

# **VOLUNTEERS OF AMERICA OF ALASKA**

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

**Year Ended June 30, 2021**



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# VOLUNTEERS OF AMERICA OF ALASKA

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# PORTER & ALLISON

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## INC

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### 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, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

#### **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, 2021, 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.

## **Report on Summarized Comparative Information**

We have previously audited Volunteers of America of Alaska's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 23, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **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 actual, 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 20, 2021, 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 20, 2021

## **FINANCIAL STATEMENTS**

# VOLUNTEERS OF AMERICA OF ALASKA

## Statement of Financial Position

June 30, 2021

(With Comparative Totals at June 30, 2020)

	2021	2020
	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 1,982,126	\$ 1,617,593
Accounts receivable, net	1,355,037	899,462
Prepaid expenses	56,306	44,524
Total Current Assets	<u>3,393,469</u>	<u>2,561,579</u>
Fixed Assets:		
Land and buildings	6,874,498	6,849,993
Furnishing and equipment	740,575	724,702
Accumulated depreciation	<u>(2,091,366)</u>	<u>(1,962,697)</u>
Net Fixed Assets	<u>5,523,707</u>	<u>5,611,998</u>
Other assets	32,110	32,110
Investments	<u>705,992</u>	<u>572,162</u>
Total Assets	<u><u>\$ 9,655,278</u></u>	<u><u>\$ 8,777,849</u></u>
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Accounts payable	\$ 119,764	\$ 213,602
Accrued expenses	282,746	255,651
Deferred revenue	<u>401,510</u>	<u>44,495</u>
Total Current Liabilities	804,020	513,748
PPP refundable advance	<u>-</u>	<u>595,605</u>
Total Liabilities	<u>804,020</u>	<u>1,109,353</u>
Net Assets:		
Without donor restrictions	8,851,258	7,614,934
With donor restrictions	<u>-</u>	<u>53,562</u>
Total Net Assets	<u>8,851,258</u>	<u>7,668,496</u>
Total Liabilities and Net Assets	<u><u>\$ 9,655,278</u></u>	<u><u>\$ 8,777,849</u></u>

*See accompanying notes to financial statements.*

# VOLUNTEERS OF AMERICA OF ALASKA

## Statement of Activities

Year Ended June 30, 2021

(With Comparative Totals for 2020)

			Total	
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2021	2020
Revenues and support from operations:				
Public Support:				
Public support received directly:				
Contributions	\$ 701,943	-	701,943	\$ 303,948
SBA PPP Loan forgiveness contribution	599,701	-	599,701	-
Contributed services, at fair value	268,606	-	268,606	570,428
Special events, net of direct benefit costs	48,874	-	48,874	56,188
Contributions, in-kind	11,502	-	11,502	18,854
Public support received indirectly:				
United Way	77,744	-	77,744	82,064
Combined Federal Campaign	-	-	-	48
Volunteers of America	-	-	-	61,181
Total Public Support	1,708,370	-	1,708,370	1,092,711
Revenues and support from governmental agencies	6,321,058	-	6,321,058	4,531,593
Other Revenues:				
Program service fees	724,613	-	724,613	273,642
Other operating income	45,669	-	45,669	23,933
Total Other Revenues	770,282	-	770,282	297,575
Net assets released from restrictions	53,562	(53,562)	-	-
Total Support, Revenue, and Reclassifications	8,853,272	(53,562)	8,799,710	5,921,879
Expenses:				
Operating Expenses:				
Program Services:				
Encouraging positive development	411,233	-	411,233	583,047
Fostering independence	1,511,068	-	1,511,068	581,773
Promoting self sufficiency	4,908,042	-	4,908,042	4,162,738
Total Program Services	6,830,343	-	6,830,343	5,327,558
Support Services:				
Management and general	808,817	-	808,817	688,743
Fundraising	111,591	-	111,591	150,152
Total Support Services	920,408	-	920,408	838,895
Total Operating Expenses	7,750,751	-	7,750,751	6,166,453
Excess (deficiency) from operations	1,102,521	(53,562)	1,048,959	(244,574)
Non-operating revenues(expense):				
Realized/unrealized gains (losses), net	125,116	-	125,116	(5,887)
Interest income, net	9,283	-	9,283	23,330
Gain on disposition of fixed assets	3,500	-	3,500	-
Interest expense	(4,096)	-	(4,096)	-
Total Non-operating revenues (expense)	133,803	-	133,803	17,443
Change in Net Assets	1,236,324	(53,562)	1,182,762	(227,131)
Net Assets, beginning of year	7,614,934	53,562	7,668,496	7,895,627
Net Assets, end of year	\$ 8,851,258	-	8,851,258	\$ 7,668,496

*See accompanying notes to financial statements.*

# VOLUNTEERS OF AMERICA OF ALASKA

## Statement of Functional Expenses

Year Ended June 30, 2021

(With Comparative Totals for 2020)

	2021								2020	
	Encouraging Positive Development	Fostering Independence	Promoting Self Sufficiency	Total Program Services	Management and General	Fundraising	Total Support Services	Total	Total	
Operating Expenses:										
Salaries and wages	\$ 185,777	632,453	2,602,828	3,421,058	482,237	33,648	515,885	3,936,943	\$ 3,025,166	
Employee benefits	41,311	136,715	579,280	757,306	105,371	10,257	115,628	872,934	613,946	
Professional services	107,822	262,521	679,761	1,050,104	157,207	20,324	177,531	1,227,635	1,411,014	
Occupancy	31,588	59,403	201,481	292,472	29,408	12,941	42,349	334,821	294,396	
Specific assistance	-	308,632	199,419	508,051	-	-	-	508,051	129,730	
Program supplies and equipment	28,132	28,251	250,766	307,149	3,413	26,187	29,600	336,749	293,624	
Office supplies and expenses	11,424	26,783	98,344	136,551	16,884	5,938	22,822	159,373	130,484	
Travel, conferences, and meetings	2,435	8,689	48,816	59,940	10,727	664	11,391	71,331	61,850	
Depreciation and amortization	2,647	6,655	148,968	158,270	-	662	662	158,932	136,047	
Other	97	40,966	169,020	210,083	3,570	970	4,540	214,623	70,196	
	411,233	1,511,068	4,978,683	6,900,984	808,817	111,591	920,408	7,821,392	6,166,453	
Transfers of capitalized equipment	-	-	(70,641)	(70,641)	-	-	-	(70,641)	-	
Total Operating Expenses	\$ 411,233	1,511,068	4,908,042	6,830,343	808,817	111,591	920,408	7,750,751	\$ 6,166,453	

*See accompanying notes to financial statements.*

# VOLUNTEERS OF AMERICA OF ALASKA

## Statement of Cash Flows

Year Ended June 30, 2021

(With Comparative Totals for 2020)

	<u>2021</u>	<u>2020</u>
Cash Flows provided (used) by Operating Activities:		
Change in net assets	\$ 1,182,762	\$ (227,131)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	158,932	136,047
Realized and unrealized (gains) losses on investments	(125,116)	5,887
Forgiveness of PPP loan	(599,701)	-
Gain on sale of fixed asset	(3,500)	-
Decrease (increase) in assets:		
Accounts receivable	(455,575)	(481,567)
Prepaid expenses and other assets	(11,782)	3,061
Increase (decrease) in liabilities:		
Accounts payable	(93,838)	70,821
Accrued expenses	27,095	68,136
Deferred revenue	357,015	31,515
Net Cash Flows provided (used) by Operating Activities	<u>436,292</u>	<u>(393,231)</u>
Cash Flows provided (used) by Investing Activities:		
Purchase of equipment	(70,641)	(97,385)
Proceeds from sale of fixed assets	3,500	-
Purchase of investments	(8,714)	(12,368)
Net Cash Flows provided (used) by Investing Activities	<u>(75,855)</u>	<u>(109,753)</u>
Cash Flows provided (used) by Financing Activities:		
Proceeds from PPP loan	-	595,605
Interest paid on PPP loan	4,096	-
Net Cash Flows provided (used) by Financing Activities	<u>4,096</u>	<u>595,605</u>
Net Increase in Cash and Cash Equivalents	364,533	92,621
Cash and Cash Equivalents, beginning of year	<u>1,617,593</u>	<u>1,524,972</u>
Cash and Cash Equivalents, end of year	<u>\$ 1,982,126</u>	<u>\$ 1,617,593</u>
Supplemental Cash Flows Disclosures:		
Interest paid during the year	<u>\$ 4,096</u>	<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, 2021**

### **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 the healthy development of children, adolescents, and their families through a continuum of services from early prevention to intensive intervention approach.

#### 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, 2021

### 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 the 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.

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*.

# **VOLUNTEERS OF AMERICA OF ALASKA**

## **Notes to Financial Statements**

**Year Ended June 30, 2021**

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 the 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.

### Fixed Assets

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 the 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, 2021. With few exceptions, the Organization is not subject to an audit of its tax returns prior to June 30, 2018.

# **VOLUNTEERS OF AMERICA OF ALASKA**

## **Notes to Financial Statements**

**Year Ended June 30, 2021**

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

### Summary Financial Information for FY20

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, 2020, 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 based on management estimates
- Depreciation is allocated based upon the 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 generally 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.

# VOLUNTEERS OF AMERICA OF ALASKA

## Notes to Financial Statements

Year Ended June 30, 2021

### 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.

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.

### 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 the collection of doubtful accounts has been established by the Organization based on management's assessment of the collectability of receivables and past historical trends. 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.

# **VOLUNTEERS OF AMERICA OF ALASKA**

## **Notes to Financial Statements**

**Year Ended June 30, 2021**

*Program services fees* are 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 others and include 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.

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 considerations 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 prospective 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 is 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 responsible 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.

# **VOLUNTEERS OF AMERICA OF ALASKA**

## **Notes to Financial Statements**

**Year Ended June 30, 2021**

### 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 barriers, 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.

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 nonfinancial 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 20, 2021, the date the financial statements were available to be issued.

# VOLUNTEERS OF AMERICA OF ALASKA

## Notes to Financial Statements

Year Ended June 30, 2021

### 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 \$1,976,265. The Organization maintains cash balances at a bank that 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, 2021, the Organization had \$1,726,265 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.

### Note 3: Accounts Receivable

Accounts receivable by payer type consists of the following:

	<u>June 30, 2021</u>	<u>July 1, 2020</u>
Patient receivable	\$ 1,053,441	\$ 257,297
Grants receivable	236,153	501,005
Trade accounts receivable	<u>142,465</u>	<u>141,160</u>
	1,432,059	899,462
Less: allowance for doubtful accounts	<u>(77,022)</u>	<u>-</u>
Accounts Receivable, net	<u>\$ 1,355,037</u>	<u>\$ 899,462</u>

Net program service fees are 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).

### 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.

# VOLUNTEERS OF AMERICA OF ALASKA

## Notes to Financial Statements

Year Ended June 30, 2021

Investments are categorized based on the inputs to the valuation technique as follows at June 30, 2021:

	Level 1	Level 2	Level 3	Total
Cash and equivalents	\$ 7,243	-	-	7,243
Stocks	240,356	377	-	240,733
Equity ETFs	174,919	-	-	174,919
Corporate bonds	-	104,623	-	104,623
Government bonds	-	79,096	-	79,096
Total investments measured at fair value	\$ <u>422,518</u>	<u>184,096</u>	<u>-</u>	<u>606,614</u>
Investments measured at net asset value				<u>99,378</u>
Total Investments			\$	<u><u>705,992</u></u>

### Note 5: Fixed Assets

The following is a summary of major classifications of fixed assets at June 30, 2021:

Building	\$ 6,534,701
Equipment	534,314
Land	339,797
Automobiles	<u>206,261</u>
Total Fixed Assets	7,615,073
Less accumulated depreciation	<u>(2,091,366)</u>
Net Fixed Assets	\$ <u><u>5,523,707</u></u>

### Note 6: Leases

The Organization is obligated under a five year operating lease agreement for office space, which expires on March 31, 2024. The rental expense related to this lease was \$218,072 for the year ended June 30, 2021.

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

2022	\$ 179,567
2023	183,139
2024	<u>139,428</u>
	\$ <u><u>502,134</u></u>

# **VOLUNTEERS OF AMERICA OF ALASKA**

## **Notes to Financial Statements**

**Year Ended June 30, 2021**

### **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 the 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 \$54,212 for the year ended June 30, 2021.

### **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, 2021, the Organization's investment was \$32,110.

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 units that are 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 supportive services to the agency for a fee. Affiliate fees for the fiscal year ended June 30, 2021, totaled \$127,270 and are included in professional services on the statement of functional expenses. Amounts owed at year end to Volunteers of America, Inc. for affiliates fees was \$10,928.

During the fiscal year, telecommunication, in-kind advertising, and accounting services were provided to the Organization by companies for which board members are also key employees. Services provided amounted to \$350,12 during the year ended June 30, 2021, and are included in professional services on the statement of functional expenses. Amounts owed at year end to related parties for these services provided totaled \$3,925 at June 30, 2021.

# VOLUNTEERS OF AMERICA OF ALASKA

## Notes to Financial Statements

Year Ended June 30, 2021

### Note 9: Net Assets

Releases from net assets with donor restrictions for the year ended June 30, 2021, are as follows:

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

### Note 10: Contributed Services

The Organization recognized approximately 230 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, 2021. There were no contributed services that meet recognition criteria for recording the financial statements for the year ended June 30, 2021.

### 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 Treasury	\$ 1,068,743
Department of Housing and Urban Development	210,776
Department of Justice	146,250
Department of Health and Human Services –	
Other grants	377,991
Provider Relief Funds	54,179
Department of Agriculture	<u>42,765</u>
Total Federal grant support	1,900,704
State grant support:	
Department of Health and Social Services	1,375,240
Local government grant support:	
Municipality of Anchorage	<u>90,054</u>
Total Grant Support	3,365,998
Medicaid revenues	<u>2,955,060</u>
Total support and revenues from governmental agencies	<u>\$ 6,321,058</u>

# **VOLUNTEERS OF AMERICA OF ALASKA**

## **Notes to Financial Statements**

**Year Ended June 30, 2021**

### **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 equivalents	\$ 1,982,126
Accounts receivable, net	1,355,037
Investments	<u>705,992</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,043,155</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.

In September 2020, FASB issued ASU 2020-07, Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This amendment is to update the application to NFPs that receive contributed nonfinancial assets. The amendments address the presentation and disclosure of contributed nonfinancial assets. The ASU is required to be applied on a retrospective basis and is effective for the entities' fiscal years beginning after June 15, 2021, with early adoption permitted.

## **SUPPLEMENTARY INFORMATION**

# **VOLUNTEERS OF AMERICA OF ALASKA**

## **Schedule of Revenues and Expenses - Budget and Actual Comprehensive Behavioral Health Treatment and Recovery 602-208-21013 Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
State of Alaska -			
Department of Health and Social Services	\$ 606,401	606,401	-
Required match	151,600	151,600	-
Total Revenues	<u>758,001</u>	<u>758,001</u>	<u>-</u>
Expenses:			
Personal services	<u>758,001</u>	<u>758,001</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 Treatment and Recovery

607-208-21081

Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
State of Alaska -			
Department of Health and Social Services	\$ 396,000	396,000	-
Required match	99,000	99,000	-
Total Revenues	<u>495,000</u>	<u>495,000</u>	<u>-</u>
Expenses:			
Personal services	<u>495,000</u>	<u>495,000</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**

### **National Family Caregiver Support**

607-307-21003

Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Federal sources passed through the State of Alaska -	\$ 84,430	84,430	-
Department of Health and Social Services	128,143	128,143	-
Required match	21,257	21,257	-
Total Revenues	<u>233,830</u>	<u>233,830</u>	<u>-</u>
Expenses:			
Personal services	173,096	173,096	-
Travel	1,328	1,328	-
Facility	23,055	23,055	-
Supplies	6,700	6,700	-
Equipment	1,128	1,128	-
Other direct expenses	28,523	28,523	-
Total Expenses	<u>233,830</u>	<u>233,830</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**

### **Mental Health Deferred Maintenance and Accessibility Improvements**

**C12-023-20023**

**Year Ended June 30, 2021**

		Actual				
		Budget	Prior Years	Current Year	Total	Variance
Revenues:						
State of Alaska -						
Department of Health and Social Services	\$	28,284	12,317	15,967	28,284	-
Required match		7,257	-	7,257	7,257	-
Total Revenues		35,541	12,317	23,224	35,541	-
Expenses:						
Other costs		35,541	12,317	23,224	35,541	-
Excess of revenues over expenses	\$	-	-	-	-	-

# **VOLUNTEERS OF AMERICA OF ALASKA**

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

### **Mental Health Essential Program Equipment FY21**

**C12-041-21020**

**Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
State of Alaska -			
Department of Health and Social Services	\$ 24,723	8,729	15,994
Required match	2,747	757	1,990
Total Revenues	<u>27,470</u>	<u>9,486</u>	<u>17,984</u>
Expenses:			
Equipment	<u>27,470</u>	<u>9,486</u>	<u>17,984</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 (Adult and Juvenile)**

602-201-21012

Year Ended June 30, 2021

	<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	115,570	116,032	(462)
Travel	1,300	911	389
Facility	17,046	17,046	-
Supplies	9,464	9,464	-
Equipment	800	727	73
Other direct expenses	20,820	20,820	-
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**

602-207-21015

Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Federal sources passed through the State of Alaska -			
Department of Health and Social Services	\$ 31,100	31,100	-
State of Alaska -			
Department of Health and Social Services	100,000	100,000	-
Required match	10,000	10,000	-
Total Revenues	<u>141,100</u>	<u>141,100</u>	<u>-</u>
Expenses:			
Personal services	72,123	77,417	(5,294)
Travel	2,821	1,113	1,708
Facility	12,336	12,336	-
Supplies	12,628	9,104	3,524
Equipment	648	586	62
Other direct expenses	40,544	40,544	-
Total Expenses	<u>141,100</u>	<u>141,100</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

602-205-21009

Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
State of Alaska -			
Department of Health and Social Services	\$ 50,000	50,000	-
Required match	12,500	12,500	-
Total Revenues	<u>62,500</u>	<u>62,500</u>	<u>-</u>
Expenses:			
Personal services	<u>62,500</u>	<u>62,500</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

### National School Lunch Program

30601

Year Ended June 30, 2021

	Budget	Actual	Variance
	<hr/>	<hr/>	<hr/>
Revenues:			
Federal sources passed through the State of Alaska -			
Department of Education and Early Development	\$ <u>42,765</u>	<u>42,765</u>	<u>-</u>
Expenses:			
Supplies	<u>42,765</u>	<u>42,765</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

602-236-21006

Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Federal sources passed through the State of Alaska -			
Department of Health and Social Services	\$ 59,321	59,321	-
Required match	5,932	5,932	-
Total Revenues	<u>65,253</u>	<u>65,253</u>	<u>-</u>
Expenses:			
Personal services	43,216	43,121	95
Travel	510	350	160
Facility	4,332	4,852	(520)
Supplies	4,197	4,794	(597)
Equipment	324	148	176
Other direct expenses	12,674	11,988	686
Total Expenses	<u>65,253</u>	<u>65,253</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**

601-294-21005

Year Ended June 30, 2021

	<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	49,550	47,833	1,717
Travel	200	61	139
Facility	6,207	7,103	(896)
Supplies	6,050	6,938	(888)
Equipment	240	230	10
Other direct expenses	<u>7,753</u>	<u>7,835</u>	<u>(82)</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 Revenues and Expenses - Budget and Actual COVID CARES Act for Older Adults and Their Caregivers**

607-320-21012

Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Federal sources passed through the State of Alaska -			
Department of Health and Social Services	\$ <u>84,240</u>	<u>84,240</u>	<u>-</u>
Expenses:			
Personal services	52,728	49,186	3,542
Travel	300	350	(50)
Supplies	5,342	6,401	(1,059)
Equipment	3,800	2,859	941
Other direct expenses	<u>22,070</u>	<u>25,444</u>	<u>(3,374)</u>
Total Expenses	<u>84,240</u>	<u>84,240</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, 2021

State Agency/Program Title	Award Number	State Expenditures
<b>Department of Health and Social Services:</b>		
* Comprehensive Behavioral Health Treatment and Recovery	602-208-21013	\$ 606,401
* Comprehensive Behavioral Health Treatment and Recovery	602-208-21081	396,000
Comprehensive Behavioral Health Prevention and Early Intervention Services	602-207-21015	100,000
National Family Caregiver Support	607-307-21003	128,143
Tobacco Prevention and Control	601-294-21005	70,000
Mental Health Deferred Maintenance	C12-023-20023	15,967
Mental Health Essential Program Equipment	C12-041-21020	8,729
Bring the Kids Home	607-205-21009	50,000
<b>Total Department of Health and Social Services</b>		<u>1,375,240</u>
<b>Total State Financial Assistance</b>		<u>\$ 1,375,240</u>

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 under programs of the state government for the year ended June 30, 2021. 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, 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.

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, 2021.

# VOLUNTEERS OF AMERICA OF ALASKA

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal Reference Number/Pass- Through Entity Identifying Number	Federal Assistance Listing Number/ CFDA Number	Passed- through to Subrecipients	Total Federal Expenditures
<b>Department of Health and Human Services</b>				
Passed through the State of Alaska -				
Aging Cluster:				
Department of Health and Social Services:				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	607-320-21012	93.044	\$ -	84,240
Block Grants for Prevention and Treatment of Substance Abuse	602-201-21012	93.959	-	150,000
Substance Abuse and Mental Health Services				
Projects of Regional and National Significance	602-236-21006	93.243	-	59,321
National Family Caregiver Support, Title III, Part E	607-307-21003	93.052	-	84,430
<b>Total Department of Health and Human Services</b>			-	377,991
<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)	21-MH-05VO19	16.575	-	146,250
<b>United States Department of Agriculture</b>				
Passed through the State of Alaska -				
Child Nutrition Cluster:				
Department of Health and Social Services:				
National School Lunch Program	30601	10.555	-	42,765
<b>Department of Housing and Urban Development</b>				
Youth Homelessness Demonstration Program -				
Continuum of Care Program	AK0073Y0C001600	14.276	-	75,497
Continuum of Care Program	AK0073Y0C001901	14.267	-	135,279
<b>Total Department of Housing and Urban Development</b>			-	210,776
<b>Department of Treasury</b>				
Coronavirus Relief Fund:				
Passed through the State of Alaska -				
Department of Health and Social Services:				
COVID-19 Comprehensive Behavioral Health Prevention and Early Intervention Services	602-207-21015	21.019	-	31,100
Passed through the Municipality of Anchorage -				
Department of Community Development:				
COVID-19 CARES ACT Public Health and Mental Support Personnel	PO: 2020004928	21.019	300,000	637,643
Passed through Alaska Community Foundation:				
COVID-19 CARES ACT funds	18873	21.019	-	400,000
<b>Total Department of Treasury</b>			300,000	1,068,743
<b>Total Expenditures of Federal Awards</b>			\$ 300,000	\$ 1,846,525

The accompanying notes are an integral part of this schedule.

**VOLUNTEERS OF AMERICA OF ALASKA**  
Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021

*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 under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Volunteers of America of Alaska, 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.

*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 has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

*Note 4. Provider Relief Funds*

During the year end June 30, 2021 Volunteers of America of Alaska received Provider Relief Funds. All payments received are for Period 2 and therefore there are no Provider Relief Funds included in the Schedule of Expenditures of Federal Awards.

## **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, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 20, 2021.

#### **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) as a basis for designing 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 20, 2021



# 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, 2021. 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, 2021.

## 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 federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 20, 2021



# 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, 2021. 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, 2021.

## 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 20, 2021

# VOLUNTEERS OF AMERICA OF ALASKA

## Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

### 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>	
21.019	Coronavirus Relief Fund	
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, 2021

**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.