

Volunteers of America, Dakotas and Affiliates

Consolidated Financial and Compliance Report
With Independent Auditor's Report Thereon
June 30, 2022

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Independent Auditor's Report

Board of Directors
Volunteers of America, Dakotas and Affiliates

Opinion

We have audited the consolidated financial statements of Volunteers of America, Dakotas and Affiliates (the Organization), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, 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).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

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 34 through 40, 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 41 through 42, 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 28, 2022, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

RSM US LLP

Sioux Falls, South Dakota
November 28, 2022

Volunteers of America, Dakotas and Affiliates

Consolidated Statements of Financial Position June 30, 2022 and 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 8,553,469	\$ 6,517,813
Accounts and grants receivable, net of allowance for doubtful accounts of \$86,308 in 2022 and \$93,969 in 2021	1,637,951	1,690,450
Pledges receivable, net of allowance for doubtful accounts of \$30,691 in 2022 and \$25,600 in 2021 (Note 4)	358,518	336,062
Prepaid expenses	81,542	68,166
Inventory	55,291	9,812
Total current assets	10,686,771	8,622,303
Property and equipment, net (Notes 9 and 13)	10,853,609	10,493,322
Other assets:		
Long-term pledges receivable, net of allowance for doubtful accounts and discount of \$55,651 in 2022 and \$19,035 in 2021 (Note 4)	294,924	136,481
Investments (Notes 5 and 8)	2,855,739	2,111,526
Beneficial interest in perpetual trust (Notes 6 and 8)	324,359	400,197
Pettigrew Heights, including property and equipment (Notes 9, 10 and 13)	1,236,735	1,349,571
Total other assets	4,711,757	3,997,775
Total assets	\$ 26,252,137	\$ 23,113,400
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 354,263	\$ 367,584
Current portion of long-term debt (Note 13)	295,968	283,044
Deferred revenue	3,509,012	1,694
Accrued expenses and other liabilities	878,673	868,178
Total current liabilities	5,037,916	1,520,500
Other liabilities:		
Paycheck Protection Program Loan (Note 14)	-	2,385,415
Long-term debt, less current portion (Note 13)	3,062,413	3,358,368
Pettigrew Heights, including debt (Note 13)	506,834	528,908
Total other liabilities	3,569,247	6,272,691
Total liabilities	8,607,163	7,793,191
Net assets (Notes 17 and 18):		
Without donor restrictions	15,015,215	13,356,870
Without donor restrictions—noncontrolling interest	663,920	754,669
With donor restrictions	1,965,839	1,208,670
Total net assets	17,644,974	15,320,209
Total liabilities and net assets	\$ 26,252,137	\$ 23,113,400

See notes to consolidated financial statements.

Volunteers of America, Dakotas and Affiliates

Consolidated Statements of Activities Years Ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues from operations:						
Public support received directly:						
Contributions	\$ 363,435	\$ 1,328,268	\$ 1,691,703	\$ 444,066	\$ 381,648	\$ 825,714
Contributions, non-financial assets	334,401	-	334,401	249,700	-	249,700
Public support received—United Way	116,468	41,505	157,973	273,385	214,724	488,109
Total public support	814,304	1,369,773	2,184,077	967,151	596,372	1,563,523
Revenue and grants from governmental agencies	19,438,416	79,800	19,518,216	18,560,785	-	18,560,785
Other revenue:						
Program service fees	702,370	-	702,370	855,917	-	855,917
Rental income	277,771	-	277,771	221,710	-	221,710
Other operating revenue	140,179	-	140,179	105,577	-	105,577
Total other revenue	1,120,320	-	1,120,320	1,183,204	-	1,183,204
Total public support and revenue	21,373,040	1,449,573	22,822,613	20,711,140	596,372	21,307,512
Net assets released from restrictions	561,121	(561,121)	-	696,139	(696,139)	-
Total revenues from operations	21,934,161	888,452	22,822,613	21,407,279	(99,767)	21,307,512
Operating expenses:						
Encouraging positive development	2,315,186	-	2,315,186	2,399,898	-	2,399,898
Fostering independence	10,703,006	-	10,703,006	9,537,269	-	9,537,269
Promoting self-sufficiency	3,888,650	-	3,888,650	4,003,081	-	4,003,081
Total program services	16,906,842	-	16,906,842	15,940,248	-	15,940,248
Management and general	2,648,434	-	2,648,434	2,472,301	-	2,472,301
Fundraising	155,083	-	155,083	290,594	-	290,594
Charter services paid to national organization	397,398	-	397,398	396,340	-	396,340
Total supporting services	3,200,915	-	3,200,915	3,159,235	-	3,159,235
Total operating expenses	20,107,757	-	20,107,757	19,099,483	-	19,099,483
Excess (deficit) from operations	1,826,404	888,452	2,714,856	2,307,796	(99,767)	2,208,029
Nonoperating activity and other changes:						
Investment and interest income	65,849	13,650	79,499	35,520	-	35,520
Realized and unrealized (loss) gain on investments and perpetual trust	(324,657)	(144,933)	(469,590)	412,224	80,023	492,247
Total nonoperating activity and other changes	(258,808)	(131,283)	(390,091)	447,744	80,023	527,767
Change in net assets	1,567,596	757,169	2,324,765	2,755,540	(19,744)	2,735,796
Net assets, beginning of year	14,111,539	1,208,670	15,320,209	11,355,999	1,228,414	12,584,413
Net assets, end of year	\$ 15,679,135	\$ 1,965,839	\$ 17,644,974	\$ 14,111,539	\$ 1,208,670	\$ 15,320,209

See notes to consolidated financial statements.

Volunteers of America, Dakotas and Affiliates

Consolidated Statement of Functional Expenses Year Ended June 30, 2022

	Program Services				Supporting Activities			Total 2022
	Encouraging Positive Development	Fostering Independence	Promoting Self-Sufficiency	Total	Management and General	Fundraising	Total	
Salaries	\$ 1,123,790	\$ 7,101,957	\$ 2,067,620	\$ 10,293,367	\$ 1,691,802	\$ 74,457	\$ 1,766,259	\$ 12,059,626
Other employee benefits	120,465	690,838	237,120	1,048,423	160,213	8,114	168,327	1,216,750
Payroll taxes	85,792	528,352	154,579	768,723	121,108	4,672	125,780	894,503
Professional fees	239,903	413,547	263,900	917,350	280,757	23,407	304,164	1,221,514
Supplies and expenses	71,680	246,846	174,096	492,622	45,950	23,279	69,229	561,851
Telecommunications	8,345	46,428	18,384	73,157	7,996	43	8,039	81,196
Postage	172	1,887	1,674	3,733	4,355	807	5,162	8,895
Occupancy	200,873	735,525	311,846	1,248,244	67,489	3,668	71,157	1,319,401
Interest	19,031	55,989	42,246	117,266	24,861	434	25,295	142,561
Insurance	71,870	134,742	71,030	277,642	46,004	1,532	47,536	325,178
Equipment rental and maintenance	13,068	61,650	31,035	105,753	15,282	2,175	17,457	123,210
Printing and publications	16,111	15,901	4,122	36,134	27,829	5,994	33,823	69,957
Travel and transportation	36,754	93,507	25,601	155,862	31,877	1,422	33,299	189,161
Conferences and meetings	5,757	27,237	3,387	36,381	18,651	1,660	20,311	56,692
Specific assistance to individuals and programs	68,409	264,627	233,157	566,193	4,744	676	5,420	571,613
Other	32,874	23,601	3,692	60,167	34,016	1,461	35,477	95,644
Depreciation and amortization	200,292	260,372	245,161	705,825	65,500	1,282	66,782	772,607
Total functional expense	\$ 2,315,186	\$ 10,703,006	\$ 3,888,650	16,906,842	\$ 2,648,434	\$ 155,083	2,803,517	19,710,359
Charter services paid to national organization				-			397,398	397,398
Total expenses				\$ 16,906,842			\$ 3,200,915	\$ 20,107,757

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
Total functional expense	\$ 2,399,898	\$ 9,537,269	\$ 4,003,081	15,940,248	\$ 2,472,301	\$ 290,594	2,762,895	18,703,143
Charter services paid to national organization				-			396,340	396,340
Total expenses				\$ 15,940,248			\$ 3,159,235	\$ 19,099,483

See notes to consolidated financial statements.

Volunteers of America, Dakotas and Affiliates

Consolidated Statements of Cash Flows Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 2,324,765	\$ 2,735,796
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	769,771	669,155
Impairment loss on property and equipment, Pettigrew Heights	64,163	104,660
Amortization, Pettigrew Heights	2,836	2,836
Change in provision for uncollectible pledges receivable	(14,341)	(39,705)
Loss (gain) on investments	393,607	(412,636)
Change in beneficial interest in perpetual trust	75,838	(80,024)
(Loss) gain on sale of property and equipment	18,270	(1,150)
Receipt of donated inventory, property and equipment	(61,343)	(6,680)
Forgiveness of Paycheck Protection Program loan	(2,385,415)	-
Other changes in operating assets and liabilities:		
Receivables, including pledges	(387,668)	(340,178)
Prepaid expenses	(13,376)	(2,647)
Inventory	-	(790)
Pettigrew Heights—assets	(41,885)	(41,497)
Accounts payable	(37,845)	114,664
Deferred Revenue	3,507,318	1,694
Accrued expenses and other liabilities	10,495	85,304
Pettigrew Heights—liabilities	(22,074)	(24,432)
Net cash provided by operating activities	4,203,116	2,764,370
Cash flows from investing activities:		
Purchase of investments	(2,220,345)	(297,407)
Proceeds from sale of investments	1,082,525	262,047
Proceeds from sale of property and equipment	11,220	5,300
Purchase of property and equipment	(1,031,438)	(531,771)
Net cash used in investing activities	(2,158,038)	(561,831)
Cash flows from financing activities:		
Contributions received restricted for long-term purposes, including pledges	273,609	352,942
Payments on long-term debt	(283,031)	(270,676)
Net cash (used in) provided by financing activities	(9,422)	82,266
Net increase in cash and cash equivalents	2,035,656	2,284,805
Cash and cash equivalents, beginning	6,517,813	4,233,008
Cash and cash equivalents, ending	\$ 8,553,469	\$ 6,517,813
Supplemental information:		
Disclosure of cash flow information:		
Cash paid during the year—interest	\$ 139,440	\$ 151,792
Property and equipment included in accounts payable	\$ 24,524	\$ -

See notes to consolidated financial statements.

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

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, childcare 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 program, which includes 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

Note 1. Organization (Continued)

Camp POSTCARD (Peace Officers Striving to Create and Reinforce Dreams) is a free, weeklong summer camp that brings together law enforcement officers and middle school students from the Sioux Falls area.

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 and 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. This program ended in 2021.

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. GreaterGoods is a retail donation program with a goal of strengthening nonprofits in the region by lowering supply costs and improving the lives of individuals and families.

Substance abuse: The Heisler Outpatient Services program provides 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. HUD housing and 217 Studios offer housing for agency participants and members of the public.

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

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.

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.

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 or if an unconditional promise to give has been received. Contributions are deemed to be conditional if they include barriers to earning 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 3.6% and 1.2% as of June 30, 2022 and 2021, 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

Note 2. Significant Accounting Policies (Continued)

Contributed non-financial assets: 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 years ended June 30 are as follows:

	2022	2021
Period of performance:		
Daily	\$ 11,563,799	\$ 10,902,868
Within one month	3,375,031	3,293,626
	<u>\$ 14,938,830</u>	<u>\$ 14,196,494</u>

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

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 years ended June 30 are as follows:

	2022	2021
Agency With Choice	\$ 79,950	\$ 77,019
Axis 180	163,367	120,268
Childcare and Family Literacy Centers	184,117	419,413
Choices	10,478,607	9,152,216
Criminal Justice Initiative	321,459	494,345
Family Support Coordinators	529,832	497,913
Heisler Outpatient Services	308,197	239,008
LifeMarks	380,255	441,757
New Start	1,755,580	2,010,246
Prevention Resource Center	147,743	-
Tobacco Prevention	201,208	395,699
Vets-Berakhah	275,850	237,610
Youth Center	112,665	111,000
	<u>\$ 14,938,830</u>	<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.

Deferred Revenue: Deferred revenue represents amounts collected in advance of services provided.

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.

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

Note 2. Significant Accounting Policies (Continued)

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.

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 2022 and 2021. Accordingly, no income tax expense was incurred during the years ended June 30, 2022 and 2021.

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 \$18,106 and \$78,933 for years ended June 30, 2022 and 2021, 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.

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

Note 2. Significant Accounting Policies (Continued)

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.

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, 2022.

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 childcare 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 2022 or 2021) as of and for the years ended June 30, 2022 and 2021, are as follows (numbers are approximate):

	2022		2021	
	Revenue	Accounts Receivable	Revenue	Accounts Receivable
Federal Agency 1	\$ 10,573,266	\$ 946,550	\$ 9,843,000	\$ 933,000

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

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 2022, the Organization adopted 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 effect of adopting this new accounting guidance did not have a significant impact to the consolidated financial statements.

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 consolidated 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 consolidated financial statements.

Subsequent events: The Organization has evaluated subsequent events through November 28, 2022, the date the consolidated financial statements were available to be issued.

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

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:

	2022	2021
Cash and cash equivalents	\$ 8,553,469	\$ 6,517,813
Accounts receivable	1,386,665	1,475,803
Grants receivable	251,286	214,647
Pledges receivable	358,518	336,062
Total financial assets	<u>10,549,938</u>	<u>8,544,325</u>
Less cash received subject to other donor restrictions	(439,601)	(208,866)
Less restricted pledges receivable	<u>(323,989)</u>	<u>(315,166)</u>
Financial assets available to meet current obligations over the next 12 months	<u>\$ 9,786,348</u>	<u>\$ 8,020,293</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses. As of June 30, 2022 and 2021, the Organization had financial assets on hand of approximately 185 and 159 days, respectively. 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.

Note 4. Pledges Receivable

Pledges receivable at June 30, 2022 and 2021, are as follows:

	2022	2021
Within one year	\$ 389,207	\$ 361,662
One to five years	350,577	155,516
	<u>739,784</u>	<u>517,178</u>
Less allowance for uncollectible pledges	(60,604)	(40,329)
Less discount to present value on long-term pledges	(25,738)	(4,306)
Less current portion, net	<u>(358,518)</u>	<u>(336,062)</u>
Long-term pledges receivable, net	<u>\$ 294,924</u>	<u>\$ 136,481</u>

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

Note 5. Investments

As of June 30, 2022 and 2021, investments consisted of the following:

	2022		
	Cost	Fair Value	Unrealized (Depreciation) Appreciation
Corporate bonds	\$ 100,041	\$ 99,254	\$ (787)
Municipal bond	16,290	16,281	(9)
Money market funds	341,677	341,677	-
Mutual funds—equity	1,553,146	1,660,255	107,109
Mutual funds—bonds	813,436	738,272	(75,164)
	<u>\$ 2,824,590</u>	<u>\$ 2,855,739</u>	<u>\$ 31,149</u>
	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>

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 \$11,540 and \$8,961 are netted against investment income above for the years ended June 30, 2022 and 2021, respectively.

Note 6. Beneficial Interest in Perpetual Trust

The Organization is a beneficiary under the William Alexander and 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 \$324,359 and \$400,197 at June 30, 2022 and 2021, respectively. Distributions received totaled \$19,810 and \$17,518 for the years ended June 30, 2022 and 2021, respectively.

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

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, 2022 and 2021, the balance of funds with the Foundation totaled \$1,608,879 and \$1,870,272, 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 \$52,801 and \$37,414 for the years ended June 30, 2022 and 2021, 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 significant inputs, other than Level 1 quoted prices, that are observable for similar assets or liabilities, directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3:** Inputs are unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

See Note 2 for the valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position. The Organization had no liabilities required to be reported in the consolidated statements of financial position at fair value at June 30, 2022 or 2021.

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, 2022 and 2021, 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.

	2022		
	Level 1	Level 2	Level 3
Corporate bonds	\$ -	\$ 99,254	\$ -
Municipal bonds	-	16,281	-
Money market funds	341,677	-	-
Mutual funds—equity	1,660,255	-	-
Mutual funds—bonds	738,272	-	-
Beneficial interest in perpetual trust	-	-	324,359
Total assets	<u>\$ 2,740,204</u>	<u>\$ 115,535</u>	<u>\$ 324,359</u>

	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>

Note 9. Property and Equipment

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

	2022	2021
Land	\$ 1,444,757	\$ 1,398,169
Buildings and improvements	14,920,648	14,105,509
Office equipment	925,624	789,406
Furnishings	322,667	303,273
Vehicles	1,122,293	1,224,346
	<u>18,735,989</u>	<u>17,820,703</u>
Less accumulated depreciation	<u>(7,882,380)</u>	<u>(7,327,381)</u>
	<u>\$ 10,853,609</u>	<u>\$ 10,493,322</u>

The Organization leases vehicles under various capital lease contracts with a cost of \$123,287 as of June 30, 2022 and 2021, and accumulated depreciation of \$89,479 and \$64,822 as of June 30, 2022 and 2021, respectively. Amortization of the vehicles is included with depreciation expense.

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

Note 9. Property and Equipment (Continued)

Property and equipment for Pettigrew Heights consist of the following:

	2022	2021
Land and land improvements	\$ 203,971	\$ 179,658
Building and improvements	3,133,736	3,133,736
Furnishings	363,149	336,931
	<u>3,700,856</u>	<u>3,650,325</u>
Less accumulated depreciation	(2,536,696)	(2,384,812)
	<u>\$ 1,164,160</u>	<u>\$ 1,265,513</u>

Accumulated impairment of \$1,183,680 and \$1,119,517 has been recognized as of June 30, 2022 and 2021, respectively, and is included in accumulated depreciation for Pettigrew Heights above. Total impairment expense was \$64,163 and \$104,660 for the years ended June 30, 2022 and 2021, respectively, and is included in other operating revenue (loss) on the consolidated statements of activities as of June 30, 2022 and 2021.

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, 2022 and 2021, was \$2,836. These intangible assets include a net carrying amount of \$8,271 and \$11,107, 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, 2022 and 2021, was \$419,300 and \$390,890, 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:	
2023	\$ 329,610
2024	5,738
	<u>\$ 335,348</u>

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

Note 12. Line of Credit

As of June 30, 2021, the Organization had a line of credit in place at Wells Fargo Bank, of \$1,000,000. No amount was outstanding as of June 30, 2021, and the line of credit expired on February 15, 2022.

Note 13. Long-Term Debt

Long-term debt consists of the following as of June 30:

	2022	2021
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)	\$ 1,174,586	\$ 1,319,836
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)	1,197,703	1,275,704
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)	534,952	569,646
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	35,564	60,650
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
	3,358,381	3,641,412
Less current maturities	(295,968)	(283,044)
	<u>\$ 3,062,413</u>	<u>\$ 3,358,368</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	\$ 54,800	\$ 80,000
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
	478,223	503,423
Less current maturities	(24,000)	(25,200)
	<u>\$ 454,223</u>	<u>\$ 478,223</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

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:	
2023	\$ 295,968
2024	292,374
2025	296,303
2026	310,329
2027	325,023
Thereafter	1,838,384
	<u>\$ 3,358,381</u>

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

Years ending June 30:	
2023	\$ 24,000
2024	21,900
2025	8,900
2026	-
2027	-
Thereafter	423,423
	<u>\$ 478,223</u>

Note 14. Paycheck Protection Program Loan Agreement

During 2020, the Organization was a recipient of a Paycheck Protection Program (PPP) loan of \$2,385,415 granted by the Small Business Administration under the CARES Act. The entire principal and interest amounts were formally forgiven during 2022 based on actual payroll costs incurred plus certain eligible expenses, as defined in the agreement. The forgiveness is reported in the consolidated statements of activities as "revenue and grants from governmental agencies". Laws and regulations concerning government programs, including the PPP established by the CARES Act, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Organization's claim to forgiveness of the loan agreement, and it is not possible to determine the impact, if any, this would have on the Organization's financial statements.

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 \$35,556 and \$46,029 for the years ended June 30, 2022 and 2021, 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 \$120,494 and \$115,264 for the years ended June 30, 2022 and 2021, respectively.

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

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 2.20% of annual revenues for 2022, and 2.25% of annual revenues for 2021, as defined in the agreement. Affiliate fees for the fiscal years ended June 30, 2022 and 2021, totaled \$397,398 and \$396,340, respectively. Amounts due to Volunteers of America, Inc. at June 30, 2022 and 2021, included in accounts payable, were \$44,339 and \$32,853, respectively, for affiliate fees.

Pledges receivable as of June 30, 2022 and 2021, include approximately \$107,000 and \$105,000, 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:

	2022	2021
Time- and purpose-restricted:		
Program services with time restrictions—United Way	\$ 20,752	\$ 107,362
Restricted for HomePlace services	185,798	371,596
Other program service restrictions	406,169	59,378
Held in perpetuity:		
Foundation for Future Generations	1,001,820	243,197
Judy Dahmke Estate	26,940	26,940
William Alexander and Lida Alice Beach Memorial Trust	324,360	400,197
Total	<u>\$ 1,965,839</u>	<u>\$ 1,208,670</u>

Net assets of \$128,114 and \$311,308 were released from time restrictions during the years ended June 30, 2022 and 2021, respectively. Net assets of \$433,007 and \$384,831 were released based upon program service restrictions during the years ended June 30, 2022 and 2021, respectively.

Revenue has not yet been recognized related to conditional non-exchange grant transactions in the amount of approximately \$5,400,000 and \$4,400,000 as of June 30, 2022 and 2021, 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, 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>
Excess (deficit) from operations	1,826,404	1,917,153	(90,749)
Nonoperating activity	(258,808)	(258,808)	-
Balance, June 30, 2022	<u>\$ 15,679,135</u>	<u>\$ 15,015,215</u>	<u>\$ 663,920</u>

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

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, 2022 and 2021.

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

Note 19. Endowment Funds (Continued)

Endowment net assets as of June 30, 2022, 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	\$ -	\$ 324,359	\$ 324,359
Other	-	547,353	547,353
Board-designated endowment funds	2,308,386	-	2,308,386
	<u>\$ 2,308,386</u>	<u>\$ 871,712</u>	<u>\$ 3,180,098</u>

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>

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, 2022:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Endowment net assets, beginning of year	<u>\$ 2,084,786</u>	<u>\$ 670,334</u>	<u>\$ 2,755,120</u>
Investment return:			
Investment income	58,605	13,650	72,255
Realized and unrealized loss on investments, net	(324,512)	(69,095)	(393,607)
Adjustments to fair value of perpetual trust	-	(75,838)	(75,838)
Total investment return	<u>(265,907)</u>	<u>(131,283)</u>	<u>(397,190)</u>
Additions to endowment funds	<u>489,507</u>	<u>332,661</u>	<u>822,168</u>
Endowment net assets, end of year	<u>\$ 2,308,386</u>	<u>\$ 871,712</u>	<u>\$ 3,180,098</u>

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

Note 19. Endowment Funds (Continued)

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	\$ 1,636,590	\$ 347,113	\$ 1,983,703
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	444,691	80,024	524,715
Additions to endowment funds	3,505	243,197	246,702
Endowment net assets, end of year	\$ 2,084,786	\$ 670,334	\$ 2,755,120

Volunteers of America, Dakotas and Affiliates

Consolidating Statement of Financial Position June 30, 2022

	Volunteers of America, Dakotas	Volunteers of America, Dakotas Foundation, Inc.	Pettigrew Heights	Elimination Entries	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 8,544,769	\$ 8,700	\$ -	\$ -	\$ 8,553,469
Accounts and grants receivable, net	2,834,005	-	-	(1,196,054)	1,637,951
Pledges receivable, net	101,212	257,306	-	-	358,518
Prepaid expenses	81,542	-	-	-	81,542
Inventory	55,291	-	-	-	55,291
Total current assets	11,616,819	266,006	-	(1,196,054)	10,686,771
Property and equipment, net	10,748,534	129,796	-	(24,721)	10,853,609
Other assets:					
Long-term pledges receivable, net	63,452	231,472	-	-	294,924
Investments	65,981	2,855,739	-	(65,981)	2,855,739
Beneficial interest in perpetual trust	-	324,359	-	-	324,359
Pettigrew Heights, including property and equipment	(1,183,680)	-	2,420,415	-	1,236,735
Total other assets	(1,054,247)	3,411,570	2,420,415	(65,981)	4,711,757
Total assets	\$ 21,311,106	\$ 3,807,372	\$ 2,420,415	\$ (1,286,756)	\$ 26,252,137
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	\$ 354,263	\$ -	\$ -	\$ -	\$ 354,263
Current portion of long-term debt	295,968	-	-	-	295,968
Deferred revenue	3,509,012	-	-	-	3,509,012
Accrued expenses and other liabilities	878,673	12,374	-	(12,374)	878,673
Total current liabilities	5,037,916	12,374	-	(12,374)	5,037,916
Other liabilities:					
Paycheck Protection Program Loan	-	-	-	-	-
Long-term debt, less current portion	3,028,760	33,653	-	-	3,062,413
Pettigrew Heights, including debt	-	-	1,690,514	(1,183,680)	506,834
Total other liabilities	3,028,760	33,653	1,690,514	(1,183,680)	3,569,247
Total liabilities	8,066,676	46,027	1,690,514	(1,196,054)	8,607,163
Net assets:					
Without donor restrictions	12,631,710	2,408,226	65,981	(90,702)	15,015,215
Without donor restrictions—noncontrolling interest	-	-	663,920	-	663,920
With donor restrictions	612,720	1,353,119	-	-	1,965,839
Total net assets	13,244,430	3,761,345	729,901	(90,702)	17,644,974
Total liabilities and net assets	\$ 21,311,106	\$ 3,807,372	\$ 2,420,415	\$ (1,286,756)	\$ 26,252,137

Volunteers of America, Dakotas and Affiliates

**Consolidating Statement of Activities
Year Ended June 30, 2022**

	Volunteers of America, Dakotas	Volunteers of America, Dakotas Foundation, Inc.	Pettigrew Heights	Elimination Entries	Total
Revenues from operations:					
Contributions	\$ 890,569	\$ 1,008,634	\$ -	\$ (207,500)	\$ 1,691,703
Contributions, in kind	334,401	-	-	-	334,401
Public support received—United Way	157,973	-	-	-	157,973
Total public support	1,382,943	1,008,634	-	(207,500)	2,184,077
Revenue and grants from governmental agencies	19,518,216	-	-	-	19,518,216
Other revenue:					
Program service fees	702,370	-	-	-	702,370
Rental income	46,501	17,500	231,270	(17,500)	277,771
Other operating revenue	123,542	-	16,637	-	140,179
Total other revenue	872,413	17,500	247,907	(17,500)	1,120,320
Total revenues from operations	21,773,572	1,026,134	247,907	(225,000)	22,822,613
Operating expenses:					
Encouraging positive development	2,315,186	-	-	-	2,315,186
Fostering independence	10,364,337	-	338,669	-	10,703,006
Promoting self-sufficiency	3,888,650	-	-	-	3,888,650
Total program services	16,568,173	-	338,669	-	16,906,842
Management and general	2,823,024	50,410	-	(225,000)	2,648,434
Fundraising	155,083	-	-	-	155,083
Charter services paid to national organization	397,398	-	-	-	397,398
Total supporting services	3,375,505	50,410	-	(225,000)	3,200,915
Total operating expenses	19,943,678	50,410	338,669	(225,000)	20,107,757
Excess (deficit) from operations	1,829,894	975,724	(90,762)	-	2,714,856
Nonoperating activity and other changes:					
Investment and interest income	7,244	72,255	-	-	79,499
Realized and unrealized (loss) gain on investments and perpetual trust	(158)	(469,445)	-	13	(469,590)
Total nonoperating activity and other changes	7,086	(397,190)	-	13	(390,091)
Change in net assets	1,836,980	578,534	(90,762)	13	2,324,765
Net assets, beginning of year	11,407,450	3,182,811	820,663	(90,715)	15,320,209
Net assets, end of year	\$ 13,244,430	\$ 3,761,345	\$ 729,901	\$ (90,702)	\$ 17,644,974

Volunteers of America, Dakotas and Affiliates

**Consolidating Statement of Functional Expenses—Encouraging Positive Development
Year Ended June 30, 2022 With Summary Totals for 2021**

	Encouraging Positive Development							Total
	Look Up and Hope	Childcare and Family Literacy Centers	Independent Living Preparation Program	Kidz Count	Tobacco Prevention	Camp POSTCARD	Youth Center	
Salaries	\$ 37,159	\$ 260,377	\$ 307,275	\$ 170,641	\$ 26,272	\$ 15,872	\$ 306,194	\$ 1,123,790
Other employee benefits	6,008	33,803	36,847	10,025	4,911	1,649	27,222	120,465
Payroll taxes	2,769	20,378	22,775	13,143	1,893	1,166	23,668	85,792
Professional fees	1,083	9,316	33,740	10,426	146,156	14,101	25,081	239,903
Supplies and expenses	32	11,657	8,868	7,631	5,634	7,242	30,616	71,680
Telecommunications	419	410	3,995	621	-	-	2,900	8,345
Postage	112	9	30	-	13	-	8	172
Occupancy	798	36,229	61,804	20,704	7,194	24,500	49,644	200,873
Interest	-	-	70	-	-	-	18,961	19,031
Insurance	561	8,097	25,542	5,234	817	713	30,906	71,870
Equipment rental and maintenance	106	1,794	2,472	4,890	-	16	3,790	13,068
Printing and publications	-	713	435	531	-	10,492	3,940	16,111
Travel and transportation	42	509	3,555	6,075	324	3,057	23,192	36,754
Conferences and meetings	-	20	650	692	525	2,625	1,245	5,757
Specific assistance to individuals and programs	4,425	4,874	22,591	6,985	-	17,806	11,728	68,409
Other	39	30,229	898	405	-	543	760	32,874
Depreciation and amortization	242	1,994	104,455	3,925	59	-	89,617	200,292
Total for 2022	\$ 53,795	\$ 420,409	\$ 636,002	\$ 261,928	\$ 193,798	\$ 99,782	\$ 649,472	\$ 2,315,186
Total for 2021	\$ 71,199	\$ 706,921	\$ 564,760	\$ 242,504	\$ 280,125	\$ -	\$ 534,389	\$ 2,399,898

Volunteers of America, Dakotas and Affiliates

**Consolidating Statement of Functional Expenses—Fostering Independence
Year Ended June 30, 2022 With Summary Totals for 2021**

	Disabilities Services		Mental Health	Pettigrew Heights	Total
	Choices Program	Family Support Coordinators	LifeMarks		
Salaries	\$ 6,491,387	\$ 248,445	\$ 309,813	\$ 52,312	\$ 7,101,957
Other employee benefits	633,663	25,685	26,132	5,358	690,838
Payroll taxes	484,162	17,984	22,846	3,360	528,352
Professional fees	241,715	10,874	126,251	34,707	413,547
Supplies and expenses	237,828	702	4,671	3,645	246,846
Telecommunications	37,584	2,563	3,690	2,591	46,428
Postage	629	791	351	116	1,887
Occupancy	597,066	652	19,860	117,947	735,525
Interest	48,663	243	7,083	-	55,989
Insurance	112,615	3,259	5,525	13,343	134,742
Equipment rental and maintenance	52,966	530	8,054	100	61,650
Printing and publications	13,606	-	2,051	244	15,901
Travel and transportation	89,275	2,353	265	1,614	93,507
Conferences and meetings	13,388	100	13,011	738	27,237
Specific assistance to individuals and programs	32,277	227,834	356	4,160	264,627
Other	15,030	304	391	7,876	23,601
Depreciation and amortization	139,964	1,002	28,848	90,558	260,372
Total for 2022	\$ 9,241,818	\$ 543,321	\$ 579,198	\$ 338,669	\$ 10,703,006
Total for 2021	\$ 8,098,635	\$ 516,994	\$ 440,407	\$ 336,843	\$ 9,392,879
Programs ended in 2021:					
Healthy Marriage and Relationship Education					144,390
Total for 2021					\$ 9,537,269

Volunteers of America, Dakotas and Affiliates

Consolidating Statement of Functional Expenses—Promoting Self-Sufficiency Year Ended June 30, 2022 With Summary Totals for 2021

	Community Enhancement		Substance Abuse			Homeless and Housing Services					Total
	Prevention Resource Center	Greater Goods	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	\$ 76,032	\$ 29,872	\$ 186,400	\$ 1,034,904	\$ 231,972	\$ 86,393	\$ 50,876	\$ 171,215	\$ 14,470	\$ 185,486	\$ 2,067,620
Other employee benefits	2,047	1,709	30,842	108,924	37,356	7,688	9,056	12,886	2,586	24,026	237,120
Payroll taxes	5,714	2,177	13,277	78,151	16,546	6,509	3,390	13,139	1,048	14,628	154,579
Professional fees	13,292	7,397	7,841	165,197	11,294	5,417	40,099	5,638	638	7,087	263,900
Supplies and expenses	33,759	1,829	912	113,610	11,403	1,045	845	757	8	9,928	174,096
Telecommunications	-	-	729	8,281	1,247	1,073	565	4,777	394	1,318	18,384
Postage	790	-	617	238	-	-	29	-	-	-	1,674
Occupancy	-	9,239	7,899	107,900	8,092	6,702	26,480	31,529	2,980	111,025	311,846
Interest	2,150	-	4,812	32,203	3,077	-	-	-	4	-	42,246
Insurance	2,113	2,052	3,799	42,887	4,184	2,728	6,149	4,412	215	2,491	71,030
Equipment rental and maintenance	-	2,808	556	16,479	295	52	4,476	837	59	5,473	31,035
Printing and publications	1,267	197	112	1,928	-	-	-	153	-	465	4,122
Travel and transportation	2,059	2,725	60	7,295	108	5,701	770	6,588	28	267	25,601
Conferences and meetings	510	-	275	407	-	505	-	1,625	-	65	3,387
Specific assistance to individuals and programs	123	228	-	24,698	1,554	161,849	2,758	38,719	-	3,228	233,157
Other	139	25	219	2,220	505	79	-	143	-	362	3,692
Depreciation and amortization	5,873	6,515	17,778	187,485	17,110	251	4,207	2,177	49	3,716	245,161
Total for 2022	\$ 145,868	\$ 66,773	\$ 276,128	\$ 1,932,807	\$ 344,743	\$ 285,992	\$ 149,700	\$ 294,595	\$ 22,479	\$ 369,565	\$ 3,888,650
Total for 2021	\$ 99,719	\$ -	\$ 247,649	\$ 2,267,060	\$ 329,186	\$ 267,855	\$ 124,998	\$ 253,742	\$ 76,086	\$ 336,786	\$ 4,003,081

*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, 2022

EXPENSES and UNITS	Support Services				DHS Services Division of Developmental Disabilities (DDD)								
	Total	Adjustments	Admin and Support	Fund Raising	Total of All Services	Production	CHOICES Residential	CHOICES Day Habilitation	CHOICES Individual Supported Employment	CHOICES Group Supported Employment	CHOICES Nursing	CHOICES Medical Equipment & Drugs	CHOICES Speech Hearing & Drugs
Account Number and Title													
1000 PERSONNEL SERVICES:													
1010 Administrative	\$1,032,543		\$507,541	\$37,229	\$487,773		\$113,204	\$41,531	\$12,418	\$12,418	\$12,418	\$5,943	\$5,943
1020 Professional/Program Staff	\$9,441,511				\$9,441,511	\$51,642	\$2,467,126	\$430,408	\$293,907	\$293,479	\$143,681	\$10,032	\$13,266
1040 Support Staff	\$1,597,846		\$1,184,262	\$37,228	\$376,356		\$71,362	\$19,320	\$877	\$1,968	\$0	\$0	\$0
1050 Client Wages	\$0				\$0								
TOTAL PERSONNEL SERVICES	\$12,071,900	\$0	\$1,691,803	\$74,457	\$10,305,640	\$51,642	\$2,651,694	\$491,258	\$307,202	\$307,865	\$156,099	\$15,975	\$19,209
1100 PERSONNEL BENEFITS AND TAXES:					\$0								
1110 Retirement Plans	\$121,138		\$23,453	\$1,523	\$96,162		\$25,244	\$4,677	\$2,925	\$2,931	\$1,486	\$152	\$183
1120 Insurance Benefits	\$874,145		\$120,351	\$5,250	\$748,544		\$174,680	\$32,362	\$20,237	\$20,281	\$10,283	\$1,052	\$1,265
1130 Other Benefits	\$92,091		\$11,312	\$409	\$80,370		\$16,573	\$3,070	\$1,920	\$1,924	\$976	\$100	\$120
1140 FICA Taxes	\$877,726		\$119,848	\$4,656	\$753,222	\$3,951	\$194,224	\$35,962	\$22,501	\$22,550	\$11,434	\$1,170	\$1,407
1150 Unemployment Insurance	\$18,236		\$1,259	\$16	\$16,961	\$28	\$3,918	\$726	\$454	\$455	\$231	\$24	\$28
1160 Worker's Comp. Insurance	\$111,908		\$1,857	\$77	\$109,974	\$975	\$31,061	\$5,754	\$3,598	\$3,606	\$1,828	\$187	\$225
1170 Prof. Liability Insurance	\$77,230		\$10,587	\$1,091	\$65,552	\$464	\$13,657	\$2,530	\$1,582	\$1,586	\$804	\$82	\$99
1190 Other	\$14,968		\$3,239	\$855	\$10,474	\$374	\$69	\$43	\$43	\$22	\$2	\$2	\$3
TOTAL PERSONNEL BENEFITS AND TAXES	\$2,187,042	\$0	\$291,906	\$13,877	\$1,881,259	\$5,418	\$459,731	\$85,170	\$53,260	\$53,376	\$27,064	\$2,769	\$3,330
1200 PROF FEES & CONTRACT SVCS:					\$0								
1210 Administrative/Financial	\$1,143,348	\$17,666	\$279,141	\$25,067	\$821,474	\$6,895	\$118,626	\$21,977	\$13,745	\$13,772	\$6,983	\$715	\$859
1220 Habilitation/Rehabilitation	\$36,834				\$36,834		\$12,825	\$2,376	\$1,486	\$1,489	\$755	\$77	\$93
1230 Medical	\$0				\$0								
1231 Other Medical (Dental, Dietary, OT, PT, Optometric, Pharmacy, Speech Pathology and Audiology)	\$0				\$0								
1237 Physician/Nursing Services	\$0				\$0								
1238 Psychiatric Services	\$78,928				\$78,928								
1290 Other	\$0				\$0								
TOTAL PROF FEES & CONTRACT SVCS	\$1,259,110	\$17,666	\$279,141	\$25,067	\$937,236	\$6,895	\$131,451	\$24,353	\$15,231	\$15,261	\$7,738	\$792	\$952
1300 TRAVEL/TRANSPORTATION:					\$0								
1390 Other	\$281,673		\$44,885	\$1,423	\$235,365		\$63,473	\$11,759	\$7,353	\$7,370	\$3,737	\$382	\$460
TOTAL TRAVEL/TRANSPORTATION	\$281,673	\$0	\$44,885	\$1,423	\$235,365	\$0	\$63,473	\$11,759	\$7,353	\$7,370	\$3,737	\$382	\$460
1400 SUPPLIES:					\$0								
1440 Food	\$304,723	\$46,449			\$258,274								
1490 Other	\$280,882		\$36,150	\$15,476	\$229,256		\$39,874	\$7,387	\$4,619	\$4,629	\$2,349	\$240	\$289
TOTAL SUPPLIES	\$585,605	\$46,449	\$36,150	\$15,476	\$487,530	\$0	\$39,874	\$7,387	\$4,619	\$4,629	\$2,349	\$240	\$289
1500 OCCUPANCY:					\$0								
1510 Rent of Space	\$436,800		\$2,416	\$2,500	\$431,884		\$49,118	\$91,740	\$9,036	\$6,538	\$3,727	\$296	\$356
1520 Utilities & Telephone	\$454,361		\$44,136	\$602	\$409,623		\$26,347	\$25,833	\$3,876	\$3,265	\$1,757	\$159	\$191
1580 Other	\$606,628		\$85,956	\$1,485	\$519,187	\$38	\$21,367	\$13,569	\$4,152	\$2,901	\$1,677	\$129	\$155
TOTAL OCCUPANCY:	\$1,497,789	\$0	\$132,508	\$4,587	\$1,360,694	\$38	\$96,852	\$136,142	\$17,064	\$12,704	\$7,161	\$584	\$702
1600 EQUIPMENT:					\$0								
1700 DEPRECIATION:					\$0								
1710 Building	\$431,648		\$43,857	\$967	\$386,824		\$4,726	\$875	\$547	\$549	\$278	\$28	\$34
1720 Equipment	\$246,226		\$17,467	\$314	\$228,445		\$24,200	\$4,482	\$2,804	\$2,810	\$1,425	\$146	\$175
TOTAL DEPRECIATION	\$677,874	\$0	\$61,324	\$1,281	\$615,269	\$0	\$28,926	\$5,357	\$3,351	\$3,359	\$1,703	\$174	\$209
1800 MISCELLANEOUS:					\$0								
1810 Clothing	\$0				\$0								
1860 Bad Debt	\$0				\$0								
1890 Other	\$1,357,432	\$307,612	\$602,050	\$1,382	\$446,388		\$1,398	\$259	\$162	\$162	\$82	\$8	\$10
TOTAL MISCELLANEOUS	\$1,357,432	\$307,612	\$602,050	\$1,382	\$446,388	\$0	\$1,398	\$259	\$162	\$162	\$82	\$8	\$10
Expenditure Subtotal	\$20,025,003	\$371,727	\$3,150,705	\$138,173	\$16,364,398	\$63,993	\$3,493,159	\$760,147	\$410,531	\$407,020	\$207,096	\$21,043	\$25,304
Admin. and Support Allocation	\$0		\$3,150,705		\$3,124,327	\$12,218	\$666,921	\$145,129	\$78,379	\$77,709	\$39,539	\$4,018	\$4,831
TOTAL EXPENDITURES	\$20,025,003	\$371,727	\$1	\$164,552	\$19,488,725	\$76,211	\$4,160,080	\$905,276	\$488,910	\$484,729	\$246,635	\$25,061	\$30,135

Volunteers of America, Dakotas and Affiliates

Department of Human Services and Department of Social Services, Schedule A—Expenses (Continued)
Year Ended June 30, 2022

EXPENSES and UNITS	Division of Behavioral Health, Alcohol/Drug (Su												
	Food Services	Housing services	Education Expenses	Other- Please Specify in Row 7	Other- Please Specify in Row 7	Other- Please Specify in Row 7	Other- Please Specify in Row 7	FS360 Service Coordination	Agency With Choice	Independent Living	CJI - CBISA Group	CJI - CBISA Individual	CJI - MRT Group
				Enhanced Group Rate ITS1	Enhanced Group Rate ITS2	Enhanced Group Rate Penn 1	Enhanced Group Rate Penn 2						
Account Number and Title													
1000 PERSONNEL SERVICES:													
1010 Administrative	\$5,943		\$16,507	\$19,375	\$19,375	\$25,833	\$25,833			\$3,921	\$10,616	\$5,588	\$10,337
1020 Professional/Program Staff	\$2,335		\$130,824	\$523,310	\$394,513	\$535,089	\$708,354	\$200,635	\$44,126	\$303,652	\$84,513	\$3,551	\$91,272
1040 Support Staff	\$41,671	\$0	\$4,363	\$8,567	\$8,158	\$11,630	\$12,736			\$30	\$14,405	\$994	\$14,080
1050 Client Wages													
TOTAL PERSONNEL SERVICES	\$49,949	\$0	\$151,694	\$551,252	\$422,046	\$572,552	\$746,923	\$200,635	\$44,126	\$307,603	\$109,534	\$10,133	\$115,689
1100 PERSONNEL BENEFITS AND TAXES:													
1110 Retirement Plans	\$476		\$1,444	\$5,462	\$4,467	\$4,225	\$7,655	\$3,061	\$0	\$3,698	\$1,382	\$128	\$1,459
1120 Insurance Benefits	\$3,290		\$9,993	\$41,562	\$42,333	\$41,253	\$43,949	\$20,510	\$0	\$28,415	\$12,171	\$1,126	\$12,852
1130 Other Benefits	\$312		\$948	\$5,646	\$3,694	\$6,773	\$5,336	\$1,232	\$267	\$2,393	\$1,158	\$107	\$1,223
1140 FICA Taxes	\$3,659		\$11,111	\$40,607	\$29,991	\$42,425	\$55,803	\$14,557	\$3,292	\$22,382	\$7,551	\$699	\$7,973
1150 Unemployment Insurance	\$74		\$224	\$766	\$263	\$1,369	\$1,278	\$109	\$25	\$391	\$90	\$8	\$96
1160 Worker's Comp. Insurance	\$585		\$1,777	\$7,628	\$5,985	\$9,064	\$10,916	\$185	\$434	\$2,145	\$706	\$65	\$745
1170 Prof. Liability Insurance	\$257		\$781	\$2,509	\$2,212	\$2,903	\$3,841	\$2,036	\$533	\$1,620	\$840	\$78	\$898
1190 Other	\$7		\$21	\$0	\$0	\$0	\$0	\$200	\$0	\$200	\$1,836	\$170	\$1,939
TOTAL PERSONNEL BENEFITS AND TAXES	\$8,660	\$0	\$26,299	\$104,180	\$88,825	\$107,012	\$128,778	\$41,690	\$4,551	\$61,244	\$25,734	\$2,381	\$27,175
1200 PROF FEES & CONTRACT SVCS:													
1210 Administrative/Financial	\$2,234		\$6,786	\$13,996	\$11,090	\$7,796	\$10,805	\$5,718	\$5,255	\$30,025	\$5,217	\$482	\$5,507
1220 Habilitation/Rehabilitation	\$242		\$734	\$1,034	\$1,034	\$1,270	\$1,270			\$4,800			
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						
1290 Other													
TOTAL PROF FEES & CONTRACT SVCS	\$2,476	\$0	\$7,520	\$15,030	\$12,124	\$10,926	\$13,935	\$5,718	\$5,255	\$34,825	\$5,217	\$482	\$5,507
1300 TRAVEL/TRANSPORTATION:													
1390 Other	\$1,196		\$3,631	\$7,902	\$8,039	\$10,612	\$10,709	\$2,562		\$5,223	\$57	\$5	\$60
TOTAL TRAVEL/TRANSPORTATION	\$1,196	\$0	\$3,631	\$7,902	\$8,039	\$10,612	\$10,709	\$2,562	\$0	\$5,223	\$57	\$5	\$60
1400 SUPPLIES:													
1440 Food	\$99,671			\$9,962	\$9,595	\$11,263	\$19,745			\$93	\$0	\$0	\$0
1490 Other	\$751		\$2,281	\$4,224	\$4,773	\$5,338	\$4,620	\$1,267		\$9,709	\$5,326	\$493	\$5,625
TOTAL SUPPLIES	\$100,422	\$0	\$2,281	\$14,186	\$14,368	\$16,601	\$24,365	\$1,267	\$0	\$9,802	\$5,326	\$493	\$5,625
1500 OCCUPANCY:													
1510 Rent of Space	\$925	\$124,680	\$2,810	\$10,211	\$7,817	\$10,605	\$27,071			\$300	\$0	\$0	\$0
1520 Utilities & Telephone	\$496	\$95,355	\$1,507	\$9,387	\$8,352	\$9,127	\$13,858	\$2,875		\$32,598	\$2,529	\$234	\$2,671
1590 Other	\$403	\$92,342	\$1,223	\$10,327	\$9,291	\$10,353	\$8,106		\$40	\$54,818	\$4,318	\$399	\$4,560
TOTAL OCCUPANCY:	\$1,824	\$312,377	\$5,540	\$29,925	\$25,460	\$30,085	\$49,035	\$3,902	\$40	\$87,716	\$6,847	\$633	\$7,231
1600 EQUIPMENT:													
1600 Equipment	\$373		\$1,130	\$3,007	\$2,494	\$3,906	\$7,733	\$527		\$1,148	\$47	\$4	\$50
1700 DEPRECIATION:													
1710 Building	\$89	\$55,484	\$270	\$9,243	\$9,085	\$4,016	\$1,474	\$539		\$87,555	\$4,095	\$379	\$4,324
1720 Equipment	\$456		\$1,384	\$3,304	\$3,304	\$4,389	\$4,389	\$405	\$59	\$16,900	\$3,808	\$352	\$4,020
TOTAL DEPRECIATION	\$545	\$55,484	\$1,654	\$12,547	\$12,389	\$8,405	\$5,863	\$944	\$59	\$104,455	\$7,903	\$731	\$8,344
1800 MISCELLANEOUS:													
1810 Clothing													
1860 Bad Debt													

Volunteers of America, Dakotas and Affiliates

Department of Human Services and Department of Social Services, Schedule A—Expenses (Continued)
Year Ended June 30, 2022

EXPENSES and UNITS	Other Services											
	(Expenditures not re											
	CJI - MRT Individual	Inpatient Room and Board	Inpatient Residential Treatment	Low Intensity Residential Group	Low Intensity Residential Individual	Low Intensity Residential Pregnant Women Room and Board	Outpatient - Group	Outpatient - Individual	Suicide Prevention	Prevention Resource Center	Other- Please Specify in Row 7	Other Services
Account Number and Title											CTC	
1000 PERSONNEL SERVICES:												
1010 Administrative	\$1,397	\$907	\$3,630	\$14,216	\$14,216	\$7,109	\$5,934	\$5,934	\$286	\$4,582		\$82,359
1020 Professional/Program Staff	\$264	\$65,708	\$142,484	\$108,911	\$72,872	\$514,731	\$119,166	\$27,482	\$12,519	\$54,216	\$3,263	\$1,594,178
1040 Support Staff	\$189	\$6,559	\$2,679	\$11,420	\$5,047	\$51,388	\$12,606	\$12,602	\$48	\$128	\$3	\$63,547
1050 Client Wages												
TOTAL PERSONNEL SERVICES	\$1,849	\$73,174	\$148,793	\$134,547	\$92,135	\$573,228	\$137,768	\$46,018	\$12,853	\$58,926	\$3,266	\$1,740,084
1100 PERSONNEL BENEFITS AND TAXES:												
1110 Retirement Plans	\$23	\$484	\$985	\$890	\$610	\$3,793	\$1,117	\$373	\$156	\$718	\$41	\$15,917
1120 Insurance Benefits	\$205	\$5,562	\$11,309	\$10,227	\$7,003	\$43,569	\$16,743	\$5,595	\$126	\$576	\$32	\$129,983
1130 Other Benefits	\$29	\$94	\$1,412	\$1,277	\$874	\$5,441	\$1,617	\$541	\$26	\$119	\$7	\$14,570
1140 FICA Taxes	\$127	\$5,445	\$11,071	\$10,011	\$6,855	\$42,552	\$9,748	\$3,258	\$961	\$4,356	\$241	\$125,239
1150 Unemployment Insurance	\$2	\$151	\$308	\$279	\$197	\$1,189	\$204	\$69	\$28	\$130	\$7	\$3,848
1160 Worker's Comp. Insurance	\$12	\$972	\$1,774	\$1,604	\$1,098	\$6,834	\$1,393	\$465	\$12	\$56	\$3	\$9,502
1170 Prof. Liability Insurance	\$14	\$656	\$1,335	\$1,207	\$826	\$5,142	\$1,048	\$350	\$263	\$1,298	\$72	\$14,019
1190 Other	\$30	\$187	\$380	\$344	\$236	\$1,465	\$2,249	\$751	\$30	\$137	\$8	\$72
TOTAL PERSONNEL BENEFITS AND TAXES	\$433	\$14,051	\$28,574	\$25,839	\$17,693	\$110,084	\$34,119	\$11,401	\$1,611	\$7,390	\$411	\$313,068
1200 PROF FEES & CONTRACT SVCS:												
1210 Administrative/Financial	\$88	\$11,637	\$23,666	\$21,401	\$14,656	\$91,175	\$6,168	\$2,060	\$2,396	\$10,987	\$610	\$348,147
1220 Habilitation/Rehabilitation		\$516	\$1,048	\$348	\$649	\$4,039						\$149
1230 Medical												
1231 Other Medical (Dental, Dietary, OT, PT, Optometric, Pharmacy, Speech Pathology and												
1237 Physician/Nursing Services												
1238 Psychiatric Services												\$75,208
1290 Other												
TOTAL PROF FEES & CONTRACT SVCS	\$88	\$12,153	\$24,714	\$22,349	\$15,305	\$95,214	\$6,168	\$2,060	\$2,396	\$10,987	\$610	\$423,504
1300 TRAVEL/TRANSPORTATION:												
1390 Other	\$1	\$1,166	\$2,370	\$2,143	\$1,467	\$9,131	\$52	\$18	\$459	\$2,104	\$117	\$71,807
TOTAL TRAVEL/TRANSPORTATION	\$1	\$1,166	\$2,370	\$2,143	\$1,467	\$9,131	\$52	\$18	\$459	\$2,104	\$117	\$71,807
1400 SUPPLIES:												
1440 Food	\$0	\$7,637				\$59,827	\$0	\$0	\$3	\$15	\$1	\$40,462
1490 Other	\$90	\$3,364	\$6,840	\$6,186	\$4,234	\$26,355	\$1,300	\$435	\$6,136	\$28,133	\$1,559	\$40,830
TOTAL SUPPLIES	\$90	\$11,001	\$6,840	\$6,186	\$4,234	\$86,182	\$1,300	\$435	\$6,139	\$28,148	\$1,560	\$81,292
1500 OCCUPANCY:												
1510 Rent of Space	\$0					\$0	\$0	\$0	\$0	\$0	\$0	\$86,654
1520 Utilities & Telephone	\$42	\$4,725	\$7,088	\$6,410	\$4,389	\$37,012	\$4,207	\$1,406	\$399	\$1,829	\$101	\$101,798
1590 Other	\$73	\$9,107	\$13,663	\$12,354	\$8,460	\$71,340	\$7,698	\$2,572	\$933	\$4,277	\$237	\$147,258
TOTAL OCCUPANCY:	\$115	\$13,832	\$20,751	\$18,764	\$12,849	\$108,352	\$11,905	\$3,978	\$1,332	\$6,106	\$338	\$335,710
1600 EQUIPMENT:												
1700 DEPRECIATION:												
1710 Building	\$69	\$8,577	\$12,869	\$11,637	\$7,969	\$67,196	\$9,318	\$3,114	\$935	\$4,288	\$238	\$77,024
1720 Equipment	\$64	\$6,279	\$9,420	\$8,518	\$5,833	\$49,188	\$4,007	\$1,339	\$71	\$323	\$18	\$64,573
TOTAL DEPRECIATION	\$133	\$14,856	\$22,289	\$20,155	\$13,802	\$116,384	\$13,325	\$4,453	\$1,006	\$4,611	\$256	\$141,597
1800 MISCELLANEOUS:												
1810 Clothing												
1860 Bad Debt												
1890 Other	\$2	\$445	\$904	\$817	\$559	\$3,482	-\$72	-\$24	\$3	\$16	\$1	\$205,215
TOTAL MISCELLANEOUS	\$2	\$445	\$904	\$817	\$559	\$3,482	-\$72	-\$24	\$3	\$16	\$1	\$205,215
Expenditure Subtotal	\$2,712	\$141,816	\$256,943	\$232,344	\$159,102	\$1,110,976	\$204,726	\$68,414	\$25,920	\$118,843	\$6,590	\$3,342,011
Admin. and Support Allocation	\$518	\$27,076	\$49,056	\$44,360	\$30,376	\$212,110	\$39,087	\$13,062	\$4,949	\$22,690	\$1,258	\$638,064
TOTAL EXPENDITURES	\$3,230	\$168,892	\$305,999	\$276,704	\$189,478	\$1,323,086	\$243,813	\$81,476	\$30,869	\$141,533	\$7,848	\$3,980,075

Volunteers of America, Dakotas and Affiliates

**Department of Human Services and Department of Social Services, Notes to Schedule A
Year Ended June 30, 2022**

Notes to EXPENSES and UNITS

**Row/Column/Cell
Reference**

Notes/Comments

1190 Dues

1130 Health Savings Account and miscellaneous other benefits

1210 Adjustment -marketing advertising expenses

1440 Adjustment -Food for meetings of fund raising events

Adjustment -Donated goods and services, staff and board

1890 recognition

Volunteers of America, Dakotas and Affiliates

**Department of Human Services and Department of Social Services, Schedule B—Revenue
Year Ended June 30, 2022**

REVENUES						DHS Services								
Account Number and Title	Total	Adjustments	Admin and Support	Fund Raising	Total of All Services	Division of Developmental Disabilities (DDD)								
						Production	CHOICES Residential	CHOICES Day Habilitation	CHOICES Individual Supported Employment	CHOICES Group Supported Employment	CHOICES Nursing	CHOICES Medical Equipment & Drugs	CHOICES Speech Hearing & Drugs	
2000 FEES:														
2020 Title XIX	\$10,573,264				\$10,573,264		\$3,905,843	\$1,215,026	\$61,965	\$144,135	\$506,279	\$99,958	\$5,076	
2025 Title VII, Ch. I Part B	\$122,483				\$122,483									
2030 Title VII, Ch. I Part C	\$0				\$0									
2045 SD Department of Education	\$198,474				\$198,474		\$99,402	\$30,921	\$1,577	\$3,668	\$12,885	\$2,544	\$129	
2050 Dept of Corrections	\$84,290				\$84,290									
2055 Client Pay (Fee for Service)	\$236,357		\$478		\$236,358	\$67,505	\$6,619	\$9,500	\$6,414	\$6,553	\$858	\$170	\$9	
2060 Insurance	\$0				\$0									
2065 Other States	\$0				\$0									
2070 Room and Board	\$478,011				\$478,011									
2075 Bureau of Indian Affairs	\$0				\$0									
2080 Department of Human Services	\$436,418				\$436,418		\$67,109	\$37,504	\$18,196	\$19,103	\$8,699	\$1,717	\$87	
2085 Department of Social Services	\$1,971,715				\$1,971,715									
2090 Other-Specify on Notes and Comments: (e.g. Other Federal Funds, County Funds, Unified Judicial System)	\$701,377				\$701,377						\$14,350	\$1,595		
TOTAL FEES	\$14,802,869	\$0	\$478	\$0	\$14,802,391	\$67,505	\$4,078,973	\$1,292,951	\$88,152	\$173,459	\$543,071	\$105,984	\$5,301	
2100 GRANTS (Foundations, corporations or Trusts)	\$0				\$0									
2110 Grants (Used for Capital Expenditures)	\$0				\$0									
2120 Grants (Used for Non-Capital Expenditures)	\$4,661,239		\$2,418,480		\$2,242,759		\$4,329	\$4,329						
2100 TOTAL GRANTS	\$4,661,239	\$0	\$2,418,480	\$0	\$2,242,759	\$0	\$4,329	\$4,329	\$0	\$0	\$0	\$0	\$0	
2200 CONTRIBUTIONS (Donation, In Kind, Fund Raising)	\$0				\$0									
2210 Contributions (Used for Capital Expenditures)	\$14,589			\$14,589	\$14,589									
2220 Contributions (Used for Non-Capital Expenditures)	\$1,368,354	\$334,401	\$1,105	\$341,996	\$690,852									
2200 TOTAL CONTRIBUTIONS	\$1,382,943	\$334,401	\$1,105	\$356,585	\$690,852	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2300 OTHER INCOME	\$0				\$0									
2310 Commodities, Food Stamps, National School Lunch	\$204,186				\$204,186									
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	\$7,086		\$7,172	-\$76	\$10									
2380 County Per Capita	\$0				\$0									
2390 Other-Specify:	\$803,690		\$33,844		\$769,816	\$28	\$242,139	\$75,324	\$3,841	\$8,935	\$31,386	\$6,197	\$315	
TOTAL OTHER INCOME	\$1,014,322	\$0	\$41,016	-\$76	\$973,992	\$28	\$242,139	\$75,324	\$3,841	\$8,935	\$31,386	\$6,197	\$315	
TOTAL REVENUES	\$21,861,983	\$334,401	\$2,461,079	\$356,509	\$18,709,994	\$67,533	\$4,325,441	\$1,372,604	\$91,993	\$182,394	\$574,457	\$112,181	\$5,616	

Volunteers of America, Dakotas and Affiliates

Department of Human Services and Department of Social Services, Schedule B—Revenue
Year Ended June 30, 2022

REVENUES											Division of Behavioral Health, Alcohol/Drug (Su		
	Food Services	Housing services	Education Expenses	Other- Please Specify in Row 7	Other- Please Specify in Row 7	Other- Please Specify in Row 7	Other- Please Specify in Row 7	FS360 Service Coordination	Agency With Choice	Independent Living	CJI - CBISA Group	CJI - CBISA Individual	CJI - MRT Group
Account Number and Title				Enhanced Group Rate ITS1	Enhanced Group Rate ITS2	Enhanced Group Rate Penn 1	Enhanced Group Rate Penn 2						
2000 FEES:													
2020 Title XIX				\$779,779	\$659,326	\$780,108	\$1,329,685	\$300,035	\$46,334		\$25,411	\$4,064	
2025 Title VII, Ch 1 Part B													
2030 Title VII, Ch 1 Part C													
2045 SD Department of Education			\$47,348										
2050 Dept of Corrections										\$84,290			
2055 Client Pay (Fee for Service)			-\$1,349	\$1,380	\$2,340	\$2,580					\$152	-\$62	\$809
2060 Insurance													
2065 Other States													
2070 Room and Board	\$56,455	\$367,861											
2075 Bureau of Indian Affairs													
2080 Department of Human Services			\$36,738					\$213,649	\$33,616				
2085 Department of Social Services										\$105,246	\$116,108	\$16,224	\$137,610
2090 Other-Specify on Notes and Comments: (e.g. Other Federal Funds, County Funds, Unified Judicial System)											-\$94	-\$13	-\$92
TOTAL FEES	\$56,455	\$367,861	\$82,737	\$781,159	\$661,666	\$782,688	\$1,329,685	\$513,684	\$79,950	\$189,536	\$141,577	\$20,213	\$138,327
2100 GRANTS (Foundations, corporations or Trusts)													
2110 Grants (Used for Capital Expenditures)													
2120 Grants (Used for Non-Capital Expenditures)										\$241,664			
2100 TOTAL GRANTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$241,664	\$0	\$0	\$0
2200 CONTRIBUTIONS (Donation, In Kind, Fund Raising)													
2210 Contributions (Used for Capital Expenditures)													
2220 Contributions (Used for Non-Capital Expenditures)										\$100,161			
2200 TOTAL CONTRIBUTIONS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100,161	\$0	\$0	\$0
2300 OTHER INCOME:													
2310 Commodities, Food Stamps, National School Lunch	\$93,781												
2340 FMHA Rent Subsidy													
2341 Section 8 Rental Assistance													
2350 Transportation													
2360 Production/Farm Revenue													
2370 Investment Income/Interest													
2380 County Per Capita													
2390 Other-Specify:	\$7,335		\$13,504	\$46,113	\$30,445	\$36,318	\$64,200	\$16,448		\$5,450	\$9,210	\$1,315	\$9,000
TOTAL OTHER INCOME	\$101,116	\$0	\$13,504	\$46,113	\$30,445	\$36,318	\$64,200	\$16,448	\$0	\$5,450	\$9,210	\$1,315	\$9,000
TOTAL REVENUES	\$157,571	\$367,861	\$96,241	\$827,272	\$692,111	\$819,006	\$1,393,885	\$530,132	\$79,950	\$536,811	\$150,787	\$21,528	\$147,327

Volunteers of America, Dakotas and Affiliates

Department of Human Services and Department of Social Services, Schedule B—Revenue
Year Ended June 30, 2022

REVENUES	Other Services											
	CJI - MRT Individual	Inpatient Room and Board	Inpatient Residential Treatment	Low Intensity Residential Group	Low Intensity Residential Individual	Low Intensity Residential Pregnant Women Room and Board	Outpatient - Group	Outpatient - Individual	Suicide Prevention	Prevention Resource Center	Other- Please Specify in Row 7	Other Services
Account Number and Title											CTC	
2000 FEES:												
2020 Title XIX			\$152,918	\$264,971	\$80,709		\$36,003	\$31,760				\$143,879
2025 Title VII, Ch 1 Part B								\$391				\$122,874
2030 Title VII, Ch 1 Part C												\$0
2045 SD Department of Education												\$0
2050 Dept of Corrections												\$0
2055 Client Pay (Fee for Service)	-\$4	\$25	\$124	\$196	\$59	\$694	\$17,635	\$8,894	\$39,101			\$66,157
2060 Insurance												\$0
2065 Other States												\$0
2070 Room and Board										\$7,194		\$46,501
2075 Bureau of Indian Affairs												\$0
2080 Department of Human Services												\$0
2085 Department of Social Services	\$1,427	\$38,770	\$37,905	\$38,664	\$9,560	\$1,070,566	\$108,921	\$68,113	\$115	\$105,856	\$2,670	\$113,960
2090 Other-Specify on Notes and Comments: (e.g. Other Federal Funds, County Funds, Unified Judicial System)	-\$1						\$20,535	\$250				\$664,847
TOTAL FEES	\$1,422	\$38,795	\$190,947	\$303,831	\$90,328	\$1,071,260	\$182,703	\$109,017	\$39,216	\$113,050	\$2,670	\$1,158,218
2100 GRANTS (Foundations, corporations or Trusts)												
2110 Grants (Used for Capital Expenditures)												
2120 Grants (Used for Non-Capital Expenditures)		\$19,295	\$61,766	\$128,193	\$126,577	\$151,148			\$52,800			\$1,452,658
2100 TOTAL GRANTS	\$0	\$19,295	\$61,766	\$128,193	\$126,577	\$151,148	\$0	\$0	\$52,800	\$0	\$0	\$1,452,658
2200 CONTRIBUTIONS (Donation, In Kind, Fund Raising)												
2210 Contributions (Used for Capital Expenditures)												
2220 Contributions (Used for Non-Capital Expenditures)		\$5	\$23	\$36	\$10	\$126	\$430	\$256				\$589,805
2200 TOTAL CONTRIBUTIONS	\$0	\$5	\$23	\$36	\$10	\$126	\$430	\$256	\$0	\$0	\$0	\$589,805
2300 OTHER INCOME:												
2310 Commodities, Food Stamps, National School Lunch		\$6,500				\$50,918						\$52,987
2340 FMHA Rent Subsidy												
2341 Section 8 Rental Assistance												
2350 Transportation												
2360 Production/Farm Revenue												
2370 Investment Income/Interest												-\$10
2380 County Per Capita												
2390 Other-Specify:	\$92	\$1,462	\$7,192	\$11,444	\$3,402	\$40,351	\$8,404	\$5,015				\$84,951
TOTAL OTHER INCOME	\$92	\$7,962	\$7,192	\$11,444	\$3,402	\$91,269	\$8,404	\$5,015	\$0	\$0	\$0	\$137,928
TOTAL REVENUES	\$1,514	\$66,057	\$259,928	\$443,504	\$220,317	\$1,313,803	\$191,537	\$114,288	\$92,016	\$113,050	\$2,670	\$3,338,609

Volunteers of America, Dakotas and Affiliates

**Department of Human Services and Department of Social Services, Notes to Schedule B
Year Ended June 30, 2022**

Notes to REVENUE

**Row/Column/Cell
Reference**

Notes/Comments

2090 Dept of Health, UJS, City, federal, other fees

2220 Adjustment - Donated goods and services
ARPA Medicaid funding, property mgmt fee,

2390 miscellaneous income, gain on vehicle sale

Volunteers of America, Dakotas and Affiliates

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022**

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		\$ -	\$ 151,199
Passed through the South Dakota Department of Education:				
Child and Adult Care Food Program (Note 3)	10.558	4933600	-	52,987
			-	204,186
Department of Labor:				
Direct:				
Veteran's Employment and Training Service—Homeless Veterans' Reintegration Program	17.805		-	201,261
Department of Veterans Affairs:				
Direct:				
VA Homeless Providers Grant and Per Diem Program (Note 3)	64.024		-	338,017
Department of Education:				
Passed through the South Dakota Department of Education:				
Twenty-First Century Community Learning Centers	84.287	S287C210042	-	615,147
Department of Health and Human Services:				
Direct:				
Enhance Safety of Children Affected by Substance Abuse	93.087		-	486,979
Substance Abuse and Mental Health Services—Projects of Regional and National Significance	93.243		-	164,659
Transitional Living for Homeless Youth	93.550		-	222,664
Basic Center Grant	93.623		-	18,274
Passed through South Dakota Department of Social Services:				
Child Care and Development Fund Cluster:				
Child Care and Development Block Grant—Coronavirus Response and Relief Supplemental Appropriations Act	93.575	18041106, 18042245, 10606010	-	61,300
Passed through the South Dakota Department of Human Services:				
Developmental Disabilities Basic Support and Advocacy Grants	93.630	DD-21-03	-	8,658
				962,534
Total expenditures of federal awards			\$ -	\$ 2,321,145

Volunteers of America, Dakotas and Affiliates

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2022

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, 2022. 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 (the Organization), which comprise the consolidated statement of financial position as of June 30, 2022, 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 28, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Sioux Falls, South Dakota
November 28, 2022



**Report on Compliance For Each Major Federal Program and
Report on Internal Control Over Compliance**

RSM US LLP

Independent Auditor's Report

Board of Directors
Volunteers of America, Dakotas and Affiliates

Opinion on Each Major Federal Program

We have audited Volunteers of America, Dakotas and Affiliates' (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2022. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 28, 2022

Volunteers of America, Dakotas and Affiliates

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2022**

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
Auditee qualified as low-risk auditee?	Yes

(Continued)

Volunteers of America, Dakotas and Affiliates

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2022**

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, 2022**

There were no findings for the year ended June 30, 2021.