

# **Volunteers of America, Dakotas and Affiliates**

Consolidated Financial and Compliance Report  
With Independent Auditor's Report Thereon  
June 30, 2021

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## Independent Auditor's Report

Board of Directors  
Volunteers of America, Dakotas and Affiliates

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Volunteers of America, Dakotas and Affiliates, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020; the related consolidated statements of activities, functional expenses and cash flows for the years then ended; and the related notes to the consolidated financial statements (collectively, the financial statements).

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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, Dakotas and Affiliates as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **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 consolidating statements and Department of Human Services and Department of Social Services Schedules A and B on Pages 33 through 39, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, on Pages 40 through 41, are presented for purposes of additional analysis and are 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 November 30, 2021, on our consideration of Volunteers of America, Dakotas and Affiliates' 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, Dakotas and Affiliates' 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, Dakotas and Affiliates' internal control over financial reporting and compliance.

***RSM US LLP***

Sioux Falls, South Dakota  
November 30, 2021

## Volunteers of America, Dakotas and Affiliates

### Consolidated Statements of Financial Position June 30, 2021 and 2020

	2021	2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 6,517,813	\$ 4,233,008
Accounts and grants receivable, net of allowance for doubtful accounts of \$93,969 in 2021 and \$205,398 in 2020	1,690,450	1,545,620
Pledges receivable, net of allowance for doubtful accounts of \$25,600 in 2021 and \$45,365 in 2020 (Note 4)	336,062	412,656
Prepaid expenses	68,166	65,519
Inventory	9,812	9,022
<b>Total current assets</b>	<b>8,622,303</b>	<b>6,265,825</b>
Property and equipment, net (Notes 9 and 13)	<b>10,493,322</b>	10,542,839
Other assets:		
Long-term pledges receivable, net of allowance for doubtful accounts and discount of \$19,035 in 2021 and \$21,353 in 2020 (Note 4)	136,481	177,776
Investments (Notes 5 and 8)	2,111,526	1,663,530
Beneficial interest in perpetual trust (Notes 6 and 8)	400,197	320,173
Pettigrew Heights, including property and equipment (Notes 9, 10 and 13)	1,349,571	1,500,907
<b>Total other assets</b>	<b>3,997,775</b>	<b>3,662,386</b>
<b>Total assets</b>	<b>\$ 23,113,400</b>	<b>\$ 20,471,050</b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 367,584	\$ 252,920
Current portion of long-term debt (Note 13)	283,044	270,693
Accrued expenses and other liabilities	869,872	782,874
<b>Total current liabilities</b>	<b>1,520,500</b>	<b>1,306,487</b>
Other liabilities:		
Paycheck Protection Program Loan (Note 14)	2,385,415	2,385,415
Long-term debt, less current portion (Note 13)	3,358,368	3,641,395
Pettigrew Heights, including debt (Note 13)	528,908	553,340
<b>Total other liabilities</b>	<b>6,272,691</b>	<b>6,580,150</b>
<b>Total liabilities</b>	<b>7,793,191</b>	<b>7,886,637</b>
Net assets (Notes 17 and 18):		
Without donor restrictions	13,356,870	10,474,437
Without donor restrictions—noncontrolling interest	754,669	881,562
With donor restrictions	1,208,670	1,228,414
<b>Total net assets</b>	<b>15,320,209</b>	<b>12,584,413</b>
<b>Total liabilities and net assets</b>	<b>\$ 23,113,400</b>	<b>\$ 20,471,050</b>

See notes to consolidated financial statements.

## Volunteers of America, Dakotas and Affiliates

### Consolidated Statements of Activities Years Ended June 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues from operations:						
Public support received directly						
Contributions	\$ 444,066	\$ 381,648	\$ 825,714	\$ 270,199	\$ 303,366	\$ 573,565
Contributions, in kind	249,700	-	249,700	779,988	-	779,988
Public support received—United Way	273,385	214,724	488,109	41,267	407,893	449,160
<b>Total public support</b>	<b>967,151</b>	<b>596,372</b>	<b>1,563,523</b>	<b>1,091,454</b>	<b>711,259</b>	<b>1,802,713</b>
Revenue and grants from governmental agencies	18,560,785	-	18,560,785	16,528,567	-	16,528,567
Other revenue:						
Program service fees	855,917	-	855,917	971,459	-	971,459
Rental income	221,710	-	221,710	162,256	-	162,256
Other operating revenue	105,577	-	105,577	50,312	-	50,312
<b>Total other revenue</b>	<b>1,183,204</b>	<b>-</b>	<b>1,183,204</b>	<b>1,184,027</b>	<b>-</b>	<b>1,184,027</b>
<b>Total public support and revenue</b>	<b>20,711,140</b>	<b>596,372</b>	<b>21,307,512</b>	<b>18,804,048</b>	<b>711,259</b>	<b>19,515,307</b>
Net assets released from restrictions	696,139	(696,139)	-	3,010,968	(3,010,968)	-
<b>Total revenues from operations</b>	<b>21,407,279</b>	<b>(99,767)</b>	<b>21,307,512</b>	<b>21,815,016</b>	<b>(2,299,709)</b>	<b>19,515,307</b>
Operating expenses:						
Encouraging positive development	2,399,898	-	2,399,898	2,774,068	-	2,774,068
Fostering independence	9,537,269	-	9,537,269	9,584,897	-	9,584,897
Promoting self-sufficiency	4,003,081	-	4,003,081	4,211,870	-	4,211,870
<b>Total program services</b>	<b>15,940,248</b>	<b>-</b>	<b>15,940,248</b>	<b>16,570,835</b>	<b>-</b>	<b>16,570,835</b>
Management and general	2,472,301	-	2,472,301	2,183,246	-	2,183,246
Fundraising	290,594	-	290,594	237,185	-	237,185
Charter services paid to national organization	396,340	-	396,340	400,779	-	400,779
<b>Total supporting services</b>	<b>3,159,235</b>	<b>-</b>	<b>3,159,235</b>	<b>2,821,210</b>	<b>-</b>	<b>2,821,210</b>
<b>Total operating expenses</b>	<b>19,099,483</b>	<b>-</b>	<b>19,099,483</b>	<b>19,392,045</b>	<b>-</b>	<b>19,392,045</b>
<b>Excess (deficit) from operations</b>	<b>2,307,796</b>	<b>(99,767)</b>	<b>2,208,029</b>	<b>2,422,971</b>	<b>(2,299,709)</b>	<b>123,262</b>
Nonoperating activity and other changes:						
Investment and interest income	35,520	-	35,520	50,341	-	50,341
Realized and unrealized gain (loss) on investments and perpetual trust	412,224	80,023	492,247	(21,374)	5,152	(16,222)
<b>Total nonoperating activity and other changes</b>	<b>447,744</b>	<b>80,023</b>	<b>527,767</b>	<b>28,967</b>	<b>5,152</b>	<b>34,119</b>
<b>Change in net assets</b>	<b>2,755,540</b>	<b>(19,744)</b>	<b>2,735,796</b>	<b>2,451,938</b>	<b>(2,294,557)</b>	<b>157,381</b>
Net assets, beginning of year	11,355,999	1,228,414	12,584,413	8,904,061	3,522,971	12,427,032
Net assets, end of year	\$ 14,111,539	\$ 1,208,670	\$ 15,320,209	\$ 11,355,999	\$ 1,228,414	\$ 12,584,413

See notes to consolidated financial statements.

## Volunteers of America, Dakotas and Affiliates

### Consolidated Statement of Functional Expenses Year Ended June 30, 2021

	Program Services				Supporting Activities			Total 2021
	Encouraging Positive Development	Fostering Independence	Promoting Self-Sufficiency	Total	Management and General	Fundraising	Total	
Salaries	\$ 1,188,386	\$ 6,181,364	\$ 2,205,334	\$ 9,575,084	\$ 1,424,715	\$ 153,699	\$ 1,578,414	\$ 11,153,498
Other employee benefits	164,789	633,888	252,948	1,051,625	162,902	13,754	176,656	1,228,281
Payroll taxes	91,703	477,876	172,885	742,464	105,372	11,668	117,040	859,504
Professional fees	295,892	393,909	286,424	976,225	326,945	61,406	388,351	1,364,576
Supplies and expenses	71,878	238,935	256,489	567,302	24,877	14,394	39,271	606,573
Telecommunications	9,518	44,771	21,728	76,017	9,253	22	9,275	85,292
Postage	405	3,787	4,397	8,589	3,971	1,676	5,647	14,236
Occupancy	201,772	743,134	285,460	1,230,366	28,444	1,008	29,452	1,259,818
Interest	21,086	62,772	42,493	126,351	52,950	490	53,440	179,791
Insurance	57,088	109,738	52,228	219,054	33,244	2,294	35,538	254,592
Equipment rental and maintenance	33,898	58,433	28,953	121,284	68,588	742	69,330	190,614
Printing and publications	3,933	3,480	2,815	10,228	81,705	23,489	105,194	115,422
Travel and transportation	20,533	68,723	19,615	108,871	11,350	110	11,460	120,331
Conferences and meetings	2,123	5,150	3,718	10,991	20,669	4,080	24,749	35,740
Specific assistance to individuals and programs	49,747	239,711	182,377	471,835	31,565	21	31,586	503,421
Other	2,934	25,013	6,111	34,058	24,954	451	25,405	59,463
Depreciation and amortization	184,213	246,585	179,106	609,904	60,797	1,290	62,087	671,991
<b>Total functional expense</b>	<b>\$ 2,399,898</b>	<b>\$ 9,537,269</b>	<b>\$ 4,003,081</b>	<b>15,940,248</b>	<b>\$ 2,472,301</b>	<b>\$ 290,594</b>	<b>2,762,895</b>	<b>18,703,143</b>
Charter services paid to national organization				-			396,340	396,340
<b>Total expenses</b>				<b>\$ 15,940,248</b>			<b>\$ 3,159,235</b>	<b>\$ 19,099,483</b>

See notes to consolidated financial statements.

## Volunteers of America, Dakotas and Affiliates

### Consolidated Statement of Functional Expenses Year Ended June 30, 2020

	Program Services				Supporting Activities			Total 2020
	Encouraging Positive Development	Fostering Independence	Promoting Self-Sufficiency	Total	Management and General	Fundraising	Total	
Salaries	\$ 1,369,061	\$ 6,030,735	\$ 2,220,370	\$ 9,620,166	\$ 1,371,401	\$ 163,709	\$ 1,535,110	\$ 11,155,276
Other employee benefits	197,967	642,138	281,573	1,121,678	153,650	14,526	168,176	1,289,854
Payroll taxes	98,079	436,924	158,653	693,656	95,042	11,725	106,767	800,423
Professional fees	231,878	439,984	274,951	946,813	155,203	11,085	166,288	1,113,101
Supplies and expenses	125,847	201,206	277,989	605,042	47,586	9,803	57,389	662,431
Telecommunications	9,080	32,948	24,057	66,085	7,439	4	7,443	73,528
Postage	167	3,195	2,238	5,600	5,611	1,616	7,227	12,827
Occupancy	207,567	763,503	275,122	1,246,192	30,553	2,231	32,784	1,278,976
Interest	22,271	74,363	48,267	144,901	26,537	545	27,082	171,983
Insurance	41,283	100,601	42,830	184,714	22,933	2,229	25,162	209,876
Equipment rental and maintenance	30,727	61,141	48,568	140,436	47,399	305	47,704	188,140
Printing and publications	269,042	18,360	2,713	290,115	65,748	3,467	69,215	359,330
Travel and transportation	42,549	103,351	46,262	192,162	36,077	8,047	44,124	236,286
Conferences and meetings	3,884	6,609	4,526	15,019	13,656	1,875	15,531	30,550
Specific assistance to individuals and programs	37,363	381,073	346,601	765,037	8,097	4,424	12,521	777,558
Other	3,596	26,287	3,878	33,761	33,560	282	33,842	67,603
Depreciation and amortization	83,707	262,479	153,272	499,458	62,754	1,312	64,066	563,524
<b>Total functional expense</b>	<b>\$ 2,774,068</b>	<b>\$ 9,584,897</b>	<b>\$ 4,211,870</b>	<b>16,570,835</b>	<b>\$ 2,183,246</b>	<b>\$ 237,185</b>	<b>2,420,431</b>	<b>18,991,266</b>
Charter services paid to national organization				-			400,779	400,779
<b>Total expenses</b>				<b>\$ 16,570,835</b>			<b>\$ 2,821,210</b>	<b>\$ 19,392,045</b>

See notes to consolidated financial statements.



## Volunteers of America, Dakotas and Affiliates

### Consolidated Statements of Cash Flows Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 2,735,796	\$ 157,381
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	669,155	560,494
Impairment loss on property and equipment, Pettigrew Heights	104,660	89,050
Amortization, Pettigrew Heights	2,836	2,836
Change in provision for uncollectible pledges receivable	(39,705)	(22,368)
(Gain) loss on investments	(412,636)	21,339
Change in beneficial interest in perpetual trust	(80,024)	(5,152)
Gain on sale of property and equipment	(1,150)	(6,353)
Receipt of donated property and equipment	(6,680)	(204,434)
Other changes in operating assets and liabilities:		
Receivables, including pledges	(340,178)	181,514
Prepaid expenses	(2,647)	(728)
Inventory	(790)	8,404
Pettigrew Heights—assets	(41,497)	40,232
Accounts payable	114,664	(268,811)
Accrued expenses and other liabilities	86,998	21,858
Pettigrew Heights—liabilities	(24,432)	(50,262)
<b>Net cash provided by operating activities</b>	<b>2,764,370</b>	<b>525,000</b>
Cash flows from investing activities:		
Purchase of investments	(297,407)	(533,609)
Proceeds from sale of investments	262,047	515,002
Proceeds from sale of property and equipment	5,300	6,353
Purchase of property and equipment	(531,771)	(2,153,212)
<b>Net cash used in investing activities</b>	<b>(561,831)</b>	<b>(2,165,446)</b>
Cash flows from financing activities:		
Contributions received restricted for long-term purposes, including pledges	352,942	513,954
Proceeds from Paycheck Protection Program Loan	-	2,385,415
Payments on long-term debt	(270,676)	(254,103)
<b>Net cash provided by financing activities</b>	<b>82,266</b>	<b>2,645,266</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,284,805</b>	<b>1,004,800</b>
Cash and cash equivalents, beginning	4,233,008	3,228,208
Cash and cash equivalents, ending	\$ 6,517,813	\$ 4,233,008
Supplemental information:		
Disclosure of cash flow information:		
Cash paid during the year—interest	\$ 151,792	\$ 167,271
Property and equipment included in accounts payable	\$ -	\$ 5,500

See notes to consolidated financial statements.

## Volunteers of America, Dakotas and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 1. Organization

The consolidated financial statements (collectively, the financial statements) include the accounts of Volunteers of America, Dakotas; Volunteers of America, Dakotas Foundation, Inc.; and Volunteers of America, Dakotas—Pettigrew Heights Apartments Limited Partnership, which collectively are referred to as the Organization. All material interorganization transactions have been eliminated. Volunteers of America, Dakotas is a nonprofit spiritually based human services organization, incorporated in South Dakota, which provides social services within South Dakota and North Dakota under a charter from Volunteers of America, Inc., a national nonprofit spiritually based organization providing local human service programs and opportunities for individual and community involvement. Volunteers of America, Dakotas Foundation, Inc. is a nonprofit organization that encourages and assists Volunteers of America, Dakotas and its associated exempt organizations in the maintenance of their activities.

Volunteers of America Dakotas—Pettigrew Heights Apartments Limited Partnership (the Partnership or Pettigrew Heights) was formed for the purpose of constructing, operating and managing a 37-unit low-income housing tax credit project in Sioux Falls to benefit low-income families. The Partnership will terminate on December 31, 2059, or earlier based upon the occurrence of certain events as defined in the agreement. Volunteers of America, Dakotas is a 0.01% managing general partner of the Partnership. The Partnership's assets and liabilities are included in the consolidated statements of financial position as other assets, Pettigrew Heights, including property and equipment and other liabilities, Pettigrew Heights, including debt. The Partnership's activities, functional expenses and cash flows are included in the applicable lines in each of those respective statements.

A summary of the programs offered by the Organization is as follows:

**Encouraging Positive Development:** Volunteers of America provides services to encourage positive development for troubled and at-risk children and youth, while also promoting the healthy development of all children, adolescents and their families. The programs provide a continuum of care and support for young people ages birth to 21 through prevention, early intervention, crisis intervention and long-term services.

Look Up and Hope program empowers participants with skills, relationships and resiliency they need to transcend the devastating effects of poverty and incarceration.

The Childcare and Family Literacy Centers offer children of teen and adult parents early childhood education programs, child care services, preschool programs and a school-age program, along with support and guidance for parents pursuing education and employment goals including development of parenting skills.

The Independent Living Preparation Program provides shelter and case management for homeless and at-risk youth and assists them toward independent living.

Kidz Count is a licensed after school program that serves at-risk children ages five to 12 enrolled at Terry Redlin Elementary School. The program includes academic support services as well as recreational and social activities.

Promotion of health wellness is provided through Tobacco Prevention and Office of Highway Safety programs, which include impaired driving prevention, and through engaging parents of teens focusing on communication of health-related matters.

The Youth Center offers recreation, education and creative opportunities to all youth and serves as a drop-in center for runaway and homeless youth or youth at risk of becoming homeless. It is a multifaceted after-school and summer program designed to intervene early with at-risk young people and guide them toward making healthy choices.

## Volunteers of America, Dakotas and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 1. Organization (Continued)

**Fostering Independence:** Volunteers of America fosters the health and independence of the elderly and persons with disabilities and mental illness through quality affordable housing, health care services, and a wide range of community services.

**Disabilities services:** The Choices Program offers residential, educational, therapeutic and employment training services for adolescent adults who have developmental disabilities and emotional/behavioral disorders. Family Support Coordinators provide assistance to individuals with disabilities to help them achieve their independence goals.

**Mental health:** LifeMarks offers outpatient counseling service for individuals, couples, and families and provides employee assistance programs.

**Family services:** The healthy marriage and relationship education program is designed to help families/individuals improve their relationships, marriages, parenting, and financial security, with the ultimate goals of improving family functioning, adult and child well-being, reducing poverty, and assisting the successful transition of youth to adulthood.

Pettigrew Heights offers low-income housing to qualified families.

**Promoting Self-Sufficiency:** Volunteers of America promotes self-sufficiency for individuals and families who have experienced homelessness or other personal crises, including chemical dependency, involvement with the corrections system, and unemployment. The focus is on solution-oriented approaches, using a continuum of services from prevention to intervention to long-term support.

**Community enhancement:** The Prevention Resource Center provides a resource library and information clearinghouse for alcohol, tobacco and other drugs, and other violence prevention materials and provides training and technical assistance for students, parents and professionals.

**Substance abuse:** The Heisler Outpatient Services and Heisler Adolescent Residential Treatment programs provide inpatient and outpatient therapeutic treatment and aftercare services for youth and adults with chemical abuse/addiction issues and their families. New Start is a 24-hour residential chemical dependency treatment program for pregnant and parenting young girls and adults and their children. Criminal Justice Initiative is an outpatient program that provides substance abuse and corrective thinking services to individuals involved in the criminal justice system.

**Homeless and housing services:** Transitional Housing for Veterans provides transitional housing and supportive services to homeless Veterans in a safe, secure and respectful environment. Veteran's Services Center is for veterans and their families who are homeless or at risk of homelessness. Sioux Falls outreach services and other runaway and homeless programs provide education and prevention services to runaway or homeless youth, along with shelter, personal needs, case management, counseling and transportation assistance to return home or to another safe place.

#### Note 2. Significant Accounting Policies

**Basis of accounting:** The accounting policies of the Organization conform to accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to voluntary health and welfare organizations. Significant accounting policies of the Organization are described below.

**Cash equivalents:** Cash equivalents are 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.

## Volunteers of America, Dakotas and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 2. Significant Accounting Policies (Continued)

**Receivables and credit policies:** Pledges receivable are stated net of an allowance for doubtful accounts. The allowance for uncollectible pledges is recorded based upon a review by management of the outstanding pledges, including pledges that are past due, and other judgmental factors. Pledges written off, net of changes in the allowance for uncollectible pledges, are reported as provision for uncollectible pledges as a reduction in revenue.

Under the provisions of Accounting Standards Update (ASU) No. 2014-09, which was adopted July 1, 2020, when there is an unconditional right to payment, subject only to the passage of time, the right is treated as a receivable. Trade receivables are uncollateralized non-interest-bearing obligations due under normal trade terms requiring payment within 30 days from the invoice date. Payments of trade receivables are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

The carrying amount of trade receivables is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management continuously reviews all trade receivable balances and estimates the portion, if any, of the balance that will not be collected. It is the Organization's policy to charge off receivables when they are considered worthless. The Organization determines the estimated valuation allowance based on historical collection experience with certain classes of payors or program revenue using a portfolio approach as a practical expedient to account for service revenue as collective groups rather than individually. The financial statement effects of using this practical expedient are not materially different from an individual contract approach.

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

	<u>Years</u>
Buildings and improvements	5-40
Office equipment and furnishings	3-20
Vehicles	4-5

**Contributions:** Contributions are recorded upon receipt, unless evidence of an unconditional promise to give has been received. Contributions are deemed to be conditional if they include barriers to earnings and a donor's right to return of funds, if not used. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows using a discount rate, which approximates long-term money market rates of return. The discount rate used was 1.2% and 0.6% as of June 30, 2021 and 2020, respectively. Amortization of the discount is included in contribution revenue. Contribution revenue is recorded for donated advertising at the fair value on the date used. Conditional promises to give are not included as support until such time as the conditions are substantially met. All contributions are considered to be without donor restrictions unless specifically restricted by the donor. Contributions subject to donor-imposed restrictions, including donated equipment, for which the restrictions are satisfied in the same year are reported as unrestricted.

## Volunteers of America, Dakotas and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 2. Significant Accounting Policies (Continued)

**Contributed services:** The Organization recognizes contribution revenue for certain services at the date 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. Volunteers contribute a significant amount of time to the Organization's activities without compensation. The financial statements generally do not reflect the value of those contributed services since they do not meet the criteria for recognition.

**Rental and residential revenue:** Rental and residential revenue is recognized as earned under rental or residential agreements or contracts that typically have month-to-month terms, in accordance with the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) 840, Leases.

**Exchange transactions:** The Organization utilizes the five-step model for recognizing revenues from contracts with customers under the Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606), including the subsequent ASUs that amended Topic 606, as follows:

- Identify the contract with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognize revenue when or as performance obligations are satisfied.

The Organization assesses the contract term as the period in which the parties to the contract have presently enforceable rights and obligations.

Revenue from exchange transactions, including program service fees, are recognized when earned, which is generally when the service is provided. Revenue from these services generally relate to contracts with residents, patients within the Organization's service area, or third-party payors in which the performance obligations are to provide services to specific individuals. Revenues are recorded during the period the performance obligations to provide these services are satisfied. Performance obligations for these services are generally satisfied at a point in time or over a period of approximately one month.

The composition of revenue from exchange transactions based on period of performance for the year ended June 30 are as follows:

	<u>2021</u>
Period of performance:	
Daily	\$ 10,902,868
Within one month	<u>3,293,626</u>
	<u>\$ 14,196,494</u>

## Volunteers of America, Dakotas and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 2. Significant Accounting Policies (Continued)

The composition of revenue from exchange transactions based on department, which are included within revenue and grants from governmental agencies or program service fees on the consolidated statements of activities for the year ended June 30, are as follows:

	<u>2021</u>
Agency With Choice	\$ 77,019
Axis 180	120,268
Childcare and Family Literacy Centers	419,413
Choices	9,152,216
Criminal Justice Initiative	494,345
Family Support Coordinators	497,913
Heisler Outpatient Services	239,008
LifeMarks	441,757
New Start	2,010,246
Tobacco Prevention	395,699
Vets-Berakhah	237,610
Youth Center	111,000
	<u>\$ 14,196,494</u>

**Grant revenue:** Grants that are classified as conditional non-exchange transactions with the grantor are recognized as revenue when the barriers are met.

**Net assets:** For financial reporting purposes, the Organization classifies its activities as net assets without donor restrictions or net assets with donor restrictions based on the existence or absence of donor-imposed restrictions, as follows:

***Without donor restrictions:*** Net assets without donor restrictions are not subject to donor-imposed restrictions. These are funds that are presently available for use by or on behalf of the Organization, including amounts available for management and general expenses. These net assets may also include Board-designated amounts.

***With donor restrictions:*** Net assets with donor restrictions have donor-imposed stipulations that can generally be fulfilled by certain actions of the Organization or the passage of time. These are primarily contributions that are time-restricted for future periods or for endowment-related activities. These can also include net assets that are contributions that have donor-imposed restrictions whereby the amount of the gift is to be held in perpetuity, and only the income generated can be used as stipulated by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**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 revenue from operations. Revenues and expenses that result from disposing of property and equipment or other assets are also reported as operating. Revenues, expenses, and gains and losses that result from investing activities are reported as nonoperating.

## Volunteers of America, Dakotas and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 2. Significant Accounting Policies (Continued)

**Income taxes:** Under provision of section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the State of South Dakota, Volunteers of America, Dakotas and Volunteers of America, Dakotas Foundation, Inc. are exempt from income taxes, except for net income from unrelated business income, as subordinate units of Volunteers of America, Inc. Volunteers of America, Inc. and Volunteers of America, Dakotas Foundation, Inc. are exempt from federal income taxes under section 501(a) of the Internal Revenue Code as religious organizations described in section 501(c)(3). There were no material unrelated business activities in 2021 and 2020. Accordingly, no income tax expense was incurred during the years ended June 30, 2021 and 2020.

The Partnership is treated as a pass-through entity for income tax purposes and, as such, is not subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and are reported by its owners on their respective income tax returns.

The Organization believes that it has appropriate support for any tax positions taken affecting its annual filing requirements and, as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize accrued interest and penalties related to unrecognized tax benefits in income tax expense, if incurred.

**Investments and beneficial interest in perpetual trust:** Investments and beneficial interest in perpetual trust are recorded at fair value. Realized and unrealized gains and losses are included in the change in net assets without donor restrictions, unless their use is subject to donor or legal restrictions. Unrealized gains and losses are reported for the change in fair value between reporting periods. Interest and dividend income is reported when earned.

**Allocation of functional expenses:** The costs of providing the various program services and supporting activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expense by function. Expenses that are directly related to programs, management and general, or fund raising activities are assigned to that activity. For certain expenses attributable to more than one activity, management determines a reasonable basis of allocation based upon the specific nature of those expenses. The expenses that are allocated include occupancy, depreciation, interest and property insurance, which are allocated on a square footage basis, salaries and benefits, which are allocated on the basis of estimates of time and effort spent in each activity, as well as certain professional fees, which are allocated on the number of users or total program expenses.

**Use of estimates:** The preparation of financial statements in conformity with U.S. GAAP 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.

**Advertising costs:** Advertising costs are expensed as incurred. The Organization incurred advertising expenses of \$78,933 and \$68,911 for years ended June 30, 2021 and 2020, respectively.

**Leave policies:** Eligible employees accrue vacation leave based on exempt or nonexempt status and years of service. The vacation accrual does not exceed the amount earned in one year, which is the maximum financial remuneration paid for unused vacation upon separation from the Organization.

Sick leave is earned by eligible employees and is accumulated to a maximum amount. Accumulated sick leave is not paid out upon termination of employment. Accordingly, sick pay is charged to expenditures when taken, and no accrual is made for unused sick leave.

## Volunteers of America, Dakotas and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 2. Significant Accounting Policies (Continued)

**Risks and uncertainties:** The Organization invests in various mutual funds that are invested in securities including government securities, corporate debt instruments, and corporate stocks. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. It is possible that the value of the Organization's investments has changed significantly since June 30, 2021.

The Organization maintains cash and cash equivalents balances in certain financial institutions. The accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times during the year, the Organization's bank balances may exceed this limit. The Organization has not experienced any losses in such accounts, and management does not believe they are exposed to significant credit risk related to bank deposit accounts.

The Organization receives a substantial amount of its support from federal, state and local governments. A reduction in the level of this support, if this were to occur, may have a significant effect on the Organization's programs and activities.

Receivables are primarily due from various federal and state grant programs or pledges from various groups. Management anticipates collecting the receivables from the various grant programs. Receivables for child care services, outpatient services and private pay residential services are also included in accounts receivable. Concentrations of revenue and accounts receivable balances from the Organization's agency customers (those representing 10% or more of total revenue in either 2021 or 2020) as of and for the years ended June 30, 2021 and 2020, are as follows (numbers are approximate):

	2021		2020	
	Revenue	Accounts Receivable	Revenue	Accounts Receivable
Federal Agency 1	\$ 9,843,000	\$ 933,000	\$ 9,878,000	\$ 800,000

In the normal course of business, the Organization is involved in various legal proceedings. Management does not believe that the ultimate disposition of any of the proceedings will have a material effect on the Organization's financial position or results of operations.

**Investments:** Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Management determines the appropriate classification of the securities at the time they are acquired and evaluates the appropriateness of such classification at each consolidated balance sheet date. The Organization has classified its securities as trading securities. Trading securities are measured and carried at fair value, and unrealized holding gains and losses, realized gains and losses, and interest and dividends are included in change in net assets unless the income or loss is restricted by donor or law.

**Noncontrolling interest:** The noncontrolling interest in net assets represents the limited partners' interest in the net assets of the Partnership.



## Volunteers of America, Dakotas and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 2. Significant Accounting Policies (Continued)

**COVID-19 pandemic:** The spread of COVID-19, a novel strain of coronavirus, is altering the behavior of businesses and people throughout the United States. Further, financial markets have recently experienced a significant variation attributed to COVID-19 concerns. The continued spread of COVID-19 may adversely impact the local, regional and national economies. The extent to which COVID-19 impacts the Organization's results will depend of future developments, which are highly uncertain and cannot be predicted. The impact is highly dependent on the breadth and duration of the outbreak and could be affected by other factors that cannot currently be predicted. Accordingly, management cannot precisely estimate the overall operational and financial impact to the Organization's but such an impact could have a material adverse effect on the financial condition of the Organization.

**Recently adopted accounting standards:** During 2021, the Organization adopted ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, using the modified retrospective method of transition applied to contracts that were not complete as of July 1, 2020. This ASU replaced existing revenue recognition guidance, including industry-specific guidance, and requires revenue to be recognized in an amount that reflects the consideration the entity expects to be entitled in an exchange of goods or services.

The adoption of this ASU resulted in changes to presentation and disclosure of revenue. There was no adjustment required to the opening balance of net assets for the adoption of this ASU. Comparative financial information has not been restated and continues to be reported under the accounting standards in effect for those periods.

During 2021, the Organization adopted ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*, requiring the statement of cash flows to explain the change during the period in total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The effect of adopting this new accounting guidance did not have a significant impact to the financial statements.

In June 2018, the FASB issued ASU No. 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 current guidance about whether a transfer of assets, or the reduction, settlement or cancellation of liabilities, is a contribution or an exchange transaction. It provides criteria for determining whether the resource provider is receiving commensurate value in return for the resources transferred, which, depending on the outcome, determines whether the organization follows contribution guidance or exchange transaction guidance in the revenue recognition and other applicable standards. It also provides a more robust framework for determining whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction, which affects the timing of contribution revenue and expense recognition. The Organization adopted the ASU for contributions received as a resource recipient on July 1, 2019. The Organization adopted the ASU for resource provider transactions on July 1, 2020, with no material impact to the financial statements.

During 2021, the Organization adopted Accounting Standards Update (ASU) No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*, which improves the effectiveness of the notes to financial statements through changes in the disclosure requirements for fair value measurement. The effect of adopting this new accounting guidance did not have a significant impact to the financial statements.

## Volunteers of America, Dakotas and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 2. Significant Accounting Policies (Continued)

**Recent accounting pronouncements not yet adopted:** In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statements of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statements of activities. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The new standard is effective for the Organization for the fiscal year beginning on July 1, 2022. The Organization is currently evaluating the impact of the adoption of this standard on its financial statements; however, management anticipates that the adoption of this guidance will require the Organization to record right-of-use assets and lease liabilities for its operating lease agreements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. Among other things, these amendments require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Impacted organizations will now use forward-looking information to better inform their credit loss estimates. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. The new standard is effective for the Organization for the fiscal year beginning on July 1, 2023; however, earlier adoption is permitted. The Organization is currently evaluating the impact of the adoption of this standard on its financial statements.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets and enhances the related disclosures. The new standard will be applied on a retroactive basis and is effective for the Organization beginning on July 1, 2021. Management is currently evaluating the impact of the adoption of this standard on its financial statements.

**Subsequent events:** The Organization has evaluated subsequent events through November 30, 2021, the date the financial statements were available to be issued.

## Volunteers of America, Dakotas and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 3. Liquidity and Availability

Financial assets available for general operating use within one year of the consolidated statements of financial position date comprise the following for the years ended June 30:

	2021	2020
Cash and cash equivalents	\$ 6,517,813	\$ 4,233,008
Accounts receivable	1,475,803	1,333,671
Grants receivable	214,647	211,949
Pledges receivable	336,062	412,656
Total financial assets	<u>8,544,325</u>	<u>6,191,284</u>
Less cash received subject to other donor restrictions	(208,866)	(121,942)
Less restricted pledges receivable	(315,166)	(395,974)
Financial assets available to meet current obligations over the next 12 months	<u>\$ 8,020,293</u>	<u>\$ 5,673,368</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses. As of June 30, 2021, the Organization had financial assets on hand of approximately 159 days. As part of its liquidity plan, excess cash is invested in money market funds. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In the event of an unanticipated liquidity need, the Organization could also draw upon their line of credit (Note 12).

#### Note 4. Pledges Receivable

Pledges receivable at June 30, 2021 and 2020, are as follows:

	2021	2020
Within one year	\$ 361,662	\$ 458,022
One to five years	155,516	199,128
	<u>517,178</u>	<u>657,150</u>
Less, allowance for uncollectible pledges	(40,329)	(61,766)
Less, discount to present value on long-term pledges	(4,306)	(4,952)
Less, current portion, net	(336,062)	(412,656)
Long-term pledges receivable, net	<u>\$ 136,481</u>	<u>\$ 177,776</u>

## Volunteers of America, Dakotas and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 5. Investments

As of June 30, 2021 and 2020, investments consisted of the following:

	2021		
	Cost	Fair Value	Unrealized Appreciation
Corporate bonds	\$ 152,109	\$ 156,208	\$ 4,099
Municipal bond	26,156	27,493	1,337
Money market funds	38,100	38,100	-
Mutual funds—equity	980,532	1,414,963	434,431
Mutual funds—bonds	463,920	474,762	10,842
	<u>\$ 1,660,817</u>	<u>\$ 2,111,526</u>	<u>\$ 450,709</u>
	2020		
	Cost	Fair Value	Unrealized Appreciation
Corporate bonds	\$ 152,354	\$ 160,547	\$ 8,193
Municipal bond	36,021	37,365	1,344
Money market funds	92,254	92,254	-
Mutual funds—equity	988,537	1,023,317	34,780
Mutual funds—bonds	332,441	350,047	17,606
	<u>\$ 1,601,607</u>	<u>\$ 1,663,530</u>	<u>\$ 61,923</u>

The Organization's investment objective is to maintain the purchasing power of the principal of the fund. Accordingly, the objective is to grow the aggregate portfolio value, net of spending, at a rate greater than the rate of inflation over a five-year time horizon.

Investment fees of \$8,961 and \$8,442 are netted against investment income above for the years ended June 30, 2021 and 2020, respectively.

#### Note 6. Beneficial Interest in Perpetual Trust

The Organization is a beneficiary under the William Alexander & Lida Alice Beach Memorial Trust. The trust is a donor established perpetual trust held and administered by a third party. Under the terms of the trust, the Organization has the irrevocable right to annually receive income earned on the trust in perpetuity as well as a portion of the trust assets. Distributions are received annually from the trust and are restricted for buildings and grounds maintenance. Beneficial interest in the perpetual trust is \$400,197 and \$320,173 at June 30, 2021 and 2020, respectively. Distributions received totaled \$17,518 and \$17,135 for the years ended June 30, 2021 and 2020, respectively.

## Volunteers of America, Dakotas and Affiliates

### Notes to Consolidated Financial Statements

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#### **Note 7. Sioux Falls Area Community Foundation**

The Organization has endowment funds held by the Sioux Falls Area Community Foundation (the Foundation). Outside donors have contributed to funds with the Foundation for the benefit of the Organization. Distributions to the Organization are in accordance with distribution policies for permanent funds adopted by the Foundation. As of June 30, 2021 and 2020, the balance of funds with the Foundation totaled \$1,870,272 and \$1,496,258, respectively. Since distributions are either subject to the Foundation's variance power or are conditional, the Organization recognizes revenue from the endowments as distributions are received. Distributions received totaled \$37,414 and \$25,288 for the years ended June 30, 2021 and 2020, respectively.

#### **Note 8. Fair Value Disclosures**

The Organization has adopted ASC Topic 820 for financial assets and liabilities. Assets and liabilities recorded at fair value in the consolidated balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair value. The valuation techniques used to measure fair value under ASC 820 are based upon observable and unobservable inputs. The ASC established a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. Input levels, as defined by ASC 820, are as follows:

**Level 1:** Inputs are unadjusted quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.

**Level 2:** Inputs are observable market-based inputs or unobservable inputs that are corroborated by market data.

**Level 3:** Inputs are unobservable and not corroborated by market data.

In determining the appropriate levels, the Organization performs a detailed analysis of the assets and liabilities that are measured and reported at fair value on a recurring basis.

## Volunteers of America, Dakotas and Affiliates

### Notes to Consolidated Financial Statements

#### Note 8. Fair Value Disclosures (Continued)

The following tables set forth the Organization's assets that are measured and recognized at fair value on a recurring basis as of June 30, 2021 and 2020, under the appropriate level of the fair value hierarchy. Financial instruments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	2021		
	Level 1	Level 2	Level 3
Corporate bonds	\$ -	\$ 156,208	\$ -
Municipal bonds	-	27,493	-
Money market funds	38,100	-	-
Mutual funds—equity	1,414,963	-	-
Mutual funds—bonds	474,762	-	-
Beneficial interest in perpetual trust	-	-	400,197
Total assets	<u>\$ 1,927,825</u>	<u>\$ 183,701</u>	<u>\$ 400,197</u>

	2020		
	Level 1	Level 2	Level 3
Corporate bonds	\$ -	\$ 160,547	\$ -
Municipal bonds	-	37,365	-
Money market funds	92,254	-	-
Mutual funds—equity	1,023,317	-	-
Mutual funds—bonds	350,047	-	-
Beneficial interest in perpetual trust	-	-	320,173
Total assets	<u>\$ 1,465,618</u>	<u>\$ 197,912</u>	<u>\$ 320,173</u>

#### Note 9. Property and Equipment

Property and equipment for Volunteers of America, Dakotas and Volunteers of America, Foundation consists of the following:

	2021	2020
Land	\$ 1,398,169	\$ 1,327,684
Buildings and improvements	14,105,509	13,959,499
Office equipment	789,406	697,187
Furnishings	303,273	297,614
Vehicles	1,224,346	1,068,735
	<u>17,820,703</u>	<u>17,350,719</u>
Less accumulated depreciation	<u>(7,327,381)</u>	<u>(6,807,880)</u>
	<u>\$ 10,493,322</u>	<u>\$ 10,542,839</u>

The Organization leases vehicles under various capital lease contracts with a cost of \$123,287 as of June 30, 2021 and 2020, and accumulated depreciation of \$64,822 and \$40,165 as of June 30, 2021 and 2020, respectively. Amortization of the vehicles is included with depreciation expenses.

## Volunteers of America, Dakotas and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 9. Property and Equipment (Continued)

Property and equipment for Pettigrew Heights consist of the following:

	2021	2020
Land	\$ 179,658	\$ 179,658
Building and improvements	3,133,736	3,109,958
Furnishings	336,931	336,931
	<u>3,650,325</u>	<u>3,626,547</u>
Less accumulated depreciation	(2,384,812)	(2,194,814)
	<u>\$ 1,265,513</u>	<u>\$ 1,431,733</u>

Accumulated impairment of \$1,119,517 and \$1,014,857 has been recognized as of June 30, 2021 and 2020, respectively, and is included in accumulated depreciation for Pettigrew Heights above. Total impairment expense was \$104,660 and \$89,050 for the years ended June 30, 2021 and 2020, respectively, and is included in other operating revenue (loss) on the consolidated statements of activities as of June 30, 2021 and 2020.

#### Note 10. Intangible Assets

During the year ended June 30, 2011, the Organization entered into a partnership to acquire and construct a residential real estate property financed with tax credits. Costs incurred totaling \$42,536 as part of the tax credit allocation have been capitalized and are being amortized using the straight-line method over the 15-year compliance period. Amortization expense for each of the years ended June 30, 2021 and 2020, was \$2,836. These intangible assets include a net carrying amount of \$11,105 and \$13,941, respectively, and are included in other assets, Pettigrew Heights on the consolidated statements of financial position.

#### Note 11. Operating Leases

The Organization leases property and equipment under operating leases that expire through 2024. Lease expense for operating leases for the years ended June 30, 2021 and 2020, was \$390,890 and \$370,994, respectively, and is included in occupancy expense on the consolidated statements of functional expenses.

Minimum lease payments for operating leases in future years are as follows:

Years ending June 30:	
2022	\$ 336,017
2023	195,969
2024	5,738
	<u>\$ 537,724</u>

## Volunteers of America, Dakotas and Affiliates

### Notes to Consolidated Financial Statements

#### Note 12. Line of Credit

As of June 30, 2021 and 2020, the Organization has a \$1,000,000 line of credit in place at Wells Fargo Bank, which matures on February 15, 2022. The line of credit incurs interest at a rate of prime and is subject to a 4.00% floor at June 30, 2021 and 2020. No amount is outstanding as of June 30, 2021 or 2020. The line of credit is secured by substantially all assets of the Organization, excluding real estate. The line of credit includes covenants to maintain an annual debt service coverage ratio (as defined) of 1.15-to-1.0 and limits additional debt borrowings in any fiscal year to \$250,000 excluding Paycheck Protection Program (PPP) Loan.

#### Note 13. Long-Term Debt

Long-term debt consists of:

	2021	2020
Volunteers of America, Dakotas:		
4.85% mortgage note payable to Wells Fargo Bank, due in monthly installments of \$17,244 through February 15, 2029, including interest, secured by 1309 West 51st Street (1)	\$ 1,319,836	\$ 1,458,128
3.95% mortgage note payable to Wells Fargo Bank, due in monthly installments of \$10,640, including interest and a prepayment penalty, with a balloon payment due July 15, 2029, secured by 1310 West 51st Street (1)	1,275,704	1,350,647
0% mortgage notes payable to City of Sioux Falls Department of Community Development, due upon noncompliance with the intended purpose of grants received, or upon sale of the property	381,923	381,923
4.75% mortgage note payable to Wells Fargo Bank, due in monthly payments of \$5,114, including interest with a balloon payment due December 15, 2027, secured by the land and buildings purchased (1)	569,646	602,710
Capital leases—5 vehicle contracts, including interest of 2.87%, due in monthly installments of \$2,208, due on September 30, 2023 and April 30, 2024, secured by vehicles acquired	60,650	85,027
Volunteers of America, Foundation:		
0% mortgage note payable to City of Sioux Falls Department of Community Development, due upon noncompliance with the intended purpose of grants received, or upon sale of the property	33,653	33,653
	3,641,412	3,912,088
Less current maturities	(283,044)	(270,693)
	<u>\$ 3,358,368</u>	<u>\$ 3,641,395</u>
Pettigrew Heights:		
0% mortgage note payable to South Dakota Housing Development Authority, due in irregular monthly principal payments, through December 1, 2024, secured by all land, building and equipment at Pettigrew Heights	\$ 80,000	\$ 106,400
0% mortgage note payable to South Dakota Housing Development Authority, due in annual installments based on available cash flow in excess of a 1.15 debt service coverage beginning July 1, 2012, through July 1, 2042, secured by all land, building and equipment at Pettigrew Heights	423,423	423,423
	503,423	529,823
Less current maturities	(25,200)	(26,400)
	<u>\$ 478,223</u>	<u>\$ 503,423</u>

(1) Includes a covenant to maintain an annual debt service coverage ratio (as defined) of 1.15-to-1.0.



## Volunteers of America, Dakotas and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 13. Long-Term Debt (Continued)

Minimum annual principal payments for Volunteers of America, Dakotas and Volunteers of America, Foundation, including the maturities of capital lease liabilities, are estimated as follows:

Years ending June 30:	
2022	\$ 283,044
2023	295,969
2024	306,135
2025	282,544
2026	310,329
Thereafter	2,163,391
	<u>\$ 3,641,412</u>

Minimum annual principal payments for Pettigrew Heights are estimated as follows:

Years ending June 30:	
2022	\$ 25,200
2023	24,000
2024	21,900
2025	8,900
2026	-
Thereafter	423,423
	<u>\$ 503,423</u>

#### Note 14. Paycheck Protection Program Loan Agreement

On April 13, 2020, the Organization received a \$2,385,415 PPP Loan as a part of the COVID-19 stimulus package offered through the Small Business Administration (SBA). This loan has been reported as a liability; however, under the terms of the PPP agreement, the amount provided could be forgiven in the future if the Organization meets certain conditions. The loan bears interest at 1.00% and includes provisions for interest and principal payment deferral, and loan forgiveness. PPP loans are forgiven if the loan proceeds are used to maintain compensation costs and employee headcount, and other qualifying expense (rent and utilities) incurred following receipt of the loan over a qualifying period. The Organization applied for forgiveness for this loan in June 2021, and the loan was legally forgiven by the SBA effective August 25, 2021.

#### Note 15. Employee Benefit Plans

The Organization participates in a noncontributory defined benefit pension and retirement plan. The plan is administered through a commercial insurance company and covers all ministers commissioned through December 31, 1999. Pension plan expense was \$46,029 and \$44,941 for the years ended June 30, 2021 and 2020, respectively. Because the plan is a multiemployer plan, the accumulated benefits and net assets available for benefits, as they relate to the Organization, are not readily available.

The Organization has a 401(k) retirement plan that covers all employees who meet eligibility requirements. The Organization may provide a discretionary match of employee contributions as specified by the plan, subject to Internal Revenue Code restrictions. The Organization made contributions of \$115,264 and \$94,846 for the years ended June 30, 2021 and 2020, respectively.

## Volunteers of America, Dakotas and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 16. Related-Party Transactions

The Organization is affiliated with Volunteers of America, Inc., which provides supporting services to the agency for a fee calculated as 2.25% of annual revenues, as defined in the agreement. Affiliate fees for the fiscal years ended June 30, 2021 and 2020, totaled \$396,340 and \$400,779, respectively. Amounts due to Volunteers of America, Inc. at June 30, 2021 and 2020, included in accounts payable, were \$32,853 and \$31,226, respectively, for affiliate fees.

Pledges receivable as of June 30, 2021 and 2020, include approximately \$105,000 and \$94,000, respectively, from employees and directors of the Organization.

#### Note 17. Net Assets With Donor Restrictions

Net assets are subject to donor restrictions for the following purposes at June 30:

	2021	2020
Time- and purpose-restricted:		
Program services with time restrictions—United Way	\$ 107,362	\$ 203,947
Restricted for HomePlace services	371,596	555,412
Other program service restrictions	59,378	121,942
Held in perpetuity:		
Foundation for Future Generations	243,197	-
Judy Dahmke Estate	26,940	26,940
William Alexander & Lida Alice Beach Memorial Trust	400,197	320,173
Total	<u>\$ 1,208,670</u>	<u>\$ 1,228,414</u>

Net assets of \$311,308 and \$527,012 were released from time restrictions during the years ended June 30, 2021 and 2020, respectively. Net assets of \$0 and \$2,355,457 were released based upon acquisition of property and equipment during the years ended June 30, 2021 and 2020, respectively. Net assets of \$384,831 and \$128,499 were released based upon program service restrictions during the years ended June 30, 2021 and 2020, respectively.

Revenue has not yet been recognized related to conditional non-exchange grant transactions in the amount of approximately \$4,400,000 and \$5,300,000 as of June 30, 2021 and 2020, respectively, due to barriers of providing a specified service or incurring expenses not being met by the Organization.

#### Note 18. Changes in Consolidated Net Assets Without Donor Restrictions

Changes in consolidated net assets attributable to the Organization and the noncontrolling interest in the Pettigrew Heights Apartment Limited Partnership are as follows:

	Total	Controlling Interest	Noncontrolling Interest
Balance, June 30, 2019	\$ 8,904,061	\$ 7,856,015	\$ 1,048,046
Excess (deficit) from operations	2,422,971	2,589,455	(166,484)
Nonoperating activity	28,967	28,967	-
Balance, June 30, 2020	11,355,999	10,474,437	881,562
Excess (deficit) from operations	2,307,796	2,434,689	(126,893)
Nonoperating activity	447,744	447,744	-
Balance, June 30, 2021	<u>\$ 14,111,539</u>	<u>\$ 13,356,870</u>	<u>\$ 754,669</u>

## Volunteers of America, Dakotas and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 19. Endowment Funds

The Organization's endowment funds consist of various donor restricted endowment funds and funds designated as endowment by the Organization's Board of Directors. Net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions. Endowment funds with donor-imposed restrictions are primarily held in a perpetual trust administered by a third party.

The Organization's management has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) adopted by the 2007 South Dakota legislature as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions the fair value of the perpetual trust, as well as (a) the original value of other gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund (historic dollar value). In addition, the portion of the donor-restricted endowment fund that is not classified as permanent is retained until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the state of South Dakota in its enacted version of UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the endowment fund; (2) the purposes of the Organization and the donor-restricted endowment fund; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the Organization; and (7) the investment policies of the Organization.

The Organization has adopted investment and spending policies for its endowment fund. The objective of these policies is to provide the Organization a predictable funding stream for its programs while protecting the purchasing power of the endowment fund. The Organization, through its investment policy, has established a target rate of return over the long-term, net of spending, to grow the portfolio at a rate greater than inflation. The total return during any single measurement period may deviate from the long-term return objective. To satisfy its long-term rate-of-return objective, the Organization expects to maintain appropriate diversification among equity and fixed income allocations. The purpose is to moderate the overall investment risk of the endowment fund.

The Board of Directors of the Organization may appropriate for expenditure or accumulate so much of the endowment fund as the Organization determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established. The amount appropriated, the spending policy, is a Board-approved percentage applied to the average fair value of the endowment fund assets during the prior 12 quarters. In cases where the fair value of endowment fund assets fall below the original value of the gifts donated to the permanent endowment, appropriation of gifts will not be made if such appropriation would reduce any gift below its historic-dollar value threshold. However, appropriations may be made from quasi-endowment funds in an amount equivalent to an appropriation that would otherwise be allowable, but for the below historic-dollar-value condition. The Board approved spending percentage was to not exceed 5% for the fiscal years ended June 30, 2021 and 2020.

## Volunteers of America, Dakotas and Affiliates

### Notes to Consolidated Financial Statements

#### Note 19. Endowment Funds (Continued)

Endowment net assets as of June 30, 2021, are as follows:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Donor-restricted endowment funds:			
Beneficial interest in perpetual trust for buildings and grounds maintenance	\$ -	\$ 400,197	\$ 400,197
Other	-	270,137	270,137
Board-designated endowment funds	2,084,786	-	2,084,786
	<u>\$ 2,084,786</u>	<u>\$ 670,334</u>	<u>\$ 2,755,120</u>

Endowment net assets as of June 30, 2020, are as follows:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Donor-restricted endowment funds:			
Beneficial interest in perpetual trust for buildings and grounds maintenance	\$ -	\$ 320,173	\$ 320,173
Other	-	26,940	26,940
Board-designated endowment funds	1,636,590	-	1,636,590
	<u>\$ 1,636,590</u>	<u>\$ 347,113</u>	<u>\$ 1,983,703</u>

As the future financial requirements of the Organization may exceed its revenue from operations, the Board has designated the endowed net assets without donor restrictions for the long-term benefit of the Organization for general future use.

The following summarizes the change in endowment net assets for the year ended June 30, 2021:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Endowment net assets, beginning of year	<u>\$ 1,636,590</u>	<u>\$ 347,113</u>	<u>\$ 1,983,703</u>
Investment return:			
Investment income	31,856	-	31,856
Realized and unrealized gain on investments, net	412,835	-	412,835
Adjustments to fair value of perpetual trust	-	80,024	80,024
Total investment return	<u>444,691</u>	<u>80,024</u>	<u>524,715</u>
Additions to endowment funds	<u>3,505</u>	<u>243,197</u>	<u>246,702</u>
Endowment net assets, end of year	<u>\$ 2,084,786</u>	<u>\$ 670,334</u>	<u>\$ 2,755,120</u>

## Volunteers of America, Dakotas and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 19. Endowment Funds (Continued)

The following summarizes the change in endowment net assets for the year ended June 30, 2020:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 1,639,321	\$ 341,961	\$ 1,981,282
Investment return:			
Investment income	41,200	-	41,200
Realized and unrealized loss on investments, net	(21,338)	-	(21,338)
Adjustments to fair value of perpetual trust	-	5,152	5,152
Total investment return	19,862	5,152	25,014
Additions to endowment funds	4,407	-	4,407
Appropriation of endowment funds for expenditure	(27,000)	-	(27,000)
Endowment net assets, end of year	\$ 1,636,590	\$ 347,113	\$ 1,983,703

## Volunteers of America, Dakotas and Affiliates

### Consolidating Statement of Financial Position June 30, 2021

	Volunteers of America, Dakotas	Volunteers of America, Dakotas Foundation, Inc.	Pettigrew Heights	Elimination Entries	Total
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 6,418,830	\$ 98,983	\$ -	\$ -	\$ 6,517,813
Accounts and grants receivable, net	2,809,967	-	-	(1,119,517)	1,690,450
Pledges receivable, net	291,990	344,072	-	(300,000)	336,062
Prepaid expenses	68,166	-	-	-	68,166
Inventory	9,812	-	-	-	9,812
<b>Total current assets</b>	<b>9,598,765</b>	<b>443,055</b>	<b>-</b>	<b>(1,419,517)</b>	<b>8,622,303</b>
Property and equipment, net	10,384,072	133,971	-	(24,721)	10,493,322
Other assets:					
Long-term pledges receivable, net	8,766	127,715	-	-	136,481
Investments	65,994	2,111,526	-	(65,994)	2,111,526
Beneficial interest in perpetual trust	-	400,197	-	-	400,197
Pettigrew Heights, including property and equipment	(1,119,517)	-	2,469,088	-	1,349,571
<b>Total other assets</b>	<b>(1,044,757)</b>	<b>2,639,438</b>	<b>2,469,088</b>	<b>(65,994)</b>	<b>3,997,775</b>
<b>Total assets</b>	<b>\$ 18,938,080</b>	<b>\$ 3,216,464</b>	<b>\$ 2,469,088</b>	<b>\$ (1,510,232)</b>	<b>\$ 23,113,400</b>
<b>Liabilities and Net Assets</b>					
Current liabilities:					
Accounts payable	\$ 367,584	\$ -	\$ -	\$ -	\$ 367,584
Current portion of long-term debt	283,044	-	-	-	283,044
Accrued expenses and other liabilities	1,169,872	-	-	(300,000)	869,872
<b>Total current liabilities</b>	<b>1,820,500</b>	<b>-</b>	<b>-</b>	<b>(300,000)</b>	<b>1,520,500</b>
Other liabilities:					
Paycheck Protection Program Loan	2,385,415	-	-	-	2,385,415
Long-term debt, less current portion	3,324,715	33,653	-	-	3,358,368
Pettigrew Heights, including debt	-	-	1,648,425	(1,119,517)	528,908
<b>Total other liabilities</b>	<b>5,710,130</b>	<b>33,653</b>	<b>1,648,425</b>	<b>(1,119,517)</b>	<b>6,272,691</b>
<b>Total liabilities</b>	<b>7,530,630</b>	<b>33,653</b>	<b>1,648,425</b>	<b>(1,419,517)</b>	<b>7,793,191</b>
Net assets:					
Without donor restrictions	10,869,114	2,512,477	65,994	(90,715)	13,356,870
Without donor restrictions—noncontrolling interest	-	-	754,669	-	754,669
With donor restrictions	538,336	670,334	-	-	1,208,670
<b>Total net assets</b>	<b>11,407,450</b>	<b>3,182,811</b>	<b>820,663</b>	<b>(90,715)</b>	<b>15,320,209</b>
<b>Total liabilities and net assets</b>	<b>\$ 18,938,080</b>	<b>\$ 3,216,464</b>	<b>\$ 2,469,088</b>	<b>\$ (1,510,232)</b>	<b>\$ 23,113,400</b>

**Volunteers of America, Dakotas and Affiliates**

**Consolidating Statement of Activities  
Year Ended June 30, 2021**

	Volunteers of America, Dakotas	Volunteers of America, Dakotas Foundation, Inc.	Pettigrew Heights	Elimination Entries	Total
<b>Revenues from operations:</b>					
Contributions	\$ 599,864	\$ 560,850	\$ -	\$ (335,000)	\$ 825,714
Contributions, in kind	249,700	-	-	-	249,700
Public support received—United Way	488,109	-	-	-	488,109
<b>Total public support</b>	<b>1,337,673</b>	<b>560,850</b>	<b>-</b>	<b>(335,000)</b>	<b>1,563,523</b>
Revenue and grants from governmental agencies	18,560,785	-	-	-	18,560,785
<b>Other revenue:</b>					
Program service fees	855,917	-	-	-	855,917
Rental income	23,229	35,000	198,481	(35,000)	221,710
Other operating revenue	94,119	-	11,458	-	105,577
<b>Total other revenue</b>	<b>973,265</b>	<b>35,000</b>	<b>209,939</b>	<b>(35,000)</b>	<b>1,183,204</b>
<b>Total revenues from operations</b>	<b>20,871,723</b>	<b>595,850</b>	<b>209,939</b>	<b>(370,000)</b>	<b>21,307,512</b>
<b>Operating expenses:</b>					
Encouraging positive development	2,399,898	-	-	-	2,399,898
Fostering independence	9,200,426	-	336,843	-	9,537,269
Promoting self-sufficiency	4,003,081	-	-	-	4,003,081
<b>Total program services</b>	<b>15,603,405</b>	<b>-</b>	<b>336,843</b>	<b>-</b>	<b>15,940,248</b>
Management and general	2,799,904	42,397	-	(370,000)	2,472,301
Fundraising	290,594	-	-	-	290,594
Charter services paid to national organization	396,340	-	-	-	396,340
<b>Total supporting services</b>	<b>3,486,838</b>	<b>42,397</b>	<b>-</b>	<b>(370,000)</b>	<b>3,159,235</b>
<b>Total operating expenses</b>	<b>19,090,243</b>	<b>42,397</b>	<b>336,843</b>	<b>(370,000)</b>	<b>19,099,483</b>
<b>Excess (deficit) from operations</b>	<b>1,781,480</b>	<b>553,453</b>	<b>(126,904)</b>	<b>-</b>	<b>2,208,029</b>
<b>Nonoperating activity and other changes:</b>					
Investment and interest income	3,664	31,856	-	-	35,520
Realized and unrealized gain (loss) on investments and perpetual trust	(423)	492,659	-	11	492,247
<b>Total nonoperating activity and other changes</b>	<b>3,241</b>	<b>524,515</b>	<b>-</b>	<b>11</b>	<b>527,767</b>
<b>Change in net assets</b>	<b>1,784,721</b>	<b>1,077,968</b>	<b>(126,904)</b>	<b>11</b>	<b>2,735,796</b>
Net assets, beginning of year	9,622,729	2,104,843	947,567	(90,726)	12,584,413
Net assets, end of year	\$ 11,407,450	\$ 3,182,811	\$ 820,663	\$ (90,715)	\$ 15,320,209

## Volunteers of America, Dakotas and Affiliates

### Consolidating Statement of Functional Expenses—Encouraging Positive Development Year Ended June 30, 2021 With Summary Totals for 2020

	Encouraging Positive Development						Total
	Look Up and Hope	Childcare and Family Literacy Centers	Independent Living Preparation Program	Kidz Count	Tobacco Prevention	Youth Center	
Salaries	\$ 36,430	\$ 439,306	\$ 273,030	\$ 157,317	\$ 44,166	\$ 238,137	\$ 1,188,386
Other employee benefits	6,282	86,473	32,068	8,119	8,141	23,706	164,789
Payroll taxes	2,736	32,871	21,522	12,505	3,018	19,051	91,703
Professional fees	1,141	17,473	33,792	12,165	207,668	23,653	295,892
Supplies and expenses	86	26,861	6,213	6,714	7,517	24,487	71,878
Telecommunications	506	770	4,262	1,072	-	2,908	9,518
Postage	249	127	3	-	18	8	405
Occupancy	647	75,289	54,850	18,276	7,848	44,862	201,772
Interest	-	-	80	5	-	21,001	21,086
Insurance	363	11,401	15,592	3,033	604	26,095	57,088
Equipment rental and maintenance	22	4,238	5,785	13,527	-	10,326	33,898
Printing and publications	-	885	468	713	-	1,867	3,933
Travel and transportation	474	982	2,694	2,964	-	13,419	20,533
Conferences and meetings	-	125	38	190	1,010	760	2,123
Specific assistance to individuals and programs	21,990	4,933	11,016	4,544	-	7,264	49,747
Other	56	1,179	504	476	81	638	2,934
Depreciation and amortization	217	4,008	102,843	884	54	76,207	184,213
<b>Total for 2021</b>	<b>\$ 71,199</b>	<b>\$ 706,921</b>	<b>\$ 564,760</b>	<b>\$ 242,504</b>	<b>\$ 280,125</b>	<b>\$ 534,389</b>	<b>\$ 2,399,898</b>
<b>Total for 2020</b>	<b>\$ 54,392</b>	<b>\$ 832,961</b>	<b>\$ 449,256</b>	<b>\$ 197,739</b>	<b>\$ 272,623</b>	<b>\$ 700,338</b>	<b>\$ 2,507,309</b>
Programs ended in 2020: Office of Highway Safety							266,759
<b>Total for 2020</b>							<b>\$ 2,774,068</b>



**Volunteers of America, Dakotas and Affiliates**

**Consolidating Statement of Functional Expenses—Fostering Independence  
Year Ended June 30, 2021 With Summary Totals for 2020**

	Disabilities Services		Mental Health	Family Services		
	Choices			Healthy Marriage		
	Program	Family Support	LifeMarks	and Relationship	Pettigrew	Total
	(West Oak)	Coordinators		Education	Heights	
Salaries	\$ 5,558,344	\$ 236,233	\$ 240,487	\$ 86,407	\$ 59,893	\$ 6,181,364
Other employee benefits	561,545	28,061	25,196	14,935	4,151	633,888
Payroll taxes	431,838	17,507	17,934	6,520	4,077	477,876
Professional fees	240,882	10,874	93,519	13,031	35,603	393,909
Supplies and expenses	226,886	827	4,163	380	6,679	238,935
Telecommunications	36,063	2,622	2,731	925	2,430	44,771
Postage	1,411	1,312	779	285	-	3,787
Occupancy	611,289	1,827	16,239	4,636	109,143	743,134
Interest	53,292	164	7,297	2,019	-	62,772
Insurance	88,704	2,617	4,337	1,405	12,675	109,738
Equipment rental and maintenance	52,798	93	5,240	155	147	58,433
Printing and publications	2,077	56	145	41	1,161	3,480
Travel and transportation	66,298	792	87	(319)	1,865	68,723
Conferences and meetings	4,612	-	-	-	538	5,150
Specific assistance to individuals and programs	14,318	212,592	13	8,705	4,083	239,711
Other	16,564	305	1,760	159	6,225	25,013
Depreciation and amortization	131,714	1,112	20,480	5,106	88,173	246,585
<b>Total for 2021</b>	<b>\$ 8,098,635</b>	<b>\$ 516,994</b>	<b>\$ 440,407</b>	<b>\$ 144,390</b>	<b>\$ 336,843</b>	<b>\$ 9,537,269</b>
<b>Total for 2020</b>	<b>\$ 7,551,259</b>	<b>\$ 673,033</b>	<b>\$ 427,103</b>	<b>\$ 602,260</b>	<b>\$ 331,242</b>	<b>\$ 9,584,897</b>

## Volunteers of America, Dakotas and Affiliates

### Consolidating Statement of Functional Expenses—Promoting Self-Sufficiency Year Ended June 30, 2021 With Summary Totals for 2020

	Community Enhancement	Substance Abuse			Homeless and Housing Services					Total
	Prevention Resource Center	Heisler Outpatient Services	New Start	Criminal Justice Initiative	Transitional Housing for Veterans	HUD* and 217 Studios Housing	Veteran's Services Center	Sioux Falls Outreach Services	VA Contracted Supportive Services	
Salaries	\$ 48,848	\$ 161,740	\$ 1,264,040	\$ 239,913	\$ 90,331	\$ 44,231	\$ 143,374	\$ 44,179	\$ 168,678	\$ 2,205,334
Other employee benefits	1,957	27,711	145,623	23,634	14,211	7,447	12,463	5,017	14,885	252,948
Payroll taxes	3,954	12,251	98,280	19,016	6,670	3,081	11,906	3,620	14,107	172,885
Professional fees	10,725	10,210	196,860	12,997	5,047	31,562	6,758	4,759	7,506	286,424
Supplies and expenses	24,028	1,497	201,299	10,548	691	1,121	5,908	2,077	9,320	256,489
Telecommunications	-	447	10,056	1,581	1,033	495	4,333	2,540	1,243	21,728
Postage	1,653	2,310	385	22	-	27	-	-	-	4,397
Occupancy	75	6,389	91,604	5,908	6,006	27,461	28,519	10,437	109,061	285,460
Interest	972	4,690	35,811	1,008	5	-	-	7	-	42,493
Insurance	-	2,907	32,873	3,445	2,714	4,138	3,448	972	1,731	52,228
Equipment rental and maintenance	1,075	1,109	18,707	203	527	742	2,077	1,731	2,782	28,953
Printing and publications	-	177	938	83	-	368	495	-	754	2,815
Travel and transportation	86	22	15,949	20	1,385	1,345	758	50	-	19,615
Conferences and meetings	-	1,040	1,112	1,016	100	-	-	450	-	3,718
Specific assistance to individuals and programs	90	13	9,433	117	138,614	-	31,643	-	2,467	182,377
Other	162	1,752	2,421	638	262	102	347	68	359	6,111
Depreciation and amortization	6,094	13,384	141,669	9,037	259	2,878	1,713	179	3,893	179,106
<b>Total for 2021</b>	<b>\$ 99,719</b>	<b>\$ 247,649</b>	<b>\$ 2,267,060</b>	<b>\$ 329,186</b>	<b>\$ 267,855</b>	<b>\$ 124,998</b>	<b>\$ 253,742</b>	<b>\$ 76,086</b>	<b>\$ 336,786</b>	<b>\$ 4,003,081</b>
<b>Total for 2020</b>	<b>\$ 138,635</b>	<b>\$ 239,401</b>	<b>\$ 1,766,296</b>	<b>\$ 309,839</b>	<b>\$ 371,160</b>	<b>\$ 74,004</b>	<b>\$ 321,323</b>	<b>\$ 136,573</b>	<b>\$ 333,986</b>	<b>\$ 3,691,217</b>
Programs ended in 2020:										
Heisler Adolescent Residential										520,653
<b>Total for 2020</b>										<b>\$ 4,211,870</b>

\*Department of Housing and Urban Development

**Volunteers of America, Dakotas and Affiliates**

**Department of Human Services and Department of Social Services, Schedule A—Expenses  
Year Ended June 30, 2021**

SCHEDULE A - EXPENSES	Support Services				DSS Services						
	Total	Adjustments	Admin and Support	Fund Raising	Division of Child Welfare	Division of Alcohol and Drug Abuse (DADA)					
					Other	Group/IOP	Early Intervention/Individual	Criminal Justice Initiative CBISA	Criminal Justice Initiative MRT	Residential Intensive Inpatient NS 15%	
<b>1000 PERSONNEL SERVICES:</b>											
1010 Administrative	977,378		427,415	76,849	9,533	6,498	6,498	15,300	15,300	5,350	
1020 Professional/Program Staff	8,710,212				250,214	81,980	39,154	121,609	64,511	171,842	
1040 Support Staff	1,485,036		997,302	76,849		18,786	10,553	11,840	11,729	14,018	
1050 Client Wages	0										
1060 Temporary Staff	0										
<b>TOTAL PERSONNEL SERVICES</b>	<b>11,172,626</b>	<b>0</b>	<b>1,424,717</b>	<b>153,698</b>	<b>259,756</b>	<b>107,264</b>	<b>56,205</b>	<b>148,749</b>	<b>91,540</b>	<b>191,210</b>	
<b>1100 PERSONNEL BENEFITS AND TAXES:</b>											
1110 Retirement Plans	116,267		29,297	2,966	3,724	877	555	2,047	1,163	1,066	
1120 Insurance Benefits	877,320		115,021	9,164	23,971	14,418	6,992	14,598	1,285	16,318	
1130 Other Benefits	100,338		14,781	543	1,730	1,712	479	1,486	133	1,717	
1140 FICA Taxes	804,545		99,846	11,183	20,071	7,386	3,933	12,088	5,643	13,858	
1150 Unemployment Insurance	56,667		5,526	485	1,440	583	350	833	451	1,180	
1160 Worker's Comp. Insurance	126,708		1,903	197	2,331	1,375	639	1,549	772	2,993	
1170 Prof. Liability Insurance	67,029		8,539	1,442	1,748	690	416	1,522	515	1,147	
1190 Other	6,938		1,900	885	313	513	150	413	188	187	
<b>TOTAL PERSONNEL BENEFITS AND TAXES</b>	<b>2,155,812</b>	<b>0</b>	<b>276,813</b>	<b>26,865</b>	<b>55,337</b>	<b>27,554</b>	<b>13,514</b>	<b>34,536</b>	<b>10,150</b>	<b>38,466</b>	
<b>1200 PROF FEES &amp; CONTRACT SVCS:</b>											
1210 Administrative/Financial	1,316,187	77,698	335,788	65,486	29,497	9,384	698	10,664	3,432	31,604	
1220 Habilitation/Rehabilitation	57,021				4,800	1,200	0			1,469	
1230 Medical	0										
1231 Other Medical (Dental, Dietary, OT, PT, Optometric, Pharmacy, Speech Pathology and Audiology)	0										
1237 Physician/Nursing Services	0										
1238 Psychiatric Services	81,710										
1290 Other	0										
<b>TOTAL PROF FEES &amp; CONTRACT SVCS</b>	<b>1,454,918</b>	<b>77,698</b>	<b>335,788</b>	<b>65,486</b>	<b>34,297</b>	<b>10,584</b>	<b>698</b>	<b>10,664</b>	<b>3,432</b>	<b>33,073</b>	
<b>1300 TRAVEL/TRANSPORTATION:</b>											
1390 Other	195,390		21,534	110	4,607	15	7	14	6	3,382	
<b>TOTAL TRAVEL/TRANSPORTATION</b>	<b>195,390</b>	<b>0</b>	<b>21,534</b>	<b>110</b>	<b>4,607</b>	<b>15</b>	<b>7</b>	<b>14</b>	<b>6</b>	<b>3,382</b>	
<b>1400 SUPPLIES:</b>											
1440 Food	304,737	17,786			0	0	0	0	0	18,814	
1490 Other	320,393		31,355	11,353	6,637	3,988	129	3,748	6,876	12,206	
<b>TOTAL SUPPLIES</b>	<b>625,130</b>	<b>17,786</b>	<b>31,355</b>	<b>11,353</b>	<b>6,637</b>	<b>3,988</b>	<b>129</b>	<b>3,748</b>	<b>6,876</b>	<b>31,020</b>	
<b>1500 OCCUPANCY:</b>											
1510 Rent of Space	425,891				1,200	0	0	0	0	0	
1520 Utilities & Telephone	428,119		40,613	501	26,819	3,269	1,558	3,363	1,452	8,757	
1590 Other	612,635		99,811	1,871	40,101	5,644	2,880	2,998	2,100	15,388	
<b>TOTAL OCCUPANCY:</b>	<b>1,466,645</b>	<b>0</b>	<b>140,424</b>	<b>2,372</b>	<b>68,120</b>	<b>8,913</b>	<b>4,438</b>	<b>6,361</b>	<b>3,552</b>	<b>24,145</b>	
<b>1600 EQUIPMENT:</b>											
1600 Equipment	175,855		65,923	701	5,158	671	247	84	55	2,507	
<b>1700 DEPRECIATION:</b>											
1710 Building	421,376		43,865	978	86,276	7,491	4,093	1,399	2,219	16,237	
1720 Equipment	155,287		9,776	312	16,568	1,746	54	5,358	61	5,441	
<b>TOTAL DEPRECIATION</b>	<b>576,663</b>	<b>0</b>	<b>53,641</b>	<b>1,290</b>	<b>102,844</b>	<b>9,237</b>	<b>4,147</b>	<b>6,757</b>	<b>2,280</b>	<b>21,678</b>	
<b>1800 MISCELLANEOUS:</b>											
1810 Clothing	383									59	
1860 Bad Debt	0										
1890 Other	1,381,615	272,619	709,598		6,452	1,418	0	24	0	435	
<b>TOTAL MISCELLANEOUS</b>	<b>1,381,998</b>	<b>272,619</b>	<b>709,598</b>	<b>0</b>	<b>6,452</b>	<b>1,418</b>	<b>0</b>	<b>24</b>	<b>0</b>	<b>494</b>	
Expenditure Subtotal	19,205,037	368,103	3,059,793	261,875	543,208	169,644	79,385	210,937	117,891	345,975	
Admin. and Support Allocation		N/A	-3,059,793	47,518	82,921	35,479	18,348	48,234	26,761	60,443	
<b>TOTAL EXPENDITURES</b>	<b>19,205,037</b>	<b>368,103</b>	<b>0</b>	<b>309,393</b>	<b>626,129</b>	<b>205,123</b>	<b>97,733</b>	<b>259,171</b>	<b>144,652</b>	<b>406,418</b>	

THE SECTION BELOW IS FOR MENTAL HEALTH AND ALCOHOL & DRUG ABUSE PROVIDERS ONLY

UNITS BY PAYOR SOURCE					# of days	# of units	# of units	# of Sessions	# of Sessions	# of days
Private pay						648	276	33	37	3
Other Insurance						3,626	376			
Title 19						5,104	913	221		1,282
Contract					1,348	7,600	1,885	4,405	3,617	269
Other grants					2,494					
Other					1,086	3,227	57	173	1	
Total Units by Program	0	0	0	0	4,928	20,205	3,507	4,832	3,655	1,554
CALCULATED COST PER UNIT	0	0	0	0	127.06	10.15	27.87	53.64	39.58	261.53

**Volunteers of America, Dakotas and Affiliates**

**Department of Human Services and Department of Social Services, Schedule A—Expenses (Continued)  
Year Ended June 30, 2021**

Account Number and Title	DHS Programs -									
	Division of Developmental Disabilities (DDD)									
	Clinically Managed Low Int. Residential NS 85%	Problem ID and Referral	Education	Information Dissemination	Community Based	Production	Residential	Day Habilitation	Career Exploration	Individual Supported Employment
<b>1000 PERSONNEL SERVICES:</b>										
1010 Administrative	29,617	534	1,604	1,604	1,603	0	71,193	16,042	12,960	13,010
1020 Professional/Program Staff	951,311	4,480	13,442	13,443	13,443	51,640	2,066,821	217,275	170,938	170,913
1040 Support Staff	77,607	69				0	64,710	13,265	15,142	0
1050 Client Wages										
1060 Temporary Staff										
<b>TOTAL PERSONNEL SERVICES</b>	<b>1,058,535</b>	<b>5,083</b>	<b>15,046</b>	<b>15,047</b>	<b>15,046</b>	<b>51,640</b>	<b>2,202,724</b>	<b>246,582</b>	<b>199,040</b>	<b>183,923</b>
<b>1100 PERSONNEL BENEFITS AND TAXES:</b>										
1110 Retirement Plans	5,901	97	291	291	291	0	18,931	2,119	1,711	1,581
1120 Insurance Benefits	90,328	70	209	209	209	0	158,944	17,793	14,362	13,272
1130 Other Benefits	9,507	5	16	16	16	0	16,097	1,802	1,455	1,344
1140 FICA Taxes	76,708	372	1,117	1,117	1,117	3,950	163,336	18,285	14,759	13,638
1150 Unemployment Insurance	6,532	23	70	70	70	0	11,802	1,321	1,066	985
1160 Worker's Comp. Insurance	16,568	6	18	18	18	1,187	32,558	3,645	2,942	2,718
1170 Prof. Liability Insurance	6,348	136	407	407	407	717	11,390	1,275	1,029	951
1190 Other	1,038	18	52	52	52	0	109	12	10	9
<b>TOTAL PERSONNEL BENEFITS AND TAXES</b>	<b>212,930</b>	<b>727</b>	<b>2,180</b>	<b>2,180</b>	<b>2,180</b>	<b>5,854</b>	<b>413,167</b>	<b>46,252</b>	<b>37,334</b>	<b>34,498</b>
<b>1200 PROF FEES &amp; CONTRACT SVCS:</b>										
1210 Administrative/Financial	174,939	1,073	3,217	3,218	3,218	7,265	98,213	10,994	8,873	8,200
1220 Habilitation/Rehabilitation	8,131						21,708	2,430	1,962	1,813
1230 Medical:										
1231 Other Medical (Dental, Dietary, OT, PT, Optometric, Pharmacy, Speech Pathology and Audiology)										
1237 Physician/Nursing Services										
1238 Psychiatric Services										
1290 Other										
<b>TOTAL PROF FEES &amp; CONTRACT SVCS</b>	<b>183,070</b>	<b>1,073</b>	<b>3,217</b>	<b>3,218</b>	<b>3,218</b>	<b>7,265</b>	<b>119,921</b>	<b>13,424</b>	<b>10,835</b>	<b>10,013</b>
<b>1300 TRAVEL/TRANSPORTATION:</b>										
1390 Other	18,721	9	26	26	25		46,397	5,194	4,193	3,874
<b>TOTAL TRAVEL/TRANSPORTATION</b>	<b>18,721</b>	<b>9</b>	<b>26</b>	<b>26</b>	<b>25</b>	<b>0</b>	<b>46,397</b>	<b>5,194</b>	<b>4,193</b>	<b>3,874</b>
<b>1400 SUPPLIES:</b>										
1440 Food	104,143	0	0	0	0					
1490 Other	67,569	2,582	7,749	7,748	7,749		42,276	4,732	3,820	3,530
<b>TOTAL SUPPLIES</b>	<b>171,712</b>	<b>2,582</b>	<b>7,749</b>	<b>7,748</b>	<b>7,749</b>	<b>0</b>	<b>42,276</b>	<b>4,732</b>	<b>3,820</b>	<b>3,530</b>
<b>1500 OCCUPANCY:</b>										
1510 Rent of Space	0	8	23	23	23		48,218	88,006	7,637	4,846
1520 Utilities & Telephone	48,473	214	642	642	642		23,922	22,506	2,873	2,175
1590 Other	85,181	518	1,552	1,552	1,552	35	21,806	13,257	3,977	2,323
<b>TOTAL OCCUPANCY:</b>	<b>133,654</b>	<b>740</b>	<b>2,217</b>	<b>2,217</b>	<b>2,217</b>	<b>35</b>	<b>93,946</b>	<b>123,769</b>	<b>14,487</b>	<b>9,344</b>
<b>1600 EQUIPMENT:</b>										
1600 Equipment	13,878	106	323	323	323		22,099	2,474	1,997	1,845
<b>1700 DEPRECIATION:</b>										
1710 Building	89,876	561	1,682	1,681	1,682		4,505	504	407	376
1720 Equipment	30,115	51	146	146	146		20,235	2,265	1,828	1,689
<b>TOTAL DEPRECIATION</b>	<b>119,991</b>	<b>612</b>	<b>1,828</b>	<b>1,827</b>	<b>1,828</b>	<b>0</b>	<b>24,740</b>	<b>2,769</b>	<b>2,235</b>	<b>2,065</b>
<b>1800 MISCELLANEOUS:</b>										
1810 Clothing	324									
1860 Bad Debt										
1890 Other	2,416	9	27	27	27		2,169	243	196	181
<b>TOTAL MISCELLANEOUS</b>	<b>2,740</b>	<b>9</b>	<b>27</b>	<b>27</b>	<b>27</b>	<b>0</b>	<b>2,169</b>	<b>243</b>	<b>196</b>	<b>181</b>
Expenditure Subtotal	1,915,231	10,941	32,613	32,613	32,613	64,794	2,967,439	445,439	274,137	249,273
Admin. and Support Allocation	334,605	1,529	4,533	4,534	4,533	15,130	688,410	77,064	62,205	57,481
<b>TOTAL EXPENDITURES</b>	<b>2,249,836</b>	<b>12,470</b>	<b>37,146</b>	<b>37,147</b>	<b>37,146</b>	<b>79,924</b>	<b>3,655,849</b>	<b>522,503</b>	<b>336,342</b>	<b>306,754</b>

THE SECTION BELOW IS FOR MENTAL HEALTH AND ALCOHOL & DRUG ABUSE PROVIDERS ONLY					
UNITS BY PAYOR SOURCE	# of days				
Private pay					
Other Insurance					
Title 19					
Contract	8,602				
Other grants					
Other					
Total Units by Program	8,602	0	0	0	0
CALCULATED COST PER UNIT	261.55	0	0	0	0

**Volunteers of America, Dakotas and Affiliates**

**Department of Human Services and Department of Social Services, Schedule A—Expenses (Continued)  
Year Ended June 30, 2021**

SCHEDULE A - EXPENSES									
Account Number and Title	Group Supported Employment	Nursing	Housing Services	Medical Equip. and Drugs	Food Services	Other Medical	Speech/Hearing	Education Expenses	Other
<b>1000 PERSONNEL SERVICES:</b>									
1010 Administrative	13,060	0	0	0	0	0	0	16,042	68,013
1020 Professional/Program Staff	171,142	58,048	0	0	0	77,347	0	136,067	86,545
1040 Support Staff	1,971	0	0	0	47,875	0	0	0	0
1050 Client Wages									
1060 Temporary Staff									
<b>TOTAL PERSONNEL SERVICES</b>	<b>186,173</b>	<b>58,048</b>	<b>0</b>	<b>0</b>	<b>47,875</b>	<b>77,347</b>	<b>0</b>	<b>152,109</b>	<b>154,558</b>
<b>1100 PERSONNEL BENEFITS AND TAXES:</b>									
1110 Retirement Plans	1,600	499			411	665		1,307	1,328
1120 Insurance Benefits	13,434	4,189			3,455	5,581		10,976	11,153
1130 Other Benefits	1,360	424			350	565		1,112	1,129
1140 FICA Taxes	13,805	4,304			3,550	5,735		11,279	11,461
1150 Unemployment Insurance	998	311			257	414		815	828
1160 Worker's Comp. Insurance	2,752	858			708	1,143		2,248	2,284
1170 Prof. Liability Insurance	963	300			248	400		787	799
1190 Other	9	3			2	4		8	8
<b>TOTAL PERSONNEL BENEFITS AND TAXES</b>	<b>34,921</b>	<b>10,888</b>	<b>0</b>	<b>0</b>	<b>8,981</b>	<b>14,507</b>	<b>0</b>	<b>28,532</b>	<b>28,990</b>
<b>1200 PROF FEES &amp; CONTRACT SVCS:</b>									
1210 Administrative/Financial	8,302	2,588			2,135	3,448		6,782	6,891
1220 Habilitation/Rehabilitation	1,835	572			472	762		1,499	1,523
1230 Medical=									
1231 Other Medical (Dental, Dietary, OT, PT, Optometric, Pharmacy, Speech Pathology and Audiology)									
1237 Physician/Nursing Services									
1238 Psychiatric Services									
1290 Other									
<b>TOTAL PROF FEES &amp; CONTRACT SVCS</b>	<b>10,137</b>	<b>3,160</b>	<b>0</b>	<b>0</b>	<b>2,607</b>	<b>4,210</b>	<b>0</b>	<b>8,281</b>	<b>8,414</b>
<b>1300 TRAVEL/TRANSPORTATION:</b>									
1390 Other	3,922	1,223			1,008	1,629		3,204	3,256
<b>TOTAL TRAVEL/TRANSPORTATION</b>	<b>3,922</b>	<b>1,223</b>	<b>0</b>	<b>0</b>	<b>1,008</b>	<b>1,629</b>	<b>0</b>	<b>3,204</b>	<b>3,256</b>
<b>1400 SUPPLIES:</b>									
1440 Food					82,860				
1490 Other	3,573	1,114			919	1,484		2,919	2,966
<b>TOTAL SUPPLIES</b>	<b>3,573</b>	<b>1,114</b>	<b>0</b>	<b>0</b>	<b>83,779</b>	<b>1,484</b>	<b>0</b>	<b>2,919</b>	<b>2,966</b>
<b>1500 OCCUPANCY:</b>									
1510 Rent of Space	4,895	1,271	133,563		1,048	1,693		3,330	3,383
1520 Utilities & Telephone	2,200	630	92,681		520	840		1,652	1,679
1590 Other	2,345	575	103,613		474	766		1,506	1,530
<b>TOTAL OCCUPANCY:</b>	<b>9,440</b>	<b>2,476</b>	<b>329,857</b>	<b>0</b>	<b>2,042</b>	<b>3,299</b>	<b>0</b>	<b>6,488</b>	<b>6,592</b>
<b>1600 EQUIPMENT:</b>									
1600 Equipment	1,868	582			480	776		1,526	1,551
<b>1700 DEPRECIATION:</b>									
1710 Building	381	119	56,185		98	158		311	315
1720 Equipment	1,710	533			440	710		1,397	1,420
<b>TOTAL DEPRECIATION</b>	<b>2,091</b>	<b>652</b>	<b>56,185</b>	<b>0</b>	<b>538</b>	<b>868</b>	<b>0</b>	<b>1,708</b>	<b>1,735</b>
<b>1800 MISCELLANEOUS:</b>									
1810 Clothing									
1860 Bad Debt									
1890 Other	183	57			47	76		150	154
<b>TOTAL MISCELLANEOUS</b>	<b>183</b>	<b>57</b>	<b>0</b>	<b>0</b>	<b>47</b>	<b>76</b>	<b>0</b>	<b>150</b>	<b>154</b>
Expenditure Subtotal	252,308	78,200	386,042	0	147,357	104,196	0	204,917	208,216
Admin. and Support Allocation	58,184	18,142	0	0	14,962	24,173	0	47,538	48,303
<b>TOTAL EXPENDITURES</b>	<b>310,492</b>	<b>96,342</b>	<b>386,042</b>	<b>0</b>	<b>162,319</b>	<b>128,369</b>	<b>0</b>	<b>252,455</b>	<b>256,519</b>

**Volunteers of America, Dakotas and Affiliates**

**Department of Human Services and Department of Social Services, Schedule A—Expenses (Continued)  
Year Ended June 30, 2021**

SCHEDULE A - EXPENSES	Other						
	Family Support 360	AWC	ITS1	ITS2	Penn 1	Penn 2	Other
Account Number and Title							
<b>1000 PERSONNEL SERVICES:</b>							
1010 Administrative	2,590	0	16,254	15,943	21,496	21,496	91,574
1020 Professional/Program Staff	189,281	41,043	426,145	354,631	484,542	596,491	1,685,914
1040 Support Staff	1,330	0	9,181	8,865	11,780	12,626	79,529
1050 Client Wages							
1060 Temporary Staff							
<b>TOTAL PERSONNEL SERVICES</b>	<b>193,201</b>	<b>41,043</b>	<b>451,580</b>	<b>379,439</b>	<b>517,818</b>	<b>630,613</b>	<b>1,857,017</b>
<b>1100 PERSONNEL BENEFITS AND TAXES:</b>							
1110 Retirement Plans	3,938	0	3,746	2,712	2,726	2,971	21,456
1120 Insurance Benefits	21,367	0	30,153	27,056	47,305	33,099	172,389
1130 Other Benefits	1,577	265	4,025	2,162	6,599	4,775	23,156
1140 FICA Taxes	13,460	3,167	34,007	26,854	36,181	44,713	127,622
1150 Unemployment Insurance	880	0	2,104	1,821	2,336	3,143	9,964
1160 Worker's Comp. Insurance	225	688	7,522	5,976	8,355	10,400	12,112
1170 Prof. Liability Insurance	1,642	439	1,868	1,897	2,304	3,151	13,145
1190 Other	0	0	0	0	0	0	1,003
<b>TOTAL PERSONNEL BENEFITS AND TAXES</b>	<b>43,089</b>	<b>4,559</b>	<b>83,425</b>	<b>68,478</b>	<b>105,806</b>	<b>102,252</b>	<b>380,847</b>
<b>1200 PROF FEES &amp; CONTRACT SVCS:</b>							
1210 Administrative/Financial	5,854	5,019	11,082	8,503	8,984	11,017	352,121
1220 Habilitation/Rehabilitation			1,320	1,320	1,552	1,553	1,100
1230 Medical=							
1231 Other Medical (Dental, Dietary, OT, PT, Optometric, Pharmacy, Speech Pathology and Audiology)							
1237 Physician/Nursing Services							
1238 Psychiatric Services			0	0	1,860	1,860	77,990
1290 Other							
<b>TOTAL PROF FEES &amp; CONTRACT SVCS</b>	<b>5,854</b>	<b>5,019</b>	<b>12,402</b>	<b>9,823</b>	<b>12,396</b>	<b>14,430</b>	<b>431,211</b>
<b>1300 TRAVEL/TRANSPORTATION:</b>							
1390 Other	792		6,644	6,720	8,099	8,223	42,530
<b>TOTAL TRAVEL/TRANSPORTATION</b>	<b>792</b>	<b>0</b>	<b>6,644</b>	<b>6,720</b>	<b>8,099</b>	<b>8,223</b>	<b>42,530</b>
<b>1400 SUPPLIES:</b>							
1440 Food			8,769	9,084	11,657	14,627	36,997
1490 Other	2,066		7,909	5,833	8,730	7,843	50,990
<b>TOTAL SUPPLIES</b>	<b>2,066</b>	<b>0</b>	<b>16,678</b>	<b>14,917</b>	<b>20,387</b>	<b>22,470</b>	<b>87,987</b>
<b>1500 OCCUPANCY:</b>							
1510 Rent of Space	0		9,885	8,306	11,335	23,256	73,942
1520 Utilities & Telephone	3,635		8,704	8,159	6,408	10,820	101,770
1590 Other	1,492	24	13,081	12,525	6,280	7,721	158,157
<b>TOTAL OCCUPANCY:</b>	<b>5,127</b>	<b>24</b>	<b>31,670</b>	<b>28,990</b>	<b>24,023</b>	<b>41,797</b>	<b>333,869</b>
<b>1600 EQUIPMENT:</b>	<b>20</b>		<b>1,900</b>	<b>2,646</b>	<b>4,977</b>	<b>2,225</b>	<b>38,590</b>
<b>1700 DEPRECIATION:</b>							
1710 Building	702		10,095	10,114	1,774	1,392	75,900
1720 Equipment	356	54	2,739	2,739	3,637	3,637	39,978
<b>TOTAL DEPRECIATION</b>	<b>1,058</b>	<b>54</b>	<b>12,834</b>	<b>12,853</b>	<b>5,411</b>	<b>5,029</b>	<b>115,878</b>
<b>1800 MISCELLANEOUS:</b>							
1810 Clothing							
1860 Bad Debt							
1890 Other	212,617		75	30	73	54	172,258
<b>TOTAL MISCELLANEOUS</b>	<b>212,617</b>	<b>0</b>	<b>75</b>	<b>30</b>	<b>73</b>	<b>54</b>	<b>172,258</b>
Expenditure Subtotal	463,824	50,699	617,208	523,896	698,990	827,093	3,460,187
Admin. and Support Allocation	62,183	12,001	140,794	117,876	164,116	192,864	588,927
<b>TOTAL EXPENDITURES</b>	<b>526,007</b>	<b>62,700</b>	<b>758,002</b>	<b>641,772</b>	<b>863,106</b>	<b>1,019,957</b>	<b>4,049,114</b>

**Volunteers of America, Dakotas and Affiliates**

**Department of Human Services and Department of Social Services, Notes to Schedule A  
Year Ended June 30, 2021**

**NOTES TO SCHEDULE A - EXPENSES  
COST REPORT FOR FY21**

**Name of Provider:**

**Volunteers of America, Dakotas**

1210—Marketing advertising expenses

1440—Food for meetings or fundraising events

1890—Donated goods and services, staff and board recognition

1130—Health Savings Account and miscellaneous other benefits

1190—Dues

**Volunteers of America, Dakotas and Affiliates**

**Department of Human Services and Department of Social Services, Schedule B—Revenue  
Year Ended June 30, 2021**

SCHEDULE B - REVENUES

Account Number and Title	Total	Adjustments	Admin and Support	Fund Raising	DSS Services		DHS Services					Other			
					Division of (DADA		DDD					Family Support 360	AWC		
					Other	Program Services	Program Services	Housing Services	Food Services	Production Services	Services	Other	Other		
2000 FEES:					ILPP										
2020 Title XIX	9,843,168					686,551	8,604,759					306,264	43,700	201,894	
2025 Title VII, Ch 1 Part B	131,355					3,282								128,073	
2030 Title VII, Ch 1 Part C	0													0	
2045 SD Department of Education	146,103						146,103							0	
2050 Dept of Corrections	19,151				19,151									0	
2055 Client Pay (Fee for Service )	336,270		2,429			94,158	34,889			71,170				133,624	
2060 Insurance	0													0	
2065 Other States	0													0	
2070 Room and Board	471,539					11,271		386,042	50,997					23,229	
2075 Bureau of Indian Affairs	32,766				32,766									0	
2080 Department of Human Services	558,154						333,186				191,649	33,319	0		
2085 Department of Social Services	2,385,780				87,702	2,033,944								264,134	
2090 Other-Specify on Notes to Schedule B: (eg Other Federal Funds, County Funds, Unified Judicial System)	749,149					39,533								709,616	
TOTAL FEES	14,673,435	0	2,429	0	139,619	2,868,739	9,118,937	386,042	50,997	71,170	497,913	77,019	1,460,570		
2100 GRANTS (Foundations, corporations or Trusts)															
2110 Grants (Used for Capital Expenditures)	0														
2120 Grants (Used for Non-Capital Expenditures)	4,549,084		2,500,000		192,037	538,332	29,394							1,289,321	
2100 TOTAL GRANTS	4,549,084	0	2,500,000	0	192,037	538,332	29,394	0	0	0	0	0	0	1,289,321	
2200 Contributions (Donation, In Kind, Fund Raising )	0														
2210 Contributions (Used for Capital Expenditures)	42,952			42,952											
2220 Contributions (Used for Non-Capital Expenditures)	1,294,723	249,700	55,989	322,461	172,627	805	75							493,066	
2200 TOTAL CONTRIBUTIONS	1,337,675	249,700	55,989	365,413	172,627	805	75	0	0	0	0	0	0	493,066	
2300 OTHER INCOME:															
2310 Commodities, Food Stamps, National School Lunch	209,150					65,244	76,000							67,906	
2340 FMHA Rent Subsidy	0													0	
2341 Section 8 Rental Assistance	0													0	
2350 Transportation	0													0	
2360 Production/Farm Revenue	0													0	
2370 Investment Income/Interest	3,240		3,247											-7	
2380 County Per Capita	0													0	
2390 Other-Specify:	217,175		16,796		7,083	10,759	52,141			44	337	-320	130,335		
TOTAL OTHER INCOME	429,565	0	20,043	0	7,083	76,003	128,141	0	0	44	337	-320	198,234		
TOTAL REVENUES	20,989,759	249,700	2,578,461	365,413	511,366	3,483,879	9,276,547	386,042	50,997	71,214	498,250	76,699	3,441,191		



**Volunteers of America, Dakotas and Affiliates**

**Department of Human Services and Department of Social Services, Notes to Schedule B  
Year Ended June 30, 2021**

**NOTES TO SCHEDULE B - REVENUES  
COST REPORT FOR FY21**

**Name of Provider:**

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**Volunteers of America, Dakotas**

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2090—City, State, Other Federal, County, Other Fees

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2220—Donated Goods and Services

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2390—Miscellaneous Income, Gain on Sale

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## Volunteers of America, Dakotas and Affiliates

### Schedule of Expenditures of Federal Awards Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Department of Agriculture:				
Direct:				
SNAP Cluster: Supplemental Nutrition Assistance Program	10.551		\$ -	\$ 141,245
Passed through the South Dakota Department of Education:				
Child and Adult Care Food Program (Note 3)	10.558	4933600	-	67,906
			-	209,151
Department of Labor:				
Direct:				
Veteran's Employment and Training Service—Homeless Veterans' Reintegration Program	17.805		-	190,583
Department of Veterans Affairs:				
Direct:				
VA Homeless Providers Grant and Per Diem Program (Note 3)	64.024		-	312,874
Department of Education:				
Passed through the South Dakota Department of Education:				
Twenty-First Century Community Learning Centers	84.287	S287C200042, 21-800039-21	-	545,540
Department of Health and Human Services:				
Direct:				
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086		-	135,384
Enhance Safety of Children Affected by Substance Abuse	93.087		-	531,942
Transitional Living for Homeless Youth	93.550		-	192,037
Basic Center Grant	93.623		-	65,310
Passed through South Dakota Department of Social Services:				
Child Care and Development Fund Cluster:				
CARES Act Child Care and Development Block Grant	93.575	CCDF	-	39,630
Substance Abuse and Mental Health Services Emergency COVID-19	93.665	20-0851-655	-	6,390
Passed through the South Dakota Department of Human Services:				
Developmental Disabilities Basic Support and Advocacy Grants	93.630	DD-20-05 & DD-21-03	-	29,394
			-	1,000,087
<b>Total expenditures of federal awards</b>			<b>\$ -</b>	<b>\$ 2,258,235</b>

## **Volunteers of America, Dakotas and Affiliates**

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

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#### **Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Organization 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 the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

#### **Note 2. Significant Accounting Policies**

The schedule of expenditures of federal awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The schedule does not include payments received under vendor reimbursement programs, such as Medicare and Medicaid. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the consolidated financial statements. The Organization has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

#### **Note 3. Reporting**

Certain federal reimbursements are not based on specific expenditures. Therefore, the amounts reported represent revenue rather than expenditures.

**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***

**Independent Auditor's Report**

Board of Directors  
Volunteers of America, Dakotas and Affiliates

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 consolidated financial statements of Volunteers of America, Dakotas and Affiliates, which comprise the consolidated statement of financial position as of June 30, 2021, the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 30, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Volunteers of America, Dakotas and Affiliates' internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Volunteers of America, Dakotas and Affiliates' internal control. Accordingly, we do not express an opinion on the effectiveness of Volunteers of America, Dakotas and Affiliates' 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, Dakotas and Affiliates' consolidated financial statements are free from material misstatement, we performed tests of their compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RSM US LLP*

Sioux Falls, South Dakota  
November 30, 2021

**Report on Compliance for the Major Federal Program and  
on Internal Control Over Compliance Required by the Uniform Guidance**

**Independent Auditor's Report**

Board of Directors  
Volunteers of America, Dakotas and Affiliates

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

We have audited Volunteers of America, Dakotas and Affiliates' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Volunteers of America, Dakotas and Affiliates' major federal program for the year ended June 30, 2021. Volunteers of America, Dakotas and Affiliates' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with 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 Volunteers of America, Dakotas and Affiliates' major federal program 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, Dakotas and Affiliates' 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 the major federal program. However, our audit does not provide a legal determination of Volunteers of America, Dakotas and Affiliates' compliance.

**Opinion on the Major Federal Program**

In our opinion, Volunteers of America, Dakotas and Affiliates complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on their major federal program for the year ended June 30, 2021.

## **Report on Internal Control Over Compliance**

Management of Volunteers of America, Dakotas and Affiliates 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, Dakotas and Affiliates' internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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, Dakotas and Affiliates' 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.

*RSM US LLP*

Sioux Falls, South Dakota  
November 30, 2021

**Volunteers of America, Dakotas and Affiliates**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

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**Section I—SUMMARY OF AUDITOR’S RESULTS**

*Financial Statements*

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

*Federal Awards*

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?	No

Identification of major programs:

<u>Assistance listing number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.287	Twenty-First Century Community Learning Centers

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	Yes
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(Continued)



**Volunteers of America, Dakotas and Affiliates**

**Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2021**

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**Section II—FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**Section III—FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

No matters were reported.

**Volunteers of America, Dakotas and Affiliates**

**Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2021**

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There were no findings for the year ended June 30, 2020.