

Volunteers of America, Dakotas and Affiliates

Consolidated Financial and Compliance Report
With Independent Auditor's Report Thereon
June 30, 2023

Contents

Independent auditor's report	1-3
Financial statements	
Consolidated statements of financial position	4
Consolidated statements of activities	5
Consolidated statements of functional expenses	6-7
Consolidated statements of cash flows	8
Notes to consolidated financial statements	9-29
Supplementary information	
Consolidating statement of financial position	30
Consolidating statement of activities	31
Consolidating statement of functional expenses	32-34
Department of Human Services and Department of Social Services, Schedule A— Expenses	35-38
Department of Human Services and Department of Social Services, Schedule B— Revenue	39-42
Schedule of expenditures of federal awards and notes to schedule of expenditures of federal awards	43-44
Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	45-46
Report on compliance for each major federal program and report on internal control over compliance	47-49
Schedule of findings and questioned costs	50-51
Summary schedule of prior audit findings	52

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, 2023 and 2022, 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, 2023 and 2022, 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.

Emphasis of Matter

As described in Note 1 to the financial statements, on July 1, 2022, the Organization adopted new accounting standard guidance, Accounting Standards Update 2016-02, *Leases (Topic 842)*. Pursuant to the adoption of this guidance, the Organization changed its method of accounting for leases, which now includes recognizing right-of-use assets and lease liabilities for the rights and obligations created by operating lease agreements. Our opinion is not modified with respect to this matter.

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 35 through 42, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, on Pages 43 through 44, 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 22, 2023, 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 22, 2023

Volunteers of America, Dakotas and Affiliates

Consolidated Statements of Financial Position June 30, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,875,072	\$ 8,553,469
Accounts and grants receivable, net of allowance for doubtful accounts of \$145,130 in 2023 and \$86,308 in 2022	1,831,815	1,637,951
Pledges receivable, net of allowance for doubtful accounts of \$57,035 in 2023 and \$30,691 in 2022 (Note 4)	365,263	358,518
Prepaid expenses	70,770	81,542
Inventory	37,090	55,291
Assets held-for-sale (Note 9)	129,797	-
Total current assets	9,309,807	10,686,771
Property and equipment, net (Notes 9 and 13)	11,910,788	10,853,609
Other assets:		
Long-term pledges receivable, net of allowance for doubtful accounts and discount of \$16,755 in 2023 and \$55,651 in 2022 (Note 4)	76,485	294,924
Investments (Notes 5 and 8)	3,259,919	2,855,739
Beneficial interest in perpetual trust (Notes 6 and 8)	340,328	324,359
Right-of-use operating lease assets (Note 11)	555,192	-
Pettigrew Heights, including property and equipment (Notes 9, 10 and 13)	1,106,839	1,236,735
Total other assets	5,338,763	4,711,757
Total assets	\$ 26,559,358	\$ 26,252,137
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 419,252	\$ 354,263
Current portion of long-term debt (Note 13)	292,375	295,968
Deferred revenue	2,617,940	3,509,012
Current portion of operating lease liabilities (Note 11)	167,354	-
Accrued expenses and other liabilities	911,359	878,673
Total current liabilities	4,408,280	5,037,916
Other liabilities:		
Long-term debt, less current portion (Note 13)	2,770,056	3,062,413
Operating lease liabilities, less current portion (Note 11)	373,053	-
Pettigrew Heights, including debt (Note 13)	481,758	506,834
Total other liabilities	3,624,867	3,569,247
Total liabilities	8,033,147	8,607,163
Net assets (Notes 17 and 18):		
Without donor restrictions	16,330,630	15,015,215
Without donor restrictions—noncontrolling interest	559,109	663,920
With donor restrictions	1,636,472	1,965,839
Total net assets	18,526,211	17,644,974
Total liabilities and net assets	\$ 26,559,358	\$ 26,252,137

See notes to consolidated financial statements.

Volunteers of America, Dakotas and Affiliates

Consolidated Statements of Activities Years Ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues from operations:						
Public support received directly:						
Contributions	\$ 382,239	\$ 301,468	\$ 683,707	\$ 363,435	\$ 1,328,268	\$ 1,691,703
Contributions, non-financial assets	743,633	-	743,633	334,401	-	334,401
Public support received—United Way	141,358	41,505	182,863	116,468	41,505	157,973
Total public support	1,267,230	342,973	1,610,203	814,304	1,369,773	2,184,077
Revenue and grants from governmental agencies	17,699,498	-	17,699,498	19,438,416	79,800	19,518,216
Other revenue:						
Program service fees	817,064	-	817,064	702,370	-	702,370
Rental income	283,893	-	283,893	277,771	-	277,771
Other operating revenue	177,757	-	177,757	140,179	-	140,179
Total other revenue	1,278,714	-	1,278,714	1,120,320	-	1,120,320
Total public support and revenue	20,245,442	342,973	20,588,415	21,373,040	1,449,573	22,822,613
Net assets released from restrictions	672,340	(672,340)	-	561,121	(561,121)	-
Total revenues from operations	20,917,782	(329,367)	20,588,415	21,934,161	888,452	22,822,613
Operating expenses:						
Encouraging positive development	1,597,677	-	1,597,677	2,315,186	-	2,315,186
Fostering independence	11,103,375	-	11,103,375	10,703,006	-	10,703,006
Promoting self-sufficiency	4,117,232	-	4,117,232	3,888,650	-	3,888,650
Total program services	16,818,284	-	16,818,284	16,906,842	-	16,906,842
Management and general	2,630,782	-	2,630,782	2,648,434	-	2,648,434
Fundraising	301,508	-	301,508	155,083	-	155,083
Charter services paid to national organization	387,132	-	387,132	397,398	-	397,398
Total supporting services	3,319,422	-	3,319,422	3,200,915	-	3,200,915
Total operating expenses	20,137,706	-	20,137,706	20,107,757	-	20,107,757
Excess (deficit) from operations	780,076	(329,367)	450,709	1,826,404	888,452	2,714,856
Nonoperating activity and other changes:						
Investment and interest income	181,023	-	181,023	65,849	13,650	79,499
Realized and unrealized (loss) gain on investments and perpetual trust	249,505	-	249,505	(324,657)	(144,933)	(469,590)
Total nonoperating activity and other changes	430,528	-	430,528	(258,808)	(131,283)	(390,091)
Change in net assets	1,210,604	(329,367)	881,237	1,567,596	757,169	2,324,765
Net assets, beginning of year	15,679,135	1,965,839	17,644,974	14,111,539	1,208,670	15,320,209
Net assets, end of year	\$ 16,889,739	\$ 1,636,472	\$ 18,526,211	\$ 15,679,135	\$ 1,965,839	\$ 17,644,974

See notes to consolidated financial statements.

Volunteers of America, Dakotas and Affiliates

Consolidated Statement of Functional Expenses Year Ended June 30, 2023

	Program Services				Supporting Activities			
	Encouraging Positive Development	Fostering Independence	Promoting Self-Sufficiency	Total	Management and General	Fundraising	Total	Total 2023
Salaries	\$ 809,145	\$ 7,058,571	\$ 1,960,008	\$ 9,827,724	\$ 1,612,401	\$ 163,309	\$ 1,775,710	\$ 11,603,434
Other employee benefits	83,790	683,221	226,047	993,058	137,113	22,414	159,527	1,152,585
Payroll taxes	60,572	518,372	143,817	722,761	116,824	10,290	127,114	849,875
Professional fees	144,251	481,951	365,222	991,424	235,128	52,001	287,129	1,278,553
Supplies and expenses	32,843	247,313	268,395	548,551	38,539	36,978	75,517	624,068
Telecommunications	8,372	47,039	16,689	72,100	8,574	5	8,579	80,679
Postage	115	1,772	30,287	32,174	4,101	312	4,413	36,587
Occupancy	113,530	856,741	337,142	1,307,413	106,798	2,944	109,742	1,417,155
Interest	3,862	74,386	19,248	97,496	28,440	38	28,478	125,974
Insurance	47,588	165,517	75,882	288,987	54,549	1,443	55,992	344,979
Equipment rental and maintenance	4,127	47,870	26,332	78,329	40,270	3,756	44,026	122,355
Printing and publications	13,877	65,181	8,786	87,844	63,470	1,963	65,433	153,277
Travel and transportation	31,524	104,889	18,186	154,599	41,674	2,329	44,003	198,602
Conferences and meetings	7,862	23,381	2,454	33,697	30,475	1,416	31,891	65,588
Specific assistance to individuals and programs	72,222	311,615	320,241	704,078	3,269	1	3,270	707,348
Other	3,340	26,913	77,524	107,777	17,490	2,021	19,511	127,288
Depreciation and amortization	160,657	388,643	220,972	770,272	91,667	288	91,955	862,227
Total functional expense	\$ 1,597,677	\$ 11,103,375	\$ 4,117,232	16,818,284	\$ 2,630,782	\$ 301,508	2,932,290	19,750,574
Charter services paid to national organization				-			387,132	387,132
Total expenses				\$ 16,818,284			\$ 3,319,422	\$ 20,137,706

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			
	Encouraging Positive Development	Fostering Independence	Promoting Self-Sufficiency	Total	Management and General	Fundraising	Total	Total 2022
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 Statements of Cash Flows Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 881,237	\$ 2,324,765
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	859,391	769,771
Impairment loss on property and equipment, Pettigrew Heights	67,850	64,163
Amortization, Pettigrew Heights	2,836	2,836
Change in provision for uncollectible pledges receivable	1,066	(14,341)
(Gain) Loss on investments	(233,561)	393,607
Change in beneficial interest in perpetual trust	(15,969)	75,838
(Loss) gain on sale of property and equipment	(1,387)	18,270
Receipt of donated inventory, property and equipment	(499,220)	(61,343)
Forgiveness of Paycheck Protection Program loan	-	(2,385,415)
Other changes in operating assets and liabilities:		
Receivables, including pledges	(237,907)	(387,668)
Prepaid expenses	10,772	(13,376)
Inventory	162,643	-
Pettigrew Heights—assets	(35,453)	(41,885)
Accounts payable	41,087	(37,845)
Deferred revenue	(891,072)	3,507,318
Operating leases	(14,785)	-
Accrued expenses and other liabilities	32,686	10,495
Pettigrew Heights—liabilities	(25,076)	(22,074)
Net cash provided by operating activities	105,138	4,203,116
Cash flows from investing activities:		
Purchase of investments	(1,186,246)	(2,220,345)
Proceeds from sale of investments	1,015,627	1,082,525
Proceeds from sale of property and equipment	421,609	11,220
Purchase of property and equipment	(1,993,246)	(1,031,438)
Net cash used in investing activities	(1,742,256)	(2,158,038)
Cash flows from financing activities:		
Contributions received restricted for long-term purposes, including pledges	254,671	273,609
Payments on long-term debt	(295,950)	(283,031)
Net cash used in financing activities	(41,279)	(9,422)
Net (decrease) increase in cash and cash equivalents	(1,678,397)	2,035,656
Cash and cash equivalents, beginning	8,553,469	6,517,813
Cash and cash equivalents, ending	\$ 6,875,072	\$ 8,553,469
Supplemental information:		
Disclosure of cash flow information:		
Cash paid during the year—interest	\$ 126,519	\$ 139,440
Schedule of noncash investing and financing activities:		
Property and equipment classified as assets held for sale	\$ 129,797	\$ -
Property and equipment purchases included in accounts payable	\$ 23,902	\$ 24,524
Operating cash outflow: Payments on leases	\$ 221,477	\$ -
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 84,061	\$ -
Right-of-use assets and operating lease liabilities from adoption of ASC <i>Topic 842, Leases</i>	\$ 757,411	\$ -

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 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 offered 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. During the year ended June 30, 2022, these programs were discontinued.

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

Promotion of health wellness was provided through Tobacco Prevention program, which included impaired driving prevention, and through engaging parents of teens focusing on communication of health-related matters. During the year ended June 30, 2022, this program was discontinued.

The Out-of-School Time programs offer targeted academic support at six Sioux Falls elementary schools through a partnership with the Sioux Falls School District Community Learning Center After School Program. The programs provide educational activities, homework help and tutoring, as well as recreational and social activities.

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.

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

Note 1. Organization (Continued)

Fostering independence: Volunteers of America fosters the health and independence of the elderly and persons with disabilities and mental illness through quality affordable housing, healthcare 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.

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 provided 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; this program was discontinued during the year ended June 30, 2022. HUD housing and 217 Studios offer housing for agency participants and members of the public.

Note 2. Significant Accounting Policies

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

Cash equivalents: Cash equivalents are highly liquid investments with a maturity of three months or less when purchased, unless held for reinvestment as part of the investment portfolio, pledged to secure loan agreements or otherwise restricted or designated.

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

Note 2. Significant Accounting Policies (Continued)

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

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. The trade receivables opening account balance net of allowance as of July 1, 2021 and 2022, was \$1,690,450 and \$1,637,951, respectively.

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 4.2% and 3.6% as of June 30, 2023 and 2022, 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.

For the years ending June 30, contributed nonfinancial assets recognized within the statement of activities included:

	2023	2022
Building	\$ 342,700	\$ -
Equipment	12,078	15,864
Services	99,240	122,956
Clothing, Household Goods & Supplies	225,888	167,001
Food	42,746	522
Furniture	5,089	20,866
Toys	15,892	7,192
	<u>\$ 743,633</u>	<u>\$ 334,401</u>

The Organization recognized contributed financial assets within revenue, including a contributed building, household goods, food, clothing, equipment, toys, furniture, services and supplies. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. Contributions subject to donor restrictions for which the restrictions are satisfied in the same year are reported as unrestricted.

The contributed building was sold, and the proceeds used for general operating purposes. In valuing the contributed building, the organization estimated the fair value based on a broker's price opinion that averaged the results from three approaches, including a cost analysis, a market comparison analysis and an income/capitalization approach.

The contributed equipment was used by the GreaterGoods program and was recorded at estimated fair value for similar equipment. During the years ended June 30, 2023 and 2022, \$108,596 and \$45,086, respectively, of the household goods, clothing, supplies, furniture, and toys were used by the GreaterGoods programs as goods that were or will be distributed to other non-profit agencies, similar to a thrift-store, and were valued at an amount equal to the admin fees that are charged to the non-profit agencies.

During the years ended June 30, 2023 and 2022, \$181,019 and \$150,495, respectively, of the contributed clothing, household goods, supplies, food, and toys were used by most of the programs across the agency for the participants that are served by the organization and were recorded at estimated fair value for similar goods.

Contributed services recognized include donated facilities for the homeless veteran's program and various professional services such as advertising, legal and video production services, which were utilized by several programs. The services are reported at the estimated fair value based on current rates for similar services.

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

Note 2. Significant Accounting Policies (Continued)

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) *Topic 842, 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. The transaction price is the amount of consideration in which the Organization expects to be entitled in exchange for transferring goods or services to the customer. 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:

	2023	2022
Period of performance:		
Daily	\$ 11,971,031	\$ 11,563,799
Within one month	3,843,132	3,375,031
	<u>\$ 15,814,163</u>	<u>\$ 14,938,830</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 statements of activities for the years ended June 30 are as follows:

	2023	2022
Agency With Choice	\$ 92,007	\$ 79,950
Axis 180	277,465	163,367
Childcare and Family Literacy Centers	-	184,117
Choices	11,358,128	10,478,607
Criminal Justice Initiative	317,580	321,459
Family Support Coordinators	586,614	529,832
Heisler Outpatient Services	372,703	308,197
GreaterGoods	96,874	-
LifeMarks	357,447	380,255
New Start	1,808,397	1,755,580
Prevention Resource Center	90,558	147,743
Tobacco Prevention	-	201,208
Vets-Berakhah	369,735	275,850
Out-of-School Time	86,655	112,665
	<u>\$ 15,814,163</u>	<u>\$ 14,938,830</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.

Operations: The Organization defines operations as all program and supporting service activities undertaken (see Note 1). Revenues that result from these activities, and their related expenses, are reported as revenue from operations. Revenues and expenses that result from disposing of property and equipment or other assets are also reported as operating. Revenues, expenses, and gains and losses that result from investing activities are reported as nonoperating.

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

Note 2. Significant Accounting Policies (Continued)

Income taxes: Under provision of section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the State of South Dakota, Volunteers of America, Dakotas and Volunteers of America, Dakotas Foundation, Inc. are exempt from income taxes, except for net income from unrelated business income, as subordinate units of Volunteers of America, Inc. Volunteers of America, Inc. and Volunteers of America, Dakotas Foundation, Inc. are exempt from federal income taxes under section 501(a) of the Internal Revenue Code as religious organizations described in section 501(c)(3). There were no material unrelated business activities in 2023 and 2022. Accordingly, no income tax expense was incurred during the years ended June 30, 2023 and 2022.

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 is no longer subject to U.S. federal income tax examinations beyond three years. The Organization has no federal or state examinations currently in process. 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 statements of activities. The statements of functional expenses present the natural classification detail of expense by function. Expenses that are directly related to programs, management and general, or fundraising 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 \$59,364 and \$18,106 for years ended June 30, 2023 and 2022, respectively.

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

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

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

Note 2. Significant Accounting Policies (Continued)

Risks and uncertainties: The Organization invests in various mutual funds that are invested in securities including government securities, corporate debt instruments, and corporate stocks. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. It is possible that the value of the Organization's investments has changed significantly since June 30, 2023.

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 2023 or 2022) as of and for the years ended June 30, 2023 and 2022, are as follows:

	2023		2022	
	Revenue	Accounts Receivable	Revenue	Accounts Receivable
Federal Agency 1	\$ 10,811,981	\$ 821,358	\$ 10,573,266	\$ 946,550

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)

Recently adopted accounting standard: In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The new lease standard increases transparency and comparability among Organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases.

The Organization adopted the requirements of the guidance effective July 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption, while continuing to present the comparative period in accordance with the guidance under the lease standard in effect during that period.

The Organization has elected to adopt the package of practical expedients available in the year of adoption. The Organization has not elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Organization's ROU assets.

The Organization determines if an arrangement is a lease at inception. Operating leases are included in ROU assets and lease liabilities in the statement of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

The Organization's lease agreements do not contain any residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, the Organization evaluates whether it has the right to control the use of an identified tangible asset for a period of time, and whether, throughout the period of use, it has both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. The Organization also considers if the lessor has substantive substitution rights. These assessments may require significant judgement.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the applicable lease term for computing the present value of all lease liabilities.

The Organization did not elect to apply the practical expedient under ASC 842 which allows a lessee to not separate lease components from non-lease components (such as common area maintenance and utilities) if such costs are fixed.

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

Note 2. Significant Accounting Policies (Continued)

The Organization made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or July 1, 2022, for existing leases upon the adoption of Topic 842).

The adoption of the new lease standard did not materially impact consolidated statements of activities or consolidated cash flows and did not result in a cumulative-effect adjustment to the opening balance of net assets.

Recent accounting pronouncement not yet adopted: 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. The Organization is currently evaluating the impact of the adoption of this standard on its financial statements.

Subsequent events: The Organization has evaluated subsequent events through November 22, 2023, the date the financial statements were available to be issued.

Note 3. Liquidity and Availability

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

	2023	2022
Cash and cash equivalents	\$ 6,875,072	\$ 8,553,469
Accounts receivable	1,623,133	1,386,665
Grants receivable	208,682	251,286
Pledges receivable	365,263	358,518
Total current financial assets	9,072,150	10,549,938
Less cash received subject to other donor restrictions	(317,102)	(439,601)
Less restricted pledges receivable	(324,933)	(323,989)
Financial assets available to meet current obligations over the next 12 months	<u>\$ 8,430,115</u>	<u>\$ 9,786,348</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses. As of June 30, 2023 and 2022, the Organization had current available financial assets on hand of approximately 159 and 185 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.

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

Note 4. Pledges Receivable

Pledges receivable at June 30, 2023 and 2022, are as follows:

	2023	2022
Within one year	\$ 422,297	\$ 389,207
One to five years	93,241	350,577
	515,538	739,784
Less allowance for uncollectible pledges	(65,349)	(60,604)
Less discount to present value on long-term pledges	(8,441)	(25,738)
Less current portion, net	(365,263)	(358,517)
Long-term pledges receivable, net	\$ 76,485	\$ 294,925

Note 5. Investments

As of June 30, 2023 and 2022, investments consisted of the following:

	2023		
	Cost	Fair Value	Unrealized (Depreciation) Appreciation
Corporate bonds	\$ 50,000	\$ 48,469	\$ (1,531)
Municipal bond	16,290	15,769	(521)
Money market funds	178,168	178,168	-
Mutual funds—equity	1,768,529	2,137,127	368,598
Mutual funds—bonds	960,026	880,386	(79,640)
	\$ 2,973,013	\$ 3,259,919	\$ 286,906

	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)
	\$ 2,824,590	\$ 2,855,739	\$ 31,149

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

Note 5. Investments (Continued)

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 \$14,755 and \$11,540 are netted against investment income for the years ended June 30, 2023 and 2022, 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 \$340,328 and \$324,359 at June 30, 2023 and 2022, respectively. Distributions received totaled \$18,765 and \$19,810 for the years ended June 30, 2023 and 2022, respectively.

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, 2023 and 2022, the balance of funds with the Foundation totaled \$1,688,970 and \$1,608,879, 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 \$65,938 and \$52,801 for the years ended June 30, 2023 and 2022, 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 statements of financial position 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 statements of financial position. The Organization had no liabilities required to be reported in the statements of financial position at fair value at June 30, 2023 or 2022.

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, 2023 and 2022, 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.

	2023		
	Level 1	Level 2	Level 3
Corporate bonds	\$ -	\$ 48,469	\$ -
Municipal bond	-	15,769	-
Money market funds	178,168	-	-
Mutual funds—equity	2,137,127	-	-
Mutual funds—bonds	880,386	-	-
Beneficial interest in perpetual trust	-	-	340,328
Total assets	<u>\$ 3,195,681</u>	<u>\$ 64,238</u>	<u>\$ 340,328</u>

	2022		
	Level 1	Level 2	Level 3
Corporate bonds	\$ -	\$ 99,254	\$ -
Municipal bond	-	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>

Note 9. Property and Equipment

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

	2023	2022
Land	\$ 1,642,999	\$ 1,444,757
Buildings and improvements	15,469,754	14,920,648
Office equipment	1,024,904	925,624
Furnishings	374,123	322,667
Vehicles	1,240,562	1,122,293
Construction in progress	87,763	-
	<u>19,840,105</u>	<u>18,735,989</u>
Less accumulated depreciation	<u>(7,929,317)</u>	<u>(7,882,380)</u>
	<u>\$ 11,910,788</u>	<u>\$ 10,853,609</u>

The Organization leases vehicles under various finance lease contracts with a cost of \$123,287 as of June 30, 2023 and 2022, and accumulated depreciation of \$114,137 and \$89,479 as of June 30, 2023 and 2022, 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)

During the year ended June 30, 2023, management committed to a plan to dispose of 407 N. Spring Sioux Falls location. As of June 30, 2023, the location and related assets had a cost of \$656,529, and accumulated depreciation of \$526,732. The building and related assets were listed with a real estate brokerage firm and were sold in August 2023, resulting an estimated gain on the sale of the assets of \$385,000.

Property and equipment for Pettigrew Heights consist of the following:

	2023	2022
Land and land improvements	\$ 203,971	\$ 203,971
Building and improvements	3,143,526	3,133,736
Furnishings	372,552	363,149
	<u>3,720,049</u>	<u>3,700,856</u>
Less accumulated depreciation	(2,699,210)	(2,536,696)
	<u>\$ 1,020,839</u>	<u>\$ 1,164,160</u>

Accumulated impairment of \$1,251,530 and \$1,183,680 has been recognized as of June 30, 2023 and 2022, respectively, and is included in accumulated depreciation for Pettigrew Heights above. Total impairment expense was \$67,850 and \$64,163 for the years ended June 30, 2023 and 2022, respectively, and is included in other operating revenue (loss) on the statements of activities as of June 30, 2023 and 2022.

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, 2023 and 2022, was \$2,836. These intangible assets include a net carrying amount of \$5,435 and \$8,271, respectively, and are included in other assets, Pettigrew Heights on the statements of financial position.

Note 11. Leases

The Organization leases several facilities, comprised of rental houses for residential participants, a center for homeless veterans and apartment units for use by homeless veterans. The noncancellable terms of the facility lease agreements are approximately 12 months and contain options to renew for additional periods. In the case of the rental houses and the veterans center, the Organization has a compelling economic incentive to renew for additional terms ranging from three to four years beyond the current noncancellable term.

In the normal course of business, unless the Organization has current plans to not renew a specific lease, it is generally expected that the Organization's leases will be renewed or replaced by similar leases. Additionally, the agreements generally require the Organization to pay real estate taxes, insurance and maintenance expenses related to the leases. Lease expense for operating leases for the year ended June 30, 2023, was \$397,180 and is included in occupancy expense on the consolidated statements of functional expenses.

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

Note 11. Leases (Continued)

The following tables provide quantitative information concerning the Organization's leases for the fiscal year ended June 30, 2023:

	2023
Operating lease cost	\$ 220,769
Short-term lease cost	203,501
Total lease cost	<u>\$ 424,270</u>

Other information:

Weighted-average remaining lease term	3.60
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Weighted-average discount rate	2.96%
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Minimum future maturities of operating lease payments are as follows:

Years ending June 30:	
2024	\$ 180,659
2025	142,280
2026	142,280
2027	103,833
Total lease payments	569,052
Less imputed interest	(28,645)
Present value of lease liability at June 30, 2023	540,407
Less current maturities	(167,354)
Operating lease maturities, net of current maturities	<u>\$ 373,053</u>

Minimum lease payments for leases as of June 30, 2022
were as follows:

Years ending June 30:	
2023	\$ 329,610
2024	5,738
	<u>\$ 335,348</u>

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.

During the year ended June 30, 2023, the Organization entered into a \$1,000,000 line of credit in place at Wells Fargo Bank, which matures on June 15, 2024. The line of credit incurs interest at a rate of 3.5% plus the Secured Overnight Financing Rate (SOFR). No amount is outstanding as of June 30, 2023. The line of credit is secured by substantially all assets of the Organization, excluding real estate. The line of credit includes covenants to maintain an annual debt service coverage ratio (as defined) of 1.15-to-1.0 and limits additional debt borrowings in any fiscal year to \$250,000.

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

Note 13. Long-Term Debt

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

	2023	2022
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)	\$ 1,022,033	\$ 1,174,586
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)	1,116,522	1,197,703
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)	498,551	534,952
Finance leases—five vehicle contracts, including interest of 2.87%, due on August 31, 2023 and March 31, 2024, secured by vehicles acquired	9,749	35,564
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
	3,062,431	3,358,381
	(292,375)	(295,968)
Less current maturities	\$ 2,770,056	\$ 3,062,413
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	\$ 30,800	\$ 54,800
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
	454,223	478,223
	(21,900)	(24,000)
Less current maturities	\$ 432,323	\$ 454,223

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

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

Years ending June 30:	
2024	\$ 292,375
2025	296,303
2026	310,328
2027	325,022
2028	628,205
Thereafter	1,210,198
	<u>\$ 3,062,431</u>

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

Note 13. Long-Term Debt (Continued)

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

Years ending June 30:	
2024	\$ 21,900
2025	8,900
2026	-
2027	-
2028	-
Thereafter	423,423
	<u>\$ 454,223</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 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 \$27,467 and \$35,556 for the years ended June 30, 2023 and 2022, 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 \$124,866 and \$120,494 for the years ended June 30, 2023 and 2022, respectively.

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 2.15% of annual revenues for 2023, and 2.20% of annual revenues for 2022, as defined in the agreement. Affiliate fees for the fiscal years ended June 30, 2023 and 2022, totaled \$387,132 and \$397,398, respectively. Amounts due to Volunteers of America, Inc. at June 30, 2023 and 2022, included in accounts payable, were \$39,280 and \$44,339, respectively, for affiliate fees.

Pledges receivable as of June 30, 2023 and 2022, include approximately \$65,000 and \$107,000, respectively, from employees and directors of the Organization.

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

Note 17. Net Assets With Donor Restrictions

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

	2023	2022
Time- and purpose-restricted:		
Program services with time restrictions—United Way	\$ 20,752	\$ 20,752
Restricted for HomePlace services	-	185,798
Other program service restrictions	149,332	406,169
Held in perpetuity:		
Foundation for Future Generations	1,099,120	1,001,820
Judy Dahmke Estate	26,940	26,940
William Alexander and Lida Alice Beach Memorial Trust	340,328	324,359
Total	<u>\$ 1,636,472</u>	<u>\$ 1,965,838</u>

Net assets of \$41,505 and \$128,114 were released from time restrictions during the years ended June 30, 2023 and 2022, respectively. Net assets of \$630,835 and \$433,007 were released based upon program service restrictions during the years ended June 30, 2023 and 2022, respectively.

Revenue has not yet been recognized related to conditional non-exchange grant transactions in the amount of approximately \$7,100,000 and \$5,400,000 as of June 30, 2023 and 2022, respectively, due to barriers of providing a specified service or incurring expenses not being met by the Organization. In addition, revenue has not yet been recognized for childcare expansion and startup grant funds of \$264,367 and \$0 as of June 30, 2023 and 2022, respectively, due to conditions related to the funding that represent a barrier and include a right of return.

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, 2021	\$ 14,111,539	\$ 13,356,870	\$ 754,669
Excess (deficit) from operations	1,826,404	1,917,153	(90,749)
Nonoperating activity	(258,808)	(258,808)	-
Balance, June 30, 2022	15,679,135	15,015,215	663,920
Excess (deficit) from operations	780,076	884,887	(104,811)
Nonoperating activity	430,528	430,528	-
Balance, June 30, 2023	<u>\$ 16,889,739</u>	<u>\$ 16,330,630</u>	<u>\$ 559,109</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 of directors approved spending percentage was to not exceed 5% for the fiscal years ended June 30, 2023 and 2022.

Volunteers of America, Dakotas and Affiliates

Notes to Consolidated Financial Statements

Note 19. Endowment Funds (Continued)

Endowment net assets as of June 30, 2023, 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	\$ -	\$ 340,328	\$ 340,328
Other	-	863,977	863,977
Board-designated endowment funds	2,395,942	-	2,395,942
	<u>\$ 2,395,942</u>	<u>\$ 1,204,305</u>	<u>\$ 3,600,247</u>

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>

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, 2023:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 2,308,386	\$ 871,712	\$ 3,180,098
Investment return:			
Investment income	47,247	13,376	60,623
Realized and unrealized loss on investments, net	182,199	51,362	233,561
Adjustments to fair value of perpetual trust	-	15,969	15,969
Total investment return	229,446	80,707	310,153
Increases (decreases) to endowment funds	(141,890)	251,886	109,996
Endowment net assets, end of year	<u>\$ 2,395,942</u>	<u>\$ 1,204,305</u>	<u>\$ 3,600,247</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, 2022:

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

Volunteers of America, Dakotas and Affiliates

Consolidating Statement of Financial Position June 30, 2023

	Volunteers of America, Dakotas	Volunteers of America, Dakotas Foundation, Inc.	Pettigrew Heights	Elimination Entries	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 6,845,773	\$ 29,299	\$ -	\$ -	\$ 6,875,072
Accounts and grants receivable, net	3,083,345	1,211	-	(1,252,741)	1,831,815
Pledges receivable, net	128,999	236,264	-	-	365,263
Prepaid expenses	70,770	-	-	-	70,770
Inventory	37,090	-	-	-	37,090
Assets held-for-sale	-	129,797	-	-	129,797
Total current assets	10,165,977	396,571	-	(1,252,741)	9,309,807
Property and equipment, net	11,935,509	-	-	(24,721)	11,910,788
Other assets:					
Long-term pledges receivable, net	47,630	28,855	-	-	76,485
Investments	65,972	3,259,919	-	(65,972)	3,259,919
Beneficial interest in perpetual trust	-	340,328	-	-	340,328
Right-of-use operating lease assets	555,192	-	-	-	555,192
Pettigrew Heights, including property and equipment	(1,251,530)	-	2,358,369	-	1,106,839
Total other assets	(582,736)	3,629,102	2,358,369	(65,972)	5,338,763
Total assets	\$ 21,518,750	\$ 4,025,673	\$ 2,358,369	\$ (1,343,434)	\$ 26,559,358
Liabilities and Net Assets					
Current liabilities:					
Accounts payable	\$ 419,252	\$ -	\$ -	\$ -	\$ 419,252
Current portion of long-term debt	292,375	-	-	-	292,375
Deferred revenue	2,617,940	-	-	-	2,617,940
Current portion of operating lease liabilities	167,354	-	-	-	167,354
Accrued expenses and other liabilities	912,570	-	-	(1,211)	911,359
Total current liabilities	4,409,491	-	-	(1,211)	4,408,280
Other liabilities:					
Long-term debt, less current portion	2,736,403	33,653	-	-	2,770,056
Operating lease liabilities, less current portion	373,053	-	-	-	373,053
Pettigrew Heights, including debt	-	-	1,733,288	(1,251,530)	481,758
Total other liabilities	3,109,456	33,653	1,733,288	(1,251,530)	3,624,867
Total liabilities	7,518,947	33,653	1,733,288	(1,252,741)	8,033,147
Net assets:					
Without donor restrictions	13,829,719	2,525,632	65,972	(90,693)	16,330,630
Without donor restrictions— noncontrolling interest	-	-	559,109	-	559,109
With donor restrictions	170,084	1,466,388	-	-	1,636,472
Total net assets	13,999,803	3,992,020	625,081	(90,693)	18,526,211
Total liabilities and net assets	\$ 21,518,750	\$ 4,025,673	\$ 2,358,369	\$ (1,343,434)	\$ 26,559,358

Volunteers of America, Dakotas and Affiliates

Consolidating Statement of Activities Year Ended June 30, 2023

	Volunteers of America, Dakotas	Volunteers of America, Dakotas Foundation, Inc.	Pettigrew Heights	Elimination Entries	Total
Revenues from operations:					
Contributions	\$ 736,678	\$ 48,919	\$ -	\$ (101,890)	\$ 683,707
Contributions, non-financial assets	743,633	-	-	-	743,633
Public support received—United Way	182,863	-	-	-	182,863
Total public support	1,663,174	48,919	-	(101,890)	1,610,203
Revenue and grants from governmental agencies	17,699,498	-	-	-	17,699,498
Other revenue:					
Program service fees	817,064	-	-	-	817,064
Rental income	42,397	-	241,496	-	283,893
Other operating revenue	165,061	-	12,696	-	177,757
Total other revenue	1,024,522	-	254,192	-	1,278,714
Total revenues from operations	20,387,194	48,919	254,192	(101,890)	20,588,415
Operating expenses:					
Encouraging positive development	1,597,677	-	-	-	1,597,677
Fostering independence	10,744,363	-	359,012	-	11,103,375
Promoting self-sufficiency	4,117,232	-	-	-	4,117,232
Total program services	16,459,272	-	359,012	-	16,818,284
Management and general	2,604,275	128,397	-	(101,890)	2,630,782
Fundraising	301,508	-	-	-	301,508
Charter services paid to national organization	387,132	-	-	-	387,132
Total supporting services	3,292,915	128,397	-	(101,890)	3,319,422
Total operating expenses	19,752,187	128,397	359,012	(101,890)	20,137,706
Excess (deficit) from operations	635,007	(79,478)	(104,820)	-	450,709
Nonoperating activity and other changes:					
Investment and interest income	120,400	60,623	-	-	181,023
Realized and unrealized (loss) gain on investments and perpetual trust	(34)	249,530	-	9	249,505
Total nonoperating activity and other changes	120,366	310,153	-	9	430,528
Change in net assets	755,373	230,675	(104,820)	9	881,237
Net assets, beginning of year	13,244,430	3,761,345	729,901	(90,702)	17,644,974
Net assets, end of year	\$ 13,999,803	\$ 3,992,020	\$ 625,081	\$ (90,693)	\$ 18,526,211

Volunteers of America, Dakotas and Affiliates

Consolidating Statement of Functional Expenses—Encouraging Positive Development Year Ended June 30, 2023 With Summary Totals for 2022

	Encouraging Positive Development					
	Look Up and Hope	Independent Living Preparation Program	Camp POSTCARD	Out-of-School Time	Total	
Salaries	\$ 20,157	\$ 290,933	\$ 27,361	\$ 470,694	\$ 809,145	
Other employee benefits	3,384	30,728	4,837	44,841	83,790	
Payroll taxes	1,405	21,750	1,929	35,488	60,572	
Professional fees	1,385	71,274	27,370	44,222	144,251	
Supplies and expenses	6	7,472	8,066	17,299	32,843	
Telecommunications	397	4,038	-	3,937	8,372	
Postage	19	70	26	-	115	
Occupancy	700	64,139	34,485	14,206	113,530	
Interest	160	23	-	3,679	3,862	
Insurance	568	26,556	765	19,699	47,588	
Equipment rental and maintenance	5	1,778	210	2,134	4,127	
Printing and publications	-	845	10,047	2,985	13,877	
Travel and transportation	1	7,151	5,344	19,028	31,524	
Conferences and meetings	-	364	4,138	3,360	7,862	
Specific assistance to individuals and programs	4,874	27,612	13,242	26,494	72,222	
Other	207	794	43	2,296	3,340	
Depreciation and amortization	663	104,576	-	55,418	160,657	
Total for 2023	\$ 33,931	\$ 660,103	\$ 137,863	\$ 765,780	\$ 1,597,677	
Total for 2022	\$ 53,795	\$ 636,002	\$ 99,782	\$ 911,400	1,700,979	
Programs ended in 2022:						
Childcare and Family Literacy Centers					420,409	
Tobacco Prevention					193,798	
Total for 2022				\$	2,315,186	

Volunteers of America, Dakotas and Affiliates

Consolidating Statement of Functional Expenses—Fostering Independence Year Ended June 30, 2023 With Summary Totals for 2022

	Disabilities Services		Mental Health		Pettigrew	
	Choices	Family Support			Heights	Total
	Program	Coordinators	LifeMarks			
Salaries	\$ 6,408,230	\$ 261,500	\$ 336,223	\$ 52,618	\$ 7,058,571	
Other employee benefits	617,077	28,125	31,917	6,102	683,221	
Payroll taxes	471,777	18,648	24,701	3,246	518,372	
Professional fees	269,950	12,651	156,370	42,980	481,951	
Supplies and expenses	238,123	487	2,864	5,839	247,313	
Telecommunications	38,343	2,410	3,864	2,422	47,039	
Postage	890	739	143	-	1,772	
Occupancy	707,670	1,018	27,500	120,553	856,741	
Interest	63,698	576	10,112	-	74,386	
Insurance	137,867	3,405	8,376	15,869	165,517	
Equipment rental and maintenance	39,022	90	8,639	119	47,870	
Printing and publications	63,389	-	1,373	419	65,181	
Travel and transportation	97,594	2,396	3,358	1,541	104,889	
Conferences and meetings	17,277	625	4,795	684	23,381	
Specific assistance to individuals and programs	46,065	261,067	400	4,083	311,615	
Other	20,240	350	1,285	5,038	26,913	
Depreciation and amortization	244,135	2,113	44,896	97,499	388,643	
Total for 2023	\$ 9,481,347	\$ 596,200	\$ 666,816	\$ 359,012	\$ 11,103,375	
Total for 2022	\$ 9,241,818	\$ 543,321	\$ 579,198	\$ 338,669	\$ 10,703,006	

Volunteers of America, Dakotas and Affiliates

Consolidating Statement of Functional Expenses—Promoting Self-Sufficiency Year Ended June 30, 2023 With Summary Totals for 2022

	Community Enhancement		Substance Abuse			Homeless and Housing Services				
	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	VA Contracted Supportive Services	Total
Salaries	\$ 59,746	\$ 120,450	\$ 173,693	\$ 914,014	\$ 210,257	\$ 84,469	\$ 46,249	\$ 157,347	\$ 193,783	\$ 1,960,008
Other employee benefits	1,254	16,261	26,328	87,633	36,872	7,707	7,539	18,732	23,721	226,047
Payroll taxes	4,706	8,329	12,787	67,825	14,684	6,068	3,179	11,497	14,742	143,817
Professional fees	65,720	6,026	8,117	187,398	13,259	6,740	58,636	8,115	11,211	365,222
Supplies and expenses	10,528	118,625	1,915	113,365	6,899	314	799	1,451	14,499	268,395
Telecommunications	319	-	774	5,909	1,808	1,211	427	4,870	1,371	16,689
Postage	326	29,171	533	197	-	-	60	-	-	30,287
Occupancy	4,434	26,038	7,876	105,335	12,614	7,996	24,755	30,026	118,068	337,142
Interest	2,017	-	4,897	4,480	7,854	-	-	-	-	19,248
Insurance	3,862	10,392	3,986	35,981	5,675	3,198	6,059	4,125	2,604	75,882
Equipment rental and maintenance	140	10,589	1,792	7,887	617	53	1,011	1,557	2,686	26,332
Printing and publications	379	318	152	2,263	38	35	-	5,301	300	8,786
Travel and transportation	3,052	5,158	15	3,497	59	928	726	4,635	116	18,186
Conferences and meetings	510	40	1,200	704	-	-	-	-	-	2,454
Specific assistance to individuals and programs	-	1,354	-	14,253	1,937	232,399	28,323	38,273	3,702	320,241
Other	313	2,591	530	2,728	633	80	69,483	655	511	77,524
Depreciation and amortization	6,039	40,152	18,001	119,541	26,690	280	5,859	2,185	2,225	220,972
Total for 2023	\$ 163,345	\$ 395,494	\$ 262,596	\$ 1,673,010	\$ 339,896	\$ 351,478	\$ 253,105	\$ 288,769	\$ 389,539	\$ 4,117,232
Total for 2022	\$ 145,868	\$ 66,773	\$ 276,128	\$ 1,932,807	\$ 344,743	\$ 285,992	\$ 149,700	\$ 294,595	\$ 369,565	3,866,171
Programs ended in 2022:										
Sioux Falls Outreach Services										22,479
Total for 2022										\$ 3,888,650

*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, 2023

Revised on 06/15/2023 EXPENSES and UNITS	Support Services				DHS 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
	Total	Adjustments	Admin and Support	Fund Raising								
Account Number and Title												
1000 PERSONNEL SERVICES:												
1010 Administrative	\$1,052,339		\$453,721	\$51,655	\$486,963	\$110,434	\$36,741	\$13,462	\$13,462	\$13,462	\$6,272	\$6,272
1020 Professional/Program Staff	\$8,956,703				\$8,956,703	\$2,584,995	\$406,500	\$306,042	\$305,663	\$166,847	\$7,461	\$11,723
1040 Support Staff	\$1,541,774		\$1,128,682	\$51,655	\$331,437	\$71,865	\$20,150	\$1,177	\$1,959			
1050 Client Wages	\$0				\$0							
TOTAL PERSONNEL SERVICES	\$11,550,816	\$0	\$1,612,403	\$163,310	\$9,775,103	\$17,422	\$2,767,294	\$463,391	\$320,681	\$321,084	\$180,309	\$13,733
1100 PERSONNEL BENEFITS AND TAXES:												
1110 Retirement Plans	\$124,868		\$26,801	\$2,900	\$95,167	\$0	\$27,607	\$4,623	\$3,199	\$3,203	\$1,799	\$137
1120 Insurance Benefits	\$802,080		\$99,777	\$18,171	\$684,732	\$0	\$196,507	\$31,231	\$21,613	\$21,640	\$12,162	\$926
1130 Other Benefits	\$88,991		\$7,770	\$1,155	\$80,066	\$0	\$17,996	\$3,013	\$2,085	\$2,088	\$1,173	\$89
1140 FICA Taxes	\$938,908		\$116,150	\$10,220	\$712,536	\$1,218	\$203,988	\$34,158	\$23,639	\$23,668	\$13,291	\$1,012
1150 Unemployment Insurance	\$7,719		\$675	\$70	\$6,974	\$108	\$2,002	\$335	\$232	\$130	\$10	\$13
1160 Worker's Comp. Insurance	\$117,584		\$2,810	\$188	\$114,586	\$1,161	\$34,988	\$5,859	\$4,054	\$4,060	\$2,280	\$174
1170 Prof. Liability Insurance	\$78,038		\$12,478	\$1,262	\$64,298	\$360	\$14,315	\$2,397	\$1,659	\$1,661	\$933	\$71
1190 Other	\$12,964		\$555		\$12,409	\$0	\$433	\$72	\$50	\$50	\$28	\$2
TOTAL PERSONNEL BENEFITS AND TAXES	\$2,071,150	\$0	\$266,416	\$33,966	\$1,770,768	\$2,847	\$487,836	\$81,688	\$56,531	\$56,602	\$31,786	\$2,421
1200 PROF FEES & CONTRACT SVCS:												
1210 Administrative/Financial	\$1,326,276	\$59,344	\$257,845	\$53,417	\$955,670	\$7,054	\$171,500	\$28,719	\$19,875	\$19,899	\$11,174	\$851
1220 Habilitation/Rehabilitation	\$25,029				\$25,029		\$9,306	\$1,558	\$1,078	\$1,080	\$606	\$46
1230 Medical	\$0				\$0							\$61
1231 Other Medical (Dental, Dietary, OT, PT, Optometric, Pharmacy, Speech Pathology and Audiology)	\$0				\$0							
1237 Physician/Nursing Services	\$0				\$0							
1238 Psychiatric Services	\$71,718				\$71,718							
1290 Other	\$0				\$0							
TOTAL PROF FEES & CONTRACT SVCS	\$1,423,023	\$59,344	\$257,845	\$53,417	\$1,062,417	\$7,054	\$180,806	\$30,277	\$20,953	\$20,979	\$11,780	\$897
1300 TRAVEL/TRANSPORTATION:												
1390 Other	\$297,161		\$56,668	\$2,330	\$238,163		\$73,066	\$12,235	\$8,467	\$8,478	\$4,761	\$363
TOTAL TRAVEL/TRANSPORTATION	\$297,161	\$0	\$56,668	\$2,330	\$238,163	\$0	\$73,066	\$12,235	\$8,467	\$8,478	\$4,761	\$363
1400 SUPPLIES:												
1440 Food	\$315,712	\$66,766			\$248,946							
1490 Other	\$239,918		\$23,048	\$14,330	\$202,540		\$36,361	\$6,089	\$4,214	\$4,219	\$2,369	\$180
TOTAL SUPPLIES	\$555,630	\$66,766	\$23,048	\$14,330	\$451,486	\$0	\$36,361	\$6,089	\$4,214	\$4,219	\$2,369	\$180
1500 OCCUPANCY:												
1510 Rent of Space	\$397,180		\$1,088	\$2,800	\$393,292		\$61,732	\$92,467	\$9,473	\$7,743	\$4,602	\$306
1520 Utilities & Telephone	\$443,784		\$42,644	\$58	\$401,082		\$43,249	\$30,829	\$7,634	\$5,673	\$3,473	\$215
1590 Other	\$719,967		\$11,149	\$309	\$698,208	\$37	\$55,085	\$23,717	\$14,332	\$2,250	\$5,939	\$323
TOTAL OCCUPANCY:	\$1,560,931	\$0	\$154,881	\$3,167	\$1,402,583	\$37	\$170,066	\$147,006	\$31,438	\$22,666	\$14,014	\$844
1600 EQUIPMENT:												
1600 Equipment	\$100,663		\$36,727	\$2	\$63,934		\$16,339	\$2,736	\$1,893	\$1,065	\$81	\$106
1700 DEPRECIATION:												
1710 Building	\$495,909		\$66,150	\$100	\$429,659		\$31,628	\$5,296	\$3,665	\$3,670	\$2,061	\$157
1720 Equipment	\$268,819		\$25,516	\$188	\$243,115		\$37,788	\$6,328	\$4,379	\$4,384	\$2,462	\$188
TOTAL DEPRECIATION	\$764,728	\$0	\$91,666	\$288	\$672,774	\$0	\$69,416	\$11,624	\$8,044	\$8,054	\$4,523	\$345
1800 MISCELLANEOUS:												
1810 Clothing	\$136				\$136							
1860 Bad Debt	\$0				\$0							
1890 Other	\$1,428,249	\$436,749	\$396,107	\$816	\$594,577		\$2,671	\$447	\$310	\$310	\$174	\$13
TOTAL MISCELLANEOUS	\$1,428,249	\$436,749	\$396,107	\$816	\$594,713	\$0	\$2,671	\$447	\$310	\$310	\$174	\$13
Expenditure Subtotal	\$19,752,187	\$562,859	\$2,895,761	\$271,626	\$16,021,941	\$27,360	\$3,803,855	\$755,495	\$452,532	\$444,288	\$250,781	\$18,877
Admin. and Support Allocation	\$0		\$2,895,761	\$48,274	\$2,847,467	\$4,863	\$676,037	\$134,270	\$80,426	\$78,961	\$44,570	\$3,355
TOTAL EXPENDITURES	\$19,752,187	\$562,859	\$0	\$319,900	\$18,869,428	\$32,223	\$4,479,892	\$889,765	\$532,958	\$523,249	\$295,351	\$22,232

Volunteers of America, Dakotas and Affiliates

Department of Human Services and Department of Social Services, Schedule A—Expenses (Continued) Year Ended June 30, 2023

Revised on 06/15/2023 EXPENSES and UNITS											Division of Behavioral Health, Alcohol		
	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	C.JI - CBISA Group	C.JI - CBISA Individual	C.JI - MRT Group
				Group Rate ITS1	Group Rate ITS2	Group Rate Penn 1	Group Rate Penn 2						
Account Number and Title													
1000 PERSONNEL SERVICES:													
1010 Administrative	\$5,272		\$17,949	\$19,946	\$19,946	\$19,039	\$26,596	\$3,567		\$7,359	\$7,611	\$4,006	\$7,410
1020 Professional/Program Staff	\$2,255		\$76,711	\$456,945	\$483,229	\$312,520	\$746,182	\$201,993	\$52,998	\$281,539	\$99,188	\$2,225	\$68,496
1040 Support Staff	\$29,109		\$3,124	\$8,487	\$7,646	\$12,812	\$11,535	\$454		\$5,257	\$13,435	\$515	\$8,449
1050 Client Wages													
TOTAL PERSONNEL SERVICES	\$37,636	\$0	\$97,784	\$485,378	\$510,821	\$344,371	\$784,313	\$206,014	\$52,998	\$294,155	\$120,234	\$6,746	\$84,355
1100 PERSONNEL BENEFITS AND TAXES:													
1110 Retirement Plans	\$375		\$976	\$4,665	\$4,904	\$2,646	\$10,137	\$3,090	\$0	\$2,308	\$1,532	\$86	\$1,075
1120 Insurance Benefits	\$2,537		\$6,590	\$29,914	\$36,783	\$22,173	\$43,504	\$22,211	\$0	\$22,726	\$14,000	\$786	\$9,823
1130 Other Benefits	\$245		\$636	\$4,592	\$3,013	\$4,653	\$7,959	\$1,747	\$321	\$3,111	\$1,623	\$91	\$1,138
1140 FICA Taxes	\$2,774		\$7,208	\$36,020	\$36,059	\$25,042	\$57,952	\$14,438	\$4,005	\$21,522	\$9,226	\$492	\$5,772
1150 Unemployment Insurance	\$27		\$71	\$311	\$308	\$171	\$437	\$111	\$94	\$225	\$70	\$4	\$49
1180 Workers Comp. Insurance	\$476		\$1,236	\$7,317	\$7,722	\$5,545	\$12,503	\$218	\$538	\$2,384	\$990	\$56	\$694
1170 Prof. Liability Insurance	\$195		\$506	\$2,464	\$2,154	\$2,650	\$3,770	\$2,065	\$501	\$2,164	\$976	\$55	\$685
1190 Other	\$6		\$15	\$0	\$0	\$0	\$0	\$0	\$0	\$200	\$2,688	\$151	\$1,886
TOTAL PERSONNEL BENEFITS AND TAXES	\$6,635	\$0	\$17,238	\$85,283	\$90,943	\$62,880	\$136,322	\$43,880	\$5,460	\$54,643	\$30,105	\$1,691	\$21,122
1200 PROF FEES & CONTRACT SVCS:													
1210 Administrative/Financial	\$2,331		\$6,059	\$18,305	\$15,286	\$10,227	\$16,209	\$7,542	\$5,733	\$69,684	\$7,512	\$422	\$5,271
1220 Habilitation/Rehabilitation	\$127		\$329	\$861	\$861	\$1,031	\$1,085			\$2,800			
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	\$2,458	\$0	\$6,388	\$19,166	\$16,147	\$13,118	\$19,154	\$7,542	\$5,733	\$72,484	\$7,512	\$422	\$5,271
1300 TRAVEL/TRANSPORTATION:													
1390 Other	\$994		\$2,582	\$8,398	\$8,355	\$11,575	\$11,391	\$2,604		\$8,959	\$66	\$4	\$46
TOTAL TRAVEL/TRANSPORTATION	\$994	\$0	\$2,582	\$8,398	\$8,355	\$11,575	\$11,391	\$2,604	\$0	\$8,959	\$66	\$4	\$46
1400 SUPPLIES:													
1440 Food	\$108,131			\$11,015	\$10,780	\$9,499	\$16,654			\$178			
1490 Other	\$495		\$1,285	\$5,655	\$5,963	\$4,098	\$4,435	\$889		\$4,934	\$4,190	\$235	\$2,940
TOTAL SUPPLIES	\$108,626	\$0	\$1,285	\$16,670	\$16,743	\$13,597	\$21,089	\$889	\$0	\$5,112	\$4,190	\$235	\$2,940
1500 OCCUPANCY:													
1510 Rent of Space	\$840	\$84,009	\$2,181	\$10,828	\$11,395	\$7,682	\$37,346	\$0		\$0	\$0	\$0	\$0
1520 Utilities & Telephone	\$588	\$75,126	\$1,528	\$12,276	\$12,718	\$11,897	\$20,582	\$2,861		\$32,695	\$4,318	\$242	\$3,029
1590 Other	\$885	\$106,081	\$2,300	\$19,810	\$20,328	\$19,643	\$21,925	\$1,760	\$40	\$58,787	\$10,475	\$588	\$7,349
TOTAL OCCUPANCY:	\$2,313	\$265,216	\$6,009	\$42,914	\$44,441	\$39,222	\$79,853	\$4,621	\$40	\$91,482	\$14,793	\$830	\$10,378
1600 EQUIPMENT:													
1700 DEPRECIATION:	\$222		\$577	\$2,293	\$2,204	\$3,295	\$538	\$86		\$837	\$45	\$3	\$32
1710 Building	\$430	\$67,569	\$1,118	\$14,667	\$14,874	\$10,512	\$9,167	\$1,567		\$87,449	\$12,004	\$573	\$8,422
1720 Equipment	\$514		\$1,335	\$4,589	\$4,761	\$6,072	\$6,072	\$486	\$55	\$17,125	\$3,076	\$173	\$2,158
TOTAL DEPRECIATION	\$944	\$67,569	\$2,453	\$19,256	\$19,635	\$16,584	\$15,239	\$2,053	\$58	\$104,577	\$15,080	\$846	\$10,580
1800 MISCELLANEOUS:													
1810 Clothing													
1860 Bad Debt													
1890 Other	\$36		\$94	\$25	\$25	\$99	\$344	\$260,436	\$630	\$4,942			
TOTAL MISCELLANEOUS	\$36	\$0	\$94	\$25	\$25	\$99	\$344	\$260,436	\$630	\$4,942	\$0	\$0	\$0
Expenditure Subtotal	\$159,864	\$332,785	\$134,410	\$679,383	\$709,314	\$504,741	\$1,098,243	\$528,125	\$64,919	\$637,191	\$192,025	\$10,777	\$134,724
Admin. and Support Allocation	\$28,412	\$59,144	\$23,888	\$120,743	\$126,062	\$89,705	\$189,853	\$93,861	\$11,535	\$113,244	\$34,127	\$1,915	\$23,944
TOTAL EXPENDITURES	\$188,276	\$391,929	\$158,298	\$800,126	\$835,376	\$594,446	\$1,258,096	\$621,986	\$76,457	\$750,435	\$226,152	\$12,692	\$158,668

Volunteers of America, Dakotas and Affiliates

Department of Human Services and Department of Social Services, Schedule A—Expenses (Continued)
Year Ended June 30, 2023

Revised on 06/15/2023 EXPENSES and UNITS	I/Drug (Substance Use Disorder)											Other Services (Expenditures not related to the Departments of Social
	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											Other -CTC	
1000 PERSONNEL SERVICES:												
1010 Administrative	\$1,001	\$1,485	\$5,039	\$18,980	\$18,960	\$9,480	\$8,000	\$6,010	\$527	\$3,486		\$75,300
1020 Professional/Program Staff	\$336	\$64,070	\$167,367	\$95,028	\$66,994	\$409,119	\$111,379	\$21,326	\$12,549	\$34,761	\$7,839	\$1,384,999
1040 Support Staff	\$128	\$5,500	\$2,319	\$10,185	\$4,621	\$35,114	\$13,077	\$13,075	\$76	\$104	\$13	\$51,251
1050 Client Services												
TOTAL PERSONNEL SERVICES	\$1,467	\$71,055	\$165,625	\$124,173	\$90,575	\$453,713	\$139,465	\$40,411	\$13,152	\$38,351	\$7,852	\$1,511,550
1100 PERSONNEL BENEFITS AND TAXES:												
1110 Retirement Plans	\$18	\$582	\$1,357	\$1,017	\$742	\$3,716	\$989	\$306	\$95	\$279	\$58	\$13,466
1120 Insurance Benefits	\$171	\$4,736	\$11,040	\$8,277	\$6,037	\$30,242	\$13,892	\$4,303	\$137	\$399	\$82	\$119,087
1130 Other Benefits	\$20	\$546	\$1,274	\$955	\$696	\$3,489	\$1,752	\$543	\$31	\$90	\$18	\$14,932
1140 FICA Taxes	\$100	\$5,260	\$12,261	\$9,192	\$6,705	\$33,587	\$9,667	\$2,994	\$1,034	\$3,015	\$617	\$106,293
1150 Unemployment Insurance	\$1	\$64	\$150	\$112	\$82	\$411	\$98	\$30	\$9	\$25	\$5	\$1,044
1160 Worker's Comp. Insurance	\$12	\$827	\$1,928	\$1,445	\$1,054	\$5,282	\$1,347	\$417	\$15	\$43	\$9	\$9,724
1170 Prof. Liability Insurance	\$12	\$594	\$1,385	\$1,039	\$758	\$3,795	\$1,139	\$353	\$444	\$1,293	\$265	\$13,547
1190 Other	\$32	\$188	\$438	\$328	\$239	\$1,198	\$2,122	\$657	\$0	\$0	\$0	\$1,623
TOTAL PERSONNEL BENEFITS AND TAXES	\$366	\$12,797	\$29,833	\$22,365	\$16,313	\$81,720	\$31,006	\$9,603	\$1,765	\$5,144	\$1,054	\$279,716
1200 PROF FEES & CONTRACT SVCS:												
1210 Administrative/Financial	\$92	\$14,615	\$34,085	\$25,540	\$18,628	\$93,317	\$7,229	\$2,240	\$14,675	\$42,792	\$8,761	\$268,949
1220 Habilitation/Rehabilitation		\$330	\$769	\$576	\$420	\$2,105						\$0
1230 Medical												
1231 Other Medical (Dental, Dietary, OT, PT, Optometric, Pharmacy, Speech Pathology and Audiology)												
1237 Physician/Nursing Services												
1238 Psychiatric Services												\$67,898
1290 Other												
TOTAL PROF FEES & CONTRACT SVCS	\$92	\$14,945	\$34,854	\$26,116	\$19,048	\$95,422	\$7,229	\$2,240	\$14,675	\$42,792	\$8,761	\$336,947
1300 TRAVEL/TRANSPORTATION:												
1390 Other	\$1	\$1,025	\$2,390	\$1,792	\$1,308	\$6,548	\$23	\$7	\$858	\$2,504	\$512	\$58,376
TOTAL TRAVEL/TRANSPORTATION	\$1	\$1,025	\$2,390	\$1,792	\$1,308	\$6,548	\$23	\$7	\$858	\$2,504	\$512	\$58,376
1400 SUPPLIES:												
1440 Food		\$10,108	\$0			\$64,540						\$18,041
1490 Other	\$52	\$3,198	\$7,454	\$5,588	\$4,076	\$20,421	\$1,995	\$617	\$2,424	\$7,068	\$1,448	\$59,412
TOTAL SUPPLIES	\$52	\$13,306	\$7,454	\$5,588	\$4,076	\$84,961	\$1,995	\$617	\$2,424	\$7,068	\$1,448	\$77,453
1500 OCCUPANCY:												
1510 Rent of Space	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$62,287
1520 Utilities & Telephone	\$53	\$4,472	\$6,163	\$4,621	\$3,371	\$28,555	\$3,363	\$1,042	\$402	\$1,173	\$240	\$78,413
1590 Other	\$128	\$8,336	\$11,488	\$8,613	\$6,282	\$53,226	\$8,879	\$2,750	\$1,329	\$3,876	\$793	\$113,437
TOTAL OCCUPANCY:	\$181	\$12,808	\$17,651	\$13,234	\$9,653	\$81,781	\$12,242	\$3,792	\$1,731	\$5,049	\$1,033	\$254,137
1600 EQUIPMENT:		\$462	\$637	\$478	\$349	\$2,953	\$1,235	\$382	\$22	\$65	\$13	\$23,090
1700 DEPRECIATION:												
1710 Building	\$146	\$5,015	\$6,911	\$5,181	\$3,779	\$32,021	\$10,171	\$3,151	\$1,215	\$3,544	\$726	\$82,664
1720 Equipment	\$38	\$6,316	\$8,704	\$6,526	\$4,760	\$40,328	\$3,572	\$1,107	\$123	\$358	\$73	\$69,013
TOTAL DEPRECIATION	\$184	\$11,331	\$15,615	\$11,707	\$8,539	\$72,349	\$13,743	\$4,258	\$1,338	\$3,902	\$799	\$151,677
1800 MISCELLANEOUS:												
1810 Clothing		\$11	\$25	\$19	\$14	\$57						
1860 Bad Debt												
1890 Other	\$262	\$610	\$466	\$334	\$1,668	\$1,668			\$11	\$34	\$7	\$320,622
TOTAL MISCELLANEOUS	\$0	\$273	\$635	\$472	\$348	\$1,735	\$0	\$0	\$11	\$34	\$7	\$320,622
Expenditure Subtotal	\$2,343	\$138,002	\$274,674	\$209,928	\$150,209	\$881,182	\$197,938	\$81,310	\$35,976	\$104,909	\$21,479	\$3,913,588
Admin. and Support Allocation	\$416	\$24,526	\$48,816	\$36,598	\$26,696	\$156,607	\$35,178	\$10,896	\$6,394	\$18,645	\$3,817	\$535,584
TOTAL EXPENDITURES	\$2,759	\$162,528	\$323,490	\$246,526	\$176,905	\$1,037,789	\$233,116	\$72,206	\$42,370	\$123,554	\$25,296	\$3,549,152

Volunteers of America, Dakotas and Affiliates

**Department of Human Services and Department of Social Services, Notes to Schedule A
Year Ended June 30, 2023**

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 and fund raising events
1890	Adjustment -Donated goods and services, staff and board recognition
D56	Admin and support costs are allocated based on each column's total expenditures as a percentage of the total program and fundraising expenditures

Volunteers of America, Dakotas and Affiliates

Department of Human Services and Department of Social Services, Schedule B—Revenue Year Ended June 30, 2023

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 (DSS, DHS, DOC)	\$10,811,981				\$10,811,981		\$4,097,053	\$1,230,832	\$199,252	\$9,110	\$545,294	\$107,846	\$17,819
2025 Title VII, Ch 1 Part B	\$100,465				\$100,465								
2030 Title VII, Ch 1 Part C	\$0				\$0								
2045 SD Department of Education	\$237,486				\$237,486		\$109,023	\$32,753	\$5,302	\$243	\$14,510	\$2,870	\$474
2050 Dept of Corrections (Non Title XIX)	\$42,307				\$42,307								
2055 Client Pay (Fee for Service)	\$405,567		\$4,001		\$401,567	\$61,767	\$35,621	\$10,702	\$1,733	\$79	\$4,741	\$936	\$155
2060 Insurance	\$0				\$0								
2065 Other States	\$0				\$0								
2070 Room and Board	\$453,892				\$453,892								
2075 Bureau of Indian Affairs	\$0				\$0								
2080 Department of Human Services (Non Title XIX)	\$429,393				\$429,393								
2085 Department of Social Services (Non Title XIX)	\$1,947,119				\$1,947,119								
2090 Other-Specify on Notes and Comments: (e.g. Other Federal Funds, County Funds, Unified Judicial System)	\$643,516				\$643,516						\$129,676		
TOTAL FEES	\$15,071,727	\$0	\$4,001	\$0	\$15,067,726	\$61,767	\$4,306,794	\$1,307,886	\$223,923	\$23,620	\$702,885	\$113,368	\$18,731
2100 GRANTS (Foundations, corporations or Trusts)					\$0								
2110 Grants (Used for Capital Expenditures)	\$0				\$0								
2120 Grants (Used for Non-Capital Expenditures)	\$2,161,000				\$2,161,000								
2100 TOTAL GRANTS	\$2,161,000	\$0	\$0	\$0	\$2,161,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2200 CONTRIBUTIONS (Donation, In Kind, Fund Raising)					\$0								
2210 Contributions (Used for Capital Expenditures)	-\$7,240				-\$7,240								
2220 Contributions (Used for Non-Capital Expenditures)	\$1,670,415	\$743,634	\$917		\$346,686								
2200 TOTAL CONTRIBUTIONS	\$1,663,175	\$743,634	\$917	\$339,446	\$579,178	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2300 OTHER INCOME:					\$0								
2310 Commodities, Food Stamps, National School Lunch	\$141,673				\$141,673								
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	\$120,366		\$120,347		\$19								
2380 County Per Capita	\$0				\$0								
2390 Other-Specify:	\$1,349,619		\$32,060		\$1,317,559	\$36	\$483,415	\$145,227	\$23,509	\$1,075	\$64,340	\$12,725	\$2,103
TOTAL OTHER INCOME	\$1,611,658	\$0	\$152,407	\$0	\$1,459,251	\$36	\$483,415	\$145,227	\$23,509	\$1,075	\$64,340	\$12,725	\$2,103
TOTAL REVENUES	\$20,507,560	\$743,634	\$157,325	\$339,446	\$19,267,155	\$61,805	\$4,790,209	\$1,453,113	\$247,432	\$24,695	\$767,225	\$126,093	\$20,834

Volunteers of America, Dakotas and Affiliates

Department of Human Services and Department of Social Services, Schedule B—Revenue
Year Ended June 30, 2023

REVENUES													
											Division of Behavioral Health, Alcoholism and Substance Abuse		
	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 (DSS, DHS, DOC)				\$753,822	\$696,839	\$593,836	\$1,378,084	\$351,210	\$56,372		\$22,759	\$3,879	\$0
2025 Title VII, Ch 1 Part B													
2030 Title VII, Ch 1 Part C													
2045 SD Department of Education			\$63,479			\$8,832							
2050 Dept of Corrections (Non Title XIX)										\$42,307			
2055 Client Pay (Fee for Service)			-\$865	\$8,076	\$9,108	\$6,608	\$8,674	-\$982	-\$60	-\$9,447	-\$1,861	\$171	-\$877
2060 Insurance													
2065 Other States													
2070 Room and Board	\$19,566	\$391,929											
2075 Bureau of Indian Affairs													
2080 Department of Human Services (Non Title XIX)			\$35,154					\$217,329	\$35,635	\$94			
2085 Department of Social Services (Non Title XIX)										\$278,470	\$146,602	\$9,551	\$100,446
2090 Other-Specify on Notes and Comments: (e.g. Other Federal Funds, County Funds, Unified Judicial System)											\$4,681	\$769	\$4,722
TOTAL FEES	\$19,566	\$391,929	\$97,768	\$761,898	\$705,947	\$609,276	\$1,386,758	\$567,557	\$91,947	\$311,424	\$172,181	\$14,028	\$104,291
2100 GRANTS (Foundations, corporations or Trusts)													
2110 Grants (Used for Capital Expenditures)													
2120 Grants (Used for Non-Capital Expenditures)										\$238,702			
2100 TOTAL GRANTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$238,702	\$0	\$0	\$0
2200 CONTRIBUTIONS (Donation, In Kind, Fund Raising)													
2210 Contributions (Used for Capital Expenditures)													
2220 Contributions (Used for Non-Capital Expenditures)										\$212,148			
2200 TOTAL CONTRIBUTIONS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$212,148	\$0	\$0	\$0
2300 OTHER INCOME:													
2310 Commodities, Food Stamps, National School Lunch	\$77,369												
2340 FMHA Rent Subsidy													
2347 Section 8 Rental Assistance													
2350 Transportation													
2360 Production/Farm Revenue													
2370 Investment Income/Interest													
2380 County Per Capita													
2390 Other-Specify:	\$17,927		\$10,340	\$86,325	\$69,299	\$46,539	\$102,695	\$18,093		\$4,980	\$12,383	\$1,009	\$7,501
TOTAL OTHER INCOME	\$95,296	\$0	\$10,340	\$86,325	\$69,299	\$46,539	\$102,695	\$18,093	\$0	\$4,980	\$12,383	\$1,009	\$7,501
TOTAL REVENUES	\$114,862	\$391,929	\$108,108	\$848,223	\$775,246	\$655,815	\$1,489,453	\$585,650	\$91,947	\$767,254	\$184,564	\$15,037	\$111,792

Volunteers of America, Dakotas and Affiliates

Department of Human Services and Department of Social Services, Schedule B—Revenue
Year Ended June 30, 2023

REVENUES	Other Services													
	Behavioral Health, Alcohol/Drug (Substance Use Disorder)													
	CJI - CBISA Individual	CJI - MRT Group	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													Other -CTC	
2000 FEES:														
2020 Title XIX (DSS, DHS, DOC)	\$3,879	\$0	\$0	\$0	\$191,464	\$254,888	\$70,484	\$0	\$33,271	\$27,848				\$170,019
2025 Title VII, Ch 1 Part B									\$532	\$0				\$99,933
2030 Title VII, Ch 1 Part C														\$0
2045 SD Department of Education														\$0
2050 Dept of Corrections (Non Title XIX)														\$0
2055 Client Pay (Fee for Service)	-\$171	-\$877	-\$30	-\$177	-\$873	-\$1,122	-\$312	-\$4,055	\$66,137	\$14,869	\$28,742		\$0	\$164,449
2060 Insurance														\$0
2065 Other States														\$0
2070 Room and Board														\$42,397
2075 Bureau of Indian Affairs														\$0
2080 Department of Human Services (Non Title XIX)														\$0
2085 Department of Social Services (Non Title XIX)	\$9,551	\$100,446	\$2,468	\$46,061	\$34,653	\$35,632	\$10,224	\$1,050,347	\$107,984	\$62,888	\$7,068	\$48,578	\$6,147	\$0
2090 Other-Specify on Notes and Comments: (e.g. Other Federal Funds, County Funds, Unified Judicial System)	\$769	\$4,722	\$0						\$35,442	\$4,086				\$464,140
TOTAL FEES	\$14,028	\$104,291	\$2,438	\$45,884	\$225,244	\$289,398	\$80,396	\$1,046,292	\$243,366	\$109,691	\$35,810	\$48,578	\$6,147	\$940,938
2100 GRANTS (Foundations, corporations or Trusts)														
2110 Grants (Used for Capital Expenditures)														
2120 Grants (Used for Non-Capital Expenditures)				\$20,370	\$61,015	\$144,561	\$86,454	\$130,070						\$1,479,828
2100 TOTAL GRANTS	\$0	\$0	\$0	\$20,370	\$61,015	\$144,561	\$86,454	\$130,070	\$0	\$0	\$0	\$0	\$0	\$1,479,828
2200 CONTRIBUTIONS (Donation, In Kind, Fund Raising)														
2210 Contributions (Used for Capital Expenditures)														
2220 Contributions (Used for Non-Capital Expenditures)				\$22	\$109	\$140	\$39	\$505	\$499	\$221				\$365,495
2200 TOTAL CONTRIBUTIONS	\$0	\$0	\$0	\$22	\$109	\$140	\$39	\$505	\$499	\$221	\$0	\$0	\$0	\$365,495
2300 OTHER INCOME:														
2310 Commodities, Food Stamps, National School Lunch				\$8,617	\$0			\$55,026						\$661
2340 FMHA Rent Subsidy														\$0
2341 Section 8 Rental Assistance														\$0
2350 Transportation														\$0
2360 Production/Farm Revenue														\$0
2370 Investment Income/Interest														\$19
2380 County Per Capita														\$0
2390 Other-Specify:	\$1,009	\$7,501	\$175	\$2,896	\$14,217	\$18,266	\$5,074	\$66,038	\$9,266	\$4,094				\$88,010
TOTAL OTHER INCOME	\$1,009	\$7,501	\$175	\$11,513	\$14,217	\$18,266	\$5,074	\$121,064	\$9,266	\$4,094	\$0	\$0	\$0	\$88,690
TOTAL REVENUES	\$15,037	\$111,792	\$2,613	\$77,789	\$300,585	\$452,365	\$171,963	\$1,297,931	\$253,131	\$114,006	\$35,810	\$48,578	\$6,147	\$2,874,951

Volunteers of America, Dakotas and Affiliates

**Department of Human Services and Department of Social Services, Notes to Schedule B
Year Ended June 30, 2023**

Notes to REVENUE	
Row/Column/Cell Reference	Notes/Comments
2090	Dept of Health, UJS, City, federal, other fees
2220	Adjustment - Donated goods and services
2390	American Rescue Plan Act (ARPA) Medicaid funding of approximately \$1,185,000, property mgmt fee, miscellaneous income, gain on vehicle and building sale

Volunteers of America, Dakotas and Affiliates

Schedule of Expenditures of Federal Awards Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Department of Agriculture:				
Direct:				
SNAP Cluster: Supplemental Nutrition Assistance Program	10.551	-	\$ -	\$ 141,013
Passed through the South Dakota Department of Education:				
Child and Adult Care Food Program (Note 3)	10.558	4933600	-	661
			-	141,674
Department of Labor:				
Direct:				
Veteran's Employment and Training Service—Homeless Veterans' Reintegration Project	17.805	-	-	219,230
Department of Veterans Affairs:				
Direct:				
VA Homeless Providers Grant and Per Diem Program (Note 3)	64.024	-	-	455,568
Department of Education:				
Passed through the South Dakota Department of Education:				
Twenty-First Century Community Learning Centers	84.287	S287C220042	-	506,653
Department of Health and Human Services:				
Direct:				
Enhance Safety of Children Affected by Substance Abuse	93.087	-	-	442,470
Substance Abuse and Mental Health Services—Projects of				
Regional and National Significance	93.243	-	-	279,023
Transitional Living for Homeless Youth	93.550	-	-	238,702
			-	960,195
Total expenditures of federal awards			\$ -	\$ 2,283,320

Volunteers of America, Dakotas and Affiliates

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2023

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, 2023. 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, 2023, 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 (collectively, the financial statements), and have issued our report thereon dated November 22, 2023.

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 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 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 22, 2023

**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
Report on Compliance for Each Major Federal Program

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, 2023. 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, 2023.

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 VS LLP

Sioux Falls, South Dakota
November 22, 2023

Volunteers of America, Dakotas and Affiliates

Schedule of Findings and Questioned Costs Year Ended June 30, 2023

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, 2023

Section II—FINDINGS FOR FINANCIAL STATEMENT AUDIT

No matters were reported.

Section III—FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARD PROGRAMS AUDIT

No matters were reported.

Volunteers of America, Dakotas and Affiliates

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023**

There were no findings for the year ended June 30, 2022.