

**CITY OF UNALASKA FY25 COMMUNITY SUPPORT APPLICATION
TITLE PAGE**

ORGANIZATION: Iliuliuk Family and Health Services, Inc. FORMED: February 14, 1972

MAILING ADDRESS: PO Box 144 CITY: Unalaska STATE: AK ZIP: 99685-0144

CHIEF EXECUTIVE'S NAME & TITLE: Noel Rea, Chief Executive Officer

CONTACT'S NAME & TITLE (if different): Same

TELEPHONE NUMBER: (O) 907-581-1202 X 8658; (C) 907-359-4009 FAX NUMBER: (907) 581-2331

EMAIL: nrea@ifhs.org AMOUNT OF FY24 AWARD: \$ 180,000

IF REQUESTING MORE FOR FY25 THAN AWARDED IN FY24 BRIEFLY EXPLAIN WHY:

We are requesting more than our FY24 award to allow us to continue providing after-hours emergency care. The funding will help close our budget gap, which occurs annually because of the high cost of providing Emergency Room services and our inability to charge enough to cover those costs. Since we started providing this care, the annual gap has been covered from our reserve funds; however, those reserves are now dwindling, and we will be unable to cover the annual gap without additional funding or without discontinuing after-hours emergency care, which would be a huge loss for the entire community. Absent an influx of operating funds, IFHS will be discontinuing after-hours emergency care within the next 10 months.

Organization's Fiscal Year: From July 1, 2024 to June 30, 2025

FY25 REQUEST: \$1,047,441.46 LOCAL PROGRAM BUDGET TOTAL: \$1,224,576.00

SUMMARY OF FY25 SOURCES OF INCOME:

Grants	City	<u>85.54 %</u>	Fees/Earned Income	<u>14.46 %</u>
	State	____%	Fundraising	____%
	Federal	____%	In Kind	____%
	Other Grants	____%	Other Income	____%

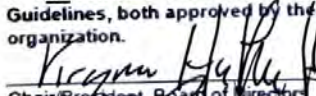
Please list the primary budget categories the City will be funding (do not include sub items):

- Personnel – Salaries
- Personnel – Benefits
- Equipment

*IRS Non-Profit Status: Is the organization's IRS filing current? Yes No NA (Qawalangi Camp)

*Alaska Incorporation Status: Is the organization's State filing current? Yes No

By signing below, the chair/president of the Board of Directors and the Director/Executive acknowledge all contents of this application have been reviewed and approved by the Board of Directors. The signatures further indicate that all contents of the City of Unalaska Community Support FY25 Application packet and the Community Support Guidelines, both approved by the Unalaska City Council, have also been reviewed and will be followed by the organization.


Chair/President, Board of Directors

Date

11/31/24


Director/Executive Director/General Manager

Date

11/31/24

I. EXECUTIVE SUMMARY (one (1) page)


A. Executive Summary:

Include your mission statement here. Write a brief statement of the need being addressed, brief description of the planned project as it addresses the identified need, and amount of funding requested for FY25;

Mission Statement for Iliuliuk Family and Health Services:
"To Provide Quality Integrated Health Care and to
Promote Health and Well-Being."

The Iliuliuk Family and Health Services clinic (IFHS) is a 501(c) 3 non-profit entity that provides medical services to the community of Unalaska/Dutch Harbor, the fishing fleet of the Bering Sea, and to residents of outlying islands as needed. We exist and grow in response to the community's requests for comprehensive and competent clinical services and are committed to enhancing the quality of life for both permanent and temporary residents of our community. IFHS serves all persons regardless of race, religion, color, national origin, age, gender identity, sexual orientation, physical or mental disability, marital status, changes in marital status, pregnancy, parenthood, or other protected status. Our program serves all persons requesting treatment regardless of their ability to pay, and promotes physical, psychological, social, and spiritual health and well-being. The next available level of medical care is over 800 miles away by plane, so our program provides not only planned and preventative care for our community, but also walk-in and urgent/emergent care. This includes the coordination of care for services outside of the scope of what IFHS can provide locally.

IFHS is requesting \$1,047,441.46 for FY25 from the City of Unalaska, which will address our urgent need to fill the funding gap between our total revenue and our expenses, a gap which occurs due to the high cost of providing Emergency Room services and our inability to charge enough to cover those costs, as shown in the summary below:

	• Total annual costs	\$1,224,576.00
	• Total annual revenue	<u>\$ 177,134.54</u>
	• Deficit	(\$1,047,441.46)
	• Requested City Support	\$1,047,441.46
	• Revised Deficit	\$0.00

Although IFHS provides crucial urgent and emergency care for anyone who requires such care in Unalaska, we are not a licensed Emergency Room which limits our ability to generate much needed revenue. The urgent/emergency care provided by IFHS is considered “out-patient” care; one of the biggest implications of this is that IFHS is prohibited from billing and collecting at the much higher Emergency Room rates. Instead, we are limited to billing clinic visit rates rather than rates appropriate to a critical access hospital or similar facility. Clinic visit rates are much lower and do not nearly cover the costs of our staffing, equipment, supplies, medications among other costs.

Our annual funding from Health Resources and Services Administration (HRSA) as a Federally Qualified Community Health Center **supports primary care services only – it does not include funding for emergency services.** We have had an annual shortfall since we began providing urgent/emergent care. Our emergency services budget for the current year has a loss of over a million dollars, which is currently being covered by reserves. Our reserve funds, as is true for most non-profit health-care providers, are necessary to withstand periods of financial distress and still maintain services to the community. Our reserves are used for unexpected expenses, including unanticipated facility maintenance, equipment repair, or staff turnover (necessitating the hire of more travelers than anticipated), among other scenarios; they must be kept intact to maintain financial stability and support continued services to our community.

Those reserves are now dwindling, and we will be unable to cover the annual gap for much longer without additional funding or discontinuing after-hours emergency care, which would be a huge loss for the entire community.

Without an influx of operating funds, IFHS will be discontinuing after-hours emergency care within the next 10 months.

II. ORGANIZATION INFORMATION (who are you?) (five (5) pages)

B. Organization Programming (What do you do?):

Write a brief summary/outline of the programs/services that are currently being offered in the community. (Describe staff roles in E.)

IFHS has provided primary, urgent, and emergency care to the region for over 50 years. Our physicians, nurses, paramedics, and laboratory and imaging staff provide the full continuum of care, from planned and preventative primary care to lab work and imaging, to urgent and emergency care, which is provided both during and after hours.

C. Organization History and Experience (How long have you done it?):

Describe the organization’s history and experience in delivering programs/services in the community.

Iliuliuk Family and Health Services, Inc. (IFHS) was established as a non-profit corporation on February 14, 1972. In 1979, the IFHS Board of Directors was restructured to more accurately represent the people served by IFHS. IFHS hired its first full time doctor in 1981, and since then the medical staff has grown along with the local fishing industry. In 1992, IFHS moved to its current location to address a recognized need in the community. The next significant change occurred in September 2002, when IFHS was designated as a Federally Qualified Health Center (FQHC) and received Community Health Center primary care funding. In 2008, IFHS implemented an electronic health records (EHR) system through a grant funded by the State of Alaska, and in 2018 upgraded to a new EHR in collaboration with Providence Hospital.

As noted above in section A, we provide after-hours urgent/emergent care as needed, using on-call staff, and we are limited in how much we can charge for providing this essential service to our community’s residents, visitors, and temporary workers. These services cost well over \$1M annually, and we provide them with minimal financial support. Though after-hours access to emergency care saves lives and meets a significant need for our entire community, the only funding supporting the service is the minimal patient revenue collected for individual visits and community grant funding received by the City of Unalaska. The program is very expensive to have available, regardless of the number of patients served, as detailed below:

IFHS FY23 ER Summary

ER Visits	Total Charges	Total Paid	Total Not Paid
264	\$ 410,852.17	\$ 177,134.63	\$ 233,717.54

D. Community Relevance (How are you important/unique?):

List any similar organizations/programs/services, how your organization differs, and how your organization currently works cooperatively with similar organizations;

IFHS is the only health care available for the island and surrounding area that provides 24/7 coverage, and the only primary care provider on the island that can offer all the services listed in the table in Section B above. Other providers, as noted, are specialists in dental, optometry, or behavioral health care, and we partner with them to make the appropriate referrals as needed. There is one chiropractic office in the community and two air ambulance services that serve the community. The Aleutian Pribilof Islands Association (APIA) does provide limited primary care as well, limited to its tribal members and

Community Veterans. APIA's Oonalaska Wellness Center in Unalaska has one part-time staff member and is overseen by a regional medical director. Their hours of operation are limited, and they do not provide emergency services.

The City of Unalaska's website at

(<https://www.ci.unalaska.ak.us/community/page/health-care-services>)

confirms that Unalaska's health care services are mainly provided by IFHS, with primary care services billed on a sliding fee scale based on family size and income.

E. Program/Service Delivery (who does what?):

Describe the structure of management, staff, and volunteers in your organization and their role in delivering programs/services to the target population.

With oversight by the Board of Directors (see Section H below for details), Noel Rea is the Chief Executive Officer (CEO) for IFHS. Mr. Rea supervises all staff either directly or indirectly and is responsible for all decisions and operations of the clinic. IFHS does not have a Chief Financial Officer but does have a Controller who has been recently hired and who led staff through the recent annual audit. The Director of Administration is located off-site and has primary responsibilities related to grant reporting and administration. Both the Controller and Director of Administration report directly to the CEO, as do the Executive Assistant (responsible for human resources, accounts payable and general administrative support); and the Accounts Payable Specialist, who manages patient billing and accounts as well as insurance billing and reimbursements.

IFHS employs three Front Desk staff who are the first points of contact for any visitor to the clinic. They greet clients, direct them to the proper area for their appointments, schedule new appointments, answer phones, receive and deliver mail, do routine filing, keep all office supplies up to date, and generally oversee all lobby and reception area functions.

The IFHS Clinical Staff, overseen by a Clinical Services Coordinator, includes two Registered Nurses, two paramedics, one Medical Assistant, a Pharmacy Technician, two case management staff, and three Laboratory and Imaging Technicians. These staff provide care to patients who visit the clinic for primary care visits, laboratory services, or medications. These staff also provide support services and care on-call as necessary for patients who need urgent/emergency care.

The Medical Staff includes three full-time medical providers living in Unalaska. IFHS is currently recruiting for a fourth full-time provider needed to complete the medical staff at a level to cover the annual after hours calls. Absent the fourth provider, IFHS depends on locum provider support to meet the demands of the community. In addition to providing diagnoses and treatment for all primary care visits that require either a Physician or an Advanced Practice Provider level of care, they are the main on-call staff for urgent/emergency care.

Staff positions vary slightly depending on recruitment outcomes, turnover, etc., but in general the following are 24/7 staff roles at a minimum:

- Medical Provider (Physician, Nurse Practitioner, or Physician's Assistant) on-call daily.
- Registered Nurse (RN)/Paramedic/Emergency Medical Technician (EMT)- Level 3, providing assistance with patient care.
- Laboratory/Imaging Technicians for laboratory and imaging support.

IFHS also employs various traveling or itinerant health care providers. As of January 2024, there is one itinerant provider at the clinic and two travel nurses.

F. Director/Staff/Volunteer training (How are you qualified?):

Briefly describe how the organization trains directors, managers, employees, and volunteers.

IFHS hires qualified administrators, directors, and staff and maintains a team of qualified providers: Medical Doctors (MDs), Doctors of Osteopathy (DOs), Advanced Registered Nurse Practitioners (ARNPs), and Physician Assistants (PAs). IFHS credentials all providers and conducts quality reviews quarterly. Permanent providers also receive Continuing Medical Education (CME) annually on a variety of topics.

Health Stream, an online learning module system, is used for annual staff training, and appropriate staff are provided hands-on training with emergency medicine professionals in partnership with our local medivac service, which has a base in Unalaska. Staff also attend position-specific training locally and off-island as needed. IFHS continues to train the call-ready medical staff in Comprehensive Advanced Life Support (CALs).

The Joint Commission, an independent, not-for-profit organization that is the nation's oldest and largest standards-setting and accrediting body in health care, has accredited IFHS as an Ambulatory Care Facility and as a Primary Care Medical Home. The Lab facility is certified by the Clinical Laboratory Improvement Amendments (CLIA) as a Moderately Complex lab and is also accredited by The Joint Commission.

G. Director and Staff Evaluation:

Are the Director and Staff evaluated regularly? Please describe the method of evaluation and how often it occurs.

The Board of Directors evaluates the CEO's performance annually, using a pre-determined set of criteria, and provides input on any areas of improvement necessary. Evaluation criteria include knowledge of work, planning and organization, quality and quantity of work, dependability, acceptance of work, self-initiative, teamwork, safety, leadership, personal appearance, decision-making skills, and problem-solving. If the Board determines improvements or changes are needed, the CEO will be given a training or corrective action plan with a timeline and specific action steps to address the shortcoming(s). The Board re-evaluates the progress of such a plan at mid-year.

In turn, the CEO and the leadership team evaluate each staff members annually, using the same evaluation criteria: knowledge of work, planning and organization, quality and quantity of work, dependability, acceptance of work, self-initiative, teamwork, safety, leadership, personal appearance, decision-making skills, and problem-solving. If changes or improvements are needed, the employee is provided with a training or corrective action plan to implement over the next year. The CEO re-evaluates the progress of such a plan at mid-year.

H. Governing Body/Board:

Provide a current list of board members including the following information for each member: board tenure, training, and organization affiliations, if any. Explain the role of the board or governing authority in your organization. Does the Board conduct self-evaluations?

The Board of Directors consists of community members and consumers offering knowledge and expertise to Iliuliuk Family and Health Services, Inc. They provide relevant expertise and skills such as community affairs, local government, finance and banking, legal affairs, trade unions and other commercial and industrial concerns, and social services. The IFHS board is committed to providing quality health services to everyone in need, with board members elected and seated for a period of three years. Monthly board meetings ensure the clinic is running smoothly on the right track, with the Board providing guidance when necessary. The Board has responsibility for hiring, evaluating, supervising, and retaining the CEO and has veto power over any senior management position hires. The Board is responsible for final approval of the annual budget, all grant applications, and staff compensation packages, as presented to them by the CEO.

The Board approves policy development and revisions; arranges for strategic planning; evaluates potential funding sources; supervises and evaluates the CEO; represents the people served by IFHS; and monitors grant compliance. All twelve seats are chosen by the seated board members. The Board has broad representation of our region including the fishing industry, city government, and the Alaska Native population. The Board reviews, and when necessary, revises Bylaws annually. It conducts self-evaluations at the conclusion of each meeting and does an overall evaluation annually, with input from the public and from the CEO and staff members.

Current IFHS board members are:

Seat #	Board Member	Term Expires
01	M. Lynn Crane	8/2026
02	Virginia Hatfield	8/2024
03	Twyla Olson	8/2025
04	Hannah Vowell	8/2026
05	Vacant	8/2024
06	Ferdinand Lopez	8/2025
07	Ian Shoup	8/2026
08	Ben Knowles	8/2024
09	William Homka	8/2025
10	Cole McCracken	8/2026
11	Harriet Berikoff	8/2024
12	Vacant	8/2025

I. Program Evaluation:

How does the organization measure the program’s success or effectiveness?

IFHS evaluates its programs using a variety of tools, procedures, and record-keeping methods. IFHS documents the number of patients served, the number of after-hours visits, and the number of medivacs. The IFHS Quality Improvement Plan (QIP) is overseen by the Quality Improvement Committee (QIC), which is comprised of representatives from the IFHS Clinical Support department, Provider group and Case Management department, as well as external representatives from Behavioral Health and the IFHS Board of Directors. The QIC audits the IFHS quality goals for Safety, Infection Control, Emergency Management, and Chronic Care programs, and the Antimicrobial Stewardship Initiative quarterly, and it updates the QIP annually. IFHS goals for each quality program are as follows:

- Safety (auditing employee reportable injuries; product recalls; incident reporting; radiology discrepancy; hazard waste incidents; medical equipment failure; medical equipment inspection; fire drills; fire inspection; energy power/generator test; utility disruption with and without failure; building inspection)
- Infection Control (auditing employee training; Hep B & A; TB screening; Flu vaccine; Covid vaccine; respiratory program; hand hygiene; medical instrument sterilization; high level disinfectant logging)
- Emergency Management (reviewing Emergency Response Plan; auditing active emergency response plan drills; after action report; training)
- Chronic Care Team (auditing patient population of Hypertension; Diabetes Mellitus).

Medical care is audited through a medical peer review process lead by the IFHS Medical Director, and patient surveys are used in an ongoing patient experience improvement process. The CEO and Board of Directors use these data to evaluate the organization’s progress in meeting goals and objectives.

III. PROPOSAL (What do you need?) (six (6) pages, doesn’t include budget spreadsheets)

J. Need:

Describe the community need(s) this proposal will address;

The city of Unalaska and the entire island clearly need urgent/emergency services. Over the last 50 years, IFHS has served thousands of patients under this care category, including many who required medivac services to Anchorage, overnight stays at IFHS for one or more nights, and other services as appropriate.

For example, for the last fiscal year (July 2022 -June 2023), IFHS provided 264 after-hours and emergency visits (not including after-hours COVID testing). We also coordinated 56 medivacs in Calendar Year (CY) 23. We care for any medical condition, at any time, stabilizing them for transport as needed. Visits in FY 2023 included strokes, cardiac events, amputations and other orthopedic injuries, an unplanned preterm birth, chronic disease exacerbation, infectious disease management, and more.

There is no other urgent/emergency care provider on the island. If IFHS can no longer provide emergency care, patients who need this level of care will be forced to 1) wait to see a provider until the next day the clinic is open, which may result in an even more serious condition or trauma, or 2) be medically evacuated (medivac) immediately to Anchorage, which is prohibitively expensive – approximately \$110,000 per flight.

Either of these options will result in poorer health outcomes for the patients who are in dire need of emergency services, not to mention exorbitant costs to the patients and their insurers.

Without gap funding through this program, IFHS will need to stop providing emergency services until such time as it can afford to subsidize this care for the community. If these services go away, it would be a huge loss for our residents, visitors, and temporary workers. It would mean a lower quality of life on the island, which could have dire effects not only on individuals and families, but on businesses and our schools, who would likely have a much more difficult time recruiting employees.

IFHS receives no regular annual allotment from the City to help support any ongoing operations. IFHS cannot cut its way to prosperity; instead, it needs to continue to grow and add services to continue to meet the community's needs. IFHS emergency care is truly an essential service akin to fire and police protection.

K. Target Population:

Describe the target population(s) the organization will serve, how the target population will benefit, and how the community will benefit as a whole.

The target population of IFHS is anyone in need of medical care while residing, visiting, or working in Unalaska/ Dutch Harbor, or working in the fishing fleets of the North Pacific Ocean and Bering Sea. We provide after-hours coverage for all patients 24/7 and see anyone requesting help, regardless of ability to pay. The target for emergency services in particular includes anyone who experiences a sudden or serious illness, injury, or condition, including strokes, cardiac events, amputations and other orthopedic injuries, unplanned preterm birth, chronic disease exacerbation, or an infectious disease, among innumerable other possible serious events.

L. Proposal Description/Proposed Project:

Describe/explain the proposed services or program. How will it serve the target population(s) needs? How will the program/services be adjusted to changes in the target population's and community's needs?

The project will serve patient needs by continuing to provide the urgent/emergency services as they arise in our community. Sections J and K above detail the need and some of the various scenarios that necessitate such services.

After-hours and emergency medical coverage has negatively impacted IFHS' finances for many years. The urgent/emergency care services we provide are typically very high acuity and low volume, meaning that the cost to provide these services far exceeds the amount of reimbursement. With nursing and provider shortages across the nation, costs for providing emergency medical coverage have increased significantly in FY22 - FY24 and are expected to escalate further in FY25. In addition to staffing, there is an increase in the cost of equipment and supplies stocked and maintained by IFHS, which are necessary to offer emergency care.

IFHS will use the funding to ensure the staff, equipment, supplies, and facilities are available for those in need of emergency care.

M. Goals & Objectives:

List at least one (1), but not more than three (3) primary goals, objectives, timeline, and anticipated impact;

Goal 1 - FY25: IFHS will continue to receive all patients brought to IFHS via City of Unalaska EMS Department.

Objective: IFHS will respond to all appropriate after hours and emergency calls for residents, visitors, and workers in Unalaska, the Port of Dutch Harbor, and the surrounding region.

Timeline: July 1, 2024 through June 30, 2025.

Impact: IFHS's continued provision of necessary emergent and after-hours care will save lives and directly improve the health and well-being of those living and working in Unalaska/Dutch Harbor and the surrounding areas.

Goal 2 - FY25: IFHS will continue to receive all patient calls via City of Unalaska Public Safety Department. As appropriate IFHS staff will provide on call provider, nursing, and lab/imaging response.

Objective: As appropriate, IFHS staff will provide on call provider, nursing and lab/imaging response.

Timeline: July 1, 2024 through June 30, 2025.

Impact: IFHS's continued provision of necessary emergent and after-hours care will save lives and directly improve the health and well-being of those living and working in Unalaska/Dutch Harbor and the surrounding areas.

N. Other Resources:

Describe the organization’s other potential and actual sources of non-monetary support for this proposal (i.e. volunteers, other community organizations, in kind services, etc.);

IFHS receives Community Health Center funding for primary care services. This funding does **not** include funds for after-hours or emergency level care. IFHS has received recent grants through the state of Alaska, including from the Alaska Housing Finance Corporation and the Coronavirus Capital Project Fund, neither of which can be used to directly support provision of care to patients.

Given the serious nature of a medical emergency and the level of medical training, equipment, and facilities the response entails, it is not feasible to expect volunteer or in-kind support from community organizations.

IFHS will use the small amount of ER revenue and some of its reserve account to help support the project.

O. Program Budget & Narrative: Spreadsheets:

Use the Estimated Revenue and Expenditure Budget Spreadsheets provided. Keep budget categories and their order the same, but adjust to your organization as needed. Enter zero in the budget category(s) that do not pertain to your organization and add budget categories if necessary. You may change the budget category detail to fit your organization.

Budget Narrative: Expenditures: Please list the budget category, then detail item, and provide a brief description/narrative. (Example: In the Personnel category-General Manager: “This position leads our organization...”).

TOTAL EMERGENCY & AFTER HOURS BUDGET ESTIMATE FOR FY25:

\$1,224,576.00

FY25 CITY COMMUNITY SUPPORT PROGRAM REQUEST FOR FY2025:

\$1,047,441.46

Personnel – Salaries for Emergency Care Medical Providers and Staff

- On Call Providers and Staff (includes Medical Providers, Nursing/Paramedic Providers, Medical Assistant, Laboratory/Imaging Staff, and the Clinical Manager): Our estimated cost for these salaries to provide the 24/7 emergency care is \$1,005,800.

Personnel – Benefits for Emergency Care Medical Providers and Staff

- On Call Providers and Staff as above. Our estimated cost for benefits (@ 22%) to provide the 24/7 emergency care is \$182,776.

Equipment

- Emergency Equipment: Our estimated direct cost for emergency equipment needed to provide 24/7 emergency care is \$36,000.

Total FY25 IFHS ER Estimated Budget = \$1,224,576.00

Total FY25 Community Support Grant Funding Requested = \$1,047,441.46

Revenues: List and briefly describe each source of revenue. Clearly explain any requests for an increase or decrease in funding from the City.

- IFHS Fees for Services: Revenue from ER visits is \$177,134.54.
- Community Support Grant: Budget request to help cover Salary and Benefits for on-call services from providers and staff and Equipment: Total grant request is \$1,047,441.46.

The FY25 amount requested of \$1,047,441.46 is an increase of \$867,441.46 over the FY24 request of \$180,000. The reason for the increase is that IFHS can no longer depend on its dwindling reserves to cover the annual gap in funding to continue providing emergency services, as detailed in previous sections of this application.

P. Financial Management:

Describe how the organization plans to administer City grant funds to assure financial accountability.

The CEO and Board of Directors hold the fiscal responsibility for IFHS. The CEO monitors expenditures of grant funds to ensure grant compliance. Financial staff verify such expenditures and provide monthly reports to the CEO and the Board of Directors, which document grant revenues and expenses. As required by the City of Unalaska grant, IFHS provides the City a mid-year report detailing City Grant expenditures as well as any budget revisions.

Our FY23 audit is complete, and it demonstrates fiscal responsibility with our funding and expenses; however, IFHS needs increased City support in order to maintain the level of service needed by the community. Health care in the US is experiencing a dramatic staffing crisis, which means that salaries are climbing significantly higher each year. Understaffing also results in provider burnout and turnover. IFHS is committed to hiring clinically excellent, compassionate, and qualified staff to provide emergency care to the community and region, even with increased staffing costs.

IV. GOALS ANALYSIS/CHANGES FROM PREVIOUS YEAR'S PROGRAM

Q. Goals & Objectives:

Discuss: Were the previous years' goals/objectives met? If not, why? What changes will be made to accomplish future goals and objectives?

The FY24 Grant goal of responding to all necessary after-hours and emergency calls was met, although at a financial loss of \$867,441.46 to IFHS.

In FY25, IFHS will continue to respond to all appropriate after hours and emergency calls. This request for funding is to cover the expense incurred by IFHS to provide all urgent/emergent care on the island. This program at IFHS continues to operate at a loss, and though we have implemented some solutions that have reduced the expense slightly, IFHS continues to need additional funding to preserve these life-saving services. We anticipate meeting IFHS's FY25 goals and objectives as established in this grant application.

R. Significant Changes from Previous Year:

Discuss any significant changes in your organization in the following areas: Changes in the Target population; Changes in need; program/service additions or reductions; Changes in staffing patterns or positions; Changes in the Governing Body; Any other significant changes.

IFHS is beginning CT services for the community starting this spring. IFHS has invested funds in purchasing the CT and trailer as well as modifying our building to accommodate this new service.

After-hour visits have remained relatively stable over the past few years, and IFHS has seen a decrease in primary care visits since the pandemic. Healthcare provider salaries have increased substantially both in Alaska and the rest of the U.S, while the job market is increasingly competitive for qualified staff. High-cost expenses such as sign-on bonuses and other necessary supportive costs are now being carried by IFHS.

In July 2023, IFHS improved its accounting procedures and reporting and implemented a new revenue cycle. This provides a more complete and accurate financial picture than previously, for both the primary care and urgent/emergency care portions of our services. This application includes data using the improved methods.

CITY OF UNALASKA FY25 COMMUNITY GRANT PROGRAM ESTIMATED REVENUES - Iliuliuk Family and Health Services (IFHS)

****Use this to complete letter O, in Section III of application****

Estimated Revenue Total	\$ 1,224,576.00	100%
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Fees for Services (cash)	Amounts	% of Total Revenue
	\$ 177,134.54	14.46%
	\$ -	0.00%
	\$ -	0.00%
Fees for Services Total	\$ 177,134.54	14.46%

Grants	Amounts	% of Total Revenue
City	\$ 1,047,441.46	85.54%
	\$ -	0.00%
	\$ -	0.00%
	\$ -	0.00%
Grants Total	\$ 1,047,441.46	85.54%

Fundraising (cash)	Amounts	% of Total Revenue
N/A	\$ -	0.00%
	\$ -	0.00%
	\$ -	0.00%
	\$ -	0.00%
	\$ -	0.00%
Fundraising Total	\$ -	0.00%

In Kind Donations	Amounts	% of Total Revenue
N/A	\$ -	0.00%
	\$ -	0.00%
	\$ -	0.00%
	\$ -	0.00%
	\$ -	0.00%
	\$ -	0.00%
	\$ -	0.00%
In Kind Donation Total	\$ -	0.00%

Other Sources of Revenue	Amounts	% of Total Revenue
Misc. Cash & Other Contributions	\$ -	0.00%
	\$ -	0.00%
	\$ -	0.00%
Other Sources of Revenue Total	\$ -	0.00%

Estimated Revenue Total	\$ 1,224,576.00	100%
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City of Unalaska FY24 Community Support Program Budget

Travel	City Request	%	Grant A	%	Grant B	%	Cash	%	Other	%	In Kind	%	Total	%
Travel - Staff	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!
Travel - Other	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!
Travel Total	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!

Training	City Request	%	Grant A	%	Grant B	%	Cash	%	Other	%	In Kind	%	Total	%
Training - Staff	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!
Training - Other	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!
Training Total	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!

Professional Services	City Request	%	Grant A	%	Grant B	%	Cash	%	Other	%	In Kind	%	Total	%
Audit	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!
Bookkeeping	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!
Insurance	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!
Licensure	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!
Professional Services Total	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!

Other/Misc.	City Request	%	Grant A	%	Grant B	%	Cash	%	Other	%	In Kind	%	Total	%
Fundraising Overhead	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!
Miscellaneous	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!
Other/Misc. Total	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!	\$ -	#DIV/0!

	Total Budget	%	Grant A	%	Grant B	%	Cash	%	Other	%	In Kind	%	Total	%
Project Totals	\$ 1,224,576.00	100.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ 1,224,576.00	100%
IFHS Revenue Contribution	\$ 177,134.54	14.46%												
CITY REQUEST	\$ 1,047,441.46	85.54%												

City of Unalaska FY25 Community Support Program Budget

**City of Unalaska Community Support FY23 Financial Summary
Iliuliuk Family and Health Services (IFHS)**

**** This form may be used to complete letter S in the Attachments Section of the Application****

Revenue Sources

Fees for Services	Budgeted Revenue	Revenue - Mid Year Report		Revenue - Final Report		YTD Revenue	% Budget
Patient Services Revenue	\$ 3,268,655.51	\$ -	\$ -	\$ -	\$ 2,157,821.94	\$ 2,157,821.94	66.02%
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Subtotal	\$ 3,268,655.51	\$ -	\$ -	\$ -	\$ 2,157,821.94	\$ 2,157,821.94	66.02%

Grants	Budgeted Revenue	Revenue - Mid Year Report		Revenue - Final Report		YTD Revenue	% Budget
Local - City of Unalaska	\$ 180,000.00	\$ -	\$ -	\$ -	\$ 180,000.00	\$ 180,000.00	100.00%
Federal - HRSA	\$ 2,191,631.04	\$ -	\$ -	\$ -	\$ 2,813,367.27	\$ 2,813,367.27	128.37%
State of Alaska	\$ -	\$ -	\$ -	\$ -	\$ 25,641.02	\$ 25,641.02	#DIV/0!
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Subtotal	\$ 2,371,631.04	\$ -	\$ -	\$ -	\$ 3,019,008.29	\$ 3,019,008.29	127.30%

Fundraising	Budgeted Revenue	Revenue - Mid Year Report		Revenue - Final Report		YTD Revenue	% Budget
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!

In Kind Contributions	Budgeted Revenue	Revenue - Mid Year Report		Revenue - Final Report		YTD Revenue	% Budget
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!

Other Sources	Budgeted Revenue	Revenue - Mid Year Report		Revenue - Final Report		YTD Revenue	% Budget
Misc. Cash & Other Contributions	\$ 600.00	\$ -	\$ -	\$ -	\$ 3,300.00	\$ 3,300.00	550.00%
Other Non-Patient Revenue	\$ 119,046.70	\$ -	\$ -	\$ -	\$ 115,402.82	\$ 115,402.82	96.94%
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!
Subtotal	\$ 119,646.70	\$ -	\$ -	\$ -	\$ 118,702.82	\$ 118,702.82	99.21%

	FY25 Total Budget	Revenue - Mid Year Report		Revenue - Final Report		Received YTD	% Received
Total Revenues	\$ 5,759,933.25	\$ -	\$ -	\$ -	\$ 5,295,533.05	\$ 5,295,533.05	91.94%

	FY25 Total Budget	City Funds Expended - Mid Year Report		City Funds Expended - Final Report		Expended YTD	% Expended
Total Expenditures	\$ 180,000.00	\$ -	\$ -	\$ -	\$ 180,000.00	\$ 180,000.00	100.00%
					Budget Surplus	\$ -	
					Due Back to City	\$ -	

State of Alaska
Department of Commerce, Community, and Economic Development
Corporations, Business, and Professional Licensing

Certificate of Compliance

The undersigned, as Commissioner of Commerce, Community, and Economic Development of the State of Alaska, and custodian of corporation records for said state, hereby issues a Certificate of Compliance for:

ILIULIUK FAMILY AND HEALTH SERVICES, INC.

This entity was formed on February 14, 1972 and is in good standing. This entity has filed all biennial reports and fees due at this time.

No information is available in this office on the financial condition, business activity or practices of this corporation.



IN TESTIMONY WHEREOF, I execute the certificate and affix the Great Seal of the State of Alaska effective **October 5, 2022**.

A handwritten signature in black ink, appearing to read "Julie Sande".

Julie Sande
Commissioner



Department of Commerce, Community, and Economic Development
**CORPORATIONS, BUSINESS & PROFESSIONAL
 LICENSING**

State of Alaska / Commerce / Corporations, Business, and Professional Licensing / Search & Database Download / Corporations / Entity Details

ENTITY DETAILS

Name(s)

Type	Name
Legal Name	ILIULIUK FAMILY AND HEALTH SERVICES, INC.

Entity Type: Nonprofit Corporation

Entity #: 10728D

Status: Good Standing

AK Formed Date: 2/14/1972

Duration/Expiration: Perpetual

Home State: ALASKA

Next Biennial Report Due: 7/2/2024

Entity Mailing Address: PO BOX 144, UNALASKA, AK 99685

Entity Physical Address: 34 LAVELLE CT, UNALASKA, AK 99685

Registered Agent

Agent Name: DLG SERVICES, INC.

Registered Mailing Address: 1400 W BENSON BLD STE 370, ANCHORAGE, AK 99503

Registered Physical Address: 1400 W BENSON BLD STE 370, ANCHORAGE, AK 99503

Officials

Show Former

AK Entity #	Name	Titles	Owned
	Cole McCracken	Director	
	Ferdinand Lopez	Director	
	Harriet Berikoff	Director	

AK Entity #	Name	Titles	Owned
	M. Lynn Crane	Secretary, Treasurer	
	Rebecca Geary	Director	
	Twyla Olson	Director	
	Victor Fisher	Director	
	Virginia Hatfield	Vice President	
	William Homka	President	

Filed Documents

Date Filed	Type	Filing	Certificate
2/14/1972	Creation Filing	Click to View	
12/22/1975	Amendment	Click to View	
10/30/1986	Biennial Report		
8/29/1988	Biennial Report		
8/27/1990	Biennial Report		
8/17/1992	Biennial Report	Click to View	
6/16/1994	Biennial Report	Click to View	
9/03/1996	Biennial Report	Click to View	
6/02/1998	Biennial Report	Click to View	
6/12/2000	Biennial Report	Click to View	
11/25/2002	Biennial Report	Click to View	
6/15/2004	Biennial Report	Click to View	
6/12/2006	Biennial Report	Click to View	
12/15/2009	Biennial Report	Click to View	
6/18/2010	Biennial Report	Click to View	
6/05/2012	Biennial Report	Click to View	
9/24/2014	Biennial Report	Click to View	
5/01/2015	Agent Change	Click to View	
7/28/2016	Biennial Report	Click to View	
8/08/2018	Biennial Report	Click to View	
4/23/2020	Biennial Report	Click to View	
1/11/2022	Agent Resignation	Click to View	
2/01/2022	Agent Change	Click to View	
5/10/2022	Biennial Report	Click to View	
5/17/2022	Agent Change	Click to View	
10/05/2022	Certificate of Compliance		Click to View

IRS Filing Cover Sheet from CPA

General Information

Altman, Rogers & Co.
CERTIFIED PUBLIC ACCOUNTANTS

Section A - Organization's General Information

Iliuliuk Family & Health Services

Physical Address:

Street Address or PO Box: PO Box 144

City, State, Zip Code: Unalaska, AK 99685

Mailing Address:

Street Address or PO Box: PO Box 144

City, State, Zip Code: Unalaska, AK 99685

EIN: 92-0041961

State Charitable Registration Number:

Telephone number: (907) 581-1202

Website: www.ifhs.org

Tax exempt status: 501 Other:

Type of organization:

Corporation:

Trust:

Association:

Other:

Year of formation: 1972

Year end: 6

State where incorporated: AK

Accounting method:

Cash

Accrual

Principal officer and address:

Noel Rea PO Box 144 Unalaska, AK 99685

Section B - Program Service Accomplishments

1 Enter the total number of volunteers, including unpaid board members (estimate if necessary):

2 Provide tax return signing officer and title:

Noel Rea, CEO

3 Do you want us to E-file your tax return?

Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>

4 Briefly describe the organization's mission:

To provide comprehensive medical, dental, and behavioral health care through the operation of its clinic in Unalaska, Alaska. The clinic's mission is to provide care to all, regardless of ability to pay, and to specialize in providing care for the medically underserved, low income, and other disadvantaged populations, most of whom are local residents or individuals employed by commercial seafood processors or related industries in the surrounding area.

5 Did the organization undertake any new significant program services since last year?

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>

6 Did the organization cease conducting or make significant changes in how it conducts its program services?

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>

If "Yes," provide details below:

7 Describe the exempt purpose achievements for each of the organization's three largest program services by expense. (Include number of achievements such as number of people served, etc):

Program 1	Provided primary health care and emergency medical services to permanent and temporary residents of Unalaska, the fishing Fleet of the Bering sea, and the outlying islands of Atka, Akutan, and Nikolski.
------------------	--

Total program expense:

Total program revenue:

Grant expense (if applicable):

Program 2	Provided counseling to permanent and temporary residents of Unalaska, the fishing Fleet of the Bering sea, and the outlying islands of Atka, Akutan, and Nikolski.
------------------	--

Total program expense:

Total program revenue:

Grant expense (if applicable):

c

Program 3	0
------------------	---

Total program expense:

Total program revenue:

Grant expense (if applicable):

d

Other Program Services	
-------------------------------	--

Total "Other services" program expense:

Total "Other services" program revenue:

Grant expense (if applicable):

Total "Other services" program revenue:

Grant expense (if applicable):

TOTAL PROGRAM SERVICE EXPENSE * \$ 5,334,379.00 *

TOTAL PROGRAM REVENUE \$ 5,949,012.00

TOTAL GRANT EXPENSE \$ 3,022,308.00

* Total Program Service Expense should agree with the Total Expense in the Program column of the Functional Expense. Program revenues do not include grants and contributions. Grants received from the government that benefit the general public are considered contributions for tax purposes.

Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:

Separate Consolidated Both

Yes	No
x	

Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:

Separate Consolidated Both

Yes	No
x	

If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O

Yes	No
	x

--

As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?

Yes	No
x	

If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits .

Yes	No
x	



CITY OF UNALASKA

FIRE DEPARTMENT

Ben Knowles
Fire Chief | Fire Marshal
29 Safety Way | P.O. Box 370
Unalaska, Alaska 99685
Ph: (907) 581-5330 | Fax: (907) 581-4738
Email: bknowles@ci.unalaska.ak.us

Date: 01/30/2024
Cameron Dean, Director
City of Unalaska, Planning Department
43 Raven Way
Unalaska, AK 99685

Subject: Community Support Grant Funding to Sustain Vital After-Hours Emergency Care at Iliuliuk Family and Health Services

Dear Mr. Cameron Dean,

I am writing to you to bring attention to the critical situation faced by Iliuliuk Family and Health Services. As an integral part of our community, the clinic has been providing essential healthcare services, including after-hours emergency care, to residents for many years.

Our community is facing significant challenges in accessing adequate healthcare, and the risk of losing after-hours emergency care services at Iliuliuk Family and Health Services is a cause for serious concern. The current funding limitations have strained the clinic's ability to meet the growing needs of our community. If additional financial support is not provided, there is a real risk that the after-hours emergency care services may be discontinued, leaving our community in a vulnerable position.

The issues at hand go beyond mere inconvenience; they have direct repercussions on the economic growth of our community. The absence of reliable healthcare services, especially after-hours clinical care, poses a substantial obstacle to overcome when attracting new businesses to Unalaska. Industry partners, potential investors and residents are likely to consider the availability of quality healthcare as a crucial factor when deciding where to establish roots.

Moreover, the potential shutdown of after-hours emergency care services not only affects the economic landscape but more importantly erodes the trust that our community has placed in Iliuliuk Family and Health Services. The clinic has been a beacon of support, and its closure or reduction of services could undermine the confidence that residents have in the healthcare system, potentially leading to a decline in overall community health.

I urge you to consider the broader impact of losing after-hours emergency care at Iliuliuk Family and Health Services on our community's well-being. By providing additional funding, we can ensure the continued operation of these vital services, maintain the trust of our residents, and foster an environment that attracts new businesses to contribute to our community's growth.

I appreciate your time and attention to this matter. Our community's health is at stake, and your support can make a significant difference.

Sincerely,

Ben Knowles, Fire Chief
City of Unalaska Fire Department



January 25, 2024

Cameron Dean, Director
City of Unalaska, Planning Department
43 Raven Way
Unalaska, AK 99685
Re: Supporting IFHS FY25 Community Support Grant Application

Dear Director Dean,

UniSea is writing in strong support of the Iliuliuk Family and Health Services, Inc. (IFHS) FY25 Community Support Grant application. As a local seafood processing company deeply invested in the well-being of Unalaska and its residents, we recognize the critical role IFHS plays in ensuring access to essential healthcare services, especially emergency care.

Emergency medical care is not a luxury in Unalaska; it's a lifeline. Our remote island location means residents, visitors, and workers face unique challenges when faced with unexpected and serious medical emergencies. Without fully operational emergency services at IFHS, the consequences could be dire:

- Delayed treatment: Waiting for the next business day to seek treatment at the clinic or for a potentially unavailable emergency life-flight to Anchorage can have serious, even life-threatening, consequences.
- Financial burden: The cost of an emergency life-flight can exceed \$100,000, placing an unmanageable financial strain on individuals and families.
- Reduced quality of life: Lack of access to emergency care creates anxiety and uncertainty, hindering Unalaska's ability to attract and retain a skilled workforce and vibrant community.

UniSea understands that IFHS faces financial limitations in billing for the full cost of emergency services. We believe the City of Unalaska's support through the FY25 Community Support Grant is crucial in bridging this gap and ensuring continued access to this vital service.

Investing in IFHS's emergency care program is an investment in the health, safety, and well-being of our entire community. It's an investment in Unalaska's future as a thriving island hub with a strong economy and a high quality of life.

We urge you to seriously consider the IFHS grant application and recognize the immense value of accessible emergency healthcare in Unalaska. UniSea stands firmly behind IFHS and its commitment to providing our community with the medical care they deserve.

Thank you for your time and consideration. If you require any further information or have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Tom Enlow".

Tom Enlow – President & CEO
UniSea Inc. Tel: +1 907 252 9307 mobile +1 425 861 5145 Work tom.enlow@unisea.com
UniSea, Inc. 15400 NE 90TH Street, Redmond, WA. 98052, 425-881-8181, www.unisea.com

Unalaskans Against Sexual Assault & Family Violence

Box 36, Unalaska, AK 99685 • Office / Crisis Line: (907) 581-1500 • Fax: (907) 581-4568



January 22, 2024

Cameron Dean, Director
City of Unalaska, Planning Department
43 Raven Way
Unalaska, AK 99685

Re: IFHS FY25 Community Support Grant Application

Dear Director Dean:

I'm writing to express my support for the Iliuliuk Family and Health Services, Inc. (IFHS) FY25 Community Support Grant application.

IFHS provides health care services for the community of Unalaska and surrounding areas, including vital and necessary emergency and after-hours care. Because IFHS is unable to bill insurance and patients for the total actual costs of the services they provide, financial support from the City of Unalaska is crucial to fill that gap in revenue in order to prevent the loss of emergency services to the community.

Without emergency services in Unalaska, our residents, visitors, and workers would have few options when dealing with an unexpected and serious medical emergency. Their choices would be to seek no treatment at all, which could be disastrous; to wait until the next business day to seek treatment at the clinic, which could also have dire consequences; or to pay nearly \$100,000 for an emergency life-flight to Anchorage, which may not be immediately available. Any delay in treatment can be a matter of life and death, especially in a community 800 miles from the next level of available care.

Emergency health care is as much an essential public service as are fire response, law enforcement, schools, and sanitation services. The provision of these urgent and emergency health care services improves the quality of life in Unalaska for all those who live, work, and visit here.

Thank you for your consideration of the IFHS request. If you need further information, please contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'MLC', is written over the word 'Sincerely,'. The signature is fluid and extends to the right, ending in a long horizontal stroke.

M. Lynn Crane
Director, USAFV
usafved@arctic.net
907-581-1500

ILIULIUK FAMILY AND HEALTH SERVICES, INC.
Financial Statements, Additional Supplemental Information
and Compliance Reports
(With Independent Auditor's Report Thereon)
Years Ended June 30, 2023 and 2022

ILIULIUK FAMILY AND HEALTH SERVICES, INC.

Financial Statements, Additional Supplemental Information
and Compliance Reports

(With Independent Auditor's Report Thereon)

Years Ended June 30, 2023 and 2022

ILIULIUK FAMILY AND HEALTH SERVICES, INC.

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Independent Auditor's Report

Members of the Board of Directors
Iliuliuk Family and Health Services, Inc.
Unalaska, Alaska

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Iliuliuk Family & Health Services, Inc., which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Iliuliuk Family & Health Services, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Iliuliuk Family & Health Services, Inc.'s ability to continue as a going concern within one year after the date that the 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 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Iliuliuk Family & Health Services, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Iliuliuk Family & Health Services, Inc.'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 financial statements as a whole. The accompanying schedule of expenditures of federal awards and notes, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Members of the Board of Directors
Iliuliuk Family and Health Services, Inc.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2023, on our consideration of Iliuliuk Family & Health Services 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 Iliuliuk Family & Health Services 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 Iliuliuk Family & Health Services internal control over financial reporting and compliance.

Altman, Rogers & Co.

Anchorage, Alaska
December 15, 2023

ILIULIUK FAMILY AND HEALTH SERVICES, INC.

Statements of Financial Position

June 30, 2023 and 2022

<u>Assets</u>	<u>2023</u>	<u>2022</u> <u>As restated</u>
Current assets:		
Cash and cash equivalents	\$ 2,725,843	3,399,608
Investments	664,182	644,523
Net patient receivables	1,286,266	1,169,531
Deposits	908	4,158
Inventories	93,525	61,106
Total current assets	<u>4,770,724</u>	<u>5,278,926</u>
Property and equipment	8,175,757	8,392,855
Less accumulated depreciation and amortization	<u>(7,301,118)</u>	<u>(7,511,237)</u>
Net property and equipment	<u>874,639</u>	<u>881,618</u>
Other Assets		
Unconditional promise to give, pledge for use of land	<u>414,661</u>	<u>420,944</u>
Total assets	<u>\$ 6,060,024</u>	<u>6,581,488</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	181,285	128,897
Accrued payroll expenses	200,266	292,688
Refundable advances	-	71,070
Total current liabilities	<u>381,551</u>	<u>492,655</u>
Total liabilities	<u>381,551</u>	<u>492,655</u>
Net assets:		
Without donor restrictions -		
Board designated - investment in capital assets	874,639	881,618
Unrestricted	<u>4,389,173</u>	<u>4,786,271</u>
	5,263,812	5,667,889
With donor restrictions -		
Time restricted for future periods	<u>414,661</u>	<u>420,944</u>
Total net assets	<u>5,678,473</u>	<u>6,088,833</u>
Total liabilities and net assets	<u>\$ 6,060,024</u>	<u>6,581,488</u>

See accompanying notes to financial statements.

ILIULIUK FAMILY AND HEALTH SERVICES, INC.

Statements of Activities

Years Ended June 30, 2023 and 2022

	2023	2022 As restated
Net assets without donor restrictions:		
Revenue and support:		
Patient service revenue, net	\$ 2,157,822	2,342,954
Federal grant revenue	2,839,008	2,164,201
Other grant revenue and contributions	183,300	163,126
Rental	91,441	81,359
USAC	768,882	768,882
Other income	1,608	88,634
Net assets released from restrictions	6,283	6,283
Total revenue and support	<u>6,048,344</u>	<u>5,615,439</u>
Expenses:		
Program services:		
Primary Medical Care	5,248,422	4,894,085
Behavioral Health Care	85,957	103,225
Total program services	<u>5,334,379</u>	<u>4,997,310</u>
Management and General	1,140,396	1,010,562
Total expenses	<u>6,474,775</u>	<u>6,007,872</u>
Operating income	(426,431)	(392,433)
Nonoperating income -		
Investment income, net	<u>22,354</u>	<u>(63,193)</u>
Change in net assets without donor restrictions	(404,077)	(455,626)
Net assets with donor restrictions:		
Revenue and support:		
Net assets released from restrictions	<u>(6,283)</u>	<u>(6,283)</u>
Change in net assets with donor restrictions	<u>(6,283)</u>	<u>(6,283)</u>
Change in net assets	(410,360)	(461,909)
Net assets, beginning of year as previously stated	<u>6,088,833</u>	<u>6,373,855</u>
Prior period adjustment	<u>-</u>	<u>176,887</u>
Net assets, beginning of year restated	<u>6,088,833</u>	<u>6,550,742</u>
Net assets, end of year	<u>\$ 5,678,473</u>	<u>6,088,833</u>

See accompanying notes to financial statements.

ILIULIUK FAMILY AND HEALTH SERVICES, INC.

Statements of Functional Expenses

Years Ended June 30, 2023 and 2022

	2023				
	Program Services			Supporting Activities	Total
	Primary Medical Care	Behavioral Health Care	Total Services	Management and General	
Salaries	\$ 2,655,967	19,250	2,675,217	440,882	3,116,099
Payroll taxes and fringe benefits	398,197	5,196	403,393	71,188	474,581
Total salaries and fringe benefits	<u>3,054,164</u>	<u>24,446</u>	<u>3,078,610</u>	<u>512,070</u>	<u>3,590,680</u>
Supplies	218,846	-	218,846	19,030	237,876
Occupancy, rent, utilities	262,792	-	262,792	65,698	328,490
Professional fees	212,559	-	212,559	59,952	272,511
Repairs and maintenance	96,258	-	96,258	25,588	121,846
Billing and collection fees	134,590	-	134,590	35,777	170,367
Travel	171,093	-	171,093	45,481	216,574
Miscellaneous	273,494	-	273,494	72,700	346,194
Insurance	19,163	-	19,163	72,090	91,253
Telecom - USAC	630,483	61,511	691,994	76,888	768,882
Freight and postage	9,508	-	9,508	2,377	11,885
Total expenses before depreciation	<u>5,082,950</u>	<u>85,957</u>	<u>5,168,907</u>	<u>987,651</u>	<u>6,156,558</u>
Depreciation	<u>165,472</u>	<u>-</u>	<u>165,472</u>	<u>152,745</u>	<u>318,217</u>
Total Expenses	<u>\$ 5,248,422</u>	<u>85,957</u>	<u>5,334,379</u>	<u>1,140,396</u>	<u>6,474,775</u>

(Continued)

ILIULIUK FAMILY AND HEALTH SERVICES, INC.

Statements of Functional Expenses, Continued

	2022				
	Program Services			Supporting Activities	Total
	Primary Medical Care	Behavioral Health Care	Total Services	Management and General	
Salaries	\$				
Payroll taxes and fringe benefits	2,362,908	19,250	2,382,158	420,381	2,802,539
Total salaries and fringe benefits	<u>461,026</u>	<u>5,198</u>	<u>466,224</u>	<u>82,275</u>	<u>548,499</u>
	2,823,934	24,448	2,848,382	502,656	3,351,038
Supplies	291,726	-	291,726	25,367	317,093
Occupancy, rent, utilities	182,465	-	182,465	45,616	228,081
Professional fees	123,712	-	123,712	34,893	158,605
Repairs and maintenance	100,320	-	100,320	26,667	126,987
Billing and collection fees	206,157	-	206,157	54,801	260,958
Travel	53,919	-	53,919	14,333	68,252
Miscellaneous	64,370	2,500	66,870	19,747	86,617
Insurance	33,745	-	33,745	126,944	160,689
Telecom - USAC	858,108	76,277	934,385	19,068	953,453
Freight and postage	<u>4,739</u>	<u>-</u>	<u>4,739</u>	<u>1,185</u>	<u>5,924</u>
Total expenses before depreciation	4,743,195	103,225	4,846,420	871,277	5,717,697
Depreciation	<u>150,890</u>	<u>-</u>	<u>150,890</u>	<u>139,285</u>	<u>290,175</u>
Total Expenses	<u>\$ 4,894,085</u>	<u>103,225</u>	<u>4,997,310</u>	<u>1,010,562</u>	<u>6,007,872</u>

See accompanying notes to financial statements.

ILIULIUK FAMILY AND HEALTH SERVICES, INC.

Statements of Cash Flows

Years Ended June 30, 2023 and 2022

	2023	2022 As restated
Cash flows provided (used) by operating activities:		
Cash received from patient services	\$ 2,041,087	2,821,504
Cash received from grants and contribution	2,957,521	2,404,680
Cash paid to suppliers and employees	(5,460,129)	(4,697,052)
Cash received for other activities	96,299	169,993
Net cash provided by operating activities	<u>(365,222)</u>	<u>699,125</u>
Cash flows provided (used) by investing activities:		
Purchases of property and equipment	(311,238)	(93,332)
Purchases and sales of investments	2,695	(3,633)
Net cash provided (used) by investing activities	<u>(308,543)</u>	<u>(96,965)</u>
Cash flows provided (used) by financing activities:		
Principal payments on debt	-	(500,000)
Net cash provided (used) by financing activities	<u>-</u>	<u>(500,000)</u>
Increase (decrease) in cash and cash equivalents	(673,765)	102,160
Cash and cash equivalents - beginning of year	<u>3,399,608</u>	<u>3,297,448</u>
Cash and cash equivalents - end of year	<u>\$ 2,725,843</u>	<u>3,399,608</u>
Reconciliation of changes in net assets to net cash used by operating activities		
Change in net assets	\$ (410,360)	(461,909)
Adjustments to reconcile changes in net assets to		
Net cash provided (used) by operating activities:		
Depreciation	318,217	290,174
Net realized and unrealized (gain) loss on investments	(22,354)	63,193
(Increase) decrease in assets:		
Patient accounts receivable	(116,735)	478,550
Deposits	3,250	-
Inventories	(32,419)	37,806
Prepaid expenses	-	47,619
Unconditional promises to give	6,283	6,283
Increase (decrease) in liabilities:		
Accounts payable	52,388	59,947
Accrued payroll expenses	(92,422)	106,392
Refundable advances	(71,070)	71,070
Total adjustments	<u>45,138</u>	<u>1,161,034</u>
Net cash provided by operating activities	<u>\$ (365,222)</u>	<u>699,125</u>

See accompanying notes to financial statements.

ILIULIUK FAMILY AND HEALTH SERVICES, INC.

Notes to Financial Statements

Year Ended June 30, 2023 and 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

Iliuliuk Family and Health Services, Inc. (the Clinic) is a nonprofit corporation providing comprehensive medical, dental, and behavioral health care through the operation of its Clinic in Unalaska, Alaska. The Clinic's mission is to provide care to all, regardless of ability to pay, and to specialize in providing care for the medically underserved, low income, and other disadvantaged populations, most whom are local residents or individuals employed by commercial seafood processors or related industries in the surrounding area.

Method of Accounting

The financial statements are presented in accordance with generally accepted accounting and reporting standards for nonprofit organizations.

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

The Clinic uses the allowance method of accounting for uncollectible accounts and contractual adjustments from third-party payers on accounts receivable. In estimating these allowances, management reviews the individual accounts receivable, payer type, and their collection status.

Basis of Presentation

Contributions received are recorded as an increase in net assets without donor restrictions, or net assets with donor restrictions, depending on the existence or nature of any donor restrictions. Accordingly, net assets of the Clinic 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.

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.

ILIULIUK FAMILY AND HEALTH SERVICES, INC.

Notes to Financial Statements, Continued

Revenues are reported as increases in net assets without donor restriction, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restriction, unless their use is restricted by explicit donor restriction or by law. Expiration of temporary restrictions on net assets with donor restrictions are reported as net assets released from restrictions. Contributions with externally imposed restrictions that are met in the same year as received are reported as revenues of net assets without donor restriction.

Cash and Cash Equivalents

The Clinic considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents, except for funds held in the investment accounts.

Investments

Investments in debt, equity, or other securities that do not meet the criteria for cash and cash equivalents are accounted for as investments. The Clinic records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Investments with readily determinable fair values are stated at fair market value in the accompanying financial statements.

Contributions

Contributions, which include unconditional promises to give (pledges), are recognized as revenue in the period received. The contributions are given to support the overall mission and are not specifically set aside or earned through operations.

Grant Revenue

The Clinic receives support from various federal, state, and local government agencies. The Clinic 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 measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been met. Amounts received are recognized as revenue when the Clinic has incurred expenses in compliance with specific grant provisions.

A portion of the Clinic'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 Clinic has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization received cost-reimbursable grants that have not been recognized at June 30, 2023 and 2022 because qualifying expenditures have not yet been incurred, with an advance payment of \$0 and \$71,070, respectively. These amounts have been recognized in the statements of financial position as refundable advances.

ILIULIUK FAMILY AND HEALTH SERVICES, INC.

Notes to Financial Statements, Continued

Revenue from Contracts with Customers

Revenue is recognized in the period services are performed which is when the performance obligations are satisfied, and consists primarily of net patient service revenue are reported at the amount that reflects the consideration which the Organization expects to be entitled 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 the Organization. Revenue for performance obligations are satisfied over time are recognized based upon the actual charges incurred in relation to total expected charges. The Organization 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. The Organization does not have any performance obligations which were not satisfied by the end of the reporting period.

The Organization measures performance obligations from admission into the facility to the point when it is no longer required to provide services to the patient, which is generally when the patient checks out of the facility. These services are considered a single performance obligation. Revenue from performance obligations are satisfied at a point in time and are recognized when services are provided and the Organization 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, 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.

The Organization has elected to apply the practical expedient allowed under ASC 606-10-10-4 for applying the new revenue standard to a portfolio of contracts with similar characteristics. The Organization 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, the Organization has concluded that revenue for a given portfolio would not be materially different than if accounting for revenue on a contract by contract basis.

ILIULIUK FAMILY AND HEALTH SERVICES, INC.

Notes to Financial Statements, Continued

Net Patient Service Revenue

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

Medicare

All services rendered to Medicare program beneficiaries are paid based upon cost reimbursement methods. Tentative cost-based reimbursement rates are established and refreshed on an interim basis and are settled with final amounts determined after annual cost reports are submitted and audited by the Medicare Fiscal Intermediary

Medicaid

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 polished annually in the Federal Register.

Other Third-Party Payors

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

Sliding Fee Discount

The organization provides services to low-income patients and performs certain case management services using discounted sliding fee structure based on family income. Therefore, the Organization has determined it has provided explicit price concessions to these low-income patients. The explicit price concessions included in the transaction price represent the difference between amounts billed patients and the normal cost of service. The explicit price concessions, which effectively reduce net patient service revenue, for the years ended June 30, 2023 and 2022, were \$55,075 and \$34,525 respectively.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined by the first-in, first-out method.

Patient Receivables

The Clinic provides an allowance for uncollectible accounts based on the allowance method using management's judgment. Accounts past due are individually analyzed for collectability. In addition, an allowance is estimated for other accounts based on historical experience of the Clinic. When all collection efforts have been exhausted, the account is written off against the related allowance. At June 30, 2023 and 2022, the allowance for uncollectible accounts was approximately \$1,334,533 and \$1,253,514, respectively.

ILIULIUK FAMILY AND HEALTH SERVICES, INC.

Notes to Financial Statements, Continued

Property and Equipment

Property and equipment acquisitions greater than \$5,000 are recorded at cost, or if donated, at the fair market value at the date of donation. Repairs and maintenance are charged to expense as incurred. Leasehold improvements are amortized over the shorter of the useful life or lease term. Depreciation on fixed assets is calculated by the straight-line method to amortize the cost of depreciable assets over the following estimated lives:

Building and Improvements	10 – 40 Years
Furniture and Equipment	3 – 10 Years

The Clinic reviews its capital assets for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable.

Discounted Services

The Clinic has a policy of providing care to patients who meet certain criteria under its policy, without charge or at amounts less than its established rates. Since management does not expect payment for this care, the discounted services are excluded from revenue. During the years ended June 30, 2023 and 2022, the Clinic provided approximately \$54,301 and \$10,563, respectively, of discounted services under this policy based upon charges.

Credit Risk

Financial instruments that potentially subject the Clinic to concentration of credit risk consist principally of cash, short-term investments, and receivables. At June 30, 2023 and 2022, the Clinic had \$2,469,231 and \$2,966,911, respectively, in cash deposits and investments in excess of the federally insured limit.

Income Taxes

The Clinic is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. The Clinic 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 the Clinic 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.

The Clinic's policy is to report interest and penalties associated with uncertain tax positions as other expense. There is no interest or penalties accrued at June 30, 2023 and 2022. With few exceptions, the Clinic is not subject to audit of its tax returns prior to 2020. Management has taken no uncertain tax positions.

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered and includes estimated retroactive adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations.

ILIULIUK FAMILY AND HEALTH SERVICES, INC.

Notes to Financial Statements, Continued

Fair Value Measurement

The 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 the most advantageous, market at the measurement date under current market conditions regardless of whether the price is directly observable or estimated using another valuation technique. Fair values are based on quoted market prices when available.

The following financial instruments are recorded at fair value or at amounts that approximate fair value: (1) cash and cash equivalents, including restricted cash and funded reserves (2) receivables, net, (3) certain other current assets, (4) accounts payable and (5) other current liabilities. The carrying amounts reported in the Statements of Financial Position for the above financial instruments closely approximates their fair value due to the short-term nature of these assets and liabilities.

Subsequent Events

In preparing these financial statements, the Clinic has evaluated events and transactions for potential recognition or disclosure through December 15, 2023, which is the date the financial statements were available for issuance.

II. APPROPRIATIONS/DONATIONS FROM THE CITY OF UNALASKA

Each year the Clinic receives an appropriation from the city of Unalaska (the City). For the years ended June 30, 2023 and 2022, the appropriation from the City for counseling operations totaled \$180,000 and \$151,748 respectively.

The Clinic rents the land on which the Clinic is constructed from the City under a 99-year lease, though August 2090, for \$1 per year. The value of the land at the inception of the lease was estimated at \$622,000 and shown as an asset and net asset with donor restrictions. The related unconditional promise to give, pledge for use of the land, represents the City's remaining commitment to the lease, and will be reduced in subsequent years by the fair value of the lease payments.

III. NET ASSETS

Net assets with donor restrictions are restricted for the following purposes or periods.

	<u>2023</u>	<u>2022</u>
Subject to passage of time:		
Unconditional promises to give	\$ 414,661	420,944

Net assets released from donor restrictions were \$6,283 and \$6,283 for 2023 and 2022. The donor chose these funds to be spent without any donor restrictions.

Net assets were released for the following purposes or periods:

	<u>2023</u>	<u>2022</u>
Subject to passage of time		
Unconditional promises to give	\$ 6,283	6,283

ILIULIUK FAMILY AND HEALTH SERVICES, INC.

Notes to Financial Statements, Continued

IV. LAND, BUILDINGS, AND EQUIPMENT

A summary of land, buildings, and equipment as of June 30 is as follows:

	<u>2023</u>	<u>2022</u>
Land	\$ 44,991	44,991
Construction in progress	45,302	-
Building and improvements	6,600,345	6,433,394
Equipment	1,485,119	1,914,470
Total	<u>8,175,757</u>	<u>8,392,855</u>
Less: accumulated depreciation	<u>(7,301,118)</u>	<u>(7,511,237)</u>
Net land, buildings, and equipment	<u>\$ 874,639</u>	<u>881,618</u>

Depreciation expense for the years ended June 30, 2023 and 2022 was \$318,217 and \$290,175, respectively.

V. MALPRACTICE INSURANCE

The Clinic maintains professional liability insurance on a “claims made” basis, which provides coverage for any claim made during the policy period. An estimated liability for claims incurred, but not reported, is provided based on premiums for coverage in the subsequent year. A liability has not been recorded for the years ended June 30, 2023 and 2022, based upon a nominal claim history.

VI. NET PATIENT SERVICE REVENUE

Net patient service revenue for the years ended June 30 consisted of the following:

	<u>2023</u>	<u>2022</u>
Gross Charges	\$ 3,488,266	3,952,372
Adjustments to Gross Charges		
Contractual Adjustments	595,015	1,574,893
Patient Bad Debt Expense	680,354	-
Sliding Fee Adjustments	55,075	34,525
Total Adjustments to Gross Charges	<u>1,330,444</u>	<u>1,609,418</u>
Net Patient Service Revenue	<u>\$ 2,157,822</u>	<u>2,342,954</u>

Medicare

Beginning on October 1, 2014 Centers for Medicare & Medicaid Services (CMS) implemented a change in payment rates for a Prospective Payment System (PPS) for FQHCs under Medicare Part B. Under the FQHC PPS, Medicare pays FQHCs based on the lesser of their actual charges or the PPS rate for all FQHC services furnished to a beneficiary on the same day when a medically necessary, face-to-face FQHC visit is furnished to a Medicare beneficiary. The FQHC PPS base rate is adjusted for each FQHC by the FQHC geographic adjustment factor (GAF), based on the Net Patient Service Revenue geographic practice cost indices (GPCIs) used to adjust payment under the Medicare Physician Fee Schedule (MPFS).

ILIULIUK FAMILY AND HEALTH SERVICES, INC.

Notes to Financial Statements, Continued

VII. INVESTMENTS

The Clinic'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 the Clinic's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The following tables present the fair value hierarchy for the balances of the investments of the Clinic measured at fair value on a recurring basis as of June 30:

		2023			
		Total	Level 1	Level 2	Level 3
Certificates of deposit	\$	10,018	10,018	-	-
Equity securities		180,532	180,532	-	-
Fixed income and preferred		473,632	473,632	-	-
Total	\$	<u>664,182</u>	<u>664,182</u>	<u>-</u>	<u>-</u>
		2022			
		Total	Level 1	Level 2	Level 3
Certificates of deposit	\$	18,711	18,711	-	-
Equity securities		205,720	205,720	-	-
Fixed income and preferred		420,092	420,092	-	-
Total	\$	<u>644,523</u>	<u>644,523</u>	<u>-</u>	<u>-</u>

ILIULIUK FAMILY AND HEALTH SERVICES, INC.

Notes to Financial Statements, Continued

VIII. COMMITMENTS AND CONTINGENCIES

The Clinic has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a review or audit by the grantor may become a liability of the Clinic.

IX. 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	\$	2,725,843
Investments		664,182
Net patient receivables		1,286,266
	\$	<u>4,676,291</u>

As part of the Clinic's liquidity management plan, it invests cash in excess of daily requirements in short-term investments, CDs, and money market funds. If needed, investments can be liquidated to meet cash needs. Accounts receivable are reviewed routinely to assess the collectability of accounts and ensure balances are collected in a timely manner to ensure cash needs are met for operations.

X. FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include Salaries, Payroll Taxes and Fringe Benefits, Repairs and Maintenance, Billing and Collection Fees, Travel, Telecom – USAC, Supplies, Occupancy, Rent, Utilities, Professional Fees, Miscellaneous, Insurance, Freight and Postage, and Depreciation which are allocated on the basis of estimated time and effort.

XI. RECORDING IN-KIND USAC REVENUES AND EXPENSE

In December of 2018, IFHS began to receive USF (Universal Service Fund) Support from USAC (Universal Service Administrative Company) under the RHC (Rural Health Care) Program. Each month, USAC paid approximately \$73,602-\$102,780 for MPLS and ConnectMD internet on-behalf of IFHS. During the years ended June 30, 2023 and 2022, USAC covered \$768,882 and \$768,882, respectively.

XII. RECLASSIFICATIONS

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

ILIULIUK FAMILY AND HEALTH SERVICES, INC.

Notes to Financial Statements, Continued

XIII. PRIOR PERIOD ADJUSTMENT

During the audit, it was discovered that the accrued leave in FY22 had been calculated incorrectly according to the Clinic's policies. This caused a significant variance in the 2022 accrued leave balance and beginning net assets.

As a result of the error, the Clinic has recorded an opening balance adjustment to decrease the accrued leave balance and the net assets as follows:

Opening net assets, as originally presented	\$	6,373,855
Prior period adjustment		<u>176,887</u>
Opening net assets, as restated	\$	<u><u>6,550,742</u></u>

ILIULIUK FAMILY AND HEALTH SERVICES, INC.

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Federal Grant Title	Grant Number	Assistance Listing Number	Total Grant Award	Federal Share of Expenditures
Direct:				
Health Center Cluster:				
Consolidated Health Centers Grant	H80CS01137-21-09	93.224	1,859,402	1,394,089
Consolidated Health Centers Grant	H80CS01137-22-02	93.224	1,643,539	600,862
American Rescue Plan Act	H8FCS41473-01-03	93.224	1,082,250	665,961
FY 2023 Expanding COVID-19 Vaccination	H8GCS48411-01-01	93.527	116,500	116,055
Total Health Center Cluster			<u>4,701,691</u>	<u>2,776,967</u>
COVID-19 ARPA Health Centers Infrastructure Support Passed through the State of Alaska	C8ECS43836-01-04	93.526	534,694	36,400
COVID-19 Healthy and Equitable Communities	001-313-22029	93.391	51,282	25,641
Total Federal Awards			<u>\$ 5,287,667</u>	<u>2,839,008</u>

See accompanying notes to schedule.

ILIULIUK FAMILY AND HEALTH SERVICES, INC.

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Iliuliuk Family and Health Services, Inc. under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Iliuliuk Family and Health Services, Inc., it is not intended to and does not present the basic financial statements of Iliuliuk Family and Health Services, Inc.

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. Iliuliuk Family and Health Services, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Passed Through Awards

No amounts were passed through to subrecipients.

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 Trustees
Iliuliuk Family & Health Services Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Iliuliuk Family & Health Services Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 15, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Iliuliuk Family & Health Services Inc.'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of Iliuliuk Family & Health Services Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Iliuliuk Family & Health Services Inc.'s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned as item 2023-002 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-001 to be significant deficiencies.

Members of the Board of Trustees
Iliuliuk Family & Health Services Inc.

Report on Compliance and Other Matters

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

Iliuliuk Family & Health Services Inc.'s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Iliuliuk Family & Health Services Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Iliuliuk Family & Health Services Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



Anchorage, Alaska
December 15, 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 Trustees
Iliuliuk Family & Health Services, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Iliuliuk Family & Health Services Inc.'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 Iliuliuk Family & Health Services Inc.'s major federal programs for the year ended June 30, 2023. Iliuliuk Family & Health Services Inc.'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, Iliuliuk Family & Health Services complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 Iliuliuk Family & Health Services 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 Iliuliuk Family & Health Services Inc.'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 Iliuliuk Family & Health Services Inc.'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 Iliuliuk Family & Health Services Inc.'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 generally accepted auditing standards, *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 Iliuliuk Family & Health Services Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Iliuliuk Family & Health Services Inc.'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 Iliuliuk Family & Health Services Inc.'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 Iliuliuk Family & Health Services Inc.'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 Trustees
Iliuliuk Family & Health Services, Inc.

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.

A handwritten signature in cursive script that reads "Altman, Rogers & Co.".

Anchorage, Alaska
December 15, 2023

ILIULIUK FAMILY AND HEALTH SERVICES, INC.

Schedule of Findings and Questioned Costs

June 30, 2023

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 No

Internal control over financial reporting:

Material weakness identified? Yes No

Significant deficiency identified? Yes None noted

Noncompliance material to financial statements noted? Yes No

Federal Awards

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

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None noted

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 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) (3) or (4)? Yes No

Identification of major programs:

Assistance Listing Number(s)
93.224/93.527

Name of Federal Program
Health Center Program Cluster

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

Auditee qualified as low-risk auditee? Yes No

Schedule of Findings and Questioned Costs, Continued

Section II – Financial Statement Findings

Finding 2023-001

Internal Controls over Inventory Valuation

Type of Finding:

Significant deficiency

Criteria:

In Accordance with accounting principles generally accepted in the United State of America (GAAP); management is responsible for the preparation and fair presentation of financial statements. This includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement. The general ledger and accounting records use to maintain financial information for the Clinic should be updated and reconciled in a timely manner in prior to audit fieldwork.

Condition and Context:

The Clinic was unable to provide documentation of the cost of items used in their inventory calculation. The costs of inventory should be updated when the yearly count is performed and supporting documentation should be kept documenting these costs.

Cause:

Costs of inventory were not updated during the count and documentation was not kept documenting the cost used in the inventory counts.

Effect:

Potential misstatement of inventory.

Recommendation:

Management should update the costs used in determining their inventory calculation annually to be accurate, and we recommend they keep documentation over the costs.

Management Response:

Management agrees with this finding, see corrective action plan.

ILIULIUK FAMILY AND HEALTH SERVICES, INC.

Schedule of Findings and Questioned Costs, Continued

Finding 2023-002

Internal Control over Payroll Liabilities

Type of Finding:

Material weakness

Criteria:

In Accordance with accounting principles generally accepted in the United State of America (GAAP); management is responsible for the preparation and fair presentation of financial statements. This includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement. The general ledger and accounting records use to maintain financial information for the Clinic should be updated and reconciled in a timely manner in prior to audit fieldwork.

Condition and Context:

Payroll liabilities had been misstated by a material amount. This resulted in a prior period adjustment to the accrued payroll expenses and the beginning balance of net assets. Financial Accounting Standards states that management is responsible for ensuring that financial information is reliable and properly reported. Internal control over financial reporting should be capable of detecting and correcting errors in a timely manner, which includes identification of misstatements weather due to fraud or error.

Cause:

The client did not have an adequate process in place for detecting and correcting errors in a timely manner.

Effect:

Accrued payroll expenses and beginning net assets were adjusted by \$176,887 to reflect the overstated payroll liability.

Recommendation:

Management should implement internal controls capable of detecting misstatements and errors in a timely manner.

Management Response:

Management agrees with this finding, see corrective action plan.

Section III – Federal Award Findings and Questioned Costs

Iliuliuk Family and Health Services, Inc. did not have any findings that relate to the Federal awards.



Iliuliuk

Iliuliuk Family and Health Services, Inc.

P.O. Box 144
Unalaska, Alaska 99685

Phone: (907) 581-1202
Fax: (907) 581-2331

Summary of Prior Year Findings

Year Ended June 30, 2022

U.S. Department of Health and Human Services

Iliuliuk Family and Health Services, Inc. (the Clinic) respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2022.

Audit period: June 30, 2022

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

Finding 2022-001 Lack of Internal Controls Over Financial Statement Close Process

Condition: We identified a number of accounts that were not fully reconciled or presented in accordance with U.S. GAAP. These account included opening fund balance, grant revenue, unearned revenue, cash and accounts receivable.

Status: This finding has been resolved.



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Phone: (907) 581-1202

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Corrective Action Plan

June 30, 2023

Finding 2023-001

Internal Controls over Inventory Valuation

Name of Contact person:

Noel Rea, CEO

Corrective Action Plan:

IFHS will assign staff to update the list of prices on billable medical, pharmacy, and lab supplies as orders are placed and as time allows. Prior to future inventory counts, all prices will be checked to assure accurate inventory valuation.

Proposed Completion Date:

June 30, 2024.

Finding 2023-002

Internal Control over Payroll Liabilities

Name of Contact person:

Noel Rea, CEO

Corrective Action Plan:

IFHS will review leave policies annually when the liability for accrued payroll leave is calculated and adjusted in the financial statements to assure that the current policy is applied.

Proposed Completion Date:

June 30, 2024.

ILIULIUK FAMILY AND HEALTH SERVICES, INC.

Letter to the Governing Board

Year Ended June 30, 2023

*Altman, Rogers
& Co.* CERTIFIED
PUBLIC
ACCOUNTANTS

ILIULIUK FAMILY AND HEALTH SERVICES, INC.

Letter to the Governing Board

Year Ended June 30, 2023

December 15, 2023

Members of the Governing Board
Iliuliuk Family and Health Services
Unalaska, Alaska

We have audited the financial statements of Iliuliuk Family of Health Services for the year ended June 30, 2023, and have issued our report thereon dated December 15, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 5, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Iliuliuk Family of Health Services are described in the Notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by Iliuliuk Family Health Services during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the collectability of accounts receivable is based on historical collections and revenue is based on projected insurance coverage and collectability. We evaluated the key factors and assumptions used to develop the allowance for bad debt in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the useful lives and depreciation of property, plant and equipment is based upon the expected useful life of an asset. We evaluated the key factors and assumptions used to determine the useful lives and calculate depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the functional expenses is based upon an allocation of program expenses and general and administration. We evaluated the key factors and assumptions used to develop the allocation of expenses in determining that it is reasonable in relation to the financial statements taken as a whole.

Internal Control and Other Matters

See Financial Statements, Compliance Section for definition and description of deficiencies, significant deficiencies, material weaknesses and any reported findings.

Financial Statement Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The following material misstatement was corrected by management:

- \$176,887 prior period adjustment to adjust accrued liabilities

Summarized below are misstatements that management has determined to be immaterial, both individually, and in the aggregate, to the financial statements as whole. These misstatements were not corrected by management:

- \$39,768 in unrecorded accounts payable
- \$11,148 overstatement of accrued leave

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 15, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Major Issues Discussed With Management Prior to Retention

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Accounting Assistance

As part of our engagement we drafted the financial statements of Iliuliuk Family of Health Services from the Organization's accounting records; however, management of the Organization was involved in the drafting process and retains responsibility for the financial statements.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the governing board and management of Iliuliuk Family of Health Services and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Altman, Rogers & Co.

Anchorage, Alaska