

SOUTHCENTRAL FOUNDATION

Consolidated Financial Statements, Supplemental Information,  
and Compliance Reports  
(with Independent Auditor's Report Thereon)

Years Ended September 30, 2022 and 2021

SOUTHCENTRAL FOUNDATION

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# SOUTHCENTRAL FOUNDATION

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## **Independent Auditor's Report**

Members of the Board of Directors  
Southcentral Foundation  
Anchorage, Alaska

## **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the consolidated financial statements of Southcentral Foundation (a nonprofit organization), which comprise the consolidated statements of financial position as of September 30, 2022 and 2021, and the related consolidated statements of activities, net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Southcentral Foundation as of September 30, 2022 and 2021, and the changes in its consolidated net assets and its consolidated 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 (Government Auditing Standards). 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 Southcentral Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Southcentral Foundation's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Southcentral Foundation'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Southcentral Foundation'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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The information listed in the table of contents as “Supplementary Information,” which includes the Supplementary Consolidating Schedule of Financial Position, Supplementary Consolidating Schedule of Activities – without Donor Restrictions – General and Administrative, Schedule of Activities, Indian Health Services Compact and Program Third Party Billings “On-Site” and “Off-Site” Programs – Schedule of Expenditures, and the State Supplemental Schedules – State Financial Assistance Reports are presented for the purpose of additional analysis and are not a required part of the consolidated financial statements. The accompanying Schedule of Expenditures of Federal Awards and the related notes to the Schedule, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, related *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Schedule of State Financial Assistance and the related notes to the Schedule, as required by the State of Alaska Audit Guide and Compliance Supplement for State Single Audits, are also presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated 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 April 6, 2023 on our consideration of Southcentral Foundation’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 Southcentral Foundation’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 Southcentral Foundation’s internal control over financial reporting and compliance.



Anchorage, Alaska  
April 6, 2023

**SOUTHCENTRAL FOUNDATION**

Consolidated Statements of Financial Position

September 30, 2022 and 2021

	2022	2021
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 63,042,461	67,431,352
Receivables:		
Grantors	25,579,380	17,506,391
Third party payer (note 6)	9,870,383	8,934,864
Interest and dividends	4,853,069	3,895,103
Other	437,059	759,421
Prepaid expenses and deposits	4,081,749	18,231,221
Investments (notes 3 and 5)	290,514,548	346,759,799
Total current assets	398,378,649	463,518,151
Investments (notes 3 and 5)	409,678,101	384,099,358
Investment in LLC's (note 10)	31,690	31,690
Note receivable (note 16)	2,297,882	2,310,558
Property and equipment, net (note 8)	340,941,817	316,201,866
Inventory - Software/Hardware/Carpet Tiles/IT Minor Equip	11,178	28,557
	\$ 1,151,339,317	1,166,190,180
<b>Liabilities and Net Assets</b>		
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	10,931,667	10,765,807
Accrued salaries and benefits	16,254,783	17,079,563
Accrued leave	14,661,392	15,139,134
Accrued relocation liability	1,720,000	1,920,000
Current portion of long-term debt (note 9)	8,298,941	8,051,998
Alaska Native Tribal Health Consortium payable	256,156	6,722,247
Deferred revenues:		
Grantors (note 1)	35,460,997	56,686,801
Alaska Native Tribal Health Consortium	1,750,000	1,750,000
Other (notes 5 and 11)	(7,534,018)	2,343,014
Total current liabilities	81,799,918	120,458,564
Deferred compensation plan (note 7)	9,239,851	11,080,545
Long-term debt, excluding current portion net of unamortized financing costs (note 9)	85,653,968	93,876,179
Total liabilities	176,693,737	225,415,288
Net assets:		
Controlling Interests:		
Net assets without donor restrictions:		
Designated (note 13)	974,199,124	643,017,129
Undesignated	-	297,297,334
Total net assets without donor restrictions	974,199,124	940,314,463
Net assets with donor restrictions (notes 1(a) and 12)	508,229	522,202
Non-controlling Interests	(61,773)	(61,773)
Total net assets	974,645,580	940,774,892
Contingencies and commitments (notes 15 and 19)	\$ 1,151,339,317	1,166,190,180

See accompanying notes to financial statements.



**SOUTHCENTRAL FOUNDATION**

Consolidated Statements of Activities

Years ended September 30, 2022 and 2021

	<b>2022</b>					
	<b>Net Assets without Donor Restrictions</b>			<b>Net Assets with Donor Restrictions</b>		
	<b>General and Administrative</b>	<b>Program</b>	<b>Total</b>	<b>Donor Restrictions</b>	<b>Total</b>	
Revenues:						
Federal	\$ -	250,280,355	250,280,355	-	250,280,355	
Federal contract reductions	-	15,699,514	15,699,514	-	15,699,514	
State of Alaska	-	1,110,380	1,110,380	-	1,110,380	
Patient service revenue (net of contractual allowances and discounts):						
Medicaid	-	151,939,790	151,939,790	-	151,939,790	
Medicare	-	28,850,652	28,850,652	-	28,850,652	
Third party payers	-	78,022,137	78,022,137	-	78,022,137	
Self pay	-	1,343,037	1,343,037	-	1,343,037	
Federal COVID-19 Provider Relief Fund	-	2,055,639	2,055,639	-	2,055,639	
Net patient service revenues	-	262,211,255	262,211,255	-	262,211,255	
Investment earnings (note 3)	(47,472,844)	-	(47,472,844)	-	(47,472,844)	
Contributed non-financial assets (note 17)	-	12,029,501	12,029,501	-	12,029,501	
Other	3,301,310	-	3,301,310	2,234,728	5,536,038	
Net assets released from restriction (note 12)	-	2,248,701	2,248,701	(2,248,701)	-	
Total revenues	(44,171,534)	543,579,706	499,408,172	(13,973)	499,394,199	
Expenses:						
Direct:						
Salaries	41,930,280	153,855,993	195,786,273	-	195,786,273	
Benefits (note 14)	11,040,739	38,417,860	49,458,599	-	49,458,599	
Consulting and contractual	9,774,179	8,789,155	18,563,334	-	18,563,334	
Consulting and contractual - buildings	1,050,833	926,178	1,977,011	-	1,977,011	
Materials and supplies	884,162	13,510,887	14,395,049	-	14,395,049	
Subawards	-	118,299,473	118,299,473	-	118,299,473	
Depreciation	11,196,392	7,102,082	18,298,474	-	18,298,474	
Minor equipment	1,585,011	3,854,158	5,439,169	-	5,439,169	
Interest expense	2,720,433	42,501	2,762,934	-	2,762,934	
Education	160,655	1,683,356	1,844,011	-	1,844,011	
Travel and per diem	394,548	1,658,747	2,053,295	-	2,053,295	
Utilities	2,288,326	826,595	3,114,921	-	3,114,921	
Insurance	963,241	450	963,691	-	963,691	
Insurance - buildings	669,011	102,681	771,692	-	771,692	
Housekeeping	2,379,817	445,877	2,825,694	-	2,825,694	
Leases - equipment (note 15)	3,289	640,472	643,761	-	643,761	
Leases - buildings (note 15)	102,783	1,020,760	1,123,543	-	1,123,543	
Telephone	823,789	123,676	947,465	-	947,465	
Repairs and maintenance - equipment	549,676	651,591	1,201,267	-	1,201,267	
Repairs and maintenance - buildings	428,018	420,572	848,590	-	848,590	
Printing and reproduction	119,341	212,789	332,130	-	332,130	

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**SOUTHCENTRAL FOUNDATION**

Consolidated Statements of Activities, Continued

	<b>2022</b>				
	<b>Net Assets without Donor Restrictions</b>				
	<b>General and Administrative</b>	<b>Program</b>	<b>Total</b>	<b>Net Assets with Donor Restrictions</b>	<b>Total</b>
Expenses, continued:					
Direct:					
Legal	1,492,050	-	1,492,050	-	1,492,050
Advertising	347,580	169,894	517,474	-	517,474
Moving and relocation expense	1,376	283,072	284,448	-	284,448
Scholarships	-	207,496	207,496	-	207,496
Board related	363,110	12,944	376,054	-	376,054
Recruitment	93,590	67,892	161,482	-	161,482
Dues and subscriptions	253,815	192,347	446,162	-	446,162
Dues and subscriptions - buildings	674,047	43,847	717,894	-	717,894
Donations (note 18)	241,065	-	241,065	-	241,065
Postage and freight	71,230	212,811	284,041	-	284,041
Taxes and licenses	53,253	(24,151)	29,102	-	29,102
Taxes and licenses - building	171,254	112,820	284,074	-	284,074
Staff support	146,980	401,027	548,007	-	548,007
Accounting and audit	64,796	-	64,796	-	64,796
Direct payments	-	2,305,484	2,305,484	-	2,305,484
Other	141,328	72,668	213,996	-	213,996
Total direct	<u>93,179,997</u>	<u>356,644,004</u>	<u>449,824,001</u>	<u>-</u>	<u>449,824,001</u>
Contract reduction:					
Salaries	1,166,117	13,528,301	14,694,418	-	14,694,418
Contractual	99,179	635,774	734,953	-	734,953
Village Built Clinic leases	-	103,383	103,383	-	103,383
Relocation	-	166,760	166,760	-	166,760
Total contract reduction	<u>1,265,296</u>	<u>14,434,218</u>	<u>15,699,514</u>	<u>-</u>	<u>15,699,514</u>
Total expenses before indirect cost allocation	94,445,293	371,078,222	465,523,515	-	465,523,515
Indirect cost allocation	<u>(77,628,292)</u>	<u>77,628,292</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>16,817,001</u>	<u>448,706,514</u>	<u>465,523,515</u>	<u>-</u>	<u>465,523,515</u>
Equity in gain of LLC's	<u>4</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>4</u>
Increase in net assets from operations before non-controlling interests	(60,988,531)	94,873,192	33,884,661	(13,973)	33,870,688
Increase in net assets attributable to non-controlling interests	-	-	-	-	-
Change in net assets	<u>\$ (60,988,531)</u>	<u>94,873,192</u>	<u>33,884,661</u>	<u>(13,973)</u>	<u>33,870,688</u>

(Continued)

**SOUTHCENTRAL FOUNDATION**

Consolidated Statements of Activities

	2021				
	Net Assets without Donor Restrictions				
	General and Administrative	Program	Total	Net Assets with Donor Restrictions	Total
Revenues:					
Federal	\$ -	356,304,155	356,304,155	-	356,304,155
Federal contract reductions	-	17,317,817	17,317,817	-	17,317,817
State of Alaska	-	1,118,957	1,118,957	-	1,118,957
Patient service revenue (net of contractual allowances and discounts):					
Medicaid	-	127,912,631	127,912,631	-	127,912,631
Medicare	-	24,727,196	24,727,196	-	24,727,196
Third party payers	-	69,049,812	69,049,812	-	69,049,812
Self pay	-	1,572,937	1,572,937	-	1,572,937
Federal COVID-19 Provider Relief Fund	-	7,756,549	7,756,549	-	7,756,549
Net patient service revenues	-	231,019,125	231,019,125	-	231,019,125
Investment earnings (note 3)	29,687,268	-	29,687,268	-	29,687,268
Contributed non-financial assets (note 17)	-	12,797,857	12,797,857	-	12,797,857
Other	5,248,860	-	5,248,860	1,373,268	6,622,128
Net assets released from restriction (note 12)	-	1,339,506	1,339,506	(1,339,506)	-
Total revenues	<u>34,936,128</u>	<u>619,897,417</u>	<u>654,833,545</u>	<u>33,762</u>	<u>654,867,307</u>
Expenses:					
Direct:					
Salaries	40,268,402	145,801,072	186,069,474	-	186,069,474
Benefits (note 14)	10,821,289	38,435,246	49,256,535	-	49,256,535
Consulting and contractual	8,783,821	6,202,255	14,986,076	-	14,986,076
Consulting and contractual - buildings	961,938	718,095	1,680,033	-	1,680,033
Materials and supplies	400,131	7,160,913	7,561,044	-	7,561,044
Subawards	-	93,307,983	93,307,983	-	93,307,983
Depreciation	10,964,859	5,586,746	16,551,605	-	16,551,605
Minor equipment	356,017	1,731,378	2,087,395	-	2,087,395
Interest expense	2,954,694	62,660	3,017,354	-	3,017,354
Education	98,661	1,069,085	1,167,746	-	1,167,746
Travel and per diem	68,037	1,065,348	1,133,385	-	1,133,385
Utilities	2,280,420	744,441	3,024,861	-	3,024,861
Insurance	827,497	511	828,008	-	828,008
Insurance - buildings	609,495	112,751	722,246	-	722,246
Housekeeping	2,313,291	404,482	2,717,773	-	2,717,773
Leases - equipment (note 15)	-	625,092	625,092	-	625,092
Leases - buildings (note 15)	116,039	141,419	257,458	-	257,458
Telephone	762,069	112,942	875,011	-	875,011
Repairs and maintenance - equipment	227,284	651,971	879,255	-	879,255
Repairs and maintenance - buildings	474,179	346,971	821,150	-	821,150
Printing and reproduction	92,953	162,001	254,954	-	254,954

(Continued)

**SOUTHCENTRAL FOUNDATION**

Consolidated Statements of Activities, Continued

	<b>2021</b>				
	<b>Net Assets without Donor Restrictions</b>			<b>Net Assets with Donor Restrictions</b>	
	<b>General and Administrative</b>	<b>Program</b>	<b>Total</b>	<b>Donor Restrictions</b>	<b>Total</b>
Expenses, continued:					
Direct:					
Legal	1,560,984	-	1,560,984	-	1,560,984
Advertising	213,537	246,275	459,812	-	459,812
Moving and relocation expense	31,460	375,424	406,884	-	406,884
Scholarships	-	165,988	165,988	-	165,988
Board related	329,071	693	329,764	-	329,764
Recruitment	2,349	14,898	17,247	-	17,247
Dues and subscriptions	371,549	141,861	513,410	-	513,410
Dues and subscriptions - buildings	392,045	34	392,079	-	392,079
Donations (note 18)	198,000	-	198,000	-	198,000
Postage and freight	51,853	162,466	214,319	-	214,319
Taxes and licenses	115,410	68,347	183,757	-	183,757
Taxes and licenses - building	147,736	84,223	231,959	-	231,959
Staff support	319,017	366,429	685,446	-	685,446
Accounting and audit	62,989	-	62,989	-	62,989
Direct payments	-	1,227,368	1,227,368	-	1,227,368
Other	142,412	216,661	359,073	-	359,073
Total direct	<u>87,319,488</u>	<u>307,514,029</u>	<u>394,833,517</u>	<u>-</u>	<u>394,833,517</u>
Contract reduction:					
Salaries	1,281,582	15,123,249	16,404,831	-	16,404,831
Contractual	103,561	618,648	722,209	-	722,209
Village Built Clinic leases	-	103,383	103,383	-	103,383
Relocation	-	87,394	87,394	-	87,394
Total contract reduction	<u>1,385,143</u>	<u>15,932,674</u>	<u>17,317,817</u>	<u>-</u>	<u>17,317,817</u>
Total expenses before indirect cost allocation	88,704,631	323,446,703	412,151,334	-	412,151,334
Indirect cost allocation	<u>(84,090,238)</u>	<u>84,090,238</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>4,614,393</u>	<u>407,536,941</u>	<u>412,151,334</u>	<u>-</u>	<u>412,151,334</u>
Equity in (loss) of LLC's	<u>4</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>4</u>
Increase in net assets from operations before non-controlling interests	30,321,739	212,360,476	242,682,215	33,762	242,715,977
Increase in net assets attributable to non-controlling interests	-	-	-	-	-
Change in net assets	<u>\$ 30,321,739</u>	<u>212,360,476</u>	<u>242,682,215</u>	<u>33,762</u>	<u>242,715,977</u>

**SOUTHCENTRAL FOUNDATION**

Consolidated Statements of Net Assets

Year Ended September 30, 2022

	Controlling Interest			Non-controlling Interest	Total
	Without Donor Restrictions		With Donor Restrictions		
	Designated	Undesignated			
Balance, September 30, 2020	\$ 535,779,770	161,852,478	488,440	(61,773)	698,058,915
Distributions	-	-	-	-	-
Change in net assets	<u>107,237,359</u>	<u>135,444,856</u>	<u>33,762</u>	<u>-</u>	<u>242,715,977</u>
Balance, September 30, 2021	\$ <u>643,017,129</u>	<u>297,297,334</u>	<u>522,202</u>	<u>(61,773)</u>	<u>940,774,892</u>
Distributions	-	-	-	-	-
Change in net assets	<u>331,181,995</u>	<u>(297,297,334)</u>	<u>(13,973)</u>	<u>-</u>	<u>33,870,688</u>
Balance, September 30, 2022	\$ <u>974,199,124</u>	<u>-</u>	<u>508,229</u>	<u>(61,773)</u>	<u>974,645,580</u>

See accompanying notes to financial statements.

**SOUTHCENTRAL FOUNDATION**

Consolidated Statements of Cash Flows

Years ended September 30, 2022 and 2021

	2022	2021
Cash flows provided (used) by operating activities:		
Change in net assets	\$ 33,870,688	242,715,977
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	18,298,474	16,551,605
Amortization	76,153	86,881
Increase (decrease) in contractual allowances	10,126,824	(1,376,311)
Investments (gains) losses	65,367,708	(19,231,926)
Changes in assets and liabilities:		
Decrease (increase) in grantor receivables	(8,072,989)	(13,833,885)
Decrease (increase) in third party payer receivables	(11,062,343)	(1,670,347)
Decrease (increase) in interest and dividends receivables	(957,966)	(1,238,284)
Decrease (increase) in other receivables	322,362	(374,042)
Decrease (increase) in prepaid expenses and deposits	14,149,472	(15,519,936)
Decrease (increase) in inventory - software/hardware/carpet	17,379	(1,933)
Increase (decrease) in Alaska Native Tribal Health Consortium payable	(6,466,091)	5,046,226
Increase (decrease) in accounts payable and accrued liabilities	165,860	2,050,087
Increase (decrease) in accrued salaries and benefits	(1,502,522)	5,099,045
Increase (decrease) in deferred revenues	(21,225,804)	40,419,078
Increase (decrease) in deferred compensation plan	(1,840,694)	2,271,078
Increase (decrease) in other liabilities	(9,877,031)	(3,983,965)
Net cash provided by operating activities	81,389,480	257,009,348
Cash flows provided (used) by investing activities:		
Issuance of notes receivable	-	(2,310,558)
Proceeds from repayment of notes receivables	12,675	-
Purchase of property and equipment	(43,158,593)	(32,873,364)
Disposal of property and equipment	120,168	7,129,043
Purchase of investments	(329,839,577)	(466,073,581)
Sale of investments	295,138,378	228,532,744
Net cash (used) by investing activities	(77,726,949)	(265,595,716)
Cash flows provided (used) by financing activities:		
Payments on long term debt	(8,051,422)	(8,648,403)
Payment of deferred financing costs	-	-
Net cash (used) by financing activities	(8,051,422)	(8,648,403)
Net increase (decrease) in cash and cash equivalents	(4,388,891)	(17,234,771)
Cash and cash equivalents, beginning of year	67,431,352	84,666,123
Cash and cash equivalents, end of year	\$ 63,042,461	67,431,352
Supplemental disclosure of cash activity:		
Interest paid	\$ 2,686,780	2,930,473

See accompanying notes to financial statements.

# SOUTHCENTRAL FOUNDATION

## Notes to Consolidated Financial Statements

Years Ended September 2022 and 2021

### (1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Southcentral Foundation (SCF) was incorporated as a nonprofit organization under Alaska State Law in 1982. SCF's objective is to improve the health, educational, cultural, social and economic conditions of Alaska Natives by providing health services primarily in the Anchorage and Matanuska-Susitna Valley, along with other areas of Alaska. The Indian Health Services provides funding to SCF to cover the costs of health services provided to eligible beneficiaries at the Alaska Native Medical Center. In addition, SCF administers other federal and state funded programs. The more significant policies and estimates applied in the preparation of the financial statements are discussed below.

#### (a) *Basis of Presentation*

SCF's financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method of accounting, revenues are recognized when earned. Liabilities and expenses are recorded when incurred. The financial statements include assets, liabilities, net assets, and financial activities for those programs for which SCF exercise fiscal and operations control.

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for existing capital assets, replacement of existing capital assets, contractual obligations and other program commitments, the capital project plan, the technology reserve fund, and other specific purposes.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. 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.

SOUTHCENTRAL FOUNDATION

Notes to Consolidated Financial Statements, Continued

**(b) Contributed Nonfinancial Assets**

Donated services are recognized as contributions in accordance with FASB ASC 958, Accounting for Contributions Received and Contributions Made, if the services (1) create or enhance nonfinancial assets or (2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. In-kind contributions for space, supplies, and professional services are recorded in the statement of activities at market value and recognized as revenue and expenses in the period they are received, except for donated equipment, which is recorded as revenue in the period received and the asset is depreciated over its estimated useful life.

**(c) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and demand deposits, money market funds, and other highly liquid investments with original maturities to SCF of three months or less.

**(d) Accounts Receivable**

Accounts receivable are recorded at the net realizable value at the transaction price based upon standard charges for services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured or underinsured patients in accordance with SCF's policies, and/or implicit price concessions provided to uninsured or underinsured patients, and do not bear interest.

**(e) Investments**

Investments in marketable securities are reported at fair value in the Consolidated Statement of Financial Position. Unrealized gains and losses and interest earned on investments are recorded as unrestricted investment earnings. Interest income is earned on both federal and nonfederal monies. All investment earnings are recorded in the Consolidated Statement of Activities, net of investment fees.

**(f) Property and Equipment**

Property and equipment are capitalized and depreciated over their estimated useful life on a straight line basis. Property and equipment purchased with grant funding are released from restriction as the property and equipment is depreciated. Useful lives of assets are as follows:

	<u>Years</u>
Buildings	25 - 40
Building improvements	8 - 25
Equipment	2 - 15

**(g) Inventory**

Accounting for inventory of software, hardware and carpet is valued at the lower aggregate cost or market. Inventory is accounted on the first in, first out (FIFO) method.



## SOUTHCENTRAL FOUNDATION

### Notes to Consolidated Financial Statements, Continued

#### **(h) *Prepaid Expenses***

Payments made for items that will benefit periods beyond the year end, are recorded as prepaid expenses.

#### **(i) *Annual Leave***

Annual leave is accrued as earned by employees and recorded as an expenditure in the period earned.

#### **(j) *Fair Value of Financial Instruments***

SCF must disclose its estimate of the fair value of material financial instruments, including those recorded as assets or liabilities in its financial statements and derivative financial instruments.

The following financial instruments are recorded at fair value or at amounts that approximate fair value: (1) cash and cash equivalents, (2) investments, (3) receivables, net, (4) certain other current assets, (5) accounts payable and (6) other current liabilities. The carrying amounts reported in the statements of financial position for the above financial statements closely approximate their fair value due to the short-term nature of these assets and liabilities except for SCF's investments. The carrying amounts of SCF's investments were determined based on quoted market prices.

The carrying amount of notes payable approximates fair value for those financial instruments with interest at variable rates, as those rates approximate current market rates for notes with similar maturities and credit quality.

The fair values of SCF's other various debt instruments were derived by evaluating the nature and terms of each instrument, considering prevailing economic and market conditions, and examining the cost of similar debt offered at the statements of financial position date. These estimates are subjective and involve uncertainties and matters of significant judgment, and therefore SCF cannot determine them with precision. Changes in assumptions could significantly affect SCF's estimates.

#### **(k) *Revenue Recognition***

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

Consequently, at September 30, 2022 and 2021 contributions approximating \$1,207,656 and \$1,555,538, respectively, have not been recognized in the accompanying consolidated statement of activities because the condition(s) on which they depend has not yet been met. Of the total conditional contributions, \$1,207,656 and \$1,555,538 is included within deferred revenue for 2022 and 2021, respectively, which depend on the Organization incurring qualifying expenditures in compliance with the terms of the contributions.

## SOUTHCENTRAL FOUNDATION

### Notes to Consolidated Financial Statements, Continued

A large portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position. The Organization received cost-reimbursable grants of \$42,577,034 that have not been recognized at September 30, 2022 because qualifying expenditures have not yet been incurred, with an advance payment of \$34,253,341 recognized in the statement of financial position as a deferred revenue. The Organization received cost-reimbursable grants of \$109,165,526 that have not been recognized at September 30, 2021 because qualifying expenditures have not yet been incurred, with an advance payment of \$55,131,263 recognized in the statement of financial position as a deferred revenue. Most revenues from the U.S. Department of Health and Human Services, IHS Self Governance Compact are earned and recognized in the year the money is made available to SCF.

#### **(I) Revenue Recognition from Contracts**

Revenue is recognized in the period services are performed which is when performance obligations are satisfied, and consists primarily of net patient service revenue which are reported at the amount that reflects the consideration which SCF expects to be entitled to for providing patient care. These amounts are due from patients, third-party payors, and others and include variable consideration for retroactive revenue accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Performance obligations are determined based on the nature of the services provided by SCF. Revenue from performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected charges. SCF believes that this method provides a reasonable depiction of the transfer of services over the term of performance obligations based upon the inputs needed to satisfy the obligation. SCF does not have any performance obligations which were not satisfied by the end of the reporting period.

SCF measures performance obligations from the commencement of an outpatient service or admission into the facility to the point when it is no longer required to provide services to the patient which is generally the completion of the outpatient service for that day or when the patient checks out of the facility. These services are considered a single performance obligation. Revenue from performance obligations satisfied at a point in time is recognized when services are provided and SCF does not believe it is required to provide additional services to the patient.

Transaction price is based on standard charges for services provided to patients, reduced by applicable contractual adjustments, discounts to uninsured or underinsured patients, and implicit pricing concessions. The estimates of contractual adjustments and discounts are based on contractual agreements, a discount policy, and historical collection experience. The process for estimating the collectability of patient accounts receivable involves historical collection experience, changes in contracts with payors, and significant assumptions and judgement. Accounts balances are written off as implicit pricing concessions when management believes it is probable the receivable will not be recovered.

## SOUTHCENTRAL FOUNDATION

### Notes to Consolidated Financial Statements, Continued

SCF has elected to apply the practical expedient allowed under ASC 606-10-10-4 for applying the revenue standard to a portfolio of contracts with similar characteristics. SCF accounts for the contracts within each portfolio as a collective group, rather than individual contracts, based on the payment pattern expected in each portfolio category and the similar nature and characteristics of the patients within each portfolio. The portfolios consist of major payer classes of patient revenue. Based upon historical collection trends and other analysis, SCF has concluded that revenue for a given portfolio would not be materially different than if accounting for revenue on a contract-by-contract basis.

#### Net Patient Service Revenue

SCF has agreements with third-party payors to provide for payments at the amounts different from SCF's established rates. A summary of the payments arrangements with the major payors follows:

##### Medicare

Services Rendered to Medicare program beneficiaries are reimbursed under the Medicare Part B outpatient benefit. Certain services are also eligible for reimbursement under a prospective reimbursement methodology, based upon actual costs, whereby outpatient services are paid based upon an all-inclusive per encounter rate. No final settlements occur. These all-inclusive rate are mandated by the Department of Health and Human Services and published annually in the Federal Register.

##### Medicaid

The majority of healthcare services rendered to Medicaid program beneficiaries are reimbursed under a prospective reimbursement methodology, based upon actual costs. Outpatient services are paid based upon an all-inclusive per encounter rate. No final settlements occur. These all-inclusive rate are mandated by the Department of Health and Human Services and published annually in the Federal Register. Services not eligible for the all-inclusive per encounter rate are paid per the Medicaid fee schedule or other negotiated rate.

##### Other Third-Party Payors

SCF also has entered into payment agreements with certain commercial insurance carriers, health maintained organizations, and preferred provider organizations. The basis for payment to SCF under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

#### **(m) Contract Reduction Revenues and Expenses**

In connection with SCF's operation of IHS Compact programs, certain expenses are paid directly by IHS. SCF's annual Compact funding is reduced by the amount of these expenditures. SCF records revenues equal to the amount of these contract reductions and expenditures for those costs chargeable to the program which are paid by IHS.

## SOUTHCENTRAL FOUNDATION

### Notes to Consolidated Financial Statements, Continued

#### **(n) Indirect Cost Allocation**

“Indirect costs” that benefit all programs are not directly charged to programs. Indirect costs are allocated to each program based upon an agreement negotiated with the cognizant agency which provides for allocation of indirect costs based upon total direct expenses of each contract or grant, less exclusions for equipment purchases and other capital expenditures, certain sub-recipients, rental/maintenance of off-site activities, and other direct payments of financial assistance to or on behalf of eligible individuals, which are not subject to a recovery rate. Indirect costs allocated to the various contracts and grants have been made at the current negotiated rates unless otherwise provided by contractual agreement. Any over recovery or under recovery of actual indirect costs for the year are recovered or refunded to the grantor, if required, except that under recoveries may be subject to the availability of funds from the grantor.

#### **(o) Income Taxes**

SCF is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. SCF is exempt from State income taxes under the Alaska Nonprofit Corporation Act. Therefore, the accompanying statements do not reflect a provision for income taxes. Although SCF is exempt from federal income taxes, any income derived from unrelated business activities is subject to the requirement of filing U.S. Federal Income Tax Form 990-T and a tax liability may be determined on these activities. SCF's policy is to report interest and penalties associated with uncertain tax positions as other expense. There is no interest or penalties accrued at September 30, 2022 and 2021. With few exceptions, SCF is not subject to audit of its tax returns prior to September 30, 2019. Management has taken no uncertain tax positions.

#### **(p) Functional Expense Allocation**

The natural classification of expenditures before indirect cost allocation reported in the Consolidated Statements of Activities are directly assigned to each of the two broad functional categories of General and Administrative expenses and Program expenses. General and Administrative expenses include costs directly assigned to indirect costs pools as well as the General Fund (which is a Direct expense). Total General and Administrative expenses (after indirect cost allocations) equal General Fund expenses, including the indirect cost expense allocated to them, plus the difference between expenses directly assigned to the indirect cost pools and the calculated indirect cost recoveries for the year (see (n) Indirect Cost Allocation).

The various schedules of program expenses accompanying the financial statements report certain administrative and facility expenses that are attributable to more than one program as indirect cost expense (see (n) Indirect Cost Allocation).

#### **(q) 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 effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SOUTHCENTRAL FOUNDATION

Notes to Consolidated Financial Statements, Continued

**(r) Principles of Consolidation**

The Consolidated Statements of Financial Position and the related Consolidated Statements of Activities, Consolidated Statements of Net Assets, and Consolidated Statement of Cash Flows for the year ended September 30, 2022 and 2021 include Coltsfoot LLC, SCF-JL Investor LLC, and Novarupta LLC. All significant intercompany balances and transactions have been eliminated in consolidation.

**(2) CASH AND CASH EQUIVALENTS**

SCF maintains cash balances at Wells Fargo Bank. Federal Deposit Insurance Corporation (FDIC) insures these accounts up to \$250,000 per depositor, per financial institution. At September 30, 2022 and 2021, U.S. Treasury obligations collateralized the remaining bank balance, which is held by Bank of New York in a Tri-party collateral agreement with Wells Fargo, the pledging financial institution's agent, in the SCF's name.

**(3) INVESTMENTS**

SCF's investments are summarized as follows at September 30, 2022 and 2021:

Type of Investment	2022		
	Current	Long Term	Total
U.S. Treasury and Agency	\$ 4,858,369	21,241,045	26,099,414
U.S. Municipal Bonds	7,461,300	347,724	7,809,024
U.S. Commercial Paper	-	-	-
U.S. Corporate Bonds	119,155,317	341,167,990	460,323,307
U.S. Securitized Fixed Income	-	1,228,741	1,228,741
U.S. Fixed Income Funds	10,548,989	-	10,548,989
International Commercial Paper	-	-	-
International Corporate Bonds	53,393,048	36,452,750	89,845,798
Global Fixed Income Funds	4,949,149	-	4,949,149
U.S. Common Stock	47,595,568	-	47,595,568
International Common Stock	21,675,389	-	21,675,389
U.S. Equity Funds	4,047,501	-	4,047,501
International Equity Funds	7,313,293	-	7,313,293
Alternative Funds	9,516,625	-	9,516,625
	<u>\$ 290,514,548</u>	<u>400,438,250</u>	
Restricted investments - deferred compensation (note 7)			<u>9,239,851</u>
			<u>700,192,649</u>

SOUTHCENTRAL FOUNDATION

Notes to Consolidated Financial Statements, Continued

Type of Investment	2021		
	Current	Long Term	Total
U.S. Treasury and Agency	\$ 6,634,130	25,817,308	32,451,438
U.S. Municipal Bonds	39,443,412	413,572	39,856,984
U.S. Commercial Paper	19,996,578	-	19,996,578
U.S. Corporate Bonds	130,564,319	261,757,619	392,321,938
U.S. Securitized Fixed Income	-	1,300,987	1,300,987
U.S. Fixed Income Funds	14,329,719	-	14,329,719
International Commercial Paper	9,993,694	-	9,993,694
International Corporate Bonds	8,141,640	83,729,327	91,870,967
Global Fixed Income Funds	6,466,592	-	6,466,592
U.S. Common Stock	52,151,291	-	52,151,291
International Common Stock	26,737,257	-	26,737,257
U.S. Equity Funds	10,008,090	-	10,008,090
International Equity Funds	14,405,255	-	14,405,255
Alternative Funds	7,887,822	-	7,887,822
	<u>\$ 346,759,799</u>	<u>373,018,813</u>	
Restricted investments - deferred compensation (note 7)			<u>11,080,545</u>
			<u>730,859,157</u>

Investment earnings are summarized as follows for the years ended September 30, 2022 and 2021:

	2022	2021
Interest	\$ 7,773,318	6,175,206
Dividends	1,368,412	1,322,271
Realized gains and (losses)	4,231,698	3,791,673
Unrealized gains and (losses)	(69,599,406)	15,440,253
Change in value of derivative instrument	9,877,032	3,983,965
Fees	(1,123,898)	(1,026,100)
	<u>\$ (47,472,844)</u>	<u>29,687,268</u>

**(4) LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 63,042,461
Third party payer receivables, net	9,870,383
Interest and dividends receivable	4,853,069
Other receivables	437,059
Investments (current)	<u>290,514,548</u>
	<u>\$ 368,717,520</u>

## SOUTHCENTRAL FOUNDATION

### Notes to Consolidated Financial Statements, Continued

Investments include the portion of a bond ladder of U.S. municipal bonds, U.S. corporate bonds, and international corporate bonds maturing monthly out to one year, which totals \$179,108,436. The bond ladder is used for treasury management with maturities continuously reinvested and/or used for cash requirements. It complements the use of money market funds (included in Cash and cash equivalents) for investing cash in excess of anticipated daily requirements. The bond ladder is managed to extend out up to three (3.0) years to maturity, but only the portion maturing within one year is included in the investment amounts in this note.

The balance of the investments in this note includes common stocks, equity funds, alternative funds, fixed income funds, and fixed income securities that are managed for longer time horizons. However, these all consist of marketable securities with daily market prices and could be readily sold if necessary.

#### **(5) FAIR VALUE MEASUREMENTS**

Included in investment related line items in the financial statements are certain financial instruments carried at fair value. Other financial instruments are periodically measured at fair value, such as when impaired, or for certain bonds and preferred stock when carried at the lower of cost or market.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous market at the measurement date under current market conditions regardless of whether that price is discretely observable or estimated using another valuation technique. Fair values are based on quoted market prices when available. SCF does not have investments for which quoted market prices are not available.

SCF's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by generally accepted accounting principles. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methods and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

- Level 1 – Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.
- Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.
- Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect SCF's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

SOUTHCENTRAL FOUNDATION

Notes to Consolidated Financial Statements, Continued

The following table provides information as of September 30, 2022 and 2021 about SCF financial assets and liabilities measured at fair value on a recurring basis.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2022</u>				
Assets – Investments	\$ 700,192,649	-	-	700,192,649
Liabilities – Interest				
Rate Swap				
Agreements	\$ -	7,534,018	-	7,534,018
<u>2021</u>				
Assets – Investments	\$ 730,859,157	-	-	730,859,157
Liabilities – Interest				
Rate Swap				
Agreements	\$ -	(2,343,014)	-	(2,343,014)

Interest Rate Swap Agreements

Balance September 30, 2020	\$	(6,326,979)
Net increase in value of derivative instruments		3,983,965
Balance September 30, 2021		(2,343,014)
Net increase in value of derivative instruments		9,877,032
Balance September 30, 2022	\$	7,534,018

The change in the value of derivative instruments is included in the change in net assets without donor restrictions in the statement of activities as investment earnings.

Given the narrow definition of Level 1 and SCF's investment asset strategy, all of SCF's investment assets are classified in Level 1. Changes in value of investments and earnings are recorded in the statement of activities as investment income. The fair value of the interest rate swap agreements was determined using market information and projected future cash flows.

**(6) ACCOUNTS RECEIVABLE**

SCF's third party payer accounts receivable balances consist of the following at year end:

			Third Party Payers	Self-Pay	Total
<u>2022</u>					
Accounts receivable	\$	8,147,489	80,498	1,587,123	55,273
					9,870,383
<u>2021</u>					
Accounts receivable	\$	7,696,880	96,364	1,108,597	33,023
					8,934,864



SOUTHCENTRAL FOUNDATION

Notes to Consolidated Financial Statements, Continued

**(7) DEFERRED COMPENSATION**

SCF offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. Under the plan, eligible employees can elect to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable financial emergency.

Deferred compensation investments, along with the corresponding liabilities, are reported in the Consolidated Statement of Financial Position. Compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributed to those amounts are the sole property and rights of SCF (until paid or made available to the employee or other beneficiary), subject only to the claims of Southcentral Foundation's general creditors. Participants' rights under the plan are equal to those of general creditors of SCF in an amount equal to the fair market value of the deferred account for each participant. Management believes it is unlikely that SCF will have to use the assets to satisfy claims of general creditors in the future.

Plan assets and amounts due employees are included in long-term investments and long-term liabilities, respectively, and total \$9,239,851 at September 30, 2022 and \$11,080,545 at September 30, 2021.

**(8) PROPERTY AND EQUIPMENT**

Property and equipment at September 30, 2022 and 2021 are summarized as follows:

	2022 <b>Total</b>	2021 <b>Total</b>
Land	\$ 31,665,485	31,655,485
Buildings	313,092,445	310,359,372
Building improvements	91,957,218	65,562,031
Equipment	54,969,069	47,144,578
	491,684,217	454,721,466
Less accumulated depreciation	164,506,015	146,327,710
	327,178,202	308,393,756
Construction work in progress	13,763,615	7,808,110
	\$ 340,941,817	316,201,866

Depreciation expense for the years ended September 30, 2022 and 2021 was \$18,298,474 and \$16,551,605, respectively.

SOUTHCENTRAL FOUNDATION

Notes to Consolidated Financial Statements, Continued

**(9) LONG TERM DEBT**

Long term debt is summarized as follows at September 30, 2022 and 2021:

	2022	2021
<p>Note payable to Wells Fargo Bank, variable interest note with an interest rate swap with a fixed rate of 1.61% through a fair value hedge, resulting in an effective all-in fixed rate of 2.74%. Current principal payments are \$37,440 per month and increase annually until maturing at March 2030. Secured by property at 4341 Tudor Centre Drive, Anchorage.</p>	3,707,504	4,151,195
<p>Note payable to Wells Fargo Bank, variable interest note with an interest rate swap with a fixed rate of 1.432% through a fair value hedge, resulting in an effective all-in fixed rate of 2.56%. Current principal payments are \$23,164 per month and increasing annually until maturing at March 2030. Secured by property at 4341 Tudor Centre Drive, Anchorage.</p>	2,293,831	2,568,342
<p>Note payable to Wells Fargo Bank, variable interest note with an interest rate swap with a fixed rate of 5.25% through a fair value hedge, resulting in an effective all-in fixed rate of 4.88%. Current principal payments are \$50,390 per month and increase annually until maturing at November 2027. Secured by property at 4320 Diplomacy Drive, Anchorage.</p>	3,646,340	4,245,880
<p>Note payable to Wells Fargo Bank, variable interest note with an interest rate swap with a fixed rate of 5.25% through a fair value hedge, resulting in an effective all-in fixed rate of 4.88%. Current principal payments are \$50,390 per month and increase annually until maturing at March 2028. Secured by property at 4320 Diplomacy Drive, Anchorage.</p>	3,847,900	4,437,160
<p>Note payable to Wells Fargo Bank, variable interest note with an interest rate swap with a fixed rate of 4.5% through a fair value hedge, resulting in an effective all-in fixed rate of 2.98%. Current principal payments are \$47,360 per month and increase annually until maturing at January 2029. Secured by property at 4320 Diplomacy Drive, Anchorage.</p>	4,232,970	4,790,440

SOUTHCENTRAL FOUNDATION

Notes to Consolidated Financial Statements, Continued

	2022	2021
Note payable to Wells Fargo Bank, variable interest note with interest rate swaps with fixed rates of 2.189% and 0.907% through fair value hedges, resulting in effective all-in fixed rates of 3.32% and 2.04%, respectively on principal balances of \$29,945,466 and \$14,237,296, respectively at September 30, 2022. Current principal payments are \$279,304 per month and increase annually until maturing at November 2033. Secured by property at 4441 and 4501 Diplomacy Drive and 4160 Tudor Centre Drive, Anchorage.	44,182,762	47,519,323
 Note payable to Wells Fargo Bank, variable interest note with an interest rate swap with a fixed rate of 0.871% through a fair value hedge, resulting in an effective all-in fixed rate of 1.87%. Current principal payments are \$190,044 per month and increase annually until maturing at May 2035. Initial term ends May 2025 with extension requests up to maturity and the new interest rate subject to approval. Secured by property at 951 and 1001 South Knik Goose Bay Road, Wasilla and 4320 Diplomacy Drive, Anchorage.	32,816,345	35,066,733
	94,727,652	102,779,073
Less unamortized financing costs	774,743	850,896
Less current portion	8,298,941	8,051,998
	\$ 85,653,968	93,876,179

In 2017, Southcentral Foundation retroactively adopted the requirements of FASB ASC835-30 to present debt issuance costs as a reduction of the carrying amount of debt rather than as an asset. Amortization of \$76,153 and \$86,881 is reported as interest expense in the Consolidated Statement of Activities for the years ended September 30, 2022 and 2021, respectively.

Future principal payments on the long-term debt are scheduled as follows:

Period ending September 30,	2022	2021
2022	-	8,051,998
2023	8,298,941	8,298,941
2024	8,552,196	8,552,196
2025	8,820,767	8,820,767
2026	9,096,211	9,096,211
2027	9,380,506	9,380,506
Thereafter	50,579,031	50,578,454
	\$ 94,727,652	102,779,073

## SOUTHCENTRAL FOUNDATION

### Notes to Consolidated Financial Statements, Continued

At September 30, 2022 and 2021, Southcentral Foundation had seven qualified 501(c)(3) tax-exempt bonds which were issued by local governments to further its exempt purpose. The tax-exempt status remains throughout the life of the bonds if all applicable federal tax laws are satisfied while the bonds are outstanding. Requirements include maintenance of records sufficient to establish compliance with all applicable federal tax requirements until 3 years after final maturity of bonds. 100% of the bonds were used to help finance buildings used for Southcentral Foundation operations.

On June 30, 2023, LIBOR's administrator, ICE Benchmark Administration will cease publishing the different tenors of USD LIBOR, including 1-month LIBOR. Rather than opting to let the loans convert from 1-month LIBOR to an alternative rate based on the documented fallback language, Wells Fargo and SCF are in discussions and share the goal of amending the loans to convert to 30-Day Average SOFR plus either no credit spread adjustment ("CSA") or one that is less than the Alternative Reference Rate Committee's recommended CSA of 11.448 basis points.

Rather than opting to either amend the interest rate swap agreements or let them convert from 1-month LIBOR to the International Swaps and Derivatives Association's fallback rate of SOFR Compounded in Arrears plus a CSA of 11.448 basis points, Wells Fargo and SCF are in discussions and share the goal of amending the interest rate swaps to convert the floating rate to the same rate as the rate for the loans discussed above. This would maintain the effectiveness of the interest rate hedges (without adding basis risk). Any resulting change in the estimated fair value of the interest rate swap agreements are expected to be minimal.

The transaction costs of amending the loans and interest rate swap agreements as described above are not expected to be significant.

#### **(10) INVESTMENTS IN LIMITED LIABILITY COMPANIES (LLC'S)**

Investments in LLCs where SCF has significant influence are accounted for using the equity method of accounting, whereby SCF's pro rata share of the earnings or losses of each investment is included in the Consolidated Statements of Activities and any undistributed earnings or losses are reported as an increase or decrease in the investment balance.

Distributions are reported as a decrease in the investment balance when received. Equity investments not accounted for under the equity method are recorded at the lower of cost or estimated market value.

SCF applies the provisions of Topic 810 of the FASB Accounting Standards Codification relating to non-controlling interests in consolidated financial statements. This guidance requires non-controlling interests to be reported as a component of equity separate from the parent's equity and purchases or sales of equity interests, that do not result in a change in control, to be accounted for as equity transactions. In addition, net income attributable to a non-controlling interest is to be included in net income and, upon a loss of control, the interest sold, as well as any interest retained, is to be recorded at fair value, with any gain or loss recognized in net income.

The equity method of accounting is used to account for SCF's investment in Remy LLC, whereby SCF records its proportionate share of the LLC's net income or loss.

SOUTHCENTRAL FOUNDATION

Notes to Consolidated Financial Statements, Continued

SCF formed Coltsfoot LLC in August 2015, of which it is the sole member. Coltsfoot LLC was formed for the primary purpose of acting as a member of SCF-JL Investor LLC, of which Coltsfoot LLC has an over 95% ownership interest.

SCF-JL Investor LLC was formed for the primary purpose of purchasing and selling shares of stock in Geneva Woods Pharmacy, Inc (GWPI). SCF-JL Investor LLC and all the other shareholders sold all their GWPI stock in December 2017. As of September 30, 2022, the former GWPI shareholders have received most of the funds that were held in escrow as a portion of the purchase price to protect the buyer against indemnity claims and await the final resolution of the indemnity holdback balance remaining.

SCF formed Novarupta LLC in January 2015, of which it is the sole member. Novarupta LLC's primary purpose is acting as a member of Remy LLC, which was formed to engage in the holding and development of commercial real property. Novarupta LLC has a 50% membership interest in Remy LLC.

**(11) INTEREST RATE SWAP AGREEMENTS**

At September 30, 2022 and 2021 SCF was a party to eight interest rate swap transactions designed to manage SCF's interest costs and risks associated with variable rate debt. Information related to these interest rate swap agreements as of September 30, 2022 and 2021, including the fixed interest rates paid by SCF and percent of 1-month LIBOR plus spread received on notional principal, is presented in the table below:

<b>2022</b>				
<b>Effective Date</b>	<b>Maturity Date</b>	<b>Notional Amount</b>	<b>Fixed Rate</b>	<b>% of 1-month LIBOR Plus spread</b>
11/01/2007	11/01/2027	3,646,340	5.250%	66.9% of 1M LIBOR + 1.315%
03/03/2008	03/01/2028	3,847,900	5.250%	66.9% of 1M LIBOR + 1.315%
01/02/2009	01/01/2029	4,223,040	4.500%	67.0% of 1M LIBOR + 2.460%
12/02/2019	03/01/2030	3,707,504	1.610%	80.4% of 1M LIBOR + 0%
12/02/2019	03/01/2030	2,293,831	1.432%	80.4% of 1M LIBOR + 0%
09/03/2019	11/01/2033	29,945,466	2.189%	80.4% of 1M LIBOR + 0%
03/31/2020	11/01/2033	14,237,296	0.907%	80.4% of 1M LIBOR + 0%
04/30/2020	05/01/2035	32,816,345	0.871%	80.4% of 1M LIBOR + 0%
<b>2021</b>				
<b>Effective Date</b>	<b>Maturity Date</b>	<b>Notional Amount</b>	<b>Fixed Rate</b>	<b>% of 1-month LIBOR Plus spread</b>
11/01/2007	06/01/2021	-	5.180%	66.9% of 1M LIBOR + 1.315%
11/01/2007	11/01/2027	4,245,880	5.250%	66.9% of 1M LIBOR + 1.315%
03/03/2008	03/01/2028	4,437,160	5.250%	66.9% of 1M LIBOR + 1.315%
01/02/2009	01/01/2029	4,782,680	4.500%	67.0% of 1M LIBOR + 2.460%
12/02/2019	03/01/2030	4,151,195	1.610%	80.4% of 1M LIBOR + 0%
12/02/2019	03/01/2030	2,568,342	1.432%	80.4% of 1M LIBOR + 0%
09/03/2019	11/01/2033	32,166,346	2.189%	80.4% of 1M LIBOR + 0%
03/31/2020	11/01/2033	15,352,977	0.907%	80.4% of 1M LIBOR + 0%
04/30/2020	05/01/2035	35,066,733	0.871%	80.4% of 1M LIBOR + 0%

SOUTHCENTRAL FOUNDATION

Notes to Consolidated Financial Statements, Continued

The estimated fair value of these agreements, based on various factors contained in the related interest rate swap agreements and interest rates, represents an unrealized gain of \$7,534,018 included in other liabilities as of September 30, 2022 and an unrealized loss of \$2,343,014 as of September 30, 2021.

The estimated value on these agreements increased by \$9,877,032 in the period ended September 30, 2022 and increased by \$3,983,965 in the period ended September 30, 2021. These changes are included in investment earnings in the Statement of Activities. Net payments or receipts under the swap agreements during a fiscal year are reflected as interest expense. These financial instruments involve counter-party credit exposure. The counter-party for these swap transactions is Wells Fargo Bank.

**(12) NET ASSETS**

Net assets released from restriction, which satisfied the restrictions specified by the funder, are summarized as follows for the years ended September 30, 2022 and 2021:

	2022	2021
State of Alaska, Department of Health and Social Services, Finance and Management Services:		
Therapeutic Family Group Homes	\$ 13,549	13,544
Subtotal – Net assets released from restriction through depreciation of assets	\$ 13,549	13,544
Other Contributions	\$ 2,235,152	1,325,962
Total Net Assets Released from Restriction	\$ 2,248,701	1,339,506

Net assets are purpose restricted for the following at years ended September 30, 2022 and 2021:

	2022	2021
Property acquired with grant monies	\$ 249,187	262,736
Donations	259,042	259,466
	\$ 508,229	522,202

SOUTHCENTRAL FOUNDATION

Notes to Consolidated Financial Statements, Continued

**(13) DESIGNATED NET ASSETS**

Designated net assets consist of amounts set aside by the board of directors for specific purposes. As of September 30, 2022 and 2021, these amounts are summarized as follows:

	2022	2021
Invested in Existing Capital Assets	\$ 254,273,739	211,667,939
Replacement of Existing Capital Assets	357,014,835	223,663,230
Contractual Obligations and Other Program Commitments	109,042,299	149,240,879
Approved Capital Project Plan	21,156,272	45,936,621
Learning Institute Business Plan	747,037	637,473
Technology Reserve Fund	9,464,942	11,870,987
SCF Facility Master Plan	222,500,000	-
	\$ 974,199,124	643,017,129

**(14) RETIREMENT PLAN**

SCF, along with other related entities, participates in a 401k or a 401k Roth plan. Eligible employees can defer pretax money from their paychecks into the 401k plan or deferring after tax money into 401k Roth plan. Employees can choose to defer any percentage (or zero percent). Those who do not elect a deferral percentage are automatically enrolled for a 4% deferral. Employees can change the amount they want to defer at anytime. SCF complies with IRS limits on the amount of pretax dollars an employee can defer into a 401k plan. Employee deferrals are immediately vested at 100%.

Once employees meet the initial eligibility requirements (18 years of age, one year of employment and 1,000 hours worked during the 12 month period preceding their anniversary date) they are eligible for employer matching contributions of up to 4% of their retirement eligible compensation. Employer matching contributions are contributed each pay period and are immediately vested.

SCF may also make a discretionary contribution after the end of the plan year (which is the same as the calendar year). In order to receive the discretionary contribution, employees must have met the initial eligibility requirements mentioned above, work at least 501 hours during the plan year, and must be employed on the last day of the plan year (December 31<sup>st</sup>). For 2022 and 2021, SCF employees who are eligible to receive a discretionary contribution will receive a contribution equal to 4% of their eligible pay. Discretionary contributions require three years of employment (working at least 501 hours in each year) in order to be vested.

The amount expensed on the retirement plan by SCF for the years ending September 30, 2022 and 2021, was \$11,691,545 and \$11,890,619, respectively.

SOUTHCENTRAL FOUNDATION

Notes to Consolidated Financial Statements, Continued

**(15) LEASES**

SCF leases space and office equipment for operations, administration and storage under various operating lease agreements. In addition to the space and office equipment leases SCF also leases various pieces of medical equipment under operating lease agreements. Payments under these lease agreements totaled \$1,767,304 and \$882,550 during the years ended September 30, 2022 and 2021, respectively. Future minimum lease payments as of September 30, 2022 and 2021 are as follows:

September 30,	2022	2021
2022	\$ -	1,889,645
2023	1,877,145	1,877,145
2024	1,877,145	1,877,145
2025	1,877,145	1,877,145
2026	1,877,145	1,877,145
2027	1,877,145	-
	\$ 9,385,725	9,398,225

**(16) NOTE RECEIVABLE**

In September 2021, SCF acquired an \$2,310,000 promissory note from Great North Lodging, LLC (Borrower). The note bears interest at 5.5% per annum and is due on or before September 1, 2024. Monthly principal and interest payments are \$13,116. A one-time additional payment of \$100,000 is due no later than September 2023. No later than September 1, 2024, the Borrower shall make an additional one-time balloon payment sufficient to pay off the note in full, the final payment to include all remaining principal and accrued interest. The note is secured by a deed of trust on property at 3130, 3140, and 3210 Lark Street, Anchorage. At September 31, 2022 and 2021, the balance of the note was \$2,297,882 and \$2,310,558, respectively.

**(17) CONTRIBUTED NONFINANCIAL ASSETS**

SCF received the following contributions of nonfinancial assets for the year ending September 30:

	2022	2021
Rural Telephone Services	12,029,501	12,797,857
<b>TOTAL CONTRIBUTED NONFINANCIAL ASSETS</b>	<b>12,029,501</b>	<b>12,797,857</b>

Contributed rural telephone services received by SCF are recorded as in-kind contribution revenue with a corresponding increase to subaward expense. SCF utilized one method for recording monthly amounts at one-twelfth of the amount award to SCF via a USAC grant received.



SOUTHCENTRAL FOUNDATION

Notes to Consolidated Financial Statements, Continued

**(18) RELATED PARTIES**

**(a) Cook Inlet Region, Inc. (CIRI)**

CIRI is the federally-designed tribe for the Cook Inlet Region and, under Public Law 93-638, as amended, designates SCF to operate health-related grants and contracts. CIRI appoints the SCF Board of Directors.

**(b) Cook Inlet Tribal Council, Inc. (CITC)**

CITC is a related nonprofit entity and operates Public Law 93-638 grants and contracts under authority from CIRI. SCF subawards suicide prevention grant services to CITC. Payments totaled \$129,978 and \$146,828 during the years ended September 30, 2022 and 2021, respectively.

**(c) Cook Inlet Native Head Start (CINHS)**

CINHS is a related nonprofit entity and operates grants and contracts under authority from CIRI. CINHS's board of directors is appointed by SCF. SCF makes various donations and contributions to CINHS.

**(d) Donations and Other Payments**

SCF makes various donations and contributions to CIRI related non-profit entities each year such as the Koahnic Broadcasting Corporation, Alaska Native Justice Center, the Alaska Native Heritage Center, and Cook Inlet Native Head Start.

**(19) CONTINGENCIES**

Losses from asserted claims which arise in programs funded by the IHS are the responsibility of the Federal Government under the Federal Torts Claims Act (FTCA). It is uncertain whether the FTCA coverage extends to programs supporting the health programs operated under the IHS programs contract but funded in whole or in part by other sources. SCF carries general liability insurance to protect against these risks in the programs supporting the health programs operated under the IHS contract.

SCF's federal and state contracts and grants restrict the use of certain monies to carrying out contract or grant programs and may require grantor's approval before certain expenditures are allowable. SCF is required to submit written progress reports for the activities performed. The final expenditures are subject to examination by the grantors or their representatives. Accordingly, SCF's compliance with applicable contract and grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time, although SCF expects such amounts to be immaterial.

No material amounts have been accrued in SCF's financial statements with respect to any legal matters. In other instances SCF is not able to make a reasonable estimate of any liability because of the uncertainties related to the outcome and/or the amount of range of loss. SCF does not expect that the ultimate resolution of pending legal matters in future periods will have a material effect on SCF's financial condition or results of operations.

SOUTHCENTRAL FOUNDATION

Notes to Consolidated Financial Statements, Continued

**(20) CONCENTRATIONS**

SCF receives a substantial amount of its support from Federal grants. This source of support comprised 54% of the total revenue and support for the year ended September 30, 2022 and 58% of total revenue and support for the year ended September 30, 2021. A significant reduction in the level of this support may have an adverse effect on SCF's programs and activities.

**(21) SUBSEQUENT EVENTS**

Management has evaluated subsequent events through April 6, 2023, the date which the financial statements were available for issue.

# **SUPPLEMENTAL INFORMATION**

**SOUTHCENTRAL FOUNDATION**

Supplementary Consolidating Schedule of Financial Position

September 30, 2022

	FY 2022		SCF-JL		Consolidated			FY 2022
<b>Assets</b>	<u>SCF</u>	<u>Coltsfoot LLC</u>	<u>Investor LLC</u>	<u>Eliminations</u>	<u>Coltsfoot LLC</u>	<u>Novarupta LLC</u>	<u>Eliminations</u>	<u>Total</u>
Current assets:								
Cash and cash equivalents	\$ 62,988,881	4,463	44,313	-	48,776	4,804	-	63,042,461
Receivables:								
Grantors	25,579,380	-	-	-	-	-	-	25,579,380
Third party payer, net (note 6)	9,870,383	-	-	-	-	-	-	9,870,383
Interest and dividends	4,853,069	-	-	-	-	-	-	4,853,069
Alaska Native Tribal Health Consortium	-	-	-	-	-	-	-	-
Other	415,299	-	21,760	-	21,760	-	-	437,059
Prepaid expenses and deposits	4,081,749	-	-	-	-	-	-	4,081,749
Investments (notes 3 and 5)	290,514,548	-	-	-	-	-	-	290,514,548
Total current assets	<u>398,303,309</u>	<u>4,463</u>	<u>66,073</u>	<u>-</u>	<u>70,536</u>	<u>4,804</u>	<u>-</u>	<u>398,378,649</u>
Investments (notes 3 and 5)	409,678,101	-	-	-	-	-	-	409,678,101
Investment in LLC's (note 10)	168,803	127,846	-	(127,846)	-	31,690	(168,803)	31,690
Note receivable (note 16)	2,297,882	-	-	-	-	-	-	2,297,882
Property and equipment, net (note 8)	340,941,817	-	-	-	-	-	-	340,941,817
Inventory	11,178	-	-	-	-	-	-	11,178
	<u>\$ 1,151,401,090</u>	<u>132,309</u>	<u>66,073</u>	<u>(127,846)</u>	<u>70,536</u>	<u>36,494</u>	<u>(168,803)</u>	<u>1,151,339,317</u>
<b>Liabilities and Net Assets</b>								
Liabilities:								
Current liabilities:								
Accounts payable and accrued liabilities	10,931,667	-	-	-	-	-	-	10,931,667
Accrued salaries and benefits	16,254,783	-	-	-	-	-	-	16,254,783
Accrued leave	14,661,392	-	-	-	-	-	-	14,661,392
Accrued relocation liability	1,720,000	-	-	-	-	-	-	1,720,000
Current portion of long-term debt (note 9)	8,298,941	-	-	-	-	-	-	8,298,941
Alaska Native Tribal Health Consortium payable	256,156	-	-	-	-	-	-	256,156
Deferred revenues:								
Grantors (note 1)	35,460,997	-	-	-	-	-	-	35,460,997
Alaska Native Tribal Health Consortium	1,750,000	-	-	-	-	-	-	1,750,000
Other (notes 5 and 11)	(7,534,018)	-	-	-	-	-	-	(7,534,018)
Total current liabilities	<u>81,799,918</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,799,918</u>
Deferred compensation plan (note 7)	9,239,851	-	-	-	-	-	-	9,239,851
Long-term debt, excluding current portion (note 9)	85,653,968	-	-	-	-	-	-	85,653,968
Total liabilities	<u>176,693,737</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,693,737</u>
Net assets:								
Controlling interests:								
Without donor restrictions:								
Designated (note 13)	974,199,124	-	-	-	-	-	-	974,199,124
Undesignated	-	132,309	127,846	(127,846)	132,309	36,494	(168,803)	-
Total without donor restrictions	<u>974,199,124</u>	<u>132,309</u>	<u>127,846</u>	<u>(127,846)</u>	<u>132,309</u>	<u>36,494</u>	<u>(168,803)</u>	<u>974,199,124</u>
With donor restrictions (notes 1(a) and 12)	508,229	-	-	-	-	-	-	508,229
Non-controlling interests	-	-	(61,773)	-	(61,773)	-	-	(61,773)
Total net assets	<u>974,707,353</u>	<u>132,309</u>	<u>66,073</u>	<u>(127,846)</u>	<u>70,536</u>	<u>36,494</u>	<u>(168,803)</u>	<u>974,645,580</u>
	<u>\$ 1,151,401,090</u>	<u>132,309</u>	<u>66,073</u>	<u>(127,846)</u>	<u>70,536</u>	<u>36,494</u>	<u>(168,803)</u>	<u>1,151,339,317</u>

**SOUTHCENTRAL FOUNDATION**

Supplementary Consolidating Schedule of Activities

Without Donor Restrictions - General and Administrative

Year ended September 30, 2022

	<b>2022</b>				<b>Consolidated General and Administrative</b>
	<b>Without Donor Restrictions</b>				
	<b>FY 2022 General and Administrative</b>	<b>Consolidated Coltsfoot LLC</b>	<b>Novarupta LLC</b>	<b>Eliminations</b>	
<b>Revenues:</b>					
Investment earnings	\$ (47,472,844)	-	-	-	(47,472,844)
Gain (loss) on LLC's	-	-	-	-	-
Other	3,301,310	-	-	-	3,301,310
Total revenues	<u>(44,171,534)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(44,171,534)</u>
<b>Expenses:</b>					
<b>Direct:</b>					
Salaries	41,930,280	-	-	-	41,930,280
Benefits	11,040,739	-	-	-	11,040,739
Consulting and contractual	9,774,179	-	-	-	9,774,179
Consulting and contractual - buildings	1,050,833	-	-	-	1,050,833
Materials and supplies	884,162	-	-	-	884,162
Depreciation	11,196,392	-	-	-	11,196,392
Minor equipment	1,585,011	-	-	-	1,585,011
Interest expense	2,720,433	-	-	-	2,720,433
Education	160,655	-	-	-	160,655
Travel and per diem	394,548	-	-	-	394,548
Utilities	2,288,326	-	-	-	2,288,326
Insurance	963,241	-	-	-	963,241
Insurance - buildings	669,011	-	-	-	669,011
Housekeeping	2,379,817	-	-	-	2,379,817
Leases - equipment	3,289	-	-	-	3,289
Leases - buildings	102,783	-	-	-	102,783
Telephone	823,789	-	-	-	823,789
Construction/renovations	-	-	-	-	-
Repairs and maintenance - equipment	549,676	-	-	-	549,676
Repairs and maintenance - buildings	428,018	-	-	-	428,018
Printing and reproduction	119,341	-	-	-	119,341
Legal	1,492,050	-	-	-	1,492,050
Advertising	347,580	-	-	-	347,580
Moving and relocation expense	1,376	-	-	-	1,376
Board related	363,110	-	-	-	363,110
Recruitment	93,590	-	-	-	93,590
Dues and subscriptions	253,815	-	-	-	253,815
Dues and subscriptions - buildings	674,047	-	-	-	674,047
Donations	241,065	-	-	-	241,065
Postage and freight	71,230	-	-	-	71,230
Taxes and licenses	53,253	-	-	-	53,253
Taxes and licenses - building	171,254	-	-	-	171,254
Staff support	146,980	-	-	-	146,980
Accounting and audit	64,796	-	-	-	64,796
Software	-	-	-	-	-
Other	141,328	-	-	-	141,328
Total direct	<u>93,179,997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,179,997</u>
<b>Contract reduction:</b>					
Salaries	1,166,117	-	-	-	1,166,117
Contractual	99,179	-	-	-	99,179
Relocation	-	-	-	-	-
Total contract reduction	<u>1,265,296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,265,296</u>
Total expenses before indirect cost allocation	94,445,293	-	-	-	94,445,293
Indirect cost allocation	<u>(77,628,292)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(77,628,292)</u>
Total expenses	<u>16,817,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,817,001</u>
Equity in gain (loss) of LLC's	-	4	-	-	4
Increase (decrease) in net assets from operations before non-controlling interests	(60,988,535)	4	-	-	(60,988,531)
Increase in net assets attributable to non-controlling interests	-	-	-	-	-
Change in net assets	<u>\$ (60,988,535)</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>(60,988,531)</u>

**SOUTHCENTRAL FOUNDATION**

Federal Programs

Schedule of Activities

Year ended September 30, 2022

**U.S. Department of Health and Human Services**

	<b>Indian Health Service, Public Law 93-638 Compact and Contracts</b>	<b>Indian Health Service Special Diabetes Program for Indians</b>	<b>Indian Health Service DVPI Family Wellness Warriors Initiative</b>	<b>Indian Health Service Southcentral Foundation SASP Program</b>	<b>Center for Disease Control Wisewoman</b>	<b>Center for Disease Control Supporting Tribal Public Health Capacity in Coronavirus Preparedness and Response</b>	<b>Center for Disease Control National Breast &amp; Cervical Cancer Early Detection</b>	<b>Center for Disease Control CDC Wellness in Indian Country</b>	<b>Center for Disease Control COVID Healthy and Equitable Communities</b>	<b>Center for Disease Control Alaska Native Tribal Health Consortium Comprehensive Cancer Control Program</b>	<b>Substance Abuse &amp; Mental Health Services Admin. Preserving the Future</b>
<b>Revenues:</b>											
Federal	\$ 185,711,658	2,068,817	125,619	35,724	547,484	63,528	1,209,813	116,123	-	29,220	750,423
Federal contract reduction Program	15,699,514	-	-	-	-	-	-	-	-	-	-
Passed through State of Alaska	262,211,255	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	51,282	-	-
<b>Total revenues</b>	<b>463,622,427</b>	<b>2,068,817</b>	<b>125,619</b>	<b>35,724</b>	<b>547,484</b>	<b>63,528</b>	<b>1,209,813</b>	<b>116,123</b>	<b>51,282</b>	<b>29,220</b>	<b>750,423</b>
<b>Expenses:</b>											
<b>Direct:</b>											
Salaries	142,674,990	846,203	34,036	14,301	348,204	17,356	751,779	55,021	-	-	272,545
Benefits	35,332,517	308,451	7,269	4,236	105,320	4,680	216,564	19,099	-	-	80,711
Consulting and contractual	8,445,040	1,338	6,713	-	4,950	-	62,031	2,750	40,002	-	481
Materials and supplies	9,657,608	96,917	42,912	-	1,524	-	24,169	8,871	-	16,421	13,928
Subawards	91,379,531	-	-	-	8,300	-	18,690	-	-	-	167,019
Minor equipment	1,561,276	77,461	3,866	-	1,380	-	1,995	-	-	-	-
Depreciation	4,399,952	-	-	-	-	-	-	-	-	-	-
Equipment purchase	2,642,997	214,482	-	-	-	-	-	-	-	-	-
Travel and per diem	1,389,212	9,549	8,179	7,940	-	-	565	-	-	-	9,472
Education	1,534,362	20,307	-	1,704	1,890	-	1,032	-	-	-	16,129
Construction/renovation	3,436,262	-	-	-	-	34,000	-	-	-	-	-
Leases	1,423,960	-	-	-	-	-	-	-	-	-	-
Printing and reproduction	104,219	1,317	2,203	15	25,299	-	23,686	-	-	5,460	3,488
Housekeeping	445,877	-	-	-	-	-	-	-	-	-	-
Insurance	103,131	-	-	-	-	-	-	-	-	-	-
Utilities	826,595	-	-	-	-	-	-	-	-	-	-
Telephone	123,596	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	929,045	3,735	-	-	61	-	-	-	-	-	1,592
Moving and relocation expense	283,072	-	-	-	-	-	-	-	-	-	-
Advertising	77,773	-	750	-	-	-	-	-	-	-	56,170
Direct payments	1,586,291	1,081	-	-	-	-	-	-	-	-	1,637
Scholarships	207,496	-	-	-	-	-	-	-	-	-	-
Board related	12,944	-	-	-	-	-	-	-	-	-	-
Dues and subscriptions	226,463	2,424	-	-	380	-	32	-	-	-	1,884
Taxes and licenses	174,227	938	-	-	-	-	-	-	-	-	-
Postage and freight	186,726	85	-	-	1,159	-	986	22	-	198	1,770
Recruitment	67,891	-	-	-	-	-	-	-	-	-	-
Staff support	401,027	-	-	-	-	-	-	-	-	-	-
Other	72,674	-	-	-	-	-	-	-	-	-	-
<b>Total direct</b>	<b>309,706,754</b>	<b>1,584,288</b>	<b>105,928</b>	<b>28,196</b>	<b>498,467</b>	<b>56,036</b>	<b>1,101,529</b>	<b>85,763</b>	<b>40,002</b>	<b>22,079</b>	<b>626,826</b>
<b>Contract reduction:</b>											
Salaries	13,223,844	-	-	-	-	-	-	-	-	-	-
Contractual	635,774	-	-	-	-	-	-	-	-	-	-
Village built clinic lease	103,383	-	-	-	-	-	-	-	-	-	-
Relocation	166,760	-	-	-	-	-	-	-	-	-	-
<b>Total contract reduction</b>	<b>14,129,761</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenses before indirect cost allocation</b>	<b>323,836,515</b>	<b>1,584,288</b>	<b>105,928</b>	<b>28,196</b>	<b>498,467</b>	<b>56,036</b>	<b>1,101,529</b>	<b>85,763</b>	<b>40,002</b>	<b>22,079</b>	<b>626,826</b>
<b>Indirect cost allocation</b>	<b>73,838,968</b>	<b>484,529</b>	<b>19,691</b>	<b>7,528</b>	<b>49,017</b>	<b>7,492</b>	<b>108,284</b>	<b>30,360</b>	<b>11,280</b>	<b>7,141</b>	<b>123,597</b>
<b>Total expenses</b>	<b>397,675,483</b>	<b>2,068,817</b>	<b>125,619</b>	<b>35,724</b>	<b>547,484</b>	<b>63,528</b>	<b>1,209,813</b>	<b>116,123</b>	<b>51,282</b>	<b>29,220</b>	<b>750,423</b>
Change in net assets	65,946,944	-	-	-	-	-	-	-	-	-	-
Net assets at beginning of year	695,352,277	-	(3,839)	-	-	-	-	-	-	-	-
Net assets at end of year	\$ 761,299,221	-	(3,839)	-	-	-	-	-	-	-	-

(continued)

SOUTHCENTRAL FOUNDATION

Federal Programs

Schedule of Activities, Continued

U.S. Department of Health and Human Services

	Substance Abuse & Mental Health Services Admin. SCF Treatment for PPW	Substance Abuse & Mental Health Services Admin. SCF's Indigenous Project Launch	Substance Abuse & Mental Health Services Admin. COVID-19 Emergency Grants Address Mental Health and Substance Use Disorder	National Institute of Health Diabetes and Digestive and Kidney Diseases Center for American Indian and Alaska Native Diabetes Translation Research	National Institutes of Health Native-Controlling Hypertension and Risk Through Technology	National Institutes of Health Center on American Indian and Alaska Native Genomic Research	National Institutes of Health Community-engaged Research Toward Precision Medicine with AIAN People	National Institute of Health Diet and the CPT1A Arctic Variant: Impact on the Health of Alaska Native Children	National Institute of Health Population-based Interventions to Improve Behavioral Health in a Tribal Healthcare System	National Institute of Health American Indian-Alaska Native Clinical and Transitional Research Center	National Institute of Health Feasibility and Acceptability of Community-Based Diagnosis and Treatment for Hepatitis C Virus in an AI Population
Revenues:											
Federal	\$ 524,293	573,025	-	10,159	333,515	92,112	287,715	138,923	30,759	49,843	24,974
Federal contract reduction	-	-	-	-	-	-	-	-	-	-	-
Program	-	-	-	-	-	-	-	-	-	-	-
Passed through State of Alaska	-	-	143,735	-	-	-	-	-	-	-	-
Total revenues	524,293	573,025	143,735	10,159	333,515	92,112	287,715	138,923	30,759	49,843	24,974
Expenses:											
Direct:											
Salaries	290,407	284,480	78,360	6,133	128,443	48,705	33,684	45,495	10,733	30,257	18,628
Benefits	98,630	94,502	27,302	1,448	33,227	15,300	7,161	11,701	2,557	6,976	3,996
Consulting and contractual	-	11,357	-	-	15,457	-	-	-	1,515	-	-
Materials and supplies	6,401	5,360	287	-	34,882	-	-	160	(389)	-	-
Subawards	-	-	-	-	-	-	226,602	50,913	11,441	-	-
Minor equipment	-	4,865	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-
Equipment purchase	22,829	-	-	-	-	-	-	-	-	-	-
Travel and per diem	-	65	-	-	16	4,735	4,762	2	-	-	-
Education	-	9,963	-	-	-	-	-	-	-	-	-
Construction/renovation	-	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Printing and reproduction	341	15,232	-	-	-	-	-	-	-	-	-
Housekeeping	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	80
Repairs and maintenance	-	-	-	-	-	-	-	-	-	-	-
Moving and relocation expense	-	-	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-	-	-
Direct payments	-	813	300	-	40,198	-	-	11,065	-	-	-
Scholarships	-	-	-	-	-	-	-	-	-	-	-
Board related	-	-	-	-	-	-	-	-	-	-	-
Dues and subscriptions	-	1,200	-	-	-	-	-	-	-	-	-
Taxes and licenses	-	-	-	-	-	-	-	-	-	-	-
Postage and freight	9	-	-	-	6,868	-	-	64	-	-	-
Recruitment	-	-	-	-	-	-	-	-	-	-	-
Staff support	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total direct	418,617	427,837	106,249	7,581	259,091	68,740	272,209	119,400	25,857	37,233	22,704
Contract reduction:											
Salaries	-	-	-	-	-	-	-	-	-	-	-
Contractual	-	-	-	-	-	-	-	-	-	-	-
Village built clinic lease	-	-	-	-	-	-	-	-	-	-	-
Relocation	-	-	-	-	-	-	-	-	-	-	-
Total contract reduction	-	-	-	-	-	-	-	-	-	-	-
Total expenses before indirect cost allocation	418,617	427,837	106,249	7,581	259,091	68,740	272,209	119,400	25,857	37,233	22,704
Indirect cost allocation	105,676	145,188	37,486	2,578	74,424	23,372	15,506	19,523	4,902	12,610	2,270
Total expenses	524,293	573,025	143,735	10,159	333,515	92,112	287,715	138,923	30,759	49,843	24,974
Change in net assets	-	-	-	-	-	-	-	-	-	-	-
Net assets at beginning of year	-	-	-	-	-	-	-	-	-	-	-
Net assets at end of year	\$ -	-	-	-	-	-	-	-	-	-	-

(continued)

**SOUTHCENTRAL FOUNDATION**

Federal Programs

Schedule of Activities, Continued

**U.S. Department of Health and Human Services**

	<b>National Institute of Health Program on Genetic and Dietary Predictors of Drug Response in Rural and American Indian/Alaska Native Population</b>	<b>National Institute of Health Cultural Innovations for Recovery in Community-based Learning Environments</b>	<b>National Institute of Health American Indian and Alaska Native Health Disparities</b>	<b>National Institute of Health Urban Native Elders: Risk and Protective Factors for Alzheimer's and Related Dementias</b>	<b>National Institute of Health Multifactorial Determinants of Childhood Hearing Loss in Rural Alaska</b>	<b>National Institute of Health Patient Perspectives on Clinical Approaches to Prevent Opioid Related Suicide Attempts</b>	<b>National Institute of Health NM Clinical Trials Node: Clinical Research and Practice to Address Substance Use in Diverse, Rural and Underserved Populations</b>	<b>National Institute of Health Building Research Capacity within Tribal Organizations for Research to Improve the Health of Alaska Native Children</b>	<b>National Institute of Health Community Organizations for Natives: Covid-19 Epidemiology Research Testing and Services</b>	<b>National Institute of Health Increasing Colorectal Cancer Screening in Alaska Native Men</b>	<b>National Institute of Health Response to Prevention: the Role of Vitamin D in Postpartum Hemorrhage Among Alaska Native Women</b>
Revenues:											
Federal	\$ 2,669	213,295	61,648	71,132	2,403	17,077	86,751	59,235	88,211	37,685	104,983
Federal contract reduction Program	-	-	-	-	-	-	-	-	-	-	-
Passed through State of Alaska	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>2,669</b>	<b>213,295</b>	<b>61,648</b>	<b>71,132</b>	<b>2,403</b>	<b>17,077</b>	<b>86,751</b>	<b>59,235</b>	<b>88,211</b>	<b>37,685</b>	<b>104,983</b>
Expenses:											
Direct:											
Salaries	1,668	69,058	31,721	40,303	1,496	9,465	51,284	34,606	7,266	22,735	44,591
Benefits	324	19,815	7,301	10,606	297	1,916	12,172	6,776	1,693	5,388	10,636
Consulting and contractual	-	27,000	-	-	-	1,363	1,249	-	-	-	250
Materials and supplies	-	382	25	165	-	-	34	-	-	-	-
Subawards	-	47,727	-	-	-	-	-	-	-	-	26,156
Minor equipment	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-
Equipment purchase	-	-	-	-	-	-	-	-	-	-	-
Travel and per diem	-	-	5,855	-	-	-	-	-	-	-	-
Education	-	550	1,104	-	-	-	-	2,823	-	-	-
Construction/renovation	-	-	-	-	-	-	-	-	61,081	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Printing and reproduction	-	-	-	-	-	-	-	-	-	-	-
Housekeeping	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	-	-	-	-	-
Moving and relocation expense	-	-	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-	-	-
Direct payments	-	9,050	-	2,692	-	-	-	-	15,000	-	-
Scholarships	-	-	-	-	-	-	-	-	-	-	-
Board related	-	-	-	-	-	-	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-	-	-	-	-	-	-
Taxes and licenses	-	-	-	-	-	-	-	-	-	-	-
Postage and freight	-	-	-	-	-	-	-	-	93	-	-
Recruitment	-	-	-	-	-	-	-	-	-	-	-
Staff support	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total direct</b>	<b>1,992</b>	<b>173,582</b>	<b>46,006</b>	<b>53,766</b>	<b>1,793</b>	<b>12,744</b>	<b>64,739</b>	<b>44,205</b>	<b>85,133</b>	<b>28,123</b>	<b>81,633</b>
Contract reduction:											
Salaries	-	-	-	-	-	-	-	-	-	-	-
Contractual	-	-	-	-	-	-	-	-	-	-	-
Village built clinic lease	-	-	-	-	-	-	-	-	-	-	-
Relocation	-	-	-	-	-	-	-	-	-	-	-
<b>Total contract reduction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenses before indirect cost allocation</b>	<b>1,992</b>	<b>173,582</b>	<b>46,006</b>	<b>53,766</b>	<b>1,793</b>	<b>12,744</b>	<b>64,739</b>	<b>44,205</b>	<b>85,133</b>	<b>28,123</b>	<b>81,633</b>
Indirect cost allocation	677	39,713	15,642	17,366	610	4,333	22,012	15,030	3,078	9,562	23,350
<b>Total expenses</b>	<b>2,669</b>	<b>213,295</b>	<b>61,648</b>	<b>71,132</b>	<b>2,403</b>	<b>17,077</b>	<b>86,751</b>	<b>59,235</b>	<b>88,211</b>	<b>37,685</b>	<b>104,983</b>
Change in net assets	-	-	-	-	-	-	-	-	-	-	-
Net assets at beginning of year	-	-	-	-	-	-	-	-	-	-	-
<b>Net assets at end of year</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(continued)



SOUTHCENTRAL FOUNDATION

Federal Programs

Schedule of Activities, Continued

U.S. Department of Health and Human Services

	National Institute of Health Building Capacity for Dissemination Research in a Tribal Healthcare System Program	National Institutes of Health Multifactorial Determinants of Childhood Hearing Loss In Rural Alaska	National Institutes of Health North STAR Trial Specialty Telemedicine Access for Referrals in Rural Alaska Grant Program	National Institutes of Health Jumpstarting Culturally Informed Advance Care Planning with ANAI People in Primary Care Planning Program	National Institutes of Health Alaska Native Communities Advancing Vaccine Uptake	Health Resources and Services Administration Health Center Cluster Demonstration Grant	Health Resources and Services Administration Ryan White Outpatient Part C EIS	Health Resources and Services Administration Rural Tribal COVID-19 Response	Health Resources and Services Administration American Rescue Plan Act Funding for Health Centers	Health Resources and Services Administration Rural Health Care Services Outreach Grant Program	Health Resources and Services Administration Rural Health Network Development Planning Grant Program
Revenues:											
Federal	\$ 509,192	276	8,246	9,402	4,633	6,243,667	59,275	38,927	535,100	244,167	96,640
Federal contract reduction Program	-	-	-	-	-	-	-	-	-	-	-
Passed through State of Alaska	-	-	-	-	-	-	-	-	-	-	-
Total revenues	509,192	276	8,246	9,402	4,633	6,243,667	59,275	38,927	535,100	244,167	96,640
Expenses:											
Direct:											
Salaries	153,623	169	5,020	5,714	2,812	3,801,997	-	-	216,241	40,886	56,935
Benefits	41,700	37	1,134	1,302	645	943,960	-	-	39,278	11,269	16,181
Consulting and contractual	726	-	-	-	-	2,828	-	-	20,567	-	-
Materials and supplies	2,719	-	-	-	-	71,946	-	23,835	5,328	4,710	1,226
Subawards	216,237	-	-	-	-	-	-	-	29,477	-	-
Minor equipment	2,396	-	-	-	-	15,524	-	2,647	(2,691)	82,326	1,313
Depreciation	-	-	-	-	-	-	-	-	-	-	-
Equipment purchase	-	-	-	-	-	28,033	-	-	37,716	-	-
Travel and per diem	11,406	-	-	-	-	464	-	3,797	-	921	620
Education	2,415	-	-	-	-	6,568	-	-	-	38,187	-
Construction/renovation	-	-	-	-	-	-	-	-	91,388	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Printing and reproduction	-	-	-	-	-	-	-	-	-	-	-
Housekeeping	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	58	-	-	6,544	-	-
Moving and relocation expense	-	-	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	13,286	-	-
Direct payments	4,875	-	-	-	-	-	-	-	-	-	-
Scholarships	-	-	-	-	-	-	-	-	-	-	-
Board related	-	-	-	-	-	-	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-	3,000	-	-	-	-	-
Taxes and licenses	-	-	-	-	-	-	-	-	-	-	-
Postage and freight	-	-	-	-	-	12	-	445	-	14,414	-
Recruitment	-	-	-	-	-	-	-	-	-	-	-
Staff support	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total direct	436,097	206	6,154	7,016	3,457	4,874,390	-	30,724	457,134	192,713	76,275
Contract reduction:											
Salaries	-	-	-	-	-	59,431	53,886	-	-	-	-
Contractual	-	-	-	-	-	-	-	-	-	-	-
Village built clinic lease	-	-	-	-	-	-	-	-	-	-	-
Relocation	-	-	-	-	-	-	-	-	-	-	-
Total contract reduction	-	-	-	-	-	59,431	53,886	-	-	-	-
Total expenses before indirect cost allocation	436,097	206	6,154	7,016	3,457	4,933,821	53,886	30,724	457,134	192,713	76,275
Indirect cost allocation	73,095	70	2,092	2,386	1,176	1,309,846	5,389	8,203	77,966	51,454	20,365
Total expenses	509,192	276	8,246	9,402	4,633	6,243,667	59,275	38,927	535,100	244,167	96,640
Change in net assets	-	-	-	-	-	-	-	-	-	-	-
Net assets at beginning of year	-	-	-	-	-	-	-	-	-	-	-
Net assets at end of year	\$ -	-	-	-	-	-	-	-	-	-	-

(continued)

SOUTHCENTRAL FOUNDATION

Federal Programs

Schedule of Activities, Continued

	U.S. Department of Health and Human Services									
	Administration for Children & Families Tribal Maternal, Infant, and Early Childhood Home Visiting Program	Administration for Children & Families Family Violence Prevention and Services	Administration for Community Living Older Americans Act Title VI Grant Part A - Grants for Native Americans	Administration for Community Living Older Americans Act Title VI Grant Part C - Native American Caregiver Support	Administration for Community Living Nutrition Services Incentives Program	Administration for Community Living American Rescue Plan for OAA Title VI Part C Native American Caregivers Program	Office of the Secretary Center for Indigenous Innovation and Health Equity American Indians and Alaska Natives	Centers for Medicaid Services CHIPRA Connecting Kids to Coverage Healthy Kids Program	OASH Office of Grants Management Integrated Health Records Mapped to Social Determinants of Health	
Revenues:										
Federal	\$ 26,463	991,628	51,982	186,805	107,762	39,951	44,577	50,448	317,218	290,503
Federal contract reduction	-	-	-	-	-	-	-	-	-	-
Program	-	-	-	-	-	-	-	-	-	-
Passed through State of Alaska	-	-	-	-	-	-	-	-	-	-
Total revenues	26,463	991,628	51,982	186,805	107,762	39,951	44,577	50,448	317,218	290,503
Expenses:										
Direct:										
Salaries	-	379,578	27,388	-	67,062	-	27,843	29,206	166,513	159,219
Benefits	-	109,614	13,640	-	17,991	-	7,340	7,144	54,498	46,115
Consulting and contractual	-	43,080	-	152,939	-	-	-	-	-	-
Materials and supplies	-	7,145	-	(5,500)	-	39,951	-	-	-	147
Subawards	26,449	-	-	-	-	-	-	-	-	-
Minor equipment	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-
Equipment purchase	-	-	-	-	-	-	-	-	-	-
Travel and per diem	-	5,145	-	-	-	-	-	987	-	8,958
Education	10	27,658	-	-	-	-	-	-	-	2,355
Construction/renovation	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-
Printing and reproduction	-	853	-	-	-	-	-	-	4,713	-
Housekeeping	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	-	-	-	-
Moving and relocation expense	-	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	21,915	-
Direct payments	-	630	-	-	-	-	-	-	-	-
Scholarships	-	-	-	-	-	-	-	-	-	-
Board related	-	-	-	-	-	-	-	-	-	-
Dues and subscriptions	-	500	-	-	-	-	-	311	-	-
Taxes and licenses	-	-	-	-	-	-	-	-	-	-
Postage and freight	-	-	-	-	-	-	-	-	-	-
Recruitment	-	-	-	-	-	-	-	-	-	-
Staff support	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total direct	26,459	574,203	41,028	147,439	85,053	39,951	35,183	37,648	247,639	216,794
Contract reduction:										
Salaries	-	165,978	-	-	-	-	-	-	-	-
Contractual	-	-	-	-	-	-	-	-	-	-
Village built clinic lease	-	-	-	-	-	-	-	-	-	-
Relocation	-	-	-	-	-	-	-	-	-	-
Total contract reduction	-	165,978	-	-	-	-	-	-	-	-
Total expenses before indirect cost allocation	26,459	740,181	41,028	147,439	85,053	39,951	35,183	37,648	247,639	216,794
Indirect cost allocation	4	251,447	10,954	39,366	22,709	-	9,394	12,800	69,579	73,709
Total expenses	26,463	991,628	51,982	186,805	107,762	39,951	44,577	50,448	317,218	290,503
Change in net assets	-	-	-	-	-	-	-	-	-	-
Net assets at beginning of year	-	-	-	-	-	-	-	-	-	-
Net assets at end of year	\$ -	-	-	-	-	-	-	-	-	-

(continued)

**SOUTHCENTRAL FOUNDATION**

Federal Programs

Schedule of Activities, Continued

	U.S. Department of Agriculture				U.S. Department of Housing and Urban Development	U.S. Department of Justice	U.S. Department of Treasury	
	Supplemental Nutrition Assistance Program	Rural Utilities Service Distance Learning and Telemedicine Grant Program	Special Supplemental Nutrition Program for Women, Infants and Children Aleutian Pribilof Islands	Emergency Rural Health Care Grant Program USDA Takonta	Office of Native American Programs ICDBG-ARP Program	Southcentral Foundation's Alaska Native Unit at Alaska CARES Tribal Victim Services Set-Aside Program	Coronavirus Relief Fund COVID-19 CARES Act Tribal Organizations Funding	Total Federal programs
<b>Revenues:</b>								
Federal	\$ -	271,383	-	1,000,000	340,172	153,150	44,950,207	250,040,590
Federal contract reduction Program	-	-	-	-	-	-	-	15,699,514
Passed through State of Alaska	19,578	-	25,170	-	-	-	-	262,211,255
<b>Total revenues</b>	<b>19,578</b>	<b>271,383</b>	<b>25,170</b>	<b>1,000,000</b>	<b>340,172</b>	<b>153,150</b>	<b>44,950,207</b>	<b>528,191,124</b>
<b>Expenses:</b>								
<b>Direct:</b>								
Salaries	-	-	15,913	-	-	77,279	1,004,560	152,541,911
Benefits	-	-	2,020	-	-	24,033	265,825	38,062,297
Consulting and contractual	-	41,003	-	-	-	-	194,104	9,076,743
Materials and supplies	19,578	-	-	-	-	18,976	3,364,729	13,464,447
Subawards	-	-	-	-	-	-	14,057,152	106,265,694
Minor equipment	-	-	-	-	-	-	2,101,800	3,854,158
Depreciation	-	-	-	-	-	-	-	4,399,952
Equipment purchase	-	216,855	-	-	-	-	2,721,229	5,884,141
Travel and per diem	-	-	1,463	-	-	9	14,387	1,488,509
Education	-	-	237	-	-	6,155	-	1,673,449
Construction/renovation	-	-	-	1,000,000	340,172	-	20,676,470	25,639,373
Leases	-	-	-	-	-	-	237,272	1,661,232
Printing and reproduction	-	-	-	-	-	-	148	186,974
Housekeeping	-	-	-	-	-	-	-	445,877
Insurance	-	-	-	-	-	-	-	103,131
Utilities	-	-	-	-	-	-	-	826,595
Telephone	-	-	-	-	-	-	-	123,676
Repairs and maintenance	-	14,040	-	-	-	139	116,750	1,071,964
Moving and relocation expense	-	-	-	-	-	-	-	283,072
Advertising	-	-	-	-	-	-	-	169,894
Direct payments	-	-	-	-	-	78	192,208	1,865,918
Scholarships	-	-	-	-	-	-	-	207,496
Board related	-	-	-	-	-	-	-	12,944
Dues and subscriptions	-	-	-	-	-	-	-	236,194
Taxes and licenses	-	-	-	-	-	-	(7,105)	168,060
Postage and freight	-	(515)	-	-	-	-	476	212,812
Recruitment	-	-	-	-	-	-	-	67,891
Staff support	-	-	-	-	-	-	-	401,027
Other	-	-	-	-	-	-	-	72,674
<b>Total direct</b>	<b>19,578</b>	<b>271,383</b>	<b>19,633</b>	<b>1,000,000</b>	<b>340,172</b>	<b>126,669</b>	<b>44,940,005</b>	<b>370,468,105</b>
<b>Contract reduction:</b>								
Salaries	-	-	-	-	-	-	-	13,503,139
Contractual	-	-	-	-	-	-	-	635,774
Village built clinic lease	-	-	-	-	-	-	-	103,383
Relocation	-	-	-	-	-	-	-	166,760
<b>Total contract reduction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,409,056</b>
<b>Total expenses before indirect cost allocation</b>	<b>19,578</b>	<b>271,383</b>	<b>19,633</b>	<b>1,000,000</b>	<b>340,172</b>	<b>126,669</b>	<b>44,940,005</b>	<b>384,877,161</b>
Indirect cost allocation	-	-	5,537	-	-	26,481	-	77,356,817
<b>Total expenses</b>	<b>19,578</b>	<b>271,383</b>	<b>25,170</b>	<b>1,000,000</b>	<b>340,172</b>	<b>153,150</b>	<b>44,940,005</b>	<b>462,233,978</b>
Change in net assets	-	-	-	-	-	-	10,202	65,957,146
Net assets at beginning of year	-	-	-	-	-	-	(10,202)	695,338,236
Net assets at end of year	\$ -	-	-	-	-	-	-	761,295,382

**SOUTHCENTRAL FOUNDATION**

State of Alaska Administered Programs

Schedule of Activities

Year ended September 30, 2022

	<b>Direct</b>					<b>Passed through Bristol Bay Area Health Corporation</b>	
	<b>Division of Behavioral Health Comprehensive Behavioral Health Treatment</b>	<b>Division of Behavioral Health Comprehensive Behavioral Health Treatment-McGrath</b>	<b>Division of Behavioral Health Comprehensive Behavioral Health Treatment-Iliamna</b>	<b>Division of Public Health Increasing Capacity of COVID Services</b>	<b>Alaska Mental Health Trust Authority Mini Grants</b>	<b>Division of Public Assistance Women Infant and Children</b>	<b>Total State of Alaska</b>
Revenues:							
State of Alaska	\$ 343,906	78,931	55,703	553,186	55,024	23,630	1,110,380
Expenses:							
Direct:							
Salaries	221,706	41,171	35,707	-	-	15,343	313,927
Benefits	32,287	9,096	7,743	-	-	1,966	51,092
Consulting and contractual	-	-	-	553,186	-	-	553,186
Materials and supplies	-	-	-	-	-	-	-
Subawards	-	-	-	-	-	-	-
Minor equipment	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Equipment purchase	-	-	-	-	-	-	-
Travel and per diem	-	-	-	-	4,660	1,520	6,180
Education	-	-	-	-	2,973	-	2,973
Construction/renovation	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-
Printing and reproduction	-	-	-	-	-	-	-
Housekeeping	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-
Construction/renovation	-	-	-	-	-	-	-
Moving and relocation expense	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-
Direct payments	-	-	-	-	47,391	-	47,391
Scholarships	-	-	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-	-	-
Taxes and licenses	-	-	-	-	-	-	-
Postage and freight	-	-	-	-	-	-	-
Recruitment	-	-	-	-	-	-	-
Staff support	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total expenses before indirect cost allocation	253,993	50,267	43,450	553,186	55,024	18,829	974,749
Indirect cost allocation	89,913	14,176	12,253	-	-	4,801	121,143
Total expenses	343,906	64,443	55,703	553,186	55,024	23,630	1,095,892
Change in net assets	-	14,488	-	-	-	-	14,488
Net assets at beginning of year	-	(14,488)	-	-	-	-	(14,488)
Net assets at end of year	\$ -	-	-	-	-	-	-

**SOUTHCENTRAL FOUNDATION**

Other Programs

Schedule of Activities

Year ended September 30, 2022

	Miscellaneous Grants	Employee & Community Assistance Fund	Family Gathering Night	FWWI Fundraising	BBNC Education Foundation Elder Program Cultural Activities	United Way Home for Good	MJ Murdock New Dental Staff	Mover Veterans and First Responders Mental Health Grant Program	FWWI Preventing and Reducing the Impact on Adverse Childhood Experiences through Resiliency	AGS Transitional Care Model
Revenues:										
Other	\$ 276	41,291	48,500	-	-	850,912	99,260	212,870	139,667	-
Expenses:										
Salaries	-	-	-	-	-	417,892	61,738	46,956	83,030	-
Benefits	-	-	-	-	-	109,709	37,522	11,663	20,919	-
Consulting and contractual	-	-	-	-	-	-	-	38,361	1,600	-
Materials and supplies	-	14,364	-	-	14	-	-	12,835	3,638	-
Subawards	-	-	-	-	-	-	-	-	-	-
Minor equipment	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Equipment purchase	-	-	-	-	-	-	-	-	-	-
Travel and per diem	-	-	-	-	-	-	-	82,966	68	-
Education	-	-	-	-	-	-	-	539	-	-
Construction/renovation	-	-	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-
Printing and reproduction	-	1,003	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	-	-	-
Housekeeping	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-	-	-	198	-	-
Construction/renovation	-	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-	-
Direct payments	-	68,767	-	-	-	323,318	-	-	-	-
Scholarships	-	-	-	-	-	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-	-	-	-	-	-
Taxes and licenses	-	-	-	-	-	-	-	-	-	-
Postage and freight	-	-	-	-	-	-	-	-	-	-
Recruitment	-	-	-	-	-	-	-	-	-	-
Staff support	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	(7)	-	-	-	-
Total expenses before indirect cost allocation	-	84,134	-	-	14	850,912	99,260	193,518	109,255	-
Indirect cost allocation	-	-	-	-	-	-	-	19,352	36,755	-
Total expenses	-	84,134	-	-	14	850,912	99,260	212,870	146,010	-
Change in net assets	276	(42,843)	48,500	-	(14)	-	-	-	(6,343)	-
Net assets at beginning of year	3,606	109,071	76,141	66,468	14	(9)	-	-	-	9,171
Adjustment to net assets	-	-	-	-	-	-	-	-	-	-
Net assets at end of year	\$ 3,882	66,228	124,641	66,468	-	(9)	-	-	(6,343)	9,171

(continued)

**SOUTHCENTRAL FOUNDATION**

Other Programs

Schedule of Activities, Continued

	SOA Women's Children's & Family Health VideoProject	The Alaska Community Foundation Indian Creek Health Center Backup Generator	Alaska Community Foundation Back-Up Generator Nikolai Clinic	The Leona M. & Harry B. Helmsley Charitable Trust FWWI Nu'iju Transformational Living Community Program	Municipality of Anchorage Nutaqsiiviik Nurse-Family Partnership Program	Takotna Provider Housing Construction	Winifred Stevens Foundation Arrigah House Intensive Training	Total Other programs
Revenues:								
Other	\$ -	4,279	4,736	639,967	137,970	25,000	30,000	2,234,728
Expenses:								
Salaries	-	-	-	361,826	53,866	-	-	1,025,308
Benefits	-	-	-	115,679	8,982	-	-	304,474
Consulting and contractual	-	-	-	17,334	-	-	28,111	85,406
Materials and supplies	-	-	-	2,821	12,768	-	-	46,440
Subawards	-	4,279	-	-	-	-	-	4,279
Travel and per diem	-	-	-	81,026	-	-	-	164,060
Education	-	-	-	1,696	4,698	-	-	6,933
Construction/renovation	-	-	4,736	-	-	25,000	-	29,736
Printing and reproduction	-	-	-	1,406	21,518	-	1,889	25,816
Repairs and maintenance	-	-	-	-	-	-	-	198
Direct payments	-	-	-	-	90	-	-	392,175
Scholarships	-	-	-	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-	-	-	-
Taxes and licenses	-	-	-	-	-	-	-	-
Postage and freight	-	-	-	-	-	-	-	-
Recruitment	-	-	-	-	-	-	-	-
Staff support	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	(7)
Total expenses before indirect cost allocation	-	4,279	4,736	581,788	101,922	25,000	30,000	2,084,818
Indirect cost allocation	-	-	-	58,179	36,048	-	-	150,334
Total expenses	-	4,279	4,736	639,967	137,970	25,000	30,000	2,235,152
Change in net assets		-	-	-	-	-	-	(424)
Net assets at beginning of year	(5,000)	-	-	-	-	-	-	259,462
Adjustment to net assets	-	-	-	-	-	-	-	-
Net assets at end of year	\$ (5,000)	-	-	-	-	-	-	259,038

**SOUTHCENTRAL FOUNDATION**  
Indian Health Service Compact and Program Third Party Billings  
"On-Site" and "Off-Site" Programs  
Schedule of Expenditures  
Year ended September 30, 2022

	<b>Indian Health Service Compact On-Site Programs</b>	<b>Indian Health Service Compact Off-Site Programs</b>	<b>Program Third Party Billings On-Site Programs</b>	<b>Program Third Party Billings Off-Site Programs</b>	<b>Total</b>
Expenses:					
Direct:					
Salaries	\$ 75,584,017	4,829,769	41,961,196	20,300,008	142,674,990
Benefits	18,717,882	1,196,060	10,391,412	5,027,163	35,332,517
Consulting and contractual	1,991,610	127,263	4,202,930	1,197,059	7,518,862
Consulting and contractual - buildings	158,266	767,912	-	-	926,178
Materials and supplies	2,209,816	141,207	5,978,298	1,328,287	9,657,608
Subawards	19,749,181	3,561,436	67,069,975	998,939	91,379,531
Minor equipment	368,718	23,561	947,366	221,631	1,561,276
Depreciation and amortization	173,385	1,742,078	1,870,804	613,685	4,399,952
Equipment purchase	99,462	-	1,896,057	647,478	2,642,997
Travel and per diem	367,977	23,513	776,549	221,173	1,389,212
Education	201,834	12,897	971,065	348,566	1,534,362
Construction/Renovation	3,172,822	-	6,652	256,788	3,436,262
Leases - equipment	169,649	10,840	358,015	101,969	640,473
Leases - buildings	-	776,626	6,861	-	783,487
Printing and reproduction	27,606	1,764	58,257	16,592	104,219
Housekeeping	-	392,754	1,079	52,044	445,877
Insurance	119	8	251	72	450
Insurance - buildings	-	99,502	-	3,179	102,681
Utilities	-	758,161	-	68,434	826,595
Telephone	32,738	2,092	69,089	19,677	123,596
Repairs and maintenance - equipment	139,332	8,903	294,034	83,746	526,015
Repairs and maintenance - buildings	96,508	306,522	-	-	403,030
Moving and relocation expense	74,981	4,791	158,233	45,067	283,072
Advertising	-	-	72,538	5,235	77,773
Direct payments	-	49,294	1,471,021	65,976	1,586,291
Scholarships	-	-	206,496	1,000	207,496
Board Related	-	-	12,944	-	12,944
Dues and subscriptions	48,372	3,091	102,079	29,074	182,616
Dues and subscriptions - building	-	-	43,847	-	43,847
Donations	-	-	-	-	-
Taxes and licenses	14,577	931	30,762	8,762	55,032
Taxes and licenses - building	79,391	39,554	-	250	119,195
Postage and freight	49,460	3,161	104,377	29,728	186,726
Recruitment	17,983	1,149	37,950	10,809	67,891
Staff support	-	-	314,328	86,699	401,027
Other - Loss on Disposal of Assets	-	-	7,435	-	7,435
Other	17,281	1,104	36,468	10,386	65,239
<b>Total direct</b>	<b>123,562,967</b>	<b>14,885,943</b>	<b>139,458,368</b>	<b>31,799,476</b>	<b>309,706,754</b>
Contract reduction:					
Salaries	7,005,511	447,648	3,889,177	1,881,508	13,223,844
Contractual	336,810	21,522	186,983	90,459	635,774
Village Built Clinic leases	-	103,383	-	-	103,383
Relocation	88,344	5,645	49,045	23,726	166,760
<b>Total contract reduction</b>	<b>7,430,665</b>	<b>578,198</b>	<b>4,125,205</b>	<b>1,995,693</b>	<b>14,129,761</b>
<b>Total expenses before indirect cost allocation</b>	<b>130,993,632</b>	<b>15,464,141</b>	<b>143,583,573</b>	<b>33,795,169</b>	<b>323,836,515</b>
<b>Indirect cost allocation</b>	<b>38,098,396</b>	<b>1,936,086</b>	<b>25,078,987</b>	<b>8,725,499</b>	<b>73,838,968</b>
<b>Total expenses</b>	<b>\$ 169,092,028</b>	<b>17,400,227</b>	<b>168,662,560</b>	<b>42,520,668</b>	<b>397,675,483</b>

105(l) Leases - Facilities expense not included above and not included in the indirect cost pool \$ 14,966,997

**SOUTHCENTRAL FOUNDATION**

State Financial Assistance Reports

State of Alaska

Department of Health

Division of Behavioral Health

Pass Through from Bristol Bay Area Health Corporation

Women, Infants and Children (WIC) 604-268-22003

Schedule of Revenues and Expenses - Budget and Actual

Year ended September 30, 2022

	<b>Actual</b>				
	<b>Three months ended September 30, 2021</b>	<b>Nine months ended June 30, 2022</b>	<b>Total</b>	<b>Budget</b>	<b>Variance favorable (unfavorable)</b>
Revenues:					
Grant	\$ 9,630	18,360	27,990	33,608	(5,618)
Expenses:					
Personal services	7,673	13,109	20,782	24,779	3,997
Travel	-	1,520	1,520	2,000	480
Indirect	1,957	3,731	5,688	6,829	1,141
Total expenses	9,630	18,360	27,990	33,608	5,618
Excess of revenues over expenses	\$ -	-	-	-	-



**SOUTHCENTRAL FOUNDATION**

State Financial Assistance Reports

State of Alaska

Department of Health

Division of Behavioral Health

Pass Through from Bristol Bay Area Health Corporation

Women, Infants and Children (WIC) 601-268-23003

Schedule of Revenues and Expenses - Budget and Actual

Year ended September 30, 2022

	<u>Actual</u>			<b>Variance favorable (unfavorable)</b>
	<b>Three months ended September 30, 2022</b>	<b>Total</b>	<b>Budget</b>	
Revenues:				
Grant	\$ 5,270	5,270	21,309	(16,039)
Expenses:				
Personal services	4,199	4,199	14,979	10,780
Travel	-	-	2,000	2,000
Indirect	1,071	1,071	4,330	3,259
Total expenses	<u>5,270</u>	<u>5,270</u>	<u>21,309</u>	<u>16,039</u>
Excess of revenues over expenses	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**SOUTHCENTRAL FOUNDATION**

## State Financial Assistance Reports

State of Alaska

Department of Health

Division of Behavioral Health

Comprehensive Behavioral Health Treatment and Recovery Program 602-208-22034

Schedule of Revenues and Expenses - Budget and Actual

Year ended September 30, 2022

	<b>Actual</b>				
	<b>Three</b>	<b>Nine</b>			
	<b>months</b>	<b>months</b>			
	<b>ended</b>	<b>ended</b>			
	<b>September 30,</b>	<b>June 30,</b>	<b>Total</b>	<b>Budget</b>	<b>Variance</b>
	<b>2021</b>	<b>2022</b>			<b>favorable</b>
					<b>(unfavorable)</b>
Revenues:					
Grant	\$ -	310,669	310,669	310,669	-
In-kind	-	77,667	77,667	77,667	-
Total revenues	-	388,336	388,336	388,336	-
Expenses:					
Personal services	-	286,686	286,686	281,503	(5,183)
Supplies	-	121	121	5,303	5,182
Indirect	-	101,529	101,529	101,530	1
Total expenses	-	388,336	388,336	388,336	-
Excess of revenues over expenses	\$ -	-	-	-	-

**SOUTHCENTRAL FOUNDATION**

State Financial Assistance Reports

State of Alaska

Department of Health

Division of Behavioral Health

Comprehensive Behavioral Health Treatment and Recovery Program 162-208-23034

Schedule of Revenues and Expenses - Budget and Actual

Year ended September 30, 2022

	<b>Actual</b>			<b>Variance favorable (unfavorable)</b>
	<b>Three months ended September 30, 2022</b>	<b>Total</b>	<b>Budget</b>	
Revenues:				
Grant	\$ 33,237	33,237	310,669	(277,432)
In-kind	8,309	8,309	77,667	(69,358)
Total revenues	<u>41,546</u>	<u>41,546</u>	<u>388,336</u>	<u>(346,790)</u>
Expenses:				
Personal services	30,679	30,679	286,627	255,948
Supplies	5	5	180	175
Indirect	10,862	10,862	101,529	90,667
Total expenses	<u>41,546</u>	<u>41,546</u>	<u>388,336</u>	<u>346,790</u>
Excess of revenues over expenses	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**SOUTHCENTRAL FOUNDATION**  
 State Financial Assistance Reports  
 State of Alaska  
 Department of Health  
 Division of Behavioral Health  
 Comprehensive Behavioral Health Treatment and Recovery Program 602-208-22044  
 Schedule of Revenues and Expenses - Budget and Actual  
 Year ended September 30, 2022

	<u>Three months ended September 30, 2021</u>	<u>Actual Nine months ended June 30, 2022</u>	<u>Total</u>	<u>Budget</u>	<u>Variance favorable (unfavorable)</u>
Revenues:					
Grant	\$ 14,488	52,795	67,283	67,283	-
In-kind	3,622	13,199	16,821	16,821	-
Total revenues	<u>18,110</u>	<u>65,994</u>	<u>84,104</u>	<u>84,104</u>	<u>-</u>
Expenses:					
Personal services	13,941	51,489	65,430	64,969	(461)
Supplies	35	139	174	635	461
Indirect	4,134	14,366	18,500	18,500	-
Total expenses	<u>18,110</u>	<u>65,994</u>	<u>84,104</u>	<u>84,104</u>	<u>-</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**SOUTHCENTRAL FOUNDATION**

State Financial Assistance Reports

State of Alaska

Department of Health

Division of Behavioral Health

Comprehensive Behavioral Health Treatment and Recovery Program 162-208-23044

Schedule of Revenues and Expenses - Budget and Actual

Year ended September 30, 2022

	<u>Actual</u>			
	<u>Three months ended September 30, 2022</u>	<u>Total</u>	<u>Budget</u>	<u>Variance favorable (unfavorable)</u>
Revenues:				
Grant	\$ 11,648	11,648	67,283	(55,635)
In-kind	-	-	16,821	(16,821)
Total revenues	<u>11,648</u>	<u>11,648</u>	<u>84,104</u>	<u>(72,456)</u>
Expenses:				
Personal services	9,086	9,086	64,938	55,852
Supplies	-	-	666	666
Indirect	2,562	2,562	18,500	15,938
Total expenses	<u>11,648</u>	<u>11,648</u>	<u>84,104</u>	<u>72,456</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

**SOUTHCENTRAL FOUNDATION**

## State Financial Assistance Reports

State of Alaska

Department of Health

Division of Behavioral Health

Comprehensive Behavioral Health Treatment and Recovery Program 602-208-22079

Schedule of Revenues and Expenses - Budget and Actual

Year ended September 30, 2022

	<b>Three months ended September 30, 2021</b>	<b>Actual Nine months ended June 30, 2022</b>	<b>Total</b>	<b>Budget</b>	<b>Variance favorable (unfavorable)</b>
Revenues:					
Grant	\$ -	47,072	47,072	47,072	-
In-kind	-	11,768	11,768	11,768	-
Total revenues	<u>-</u>	<u>58,840</u>	<u>58,840</u>	<u>58,840</u>	<u>-</u>
Expenses:					
Personal services	-	45,549	45,549	45,517	(32)
Supplies	-	348	348	380	32
Indirect	-	12,943	12,943	12,943	-
Total expenses	<u>-</u>	<u>58,840</u>	<u>58,840</u>	<u>58,840</u>	<u>-</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**SOUTHCENTRAL FOUNDATION**

State Financial Assistance Reports

State of Alaska

Department of Health

Division of Behavioral Health

Comprehensive Behavioral Health Treatment and Recovery Program 162-208-23079

Schedule of Revenues and Expenses - Budget and Actual

Year ended September 30, 2022

	<b>Actual</b>			<b>Variance favorable (unfavorable)</b>
	<b>Three months ended September 30, 2022</b>	<b>Total</b>	<b>Budget</b>	
Revenues:				
Grant	\$ 8,631	8,631	47,072	(38,441)
In-kind	2,158	2,158	11,768	(9,610)
Total revenues	<u>10,789</u>	<u>10,789</u>	<u>58,840</u>	<u>(48,051)</u>
Expenses:				
Personal services	8,304	8,304	45,708	37,404
Supplies	22	22	189	167
Indirect	2,463	2,463	12,943	10,480
Total expenses	<u>10,789</u>	<u>10,789</u>	<u>58,840</u>	<u>48,051</u>
Excess of revenues over expenses	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**SOUTHCENTRAL FOUNDATION**

State Financial Assistance Reports

State of Alaska  
Department of Health  
Division of Public Health - COVID 19 Emergency Operations Center (DPH - EOC)  
Increasing Capacity of COVID Services MOA #C0621-572-N

Schedule of Revenues and Expenses - Budget and Actual

Year ended September 30, 2022

	<b>Actual</b>				
	<b>Three months ended September 30, 2021</b>	<b>Nine months ended June 30, 2022</b>	<b>Total</b>	<b>Budget</b>	<b>Variance favorable (unfavorable)</b>
Revenues:					
Grant	\$ 50,000	553,186	603,186	603,186	-
In-kind	-	-	-	-	-
Total revenues	<u>50,000</u>	<u>553,186</u>	<u>603,186</u>	<u>603,186</u>	<u>-</u>
Expenses:					
Other	50,000	553,186	603,186	603,186	-
Total expenses	<u>50,000</u>	<u>553,186</u>	<u>603,186</u>	<u>603,186</u>	<u>-</u>
Excess of revenues over expenses	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



SOUTHCENTRAL FOUNDATION  
Schedule of Expenditures of Federal Awards  
Year ended September 30, 2022

	Contract or Grant number	Assistance Listing Numbers	Passed through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services				
Indian Health Service:				
Direct:				
Self Governance Compact:				
Oct-01-2019 to Sep-30-2022	58G-950031	93.210	\$ 23,310,618	181,763,960
Compact Contract Reduction	58G-950031	93.210	-	15,637,608
Title V Construction Project Agreement:				
June-24-2013 to Completion				
Aug-01-2019 to Completion	DES-19-V-0045			
	DES-21-V-0029	93.210	-	313,982
Total direct			<u>23,310,618</u>	<u>197,715,550</u>
Passed through Alaska Native Tribal Health Consortium:				
Oct-01-2021 to Sep-30-2022	Purchase Agreement II	93.210	-	748,801
Oct-01-2020 to Sep-30-2023	Rural ASU	93.210	-	558,258
Oct-01-2020 to Indefinitely	Other	93.210	-	720,339
July-01-2004 to Indefinitely	Behavioral Health Aides	93.210	-	490,084
June-01-2004 to Indefinitely	Primary Care Subawards	93.210	-	335,447
Jul-01-2018 to Completion	BEMAR Projects	93.210	-	327,641
Oct-01-2013 to Indefinitely	Purchased & Referred Services	93.210	-	1,522
Passed through Native Village of Tyonek -				
Oct-01-2015 to Indefinitely	Tyonek	93.210	-	115,553
Passed through Native Village of Eklutna -				
Oct-01-2018 to Sep-30-2023	Eklutna	93.210	-	446,057
Total passed through			<u>-</u>	<u>3,743,702</u>
Total Indian Health Service			<u>23,310,618</u>	<u>201,459,252</u>
Administration for Community Living:				
Direct:				
Older Americans Act, Title VI Part A - Grants for Native Americans:				
Apr-01-2021 to Mar-31-2022	2035AKOATA-01	93.047	-	73,916
Apr-01-2022 to Mar-31-2023	2035AKOATA-02	93.047	-	112,890
Total ALN #93.047			<u>-</u>	<u>186,806</u>
Nutrition Services Incentive Program (NSIP) - Aging Cluster:				
Apr-01-2021 to Mar-31-2023	2035AKOANT-01	93.053	-	22,457
Apr-01-2022 to Mar-31-2023	2035AKOANT-02	93.053	-	17,494
Total ALN #93.053			<u>-</u>	<u>39,951</u>

(Continued)

SOUTHCENTRAL FOUNDATION

Schedule of Expenditures of Federal Awards, Continued

	Contract or Grant number	Assistance Listing Numbers	Passed through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services, continued:				
Administration for Community Living:				
Direct:				
Older Americans Act, Title VI Part C - Grants for Native American Caregiver Support:				
Apr-01-2021 to Mar-31-2022	2035AKOATC-01	93.054	\$ -	33,402
Apr-01-2022 to Mar-31-2023	2035AKOATC-02	93.054	-	74,360
			<u>-</u>	<u>107,762</u>
Administration for Community Living:				
Direct:				
American Rescue Plan for OAA Title VI Part C Native American Caregivers -				
May-01-2021 to Sep-30-2024	2135AKTCC6-00	93.054	-	44,577
Total ALN #93.054			<u>-</u>	<u>152,339</u>
Office of Assistant Secretary of Health:				
Direct:				
Integrated Health Records Mapped to Social Determinants of Health Jul-01-2021 to Jun-30-2022				
	CPIMP171148-05	93.137	-	290,504
			<u>-</u>	<u>290,504</u>
Passed through Oklahoma State University for Health Sciences:				
Center for Indigenous Innovation and Health Equity-American Indians and Alaska Natives -				
Sep-30-2021 to Sep-29-2022	CPIMP211317-01	93.137	-	50,448
Total ALN #93.137			<u>-</u>	<u>50,448</u>
			<u>-</u>	<u>340,952</u>
National Institutes of Health:				
Direct:				
Community-engaged Research Toward Precision Medicine with AIAN People -				
Jul-01-2019 to Jun-30-2020	7R01HG009500-03	93.172	226,602	287,715
			<u>226,602</u>	<u>287,715</u>
Passed through University of Oklahoma:				
Center on American Indian and Alaska Native Genomic Research:				
Jul-01-2021 to Jun-30-2022	5RM1HG009042-06	93.172	-	73,564
Jul-01-2022 to Jun-30-2023	5RM1HG009042-07	93.172	-	18,547
			<u>-</u>	<u>92,111</u>
Total ALN #93.172			<u>226,602</u>	<u>379,826</u>
Passed through Duke University:				
Multifactorial Determinants of Childhood Hearing Loss in Rural Alaska -				
Jul-21-2021 to Jun-30-2022	5R21DC018399-02	93.173	-	2,403
			<u>-</u>	<u>2,403</u>
Passed through University of Arkansas:				
Multifactorial Determinants of Childhood Hearing Loss in Rural Alaska -				
May-15-2022 to Jun-30-2023	7R21DC018399-03	93.173	-	276
			<u>-</u>	<u>276</u>
North STAR Trial: Specialty Telemedicine Access for Referrals in Rural Alaska -				
May-15-2022 to Jun-30-2023	56477-SF	93.173	-	8,246
			<u>-</u>	<u>8,246</u>
Total ALN #93.173			<u>-</u>	<u>10,925</u>

(Continued)

SOUTHCENTRAL FOUNDATION

Schedule of Expenditures of Federal Awards, Continued

	Contract or Grant number	Assistance Listing Numbers	Passed through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services, continued:				
Health Resources and Services Administration:				
Health Center Program Cluster Program:				
Direct:				
American Rescue Plan Act Funding for Health Centers Apr-01-2021 to Mar-31-2023	1 H8FCS41149-01	93.224	\$ <u>29,477</u>	<u>535,100</u>
			29,477	535,100
Health Center Cluster Demonstration - Alaska Initiative Jun-01-2022 to May-31-2023	6 H80CS01128-21	93.224	-	<u>2,212,292</u>
			-	2,212,292
Total ALN #93.224			<u>29,477</u>	<u>2,747,392</u>
Health Center Cluster Demonstration - Alaska Initiative Jun-01-2020 to Jul-31-2022	6 H80CS01128-19	93.527	-	120,065
Jun-01-2021 to May-31-2022	6 H80CS01128-20	93.527	-	3,911,310
Total ALN #93.527			-	<u>4,031,375</u>
Total Health Center Program Cluster			<u>29,477</u>	<u>6,778,767</u>
Indian Health Service:				
Direct:				
Special Diabetes Programs for Indians Jan-01-2020 to Dec-31-2020	H1D4IHS0007-23	93.237	-	69,776
Jan-01-2021 to Dec-31-2021	H1D4IHS0007-24	93.237	-	777,750
Jan-01-2022 to Dec-31-2022	H1D4IHS0007-24	93.237	-	1,221,291
Total ALN #93.237			-	<u>2,068,817</u>
National Institutes of Health:				
Passed through Henry Ford Health System:				
Patient Perspectives on Clinical Approaches to Prevent Opioid Related Suicide - Jun-01-2021 to May-31-2022	3U01MH114087-04S1	93.242	-	<u>17,077</u>
Total ALN #93.242			-	<u>17,077</u>
Substance Abuse and Mental Health Services Administration:				
Direct:				
Preserving the Future Jun-30-2019 to Jun-29-2020	5H79SF082102-01	93.243	-	40,601
Jun-30-2020 to Jun-29-2021	5H79SF082102-02	93.243	-	33,792
Jun-30-2021 to Jun-29-2022	5H79SF082102-03	93.243	113,896	491,554
Jun-30-2022 to Jun-29-2023	5H79SF082102-04	93.243	53,123	184,475
			<u>167,019</u>	<u>750,422</u>
SCF's Indigenous Project Launch Sep-30-2020 to Sep-29-2021	5H79SM080167-03	93.243	-	32,238
Sep-30-2021 to Sep-29-2022	5H79SM080167-04	93.243	-	540,787
			-	<u>573,025</u>
SCF Treatment for PPW Aug-31-2021 to Aug-30-2022	5H79TI083137-02	93.243	-	477,643
Aug-31-2022 to Aug-30-2023	5H79TI083137-03	93.243	-	46,651
			-	<u>524,294</u>
Total ALN #93.243			<u>167,019</u>	<u>1,847,741</u>

(Continued)

SOUTHCENTRAL FOUNDATION

Schedule of Expenditures of Federal Awards, Continued

	Contract or Grant number	Assistance Listing Numbers	Passed through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services, continued:				
National Institutes of Health:				
Passed through University of New Mexico				
New Mexico Clinical Trials Node: Clinical Research and Practice to				
Address Substance Use in Diverse, Rural and Underserved Populations:				
Mar-01-2021 to Feb-28-2022	3UG1DA049468-03S2	93.279	\$ -	42,364
Mar-01-2022 to Feb-28-2023	5UG1DA049468-04	93.279	-	44,387
Total ALN #93.279			-	86,751
Passed through Washington State University:				
Native-Controlling Hypertension and Risk Through Technology				
Mar-01-2020 to Feb-28-2021		93.307	-	333,515
			-	333,515
Passed through University of Colorado, Denver:				
American Indian and Alaska Native Health Disparities				
May-01-2021 to Apr-30-2022	5U54MD000507-19	93.307	-	36,080
May-01-2022 to Apr-30-2023	5U54MD000507-20	93.307	-	25,568
			-	61,648
Total ALN #93.307			-	395,163
Passed through Alaska Native Tribal Health Consortium:				
Building Research Capacity Within Tribal Organizations for Research to				
Improve the Health of Alaska Native Children -				
Sep-01-2021 to Aug-30-2022	2UG1OD024944-04	93.310	-	59,235
			-	59,235
Passed through Washington State University:				
COVID-19 - Community Organizations for Natives: COVID-19 Epidemiology,				
Research, Testing, and Services:				
Sep-22-2020 to Jun-30-2021	3U54MD011240-05S1	93.310	-	85,715
Sep-22-2020 to Jun-30-2021	3U54MD011240-05S1	93.310	-	2,496
			-	88,211
Total ALN #93.310			-	147,446
Passed through Washington State University:				
Increasing Colorectal Cancer Screening in Alaska Native Men				
Jun-18-2021 to May-31-2022	1R21NR019362-01	93.361	-	26,620
Jun-18-2022 to May-31-2023	1R21NR019362-02	93.361	-	11,065
			-	37,685
National Institutes of Health:				
Direct:				
Jumpstarting Culturally-informed Advance Care Planning with ANAI People				
in Primary Care -				
Aug-22-2022 to May-31-2023	R01NR020491	93.361	-	9,402
			-	9,402
Total ALN #93.361			-	47,087
Center for Disease Control and Prevention:				
Direct:				
COVID-19 - Supporting Tribal Public Health Capacity in Coronavirus				
Preparedness and Response - 2020 -				
May-26-2020 to Jun-09-2021	1 NU1ROT000100-01	93.391	-	63,528
			-	63,528

(Continued)

SOUTHCENTRAL FOUNDATION

Schedule of Expenditures of Federal Awards, Continued

	Contract or Grant number	Assistance Listing Number	Passed through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services, continued:				
Direct:				
COVID Healthy and Equitable Communities Jun-01-2021 to May-31-2023	601-313-22004	93.391	\$ -	51,282
			-	51,282
Total ALN #93.391			-	114,810
Direct:				
Wisewoman				
Sep-30-2019 to Sep-29-2020	6NU58DP006657-02	93.436	760	15,232
Sep-30-2020 to Sep-29-2021	6NU58DP006657-03	93.436	(760)	31,293
Sep-30-2021 to Sep-29-2022	6NU58DP006657-04	93.436	8,300	500,959
Total ALN #93.436			8,300	547,484
Health Resources and Services Administration:				
Direct:				
Provider Relief Fund		93.498	-	18,456,512
Total ALN #93.498			-	18,456,512
Family Professional Partnership/CSHCN Jun-01-2022 to May-31-2023	H8445669	93.504	26,449	26,463
Total ALN #93.504			26,449	26,463
Indian Health Service:				
Direct:				
Family Wellness Warriors Expansion May-01-2022 to Apr-30-2023	BH15IHS0073-01	93.653	-	77,605
Total ALN #93.653			-	77,605
Southcentral Foundation Rural SASP SAPTA Program May-01-2022 to Apr-30-2023	BH23IHS0018-01	93.654	-	35,724
Total ALN #93.654			-	35,724
Substance Abuse and Mental Health Services Administration:				
Passed through the State of Alaska Department of Health				
Emergency Grants to Address Mental Health and Substance Use Disorders During COVID 19:				
Jul-01-2020 to Jun-30-2021	602-255-21004	93.665	-	(625)
Jul-01-2021 to Jun-30-2022	602-255-22004	93.665	-	144,360
Total ALN #93.465			-	143,735
Administration for Children and Families:				
Direct:				
Family Violence Prevention & Services Supplemental Funding American Rescue Plan Act of 2021 - Oct-01-2020 to Sep-30-2025	21SJAKFVC6	93.671	-	51,982
Total ALN #93.671			-	51,982
Center for Disease Control and Prevention:				
Direct:				
CDC Wellness in Indian Country Apr-30-2021 to Apr-29-2022	6NU58DP006403-03	93.762	-	116,123
Total ALN #93.762			-	116,123
Centers for Medicare & Medicaid Services:				
Direct:				
Children's Health Connecting Kids to Coverage Jan-13-2021 to Jan-12-2022	2D2CMS331777-02	93.767	-	102,116
Jan-13-2022 to Jan-12-2023	2D2CMS331777-03	93.767	-	193,568
			-	295,684
Centers for Medicare & Medicaid Services:				
Direct:				
Children's Health Connecting Kids to Coverage HEALTHY KIDS Jul-19-2022 to Jun-30-2023	2Y2CMS331849-01	93.767	-	21,534
			-	21,534
Total ALN #93.767			-	317,218

(Continued)

SOUTHCENTRAL FOUNDATION

Schedule of Expenditures of Federal Awards, Continued

	Contract or Grant number	Assistance Listing Number	Passed through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services, continued:				
National Institute of Health Diabetes and Digestive and Kidney Diseases:				
Passed through University of Colorado, Denver:				
Center for American Indian and Alaska Native Diabetes Translation Research				
Aug-01-2021 to Jul-31-2022	5P30DK092923-11	93.847	\$ -	10,159
Total ALN #93.847			-	10,159
National Institute of Health:				
Direct:				
Alaska Native Communities Advancing Vaccine Uptake				
Aug-08-2022 to Jul-31-2023	R01AI70946	93.855	-	4,633
Total ALN #93.855			-	4,633
Population-based Interventions to Improve Behavioral Health in a Tribal Healthcare System -				
Aug-01-2020 to Jul-31-2021	5S06GM123545-04	93.859	11,441	30,759
			11,441	30,759
Passed through University of Washington:				
Program on Genetic and Dietary Predictors of Drug Response in Rural and American Indian/Alaska Native Population -				
Jul-01-2020 to Jun-30-2021	5P01GM116691-04	93.859	-	2,669
			-	2,669
Passed through Montana State University:				
American Indian-Alaska Native Clinical and Transitional Research Center				
Aug-01-2020 to Jul-31-2021	5U54GM115371-05	93.859	-	49,843
			-	49,843
Feasibility and Acceptability of Community-Based Diagnosis and Treatment for Hepatitis C Virus in an Urban Alaska and American Indian Population -				
Aug-01-2020 to Jul-31-2021	5U54GM115371-05	93.859	-	24,974
			-	24,974
Passed through Alaska Native Tribal Health Consortium:				
Cultural Innovations for Recovery in Community-based Learning Environments				
Aug-01-2021 to Jul-31-2022	5S06GM127911-04	93.859	47,727	213,295
			47,727	213,295
National Institutes of Health:				
Passed through University of Alaska, Fairbanks:				
Response to Prevention: the Role of Vitamin D in Postpartum Hemorrhage Among Alaska Native Women:				
May-01-2021 to Jun-30-2023	5P20GM103395	93.859	10,169	40,007
May-01-2021 to Jun-30-2022	5P20GM103395	93.859	15,987	52,237
May-01-2022 to Jun-30-2023	5P20GM103395	93.859	-	12,739
			26,156	104,983
National Institutes of Health:				
Direct:				
Building Capacity for Dissemination and Implementation Research in a Tribal Healthcare System:				
Aug-01-2021 to Jul-31-2022	1S06GM142122-01	93.859	195,886	423,039
Aug-01-2022 to Jul-31-2023	5S06GM142122-02	93.859	20,350	86,152
			216,236	509,191
Total ALN #93.859			301,560	935,714
Passed through Oregon Health & Science University:				
Diet and the CPT1A Artic Variant: Impact on the Health of Alaska Native Children				
Jun-01-2019 to May-31-2020	1R01HD089951-03	93.865	13,535	77,838
Jun-01-2022 to May-31-2023	1R01HD089951-04	93.865	37,378	61,085
Total ALN #93.865			50,913	138,923

(Continued)

SOUTHCENTRAL FOUNDATION

Schedule of Expenditures of Federal Awards, Continued

	Contract or Grant number	Assistance Listing Numbers	Passed through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services, continued:				
Passed through Washington State University:				
URBAN Native Elders (URBANE): Risk and Protective Factors for Alzheimer's and Related Dementias -				
Jun-01-2021 to May-31-2022	5R01AG064493-03	93.866	\$ -	71,132
Total ALN #93.866			-	71,132
Administration for Children and Families:				
Direct:				
Southcentral Foundation Tribal MIECHV program				
Sep-30-2021 to Sep-29-2022	90TH0037-06	93.872	-	830,000
Sep-30-2020 to Sep-29-2022	90TH0037-05-02	93.872	-	161,628
Total ALN #93.872			-	991,628
Center for Disease Control and Prevention:				
Passed through Alaska Native Tribal Health Consortium:				
Alaska Native Tribal Health Consortium Comprehensive Cancer Control Program				
Nov-01-2021 to May-31-2022	NU58DP006325	93.898	-	29,220
			-	29,220
Center for Disease Control and Prevention:				
Direct:				
National Breast and Cervical Cancer Early Detection Program				
Jun-30-2021 to Jun-29-2022	5 NU58DP006295-05	93.898	16,600	951,631
Jun-30-2022 to Jun-29-2023	5 NU58DP006295-06	93.898	2,090	258,182
			18,690	1,209,813
Total ALN #93.898			18,690	1,239,033
Health Resources and Services Administration:				
Direct:				
COVID-19 - Rural Tribal COVID-19 Response				
May-31-2020 to May-30-2020	1 HCTRH39258-01	93.912	-	38,927
			-	38,927
Rural Health Care Services Outreach Grant Program				
May-31-2021 to Apr-30-2022	1 D04RH40288-01	93.912	-	77,606
May-31-2022 to Apr-30-2023	6 D04RH40288-02-01	93.912	-	166,561
			-	244,167
Rural Health Network Development Planning Grant Program				
May-31-2020 to May-30-2020	1 P10RH41770-01	93.912	-	96,640
			-	96,640
Total ALN #93.912			-	379,734
Passed through Alaska Native Tribal Health Consortium:				
COVID-19 - Ryan White Part C Outpatient EIS Program				
Jan-01-2022 to Dec-31-2022	5H76HA00723-20	93.918	-	59,275
Total ALN #93.865			-	59,275
Indian Health Service:				
Direct:				
DVPI FWWI				
Sep-30-2020 to Sep-29-2021	BH15IHS0007-06	93.933	-	48,015
			-	48,015
Total U.S. Department of Health and Human Services			24,139,628	237,724,802

(Continued)

SOUTHCENTRAL FOUNDATION

Schedule of Expenditures of Federal Awards, Continued

	Contract or Grant number	Assistance Listing Numbers	Passed through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture - Snap Cluster:				
Passed through State of Alaska:				
Supplemental Nutrition Assistance Program				
Oct-01-2014 -	None	10.551	\$ -	19,578
Total ALN #10.551			-	19,578
Passed through State of Alaska Division of Public Assistance:				
Special Supplemental Nutrition Program for Women, Infants and Children -				
Aleutian Pribilof Islands:				
Jul-01-2020 to Jun-30-2021	None	10.557	-	(1,238)
Jul-01-2021 to Jun-30-2022	None	10.557	-	20,558
Jul-01-2022 to Jun-30-2023	None	10.557	-	5,851
Total ALN #10.557			-	25,171
Direct:				
Emergency Rural Health Care Grant Program - USDA Takotna - Community				
Facilities Loans and Grant Cluster:				
Nov-01-2021 to Oct-31-2024	None	10.766	-	1,000,000
Total ALN #10.766			-	1,000,000
Direct:				
Distance Learning and Telemedicine Grant Program				
Oct-01-2020 to Oct-07-2023	AK0734-B17	10.855	-	271,383
Total ALN #10.855			-	271,383
Total U.S. Department of Agriculture			-	1,316,132
U.S. Department of Housing and Urban Development:				
Direct:				
Office of Native American Programs ICDBG-ARP				
Dec-21-2021 to Dec-31-2022	22RP0215680	14.862	-	340,172
Total ALN #14.862			-	340,172
U.S. Department of Justice:				
Direct:				
Southcentral Foundation's Alaska Native Unit at Alaska CARES Tribal				
Victim Services Set-Aside Program -				
Mar-18-2019 to Apr-15-2022	2018-VO-GX-0044	16.841	-	153,150
Total ALN #16.841			-	153,150

(Continued)



SOUTHCENTRAL FOUNDATION

Schedule of Expenditures of Federal Awards, Continued

	Contract or Grant number	Assistance Listing Number	Passed through to Subrecipients	Federal Expenditures
U.S. Department of the Treasury:				
Passed through Cook Inlet Region, Inc.:				
COVID-19 -CARES ACT Coronavirus Relief Fund				
COVID-19 -CARES ACT Technology Infrastructure - IT Security Mar-01-2020 to Dec-31-2021		21.019	\$ -	980,799
COVID-19 - CARES ACT Technology Infrastructure - Facilities Security Mar-01-2020 to Dec-31-2021		21.019	-	5,201,060
COVID-19 - CARES ACT - Warehouse Mar-01-2020 to Dec-31-2021		21.019	-	446,520
COVID-19 - CARES ACT - Behavioral Services Division Building Mar-01-2020 to Dec-31-2021		21.019	-	11,418,830
COVID-19 - CARES ACT - Care Delivery Optimization-Service Backlog Mar-01-2020 to Dec-31-2021		21.019	-	250,000
COVID-19 - CARES ACT - Facility Improvements-ANTHC Outpatient Services Mar-01-2020 to Dec-31-2021		21.019	14,057,152	14,057,152
COVID-19 - CARES ACT - Facility Improvements-Pathway Home Mar-01-2020 to Dec-31-2021		21.019	-	350,000
COVID-19 - CARES ACT - Residential Health Building Mar-01-2020 to Dec-31-2021		21.019	-	2,772,231
COVID-19 - CARES ACT - Care Delivery Optimization-Mobile Units Mar-01-2020 to Dec-31-2021		21.019	-	2,324,220
COVID-19 - CARES ACT - Dental Clinic Building Mar-01-2020 to Dec-31-2021		21.019	-	1,148,533
COVID-19 - CARES ACT - ANTHC DHAT Space Conversion Mar-01-2020 to Dec-31-2021		21.019	-	1,905,027
COVID-19 - CARES ACT - Nikolai Provider Housing Mar-01-2020 to Dec-31-2021		21.019	-	2,815,248
COVID-19 - CARES ACT - Operational Support Mar-01-2020 to Dec-31-2022		21.019	-	1,270,386
Total U.S. Department of the Treasury			<u>14,057,152</u>	<u>44,940,006</u>
Total Federal Assistance			\$ <u>38,196,780</u>	<u>284,474,262</u>

See accompanying notes to schedule.

SOUTHCENTRAL FOUNDATION

Notes to Schedule of Expenditures of Federal Awards

Year Ended September 30, 2022

**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Southcentral Foundation under programs of the federal government for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of Southcentral Foundation, it is not intended to and does not present the financial position, change in net assets, or cash flows of Southcentral Foundation.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Southcentral Foundation has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3. Reconciliation of Federal Revenues**

Reconciliation and agreement to Federal Revenues on the Consolidated Statement of Activities:

Federal sources	\$ 250,280,355
Federal contract reduction	<u>15,699,514</u>
Total Federal revenues per Consolidated Statement of Activities	265,979,869
Plus timing differences in Provider	
Relief Fund payments reports on SEFA	18,456,512
Plus timing differences between revenue recognition and expenditures on Self Governance Compact and Compact Contract Reduction	<u>37,881</u>
Total federal assistance	\$ <u>284,474,262</u>

SOUTHCENTRAL FOUNDATION

Notes to Schedule of Expenditures of Federal Awards, Continued

**Note 4. Subrecipients**

The following were subrecipients of Federal Awards issued to Southcentral Foundation:

From: Indian Health Service 93.210:

To: Cook Inlet Region Tribes for Behavioral Health Aides	\$ 200,000
ANTHC ANMC Purchase Agreement	7,547,491
ANTHC ANMC Pharmaceuticals Purchase Agreement	4,101,187
ANTHC for ANMC ER Front Desk	332,474
ANTHC for ANMC M&I Pool Small Clinics	14,743
ANTHC for ANMC COVID-19 Lost Reimbursement	7,753,287
Rural ASU Subawards	1,543,657
Native Village of Tyonek for Rural ASU Subawards	13,177
Chickaloon Village for Rural ASU Subawards	690
Tribal Government of St. Paul	1,803,912
	23,310,618

From: Community-Engaged Research Toward Precision Medicine with  
AIAN People 93.172:

To: University of Washington	783
Oregon Health and Science University	152,443
University of Montana	73,376
	226,602

From: American Rescue Plan Act Funding for Health Centers 93.224:

To: Anchorage Tank II Inc.	29,477

From: Preserving the Future 93.243:

To: Alaska Pacific University	37,041
Cook Inlet Tribal Council	129,978
	167,019

From: Wisewoman 93.436:

To: Highlands Ranch	8,300

From: Family Professional Partnership/CSHCN 93.504:

To: Stone Soup Group	26,449

From: Population Based Intervention to Improve Behavioral Health in a  
Tribal Healthcare System 93.859:

To: University of Washington	11,441

From: Cultural Innovations for Recovery in Community-based Learning  
Environments 93.859;

To: University of Washington	47,727

SOUTHCENTRAL FOUNDATION

Notes to Schedule of Expenditures of Federal Awards, Continued

From: Response to Prevention: the Role of Vitamin D in Postpartum Hemorrhage Among Alaska Native Women 93.859		
To: Alaska Native Tribal Health Consortium		18,131
Yukon Kuskokwim Health Corporation		<u>8,025</u>
		<u>26,156</u>
From: Building Capacity for Dissemination and Implementation Research in Tribal Healthcare System 93.859		
To: Alaska Native Tribal Health Consortium		38,201
Mayo Clinic		29,426
Mayo Foundation for Medical Education		16,754
Sheila M Strauss		1,400
University of Alaska Fairbanks		2,080
University of Washington		<u>128,375</u>
		<u>216,236</u>
From: Diet and the CPT1A Arctic Variant: Impact on the Health of Alaska Native Children 93.865;		
To: Norton Sound Health Corporation		30,097
University of Washington		<u>20,816</u>
		<u>50,913</u>
From: National Breast and Cervical Cancer Early Detection Program 93.898;		
To: Highlands Ranch		<u>18,690</u>
From: COVID-19 – Cares Act – Facility Improvements – ANTHC Outpatient Services 21.019;		
To: Alaska Native Tribal Health Consortium		<u>14,057,152</u>
Total Subrecipients Awards		\$ <u><u>38,196,780</u></u>

SOUTHCENTRAL FOUNDATION

Schedule of State Financial Assistance

Year ended September 30, 2022

Program	Grant Number	Passed through to Subrecipients	State Expenditures
<b>Department of Health</b>			
Division of Behavioral Health			
Direct			
* Comprehensive Behavioral Health Treatment and Recovery Program			
Jul-01-2021 to Jun-30-2022	602-208-22034 \$	-	310,669
Jul-01-2022 to Jun-30-2023	162-208-23034	-	33,237
* Comprehensive Behavioral Health Treatment and Recovery - McGrath			
Jul-01-2021 to Jun-30-2022	602-208-22044	-	52,795
Jul-01-2022 to Jun-30-2023	162-208-23044	-	11,648
* Comprehensive Behavioral Health Treatment and Recovery - Iliamna			
Jul-01-2021 to Jun-30-2022	602-208-22079	-	47,072
Jul-01-2022 to Jun-30-2023	162-208-23079	-	8,631
Division of Public Health			
Direct			
Increasing Capacity of COVID Services			
Sep-01-2021 to Jun-30-2022	C0621-572-N	-	553,186
Division of Public Assistance			
Passed through Bristol Bay Area Health Corporation			
Women Infant and Children			
Jul-01-2021 to Jun-30-2022	604-268-22003	-	18,360
Jul-01-2022 to Jun-30-2023	604-268-23003	-	5,270
Total Department of Health		-	1,040,868
Alaska Mental Health Trust Authority			
Direct			
Mini-Grants	Various	-	55,024
Total Alaska Mental Health		-	55,024
Total State Financial Assistance		\$ -	1,095,892

See accompanying notes to Schedule

SOUTHCENTRAL FOUNDATION

Notes to Schedule of State Financial Assistance

Year ended September 30, 2022

**Note 1. Basis of Presentation**

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of Southcentral Foundation under programs of the State of Alaska for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of Southcentral Foundation, it is not intended to and does not present the financial position, change in net assets, or cash flows of Southcentral Foundation.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the Foundation's basic financial statements.

**Note 3. Subrecipients**

No state funds were passed through to Subrecipients.

**Note 4. Major Programs**

\* denotes a major program for compliance audit purposes.

**Note 5. Reconciliation and agreement to State of Alaska Revenue on the Consolidated Statement of Activities:**

State of Alaska per statement of activities	\$ 1,110,380
Timing difference between when expenditures were incurred and timing of reimbursement	<u>14,488</u>
Total state financial assistance	<u>1,095,892</u>

**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**

Members of the Board of Directors  
Southcentral Foundation  
Anchorage, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (Government Auditing Standards), the consolidated financial statements of Southcentral Foundation (a nonprofit organization), which comprise the consolidated statement of financial position as of September 30, 2022, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 6, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Southcentral Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Southcentral Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of Southcentral Foundation'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 consolidated 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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Southcentral Foundation’s consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Firm’s Signature



Anchorage, Alaska  
April 6, 2023



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

**Independent Auditor's Report**

Members of the Board of Directors  
Southcentral Foundation  
Anchorage, Alaska

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

***Opinion on Each Major Federal Program***

We have audited Southcentral Foundation's 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 Southcentral Foundation's major federal programs for the year ended September 30, 2022. Southcentral Foundation'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, Southcentral Foundation 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 September 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Southcentral Foundation 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 Southcentral Foundation'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 Southcentral Foundation'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 Southcentral Foundation'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 Southcentral Foundation'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 Southcentral Foundation'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 Southcentral Foundation'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 Southcentral Foundation'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.

Members of the Board of Directors  
Southcentral Foundation

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.

*Altman, Rogers & Co.*

Anchorage, Alaska  
April 6, 2023

SOUTHCENTRAL FOUNDATION

Federal Schedule of Findings and Questioned Costs

Year Ended September 30, 2022

**Section I – Summary of Auditor’s Results**

Financial Statements

Type of auditor’s report issued on whether the financial statements were prepared in accordance with GAAP:

Unmodified

Is a going concern emphasis-of-matter paragraph included in the audit report? \_\_\_\_\_ Yes   x   No

Internal control over financial reporting:  
 Material weakness identified? \_\_\_\_\_ Yes   x   No  
 Significant deficiency identified? \_\_\_\_\_ Yes   x   None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   x   No

Federal Awards

Internal control over major programs (2 CFR 200.516(a)(1)):

Material weakness(es) identified? \_\_\_\_\_ Yes   x   No  
 Significant deficiency(ies) identified? \_\_\_\_\_ Yes   x   None reported

Any material noncompliance with the provisions of laws, regulations, contracts, or grant agreements related to a major program (2 CFR 200.516(a)(2))? \_\_\_\_\_ Yes   x   No

Type of auditor’s report issued on compliance for major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, 2 CFR 200.516(a)? \_\_\_\_\_ Yes   x   No

Identification of major programs:

Assistance Listing Number(s)  
 93.210  
 93.498  
 93.224 and 93.527  
 10.766

Name of Federal Program  
 Self Governance Compact  
 Provider Relief Fund  
 Health Center Program Cluster  
 Community Facilities Loans and Grants

Dollar threshold used to distinguish between Type A and Type B programs: \$   3,000,000  

Auditee qualified as low-risk auditee?   x   Yes        No

SOUTHCENTRAL FOUNDATION

Federal Schedule of Findings and Questioned Costs, Continued

***Section II – Financial Statement Findings***

Southcentral Foundation did not have any findings that related to the financial statements.

***Section III – Federal Award Findings and Questioned Costs***

Southcentral Foundation did not have any findings related to federal awards.

**Report on Compliance for Each Major State Program and Report on Internal Control over Compliance required by the State of Alaska Audit Guide and Compliance Supplement for State Single Audits**

**Independent Auditor's Report**

Members of the Board of Directors  
Southcentral Foundation  
Anchorage, Alaska

**Report on Compliance for Each Major State Program**

***Opinion on Each Major State Program***

We have audited Southcentral Foundation's compliance with the types of compliance requirements identified as subject to audit in the State of Alaska Audit Guide and Compliance Supplements that could have a direct and material effect on each of Southcentral Foundation's major state programs for the year ended September 30, 2022. Southcentral Foundation's major state programs are identified in the accompanying Schedule of State Financial Assistance.

In our opinion, Southcentral Foundation 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 state programs for the year ended September 30, 2022.

**Basis for Opinion on Each Major State 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 in the State of Alaska Audit Guide. Our responsibilities under those standards and the State of Alaska Audit Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Southcentral Foundation's 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 state program. Our audit does not provide a legal determination of Southcentral Foundation'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 Southcentral Foundation's state 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 Southcentral Foundation'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 State of Alaska Audit Guide requirements 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 Southcentral Foundation's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the State of Alaska Audit Guide, 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 Southcentral Foundation'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 Southcentral Foundation'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 State of Alaska requirements, but not for the purpose of expressing an opinion on the effectiveness of Southcentral Foundation'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 state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 State of Alaska. Accordingly, this report is not suitable for any other purpose.



Anchorage, Alaska  
April 6, 2023



SOUTHCENTRAL FOUNDATION

State Schedule of Findings and Questioned Costs

Year Ended September 30, 2022

**Section I – Summary of Auditor’s Results**

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u>    </u> Yes	<u>  x  </u> No
Significant deficiency(ies) identified?	<u>    </u> Yes	<u>  x  </u> None noted

Noncompliance material to financial statements noted?      Yes   x   No

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified?	<u>    </u> Yes	<u>  x  </u> No
Significant deficiency(ies) identified?	<u>    </u> Yes	<u>  x  </u> None noted

Type of auditor’s report issued on compliance for major program: Unmodified

Dollar threshold used to distinguish between Type A and Type B major program: \$ 750,000

Auditee qualified as low-risk auditee?   x   Yes      No

**Section II – Financial Statement Findings**

Southcentral Foundation did not have any findings that related to the financial statements.

**Section III – State Award Findings and Questioned Costs**

Southcentral Foundation did not have any findings related to state awards.