

**VOLUNTEERS OF AMERICA
WESTERN WASHINGTON
AND SUBSIDIARY**

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

JUNE 30, 2015

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Volunteers of America Western Washington and Subsidiary
Everett, Washington

We have audited the accompanying consolidated financial statements of Volunteers of America Western Washington and Subsidiary ("the Organization"), which comprise the consolidated statements of financial position as of June 30, 2015 and 2014, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Other Matter - Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards (for 2015), is presented for purposes of additional analysis and as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The accompanying schedule of non-federal governmental awards on pages 40 and 41 is also presented for this purpose of additional analysis and is also 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. In our opinion, the schedule of expenditures of federal awards and the schedule of non-federal governmental awards are 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 December 15, 2015, 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 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 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.

Peterson Sulli LLP.

December 15, 2015

**VOLUNTEERS OF AMERICA WESTERN WASHINGTON
AND SUBSIDIARY**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2015 and 2014

ASSETS	2015	2014
Current Assets		
Cash and cash equivalents	\$ 698,298	\$ 301,043
Accounts receivable, net	1,106,257	1,972,907
Pledges receivable - current	384,323	87,500
Prepaid expenses	290,925	363,975
Property held for sale	499,000	499,000
Notes receivable - current		383,058
Other current assets	45,236	54,553
Total current assets	3,024,039	3,662,036
Property and Equipment		
Land	3,646,915	3,646,915
Buildings and improvements	6,871,919	6,859,908
Furnishings and equipment	1,412,343	1,412,343
Construction in progress	32,978	
Accumulated depreciation	(5,364,847)	(4,988,698)
Total property and equipment	6,599,308	6,930,468
Other Assets		
Designated/restricted assets	2,358,986	2,814,387
Pledges receivable - long-term	9,047	82,500
Other long-term assets	74,492	75,888
Total other assets	2,442,525	2,972,775
Total assets	\$ 12,065,872	\$ 13,565,279
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 432,518	\$ 322,144
Accrued payroll expenses	1,099,933	1,200,606
Accrued post-retirement benefits	92,982	
Current portion of notes and loans payable	430,851	79,725
Refundable advance	54,706	42,200
Other current liabilities	161,705	241,930
Total current liabilities	2,272,695	1,886,605
Line of Credit		530,000
Accrued post-retirement benefits, less current portion		219,186
Notes and Loans Payable, less current portion	5,001,554	5,585,451
Total liabilities	7,274,249	8,221,242
Net Assets		
Unrestricted	3,130,356	4,056,463
Temporarily restricted	932,877	557,788
Permanently restricted	728,390	729,786
Total net assets	4,791,623	5,344,037
Total liabilities and net assets	\$ 12,065,872	\$ 13,565,279

See Notes to Consolidated Financial Statements

**VOLUNTEERS OF AMERICA WESTERN WASHINGTON
AND SUBSIDIARY**

CONSOLIDATED STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2015 and 2014

	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public Support and Revenue from Operations								
Public support received directly								
Contributions	\$ 271,590	\$ 874,244	\$ -	\$ 1,145,834	\$ 306,925	\$ 1,071,521	\$ -	\$ 1,378,446
In-kind contributions of food	3,609,546			3,609,546	4,317,603			4,317,603
In-kind contributions of rent	10,000	36,190		46,190				
Public support received indirectly								
United Way	6,687	663,689		670,376	9,538	319,546		329,084
Volunteers of America, Inc.		7,616		7,616				
Total public support	3,897,823	1,581,739		5,479,562	4,634,066	1,391,067		6,025,133
Revenue and grants from governmental agencies	14,702,186			14,702,186	13,290,873			13,290,873
Other revenue								
Program service fees	883,583			883,583	971,826			971,826
Rental income	167,952			167,952	164,064			164,064
Other operating income	19,089			19,089	14,037			14,037
Total other revenue	1,070,624			1,070,624	1,149,927			1,149,927
Net Assets Released from Restrictions								
Released from time restrictions	9,048	(9,048)			124,640	(124,640)		
Released from purpose restrictions	1,325,351	(1,325,351)			1,713,194	(1,713,194)		
Total net assets released from restrictions	1,334,399	(1,334,399)			1,837,834	(1,837,834)		
Total public support and revenue from operations	21,005,032	247,340		21,252,372	20,912,700	(446,767)		20,465,933

See Notes to Consolidated Financial Statements

**VOLUNTEERS OF AMERICA WESTERN WASHINGTON
AND SUBSIDIARY**

CONSOLIDATED STATEMENTS OF ACTIVITIES
(Continued)
For the Years Ended June 30, 2015 and 2014

	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Total Public Support and Revenue from Operations (carried forward)	\$ 21,005,032	\$ 247,340	\$ -	\$ 21,252,372	\$ 20,912,700	\$ (446,767)	\$ -	\$ 20,465,933
Expenses								
Program services								
Encouraging Positive Development	1,406,443			1,406,443	1,333,517			1,333,517
Fostering Independence	9,742,081			9,742,081	10,238,607			10,238,607
Promoting Self-Sufficiency	7,514,211			7,514,211	8,122,192			8,122,192
Total program services	18,662,735			18,662,735	19,694,316			19,694,316
Supporting services								
Management and general	2,498,357			2,498,357	3,003,783			3,003,783
Fundraising	454,006			454,006	585,165			585,165
Total supporting services	2,952,363			2,952,363	3,588,948			3,588,948
Affiliate fees	327,334			327,334	364,629			364,629
Total expenses	21,942,432			21,942,432	23,647,893			23,647,893
Change in Net Assets from Operations	(937,400)	247,340		(690,060)	(2,735,193)	(446,767)		(3,181,960)
Non-operating Gains (Losses)								
Interest and dividend income	52,578	9,225		61,803	67,205	9,018		76,223
Gains (losses) on investments	(17,873)	(1,476)		(19,349)	156,303	50,437		206,740
Loss on property and equipment					(38,964)			(38,964)
Other non-operating gains (losses)	(4,620)		(1,396)	(6,016)	162,879		(1,326)	161,553
Contributions restricted for capital campaign		120,000		120,000				
Capital campaign expenses	(18,792)			(18,792)				
Change in Net Assets from Non-Operating Activities	11,293	127,749	(1,396)	137,646	347,423	59,455	(1,326)	405,552
Total Change in Net Assets	(926,107)	375,089	(1,396)	(552,414)	(2,387,770)	(387,312)	(1,326)	(2,776,408)
Net Assets, beginning of year	4,056,463	557,788	729,786	5,344,037	6,444,233	945,100	731,112	8,120,445
Net Assets, end of year	\$ 3,130,356	\$ 932,877	\$ 728,390	\$ 4,791,623	\$ 4,056,463	\$ 557,788	\$ 729,786	\$ 5,344,037

See Notes to Consolidated Financial Statements

**VOLUNTEERS OF AMERICA WESTERN WASHINGTON
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CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2015

	Program Services				Supporting Services			Total
	Encouraging Positive Development	Fostering Independence	Promoting Self-Sufficiency	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and wages	\$ 932,731	\$ 7,048,343	\$ 1,845,777	\$ 9,826,851	\$ 1,325,306	\$ 118,618	\$ 1,443,924	\$ 11,270,775
Payroll taxes	82,586	936,801	170,018	1,189,405	182,790	8,608	191,398	1,380,803
Employee benefits	58,455	654,603	186,849	899,907	138,494	18,138	156,632	1,056,539
Total payroll expenses	1,073,772	8,639,747	2,202,644	11,916,163	1,646,590	145,364	1,791,954	13,708,117
Specific assistance to individuals	9,459	156,588	4,417,220	4,583,267				4,583,267
Professional fees	18,578	223,763	136,144	378,485	227,738	266,460	494,198	872,683
Occupancy	69,738	179,998	239,927	489,663	121,377	10,084	131,461	621,124
Telecommunications	41,932	203,709	146,568	392,209	63,426	6,671	70,097	462,306
Depreciation and amortization	15,999	65,591	136,191	217,781	155,873	2,493	158,366	376,147
Travel and transportation	16,469	161,035	97,996	275,500	40,475	3,592	44,067	319,567
Supplies	123,931	68,291	39,089	231,311	24,304	987	25,291	256,602
Interest	6,230	12,640	51,927	70,797	88,436		88,436	159,233
Equipment rental and maintenance	11,461	14,193	23,770	49,424	8,598	860	9,458	58,882
Accounting fees					47,452		47,452	47,452
Conferences and meetings	18,256	6,801	6,830	31,887	6,084	6,100	12,184	44,071
Printing and publications	586	4,884	11,385	16,855	2,613	7,600	10,213	27,068
Postage	32	1,662	4,520	6,214	16,508	972	17,480	23,694
Legal fees					23,086		23,086	23,086
Insurance		2,218		2,218	15,845		15,845	18,063
Other		961		961	9,952	2,823	12,775	13,736
Total functional expenses	\$ 1,406,443	\$ 9,742,081	\$ 7,514,211	\$ 18,662,735	\$ 2,498,357	\$ 454,006	\$ 2,952,363	21,615,098
Affiliate fees								327,334
Total expenses								\$ 21,942,432

See Notes to Consolidated Financial Statements

**VOLUNTEERS OF AMERICA WESTERN WASHINGTON
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CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2014

	Program Services				Supporting Services			Total
	Encouraging Positive Development	Fostering Independence	Promoting Self- Sufficiency	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and wages	\$ 842,717	\$ 7,484,896	\$ 1,706,455	\$ 10,034,068	\$ 1,471,484	\$ 148,928	\$ 1,620,412	\$ 11,654,480
Payroll taxes	92,100	961,319	157,223	1,210,642	135,820	20,989	156,809	1,367,451
Employee benefits	74,216	562,402	170,401	807,019	269,777	17,652	287,429	1,094,448
Total payroll expenses	1,009,033	9,008,617	2,034,079	12,051,729	1,877,081	187,569	2,064,650	14,116,379
Specific assistance to individuals	15,438	349,724	5,333,142	5,698,304				5,698,304
Professional fees	19,684	60,450	32,590	112,724	190,460	336,591	527,051	639,775
Occupancy	79,220	198,693	239,413	517,326	174,055	13,658	187,713	705,039
Telecommunications	45,623	245,482	131,192	422,297	156,119	8,089	164,208	586,505
Depreciation and amortization	36,987	40,499	86,977	164,463	273,184	2,347	275,531	439,994
Travel and transportation	23,728	192,084	97,444	313,256	38,400	4,216	42,616	355,872
Supplies	64,744	74,026	56,964	195,734	36,696	1,784	38,480	234,214
Interest	395	16,378	57,255	74,028	61,647	18,393	80,040	154,068
Equipment rental and maintenance	8,156	15,311	21,928	45,395	21,296	2,034	23,330	68,725
Accounting fees					52,592		52,592	52,592
Conferences and meetings	18,976	8,141	2,281	29,398	10,512	2,337	12,849	42,247
Printing and publications	1,152	10,155	9,388	20,695	2,271	7,100	9,371	30,066
Postage	790	2,507	8,091	11,388	15,393	694	16,087	27,475
Legal fees					79,571		79,571	79,571
Insurance	6,110	7,463	5,913	19,486	14,506	353	14,859	34,345
Other	3,481	9,077	5,535	18,093				18,093
Total functional expenses	\$ 1,333,517	\$ 10,238,607	\$ 8,122,192	\$ 19,694,316	\$ 3,003,783	\$ 585,165	\$ 3,588,948	23,283,264
Affiliate fees								364,629
Total expenses								\$ 23,647,893

See Notes to Consolidated Financial Statements

**VOLUNTEERS OF AMERICA WESTERN WASHINGTON
AND SUBSIDIARY**

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2015 and 2014

	2015	2014
Cash Flows from Operating Activities		
Change in net assets	\$ (552,414)	\$ (2,776,408)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	376,147	439,994
Loss on property and equipment		38,964
Loss (gain) on investments	19,349	(206,740)
Contributions restricted for purchase of long-term assets	(120,000)	
Changes in operating assets and liabilities		
Accounts receivable	866,650	(344,846)
Pledges receivable	(223,370)	305,196
Prepaid expenses	73,050	(63,405)
Other current assets	10,713	(12,879)
Accounts payable	110,374	140,799
Accrued payroll expenses	(100,673)	414,134
Refundable advance	12,506	(103,194)
Accrued post-retirement benefit costs	(126,204)	(21,170)
Other current liabilities	(80,225)	78,351
Net cash flows from operating activities	265,903	(2,111,204)
Cash Flows from Investing Activities		
Collections on notes receivable	383,058	165,276
Proceeds from sales of investments and designated/restricted assets	952,307	208,082
Purchases of investments and designated/restricted assets	(516,255)	
Purchases of property and equipment	(44,987)	(28,603)
Net cash flows from investing activities	774,123	344,755
Cash Flows from Financing Activities		
Proceeds (payments) on line of credit	(530,000)	530,000
Principal payments on notes and loans payable	(232,771)	(77,161)
Contributions received for long-term asset purchases	120,000	
Net cash flows from financing activities	(642,771)	452,839
Net change in cash and cash equivalents	397,255	(1,313,610)
Cash and cash equivalents, beginning of year	301,043	1,614,653
Cash and cash equivalents, end of year	\$ 698,298	\$ 301,043
Supplemental disclosure of cash flow information		
Interest paid on a cash basis	\$ 159,233	\$ 154,068

See Notes to Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization

The consolidated financial statements for Volunteers of America Western Washington include Volunteers of America Western Washington and its Subsidiary, VOA Property Corporation of NWW, which collectively are referred to as "the Organization." Volunteers of America Western Washington is a non-profit spiritually-based human services organization, incorporated in Washington, that provides social services within Western Washington under a charter from Volunteers of America, Inc., a national non-profit spiritually-based organization providing local human service programs, and opportunities for individual and community involvement. VOA Property Corporation of NWW is a non-profit organization, incorporated in Washington, that holds property for use by Volunteers of America Western Washington.

The staff and volunteers of the Organization reach, uplift, and empower those we serve. Services from any of the Organization's programs have a lasting impact on the individual, family, the community, and future generations. People get the help they need as well as the support and resources to help themselves into the future.

Our programs and services create a comprehensive framework that:

- Encourages positive development
- Fosters independence, and
- Promotes self-sufficiency

Encouraging Positive Development

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

Our programs and services in this impact area include:

- **Children and Youth**
 - **Early Childhood Education and Assistance Program (ECEAP)** (Everett, Granite Falls, Gold Bar and Sultan, Snohomish County) – Free preschool for qualifying families, including a large percentage with English as a Second Language. Kids from low-income families get the opportunity to start kindergarten at the same level of development as their more affluent peers.
 - **Rural Youth Development** (East Snohomish County) – Programs and activities that support child and youth development and safe environments in Sultan and other communities to the east.
 - **Supporting Parenting Teen School Success** (Granite Falls, Snohomish County) – Child care offered in the Granite Falls alternative high school to remove the barrier of child care for teen parents striving to complete their high school education.

- **Crisis Intervention Around Challenging Youth Behaviors** (Snohomish County) – Support for families, ECEAP teachers, child care providers, and the children they care for around challenging youth behaviors. This support increases child development by addressing adverse behaviors that impact children, the adults in their lives, and their classmates.
- **Community Enhancement**
 - **Sky Valley Family Resource Center** (East Snohomish County) – Integrated neighborhood service center that brings together youth programs (including a partnership with the Sultan Boys & Girls Club), hunger prevention, homeless programs, mental health counseling (partnership with Sunrise Services), senior center meals and events, and other services.
 - **North Sound 2-1-1** (Skagit, Island, San Juan, Whatcom, and Snohomish Counties) – Comprehensive information and referral connecting individuals with health and human service resource information 24/7.
 - **Care Crisis Response Services** (Skagit, Island, San Juan, Whatcom, and Snohomish Counties) – Crisis line for the greater community, and triage line for emergency service professionals, providing 24/7 access to crisis intervention and mental health emergency services.

Fostering Independence

The Organization fosters the health and independence of the elderly and persons with disabilities, mental illness, and HIV/AIDS through quality affordable housing, health care services, and a wide range of community services.

Our programs and services in this impact area include:

- **Community Enhancement**
 - **North Sound 2-1-1** (Skagit, Island, San Juan, Whatcom, and Snohomish Counties) – Comprehensive information and referral connecting individuals with health and human service resource information 24/7.
- **Disabilities Services**
 - **Accessible Recreational Travel** (greater community) – Escorted recreational trips for adults with developmental disabilities who enjoy the social interaction and excitement of "real" vacations at interesting locations. This service decreases isolation, improves socialization skills, and promotes positive community acceptance of people with disabilities.
 - **Disability Services** (King, Skagit, Snohomish, and Whatcom Counties) – Supported living program for adults with developmental disabilities emphasizing self-determination, dignity, and the development of independent living skills.
- **Senior Services**
 - **Sultan Senior Center** (Snohomish County) – Program provides activities and meals for seniors in Skykomish Valley (East Snohomish County). The program gives seniors multiple opportunities to gather each week and also encourages seniors to get out of the house and look after each other.

Promoting Self-sufficiency

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

Our programs and services in this impact area include:

- **Community Enhancement**

- **North Sound 2-1-1** (Skagit, Island, San Juan, Whatcom, and Snohomish Counties) – Comprehensive information and referral connecting individuals with health and human service resource information.
- **Dispute Resolution Center of Snohomish, Skagit, and Island Counties** – Nationally acclaimed conflict resolution training and mediation services for issues related to landlord/tenant, home and family, school, courts, and the workplace.
- **Sky Valley Family Resource Center** (Snohomish County) – Integrated neighborhood service center that brings together youth programs (including a partnership with the Sultan Boys & Girls Club), hunger prevention, homeless programs, mental health counseling (partnership with Sunrise Services), and senior center meals and events, this family support center reaches out to all community members, particularly youth, seniors, people with disabilities, and homeless and low-income families in the Skykomish Valley. Events, programs, basic needs services such as housing and clothing, and educational opportunities are provided to strengthen individuals and families resulting in a healthier, safer, more inclusive community.
- **Reduced Isolation for Sky Valley Seniors** (Snohomish County) - Sultan Senior Center enhances independence by providing affordable meals for seniors, group activities, and a sense of community.

- **Emergency Services**

- **Care Crisis Response Services** (Skagit, Island, San Juan, Whatcom, and Snohomish Counties) – Crisis line for the greater community, and triage line for emergency service professionals, providing 24/7 access to crisis intervention and mental health emergency services.
- **Food Banks** (located in Everett, Mill Creek and Sultan in Snohomish County, and North Seattle in King County) – Supplemental food supply for those in need throughout the areas served.
- **Snohomish County Food Bank Distribution Center** – Distribution center feeds those that are hungry in their own neighborhoods by receiving, processing, and distributing more than 3 million pounds of food annually to 21 community food banks and numerous local feeding programs. It also coordinates monthly home deliveries of fresh produce to seniors.
- **Homeless Services** (Snohomish County) – Homeless families and individuals work with navigators to improve self-sufficiency when housing options are not available. Families and individuals who are at risk of losing their apartments or homes work with prevention navigators who explore mediation/conciliation and/or rent subsidy to ensure they retain their shelter. The agency also provides supportive services for families in permanent housing.

- **Employment and Training Services**

- **Dispute Resolution Center of Snohomish, Skagit, and Island Counties** – Nationally acclaimed conflict resolution training and mediation services for issues related to landlord/tenant, home and family, school, courts, and the workplace.

- **Housing**

- **Housing Services** (Snohomish County) – Homeless families and individuals work with expert case managers to achieve self-sufficiency and secure permanent, affordable housing. Individualized services include homelessness prevention, shelter, and case management.

Note 2. Significant Accounting Policies

Basis of Accounting

The accounting policies of the Organization conform to generally accepted accounting principles as applicable to voluntary health and welfare organizations.

Principles of Consolidation

The consolidated financial statements include the accounts of Volunteers of America Western Washington and its wholly-owned subsidiary, VOA Property Corporation of NWW. All material inter-organization transactions have been eliminated.

Cash Equivalents

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

Accounts Receivable

Accounts receivable are stated at net realizable value and consist primarily of amounts due from government agencies. The Organization considers accounts greater than 30 days old to be past due and uses the allowance method for recognizing bad debts (based on historical collection rates). When an account is deemed uncollectible, it is generally written off against the allowance. The Organization does not require collateral for its accounts receivable. In addition, the Organization does not charge interest on its accounts receivable. The allowance for doubtful accounts related to accounts receivable was \$12,000 and nil at June 30, 2015 and 2014, respectively.

Contributions/Pledges Receivable

Contributions are generally recorded only upon receipt, unless evidence of an unconditional promise to give has been received. Unconditional promises to give that are expected to be collected in future years are recorded at the net present value of the amounts expected to be collected using an estimated discount rate (the discount was not significant at June 30, 2015 or 2014). Unconditional promises expected to be collected in the future are also discounted for potentially uncollectible amounts. This results in long-term pledges being recorded at fair value. Conditional promises to give are not included as support until such time as the conditions are substantially met. All contributions are considered available for unrestricted use unless specifically restricted by the donor or by law. Promises to give from two donors represented 98% of total pledges receivable at June 30, 2015. Promises to give from one donor represented 97% of total pledges receivable at June 30, 2014. No allowance for doubtful accounts was deemed necessary as of June 30, 2015 and 2014.

Pledges receivable are due as follows as of June 30:

	<u>2015</u>	<u>2014</u>
Less than one year	\$ 384,323	\$ 87,500
One to five years	9,047	82,500
	<u>\$ 393,370</u>	<u>\$ 170,000</u>

Property and Equipment/Land Held for Sale

Land, buildings, and equipment purchased by the Organization are recorded at cost. All expenditures for land, buildings, and equipment over \$3,000 are capitalized; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed on the straight-line method based upon the estimated useful lives of the assets as follows:

Furniture and equipment	5 - 15 years
Transportation vehicles	3 - 7 years
Buildings and improvements	5 - 40 years

In August 2012, the Organization closed its auto sales lot and has listed the property (land, building, and improvements) for sale. The auto lot had a total net book value of \$537,964. A loss of \$38,964 was recognized for the year ended June 30, 2014, to write down net book value of the property to its estimated sales price (\$499,000), and is shown as property held for sale on the 2015 and 2014 consolidated statements of financial position. Per the terms of a negative pledge agreement, proceeds from the sale of this property are required to be used to settle a note payable to Union Bank. See Note 4 for a description of the terms of the note.

Designated/Restricted Assets/Investments

Designated and restricted assets represent the total of all assets that are encumbered by donor restrictions, legal agreements, and board designation, or are otherwise unavailable for the general use of the Organization. This category generally includes client/custodial funds, escrow/reserve funds, temporarily and permanently restricted assets, and securities that are pledged and held by the lender as collateral for financing.

Designated and restricted assets were categorized as follows as of June 30:

	<u>2015</u>	<u>2014</u>
Future development and capital improvements	\$ 373,038	\$ 830,189
Endowment fund	1,520,623	1,494,791
Assets held in trust	<u>465,325</u>	<u>489,407</u>
	<u>\$ 2,358,986</u>	<u>\$ 2,814,387</u>

During the year ended June 30, 2015, \$120,000 was contributed for a capital campaign related to a feasibility study to potentially build a Neighborhood Service Center in partnership with Trinity Lutheran Church. See Note 16 for further discussion of the partnership and capital campaign. As of June 30, 2015, \$101,208 of unspent capital campaign funds are included in future development and capital improvements on the schedule above.

Designated and restricted assets consisted of the following at June 30:

	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 147,950	\$ 46,728
Investment in certificates of deposit	225,088	783,461
Investment in mutual funds		
Bond/fixed income funds	610,854	588,635
International equity funds	121,970	120,151
Equity mutual funds	228,120	226,712
Equity growth funds	297,493	303,252
Equity value funds	107,327	106,200
Other global asset funds	<u>154,859</u>	<u>149,841</u>
Total mutual funds	1,520,623	1,494,791
Assets held in trust	<u>465,325</u>	<u>489,407</u>
	<u>\$ 2,358,986</u>	<u>\$ 2,814,387</u>

Investments (including long-term investments) consist of certificates of deposit, which are recorded at cost plus accrued interest (which approximates fair value), and represent debt agreements with original maturities of longer than three months. Certificates of deposit have maturities up to 36 months with interest rates between 0.05% and 0.35%. Certificates of deposit are held at multiple banks so that the deposits do not exceed federally insured limits.

Investments also include a variety of mutual funds (which are listed above) and are recorded at fair value (see Note 14) using Level 1 inputs (which consist of quoted market prices for identical assets) and Level 2 inputs (which consists of quoted market prices for similar assets).

Assets held in trust are valued using Level 3 inputs and are discussed in Note 14.

Contributed Goods and Services

The Organization receives donations of food for distribution from the Federal government, businesses, and individuals. Federal commodities are valued based on pricing lists published by the U.S. Department of Agriculture. Food donations from non-federal sources are recognized based on an average value per pound basis, as determined by the State of Washington, Emergency Food Assistance Program ("EFAP"). Food contributed for the years ended June 30, 2015 and 2014, was \$3,609,546 and \$4,317,603, respectively, of which \$1,312,242 and \$3,194,291, respectively, was from non-federal sources.

The Organization also recognizes contribution revenue for certain services received at the fair value of the services provided those services create or enhance non-financial assets or require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. There were no services contributed to the Organization for the years ended June 30, 2015 and 2014.

In-kind rent contributed during the year ended June 30, 2015, is discussed in Notes 6 and 7.

A number of volunteers donated services with an estimated value of \$3,871,000 and \$4,561,000 to other programs for the years ended June 30, 2015 and 2014, respectively. The contributed services to these programs are not reflected in the consolidated financial statements, as they do not meet the recognition criteria.

Other Revenue

Contribution revenue recognition was described earlier in this Note. Other revenue is recognized as follows:

- Revenue from most grants with governmental organizations is recognized when an expenditure related to the grant is made. Fee based grant and contract revenue is recognized as the services are performed.
- Program service fees are recognized when the service is performed and amounts are due.
- Rental income is recognized on a straight-line basis in accordance with rental terms.

Net Assets

The Organization classifies net assets into three categories: unrestricted, temporarily restricted, and permanently restricted. All net assets are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Temporarily restricted net assets include contributions with temporary donor-imposed time or purpose restrictions. Temporarily restricted net assets become unrestricted and are reported in the statements of activities as net assets released from restrictions when the time restrictions expire or the contributions are used for the restricted purpose. Permanently restricted net assets include contributions with donor-imposed restrictions requiring resources to be maintained in perpetuity, but permitting use of all or part of the investment income earned.

Temporarily restricted net assets are available for the following purposes as of June 30:

	2015	2014
Unappropriated endowment earnings	\$ 390,123	\$ 382,374
Promoting self-sufficiency programs	138,292	175,414
United Way Programs	276,112	
Capital Campaign - Neighborhood Community Center	101,208	
Value of donated facilities to be used in future periods	27,142	
	<u>\$ 932,877</u>	<u>\$ 557,788</u>

Permanently restricted net assets consist of the following as of June 30:

	2015	2014
Endowment fund	\$ 216,359	\$ 216,359
Assets held in trust (permanent corpus)	437,539	437,539
Other	74,492	75,888
	<u>\$ 728,390</u>	<u>\$ 729,786</u>

Operations

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

Income Taxes

Under provision of Section 501(c)(3) of the Internal Revenue Code and the applicable tax regulations of the State of Washington, Volunteers of America Western Washington is exempt from income taxes, except for net income from unrelated business income, as a subordinate unit of Volunteers of America, Inc. Volunteers of America, Inc. is exempt from Federal income taxes under Section 501(a) of the Internal Revenue Code as a religious organization described in Section 501(c)(3). There were no unrelated business activities in 2015 or 2014, so no tax expense was incurred during the years ended June 30, 2015 or 2014.

VOA Property Corporation of NWW is a non-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under Section 509(a)(3).

Based on the discussions above, no provision for income tax is reflected in these consolidated financial statements.

Allocation of Functional Expenses

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated among the various functions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

Notes Receivable

Notes receivable are stated at the amount of unpaid principal, reduced by general and specific allowances for losses. Interest income on notes is recognized when earned. A note is placed on non-accrual status when it is specifically determined to be impaired and when, in the opinion of management, there is an indication that the borrower may be unable to make payments as they become due. Also, the Organization's policy requires that a loan be placed on non-accrual status when payments are 90 or more days past due.

Notes receivable at June 30, 2014, consisted of one receivable from a third party that was collateralized by a first deed of trust on real property. The balance at June 30, 2014, was paid in full in April 2015.

Reclassifications

Certain 2014 amounts have been reclassified to conform to the 2015 financial statement presentation. Reclassifications include classification of property and equipment, and have no effect on the change in net assets as previously stated.

Note 3. Line of Credit

Beginning in the year ended June 30, 2014, the Organization has a \$650,000 revolving line of credit with a bank. The line bears interest at the bank's prime rate plus 1% (resulting in a rate of 4.25% at June 30, 2015) and is collateralized by a deed of trust on real property and rents from real property with a carrying value of \$2,865,584 at June 30, 2015. The loan matures on October 24, 2017, and no principal payments are required as long as the following requirements are met on the annual anniversary dates of the initial loan date:

October 24, 2015	Principal balance is no greater than \$550,000
October 24, 2016	Principal balance is no greater than \$500,000

The outstanding balance was nil and \$530,000 at June 30, 2015 and 2014, respectively.

Note 4. Notes and Loans Payable

Notes and loans payable consist of the following at June 30:

	<u>2015</u>	<u>2014</u>
Notes and Loans:		
Promissory note payable to Heritage Bank, collateralized by first deed of trust on real property with carrying values totaling \$3,418,004 at June 30, 2015. Interest is based on a five year index plus 2.75%, resulting in a rate of 4.25% as of June 30, 2015. Payments of \$11,173 (including interest) are due monthly. The note is due in full in October 2022.	\$ 1,661,566	\$ 1,869,286
Promissory note payable to Lynnwood Rotary Community Foundation, collateralized by first deed of trust on real property with a carrying value of \$1,049,060 at June 30, 2015. Interest is at 5% and monthly payments are interest-only until maturity on August 1, 2020.	950,000	950,000
Non-interest bearing notes payable to the State of Washington, due in annual installments of \$8,130 through January 1, 2055, and secured by a deed of trust on real property with a carrying value of \$445,350 at June 30, 2015. The notes expire and the remaining debt of \$250,000 shall be forgiven on January 1, 2055, provided that no default has occurred. The Organization fully intends to comply with the terms of the notes.	575,178	583,307
Note payable to Union Bank, collateralized by a negative pledge agreement which requires sale proceeds of certain real property with a carrying value of \$499,000 at June 30, 2015, be used to pay off the loan, and by certificates of deposit with carrying values totaling \$225,088 at June 30, 2015, due in monthly payments of \$2,736 including interest at 4.64%; due March 31, 2016.	367,879	383,011
Non-interest bearing note payable to the State of Washington, due in annual installments of \$1,789 through January 1, 2055, when it becomes due. The note is secured by a deed of trust on real property with a carrying value of \$55,413 at June 30, 2015.	71,566	73,356
Total non-forgivable loans	<u>3,626,189</u>	<u>3,858,960</u>

	<u>2015</u>	<u>2014</u>
Forgivable Loans:		
Non-interest bearing mortgage note payable to Snohomish County secured by a deed of trust on real property with a carrying value of \$786,612 at June 30, 2015. The note expires and the debt shall be forgiven on December 31, 2018, provided that no default has occurred. The Organization fully intends to comply with the terms of this and all other forgivable loans. This and all forgivable loans were funded by the Federal Community Development Block Grant Program.	\$ 845,774	\$ 845,774
Non-interest bearing note payable to City of Everett, secured by a deed of trust on real property with a carrying value of \$232,512 at June 30, 2015. The note expires and the debt shall be forgiven on July 1, 2024, provided that no default has occurred.	250,000	250,000
Non-interest bearing note payable to Snohomish County, secured by a deed of trust on real property with a carrying value of \$210,575 at June 30, 2015. The note expires and the debt shall be forgiven on May 31, 2023, provided that no default has occurred.	225,000	225,000
Non-interest bearing note payable to Snohomish County, secured by a deed of trust on real property with a carrying value of \$131,795 at June 30, 2015. The note expires and the debt shall be forgiven on September 1, 2024, provided that no default has occurred.	167,969	167,969
Non-interest bearing notes payable to Snohomish County, secured by a deed of trust on real property with carrying values totaling \$245,814 at June 30, 2015. The notes expire and the debt shall be forgiven on December 31, 2046, provided that no default has occurred.	<u>317,473</u>	<u>317,473</u>
Total forgivable loans	<u>1,806,216</u>	<u>1,806,216</u>
Total notes and loans payable	5,432,405	5,665,176
Less current maturities	<u>430,851</u>	<u>79,725</u>
	<u>\$ 5,001,554</u>	<u>\$ 5,585,451</u>

Scheduled principal reductions are as follows for the years ending June 30:

2016	\$	430,851
2017		65,263
2018		67,653
2019		70,146
2020		72,747
Thereafter		<u>4,725,745</u>
	\$	<u><u>5,432,405</u></u>

Note 5. Related Party

The Organization is affiliated with Volunteers of America, Inc., which provides supporting services to the Organization for a fee. Affiliate fees for the fiscal years ended June 30, 2015 and 2014, totaled \$327,334 and \$364,629, respectively. Amounts due to Volunteers of America, Inc. totaled \$31,133 and nil at June 30, 2015 and 2014, respectively, and are included in accounts payable on the consolidated statements of financial position. Amounts due from Volunteers of America, Inc. totaled \$48,844 and \$289,654 at June 30, 2015 and 2014, respectively, and are included in accounts receivable on the consolidated statements of financial position.

The Organization received grants from Volunteers of America, Inc. of \$7,616 and nil for the years ended June 30, 2015 and 2014.

Note 6. Nonmonetary Transactions

At June 30, 2014, the Organization entered into an agreement with another non-profit entity. The agreement allows the non-profit entity to use land owned by the Organization in Sultan, Washington, for a period of fifty years. The non-profit entity plans to build a building on the site for its operations. The building will revert to the Organization at the end of the agreement period. In exchange, the Organization will also receive 1,247 square foot of space in the building to use for its kindergarten program in Snohomish County. Management has determined that the substance of the transaction is a nonmonetary exchange, and has estimated the fair value of the land use contributed to the other non-profit entity and classroom use the Organization will receive, approximate each other and are valued at \$10,000 per year. In-kind revenue and expense of \$10,000 was recognized during the year ended June 30, 2015, and are included in in-kind contributions of rent on the consolidated statements of activities and rent expense on the consolidated statements of functional expenses. No rental expense or contribution was recognized for the year ended June 30, 2014, as no exchange of non-cash services was provided in the period.

Note 7. Operating Leases

The Organization has certain non-cancelable leases for office space that expire through 2017, with certain options to renew. Rent expense was \$162,844 and \$218,796 for the years ended June 30, 2015 and 2014, respectively, and is included with occupancy expenses. Future minimum lease payments under operating leases with remaining lease terms greater than one year are as follows for the years ending June 30:

2016	\$	86,328
2017		52,739
		<hr/>
	\$	139,067
		<hr/> <hr/>

The Organization also has agreements to lease space to other non-profit entities. Rental income for these leases was \$167,952 and \$164,064 for the years ended June 30, 2015 and 2014, respectively. All agreements are currently month-to-month.

During the year ended June 30, 2015, the Organization entered into a two year lease agreement for space to be used as a food bank with rent of \$1 per year. Management has estimated the fair value of the rent contributed over the life of the lease to be \$36,190. This amount is included in in-kind contributions of rent on the consolidated statements of activities. An asset was recorded for the fair value of the contribution and will be amortized over the life of the lease. As of June 30, 2015, \$27,142 remained unamortized and is included in pledges receivable – current and pledges receivable – long-term on the consolidated statements of financial position.

Note 8. Deferred Compensation Plans

The Organization offers a tax deferred annuity program for its employees. The Organization collects and remits the employee-designated contributions to the contracting insurance company, and does not make contributions to the program.

The Organization also offers a tax deferred annuity thrift program for employees who have completed two years of employment. The Organization matches an amount equal to \$0.50 on the dollar for employees with two to five years of tenure, \$0.60 on the dollar for employees with five to ten years of tenure, and \$0.70 on the dollar for employees with ten or more years' tenure. This match is made on all employee contributions up to 5% of the employee's salary. Employer contributions for the years ended June 30, 2015 and 2014, totaled \$98,419 and \$91,706, respectively.

The Organization participates in a non-contributory defined benefit pension and retirement plan with Volunteers of America, Inc. and its affiliates, called The Volunteers of America National Pension Plan. The plan's employer identification number is 13-1692595 and the plan year end is December 31. This plan is a multi-employer plan and the Organization is not required to record the unfunded pension liability in its financials. The plan's information regarding the projected benefit obligation and unfunded status as they relate solely to the Organization is not available, which is typical for multi-employer plans. Because this plan is a church plan and not subject to the Employment Retirement Income Security Act of 1974 ("ERISA"), Volunteers of America, Inc. is not required to file a Form 5500. This unfunded liability is collectively the liability of all participating employers. If there were any cash shortfalls in the plan, the plan would look towards the participating employers to help fund these amounts. As the participating employers of this plan are affiliated with Volunteers of America, Inc., it is not anticipated that any employer would choose to stop participating.

The financial health of the multi-employer pension plan is indicated by the zone status, as defined by the Pension Protection Act of 2006, which represents the funded status of the plan as certified by the plan's actuary. Plans in the red zone are less than 65% funded, the yellow zone are between 65% and 80% funded, and the green zone are at least 80% funded. Because the Plan is not subject to ERISA, a funding improvement plan is not required; however, Volunteers of America, Inc. has voluntarily implemented a contribution assessment.

	<u>January 1, 2015</u>	<u>January 1, 2014</u>
Market value of plan assets	\$ 52,243,000	\$ 49,422,000
Present value of accumulated plan benefits	<u>62,758,000</u>	<u>56,991,000</u>
Actuarial valuation of the unfunded pension liability	<u>\$ 10,515,000</u>	<u>\$ 7,569,000</u>
	<u>At June 30, 2015</u>	<u>At June 30, 2014</u>
Funded status	Less than 65%	Less than 65%
The Organization's contribution to the plan	\$ 40,917	\$ 61,649
Total contributions received by the plan	4,007,000	3,890,000
The Organization's contribution >5% of total contributions to the plan	No	No
Total fair value of plan assets at June 30	\$ 53,744,000	\$ 52,249,000

Note 9. Post-Retirement Health Benefits Plan

Effective January 1, 2003, the Organization adopted a non-funded, non-contributory Post-retirement Health Benefit Plan. The Plan provides defined healthcare benefits to executive level employees, based on years of service, employee classification, and attainment of minimum age requirements. The Plan measurement date is June 30. The Organization does not require employee contributions to the Plan.

During the year ended June 30, 2015, the plan was terminated. The original plan, as adopted by the board of directors, stated the plan could be terminated at any time and that there was no requirement that employees be compensated for the accumulated benefits as of the date of termination of the plan. However, it was determined that employees will be paid a portion of the accumulated benefits, and a gain of \$126,204 was recognized for the difference between the accumulated post-retirement benefit amount and the amount to be paid to employees. This gain is included in other non-operating gains (losses) on the consolidated statements of activities. As of June 30, 2015, \$92,982 has been accrued and is expected to be paid to employees in the next year.

There are no unrecognized prior service costs to date. As of June 30, 2014, the Plan used a 3.7% discount rate and health care costs were estimated to increase by 5.5% next year and then decrease by 0.5% per year down to 4.5% for future years.

The activity relating to the Plan for the year ended June 30, 2014, is summarized as follows:

	Accumulated Post-Retirement Benefits
	<u> </u>
As of June 30, 2013	\$ 240,356
Net Periodic post-retirement benefit included in employee benefits	(4,599)
Benefit payments	<u>(16,571)</u>
Net Change	<u>(21,170)</u>
As of June 30, 2014	<u><u>\$ 219,186</u></u>

Note 10. Advertising

The Organization uses advertising to promote its programs among the communities it serves. The cost of advertising is expensed as incurred. For the years ended June 30, 2015 and 2014, advertising costs totaled \$220,415 and \$180,175, respectively, and are included with professional fees on the consolidated statements of functional expenses.

Note 11. Revenue and Grants from Governmental Agencies

Revenue from grants and governmental agencies consist of grants and contracts administered by various federal, state, and local agencies. The following schedule reconciles Federal and Non-federal awards to total revenue and grants from governmental agencies for the years ended June 30:

	<u>2015</u>	<u>2014</u>
Total federal awards	\$ 3,206,779	\$ 2,286,169
Less: federal food commodities included with in-kind contributions	<u>(2,297,304)</u>	<u>(1,123,312)</u>
	909,475	1,162,857
Non-federal awards (state and local)	<u>13,792,711</u>	<u>12,128,016</u>
Revenue and grants from governmental agencies	<u><u>\$ 14,702,186</u></u>	<u><u>\$ 13,290,873</u></u>

Note 12. Federal Emergency Food and Shelter Grant

The financial activity of one of the Federal Emergency Food and Shelter ("FEMA") grants is required to be disclosed in these consolidated financial statements by terms of the contract. The following is the activity for the years ended June 30:

	2015	2014
Revenues	\$ 41,709	\$ 186,603
Shelter expenditures	\$ -	\$ 99,945
Food expenditures	41,659	82,584
Administrative fee	50	4,074
	\$ 41,709	\$ 186,603

Note 13. Self-Insurance Programs

The Organization is self-insured for state unemployment insurance. The ultimate costs of claims are accrued when incidents occur that give rise to claims. At June 30, 2015 and 2014, respectively, \$222,668 and \$342,086 was held on deposit with 501(c) Agencies Trust and is included in prepaid expenses. Management's estimate of claims incurred but not reported totaled \$68,038 and \$74,036 at June 30, 2015 and 2014, respectively, which is included with other current liabilities in the consolidated statements of financial position.

Note 14. Fair Value Measurements

The Organization values at fair value certain financial assets included in designated and restricted assets that are remeasured and reported at fair value at each reporting period.

Fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels that prioritize the inputs used in measuring fair value as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

Fair values of assets measured on a recurring basis at June 30, 2015 and 2014, were as follows:

Fair Value Measurements at June 30, 2015				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 1,440,619	\$ 80,004	\$ -	\$ 1,520,623
Assets held in trust			465,325	465,325
	<u>\$ 1,440,619</u>	<u>\$ 80,004</u>	<u>\$ 465,325</u>	<u>\$ 1,985,948</u>
Fair Value Measurements at June 30, 2014				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 1,419,750	\$ 75,041	\$ -	\$ 1,494,791
Assets held in trust			489,407	489,407
	<u>\$ 1,419,750</u>	<u>\$ 75,041</u>	<u>\$ 489,407</u>	<u>\$ 1,984,198</u>

Assets held in trust consist of a 30% interest in a charitable trust fund. Interests in the trust fund are not readily transferable, but the investments in the trust have readily determinable fair values. The trust is invested into equities (68% and 64% as of June 30, 2015 and 2014) and various other investment pools, and the value of the trust was supplied by the trustee. The following is a summary of changes in assets held in trust for the years ended June 30:

Fair value as of June 30, 2013	\$ 443,695
Change in fair value of underlying assets	64,162
Payments received from trust	<u>(18,450)</u>
Fair value as of June 30, 2014	489,407
Change in fair value of underlying assets	(3,862)
Payments received from trust	<u>(20,220)</u>
Fair value as of June 30, 2015	<u>\$ 465,325</u>

Note 15. Endowments

The Organization's endowment fund includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as an endowment ("quasi-endowment"), the income is considered unrestricted. Both the donor-restricted and board designated funds are to provide investment returns for the Organization. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Organization have interpreted the State of Washington Uniform Prudent Management of Institutional Funds Act ("UPMIFA") 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 permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, plus (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

- The duration and preservation of the endowment fund
- The purposes of the Organization and donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation or deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Endowment Net Assets consisted of the following at June 30:

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds - general	\$ -	\$ 390,123	\$ 216,359	\$ 606,482
Board-designated funds	914,141			914,141
	<u>\$ 914,141</u>	<u>\$ 390,123</u>	<u>\$ 216,359</u>	<u>\$ 1,520,623</u>

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds - general	\$ -	\$ 382,374	\$ 216,359	\$ 598,733
Board-designated funds	896,058			896,058
	<u>\$ 896,058</u>	<u>\$ 382,374</u>	<u>\$ 216,359</u>	<u>\$ 1,494,791</u>

The beneficial interest in a perpetual trust included in permanently restricted net assets of \$437,539 for the years ended June 30, 2015 and 2014, is not included in these disclosures as it is managed by a trustee, and the Board of Directors does not have any ability to determine how the assets are invested.

Changes in endowment net assets for the years ended June 30 are as follows:

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 896,058	\$ 382,374	\$ 216,359	\$ 1,494,791
Investment return				
Investment income	21,527	9,225		30,752
Net loss (realized and unrealized)	(3,444)	(1,476)		(4,920)
Total investment return	18,083	7,749		25,832
Endowment net assets, end of year	<u>\$ 914,141</u>	<u>\$ 390,123</u>	<u>\$ 216,359</u>	<u>\$ 1,520,623</u>
	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 757,332	\$ 322,919	\$ 216,359	\$ 1,296,610
Investment return				
Investment income	21,041	9,018		30,059
Net gain (realized and unrealized)	117,685	50,437		168,122
Total investment return	138,726	59,455		198,181
Endowment net assets, end of year	<u>\$ 896,058</u>	<u>\$ 382,374</u>	<u>\$ 216,359</u>	<u>\$ 1,494,791</u>

Return Objectives and Risk Parameters

The Organization has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for donor-specified periods as well as quasi-endowment funds. Under the policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to prevent the fixed income returns from under performing the Lehman Govt. - Corporate fixed income index by 3% in any quarter. Also, the Organization expects to maintain the equity portfolio at a risk level equivalent to that of the equity market as a whole, with the objective of exceeding its results annually over a three year moving time period.

The general investment objectives of the endowment accounts are to 1) limit risk exposure through adequate diversification and credit quality; 2) manage for current income in income only endowment accounts; 3) protect principal by managing for total return in growth and income accounts; and 4) control costs of administering and managing the portfolio.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk bases. The Organization's investment policy guidelines for all investments is reviewed and reconfirmed or revised on at least an annual basis. Performance of the Organization's investments and the Organization's Investment Manager is reviewed by the Finance Committee of the Board of Directors and reported to the Organization's Board of Directors on a regular basis.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization does not have a formal spending policy with regard to endowment funds.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires. There were no deficiencies as of June 30, 2015 or 2014.

Note 16. Subsequent Events

Management has evaluated events through the date these consolidated financial statements were available to be issued, which was December 15, 2015.

Line of Credit

In July 2015, the Organization obtained a \$245,000 line of credit from Volunteers of America, Inc., a related party. The line bears interest at a rate of the 30-day LIBOR rate plus 1.5% (resulting in a rate of 1.7% as of June 30, 2015) and interest only payments are payable monthly. The line matures on December 31, 2016, however, if the balance has not been fully repaid by the term end, the due date is to be renewed automatically for an additional year unless the lender received a written notice 30 days prior to the term end to discontinue the renewal. The line is collateralized by 50% of the Organization's assets invested in the National Investment Program (assets invested totaled \$1,520,623 as of June 30, 2015) resulting in collateral of \$760,312 at that date) and no interim payments are required as long as the amount outstanding is equal to or less than the collateral value. If the amount borrowed were to exceed the collateral value, the difference is due upon demand by the lender.

Note Payable Extension

In July 2015, the Organization extended the maturity of the note payable agreement with Lynnwood Rotary Community Foundation from August 1, 2015 to August 1, 2020. No other terms were changed, and the loan has been recognized as a non-current liability as of June 30, 2015.

Neighborhood Service Center Partnership and Capital Campaign

In October 2015, the Organization completed its feasibility study and entered into a collaborative agreement with Trinity Lutheran Church, to build an integrated service center in South Snohomish County. The purpose of this agreement is to build a multi-generational gathering place where acceptance and diversity enhance service solutions.

The collaborative agreement calls for an oversight committee, consisting of an equal number of representatives from each organization, which will manage and govern the capital campaign and facilities development efforts. The Organization will lead the capital campaign, create the design for the facility and, after approval by the oversight committee, will engage resources necessary to construct the facility. Trinity Lutheran church will own the ground under the center, and will enter into a long term land lease with the Organization, who will own the completed facility.

Also in October 2015, in order to facilitate the creation of this center one donor has pledged \$2 million toward the capital campaign.

S U P P L E M E N T A R Y R E P O R T S
A N D S C H E D U L E S
I N A C C O R D A N C E W I T H G O V E R N M E N T
A U D I T I N G S T A N D A R D S A N D
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**INDEPENDENT AUDITORS' 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**

To the Board of Directors
Volunteers of America Western Washington and Subsidiary
Everett, Washington

We have audited, in accordance with the auditing standards generally accepted in the United States 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 Western Washington and Subsidiary ("the Organization"), which comprise the consolidated statement of financial position as of June 30, 2015, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 15, 2015.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Peterson Sulli LLP.

December 15, 2015

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

To the Board of Directors
Volunteers of America Western Washington and Subsidiary
Everett, Washington

Report on Compliance for Each Major Federal Program

We have audited Volunteers of America Western Washington and Subsidiary's ("the Organization") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 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, 2015. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Peterson Sullin LLP.

December 15, 2015

**VOLUNTEERS OF AMERICA WESTERN WASHINGTON
AND SUBSIDIARY**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2015

Federal Grantor/Pass-through Grantor	Contract	Federal CFDA Number	Contract Number	Federal Expenditures
U.S. Department of Agriculture Food and Nutrition Service				
<i>State of Washington</i> Child and Adult Care Food Program	OSPI Child Nutrition - ECEAP	10.558	31-07-0363	\$ 69,400
Food Distribution Cluster				
<i>State of Washington</i> Commodity Supplemental Food Program	Commodity Supplemental Food Program (Administrative Costs)	10.565*	K1187	60,264
Commodity Supplemental Food Program	Commodity Supplemental Food Program (Food Commodities)	10.565*	K1187	510,005
<i>Food Lifeline</i> Emergency Food Assistance Program	TEFAP (Greenwood Food Bank) (Administrative Costs)	10.568*	Sub-contract	570,269 489
<i>State of Washington</i> Emergency Food Assistance Program	TEFAP Commodities Distribution (Administrative Costs)	10.568*	K1187	78,293
Emergency Food Assistance Program	TEFAP Commodities Distribution (Food Commodities)	10.569*	K1187	78,782 1,787,299
Total food distribution cluster				2,436,350
Total U.S. Department of Agriculture Food and Nutrition Service				2,505,750
U.S. Department of Housing and Urban Development Office of Community Planning and Development				
<i>Snohomish County</i> Community Development Block Grants/Entitlement Grants	Sky Valley Resource Center	14.218	HCS-14-24-1314-018(1)	76,771
<i>City of Everett</i> Community Development Block Grants/Entitlement Grants	Rental Housing Meditation Service	14.218	CDBG 2014	11,669 88,440
<i>Snohomish County</i> Emergency Solutions Grants Program	HUD Supportive Housing (Housing First for Families)	14.267	HCS-14-50-1382-018	75,833
Total from U.S. Department of Housing and Urban Development Office of Community Planning and Development				164,273
			Page Subtotal	2,670,023

See Notes to Schedule of Expenditures of Federal Awards

**VOLUNTEERS OF AMERICA WESTERN WASHINGTON
AND SUBSIDIARY**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)
For the Year Ended June 30, 2015

Federal Grantor/Pass-through Grantor	Contract	Federal CFDA Number	Contract Number	Federal Expenditures
U.S. Department of Health and Human Services Administration				
Substance Abuse and Mental Health Services	Social Suicide Prevention	93.243	5LL79SM060545-02	\$ 11,155
Substance Abuse and Mental Health Services	Linked2Health Solutions	93.243	1LL79SM060778-01	17,499
Substance Abuse and Mental Health Services	Linked2Health Solutions	93.243	1LL79SM060778-01	52,501
				<u>81,155</u>
<i>Snohomish County</i>				
Community Services Block Grant	Investing in Futures	93.569	HCS-14-15-03-018 (1)	78,000
<i>City of Seattle</i>				
National Family Caregiver Support, Title II, Part E	Outreach Family and Children's Services	93.052	DA2012-4016	2,612
<i>North Sound Mental Health Administration</i>				
Mental Health Disaster Assistance Grant	FEMA-OSO	93.982*	NSMHA-VOA-DCC-14-15	100,288
Total from U.S. Department of Health and Human Services Administration				<u>262,055</u>
Corporation for National and Community Service				
Volunteers in Service to America	Retired Senior Volunteer Program	94.002	14SRPWA009	32,994
Foster Grandparent / Senior Companion Cluster				
Senior Companion Program	Senior Companion Program	94.016	12SCPWA003	197,262
Total from Corporation for National and Community Service				<u>230,256</u>
Department of Homeland Security				
Emergency Food and Shelter National Board Program	FEMA Phase XXIX	97.024	none	41,709
<i>North Sound Mental Health Administration</i>				
Crisis Counseling Program	FEMA-OSO	97.032	NSMHA-VOA-DCC-14	2,736
Total Department of Homeland Security				<u>44,445</u>
Page Subtotal Carried Forward				<u>2,670,023</u>
Total Expenditures of Federal Awards				<u><u>\$ 3,206,779</u></u>

* Program tested as major

See Notes to Schedule of Expenditures of Federal Awards

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards ("the Schedule") includes the federal grant activity of Volunteers of America Western Washington ("the Organization") under programs of the federal government for the year ended June 30, 2015. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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. Summary of Significant Accounting Principles

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Food commodities consist of donated food, all other expenditures are cash expenditures. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

Note 3. Food Distribution

Nonmonetary assistance is reported in the Schedule of Expenditures of Federal Awards at the fair value of the food commodities received and disbursed. At June 30, 2015, the Organization had food commodities in inventory totaling \$45,236 related to the CSFP program, which is included with other current assets on the consolidated statements of financial position.

**VOLUNTEERS OF AMERICA WESTERN WASHINGTON
AND SUBSIDIARY**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2015

A. Summary of Audit Results

Financial Statements:

Type of auditors' report issued: Unmodified

Internal Control Over Financial Reporting:

Material weaknesses identified: No

Significant deficiencies identified not considered
to be material weaknesses: None reported

Noncompliance material to financial statements noted: None

Federal Awards:

Material weaknesses identified: None

Significant deficiencies identified not considered
to be material weaknesses: None reported

Type of auditor's report issued on compliance
for major programs: Unmodified

Any audit findings disclosed that are required
to be reported: None

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
10.565 / 10.568 / 10.569	U.S. Department of Agriculture - Food Distribution Cluster
93.982	U.S. Department of Health & Human Services - Mental Health Disaster Assistance Grant

**Dollar threshold used to distinguish between
Type A and B programs:**

\$ 300,000

Auditee qualified as low-risk auditee:

No

B. Financial Statement Findings

No matters were reported.

C. Federal Award Findings and Questioned Costs

No matters were reported.

**VOLUNTEERS OF AMERICA WESTERN WASHINGTON
AND SUBSIDIARY**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2015

Material Weakness:

2014-1: Account Reconciliations and Review

Condition: During the fiscal year ended June 30, 2014, there was a lack of timely reconciliation and/or review of general ledger account balances during the period end close process.

Criteria: Reconciliations and reviews of account balances should be performed timely in order to detect errors and provide accurate, timely information internally and to oversight agencies.

Effect: The lack of a timely closing process, in addition to delaying the Organization's financial reporting, also means the Organization missed some of its reporting deadlines, both internal and external.

Cause: Staffing issues within the accounting department.

Context: Final supporting schedules and audit documentation was not received until early 2015.

Questioned Costs: N/A.

Status: The Organization has implemented policies for a timely period end close. This finding is considered resolved.

Significant Deficiency:

2014-2: Accounting for Contributions

Condition: We noted contributions recorded to deferred revenue that were later determined to be temporarily restricted contribution revenue for the year ended June 30, 2014. In addition, we noted that two long-term pledges received in the year ended June 30, 2013, were recorded when cash was received (50% in FY13, 50% in FY14), rather than at the time of pledge in accordance with generally accepted accounting principles.

Criteria: A process for reviewing contributions and related terms associated with those contributions should be in place.

Effect: There was an audit adjustment to correct the recording of temporarily restricted contributions. It was determined the two pledges were immaterial to the consolidated financial statements on the whole; however, if the control process is not corrected, there is a likelihood of additional errors occurring.

Cause: The procedures to review and record contributions in accordance with all terms needs to be strengthened.

Context: This finding was noted during testing of revenue as part of the financial statement audit.

Questioned Costs: N/A.

Status: The Organization has implemented controls in order to properly identify and record contributions in the year the promise to give is made. This finding is considered resolved.

**VOLUNTEERS OF AMERICA WESTERN WASHINGTON
AND SUBSIDIARY**

SCHEDULE OF NON-FEDERAL GOVERNMENTAL AWARDS
For the Year Ended June 30, 2015

Grantor/Program Title	Contract Number	July 1, 2014 - June 30, 2015
State of Washington		
GRO Intensive Tenant Support	1312-79999	\$ 5,704,787
GRO Intensive Tenant Support	1312-80185	2,294,323
Nurse Delegation	1312-79999	234
Nurse Delegation	1312-80185	579
EFAP Thru Food Resources	K1184	2,555
Emergency Food Assistance Program	K1187	373,309
CARE Crisis Response Services	NSMHA-VOA-MEDICAID	1,681,521
CARE Crisis Response Services	NSMHA-VOA-Medicaid-13-15 AMDI	742,273
Casino Rd. Project	None	51,410
Children's InHome Intensive Behavior Support	CIBS	85,505
Rental Assistance Bridge Grant	14-46108-905	
Senior Involvement in Community Programs	012	14,863
ARO - Respite Care	1312-84287	1,760
State of Washington Subtotal		10,953,119
Snohomish County		
Dispute Resolution Center/Snohomish County Surcharge	PS-HS-14-01	65,514
Dispute Resolution Center/Snohomish County Surcharge	HCS-15-80-01-018	72,223
Dispute Resolution Center Rental Housing Certificate Program	HCS-13-62-1318-018	99,187
Chronically Homeless Housing	HCS-13-62-1316-018	71,249
Rapid ReHousing	HCS-13-62-1317-018	235,894
Targeted Prevention	HCS-13-62-1319-018	131,120
Dispute Resolution Services -Navigators	HCS-14-62-1432-018	155,064
CHG Targeted Prevention	HCS-14-66-1411-018	172,058
Sky Valley Resource Center	HCS-14-75-04-018	24,357
Sky Valley Resource Center	HCS-15-75-04-018	17,849
Community Information Line	HCS-14-75-08-018	13,341
Community Information Line	HCS-15-75-05-018	20,347
Early Childhood Education Assistance Program	EL-13-60-17-018	1,244,914
Community Navigator	MH-14-10-11-018	112,273
Community Navigator	MH-15-10-11-018	127,942
Snohomish County Subtotal		2,563,332
Island County		
Dispute Resolution Center/Island County	None	6,546
Dispute Resolution Center/Island County	None	6,128
Island County Subtotal		12,674

**VOLUNTEERS OF AMERICA WESTERN WASHINGTON
AND SUBSIDIARY**

SCHEDULE OF NON-FEDERAL GOVERNMENTAL AWARDS (Continued)

For the Year Ended June 30, 2015

Grantor/Program Title	Contract Number	July 1, 2014 - June 30, 2015
Kitsap County		
DRS State Legislative Funds-Snohomish	S14-31445-001	\$ 21,771
Kitsap County Subtotal		21,771
Skagit County		
DRC Surcharge	C20130056	13,975
DRC Surcharge	C20140580	13,385
General Fund	C20130056	15,559
General Fund	C20140580	20,478
State Leg Funds	S14-31445-001	21,771
Edward Byrne Memorial Grant	C20130137	15,190
Skagit County Subtotal		100,358
City of Everett		
Emergency Services Food Bank Program	None	32,992
Community Information Line	None	15,563
City of Everett Subtotal		48,555
City of Seattle		
VOA (Greenwood) Food Bank	DA14-2991	26,599
Home Delivery (Greenwood Food Bank)	DA14-1380	3,350
Home Delivery (Greenwood Food Bank)	DA15-1380	3,398
City of Seattle Subtotal		33,347
NW Ed Service District		
Infant and Toddler Consulting	1121200034	10,523
NW Ed Service District Subtotal		10,523
City of Sedro-Woolley		
Community Information Line	None	1,510
City of Sedro-Woolley Subtotal		1,510
Granite Falls School District		
GRADS Early Achievers	None	1,107
Granite Falls School District Subtotal		1,107
City of Sultan		
Safe Stop for Teens Program	None	1,875
City of Sultan Subtotal		1,875
Public Hospital Distr. #2		
S.Shohom.Cnty 2-1-1 CR Advocate Program	None	44,540
Public Hospital Distr. #2 Subtotal		44,540
Total Non-Federal Governmental Awards		\$ 13,792,711