

# **VOLUNTEERS OF AMERICA OF ALASKA**

**FINANCIAL STATEMENTS,  
SUPPLEMENTARY INFORMATION,  
AND COMPLIANCE REPORTS**  
(With Independent Auditor's Report Thereon)

**Year Ended June 30, 2020**



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**VOLUNTEERS OF AMERICA OF ALASKA**

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(With Independent Auditor's Report Thereon)**

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# VOLUNTEERS OF AMERICA OF ALASKA

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# PORTER & ALLISON

## INC

### CERTIFIED PUBLIC ACCOUNTANTS

#### **Independent Auditor's Report**

Board of Directors  
Volunteers of America of Alaska  
Anchorage, Alaska

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

We have audited the accompanying financial statements of Volunteers of America of Alaska (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

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

#### **Auditor's Responsibility**

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

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

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

#### **Opinion**

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

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*Address: 18701 Denmark Cir, Anchorage, Alaska 99516*

*Phone: 907-770-CPAs (2727)*

## **Report on Summarized Comparative Information**

We have previously audited Volunteers of America of Alaska's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 22, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Emphasis of Matter**

As discussed in Note 2 to the financial statements, Volunteers of America of Alaska adopted Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* on July 1, 2019, using the full retrospective method. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information as listed in the table of contents, including the Schedule of Expenditures of Federal Awards, as required by Title U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Schedule of State Financial Assistance, as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, and schedules of revenue and expenses – budget and actuals, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2020, on our consideration of Volunteers of America of Alaska's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Volunteers of America of Alaska's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Volunteers of America of Alaska's internal control over financial reporting and compliance.

*Porter & Allison, Inc.*

Anchorage, Alaska  
October 23, 2020

## **FINANCIAL STATEMENTS**

# VOLUNTEERS OF AMERICA OF ALASKA

## Statement of Financial Position

June 30, 2020

(With Comparative Totals at June 30, 2019)

	2020	2019
	<u>Assets</u>	
Current Assets:		
Cash and equivalents	\$ 1,617,593	\$ 1,524,972
Accounts receivable	899,462	417,895
Prepaid expenses	44,524	47,585
Total Current Assets:	<u>2,561,579</u>	<u>1,990,452</u>
Fixed Assets:		
Land and buildings	6,849,993	6,807,700
Furnishing and equipment	724,702	669,611
Accumulated depreciation	<u>(1,962,697)</u>	<u>(1,826,651)</u>
Net Fixed Assets	<u>5,611,998</u>	<u>5,650,660</u>
Other assets	32,110	32,110
Investments	<u>572,162</u>	<u>565,681</u>
Total Assets	<u>\$ 8,777,849</u>	<u>\$ 8,238,903</u>
	<u>Liabilities and Net Assets</u>	
Current Liabilities:		
Accounts payable	\$ 213,602	\$ 142,781
Accrued expenses	255,651	187,515
Deferred revenue	<u>44,495</u>	<u>12,980</u>
Total Current Liabilities	513,748	343,276
PPP refundable advance	<u>595,605</u>	<u>-</u>
Total Liabilities	<u>1,109,353</u>	<u>343,276</u>
Net Assets:		
Without donor restrictions	7,614,934	7,761,479
With donor restrictions	<u>53,562</u>	<u>134,148</u>
Total Net Assets	<u>7,668,496</u>	<u>7,895,627</u>
Total Liabilities and Net Assets	<u>\$ 8,777,849</u>	<u>\$ 8,238,903</u>

*See accompanying notes to financial statements.*



# VOLUNTEERS OF AMERICA OF ALASKA

## Statement of Activities Year Ended June 30, 2020 (With Comparative Totals for 2019)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	
			2020	2019
Revenues and support from operations:				
Public support received directly:				
Contributions	\$ 253,948	50,000	303,948	\$ 210,226
Contributions, in-kind	19,986	-	19,986	54,466
Special events, net of direct benefit costs	56,188	-	56,188	130,110
Contributed services, at fair value	569,296	-	569,296	51,185
Public support received indirectly:				
United Way	82,064	-	82,064	86,373
Combined Federal Campaign	48	-	48	-
Volunteers of America	61,181	-	61,181	161,425
Revenues and support from governmental agencies	4,531,593	-	4,531,593	4,510,900
Other Revenues:				
Program service fees	273,642	-	273,642	236,114
Rental income	-	-	-	10,363
Other operating income	23,933	-	23,933	27,456
Total Other Revenues	297,575	-	297,575	273,933
Net assets released from restrictions	130,586	(130,586)	-	-
Total Support, Revenue, and Reclassifications	6,002,465	(80,586)	5,921,879	5,478,618
Expenses:				
Operating Expenses:				
Program Services:				
Encouraging positive development	583,047	-	583,047	705,461
Fostering independence	581,773	-	581,773	146,593
Promoting self sufficiency	4,162,738	-	4,162,738	3,492,172
Total Program Services	5,327,558	-	5,327,558	4,344,226
Support Services:				
Management and general	688,743	-	688,743	549,300
Fundraising	150,152	-	150,152	188,581
Total Support Services	838,895	-	838,895	737,881
Total Operating Expenses:	6,166,453	-	6,166,453	5,082,107
Excess (deficiency) from operations	(163,988)	(80,586)	(244,574)	396,511
Non-operating revenues:				
Interest income, net	23,330	-	23,330	29,068
Realized/unrealized gains (losses), net	(5,887)	-	(5,887)	14,658
Total Non-operating revenues	17,443	-	17,443	43,726
Change in Net Assets	(146,545)	(80,586)	(227,131)	440,237
Net Assets, beginning of year	7,761,479	134,148	7,895,627	7,455,390
Net Assets, end of year	\$ 7,614,934	53,562	7,668,496	\$ 7,895,627

*See accompanying notes to financial statements.*

# **VOLUNTEERS OF AMERICA OF ALASKA** Statement of Functional Expenses Year Ended June 30, 2020 (With Comparative Totals for 2019)

	Encouraging Positive Development	Fostering Independence	Promoting Self Sufficiency	Total Program Services	Management and General	Fundraising	Total Support Services	2020	2019
Functional Expenses:									
Salaries and wages	\$ 201,524	297,501	2,163,709	2,662,734	295,827	66,605	362,432	3,025,166	\$ 2,508,548
Employee benefits	35,832	55,472	442,794	534,098	59,344	20,504	79,848	613,946	638,916
Professional services	223,517	153,350	717,663	1,094,530	275,806	40,678	316,484	1,411,014	612,560
Occupancy	50,840	25,169	180,482	256,491	31,453	6,452	37,905	294,396	528,996
Specific assistance	-	5,400	124,330	129,730	-	-	-	129,730	13,358
Program supplies and equipment	48,172	15,900	209,316	273,388	8,592	11,644	20,236	293,624	379,715
Office supplies and expenses	16,323	21,035	78,285	115,643	11,057	3,784	14,841	130,484	118,177
Travel, conferences, and meetings	6,494	3,734	48,706	58,934	2,772	144	2,916	61,850	81,379
Depreciation and amortization	345	189	135,472	136,006	-	41	41	136,047	152,641
Interest expense	-	-	-	-	-	-	-	-	24
Other	-	4,023	61,981	66,004	3,892	300	4,192	70,196	47,793
Total Functional Expenses	\$ 583,047	581,773	4,162,738	5,327,558	688,743	150,152	838,895	6,166,453	\$ 5,082,107

See accompanying notes to financial statements.

# VOLUNTEERS OF AMERICA OF ALASKA

## Statement of Cash Flows Year Ended June 30, 2020 (With Comparative Totals for 2019)

	<u>2020</u>	<u>2019</u>
Cash Flows provided (used) by Operating Activities:		
Change in net assets	\$ (227,131)	\$ 440,237
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	136,047	152,641
Realized and unrealized gains on investments	5,887	(14,658)
Decrease (increase) in assets:		
Accounts receivable	(481,567)	54,452
Prepaid expenses and other assets	3,061	(9,264)
Increase (decrease) in liabilities:		
Accounts payable	70,821	113,527
Accrued expenses	68,136	18,498
Deferred revenue	<u>31,515</u>	<u>12,980</u>
Net Cash Flows provided (used) by Operating Activities	<u>(393,231)</u>	<u>768,413</u>
Cash Flows provided (used) by Investing Activities:		
Purchase of equipment	(97,385)	(26,100)
Purchase of investments	<u>(12,368)</u>	<u>(11,764)</u>
Net Cash Flows provided (used) by Investing Activities	<u>(109,753)</u>	<u>(37,864)</u>
Cash Flows provided (used) by Financing Activities:		
Proceeds from PPP refundable advance	<u>595,605</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	92,621	730,549
Cash and Cash Equivalents, beginning of year	<u>1,524,972</u>	<u>794,423</u>
Cash and Cash Equivalents, end of year	<u><u>\$ 1,617,593</u></u>	<u><u>\$ 1,524,972</u></u>

*See accompanying notes to financial statements.*

## **NOTES TO FINANCIAL STATEMENTS**

# **VOLUNTEERS OF AMERICA OF ALASKA**

## **Notes to Financial Statements**

**Year Ended June 30, 2020**

### **Note 1: Nature of the Organization**

#### Reporting Entity

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

#### Encouraging Positive Development

The Organization provides services to encourage positive development for troubled and at-risk children and youth, while also promoting the healthy development of all children, adolescents, and their families. Our programs provide a continuum of care and support for young people ages birth to 21 through prevention, early intervention, crisis intervention, and long-term services. Within the area of Encouraging Positive Development, the Organization provides services to promote healthy development of children, adolescents and their families through a continuum of service from early prevention to intensive intervention approaches.

#### Correctional Services

Youth Restorative Justice Program: Established in 1997, it oversees youth offenders who must complete restitution to the community or attend JASAP (Juvenile Alcohol Safety Action Program) for monitoring. This program also provides victim impact educational classes.

#### Children and Youth:

Children and Youth Prevention Services: Established in 1989, it has grown to encompass Camp Hope (summer camp experience for 7-11-year-old and 12-14-year-old children at risk), and Prime for Life (an alternative to school suspension program). Prevention also includes a coalition of community organizations and members who promote healthy choices through public education, outreach, advocacy and youth-led activities.

#### Promoting Self-sufficiency

The Organization promotes self-sufficiency for individuals and families who have experienced homelessness, or other personal crisis, including chemical dependency, involvement with the corrections system and unemployment. We focus on solution-oriented approaches, using a continuum of services from prevention to intervention to long-term support. Under this impact area, the Organization provides services under the following program areas:

#### Substance Abuse

Adolescent Residential Center for Help (ARCH): This program is a youth substance abuse residential treatment program located in Eagle River. ARCH was established in 1981 and serves youth ages 12-18.

ASSIST: Established in 1984. It provides outpatient, intensive outpatient, and assertive continuing care services to youth ages 11-18.

# **VOLUNTEERS OF AMERICA OF ALASKA**

## **Notes to Financial Statements**

**Year Ended June 30, 2020**

### Housing

Trailside Heights Affordable Housing Complex: It provides 141 units of affordable housing through tax credit investors to qualifying tenants.

Lumen: 20 units of low-income senior housing.

Juneau: 40 units of income restricted housing.

### Children and Youth:

Transition to Independence Process (TIP): Established in 2014, Transitions is a community-based model that serves transition aged youth ages 14-20; who are experiencing emotional and/or behavioral difficulties to including substance abuse. The focuses are on employment and career development, education, living situation, personal effectiveness/well-being, community, and life functioning.

### Fostering Independence

The Organization fosters the health and independence of the elderly and persons with disabilities, mental illness, and HIV/AIDS through quality affordable housing, health care services, and a wide range of community services. The Organization offers programs designed to provide care where needed while supporting independence to the degree possible and promoting well-being of individuals through the following services:

#### Elderly Services

Kinship Project: Statewide support program for grandparent and other kinship raising children.

#### Mental Health:

Mental Health Therapy: Counseling and support services for youth, adults and families. Parent support groups are also offered.

The major sources of funding for the Organization are grant funds, Medicaid, program fees and public support. Fees are based on a schedule of service provided with fee adjustments made on an individual basis depending on the individual's economic status.

## **Note 2: Summary of Significant Accounting Policies**

### Basis of Accounting and Financial Statement Presentation

The accounting policies of the agency conform to generally accepted accounting principles as applicable to voluntary health and welfare organizations in the United States of America. The financial statements and notes are the representations of the Organization's management, which is responsible for their integrity and objectivity.

# VOLUNTEERS OF AMERICA OF ALASKA

## Notes to Financial Statements

Year Ended June 30, 2020

The financial statement presentation follows the recommendations of the American Institute of Certified Public Accountants in its Audit and Accounting Guide, Health Care Organizations, which incorporates by reference Financial Accounting Standards Board (FASB) codification 958, *Financial Statements of Not-for-Profit Organizations*.

### New Accounting Pronouncement

The Organization adopted the following standards as of July 1, 2019:

FASB ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* - The ASU clarifies and improves guidance for contributions received and contributions made and provides guidance to organizations on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities. This standard was implemented using the retrospective method, there was no impacts on beginning balance of net asset presented.

FASB ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* - The Organization adopted (ASU) 2014-09, Revenue from Contracts with Customers, and the related amendments (also referred to as Topic 606). The standard is not effective until December 15, 2020, but early implementation is allowed. The Organization implemented ASU 2014-09 using the full retrospective method to maintain consistency with revenue recognition. The Organization applied Topic 606 using the practical expedients method. In using this method, the Organization evaluated contracts with similar characteristics and grouped them based on historical cash collections and reimbursement rates by type of service and payor into a portfolio. Analysis of contracts using the practical expedient method under this standard resulted in no significant changes in the way that the Organization recognizes revenue related to those contracts during the years presented, therefore no changes to the previously issued financial statements were required on a retrospective basis. The adoption of Topic 606 resulted in no change to net assets. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

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

### Net Assets

The Organization classifies net assets into two categories: with or without donor/grantor-imposed restrictions. All net assets are considered available for unrestricted use unless specifically restricted by the donor by law. Net assets with donor restrictions that are perpetual in nature include contributions with donor-imposed restrictions requiring resources to be maintained in perpetuity, but permitting use of all or part of the investment income earned on the contributions.

### Cash and Equivalents

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

# **VOLUNTEERS OF AMERICA OF ALASKA**

## **Notes to Financial Statements**

**Year Ended June 30, 2020**

### Property and Equipment

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

Furniture and Equipment (3 to 5 years)

Vehicles (5 years)

Buildings and Improvements (55 years)

### Restricted and Designated Assets

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

### Operations

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

### Income Taxes

Under provision of Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the State of Alaska, Volunteers of America of Alaska is exempt from income taxes, except for net income from unrelated business income, as a subordinate unit of Volunteers of America, Inc. Volunteers of America, Inc. is exempt from Federal income taxes under Section 501(a) of the Internal Revenue Code as a religious organization described in Section 501(c)(3). There were no unrelated business activities and accordingly, no income tax expense was incurred during the year ended June 30, 2019. With few exceptions, the Organization is not subject to audit of its tax returns prior to June 30, 2016.

The Organization applies the provisions of Topic 740 of the FASB Accounting Standards Codification relating to accounting for uncertainty in income taxes. The Organization believes that it has no uncertain tax positions which would require disclosure or adjustment in these financial statements.

### Investments

The Organization's investments are pooled with Volunteers of America, Inc.'s pooled investment program. Investments consist primarily of stocks, bonds, and cash reserve funds. They are recorded at fair value based on quoted market prices. All other investments are reported at historical cost, if purchased, or, if contributed, at fair value at the date of contribution.

### Liquidity and Availability

As part of the Organization's liquidity management, the Organization has structured its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization has the ability to draw from its long-term investment portfolio to meet cash needs for



# **VOLUNTEERS OF AMERICA OF ALASKA**

## **Notes to Financial Statements**

**Year Ended June 30, 2020**

general expenditure but does not intend to based on anticipated revenues and support in the subsequent year's operating budget.

### Summary Financial Information for 2019

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

### Functional Expenses

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statement of activities. The consolidated statements of functional expenses present the natural classification detail of expense by function. Accordingly, certain costs have been allocated among the community programs, management and general, and fundraising expenses.

Expenses related to more than one function are charged to each function as follows:

- Salaries costs for overhead positions are allocated based upon a combination of management estimates, historical data, and periodic time studies
- Personnel fringe benefits are allocated based on salaries expense
- Occupancy expenses are allocated on the basis of management estimates
- Depreciation is allocated based upon use of the related assets
- Other allocable expenses are charged using management estimates and historical data

### Use of Estimates

The preparation of financial statements in conformity with accounting principles general accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### Fair Value Measurement

The fair value of an asset is the amount at which the asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale. The Organization's financial assets carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by generally accepted accounting principles. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's classification is based on the lowest level input that is significant to its measurement. For example, a level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3).

The levels of the fair value hierarchy are as follows:

Level 1 – Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.

# VOLUNTEERS OF AMERICA OF ALASKA

## Notes to Financial Statements

Year Ended June 30, 2020

Level 2 – Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spread and yield curves.

Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Organization's estimate of what hypothetical market participants would use to determine a transaction price for the asset at the reporting date.

Given the narrow definition of Level 1 and the Organization's investment strategy, primarily all the Organization's investment assets are classified as Level 1. Unadjusted quoted prices for these investments are provided to the Organization by independent pricing services.

### Reclassification

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

### Accounts Receivable

Accounts receivable consist of primarily amounts due from third party payers. Amounts due from granting agencies are for cost reimbursable grants not received by year end. An allowance for collection of doubtful accounts has been established by the Organization based on management's assessment of the collectability of receivables and past historical trends. Management believes all receivables are fully collectable. No interest is accumulated on delinquent receivables. Receivables are charged off when all collection efforts have been exhausted.

### Prepaid Expenses

Payments to vendors for costs applicable to future accounting periods are recorded as prepaid expenses.

### Revenue Recognition

*Special event revenue* is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. Special event revenue is recognized equal to the fair value of direct benefits to donors at a point in time when the special event takes place. The Organization recognizes the contribution element, if any, immediately upon receipt, unless there is a right of return if the special event does not take place.

*Management fees* are recognized ratably over the life of the contract.

*Patient service revenue* is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and other and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Organization bills the patients and third-party payors several days after services are performed.

# **VOLUNTEERS OF AMERICA OF ALASKA**

## **Notes to Financial Statements**

**Year Ended June 30, 2020**

The Organization recognizes revenue as its performance obligations are completed. Each service encounter is treated as a single performance obligation satisfied at a point in time when those services are rendered.

The Organization determines the transaction price based on established billing rates reduced by contractual adjustments provided to third party payors. Contractual adjustments are based on contractual agreements and historical experience. The Organization considers the patient's ability and intent to pay the amount of consideration upon admission. Subsequent changes resulting from a patient's ability to pay are recorded as bad debt expense, which is included as a component of other operating expenses in the statement of activities.

Medicare and Medicaid program revenues are subject to audit and retroactive adjustment by government representatives or their agents. Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. Final reimbursements are determined after submission of annual cost reports and audits thereof by the fiscal intermediaries, and the perspective payment system to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Adjustments arising from a change in the transaction price have not been significant to the Organization.

Generally, patients who are covered by third-party payors are responsive for related deductibles and coinsurance, which vary in amount. The Organization also provides services to uninsured patients and offers those uninsured patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of change. There may be additional revenue recognized if there are changes in estimates of implicit price concessions, discounts, and contractual adjustments for performance obligations satisfied in prior years.

The Organization has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors: (1) Payors having different reimbursement and payment methodologies and (2) the Organization's line of services that are provided to patients.

All of the Organization's performance obligations related to contracts have a duration of less than one year, therefore the Organization has elected to apply the optional exemption provided in FASB ASC 606-10-50-14a and is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

### Support Recognition

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have substantially been met. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

# **VOLUNTEERS OF AMERICA OF ALASKA**

## **Notes to Financial Statements**

**Year Ended June 30, 2020**

A portion of the Organization's support is derived from cost-reimbursable federal and state grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as support when expenditures are incurred in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

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

### Annual Leave

Annual leave is accrued as earned by employees and recorded as an expense in the period earned. Sick leave is non-vesting and is recorded as an expense in the period in which it is used.

### Advertising

Advertising costs are expensed as incurred.

### Budgets

Budgets are prepared for grants in conjunction with the individual program's funding. If a grant extends beyond the fiscal year end of the Organization, the unexpended budget portion is adopted as the approved budget for the subsequent fiscal year.

### Concentration of Credit and Market Risk

Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash equivalents and investments. Cash equivalents and investments are maintained at high-quality financial institutions and are insured.

### Subsequent Events

The Organization has evaluated subsequent events through October 23, 2020, the date the financial statements were available to be issued.

## **Note 2: Cash and Equivalents**

Included in cash and equivalents are two interest-bearing accounts, one non-interest-bearing checking account, and petty cash with a carrying amount totaling \$1,617,593. The Organization maintains cash balances at a bank which is insured by the Federal Deposit Insurance Corporation up to \$250,000. Additional collateral is maintained for the sweep repurchase account. As of June 30, 2020, the Organization had \$1,490,765 of uninsured cash and equivalents. The Organization is not a party to any financial instruments with off-balance sheet risk. Financial instruments which potentially subject the Organization to concentrations of credit risk are demand deposits and temporary cash investments held in financial institutions.

# VOLUNTEERS OF AMERICA OF ALASKA

## Notes to Financial Statements

Year Ended June 30, 2020

### Note 3: Accounts Receivable

Accounts receivable by payer type consists of the following at June 30, 2020 and July 1, 2019:

	End Bal	Begin Bal
Patient receivable	\$ 257,297	\$ 171,909
Grants receivable	501,005	201,579
Trade accounts receivable	141,160	44,407
Accounts Receivable, net	<u>\$ 899,462</u>	<u>\$ 417,895</u>

Net fees for service revenue is reported at the estimated net realizable amounts from clients, third- party payers, and other services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

Medicaid revenue is reported on the Statement of Activities as part of revenues and support from governmental agencies (Note 12). No allowance has been recorded at June 30, 2020 as management expects all balances to be fully collectible.

### Note 4: Investments

In accordance with FASB ASC 820 and subsections, the Organization has categorized its financial instruments based on the priority of the inputs to the valuation technique into a three-level fair value hierarchy. This fair value hierarchy gives the highest priority to quoted prices, or observable inputs, in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs that are not corroborated by market data (Level 3). The Level two investment is measured at net asset value. While the underlying asset values are quoted prices, the net asset value of a separate account is not publicly quoted; accordingly, the fair values of the referenced account are reported at Level 2.

Investments are categorized based on the inputs to the valuation technique as follows at June 30, 2020:

	Level 1	Level 2	Level 3	Total
Cash and equivalents	\$ 15,077	-	-	15,077
Stocks	177,413	-	-	177,413
Equity ETFs	113,222	-	-	113,222
Corporate bonds	-	87,709	-	87,709
Government bonds	-	73,650	-	73,650
Total investments measured at fair value	<u>\$ 305,712</u>	<u>161,359</u>	<u>-</u>	<u>467,071</u>
Investments measured at net asset value				<u>105,091</u>
Total investments				<u>\$ 572,162</u>

# VOLUNTEERS OF AMERICA OF ALASKA

## Notes to Financial Statements

Year Ended June 30, 2020

### Note 5: Fixed Assets

The following is a summary of major classifications of fixed assets at June 30, 2020:

Building	\$ 6,510,196
Equipment	524,828
Land	339,797
Automobiles	199,874
Total Fixed Assets	<u>7,574,695</u>
Less accumulated depreciation	<u>(1,962,697)</u>
Net Fixed Assets	<u>\$ 5,611,998</u>

### Note 6: Leases

The Organization is obligated under a five year operating lease agreement for office space, which expires on March 31, 2024. Rental expense was \$217,403 for the year ended June 30, 2020.

Future minimum rental payments through the final term of the lease are:

2021	\$ 176,033
2022	179,567
2023	183,139
2024	<u>139,428</u>
	<u>\$ 678,167</u>

### Note 7: Pension Plans

#### Pension Plan for Employees other than Ministers

The Organization provides pension and retirement benefits for all its full-time employees and part-time permanent employees that do not qualify for the Pension Plan for Ministers through Mutual America, through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after completion of one full year of service with the Organization or another qualifying nonprofit organization. The Organization contributed an amount equal to 3% of total covered payroll for the fiscal year. There are no employee contributions. There is a three-year vesting schedule, at the end of which the employee is fully vested in the plan. Contributions to the pension plan totaled \$50,201 for the year ended June 30, 2020.

# VOLUNTEERS OF AMERICA OF ALASKA

## Notes to Financial Statements

Year Ended June 30, 2020

### Note 8: Related Parties

For purposes of constructing and providing affordable housing in Alaska through tax credit investors, the Organization has a 20% interest in TH III VOA M.M LLC for which Volunteers of America, Inc. holds the remaining 80% interest. TH III VOA M.M LLC, in turn, is the managing member of Trailside Heights III VOA LLC with .01% interest. As the majority managing member and having considerable influence, Volunteers of America, Inc. consolidates TH III VOA MM LLC. The Organization is reporting its investment in TH III VOA MM LLC at cost as part of Other Assets on the Statement of Financial Position. As of June 30, 2020, the Organization's investment was \$267.

For purposes of constructing and providing affordable housing in Alaska through tax credit investors, the Organization has a 20% interest in JI VOA MM LLC for which Volunteers of America, Inc. holds the remaining 80% interest. JI VOA MM LLC, in turn, is the managing member of Juneau I VOA LLC with .01% interest. As the majority managing member and having considerable influence, Volunteers of America, Inc. is consolidating JI VOA MM LLC.

Terraces at Lawson Creek is a Volunteers of America, Inc. housing development located at 2574 Vista Drive on Douglas Island in Juneau, AK. This is a brand-new community constructed of 80-1, 2 and 3-bedroom homes. These apartments offer beautiful views of the Gastineau Channel, the surrounding mountains and the city of Juneau. Terraces at Lawson Creek are for households earning between 30-50% of median income as well as market rate units.

The Organization is affiliated with Volunteers of America, Inc., which provides supporting services to the agency for a fee. Affiliate fees for the fiscal year ended June 30, 2020 totaled \$121,764.

During the fiscal year, telecommunication services were provided to the Organization by a company for which a board member is also a key employee in the amount of \$32,942. In-kind advertising was also provided to the Organization by the same company which was valued at \$550,720 during the year ended June 30, 2020.

### Note 9: Net Assets

Releases from net assets with donor restrictions for the year ended June 30, 2020 are as follows:

Block Foundation	\$ 50,000
Rasmuson Foundation	21,000
Grandfamilies	19,240
Alaska Air Foundation	15,000
Mason's Pledge	12,000
Camp Hope	7,160
JASAP	4,163
Prevention	<u>2,023</u>
	<u>\$ 130,586</u>

# VOLUNTEERS OF AMERICA OF ALASKA

## Notes to Financial Statements

Year Ended June 30, 2020

Net assets with donor restrictions consists of the following as of June 30, 2020:

Rasmuson Foundation	\$ 50,000
Camp Hope	<u>3,562</u>
	<u>\$ 53,562</u>

### Note 10: Contributed Services

The Organization recognized approximately 419 hours of contributed volunteer time. Those services primarily benefited Youth Treatment and Youth Prevention, in addition to supporting general activities during the year ended June 30, 2020. Fair value for contributed services meeting recognition criteria for recording to the financial statements was \$17,445 for the year ended June 30, 2020.

### Note 11: Commitments and Contingencies

Amounts received or receivable from the State of Alaska and federal government are subject to audit and adjustment. Any disallowed claims, including amounts already collected, would become a liability of the Organization.

### Note 12: Revenues and Support From Governmental Agencies

The following is the list of revenues and support from governmental agencies:

Federal grant support:	
Department of Agriculture	\$ 36,499
Department of Housing and Urban Development	213,338
Department of Justice	43,877
Department of Health and Human Services	<u>531,069</u>
Total Federal grant support	<u>824,783</u>
State grant support:	
Department of Health and Social Services	1,287,613
Alaska Mental Health Trust Authority	<u>233,235</u>
Total State grant support:	1,520,848
Medicaid revenues	<u>2,185,962</u>
Total revenues and support from governmental agencies	<u>\$ 4,531,593</u>



# **VOLUNTEERS OF AMERICA OF ALASKA**

## **Notes to Financial Statements**

**Year Ended June 30, 2020**

### **Note 13: Liquidity and Availability of Resources**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

Cash and cash equivalents	\$ 1,617,593
Accounts receivable	899,462
Investments	<u>572,162</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,089,217</u>

### **Note 14: Accounting Pronouncements issued But Not Yet Adopted or Currently in Effect**

In February 2016, FASB issued ASU 2016-02, Leases (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The ASU is effective for the entities' fiscal years beginning after December 15, 2021 with early adoption permitted.

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## **SUPPLEMENTARY INFORMATION**

# **VOLUNTEERS OF AMERICA OF ALASKA**

## **Schedule of Revenues and Expenses - Budget and Actual Comprehensive Behavioral Health Treatment and Recovery**

602-208-20013

Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
State of Alaska -			
Department of Health and Social Services	\$ 606,401	606,401	-
Project support	2,015,578	-	2,015,578
Required match	151,600	151,600	-
Total Revenues	<u>2,773,579</u>	<u>758,001</u>	<u>2,015,578</u>
Expenses:			
Personal services	2,009,229	657,517	1,351,712
Travel	27,000	-	27,000
Facility	159,979	37,500	122,479
Supplies	125,387	484	124,903
Equipment	26,655	-	26,655
Other direct expenses	425,329	62,500	362,829
Total Expenses	<u>2,773,579</u>	<u>758,001</u>	<u>2,015,578</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>-</u>	<u>-</u>

# **VOLUNTEERS OF AMERICA OF ALASKA**

## **Schedule of Revenues and Expenses - Budget and Actual Comprehensive Behavioral Health Treatment and Recovery**

607-208-20081

Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
State of Alaska -			
Department of Health and Social Services	\$ 396,000	396,000	-
Project support	783,897	-	783,897
Required match	99,000	99,000	-
Total Revenues	<u>1,278,897</u>	<u>495,000</u>	<u>783,897</u>
Expenses:			
Personal services	973,201	339,183	634,018
Travel	21,248	12,248	9,000
Facility	74,907	19,691	55,216
Supplies	13,352	5,500	7,852
Equipment	2,600	1,100	1,500
Other direct expenses	193,589	117,278	76,311
Total Expenses	<u>1,278,897</u>	<u>495,000</u>	<u>783,897</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>-</u>	<u>-</u>

# **VOLUNTEERS OF AMERICA OF ALASKA**

## **Schedule of Revenues and Expenses - Budget and Actual**

### **National Family Caregiver Support**

607-307-20004

Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Federal sources passed through the State of Alaska	\$ 81,069	81,069	-
State of Alaska -			
Department of Health and Social Services	127,895	127,895	-
Project support	18,347	-	18,347
Required match	10,896	10,896	-
Total Revenues	<u>238,207</u>	<u>219,860</u>	<u>18,347</u>
Expenses:			
Personal services	178,780	164,267	14,513
Travel	1,023	1,023	-
Facility	20,892	18,926	1,966
Supplies	7,049	7,049	-
Equipment	6,700	5,700	1,000
Other direct expenses	23,763	22,895	868
Total Expenses	<u>238,207</u>	<u>219,860</u>	<u>18,347</u>
Excess of revenues over expenses	\$ <u>-</u>	<u>-</u>	<u>-</u>

# **VOLUNTEERS OF AMERICA OF ALASKA**

## **Schedule of Revenues and Expenses - Budget and Actual**

### **Mental Health Deferred Maintenance**

**C12-023-20023**

**Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
State of Alaska -			
Department of Health and Social Services	\$ 28,284	12,317	15,967
Project support	743	-	743
Required match	7,257	-	7,257
Total Revenues	<u>36,284</u>	<u>12,317</u>	<u>23,967</u>
Expenses:			
Other costs	<u>36,284</u>	<u>12,317</u>	<u>23,967</u>
Excess of revenues over expenses	\$ <u>-</u>	<u>-</u>	<u>-</u>

# **VOLUNTEERS OF AMERICA OF ALASKA**

## **Schedule of Revenues and Expenses - Budget and Actual**

### **Mental Health Essential Program Equipment**

**C05-232-19041**

**Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
State of Alaska -			
Department of Health and Social Services	\$ 25,000	25,000	-
Project support	2,500	2,500	-
Required match	2,500	2,500	-
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Expenses:			
Equipment	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>-</u>	<u>-</u>



# **VOLUNTEERS OF AMERICA OF ALASKA**

## Schedule of Revenues and Expenses - Budget and Actual

### Alcohol Safety Action Program

602-201-20013

Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Federal sources passed through the State of Alaska -			
Department of Health and Social Services	\$ 150,000	150,000	-
Required match	15,000	15,000	-
Total Revenues	<u>165,000</u>	<u>165,000</u>	<u>-</u>
Expenses:			
Personal services	94,239	94,239	-
Travel	475	403	72
Facility	25,514	25,586	(72)
Supplies	6,202	6,202	-
Equipment	3,612	3,612	-
Other direct expenses	34,958	34,958	-
Total Expenses	<u>165,000</u>	<u>165,000</u>	<u>-</u>
Excess of revenues over expenses	\$ <u>-</u>	<u>-</u>	<u>-</u>

# **VOLUNTEERS OF AMERICA OF ALASKA**

## **Schedule of Revenues and Expenses - Budget and Actual**

### **Comprehensive Behavioral Health Prevention and Early Intervention Services**

602-207-20015

Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Federal sources passed through the State of Alaska -			
Department of Health and Social Services	\$ 100,000	100,000	-
Required match	10,000	10,000	-
Total Revenues	<u>110,000</u>	<u>110,000</u>	<u>-</u>
Expenses:			
Personal services	50,140	49,969	171
Travel	1,700	1,583	117
Facility	15,423	15,727	(304)
Supplies	2,983	2,983	-
Equipment	1,803	1,787	16
Other direct expenses	37,951	37,951	-
Total Expenses	<u>110,000</u>	<u>110,000</u>	<u>-</u>
Excess of revenues over expenses	\$ <u>-</u>	<u>-</u>	<u>-</u>

# **VOLUNTEERS OF AMERICA OF ALASKA**

## **Schedule of Revenues and Expenses - Budget and Actual**

### **Bring the Kids Home**

602-205-20009

Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
State of Alaska -			
Department of Health and Social Services	\$ 50,000	50,000	-
Project support	65,298	-	65,298
Required match	12,500	12,500	-
Total Revenues	<u>127,798</u>	<u>62,500</u>	<u>65,298</u>
Expenses:			
Personal services	104,135	47,500	56,635
Travel	1,250	-	1,250
Facility	13,285	13,285	-
Supplies	600	500	100
Equipment	100	-	100
Other direct expenses	8,428	1,215	7,213
Total Expenses	<u>127,798</u>	<u>62,500</u>	<u>65,298</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>-</u>	<u>-</u>

# **VOLUNTEERS OF AMERICA OF ALASKA**

## Schedule of Revenues and Expenses - Budget and Actual

### National School Lunch Program

0307-01

Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Federal sources passed through the State of Alaska	\$ <u>36,499</u>	<u>36,499</u>	<u>-</u>
Expenses:			
Supplies	<u>36,499</u>	<u>36,499</u>	<u>-</u>
Excess of revenues over expenses	\$ <u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

# **VOLUNTEERS OF AMERICA OF ALASKA**

## Schedule of Revenues and Expenses - Budget and Actual Strategic Prevention Framework Partnerships for Success

602-236-20006

Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Federal sources passed through the State of Alaska -			
Department of Health and Social Services	\$ 200,000	200,000	-
Required match	20,000	20,000	-
Total Revenues	<u>220,000</u>	<u>220,000</u>	<u>-</u>
Expenses:			
Personal services	80,227	80,227	-
Travel	3,360	4,032	(672)
Facility	19,842	19,842	-
Supplies	14,049	13,661	388
Equipment	3,300	3,036	264
Other direct expenses	99,222	99,202	20
Total Expenses	<u>220,000</u>	<u>220,000</u>	<u>-</u>
Excess of revenues over expenses	\$ <u>-</u>	<u>-</u>	<u>-</u>

# **VOLUNTEERS OF AMERICA OF ALASKA**

## **Schedule of Revenues and Expenses - Budget and Actual**

### **Tobacco Prevention and Control**

601-294-20005

Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
State of Alaska -			
Department of Health and Social Services	\$ <u>70,000</u>	<u>70,000</u>	<u>-</u>
Expenses:			
Personal services	36,297	34,843	1,454
Travel	500	477	23
Facility	3,822	4,006	(184)
Supplies	15,229	16,003	(774)
Equipment	3,800	3,800	-
Other direct expenses	<u>10,352</u>	<u>10,871</u>	<u>(519)</u>
Total Expenses	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Excess of revenues over expenses	\$ <u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

# VOLUNTEERS OF AMERICA OF ALASKA

## Schedule of State Financial Assistance

Year Ended June 30, 2020

State Agency/Program Title	Award Number	State Expenditures
<b>Department of Health and Social Services:</b>		
* Comprehensive Behavioral Health Treatment and Recovery	602-208-20013	\$ 606,401
* Comprehensive Behavioral Health Treatment and Recovery	602-208-20081	396,000
Bring the Kids Home	602-205-20009	50,000
National Family Caregiver Support	607-307-20004	127,895
Tobacco Prevention and Control	601-294-20005	70,000
Mental Health Deferred Maintenance	C12-023-20023	12,317
Mental Health Essential Program Equipment	C05-232-19041	25,000
<b>Total Department of Health and Social Services</b>		<b>1,287,613</b>
<b>Alaska Mental Health Trust Authority:</b>		
Treatment Programs Bridge Funding and Stabilization	10016	96,017
Youth Homeless Demonstration Project - Permanent		
Supportive Housing	9801	33,218
COVID-19 Response Grant	11865	25,000
FY20 VOA Operations Gap Emergency Funding	11246	79,000
<b>Total Alaska Mental Health Trust Authority</b>		<b>233,235</b>
<b>Total State Financial Assistance</b>		<b>\$ 1,520,848</b>

Note 1. Major Program Notation

\* Denotes Major State Program

Note 2. Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of Volunteers of America of Alaska, Inc. under programs of the state government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of Volunteers of America of Alaska, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Volunteers of America of Alaska, Inc.

Note 3. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the full accrual basis of accounting.

Note 4. Awards to Subrecipients

No state awards were passed through to subrecipients for the year ended June 30, 2020.

# VOLUNTEERS OF AMERICA OF ALASKA

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2020

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal Reference Number/Pass-Through Entity Identifying Number	Federal CFDA Number	Total Federal Expenditures
<b>Department of Health and Human Services</b>			
Passed through the State of Alaska -			
Department of Health and Social Services:			
Block Grants for Community Mental Health Services	602-207-20015	93.958	100,000
Block Grants for Prevention and Treatment of Substance Abuse	602-201-20013	93.959	150,000
Substance Abuse and Mental Health Services Projects of Regional and National Significance	602-236-20006	93.243	200,000
National Family Caregiver Support, Title III, Part E	607-307-20004	93.052	81,069
<b>Total Department of Health and Human Services</b>			531,069
<b>United States Department of Justice</b>			
Passed through the State of Alaska -			
Department of Public Safety, CDVSA:			
Crime Victim Assistance (Enhanced VOCA Mental Health)	02-MH-05	16.575	43,877
<b>United States Department of Agriculture</b>			
Passed through the State of Alaska -			
Department of Health and Social Services:			
National School Lunch Program	0307-01	10.555	36,499
<b>Department of Housing and Urban Development</b>			
Youth Homelessness Demonstration Project -			
Permanent Supportive Housing	AK0073Y0C001600	14.276	213,338
<b>Total Expenditures of Federal Awards</b>			\$ 824,783

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Volunteers of America of Alaska, Inc. under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Volunteers of America of Alaska, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Volunteers of America of Alaska, Inc.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the full accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

Volunteers of America of Alaska, Inc. has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



## **COMPLIANCE REPORTS**



# PORTER & ALLISON INC CERTIFIED PUBLIC ACCOUNTANTS

## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
Volunteers of America of Alaska  
Anchorage, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Volunteers of America of Alaska (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 23, 2020.

### **Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

*Porter & Allison, Inc.*

Anchorage, Alaska

October 23, 2020



# PORTER & ALLISON INC CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors  
Volunteers of America of Alaska  
Anchorage, Alaska

### Report on Compliance for Each Major Federal Program

We have audited Volunteers of America of Alaska's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Volunteers of America of Alaska's major federal programs for the year ended June 30, 2020. Volunteers of America of Alaska's major federal programs are identified in the accompanying schedule of findings and questioned costs.

### Management's Responsibility

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

### Auditor's Responsibility

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

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

### Opinion on Each Major Federal Program

In our opinion, Volunteers of America of Alaska complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## Report on Internal Control over Compliance

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

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

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

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

*Porter & Allison, Inc.*

Anchorage, Alaska  
October 23, 2020



# PORTER & ALLISON INC CERTIFIED PUBLIC ACCOUNTANTS

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE *STATE OF ALASKA AUDIT GUIDE AND COMPLIANCE SUPPLEMENT FOR STATE SINGLE AUDITS***

Board of Directors  
Volunteers of America of Alaska  
Anchorage, Alaska

### **Report on Compliance for Each Major State Program**

We have audited Volunteers of America of Alaska's compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of Volunteers of America of Alaska's major state programs for the year ended June 30, 2020. Volunteers of America of Alaska's major state programs are identified in the accompanying schedule of state financial assistance.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Volunteers of America of Alaska's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Volunteers of America of Alaska's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on Each Major State Program**

In our opinion, Volunteers of America of Alaska complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.

## Report on Internal Control over Compliance

Management of Volunteers of America of Alaska is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Volunteers of America of Alaska's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Volunteers of America of Alaska's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Accordingly, this report is not suitable for any other purpose.

*Porter & Allison, Inc.*

Anchorage, Alaska  
October 23, 2020

# VOLUNTEERS OF AMERICA OF ALASKA

## Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

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

<b><i>Financial Statements</i></b>		
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP [ <i>unmodified, qualified, adverse, or disclaimer</i> ]: Unmodified		
Internal control over financial reporting:		
• Material weakness(es) identified?	_____ yes	___X___ no
• Significant deficiency(ies) identified?	_____ yes	___X___ none reported
• Noncompliance material to financial statements noted?	_____ yes	___X___ no
<b><i>Federal Awards</i></b>		
Internal control over major programs:		
• Material weakness(es) identified?	_____ yes	___X___ no
• Significant deficiency(ies) identified?	_____ yes	___X___ no
Type of auditor’s report issued on compliance for major federal programs [ <i>unmodified, qualified, adverse, or disclaimer</i> ]: Unmodified		
Any audit findings related to major federal programs required to be reported in accordance with 2 CFR 200.516(a)?	_____ yes	___X___ no
Identification of major federal programs:		
<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>	
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	
14.276	Youth Homelessness Demonstration Program	
Dollar threshold used to distinguish between type A and type B programs:	\$750,000	
Auditee qualified as low-risk auditee?	_____ yes	___X___ no
<b><i>State Financial Assistance</i></b>		
Type of auditor’s report issued on compliance for major state programs [ <i>unmodified, qualified, adverse, or disclaimer</i> ]: Unmodified		
Internal control over major State programs:		
• Material weakness(es) identified?	_____ yes	___X___ no
• Significant deficiency(ies) identified?	_____ yes	___X___ none reported
Dollar threshold used to distinguish a state major program:	\$150,000	



**VOLUNTEERS OF AMERICA OF ALASKA**  
Schedule of Findings and Questioned Costs, continued  
Year Ended June 30, 2020

**Section II – Financial Statement Findings**

Volunteers of America of Alaska did not have any findings that relate to the financial statements which are required to be reported in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.

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

Volunteers of America of Alaska did not have any findings related to federal awards.

**Section IV –State Award Findings and Questioned Costs**

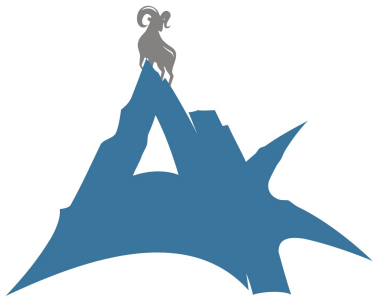
Volunteers of America of Alaska did not have any findings related to state awards.



Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2020

Volunteers of America of Alaska did not have any prior year findings that relate to the financial statements, federal awards, or state awards.

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