purpose of operating Intermediate Care Facilities for the intellectually disabled. The Organization recorded the asset at its appraised value and recorded an in-kind contribution of \$1,467,462. In addition, the Organization received twelve donated vehicles that were recorded at fair market value with a corresponding in-kind contribution of \$207,903 and donated renovations of \$204,675 to a transitional housing facility.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

INVESTMENTS AND INVESTMENT RISK – Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in operating income unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments other than trading securities are reported separately in the statement of activities and changes in net assets. Interest income is measured as earned on the accrual basis. Dividends are measured based on the ex-dividend date. Purchases and sales of securities and realized gains and losses are recorded on a trade-date basis.

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

UNAMORTIZED MORTGAGE COSTS - Gross mortgage costs totaled \$683,978 and \$282,655 at June 30, 2014 and 2013, respectively, and are amortized using the straight-line method of accounting over the term of the associated debt upon the commencement of the permanent loan period. Accumulated amortization totaled \$135,967 and \$84,834 at June 30, 2014 and 2013, respectively. Amortization expense amounted to \$53,836 and \$15,356 for the years ended June 30, 2014 and 2013, respectively.

BENEFICIAL INTEREST IN PERPETUAL TRUSTS – The Organization received as contributions a beneficial interest in various perpetual trusts. Under the perpetual trust arrangements, the Organization recorded the assets and recognized either temporarily or permanently restricted contribution revenue at the fair market value of the Organization's beneficial interest in the trust assets, depending on the nature of the donor's restrictions. Income earned on the trust assets and distributed to the Organization is recorded as investment income in the statement of activities and changes in net assets, unless otherwise restricted by the donor. Subsequent changes in fair value are recorded as valuation gain (loss) on beneficial interest in perpetual trust in either temporarily or permanently restricted net assets in the statement of activities and changes in net assets, depending on the nature of the donor's restrictions.

**Volunteers of America Chesapeake, Inc.
And Subsidiaries
Notes To Consolidated Financial Statements
(Continued)**

For The Years Ended June 30, 2014 And 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET ASSETS - The Organization classifies net assets into three categories: unrestricted, temporarily restricted, and permanently restricted. All net assets are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Temporarily restricted net assets include contributions with temporary, donor-imposed time or purpose restrictions. Temporarily restricted net assets become unrestricted and are reported in the statements of activities and changes in net assets as net assets released from restrictions when the time restrictions expire or the contributions are used for the restricted purposes. The Organization's policy is to treat as unrestricted the temporarily restricted contributions for which the restrictions were satisfied in the year received.

Permanently restricted net assets include contributions with donor-imposed restrictions requiring resources to be maintained in perpetuity, but permitting use of all of the investment income earned on the related investments.

REVENUE RECOGNITION - Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donors for future periods or specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

As required by the *Transfers of Assets to a Not-for-Profit Entity of Charitable Trust that Raises or Holds Contributions for Others* Topic for Not-for-Profit Entities of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC 958-605-25-24), the Organization recognized in its consolidated financial statements gross support received and the related expenses incurred associated with its direct mail program conducted through VOA, Inc.

CONTRIBUTIONS-IN-KIND - Contributions-in-kind are recorded at their estimated value at date of receipt. No amounts are recognized for donated services since they do not meet the support recognition criteria of the *Contributed Services* topic of FASB ASC (958-605-25-16). In the year ended June 30, 2014, all in-kind contributions were of a singular nature, consisting of various office furniture and various supplies. In the year ended June 30, 2013, all in-kind contributions were of a singular nature, consisting of below market purchase of appraised real estate and vehicles, on the statements of activities and as specific assistance on the statements of functional expenses.

RENTAL REVENUE AND REQUIREMENTS - Rental revenue is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Organization and tenants are operating leases.

Buildings and rental units in Baker House, PACA House, Pratt Street, and Irvington Woods are subject to regulation by governmental agencies as to rents and operating methods.

ADVERTISING COSTS - Non-direct response advertising costs are expensed as incurred. Total non-direct advertising costs for the years ended June 30, 2014 and 2013, were \$128,629 and \$98,854, respectively.

There were no direct response advertising costs for the years ended June 30, 2014 and 2013.

**Volunteers of America Chesapeake, Inc.
And Subsidiaries
Notes To Consolidated Financial Statements
(Continued)**

For The Years Ended June 30, 2014 And 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

OPERATIONS - The Organization defines operations as all program and supporting services activities undertaken. Revenues and support that result from these activities and their related expenses are reported as operating activities that produce changes in net assets from operations. Investment income, gains and losses, other revenues or expenses that result from ancillary activities, such as disposing of assets, changes in the values of split-interest agreements, changes in the amount of the underfunded pension obligation, and recoveries of debts written-off in prior years as a result of administrative efforts are reported as non-operating activities. Non-recurring large contributions and like-kind contributions are excluded from operations on the statement of activities and changes in net assets.

INCOME TAXES - Under provision of Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the State of Maryland, the Organization is exempt from income taxes, except for net income from unrelated business income, as a subordinate unit of VOA, Inc. VOA, 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). There were no unrelated business activities for the years ended June 30, 2014 and 2013, respectively. Accordingly, no tax expense was incurred during the years ending June 30, 2014 and 2013, respectively. No provision or benefit for income taxes on the partnerships has been included in these financial statements since taxable income or loss passes through to, and is reportable by, the partners individually.

UNCERTAINTY IN INCOME TAXES - In accordance with ASC 740, *Income Taxes*, which clarified the accounting for uncertainty in income taxes, the Organization recognizes the tax benefit from uncertain tax positions only if it is more likely than not the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position.

Based on its evaluation, the Organization has concluded that there are no significant uncertain tax positions requiring recognition in the financial statements. No interest or penalties have been recorded as a result of tax uncertainties. The tax years 2010 through 2013 remain open to examination by tax jurisdictions to which the Organization is subject.

As a church, the Organization is not required to file any informational returns with the Internal Revenue Service. This position could be open to examination by the Internal Revenue Service at any time.

COMPENSATED ABSENCES - Employees of the Organization are entitled to paid time off depending on job classification, length of service, and other factors. The Organization has accrued \$386,833 and \$320,360 for paid time off as of June 30, 2014 and 2013, respectively.

FUNCTIONAL ALLOCATION OF EXPENSES - The costs of providing the various programs have been summarized on a functional basis in the consolidated statements of activities and changes in net assets and in the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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, temporarily and permanently restricted assets, and securities that are pledged and held by the lender as collateral for financing.

RECLASSIFICATIONS - Certain 2013 amounts have been reclassified to conform to the 2014 consolidated financial statements presentation.

**Volunteers of America Chesapeake, Inc.
And Subsidiaries
Notes To Consolidated Financial Statements
(Continued)**

For The Years Ended June 30, 2014 And 2013

3. SIGNIFICANT CONCENTRATIONS OF CREDIT RISK

The Company maintains cash balances at various financial institutions. These balances are secured by the Federal Deposit Insurance Corporation. At June 30, 2014, cash balances exceeded the insured amounts by \$2,431,378.

4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2014 and 2013, consisted of the following:

	2014	2013
Grants And Contracts	\$ 78,210	\$ 1,117,109
Fees For Services	3,189,018	4,123,389
Rents Receivable	31,222	50,644
	3,298,450	5,291,142
Less: Allowance For Doubtful Accounts	-	7,919
Total	\$ 3,298,450	\$ 5,283,223

5. LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment are recorded at cost, with the exception of the assets aforementioned in Note 2, and consisted of the following at June 30, 2014 and 2013:

	2014	2013
Land	\$ 4,475,970	\$ 3,588,809
Buildings And Improvements	31,059,922	22,094,880
Construction In Progress	-	10,491,574
Furniture And Equipment	2,178,538	1,771,588
Vehicles	1,201,419	1,162,730
Total Cost	38,915,849	39,109,581
Less: Accumulated Depreciation	10,957,762	9,929,456
Net Land, Buildings, And Equipment	\$ 27,958,087	\$ 29,180,125

Construction in progress represents pre-development costs incurred in connection with the acquisition and development of real estate located at 4900 East Monument Street in Baltimore, Maryland, for a residential re-entry program. The real estate was placed in service in July 2013.

Certain land, buildings, improvements, furniture, and equipment are restricted as to use and disposition by various regulatory agencies as disclosed in Notes 1 and 14.

**Volunteers of America Chesapeake, Inc.
And Subsidiaries
Notes To Consolidated Financial Statements
(Continued)**

For The Years Ended June 30, 2014 And 2013

6. DESIGNATED ASSETS

The Organization has agreements with several agencies that require funded reserves and the designation of certain deposits. The designated assets are in separate cash accounts with financial institutions.

The Baker House operating and replacement reserves are regulated by VHDA. Withdrawals must be approved by VHDA and may only be used for the purposes designated by the agreement between Baker House and VHDA. The replacement reserve is funded at \$247 per month and is available for repairs and significant replacements. There were no monies withdrawn from the replacement reserve for the years ended June 30, 2014 and 2013. The balance in the replacement reserve at June 30, 2014 and 2013, was \$47,263 and \$44,198, respectively. The operating reserve was funded at \$150,147 and \$184,264 for the years ended June 30, 2014 and 2013, respectively, and is available to pay for apartment complex amenities and any replacement and repair costs in excess of funds on deposit in the replacement reserve. There were \$38,485 and \$3,016 withdrawn from the operating reserve during the years ended June 30, 2014 and 2013, respectively.

Under the provisions of the regulatory agreement with the U.S. Department of Housing and Urban Development (HUD), Baker House is required to establish a residual receipts account for its surplus cash, if any. Disbursements and withdrawals may be made from this account only with prior HUD approval. At June 30, 2014 and 2013, no residual receipts account was required for Baker House.

PACA House has several reserve commitments with DHCD. PACA House is required to maintain a replacement reserve, an insurance reserve, and an operating reserve.

Upon commencement of the permanent loan period, PACA House was required to establish a replacement reserve by depositing an initial amount of \$26,496 (twelve monthly installments of \$2,208) which is increased three percent (3%) per annum. The balance in this account was \$50,030 and \$200,497 at June 30, 2014 and 2013, respectively.

PACA House maintains a general operating reserve in the initial amount of \$375,000 and a Section 8 reserve in the initial amount of \$725,000. Investment and disbursement of the reserves are detailed in the second addendum to the regulatory agreement, dated May 13, 1996. As of June 30, 2014 and 2013, the combined balances in these reserves account totaled \$672,131 and \$842,136.

PACA House maintains an insurance reserve, also called a mortgage escrow deposit, with a balance of \$26,051 and \$18,295 at June 30, 2014 and 2013, respectively.

Pratt Street has several reserve commitments as stipulated in the Agreement of Limited Partnership and required by DHCD's Regulatory Agreement, as amended and restated. Pratt Street is required to establish and maintain an operating reserve and a replacement reserve. Pratt Street shall establish an operating reserve of at least \$137,000 as specified in the partnership agreement and required by DHCD's Regulatory Agreement. The balance in this account at June 30, 2014 and 2013, was \$66,366 and \$102,767, respectively. Pratt Street shall also fund a replacement reserve in the amount of \$250 per unit per year, increasing at 4% per annum. Funds in this account shall be used for major repairs, capital expenditures, and the replacement of capital items in the property. The limited partner must approve expenditures costing \$5,000 or more before they are made. The balance in this account at June 30, 2014 and 2013, was \$40,873 and \$34,326, respectively.

Pratt Street maintains an insurance reserve, also called a mortgage escrow deposit, of \$15,629 and \$9,860 at June 30, 2014 and 2013, respectively.

**Volunteers of America Chesapeake, Inc.
And Subsidiaries
Notes To Consolidated Financial Statements
(Continued)**

For The Years Ended June 30, 2014 And 2013

6. DESIGNATED ASSETS (CONTINUED)

Under the terms of DHCD's Regulatory Agreement, Irvington Woods is required to place tenant deposits into separate accounts. It is also required to set aside specified amounts for the replacement of property and other project expenditures, as approved by DHCD, and to maintain an escrow account with a mortgage company.

Pursuant to DHCD's Loan and Regulatory Agreement, Irvington Woods is required to establish a reserve for replacements and must make annual payments to this reserve beginning on the date of achievement of 100% qualified occupancy. Monthly payments of \$1,479 are required during the first year after this achievement. Thereafter, the monthly payment amount should be increased by 3% each year, compounded annually. DHCD approved withdrawals of \$37,155 and \$0 for the years ended June 30, 2014 and 2013, respectively. The balances in this account at June 30, 2014 and 2013, amounted to \$62,658 and \$77,159, respectively.

Irvington Woods maintains an operating reserve to be held by Irvington Woods, in an initial amount of \$131,761. Under the terms of the partnership agreement, Irvington Woods is required to set aside specified amounts in the operating reserve that cannot be accessed without the express written approval of the limited partner. The balance in this account at June 30, 2014 and 2013, was \$136,998 and \$168,125, respectively.

Irvington Woods maintains a transition reserve, also called a mortgage escrow deposit, to be held by Irvington Woods, in an initial amount of \$30,000. The balance in this account at June 30, 2014 and 2013, was \$43,144 and \$41,753, respectively.

RRC maintains a fee reserve with a balance of \$158,498 and \$168,248 at June 30, 2014 and 2013, respectively.

Balances in the designated accounts at June 30, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Mortgage Escrow Deposit	\$ 88,195	\$ 69,908
Replacement Reserves	200,824	356,180
Operating Reserves	1,025,642	1,297,292
Tenant Security Deposits	41,511	45,786
Net Worth Reserve	236,510	306,379
Client Escrows	150,097	101,354
Fee Reserve	158,498	168,248
Other Reserves	<u>42,485</u>	<u>-</u>
Total Designated Assets	<u>\$ 1,943,762</u>	<u>\$ 2,345,147</u>

**Volunteers of America Chesapeake, Inc.
And Subsidiaries
Notes To Consolidated Financial Statements
(Continued)**

For The Years Ended June 30, 2014 And 2013

7. INVESTMENTS AND FAIR VALUE MEASUREMENTS

VOAC is a participant in a pooled investment program (the Program) which is managed by the VOA, Inc. VOAC has an agreement with VOA, Inc. regarding the participation in the program and management of the investment pool. The agreement is in effect until terminated by VOAC or VOA, Inc. or either party can elect to terminate the agreement with 90 days written notice. A summary of the agreement is as follows:

VOA, Inc. Responsibilities: VOA, Inc. is responsible for determining the investment objective for each pool and for developing an appropriate investment policy and asset allocation based on a risk tolerance analysis. The Investment Committee of Volunteers of America, Inc. selects fund managers recommended by the investment advisor, reviews the performance of the managers and recommends any changes in fund management based on those reviews.

Pool Participant Responsibilities: VOAC may designate its investment into one or more sub-accounts. A participant must have a minimum of one sub-account of no less than \$25,000 and there is no limit to the number of sub-accounts that may be maintained on the behalf of each participant. If a participant no longer has a need for a designated sub-account, it must provide 30 days written notice to VOA, Inc. to eliminate the sub-account and instruct VOA, Inc. as to the disbursement or reallocation of the sub-account's assets.

Deposits, Withdrawals, and Earnings: Deposits may be made at any time. After the initial deposit, cash deposits must be a minimum of \$1,000 each. Deposits of securities may be for any amount. Partial cash withdrawals may be for any amount; however, only 1 withdrawal is permitted per quarter. Written notice must be submitted to VOA, Inc. 30 days prior to the date of withdrawal. In the event that cash is needed from invested pool assets in less than 30 days or more than once per quarter, the participant may apply to VOA, Inc. for an interest-bearing loan. All funds will earn from the date of deposit through the date of withdrawal. All interest payments dividends and realized gains are reinvested.

Valuing Investments: The values of the pooled funds will be determined monthly. That portion of the pool asset value held on behalf of each participant will be determined based on the asset values. Each participant's share will be prorated based on beginning net asset value and the daily weighting of any deposits or withdrawals made during the month.

Voting Rights: Participants may earn a right to nominate members to serve on the Investment Committee of VOA, Inc. (Committee). For each \$100,000 invested in the Program, a participant is entitled to 1 vote. Voting participants elect a slate of candidates for membership on the Committee. The VOA, Inc. Board of Directors appoints members to the Committee. Committee membership shall be no less than 3 and no more than 7 people. From time to time, the Committee may propose amendments to the operating agreement which will subsequently be forwarded to the voting members for ratification.

Fees: Each participant will be charged an annual fee to cover the costs of management of the Program and Committee activities, including custodial fees and printing and distribution of the monthly and quarterly reports. This fee is assessed and paid quarterly based on the participant asset value at the end of each calendar quarter. Fees are also charged for the third-party services for sub-account reporting, services provided by the investment advisor in overseeing the implementation of the investment plan and for the execution costs of all transactions, and investment services provided by the investment managers.

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7. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The Organization's investments, split-interest agreements, and post-retirement benefit obligations are recorded at fair value on a recurring basis and are summarized below:

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
<u>June 30, 2014</u>				
Marketable Equities Securities	\$ 17,512	\$ 1,010,822	\$ -	\$ 1,028,334
Fixed Income Funds	-	698,472	-	698,472
Beneficial Interest In Perpetual Trust	-	-	59,014	59,014
Contributions Receivable From Charitable Remainder Trust	-	662,976	-	662,976
Total Cost	<u>\$ 17,512</u>	<u>\$ 2,372,270</u>	<u>\$ 59,014</u>	<u>\$ 2,448,796</u>

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
<u>June 30, 2013</u>				
Marketable Equities Securities	\$ 14,702	\$ 928,005	\$ -	\$ 942,707
Fixed Income Funds	-	553,649	-	553,649
Beneficial Interest In Perpetual Trust	-	-	47,951	47,951
Contributions Receivable From Charitable Remainder Trust	-	575,775	-	575,775
Total Cost	<u>\$ 14,702</u>	<u>\$ 2,057,429</u>	<u>\$ 47,951</u>	<u>\$ 2,120,082</u>

Investment return is summarized for the years ended June 30, 2014 and 2013, as follows:

	2014	2013
Interest And Dividends	\$ 193,492	\$ 247,709
Net Gain On Investments	189,621	89,150
	383,113	336,859
Less: Investment Expenses	7,309	6,513
Net Investment Return	<u>\$ 375,804</u>	<u>\$ 330,346</u>

Expenses relating to investment revenues, consisting of custodial fees and investment advisory fees, amounted to \$7,309 and \$6,513 for the years ended June 30, 2014 and 2013, respectively, and have been netted against investments revenues in the accompanying consolidated statements of activities and changes in net assets.

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7. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Activity within Level 3 Inputs is as follows:

Balance, July 1, 2012	\$ 43,022
Gains	<u>4,929</u>
Balance, June 30, 2013	47,951
Gains	<u>11,063</u>
Balance, June 30, 2014	<u><u>\$ 59,014</u></u>

The Organization presents its financial assets and liabilities required to be measured at fair value on a recurring basis by the *Fair Value Measurements and Disclosures* Topic of FASB ASC (820) using the following hierarchy:

Level 1 Inputs - Values are based on quoted prices for identical investments in active markets as of the reporting date. This designation includes unrestricted securities listed on active exchanges.

Level 2 Inputs - Values are based on observable market-based inputs or unobservable inputs that are corroborated by market data. This designation would include options and real estate investments.

Level 3 Inputs - Values are based on unobservable inputs that are significant to the valuation of particular assets or liabilities. The inputs into the determination of fair value in this level require significant management judgment or estimates.

In determining the appropriate levels for assets or liabilities, management performs a detailed analysis of the assets and liabilities that are subject to the standard. In some instances, assets or liabilities may be valued using a combination of inputs. In such instances, the assets or liabilities are to be classified based on the lowest significant level used in the valuation. Management's assessment of the significance of a particular input in the fair value measurement of assets or liabilities requires judgment and considers factors specific to the assets or liabilities. Split-interest agreements are valued at the fair values of the assets underlying the agreements, as provided by the trustees holding the assets.

8. SPLIT-INTEREST AGREEMENTS

The Organization is the beneficiary under a perpetual trust administered by a bank. The perpetual trust provides for the total distribution of the trust's earnings annually to various designated beneficiaries. The Organization is entitled to receive 0.5% of the annual distribution. The income received from the trust by the Organization amounted to \$11,063 and \$4,929 for the years ended June 30, 2014 and 2013, respectively, and was recorded as change in value of split-interest agreements. The assets held in the perpetual trust are non-distributable and permanently restricted. The Organization reports in its consolidated statements of financial position the Organization's proportionate share of the fair value of the trust's assets as an estimate of the present value of the Organization's future cash distributions from the trust. The Organization's proportionate share of the fair value of the trust's assets was \$59,014 and \$47,951 at June 30, 2014 and 2013, respectively.

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8. SPLIT-INTEREST AGREEMENTS (CONTINUED)

The Organization is also the beneficiary under a charitable remainder trust administered by a bank. Under terms of the split-interest agreement, the Organization receives 33% of monthly income earned by the trust after designated dollar payments to other beneficiaries. After the death of the last beneficiary receiving designated dollar payments, the trust is terminated and the corpus is distributed, with VOAC receiving 33% of the corpus. Trust assets are adjusted annually based on the current fair market value of the underlying assets.

The Organization's share of assets held in the trust, which are reflected in temporarily restricted net assets, amounted to \$662,976 and \$575,775 at June 30, 2014 and 2013, respectively. Income received from the trust was reported as change in value of split-interest agreements and amounted to \$87,201 and \$48,079 for the years ended June 30, 2014 and 2013, respectively.

All investments from the split-interest agreements are measured within Level 2 or Level 3 of the fair value hierarchy, as noted in Note 7, and are classified at June 30, 2014 and 2013, as follows:

	2014	2013
	<u> </u>	<u> </u>
Cash And Cash Equivalents	\$ 14,030	\$ 11,530
Marketable Equities	470,255	373,218
Fixed Income Funds	236,605	238,978
Income	<u>1,100</u>	<u>-</u>
Total	<u>\$ 721,990</u>	<u>\$ 623,726</u>

9. NOTES RECEIVABLE

The Organization has two notes receivable from Chase NMTC VOA Chesapeake Investment Fund, LLC. The first loan of \$7,000,000 is an interest only loan at 5.25% and due in July 2019. The second loan of \$828,904 is an interest only loan payable quarterly at 1% until July 2019 at which time quarterly payments of \$10,000 including principal and interest at 1% are payable until July 2042.

The Organization has a note receivable from VOA Eastern Avenue Housing Corporation of \$1,256,449. Management has recorded an allowance of \$942,337 based on analysis and expected payments to be received on this note. See Note 17 for more details of this note.

10. NEW MARKET TAX CREDITS

In July 2012, VOAC entered into a financial arrangement to help fund the cost of a new residential re-entry facility at 4900 East Monument Street in Baltimore, Maryland, through the use of the New Market Tax Credits. Under this arrangement, the Organization received a loan of \$7,000,000 from JP Morgan Chase. The note payable requires monthly interest payments of \$30,625 at 5.25% until July 2014. Beginning in August 2014, the note payable requires monthly principal and interest payments of \$50,162 at 5.25% until July 2015. Thereafter, monthly principal and interest payments of \$56,271 at 5.25% are due until July 2019, at which point the remaining principal balance of \$5,171,272 is due. Another loan of \$2,186,855 from JP Morgan Chase requires monthly payments of principal and interest at 4.39% until September 2022. The loans are secured by a deed of trust in the Organization's interest in the ICF properties and a note receivable from Chase NMTC VOA Chesapeake Investment Fund, LLC.

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10. NEW MARKET TAX CREDITS (CONTINUED)

In July 2012, VOAC made two loans of \$7,000,000 and \$828,904 to the Chase NMTC VOA Chesapeake Investment Fund, LLC (NMTC). The Organization does not hold any ownership interest in the NMTC. The first loan (Leveraged Loan A) requires quarterly interest payments of \$91,875 at 5.25% until July 2019, at which point the principal of \$7,000,000 is due to VOAC. The second loan (Leveraged Loan B) requires quarterly interest payments of \$2,072 at 1% until July 2019. Thereafter, quarterly principal and interest payments of \$10,000 at 1% are due until the loan is satisfied in July 2042.

Chase Community Equity, LLC (CCE), the tax credit investor, invested \$3,289,711 in tax credits in the NMTC. The NMTC combined the funds from VOAC and CCE and invested the funds in VOANS CDE Subsidiary 2, LLC (CDE), a limited liability company organized by Volunteers of America National Services for the purpose of loaning funds to VOAC RRC QALICB, LLC (RRC) for the construction of the residential re-entry center in Baltimore, Maryland. RRC received three loans from CDE. The first loan (QALICB Loan A) for \$7,000,000 requires quarterly interest payments of \$73,135 at 4.1791% interest until July 2019 at which point the principal balance of \$7,000,000 is due. The second loan (QALICB Loan B) for \$814,960 requires quarterly interest payments of \$8,136 at 4.1791% until July 2019. Thereafter, quarterly principal and interest payments of \$13,655 at 4.1791% are due until the loan is satisfied in July 2042. The third loan (QALICB Loan C) for \$2,841,040 requires quarterly interest payments of \$29,683 at 4.1791% until July 2019. Thereafter, quarterly principal and interest payments of \$47,602 at 4.1791% are due until the loan is satisfied in July 2042.

As of June 30, 2014 and 2013, restricted cash and cash equivalents were composed of a fee reserve in the amount of \$158,498 and \$168,248, respectively.

11. LINE OF CREDIT

On May 19, 2014, the Organization cancelled an existing line of credit and signed a new agreement establishing a line of credit from a bank in the amount of \$2,000,000. Interest is payable monthly at the prime rate plus one percent. The line is due in full on May 31, 2015. The Organization must maintain a debt service ratio of not less than 1.20 to 1.00, unrestricted net assets of not less than \$9,000,000, and unrestricted liquidity of not less than \$1,500,000. The security for the line of credit is the accounts receivable of the Organization. No amount was outstanding under the line of credit at June 30, 2014.

Until May 19, 2014, the Organization had a line of credit from a bank in the amount of \$1,500,000. Interest was payable monthly at the prime rate plus one percent, with a minimum interest rate of 5.25%. The Organization had to maintain a tangible net worth of \$9,500,000, a debt to worth ratio of less than 2.0 and a debt service coverage ratio of at least 1.2. The security for the line of credit was the accounts receivable of the Organization. No amount was outstanding under the line of credit at June 30, 2013.

On October 17, 2013, the Organization signed a new agreement establishing a line of credit from a bank in the amount of \$500,000. Interest is payable monthly at a rate of 5.25%. The line was due in full on October 17, 2014. The line was subsequently renewed through October 17, 2015. The security for the line of credit is the accounts receivable related to or arising from program receivables from the District of Columbia government. No amount was outstanding under the line of credit at June 30, 2014.

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12. ACCRUED EXPENSES

Accrued expenses consisted of the following at June 30, 2014 and 2013:

	2014	2013
Accrued Vacation	\$ 386,833	\$ 320,360
Accrued Salaries	904,129	738,756
Payroll Taxes Withheld	373,510	-
Accrued Provider Tax	91,058	-
Accrued Interest	978,793	856,617
Other Payables And Accrued Expenses	180,097	397,432
Total	\$ 2,914,420	\$ 2,313,165

The Organization's vacation accrual policy allows a rollover of 160 hours and lower based on years of service. Vacation time vests with the employees and, accordingly, a liability in the amount showed above for each year is reflected in the accompanying consolidated financial statements.

Accrued interest payable of \$979,675 and \$856,617 at June 30, 2014 and 2013, respectively, related to PACA House and Pratt Street. This accrued interest is only payable if PACA House and Pratt Street have surplus cash at the end of the calendar year as defined in the regulatory agreements.

13. NOTES AND MORTGAGES PAYABLE

Obligations under notes and mortgages payable at June 30, 2014 and 2013, consisted of the following:

	2014	2013
Note to bank. Due in 60 monthly installments of \$2,977 (including interest of 4.7% per annum). Matures in September 2016. Secured by property at Leegate Road in Washington, D.C.	\$ 415,578	\$ 432,298
Note to bank. Due in 60 monthly installments of \$2,367 (including interest of 5.25% per annum). Secured by property in Riverdale, Bowie, and Baltimore, Maryland. Terms changed July 11, 2013. Due in 59 regular payments of \$3,136 and one balloon payment of \$209,046. Interest rate of 5.650% per annum.	363,104	383,400
Mortgage payable to bank. Secured by Evergreen property. Payment is due on transfer of the property and not due if property is not transferred within 15 years, interest accrues at 0%.	19,725	19,725
Mortgage payable to bank. Due in 180 monthly installments of \$1,699 (including interest at 6.00% per annum). Secured by real estate on Evergreen Drive. Matures in May 2018.	73,154	88,579

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13. NOTES AND MORTGAGES PAYABLE (CONTINUED)

Obligations under notes and mortgages payable at June 30, 2014 and 2013, consisted of the following:
(Continued)

	2014	2013
Mortgage payable to Virginia Housing Development Authority. Due in monthly installments of \$2,421 (including interest at 8.1478% per annum). Secured by real property owned by Baker House. Matures in January 2020.	129,965	147,637
Mortgage payable to bank. Due in 83 payments of \$2,496. Interest accrues at the prime rate, but not below 4%. Principal balance is due and payable March 2017. Rate at June 30, 2014 and 2013 is 4.0%. The loan is secured by Blagden.	419,622	432,727
Mortgage payable to bank. Due in 59 payments of \$3,107. Interest accrues at the prime rate plus 0.25%, but not below 6.125%. Principal balance is due and payable November 2014. Rate at June 30, 2014 and 2013 is 6.125%. Secured by real estate at Kensington Avenue.	505,633	520,778
Mortgage payable to bank. Due in 59 payments of \$3,803. Interest accrues at the prime rate plus .50%, but not below 4.75%. Principal balance is due and payable June 2015. Rate at June 30, 2014 and 2013 is 4.75%. Secured by real estate at Verbena Avenue.	508,147	528,764
Mortgage payable to bank. Due in 59 payments of \$1,755. Interest accrues at the prime rate plus .50%, but not below 4.75%. Principal balance is due and payable June 2015. Rate at June 30, 2014 and 2013 is 4.75%. Secured by real estate at Frost Avenue.	234,529	244,045
Mortgage payable to DHCD. Annual stated interest rate of 1.0%. Minimum annual payments of \$45,514 are required. Matures in 2037. Secured by real property owned by PACA House. In addition, a payment equal to the amount due on a 20-year amortization schedule shall be paid to the extent of surplus cash.	708,070	746,249
Mortgage payable to City of Baltimore. Annual stated interest rate of 1.0% with interest only payable to the extent of surplus cash. Repayment of principal is deferred until maturity in 2020. Secured by real property owned by PACA House.	2,075,791	2,075,791

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13. NOTES AND MORTGAGES PAYABLE (CONTINUED)

Obligations under notes and mortgages payable at June 30, 2014 and 2013, consisted of the following:
(Continued)

	2014	2013
<p>Mortgage payable to Maryland DHCD. The loan was interest-free through construction completion or August 21, 2004, whichever occurred first. The mortgage is secured by Pratt Street real estate and matures in 2043. The interest rate is the annual applicable federal rate. Annual principal and interest payments shall be made upon commencement of the permanent loan. Organization has surplus cash, which is defined in the loan agreement. Any principal and interest not paid due to insufficient surplus cash shall be deferred and paid on the next annual payment date to the extent there is sufficient surplus cash. Outstanding principal and accrued interest shall be due and payable on the maturity date. The rate at June 30, 2014 and 2013 was 5.48% and 3.89%, respectively.</p>	700,000	700,000
<p>Note payable to bank in 83 payments of \$1,323 and one final balloon payment estimated at \$152,595. Interest accrues at 4.95% per annum. The note is secured by property at Coventry Lane, Virginia Beach, VA.</p>	198,556	-
<p>Various loans secured by vehicles with rates ranging from 4.25% to 4.625% and maturing up to May 2015.</p>	35,275	90,649
<p>A mortgage payable was obtained from Maryland DHCD. The loan was interest-free through May 31, 2004. Interest then accrues at 4% per annum. Interest and principal are due in annual installments commencing April 1, 2005, in an amount equal to the lesser of surplus cash or scheduled payments. If the scheduled payments are greater than surplus cash, the unpaid difference shall be deferred and all accrued and unpaid interest shall be added to the principal amount of the note and shall accrue interest at 4% per annum. During 2012, DHCD agreed to add interest accrued to the principal balance. On June 1, 2042, the entire indebtedness shall be due and payable. The loan is secured by Pratt Street real estate.</p>	660,725	660,725
<p>Permanent mortgage payable to Enterprise Mortgage Investments, Inc., was settled on August 1, 2007, for \$1,592,000. The loan paid off the construction loan with BB&T. Interest is computed at 7.13% per annum and matures 30 years after the closing date of the loan. The mortgage requires monthly principal and interest payments of \$10,371. Secured by real property located on Potter Street.</p>	1,458,134	1,482,009

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13. NOTES AND MORTGAGES PAYABLE (CONTINUED)

Obligations under notes and mortgages payable at June 30, 2014 and 2013, consisted of the following:
(Continued)

	2014	2013
A mortgage payable was obtained from Maryland DHCD under its Housing Opportunities for Persons with AIDS program. The loan was interest-free through construction completion or August 21, 2004, whichever occurred first. The note is secured by Pratt Street real estate and matures in 2043. The permanent loan interest rate is the annual applicable federal rate. Annual principal and interest payments shall be made upon commencement of the permanent loan period if the Organization has surplus cash, which is defined in the note. Any principal and interest not paid because of insufficient surplus cash shall be deferred and paid on the next annual payment date to the extent there is sufficient surplus cash. Outstanding principal and accrued interest shall be due and payable on the maturity date. The rate at June 30, 2014 and 2013 was 5.48% and 3.89%, respectively.	100,000	100,000
Note payable to VOANS CDE Subsidiary 2, LLC, due in July 2019, interest payable quarterly at 4.1791%.	7,000,000	7,000,000
Note payable to VOANS CDE Subsidiary 2, LLC, interest payable quarterly at 4.1791% until July 2019, monthly payments of \$13,655, including principal, thereafter until paid in July 2042.	814,960	814,960
Note payable to VOANS CDE Subsidiary 2, LLC, interest payable quarterly at 4.1791% until 2019, monthly payments of \$47,602, including principal, thereafter until paid in July 2042.	2,841,040	2,841,040
Note to Bank. Due in 120 monthly installments of \$14,114, including interest at 4.39%. Matures in September 2022. Secured by ICF Homes.	2,113,253	2,186,885
Note to Bank. Interest payments at 5.25% until July 2013. Monthly payments of \$50,162 from August 2013 until July 2014, including principal and interest. Monthly payments of \$56,271 from August 2014 until June 2019. Remainder due in July 2019. Secured by Note receivable from Chase NMTC Investment Fund.	6,785,921	7,000,000
	28,161,182	28,496,261
Less: Current Portion	1,729,277	165,034
Net Long Term Portion	\$ 26,431,905	\$ 28,331,227

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For The Years Ended June 30, 2014 And 2013

13. NOTES AND MORTGAGES PAYABLE (CONTINUED)

Maturities on the above mortgages and notes payable are as follows:

For The Years Ending June 30, 2015	\$	1,729,277
2016		469,726
2017		1,234,498
2018		488,843
2019		6,142,447
Thereafter		18,096,391
Total	\$	<u>28,161,182</u>

Mortgages payable from surplus cash are assumed payable at loan maturity for purposes of this schedule.

The Organization agreed to maintain a minimum tangible net worth and a debt service coverage ratio regarding its mortgage and real estate loan with one bank. Per the terms of the loan agreements, tangible net worth shall not be less than \$9,500,000 as exhibited in the annual consolidated financial audit. Tangible net worth is defined as net worth, plus obligations contractually subordinated to debts owed to the bank, minus goodwill, contract rights, and assets representing claims on stockholders or affiliated entities. The debt service coverage ratio shall not be less than 1.2X for the respective programs that are the end users of the related properties. Cash flow is defined as net profit before taxes, plus depreciation, amortization, and interest, minus owner withdrawals and advances to stockholders. Debt service is defined as current maturities of long-term debt plus interest expense. If the loans were deemed in default by the bank, then the bank has the option to declare the balances on the notes immediately due and payable, require the Organization to pledge additional collateral, take immediate possession and foreclose on the properties, and/or charge a default rate of interest on the mortgages, which is defined as the prime rate plus 5%. At June 30, 2014 and 2013, the Organization met both the minimum tangible net worth and debt service coverage ratio requirements.

14. REFUNDABLE ADVANCES

The Organization records grant awards accounted for as exchange transactions as refundable advances until related services are performed, at which time they are recognized as revenue. Refundable advances for grant awards received but not yet earned as of June 30, 2014 and 2013, amounted to \$421,221 and \$414,846, respectively.

Pratt Street Housing Corporation entered into an agreement with DHCD to receive a shelter and transitional housing facilities grant totaling \$970,576 in connection with the construction and renovation of the Pratt Street building. There shall be no interest charges on the financial assistance. Pratt Street Housing Corporation has agreed that all units in the facility will be occupied by homeless residents whose length of stay may not exceed two years. Repayment is not required as long as Pratt Street Housing Corporation complies with these requirements for 15 years, ending in August 2016. Therefore, these amounts are recorded as refundable advances, until the possibility of repayment is remote.

Pratt Street Housing Corporation entered into an affordable housing program agreement with a bank and the Federal Home Loan Bank of Atlanta in which Pratt Street Housing Corporation received a \$175,000 subsidy to be used for the construction of the Pratt Street building. Pratt Street Housing Corporation has agreed to restrict housing in the building as to type, number of housing units, and affordability levels of tenants for a period of 15 years. If the building is sold or not in compliance with the agreed use prior to the expiration of the 15-year period ending in August 2016, then Pratt Street Housing corporation may be obligated to reimburse the full amount of the subsidy. Therefore, this subsidy is recorded as refundable advances, until the possibility of repayment is remote.

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14. REFUNDABLE ADVANCES (CONTINUED)

As of June 30, 2014, an amount of \$25,822 representing rent prepaid by tenants of PACA House, Pratt Street, and Irvington Woods was included in refundable advances.

15. RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets represent support from a charitable remainder trust in the form of investments held by a third-party trustee under a split-interest agreement totaling \$662,976 and \$575,775 at June 30, 2014 and 2013, respectively, as described in Note 8. The trust corpus will be distributed to the Organization upon the death of the last beneficiary receiving a stipulated monthly amount. The variance in the Organization's share of trust assets from year to year is recorded in the consolidated statements of activities and changes in net assets as "change in value of split-interest agreements."

On October 25, 2013, the Organization was the recipient of a capital improvement grant totaling \$940,000. The purpose of the grant is to support the construction of the Residential Re-Entry Center in Baltimore, MD. As of June 30, 2014, the purpose of the grant had not yet been met.

Permanently restricted net assets represent support from a perpetual trust in the form of investments administered by a bank and totaled \$59,014 and \$47,951 at June 30, 2014 and 2013, respectively. Changes in value are recorded in the consolidated statements of activities and changes in net assets as "change in value of split-interest agreements."

The cash distributions received from both trusts are recorded as gain on investments.

16. NON-CONTROLLING INTEREST

Non-controlling interest represents the 99.99% limited partnership interest in Irvington Woods.

17. RELATED PARTY TRANSACTIONS

VOAC is a locally incorporated affiliate of VOA, Inc., a national Christian human services organization. VOAC incurred administrative fees to VOA, Inc., totaling \$606,952 and \$665,648 for the years ended June 30, 2014 and 2013, respectively. VOAC owed VOA, Inc.'s affiliate \$61,146 and \$135,763 related to these fees as of June 30, 2014 and 2013, respectively, which are included in the amount VOAC owes VOA, Inc., as discussed below.

In July 1998, VOAC entered into a twenty-four month contract with VOA, Inc., which allowed VOA, Inc. to operate the enterprise program. Per the terms of the agreement, the contract could be renewed at the end of the term by VOAC. Under this arrangement, VOAC received 75% of net revenue. Net revenue is defined as gross receipts and vehicle towing donations, less all local program operating expenses. Effective March 1, 2009, VOA, Inc., updated this agreement. For an initial period of four months, VOAC will receive 50% of the net revenue, while VOA, Inc., will retain the balance. Any operating deficits will be funded by VOA, Inc., and cumulative losses at the end of the period will be applied against subsequent net revenues. At the end of this initial period, VOA, Inc., decided to continue operating the local program. Therefore, the agreement automatically renewed for an additional five-year period and will continue to renew annually thereafter, unless terminated earlier by either party for reasons indicated in the agreement. At June 30, 2014 and 2013, VOAC is owed \$0 by VOA, Inc.

The net revenues under this agreement totaled \$281,696 and \$10,000 for the years ended June 30, 2014 and 2013, respectively. These revenues are reported as contributions support.

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17. RELATED PARTY TRANSACTIONS (CONTINUED)

VOAC owes VOA, Inc., \$162,300 and \$278,627 in operating advances and accrued affiliate fee that are noninterest-bearing and are due on demand as of June 30, 2014 and 2013, respectively.

VOAC is a participant in a pooled investment program managed by VOA, Inc. See Note 7 for more details of the program and related agreement between VOAC and VOA, Inc.

VOA Eastern Avenue Housing Corporation (Eastern Avenue Corp) was a non-stock corporation with two directors appointed by VOA, Inc., and two directors appointed by VOAC. Eastern Avenue Corp was the 1% general partner in VOA Eastern Avenue Limited Partnership (VOA Eastern Avenue). VOA Eastern Avenue's purpose was to own and operate an apartment project. During 2013, Eastern Avenue Corp ceased operations and is now in the process of dissolution. VOAC is entitled to their portion (50%) of a promissory note in the principal amount of \$4,177,994. As of June 30, 2013, VOAC had no book value recorded on their portion of the promissory note as management did not believe the amount was collectible. During the year ended June 30, 2014, VOAC received a principal payment of \$832,549 which was recorded as recovery of bad debt, as well as an interest payment of \$138,897 which was recorded as interest income. As of June 30, 2014, accrued interest due to VOAC under this note was \$11,309 and the principal amount due to VOAC under this note was \$1,256,449. Management has recorded an allowance of \$942,337 based on analysis and expected payments to be received on this note.

18. OPERATING LEASES - LESSEE

The Organization has several non-cancellable operating leases, primarily for administrative and residential real estate, that expire at various dates through June 2042. Leases have renewal options of up to five years. Rental expenses for these leases totaled \$2,426,606 and \$2,026,585 for the years ended June 30, 2014 and 2013, respectively.

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of June 30, 2014, are as follows:

For The Years Ending June 30,

2015	\$ 1,172,000
2016	387,868
2017	143,180
2018	104,584
2019	85,000
Thereafter	<u>19,934,532</u>
Total	<u>\$ 21,827,164</u>

**Volunteers of America Chesapeake, Inc.
And Subsidiaries
Notes To Consolidated Financial Statements
(Continued)**

For The Years Ended June 30, 2014 And 2013

19. RETIREMENT PLANS

DEFINED BENEFIT PLAN - The Organization sponsors a non-contributory defined benefit plan covering all full-time employees at least 21 years of age who are not commissioned ministers with VOAC and subsidiaries. The benefits are based on actuarial recommendations as to funding requirements. The board of directors froze the defined benefit pension plan as of May 31, 2010. No new participants will be enrolled in the Plan. Additional contributions may be required to meet the projected future benefit obligations of the Plan.

The following table sets forth the Plan's funded status and amounts recognized in the Organization's consolidated financial statements as of and for the years ended June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Benefit Obligation		
Benefit Obligation At Beginning Of Year	\$ 6,986,985	\$ 5,905,950
Interest Cost	390,539	359,434
Actuarial (Gain) Loss	42,421	994,199
Benefits Paid	<u>(322,793)</u>	<u>(272,598)</u>
Benefit Obligation At End Of The Year	<u>7,097,152</u>	<u>6,986,985</u>
Plan Assets		
Fair Market Value At Beginning Of Year	4,894,503	4,749,507
Benefits Paid	(322,793)	(272,598)
Gains (Losses)	<u>598,799</u>	<u>417,594</u>
Fair Market Value At End Of Year	<u>5,170,509</u>	<u>4,894,503</u>
Funded Status At End Of Year	<u><u>\$(1,926,643)</u></u>	<u><u>\$ (2,092,482)</u></u>
Amounts Recognized In The Statements Of Financial Position		
Non-Current Liabilities	<u><u>\$(1,926,643)</u></u>	<u><u>\$ (2,092,482)</u></u>
Amounts Not Yet Recognized In Net Periodic Pension Cost And Included In Unrestricted Net Assets		
Accumulated Loss	<u><u>\$ 616,686</u></u>	<u><u>\$ 845,162</u></u>

**Volunteers of America Chesapeake, Inc.
And Subsidiaries
Notes To Consolidated Financial Statements
(Continued)**

For The Years Ended June 30, 2014 And 2013

19. RETIREMENT PLANS (CONTINUED)

	<u>2014</u>	<u>2013</u>
Net Periodic Pension Cost		
Interest Cost	\$ 390,539	\$ 359,434
Expected Return On Assets	355,960	337,561
Amortizations	<u>28,058</u>	<u>-</u>
Net Periodic Pension Cost	<u>62,637</u>	<u>21,873</u>
Other Changes Recognized In Changes In Unrestricted Net Assets		
Net Loss	256,534	908,186
Amortization Of Net Gain (Loss)	<u>(28,058)</u>	<u>-</u>
Total Recognized In Changes In Unrestricted Net Assets	<u>228,476</u>	<u>908,186</u>
Net Recognized In Net Periodic Pension Cost And Changes In Unrestricted Net Assets	<u>\$ 291,113</u>	<u>\$ 930,059</u>
	<u>2014</u>	<u>2013</u>
Amortization		
Greater Of Benefit Obligation Or Plan Assets	\$ 7,097,152	\$ 6,986,985
10 Percent	709,715	698,699
Unrecognized (Gains) Losses	616,686	845,162
Average Future Service Period	4.78	5.22
Minimum Required Amortization For Next Year	-	28,058
Plan Asset Allocation		
Cash And Cash Equivalents	1.00%	1.00%
Debt Securities	40.20%	44.00%
Equity Securities	56.40%	52.50%
Real Estate	<u>2.40%</u>	<u>2.50%</u>
Total	<u>100.00%</u>	<u>100.00%</u>
Plan Target Asset Allocation		
Cash And Cash Equivalents	1.00%	1.00%
Debt Securities	44.00%	44.00%
Equity Securities	52.50%	52.50%
Real Estate	<u>2.50%</u>	<u>2.50%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

**Volunteers of America Chesapeake, Inc.
And Subsidiaries
Notes To Consolidated Financial Statements
(Continued)**

For The Years Ended June 30, 2014 And 2013

19. RETIREMENT PLANS (CONTINUED)

	2014	2013
Expected Contribution For Next Plan Year (2014 And 2013)	\$ -	\$ -
Expected Benefits Payments		
2014 / 2015	430,000	390,000
2015 / 2016	445,000	400,000
2016 / 2017	455,000	425,000
2017 / 2018	495,000	440,000
2018 / 2019	535,000	475,000
Next 5 Years	3,200,000	3,200,000

Assumptions

*Weighted-Average Assumptions Used To Determine Benefit
Obligation At Year End*

Discount Rate	5.75%	5.75%
Rate Of Compensation Increase	0.00%	0.00%

*Weighted-Average Assumptions Used To Determine Net Periodic
Benefit Cost For Years Ended*

Discount Rate	5.75%	5.75%
Expected Long-Term Return On Plan Assets	8.00%	8.00%
Rate Of Compensation Increase	0.00%	0.00%

Measurement Date

The measurement date for each fiscal year is the year end date. The values of assets and liabilities are calculated at this date.

Plan Assets

The Organization's expected rate of return on plan assets was developed by combining a long-term inflation component, the risk adjusted rate of return, and the associated risk premium. A weighted-average rate was developed based on those overall rates and the target asset allocation of the Plan. The Organization's investment strategy encompasses a long-term, risk-controlled approach using diversified investment options with a minimal exposure to volatile investment options like derivatives. The strategy utilizes a diversified allocation of equity, debt, and real estate.

Fair Value of Plan Assets - Beginning in 2009, the rules related to accounting for postretirement benefit plans under accounting principles generally accepted in the United States of America require certain fair value disclosures related to postretirement benefit plan assets, even though those assets are not included on the consolidated statements of financial position. The following table presents the fair values of the assets of the Organization's qualified defined benefit pension plan by asset category and their levels within the fair value hierarchy. As of June 30, 2014 and 2013, the Organization has valued all of its investments held by the defined benefit pension plan at fair value using quoted prices in active markets for identical assets (Level 1 as described in Note 7 to these financial statements).

**Volunteers of America Chesapeake, Inc.
And Subsidiaries
Notes To Consolidated Financial Statements
(Continued)**

For The Years Ended June 30, 2014 And 2013

19. RETIREMENT PLANS (CONTINUED)

Plan Assets (Continued)

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
<u>June 30, 2014</u>				
Cash And Cash Equivalents	\$ 51,705	\$ -	\$ -	\$ 51,705
Equity - Mutual Funds	2,078,545	-	-	2,078,545
Fixed Income - Corporate Debt Securities	2,916,167	-	-	2,916,167
Real Estate Securities	124,092	-	-	124,092
Total	<u>\$5,170,509</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$5,170,509</u>

	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total
<u>June 30, 2013</u>				
Cash And Cash Equivalents	\$ 48,945	\$ -	\$ -	\$ 48,945
Equity - Mutual Funds	2,569,614	-	-	2,569,614
Fixed Income - Corporate Debt Securities	1,507,506	-	-	1,507,506
Fixed Income - U.S. Government Securities	646,075	-	-	646,075
Real Estate Securities	122,363	-	-	122,363
Total	<u>\$4,894,503</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$4,894,503</u>

VALUATION TECHNIQUES - Cash equivalents mostly consist of short-term money-market instruments and are valued at cost, which approximates fair value.

U.S. equity securities and international equity securities, fixed income securities, and real estate based securities are categorized as Level 1 and are traded on national and international exchanges and are valued at their closing prices on the last day of the year.

TAX DEFERRED ANNUITY PLANS - The Organization maintains two separate tax-deferred annuity plans qualified under Section 403(b) of the Internal Revenue Code. One plan is for full-time employees at least 21 years of age employed as ministers of VOAC. The employer makes a discretionary contribution at 5% or 2% of salary, depending on length of service, for the ministers. The second plan is available for all employees of the Organization and has no required employer matching contribution. Effective June 1, 2010, the Organization amended the second 403(b) plan to a discretionary 2% employer contribution and a discretionary profit sharing contribution after one year of service and 1,500 hours worked. Employer contributions vest at 20% for each year of service. Participants enrolled in the Plan as of January 1, 2010, and who have been with the Organization for over one year and have completed 2,000 hours of service will be grandfathered into the match and will not have to wait for the additional year. Plan expenses amounted to \$235,338 and \$212,982 for the years ended June 30, 2014 and 2013, respectively.

**Volunteers of America Chesapeake, Inc.
And Subsidiaries
Notes To Consolidated Financial Statements
(Continued)**

For The Years Ended June 30, 2014 And 2013

19. RETIREMENT PLANS (CONTINUED)

PARTICIPATION IN VOA, INC., DEFINED BENEFIT PLAN - VOA, Inc. participates with its local offices, including VOAC in 2012, in a non-contributory defined benefit pension and retirement plan, called The Volunteers of America National Pension Plan. After 2012, no remaining VOAC employees participated in the plan. The plan's employer identification number is 13-1692595 and the plan year end is December 31. This plan is a multi-employer plan and is not required to record the unfunded pension liability in its financial statements. The plan's disclosure information regarding projected benefit obligation and unfunded status as they relate solely to VOA, Inc., is not available, which is typical for multi-employer plans. Because this plan is a church plan and not subject to the Employment Retirement Security Act of 1974 (ERISA), VOA, Inc., is not required to file a Form 5500. This unfunded liability is collectively the liability of all participating employers. If there were any cash shortfalls in the plan, the plan would look towards the participating employers to fund these amounts. As the participating employers of this plan are affiliated with VOA, Inc., it is not anticipated that any employer will choose to stop participating.

20. POSTRETIREMENT BENEFIT

The Organization provides a self-funded, non-qualified postretirement benefit to two retired chief executive officers. In one case, the benefit consists of a housing allowance and term life insurance. In the second case, the benefit consists of annual health insurance and level premium and term life insurance. The liability for the benefit obligation is determined as the present value of the future cash requirements for the life expectancies of the beneficiaries at the current U.S. Treasury 20-year interest rate. In the case of the health insurance, an escalator of six percent is used for expected future health insurance increases, and Medicare supplemental insurance is assumed at age 65. The postretirement benefit obligation at June 30, 2014 and 2013, was \$482,295 and \$498,090, respectively.

21. OPERATING LEASES - LESSOR

Baker House, PACA House, Pratt Street, and Irvington Woods rent units in apartment buildings to tenants under agreements with governmental agencies. All leases are on a month-to-month basis. Cost and depreciation of the apartment buildings for the years ended June 30, 2014 and 2013, is as follows:

	<u>Cost</u>	<u>Depreciation</u>	<u>Net</u>
<u>June 30, 2014</u>			
Baker House	\$ 447,074	\$ 321,681	\$ 125,393
PACA House	6,565,106	4,118,242	2,446,864
Pratt Street	1,463,822	261,750	1,202,072
Irvington Woods	6,558,036	1,927,539	4,630,497
Total Cost	<u>\$ 15,034,038</u>	<u>\$ 6,629,212</u>	<u>\$ 8,404,826</u>
	<u>Cost</u>	<u>Depreciation</u>	<u>Net</u>
<u>June 30, 2013</u>			
Baker House	\$ 498,645	\$ 348,208	\$ 150,437
PACA House	7,038,422	3,956,348	3,082,074
Pratt Street	4,003,620	2,765,134	1,238,486
Irvington Woods	7,025,726	1,787,257	5,238,469
Total Cost	<u>\$ 18,566,413</u>	<u>\$ 8,856,947</u>	<u>\$ 9,709,466</u>

**Volunteers of America Chesapeake, Inc.
And Subsidiaries
Notes To Consolidated Financial Statements
(Continued)**

For The Years Ended June 30, 2014 And 2013

22. CONTINGENCIES

PACA House's, Pratt Street's, and Irvington Woods' low-income housing tax credits are contingent on their ability to maintain compliance with applicable sections of Section 42. Failure to maintain compliance with occupant eligibility, and/or unit gross rents, or to correct noncompliance within 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.

VOAC is required to make certain operating deficit contributions to Pratt Street as defined in the partnership agreement. The Organization has agreed to advance funds up to a cumulative maximum of \$335,000 to Pratt Street to cover any operating deficits. No such contributions were required during fiscal years 2014 and 2013. The cumulative operating deficit contributions remitted were \$214,050 through June 30, 2014.

VOAC is required to make certain operating deficit contributions to Irvington Woods as defined in the partnership agreement. The general partner, pursuant to the terms of the partnership agreement, is required to fund additional capital contributions for any operating deficits through the stabilization date. The general partner's obligation after the stabilization date to make operating deficit contributions that are not funded from the operating reserves is limited to \$280,000. To the extent the general partner cannot meet this obligation, VOAC has provided a guarantee to advance funds to the general partner to cover any shortfall. As of June 30, 2014 and 2013, no such contribution has been requested or required.

Financial assistance from federal, state, and local government entities in the form of grants are subject to special audit procedures. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

23. SUBSEQUENT EVENTS

The Organization has evaluated events and transactions subsequent to the consolidated statement of financial position date for potential recognition or disclosure through the independent auditor's report date, the date the consolidated financial statements were available to be issued. There were no events that required recognition or disclosure in the consolidated financial statements, except as noted below.

Subsequent to year end, on July 29, 2014, a new loan was entered into for the property on Glen Avenue in Baltimore, Maryland. The loan amount is \$110,000 and is payable in 83 monthly installments of \$728 beginning September 1, 2014 with a final balloon payment due on August 1, 2021. The interest rate on the loan is 4.95%.

**CONSOLIDATING
SUPPLEMENTARY
INFORMATION**

Volunteers Of America Chesapeake Inc., And Subsidiaries
Consolidating Schedule Of Financial Position

June 30, 2014

	VOAC	Holding Corp	Baker House	PACA House, Inc.	PACA House	Pratt Street Housing	Pratt Street	Irvington Woods Corp	Irvington Woods	RRC Corp	RRC	Total	Eliminations	Consolidated Total
CURRENT ASSETS														
Cash And Cash Equivalents	\$ 3,019,234	\$ 218,051	\$ 13,884	\$ -	\$ 120,158	\$ -	\$ 15,755	\$ -	\$ 6,317	\$ -	\$ 2	\$ 3,393,401	\$ -	\$ 3,393,401
Accounts Receivable (Net Of Allowance)	3,331,760	-	-	-	5,986	-	7,718	-	18,566	-	790,418	4,154,448	(855,998)	3,298,450
Due From Related Parties	1,503,032	56	-	-	-	240,632	-	-	-	-	-	1,743,720	(1,743,720)	-
Prepaid Expenses	214,958	-	3,719	-	1,128	-	589	-	14,356	-	-	234,750	-	234,750
Other Receivables	218,593	-	-	-	-	-	-	-	-	-	-	218,593	-	218,593
Reimbursement Receivable	310,014	-	-	-	-	-	-	-	-	-	-	310,014	-	310,014
Interest Receivable	550,706	-	-	-	-	-	-	-	-	-	-	550,706	(539,397)	11,309
Total Current Assets	9,148,297	218,107	17,603	-	127,272	240,632	24,062	-	39,239	-	790,420	10,605,632	(3,139,115)	7,466,517
PROPERTY AND EQUIPMENT, NET	9,710,216	274,604	165,127	-	2,938,875	-	1,202,096	-	5,022,005	-	9,836,038	29,148,961	(1,190,874)	27,958,087
OTHER ASSETS														
Designated And Restricted Cash	397,900	-	200,969	-	756,546	-	127,761	-	302,088	-	158,498	1,943,762	-	1,943,762
Long-Term Investments	1,726,806	-	-	-	-	-	-	-	-	-	-	1,726,806	-	1,726,806
Unamortized Mortgage Costs	50,000	-	-	-	45,378	-	44,114	-	42,967	-	365,552	548,011	-	548,011
Deposits	40,893	-	-	-	-	-	-	-	-	-	-	40,893	-	40,893
Beneficial Interest In Perpetual Trust	59,014	-	-	-	-	-	-	-	-	-	-	59,014	-	59,014
Investment In Partnerships	1,267,593	-	-	-	-	970,576	-	100	-	(1,234)	-	2,237,035	(2,237,035)	-
Contribution Receivable From Charitable Remainder Trust	662,976	-	-	-	-	-	-	-	-	-	-	662,976	-	662,976
Notes Receivable	8,558,216	-	-	-	-	-	-	1,266,293	-	-	-	9,824,509	(1,681,493)	8,143,016
Total Other Assets	12,763,398	-	200,969	-	801,924	970,576	171,875	1,266,393	345,055	(1,234)	524,050	17,043,006	(3,918,528)	13,124,478
TOTAL ASSETS	\$ 31,621,911	\$ 492,711	\$ 383,699	\$ -	\$ 3,868,071	\$ 1,211,208	\$ 1,398,033	\$ 1,266,393	\$ 5,406,299	\$ (1,234)	\$ 11,150,508	\$ 56,797,599	\$ (8,248,517)	\$ 48,549,082

Volunteers Of America Chesapeake Inc., And Subsidiaries
Consolidating Schedule Of Financial Position

June 30, 2013

	VOAC	Holding Corp	Baker House	PACA House, Inc.	PACA House	Pratt Street Housing	Pratt Street	Irvington Woods Corp	Irvington Woods	RRC Corp	RRC	Total	Eliminations	Consolidated Total
CURRENT ASSETS														
Cash And Cash Equivalents	\$ 2,255,420	\$ 2,181	\$ 6,510	\$ -	\$ 3,693	\$ -	\$ 2,514	\$ -	\$ 73,881	\$ -	\$ 2,001	\$ 2,346,200	\$ -	\$ 2,346,200
Accounts Receivable (Net Of Allowance)	5,241,529	-	688	-	25,714	-	1,053	-	14,239	-	-	5,283,223	-	5,283,223
Due From Related Parties	1,444,670	440,696	-	-	-	235,382	-	-	-	-	-	2,120,748	(2,120,748)	-
Prepaid Expenses	132,701	-	3,637	-	20,832	-	12,693	-	14,631	-	-	184,494	-	184,494
Total Current Assets	9,074,320	442,877	10,835	-	50,239	235,382	16,260	-	102,751	-	2,001	9,934,665	(2,120,748)	7,813,917
PROPERTY AND EQUIPMENT, NET														
	9,861,429	309,131	149,837	-	3,082,074	-	1,238,486	-	5,238,469	-	10,491,573	30,370,999	(1,190,874)	29,180,125
OTHER ASSETS														
Designated And Restricted Cash	407,733	-	230,953	-	1,067,553	-	153,841	-	316,819	-	168,248	2,345,147	-	2,345,147
Long-Term Investments	1,496,356	-	-	-	-	-	-	-	-	-	-	1,496,356	-	1,496,356
Unamortized Mortgage Costs	60,000	-	-	-	47,269	-	45,722	-	44,830	-	-	197,821	-	197,821
Deposits	39,973	-	-	-	-	-	-	-	-	-	-	39,973	-	39,973
Beneficial Interest In Perpetual Trust	47,951	-	-	-	-	-	-	-	-	-	-	47,951	-	47,951
Investment In Partnerships	1,266,593	-	-	119,812	-	970,576	-	100	-	-	-	2,357,081	(2,357,081)	-
Contribution Receivable From Charitable Remainder Trust	575,775	-	-	-	-	-	-	-	-	-	-	575,775	-	575,775
Notes Receivable	8,721,869	-	-	-	-	-	-	1,266,293	-	-	-	9,988,162	(2,159,258)	7,828,904
Total Other Assets	12,616,250	-	230,953	119,812	1,114,822	970,576	199,563	1,266,393	361,649	-	168,248	17,048,266	(4,516,339)	12,531,927
TOTAL ASSETS	\$ 31,551,999	\$ 752,008	\$ 391,625	\$ 119,812	\$ 4,247,135	\$ 1,205,958	\$ 1,454,309	\$ 1,266,393	\$ 5,702,869	\$ -	\$ 10,661,822	\$ 57,353,930	\$ (7,827,961)	\$ 49,525,969

Volunteers Of America Chesapeake Inc., And Subsidiaries
Consolidating Schedule Of Financial Position
(Continued)

June 30, 2014

	VOAC	Holding Corp	Baker House	PACA House, Inc.	PACA House	Pratt Street Housing	Pratt Street	Irvington Woods Corp	Irvington Woods	RRC Corp	RRC	Total	Eliminations	Consolidated Total
CURRENT LIABILITIES														
Accounts Payable	\$ 445,070	\$ 3,613	\$ 13,618	\$ -	\$ 24,430	\$ -	\$ 4,992	\$ -	\$ 17,516	\$ -	\$ -	\$ 509,239	\$ -	\$ 509,239
Current Maturities Of Long-Term Debt	1,684,476	-	19,166	-	-	-	-	-	25,835	-	-	1,729,277	-	1,729,277
Accrued Expenses	1,898,953	-	882	-	899,336	-	728,440	-	38,021	-	-	3,565,632	(651,212)	2,914,420
Other Current Liabilities	58,439	-	-	-	-	-	-	-	-	-	-	58,439	(34,733)	23,706
Due To Related Parties	161,377	3,841	-	-	603,822	-	304,795	-	2,065,002	10	742,875	3,881,722	(3,719,463)	162,259
Client Escrow Funds	150,097	-	-	-	-	-	-	-	-	-	-	150,097	-	150,097
Tenant Security Deposits	-	-	1,427	-	4,450	-	1,450	-	17,135	-	-	24,462	-	24,462
Refundable Advances	421,221	-	22	-	7,615	1,145,576	10,573	-	7,612	-	-	1,592,619	-	1,592,619
Total Current Liabilities	4,819,633	7,454	35,115	-	1,539,653	1,145,576	1,050,250	-	2,170,921	10	742,875	11,511,487	(4,405,408)	7,106,079
LONG TERM LIABILITIES														
Long-Term Debt, Less Current Maturities	9,988,021	-	110,799	-	3,199,061	-	1,460,725	-	1,432,499	-	10,656,000	26,847,105	(415,200)	26,431,905
Post-Retirement Benefit Liability	482,295	-	-	-	-	-	-	-	-	-	-	482,295	-	482,295
Underfunded Pension Obligation	1,926,643	-	-	-	-	-	-	-	-	-	-	1,926,643	-	1,926,643
Total Long Term Liabilities	12,396,959	-	110,799	-	3,199,061	-	1,460,725	-	1,432,499	-	10,656,000	29,256,043	(415,200)	28,840,843
Total Liabilities	17,216,592	7,454	145,914	-	4,738,714	1,145,576	2,510,975	-	3,603,420	10	11,398,875	40,767,530	(4,820,608)	35,946,922
NET ASSETS														
Unrestricted														
Controlling Interest	12,743,329	485,257	237,785	-	(870,643)	65,632	(1,112,942)	1,266,393	(151)	(1,244)	(248,367)	12,565,049	(3,427,909)	9,137,140
Non-controlling Interest	-	-	-	-	-	-	-	-	1,803,030	-	-	1,803,030	-	1,803,030
Total Unrestricted	12,743,329	485,257	237,785	-	(870,643)	65,632	(1,112,942)	1,266,393	1,802,879	(1,244)	(248,367)	14,368,079	(3,427,909)	10,940,170
Temporarily Restricted	1,602,976	-	-	-	-	-	-	-	-	-	-	1,602,976	-	1,602,976
Permanently Restricted	59,014	-	-	-	-	-	-	-	-	-	-	59,014	-	59,014
Total Net Assets	14,405,319	485,257	237,785	-	(870,643)	65,632	(1,112,942)	1,266,393	1,802,879	(1,244)	(248,367)	16,030,069	(3,427,909)	12,602,160
TOTAL LIABILITIES AND NET ASSETS	\$ 31,621,911	\$ 492,711	\$ 383,699	\$ -	\$ 3,868,071	\$ 1,211,208	\$ 1,398,033	\$ 1,266,393	\$ 5,406,299	\$ (1,234)	\$ 11,150,508	\$ 56,797,599	\$ (8,248,517)	\$ 48,549,082

Volunteers Of America Chesapeake Inc., And Subsidiaries
Consolidating Schedule Of Financial Position
(Continued)

June 30, 2013

	VOAC	Holding Corp	Baker House	PACA House, Inc.	PACA House	Pratt Street Housing	Pratt Street	Irvington Woods Corp	Irvington Woods	RRC Corp	RRC	Total	Eliminations	Consolidated Total
CURRENT LIABILITIES														
Accounts Payable	\$ 681,444	\$ 8,289	\$ 2,229	\$ -	\$ 105,129	\$ -	\$ 99,055	\$ -	\$ 20,644	\$ -	\$ -	\$ 916,790	\$ -	\$ 916,790
Current Maturities Of Long-Term Debt	165,034	-	-	-	-	-	-	-	-	-	-	165,034	-	165,034
Accrued Expenses	1,289,790	-	1,002	-	890,299	-	613,727	-	38,313	-	-	2,833,131	(519,966)	2,313,165
Other Current Liabilities	18,993	-	-	-	-	-	-	-	-	-	-	18,993	-	18,993
Due To Related Parties	719,323	-	-	-	566,990	-	348,718	-	1,988,636	-	-	3,623,667	(3,345,040)	278,627
Client Escrow Funds	101,353	-	-	-	-	-	-	-	-	-	-	101,353	-	101,353
Tenant Security Deposits	-	-	1,283	-	4,551	-	1,545	-	30,524	-	-	37,903	-	37,903
Refundable Advances	410,453	-	-	-	4,823	1,145,576	2,153	-	(2,583)	-	-	1,560,422	-	1,560,422
Total Current Liabilities	3,386,390	8,289	4,514	-	1,571,782	1,145,576	1,065,198	-	2,075,534	-	-	9,257,293	(3,865,006)	5,392,287
LONG TERM LIABILITIES														
Long-Term Debt, Less Current Maturities	11,749,943	12,873	147,637	-	3,237,240	-	1,460,725	-	1,482,009	-	10,656,000	28,746,427	(415,200)	28,331,227
Post-Retirement Benefit Liability	498,090	-	-	-	-	-	-	-	-	-	-	498,090	-	498,090
Underfunded Pension Obligation	2,092,482	-	-	-	-	-	-	-	-	-	-	2,092,482	-	2,092,482
Total Long Term Liabilities	14,340,515	12,873	147,637	-	3,237,240	-	1,460,725	-	1,482,009	-	10,656,000	31,336,999	(415,200)	30,921,799
Total Liabilities	17,726,905	21,162	152,151	-	4,809,032	1,145,576	2,525,923	-	3,557,543	-	10,656,000	40,594,292	(4,280,206)	36,314,086
NET ASSETS														
Unrestricted														
Controlling Interest	13,201,368	730,846	239,474	119,812	(561,897)	60,382	(1,071,614)	1,266,393	(117)	-	5,822	13,990,469	(3,547,755)	10,442,714
Non-controlling Interest	-	-	-	-	-	-	-	-	2,145,443	-	-	2,145,443	-	2,145,443
Total Unrestricted	13,201,368	730,846	239,474	119,812	(561,897)	60,382	(1,071,614)	1,266,393	2,145,326	-	5,822	16,135,912	(3,547,755)	12,588,157
Temporarily Restricted	575,775	-	-	-	-	-	-	-	-	-	-	575,775	-	575,775
Permanently Restricted	47,951	-	-	-	-	-	-	-	-	-	-	47,951	-	47,951
Total Net Assets	13,825,094	730,846	239,474	119,812	(561,897)	60,382	(1,071,614)	1,266,393	2,145,326	-	5,822	16,759,638	(3,547,755)	13,211,883
TOTAL LIABILITIES AND NET ASSETS	\$ 31,551,999	\$ 752,008	\$ 391,625	\$ 119,812	\$ 4,247,135	\$ 1,205,958	\$ 1,454,309	\$ 1,266,393	\$ 5,702,869	\$ -	\$ 10,661,822	\$ 57,353,930	\$ (7,827,961)	\$ 49,525,969

Volunteers Of America Chesapeake Inc., And Subsidiaries
Consolidating Schedule Of Unrestricted Activities

For The Year Ended June 30, 2014

	VOAC	Holding Corp	Baker House	PACA House, Inc.	PACA House	Pratt Street Housing	Pratt Street	Irvington Woods Corp	Irvington Woods	RRC Corp	RRC	Total	Eliminations	Consolidated Total
REVENUES AND SUPPORT														
Contributions	\$ 1,131,003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,131,003	\$ (300,000)	\$ 831,003
Contributions, In-Kind	4,870	-	-	-	-	-	-	-	-	-	-	4,870	-	4,870
Special Events	23,512	-	-	-	-	-	-	-	-	-	-	23,512	-	23,512
United Way	23,007	-	-	-	-	-	-	-	-	-	-	23,007	-	23,007
Government Revenues And Grants	28,369,580	-	-	-	-	-	-	-	-	-	-	28,369,580	(112,653)	28,256,927
Program Service Fees	1,212,187	-	104,302	-	594,883	-	376,084	-	610,161	-	790,417	3,688,034	(982,524)	2,705,510
Sales Of Materials And Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating Revenues	489,958	-	-	-	7,494	-	3,630	-	10,376	-	-	511,458	(83,354)	428,104
Interest And Dividends	184,937	-	502	-	1,466	5,250	314	-	95	-	928	193,492	-	193,492
Net Gain On Investments	196,115	-	-	-	-	-	-	-	-	(1,244)	-	194,871	(5,250)	189,621
Gain (Loss) On Disposal Of Equipment	(245,369)	-	-	-	-	-	-	-	-	-	-	(245,369)	-	(245,369)
Rental Revenue	113,814	192,140	-	-	-	-	-	-	-	-	-	305,954	-	305,954
Developer Fee	906,864	-	-	-	-	-	-	-	-	-	-	906,864	-	906,864
Property Management Fee	46,183	-	-	-	-	-	-	-	-	-	-	46,183	-	46,183
Recovery Of Bad Debt	1,146,661	-	-	-	998	-	-	-	-	-	-	1,147,659	-	1,147,659
Other Revenues (Losses)	141,322	-	-	-	-	-	-	-	-	-	-	141,322	(171,000)	(29,678)
Total Revenues And Support	33,744,644	192,140	104,804	-	604,841	5,250	380,028	-	620,632	(1,244)	791,345	36,442,440	(1,654,781)	34,787,659
EXPENSES	33,942,354	437,729	106,493	-	913,587	-	421,356	-	963,079	-	827,030	37,611,628	(1,483,815)	36,127,813
INCREASE/(DECREASE) IN PENSION OBLIGATION	(165,839)	-	-	-	-	-	-	-	-	-	-	(165,839)	-	(165,839)
OTHER NON-OPERATIONAL COSTS	426,168	-	-	-	-	-	-	-	-	-	-	426,168	-	426,168
(Decrease) Increase In Unrestricted Net Assets (Deficit) Before Non-controlling Interest	(458,039)	(245,589)	(1,689)	-	(308,746)	5,250	(41,328)	-	(342,447)	(1,244)	(35,685)	(1,429,517)	(170,966)	(1,600,483)
Increase (Decrease) In Net Assets (Deficit) Attributable To Non-controlling Interest In Subsidiary	-	-	-	-	-	-	-	-	(342,413)	-	-	(342,413)	-	(342,413)
Total Increase (Decrease) In Net Assets	(458,039)	(245,589)	(1,689)	-	(308,746)	5,250	(41,328)	-	(34)	(1,244)	(35,685)	(1,087,104)	(170,966)	(1,258,070)
Unrestricted Net Assets (Deficit) - Beginning Of Year	13,201,368	730,846	239,474	119,812	(561,897)	60,382	(1,071,614)	1,266,393	(117)	-	5,822	13,990,469	(3,547,755)	10,442,714
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	1,000	-	1,000
Capital Distributions	-	-	-	(119,812)	-	-	-	-	-	-	(219,504)	(339,316)	290,812	(48,504)
Unrestricted Net Assets (Deficit) - End Of Year	\$ 12,743,329	\$ 485,257	\$ 237,785	\$ -	\$ (870,643)	\$ 65,632	\$ (1,112,942)	\$ 1,266,393	\$ (151)	\$ (1,244)	\$ (248,367)	\$ 12,565,049	\$ (3,427,909)	\$ 9,137,140

Volunteers Of America Chesapeake Inc., And Subsidiaries
Consolidating Schedule Of Unrestricted Activities

For The Year Ended June 30, 2013

	VOAC	Holding Corp	Baker House	PACA House Inc.	PACA House	Pratt Street Housing	Pratt Street	Irvington Woods Corp	Irvington Woods	RRC Corp	RRC	Total	Eliminations	Consolidated Total
REVENUES AND SUPPORT														
Contributions	\$ 806,653	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 806,653	\$ -	\$ 806,653
Contributions, In-Kind	1,880,040	-	-	-	-	-	-	-	-	-	-	1,880,040	-	1,880,040
Special Events	35,734	-	-	-	-	-	-	-	-	-	-	35,734	-	35,734
United Way	4,485	-	-	-	-	-	-	-	-	-	-	4,485	-	4,485
Government Revenues And Grants	27,367,073	-	-	-	-	-	-	-	-	-	-	27,367,073	-	27,367,073
Program Service Fees	1,223,184	-	103,838	-	629,854	-	378,927	-	624,784	-	-	2,960,587	-	2,960,587
Sales Of Materials And Services	-	-	-	-	-	-	-	-	753	-	-	753	-	753
Other Operating Revenues	79,027	18,062	103	-	9,356	-	11,989	-	10,678	-	-	129,215	-	129,215
Interest And Dividends	233,273	-	495	-	2,441	5,250	387	-	41	-	5,822	247,709	-	247,709
Net Gain On Investments	89,150	-	-	-	-	-	-	-	-	-	-	89,150	-	89,150
Gain (Loss) On Disposal Of Equipment	210,949	-	-	-	-	-	-	-	-	-	-	210,949	-	210,949
Rental Revenue	75,750	180,511	-	-	-	-	-	-	-	-	-	256,261	(180,511)	75,750
Developer Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recovery Of Bad Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenues (Losses)	169,314	-	-	-	-	-	-	-	-	-	-	169,314	(82,047)	87,267
Total Revenues And Support	32,174,632	198,573	104,436	-	641,651	5,250	391,303	-	636,256	-	5,822	34,157,923	(262,558)	33,895,365
EXPENSES	28,447,090	172,169	98,365	-	1,119,688	-	570,078	-	917,838	-	-	31,325,228	(262,558)	31,062,670
INCREASE/(DECREASE) IN PENSION OBLIGATION	908,186	-	-	-	-	-	-	-	-	-	-	908,186	-	908,186
OTHER NON-OPERATIONAL COSTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Decrease) Increase In Unrestricted Net Assets (Deficit) Before Non-controlling Interest	2,819,356	26,404	6,071	-	(478,037)	5,250	(178,775)	-	(281,582)	-	5,822	1,924,509	-	1,924,509
Increase (Decrease) In Net Assets (Deficit) Attributable To Non-controlling Interest In Subsidiary	-	-	-	-	-	-	-	-	(281,554)	-	-	(281,554)	-	(281,554)
Total Increase (Decrease) In Net Assets	2,819,356	26,404	6,071	-	(478,037)	5,250	(178,775)	-	(28)	-	5,822	2,206,063	-	2,206,063
Unrestricted Net Assets (Deficit) - Beginning Of Year	10,382,012	704,442	233,403	119,812	(83,860)	55,132	(892,839)	1,266,393	(89)	-	-	11,784,406	(3,547,755)	8,236,651
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrestricted Net Assets (Deficit) - End Of Year	\$ 13,201,368	\$ 730,846	\$ 239,474	\$ 119,812	\$ (561,897)	\$ 60,382	\$ (1,071,614)	\$ 1,266,393	\$ (117)	\$ -	\$ 5,822	\$ 13,990,469	\$ (3,547,755)	\$ 10,442,714

Volunteers Of America Chesapeake Inc., And Subsidiaries
Consolidating Schedule Of Expenses

For The Year Ended June 30, 2014

	VOAC	Holding Corp	Baker House	PACA House	Pratt Street	Irvington Woods	RRC	Total	Eliminations	Consolidated Total
Salaries	\$ 19,518,487	\$ 875	\$ 4,618	\$ 125,822	\$ 67,845	\$ 150,687	\$ -	\$ 19,868,334	\$ -	\$ 19,868,334
Pension Expense	235,338	-	-	-	-	-	-	235,338	-	235,338
Other Employee Benefits	1,835,739	-	-	16,952	9,076	7,020	-	1,868,787	-	1,868,787
Payroll Taxes	1,427,446	-	1,533	9,711	9,786	9,615	-	1,458,091	-	1,458,091
Legal Fees	32,158	103	-	5,942	6,923	10,427	-	55,553	-	55,553
Accounting Fees	85,921	-	6,576	10,501	10,501	9,912	29,300	152,711	-	152,711
Other Professional Fees	1,718,979	-	7,789	58,514	33,231	129,714	-	1,948,227	(52,538)	1,895,689
Supplies	1,395,218	-	2,683	11,130	2,060	4,280	-	1,415,371	-	1,415,371
Telecommunications	362,258	-	-	12,233	2,915	12,252	-	389,658	-	389,658
Postage	44,417	-	-	244	228	227	-	45,116	-	45,116
Occupancy Expense	3,353,670	95,106	46,072	262,663	140,842	201,189	-	4,099,542	(973,646)	3,125,896
Interest	642,182	985	11,259	20,941	67,929	106,322	420,320	1,269,938	(36,066)	1,233,872
Insurance	589,660	3,841	6,263	47,911	25,948	20,627	-	694,250	-	694,250
Equipment Rental And Maintenance	148,934	2,226	-	11,500	3,697	5,120	-	171,477	-	171,477
Printing And Publications	138,932	-	-	-	-	-	-	138,932	-	138,932
Travel And Transportation	735,973	-	-	-	-	-	-	735,973	(8,912)	727,061
Conferences And Meetings	200,756	-	-	1,820	2,018	2,123	-	206,717	-	206,717
Specific Assistance	381,467	-	-	25,474	359	70,168	-	477,468	(112,653)	364,815
Other	110,920	300,065	4,087	-	-	-	-	415,072	(300,000)	115,072
Depreciation And Amortization	376,947	34,528	15,613	292,229	37,998	223,396	377,410	1,358,121	-	1,358,121
Administrative Fees - VOA, Inc.	606,952	-	-	-	-	-	-	606,952	-	606,952
Total Expenses	\$ 33,942,354	\$ 437,729	\$ 106,493	\$ 913,587	\$ 421,356	\$ 963,079	\$ 827,030	\$ 37,611,628	\$ (1,483,815)	\$ 36,127,813

Volunteers Of America Chesapeake Inc., And Subsidiaries
Consolidating Schedule Of Expenses

For The Year Ended June 30, 2013

	VOAC	Holding Corp	Baker House	PACA House	Pratt Street	Irvington Woods	Total	Eliminations	Consolidated Total
Salaries	\$ 16,559,908	\$ -	\$ 6,190	\$ 115,417	\$ 84,053	\$ 81,569	\$ 16,847,137	\$ -	\$ 16,847,137
Pension Expense	212,982	-	-	-	-	-	212,982	-	212,982
Other Employee Benefits	1,317,695	-	156	3,545	2,960	8,602	1,332,958	-	1,332,958
Payroll Taxes	1,034,001	-	627	6,258	5,827	8,234	1,054,947	-	1,054,947
Legal Fees	97,530	-	-	(2,816)	4,660	2,480	101,854	-	101,854
Accounting Fees	68,863	-	7,620	6,588	6,579	15,326	104,976	-	104,976
Other Professional Fees	1,097,742	-	9,008	42,016	30,811	157,663	1,337,240	(51,800)	1,285,440
Supplies	1,408,623	-	500	2,288	1,018	2,290	1,414,719	-	1,414,719
Telecommunications	313,794	-	-	9,219	2,701	11,072	336,786	-	336,786
Postage	24,236	-	-	157	239	190	24,822	-	24,822
Occupancy Expense	2,892,583	130,795	40,104	464,535	260,588	200,716	3,989,321	(172,800)	3,816,521
Interest	374,027	753	12,751	110,844	77,343	105,486	681,204	-	681,204
Insurance	476,840	-	4,323	57,881	23,156	31,254	593,454	-	593,454
Equipment Rental And Maintenance	112,308	5,233	259	16,168	15,960	1,821	151,749	-	151,749
Printing And Publications	110,847	-	12,404	-	-	-	123,251	-	123,251
Travel And Transportation	579,955	-	-	48	-	-	580,003	(7,711)	572,292
Conferences And Meetings	227,717	-	232	667	967	667	230,250	-	230,250
Specific Assistance	292,072	-	-	16,948	(9,749)	23,294	322,565	(18,582)	303,983
Other	169,413	127	(12,148)	14,539	15,556	7,895	195,382	(11,665)	183,717
Depreciation And Amortization	410,306	35,261	16,339	255,386	47,409	259,279	1,023,980	-	1,023,980
Administrative Fees - VOA, Inc.	665,648	-	-	-	-	-	665,648	-	665,648
Total Expenses	\$ 28,447,090	\$ 172,169	\$ 98,365	\$ 1,119,688	\$ 570,078	\$ 917,838	\$ 31,325,228	\$ (262,558)	\$ 31,062,670