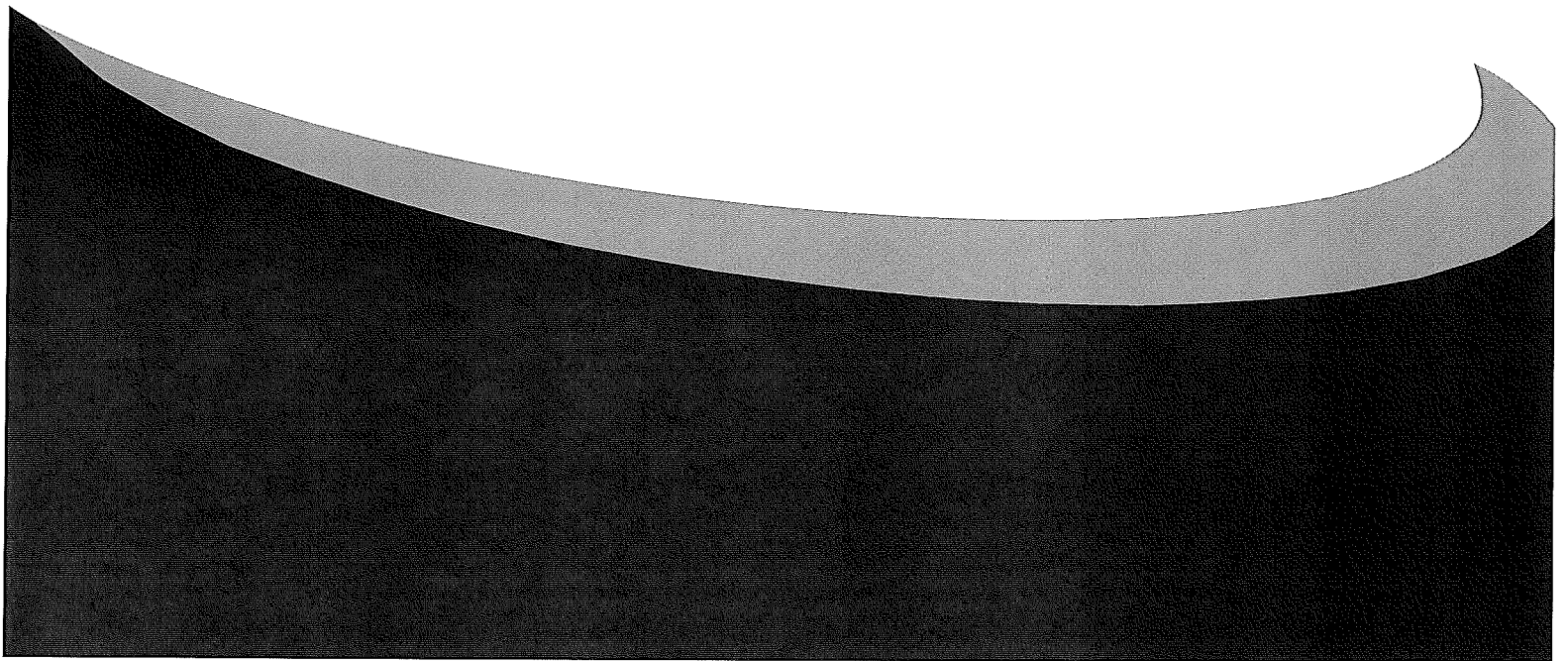
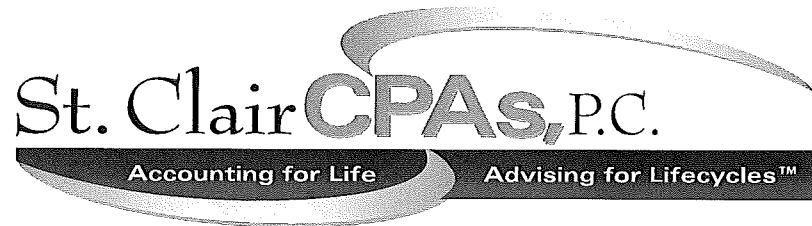


VETERANS MULTI-SERVICE CENTER, INC.

FINANCIAL STATEMENTS

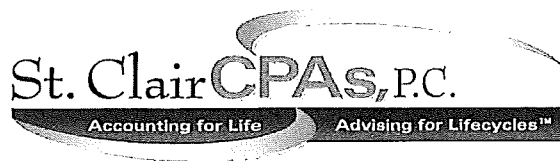
JUNE 30, 2015 AND 2014



VETERANS MULTI-SERVICE CENTER, INC.
JUNE 30, 2015 AND 2014

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Veterans Multi-Service Center, Inc.
Philadelphia, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of Veterans Multi-Service Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 General of the United States and the *City of Philadelphia Subrecipient Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Veterans Multi-Service Center, Inc. as of June 30, 2015 and 2014 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are also not a required part of the basic 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 audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of Reconciliation of Agency Reported Expenditures / Revenues to Audit – HUD Shelter Plus Care and Reconciliation of Agency Reported Expenditures / Revenues to Audit – HUD Rapid Re-housing are presented for purposes of additional reporting as required by the *City of Philadelphia Subrecipient Audit Guide*, 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 audits 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 schedules of Agency Reported Expenditures / Revenues to Audit is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015, on our consideration of Veterans Multi-Service Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Veterans Multi-Service Center, Inc.'s internal control over financial reporting and compliance.


Certified Public Accountants

Merchantville, New Jersey
December 18, 2015

VETERANS MULTI-SERVICE CENTER, INC.
 STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 299,474	\$ 613,058
Grants and contracts receivable	1,131,920	416,235
Pledges receivable	80,382	66,481
Inventory	43,290	39,734
Prepaid expenses	87,860	37,388
Investments	<u>11,378</u>	<u>9,560</u>
TOTAL CURRENT ASSETS	<u>1,654,304</u>	<u>1,182,456</u>
PROPERTY AND EQUIPMENT, net of accumulated depreciation	<u>1,606,145</u>	<u>1,682,625</u>
OTHER ASSETS		
Artwork	17,000	17,000
Capitalized loan fees, net of accumulated amortization	6,475	9,853
Security deposits	<u>10,950</u>	<u>9,600</u>
TOTAL OTHER ASSETS	<u>34,425</u>	<u>36,453</u>
	<u>\$ 3,294,874</u>	<u>\$ 2,901,534</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of long-term debt	\$ 17,174	\$ 20,140
Accounts payable	216,833	98,138
Accrued expenses	242,242	171,850
Deferred income	<u>51,593</u>	<u>64,010</u>
TOTAL CURRENT LIABILITIES	<u>527,842</u>	<u>354,138</u>
LONG-TERM DEBT, net of current portion	<u>421,689</u>	<u>438,549</u>
OTHER LIABILITIES		
Security deposits held in escrow	<u>12,525</u>	<u>16,345</u>
TOTAL OTHER LIABILITIES	<u>12,525</u>	<u>16,345</u>
TOTAL LIABILITIES	<u>962,056</u>	<u>809,032</u>
NET ASSETS		
Unrestricted	1,936,233	1,663,831
Temporarily restricted	<u>396,585</u>	<u>428,671</u>
TOTAL NET ASSETS	<u>2,332,818</u>	<u>2,092,502</u>
	<u>\$ 3,294,874</u>	<u>\$ 2,901,534</u>

See accompanying notes.

VETERANS MULTI-SERVICE CENTER, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
UNRESTRICTED NET ASSETS		
UNRESTRICTED REVENUES AND SUPPORT		
Fundraising and contributions	\$ 1,203,622	\$ 705,711
Resident fees	216,740	238,275
Rental income	116,995	134,113
Grant awards	30,000	-
Thrift shop	267,578	146,269
Other income	199,475	59,033
Interest income	110	194
	<u>2,034,520</u>	<u>1,283,595</u>
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of program restrictions	<u>7,583,908</u>	<u>5,396,407</u>
	<u>9,618,428</u>	<u>6,680,002</u>
EXPENSES		
Program	8,884,850	5,835,474
Fundraising	191,399	29,364
General and administrative	269,777	278,168
TOTAL EXPENSES	<u>9,346,026</u>	<u>6,143,006</u>
	<u>272,402</u>	<u>536,996</u>
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	164,352	293,150
Contract revenues - Department of Veterans Affairs	6,146,062	4,093,292
Contract revenues - Department of Labor	300,000	375,000
Contract revenues - City of Philadelphia	494,243	242,531
Contract revenues - Department of Housing	312,888	284,705
Contract revenues - Department of Homeland Security (FEMA)	5,000	7,500
Other support	129,277	40,050
Net assets released from restrictions	<u>(7,583,908)</u>	<u>(5,396,407)</u>
	<u>(32,086)</u>	<u>(60,179)</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	<u>(32,086)</u>	<u>(60,179)</u>
	240,316	476,817
TOTAL INCREASE IN NET ASSETS	240,316	476,817
NET ASSETS, BEGINNING	<u>2,092,502</u>	<u>1,615,685</u>
NET ASSETS, ENDING	<u>\$ 2,332,818</u>	<u>\$ 2,092,502</u>

See accompanying notes.

VETERANS MULTI-SERVICE CENTER, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 240,316	\$ 476,817
Adjustments to reconcile increase in net assets to net cash (used) provided by operating activities		
Depreciation and amortization	142,177	115,463
Donated vehicles and equipment	-	(12,800)
Unrealized gain on investment	(1,818)	(630)
(Increase) decrease in		
Grants and contracts receivable	(715,685)	(112,349)
Pledges receivable	(13,901)	(62,936)
Inventory	(3,556)	(26,925)
Prepaid expenses	(50,472)	(28,065)
Increase (decrease) in		
Accounts payable	118,695	(6,928)
Accrued expenses	70,392	34,171
Deferred income	(12,417)	(113,352)
Security deposits held as fiduciary	-	(2,534)
Security deposits held in escrow	(3,820)	(4,055)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(230,089)</u>	<u>255,877</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(62,319)	(211,139)
Security deposits placed	(1,350)	(2,600)
NET CASH USED BY INVESTING ACTIVITIES	<u>(63,669)</u>	<u>(213,739)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	(19,826)	(19,823)
NET CASH USED BY FINANCING ACTIVITIES	<u>(19,826)</u>	<u>(19,823)</u>
NET (DECREASE) INCREASE IN CASH	(313,584)	22,315
CASH, BEGINNING	<u>613,058</u>	<u>590,743</u>
CASH, ENDING	<u>\$ 299,474</u>	<u>\$ 613,058</u>
SUPPLEMENTARY DISCLOSURES		
Interest paid	<u>\$ 19,831</u>	<u>\$ 23,284</u>

See accompanying notes.

VETERANS MULTI-SERVICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Veterans Multi-Service Center, Inc. (the Organization) was incorporated in May 1994 in Pennsylvania as a non-profit corporation. Veterans Multi-Service Center, Inc.'s mission is to provide outreach, counseling, employability assessment, job training and placement, permanent housing, transitional living, and supportive services to veterans in the metropolitan Philadelphia area. The Organization receives funding through various governmental agencies, the general public and program fees. The Organization changed its name from The Philadelphia Veterans Multi-Service & Education Center, Inc. to Veterans Multi-Service Center, Inc. on April 2, 2014.

Basis of Accounting and Presentation

The Organization's policy is to prepare its financial statements using the accrual basis of accounting, which is in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

Financial statement presentation follows the recommendations of FASB ASC 958, *Presentation of Financial Statements for Not-for-Profit Organizations*. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to three (3) classes of net assets: (1) unrestricted net assets, (2) temporarily restricted net assets, and (3) permanently restricted net assets.

Unrestricted - Net assets which are free of donor-imposed restrictions; all revenues, gains and losses that are not changes in permanently or temporarily restricted net assets.

Temporarily Restricted - Net assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of the Organization pursuant to those stipulations.

Permanently Restricted - Net assets whose use by the Organization is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

Functional Allocation of Expenses

The cost of providing the Organization's programming has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Contributions and Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

VETERANS MULTI-SERVICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash

Highly liquid investments purchased with original maturities of three months or less are considered to be cash equivalents. There are no such investments included in cash for the years ended June 30, 2015 and 2014.

Grants, Contracts and Pledges Receivable and Allowance for Doubtful Accounts

The Organization provides an allowance for doubtful accounts equal to the estimated losses that will be incurred in the collection of all receivables. The estimated losses are based on a review of the current status of the existing receivables. No allowance for doubtful accounts was considered necessary by management, as all accounts were reviewed for collectability and any amounts deemed uncollectible by management were written off.

Program Fees and Program Fees Receivable and Allowance for Doubtful Accounts

The Organization records program fees that are collectible on a monthly basis by participants in the LZII and Walker House transitional housing programs. Fees are recorded as revenue based on the amounts billed. Tenant billings are based on the tenant's employment status and income level. Receivables are recorded for any amounts still outstanding at the fiscal year end. No allowance for doubtful accounts was considered necessary by management, as participant accounts were reviewed for collectability and any amounts deemed uncollectible by management are written off.

Inventory

Inventory is stated at the lower of cost or market. Market value is defined as the price at which the item is expected to sell, or retail price. Donated items are included at market value. Inventory consists of donated clothing, furniture, books and household goods.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values, which is based on quoted market prices, in the statement of financial position. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized, or as temporarily restricted until restrictions are met.

Property and Equipment and Depreciation

Property and equipment are recorded at cost, or if donated, at the approximate fair market value as of the date of donation. It is the Organization's policy to capitalize all expenditures which have a unit cost in excess of \$5,000, and a useful life of more than one year. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which ranges from 3-40 years. Donated property and equipment are recorded at their fair value on the date of receipt.

VETERANS MULTI-SERVICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed Services and Supplies

The Organization receives equipment and other supplies which are used in their various programs. These amounts are included in the statement of activities as revenues and support, and in the statement of functional expenses as applicable. In addition, individuals volunteer their professional time and assist the Organization, but these services did not meet the criteria for recognition as contributed services. No other services met the criteria for contributed services during the year. The Organization received donated goods and services of \$644,406 and \$268,264, respectively for the years ended June 30, 2015 and 2014, which are included in contributions, equipment and office expense for the respective fiscal year. During the year ended June 30, 2015 the Organization received a building which has no value and was not placed in service.

Advertising and Promotion

All costs associated with advertising and promotion are expensed in the period incurred. Advertising and promotion expense for the years ended June 30, 2015 and 2014 was \$13,729 and \$48,121, respectively

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Income Taxes

The Organization was incorporated under the laws of the State of Pennsylvania and is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. As of June 30, 2015 the tax periods remaining open for examination are fiscal years ended June 30, 2012 through 2015.

Subsequent Events

The Organization has evaluated events or transactions that have occurred after June 30, 2015 (the financial statement date) through December 18, 2015, the date that the financial statements were available to be issued. During this period, the Organization did not have any material recognizable subsequent events that would require adjustment to, or disclosure in the financial statements.

VETERANS MULTI-SERVICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 2 PLEDGES RECEIVABLE

Pledges receivable consists solely of amounts pledged during the WMGK Radio-thon fundraiser held during the year. The Organization has reduced this amount to the balance it reasonably expects to collect within a year, therefore, no amounts are considered uncollectible.

NOTE 3 INVESTMENTS

In accordance with FASB ASC 820, *Fair Value Measurements and Disclosures* which establishes a framework for measuring fair value, the Organization measures fair value according to the following hierarchy:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs to the valuation methodology are inputs other than quoted market prices that are observable for the asset or liability;

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement of the asset or liability.

Alternative investments are valued using comparative investment funds which are priced in accordance with the S & P 500 and U.S. Treasury Bills as applicable.

The Organization measures fair value of their domestic corporate stock using Level 1 inputs.

The summary of changes in the fair value of the domestic corporate stock held for the fiscal years ended June 30, 2015 and 2014 is as follows:

<u>Year ended June 30, 2015</u>	<u>Cost</u>	<u>Unrealized Gain</u>	<u>Fair Market Value</u>
Domestic corporate stock	\$ 2,843	\$ 8,535	\$ 11,378
<u>Year ended June 30, 2014</u>	<u>Cost</u>	<u>Unrealized Gain</u>	<u>Fair Market Value</u>
Domestic corporate stock	\$ 2,843	\$ 6,717	\$ 9,560

For the years ended June 30, 2015 and 2014, unrealized gain on corporate stock was \$1,818 and \$630 respectively, and is recorded in the statement of activities in other income.

VETERANS MULTI-SERVICE CENTER, INC.
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2015 AND 2014

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Land	\$ 175,000	\$ 175,000
Building and renovations	1,906,728	1,906,728
Leasehold improvements	143,560	124,360
Equipment	121,542	121,542
Vehicles	<u>386,520</u>	<u>368,441</u>
Total	2,733,350	2,696,071
Less accumulated depreciation	<u>(1,127,205)</u>	<u>(1,013,446)</u>
Net property and equipment	<u>\$ 1,606,145</u>	<u>\$ 1,682,625</u>

Depreciation expense for the years ended June 30, 2015 and 2014 was \$138,799 and \$110,585 respectively.

NOTE 5 ARTWORK

A mural was commissioned by the Organization and completed on June 30, 2010. All costs associated with the mural have been capitalized and are not being depreciated.

NOTE 6 INTANGIBLE ASSETS

On June 5, 2012 the Organization refinanced its existing mortgage. Settlement fees in connection with the refinance have been capitalized and will be amortized using the straight line method over the life of the loan, which is five (5) years. Amortization expense for the years ended June 30, 2015 and 2014 was \$3,378 and \$3,378, respectively.

Future amortization expense is as follows:

<u>Years ending June 30,</u>	
2016	\$ 3,378
2017	3,097
Thereafter	<u>-</u>
	<u>\$ 6,475</u>

VETERANS MULTI-SERVICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 6 INTANGIBLE ASSETS (continued)

On May 31, 2013 the Organization purchased a thrift shop including the trade name. The portion of the purchase amount in relation to the trade name has been capitalized as goodwill and is not subject to amortization. In accordance with FASB ASC 350 "Goodwill and other intangible assets," the Organization tests goodwill annually for impairment. On November 15, 2013 the name of the thrift shop was changed. Therefore, the trade name no longer had any value and was written off. The loss on disposal of the intangible asset for the year ended June 30, 2014 was \$1,500.

NOTE 7 SECURITY DEPOSITS

Security deposits relate to payments due from residents of the LZII and Walker House transitional residence facilities located in Coatesville, PA. The Organization holds these deposits as a fiduciary until the residents leave the program or forfeit their deposit under the agreed terms.

NOTE 8 NOTE PAYABLE

On June 5, 2012 the Organization entered into a \$300,000 line of credit agreement with an interest rate at the Wall Street Journal rate plus 1% with a floor of 4.25%. This line of credit is subject to a covenant and secured by the building, assets of the business and future rents. There were no outstanding balances as of June 30, 2015 and 2014. The interest rate at June 30, 2015 was 4.25%.

NOTE 9 LONG-TERM DEBT

On June 5, 2012 the Organization refinanced their debt. The Organization entered into a \$485,000 mortgage with an interest rate of 4.9%. The Organization must pay 59 payments of principal and interest of \$3,191 monthly and one irregular last payment estimated at \$407,509 on or before June 1, 2017. Any prepayment of principal will be subject to a 5% prepayment premium on the outstanding balance in the first year, 4% in the second year, 3% in the third year, 2% in the fourth year and 1% in the fifth year. The Organization does not foresee any prepayment of principal during this period. This mortgage is subject to a covenant and secured by the building, assets of the business and future rents.

Aggregate principal maturities on long-term debt for the years subsequent to June 30, 2015 are as follows:

<u>Years ending June 30,</u>	
2016	\$ 17,174
2017	421,689
Thereafter	<u>-</u>
	<u>\$ 438,863</u>

VETERANS MULTI-SERVICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 10 SECURITY DEPOSITS, HELD IN ESCROW

Security deposits represent a deposit on the store front where the Organization operates its thrift shop, a deposit on the St. Augustine Church where the Organization holds an office and training workshop, a deposit on an office in State College, Pennsylvania, and a deposit on additional space for LZII.

NOTE 11 COMMITMENTS

The Organization leases two residential complexes through shared lease agreements. The agreements expired on December 26, 2011 and were considered month to month leases. The Organization executed a new lease agreement on September 19, 2012 which replaces the old lease agreements. Under the new lease terms, monthly base rent is \$26,602 per month plus a shared service fee of \$221. The lease term started October 1, 2012 for a five year period.

The Organization is also leasing additional office space. This lease commenced on March 24, 2014 and expires on June 30, 2016. Monthly base rent is \$1,100.

The Organization also leases a thrift shop. This lease commenced on June 1, 2013 and expires on May 31, 2023. Monthly base rent is \$3,500 in year one and increases 2.5% each year.

The Organization leases additional space for LZ II. This lease commenced on March 1, 2015, and expires on August 31, 2016. Monthly base rent is \$420 with a 5% increase starting April, 1, 2015.

The Organization leases office space in Lock Haven, Pennsylvania on a month to month basis. The monthly base rent is \$250.

The Organization leases office space in Millville, New Jersey. This lease commenced on April 1, 2015, and expired September 30, 2015. This lease was renewed for one year and expires on September 30, 2016. The monthly base rent is \$3,250.

The Organization leases office space in State College, Pennsylvania. The lease commenced on January 15, 2015, and expired on September 30, 2015. This lease was renewed for one year and expires on September 30, 2016. The monthly base rent is \$1,100.

The Organization also leases office equipment under a non-cancellable operating lease. This lease expires in September 2019.

Rent expense for the years ended June 30, 2015 and 2014 was \$417,115 and \$369,359, respectively.

VETERANS MULTI-SERVICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 11 COMMITMENTS (continued)

Future minimum lease payments are as follows:

<u>Years ending June 30,</u>	
2016	\$ 449,793
2017	398,160
2018	145,943
2019	67,298
2020	53,729
Thereafter	<u>149,390</u>
	<u>\$ 1,264,313</u>

NOTE 12 CONCENTRATION OF CREDIT RISK

Cash

The Organization maintains its cash balances at two banks located in Pennsylvania which may, at various times during the year, exceed the threshold for insurance provided by the Federal Deposit Insurance Corporation (FDIC). The Organization believes it is not exposed to any significant credit risk on its cash.

Receivables

The Organization believes it is not exposed to any significant credit risk on their receivables.

NOTE 13 RETIREMENT PLAN

The Organization has a 401(k) retirement plan for all employees subject to age and length of service requirements. The Organization provides a 4% match on an eligible employees' salary effective June 25, 2011. Retirement plan expense for the years ended June 30, 2015 and 2014 was \$56,469 and \$44,976, respectively.

NOTE 14 CONTINGENT LIABILITY

A significant part of funding of the renovations to the Organization's facility at 213 – 217 North 4th Street in Philadelphia was done by various federal agencies. The Philadelphia Redevelopment Authority (RDA) administered some of these renovation funds and has issued a lien against the building until the Organization meets certain contracted commitments. The Organization is required to continue operating the building as a non-profit social service organization for 20 years, through December 2019.

The total lien amount was \$710,290. Through December 2009, the first ten years of the lien, the amount remained unchanged. In years 11 – 20, the amount is amortized annually at 10% of the lien amount. Accordingly, twelve months or \$71,029 has been amortized during the year ended June 30, 2015, leaving a lien balance of \$319,631 at June 30, 2015. The lien will be released in total in December 2019.

VETERANS MULTI-SERVICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 15 GRANTS SUBJECT TO AUDIT

The Organization has received federal, state, and city grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

NOTE 16 OPERATING LEASE

The Organization entered into a non-cancelable lease on August 13, 2012 with Veterans Affairs (VA) to lease part of their 2nd floor as office space for the VA liaison. The lease term started on September 1, 2012 for five (5) years.

Future minimum rental payments to be received are as follows:

Years ending June 30,

2016	\$ 115,200
2017	115,200
2018	<u>19,200</u>
	<u>\$ 249,600</u>

NOTE 17 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are restricted for the following purposes as of June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Philadelphia RDA - lien on building	\$ 319,631	\$ 390,660
Supportive Services for Veteran Families	-	5,000
Training	10,000	-
Women's Center	37,644	20,000
Food and temporary assistance	27,454	-
Other funds restricted for use	<u>1,856</u>	<u>13,011</u>
	<u>\$ 396,585</u>	<u>\$ 428,671</u>

SUPPLEMENTARY INFORMATION

VETERANS MULTI-SERVICE CENTER, INC.
SCHEDULES OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2015

	<u>Homeless Veteran Programs</u>	<u>Employment and Training Programs</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>Total Expenses</u>
EXPENSES					
Admin Fees - general	\$ 71,879	\$ -	\$ -	\$ -	\$ 71,879
Advertising and promotion	8,227	-	3,299	2,203	13,729
Depreciation and amortization	118,503	-	-	23,674	142,177
Employee benefits	317,626	104	-	34,547	352,277
Equipment rental and repair	103,799	-	-	3,462	107,261
Food and entertainment	-	-	10,854	-	10,854
Insurance	117,248	245	-	11,134	128,627
Interest	19,822	-	-	9	19,831
Materials and supplies	97,679	306	2,107	-	100,092
Office expenses	38,872	-	6,205	24,285	69,362
Payroll taxes	359,343	1,308	-	10,813	371,464
Postage	2,368	-	-	-	2,368
Production expense	331,066	-	65,044	-	396,110
Professional fees	312,949	-	103,828	-	416,777
Program costs	2,921,189	2,391	-	24,405	2,947,985
Real estate taxes	-	-	-	772	772
Rent and occupancy	539,148	-	-	18,632	557,780
Retirement plan	53,192	-	-	3,277	56,469
Salaries and wages	3,299,282	10,583	-	90,074	3,399,939
Telephone	60,613	-	-	11,080	71,693
Training expense	20,746	-	-	7,100	27,846
Travel and meetings	76,362	-	62	4,310	80,734
	<u>\$ 8,869,913</u>	<u>\$ 14,937</u>	<u>\$ 191,399</u>	<u>\$ 269,777</u>	<u>\$ 9,346,026</u>

VETERANS MULTI-SERVICE CENTER, INC.
SCHEDULES OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2014

	<u>Homeless Veteran Programs</u>	<u>Employment and Training Programs</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>Total Expenses</u>
EXPENSES					
Advertising and promotion	\$ 1,044	\$ -	\$ 1,055	\$ 46,022	\$ 48,121
Bad debt expense	-	-	-	20,481	20,481
Depreciation and amortization	93,797	-	-	21,666	115,463
Employee benefits	221,499	4,651	-	5,655	231,805
Equipment rental and repair	72,139	-	-	10,541	82,680
Food and entertainment	-	-	16,063	27,275	43,338
Insurance	81,433	3,161	-	13,736	98,330
Interest	23,018	-	-	266	23,284
Materials and supplies	85,432	811	6,094	-	92,337
Office expenses	28,243	-	6,048	7,253	41,544
Payroll taxes	253,704	6,934	-	4,807	265,445
Production expense	-	-	-	9,281	9,281
Professional fees	205,816	1,000	-	8,369	215,185
Program costs	1,744,052	1,969	-	14,150	1,760,171
Rent and occupancy	508,918	1,392	-	10,978	521,288
Retirement plan	41,667	2,575	-	734	44,976
Salaries and wages	2,294,413	66,834	-	70,135	2,431,382
Telephone	47,442	-	-	2,643	50,085
Travel and meetings	41,358	2,172	104	4,176	47,810
	<u>\$ 5,743,975</u>	<u>\$ 91,499</u>	<u>\$ 29,364</u>	<u>\$ 278,168</u>	<u>\$ 6,143,006</u>

SINGLE AUDIT REQUIREMENTS

**VETERANS MULTI-SERVICE CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Federal C.F.D.A. Number	Pass-Through Grantor's Number	Grant Period	Award Amount	June 30, 2014		2015		June 30, 2015	
					Account Receivable	Unexpended Funds	Receipts	Expenditures	Account Receivable	Unexpended Funds
U.S. Department of Labor										
Homeless Veterans Reintegration Program	17,805		7/1/2014 - 6/30/2015	\$ 300,000	\$ -	\$ -	\$ 300,000	\$ 300,000	\$ -	\$ -
Total U.S. Department of Labor							300,000	300,000		
U.S. Department of Housing and Urban Development										
Supportive Housing Program	14,235		1/1/2014 - 12/31/2014	305,422	26,651	-	179,466	152,815	-	-
Supportive Housing Program	14,235		1/1/2015 - 12/31/2015	306,390	-	-	89,352	160,073	70,721	-
Pass-Through City of Philadelphia										
Shelter Plus Care Program	14,238	PA-0027-L3T001306	7/1/2014 - 6/30/2015	330,540	23,800	-	279,335	307,956	52,421	-
Pass-Through City of Philadelphia										
Rapid Re-housing Program	14,267	PA-0619-L3T001200	7/1/2014 - 6/30/2015	186,287	-	-	102,478	186,287	83,809	-
Total U.S. Department of Housing and Urban Development					50,451	-	650,631	807,131	206,951	-
U.S. Department of Veterans Affairs										
VA Homeless Providers Grant And Per Diem Program	64,024		7/01/2014 - 6/30/2015	2,203,098	187,056	-	2,211,906	2,203,098	178,248	-
Supportive Services for Veteran Families	64,033		10/1/13 - 9/30/14	1,007,000	109,705	-	552,956	443,251	-	-
Supportive Services for Veteran Families	64,033		10/1/14 - 9/30/15	1,027,140	-	-	529,721	773,235	249,452	5,938
Supportive Services for Veteran Families	64,033		10/1/14 - 9/30/15	1,000,000	-	-	237,019	382,173	145,154	-
Supportive Services for Veteran Families	64,033		10/1/14 - 9/30/15	1,000,000	-	-	283,857	436,684	153,760	933
Pass-Through Project H.O.M.E.										
Supportive Services for Veteran Families	64,033		10/1/13 - 9/30/14	1,528,444	27,900	64,010	507,145	543,255	-	-
Supportive Services for Veteran Families	64,033		10/1/14 - 9/30/15	1,558,930	-	-	1,138,754	1,262,202	123,448	-
Pass-Through Impact Services Corporation										
Supportive Services for Veteran Families	64,033		10/1/14 - 9/30/15	155,400	-	-	69,704	102,289	32,585	-
Total U.S. Department of Veterans Affairs					324,661	64,010	5,531,062	6,146,187	882,647	6,871
TOTAL					\$ 375,112	\$ 64,010	\$ 6,481,693	\$ 7,253,318	\$ 1,089,598	\$ 6,871

See accompanying notes to schedule of federal awards.

**VETERANS MULTI-SERVICE CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

Federal C.F.D.A. Number	Pass-Through Grantor's Number	Grant Period	Award Amount	June 30, 2013		2014		June 30, 2014	
				Account Receivable	Unexpended Funds	Receipts	Expenditures	Account Receivable	Unexpended Funds
U.S. Department of Labor									
17.805		7/1/2013 - 6/30/2014	\$ 300,000	\$ -	\$ -	\$ 300,000	\$ 300,000	\$ -	\$ -
17.805		7/1/2013 - 6/30/2014	75,000	-	-	75,000	75,000	-	-
						375,000	375,000		
Total U.S. Department of Labor									
U.S. Department of Housing and Urban Development									
14.235		1/1/2013 - 12/31/2013	301,698	34,305	1,394	119,293	86,382	-	-
14.235		1/1/2014 - 12/31/2014	305,422	-	-	171,672	198,323	26,651	-
14.238	PA-0027-L3T001205	7/1/2013 - 6/30/2014	325,980	34,497	-	253,228	242,531	23,800	-
				68,802	1,394	544,193	527,236	50,451	-
Total U.S. Department of Housing and Urban Development									
U.S. Department of Veterans Affairs									
64.024		7/01/2013 - 6/30/2014	2,203,098	182,552	-	2,326,754	2,331,458	187,056	-
64.033		10/1/13 - 9/30/14	1,007,000	-	-	454,044	563,749	109,705	-
64.033		10/1/12 - 9/30/13	732,287	-	177,362	21,826	199,188	-	-
64.033		10/1/13 - 9/30/14	1,528,444	-	-	1,035,006	998,896	27,900	64,010
				182,552	177,362	3,837,630	4,093,291	324,661	64,010
Total U.S. Department of Veterans Affairs									
TOTAL				\$ 251,154	\$ 178,756	\$ 4,756,823	\$ 4,995,527	\$ 375,112	\$ 64,010

See accompanying notes to schedule of federal awards.

VETERANS MULTI-SERVICE CENTER, INC.
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2015 AND 2014

NOTE A BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal Awards (the schedules) include the federal award activity of Veterans Multi-Service Center, Inc., under programs of the federal government for the years ended June 30, 2015 and 2014. The information in these schedules is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations*. Because the schedules present only a selected portion of the operations of Veterans Multi-Service Center, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Veterans Multi-Service Center, Inc.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

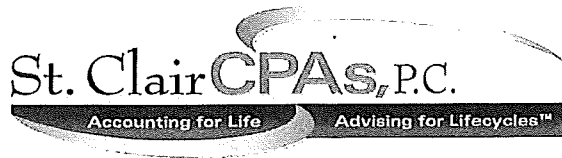
- (1) Expenditures reported on the accompanying Schedule of Expenditures of Federal Awards are reported using the accrual basis of accounting, which is described in Note 1 to the Organization's financial statements. Such expenditures are recognized following the cost principles contained in *OMB Circular A-122, Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented when available.

NOTE C RELATIONSHIP TO THE FINANCIAL STATEMENTS

Federal financial assistance revenue is reported in Veterans Multi-Service Center, Inc.'s financial statements as temporarily restricted grant revenue and support and was \$7,253,318 and \$4,995,527 for the years ended June 30, 2015 and 2014, respectively.

NOTE D SUBRECIPIENTS

The Organization provided funds to subrecipients in the amount of \$327,206 and \$165,557 for the years ended June 30, 2015 and 2014, respectively.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of
Veterans Multi-Service Center, Inc.
Philadelphia, Pennsylvania

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 Veterans Multi-Service Center, Inc. (the Organization) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2015.

Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered Veterans Multi-Service Center, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Compliance and Other Matters

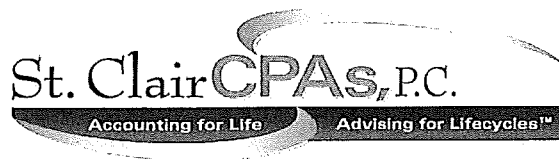
As part of obtaining reasonable assurance about whether Veterans Multi-Service Center, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have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

Purpose of this Report

This 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.


Certified Public Accountants

Merchantville, New Jersey
December 18, 2015



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

To the Board of Directors of
Veterans Multi-Service Center, Inc.
Philadelphia, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited Veterans Multi-Service Center, Inc. (the Organization) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2015. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of The Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audits 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 *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and the *City of Philadelphia Subrecipient Audit Guide*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Programs

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

Report on Internal Control Over Compliance

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

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

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

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



Certified Public Accountants

Merchantville, New Jersey
December 18, 2015

VETERANS MULTI-SERVICE CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015 AND 2014

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Veterans Multi-Service Center, Inc.
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of the Organization which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal awards programs is reported in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for the Organization expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this schedule.
7. The following programs were tested as major programs:
 - U.S. Department of Veterans Affairs "*VA Homeless Providers Grant and Per Diem Program*" under CFDA No. 64.024
 - U.S. Department of Veterans Affairs "*Supportive Services for Veteran Families*" under CFDA No. 64.033, pass-through from Project H.O.M.E. and Impact Services Corporation.
 - U.S. Department of Veterans Affairs "*Supportive Services for Veteran Families*" under CFDA No. 64.033
8. The threshold for distinguishing types A and B programs was \$300,000.
9. The Organization was determined to be a high-risk auditee.

FINDINGS - FINANCIAL STATEMENT AUDIT

None

**VETERANS MULTI-SERVICE CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015 AND 2014**

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

VETERANS MULTI-SERVICE CENTER, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015 AND 2014

FINDINGS - FINANCIAL STATEMENT AUDIT

None

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

2014-1 Noncompliance with filing requirements

Condition: Form SF-SAC was filed late.

Criteria: Form SF-SAC is required to be filed nine months after the fiscal year end.

Cause: Procedures are in place to file the form timely; however the employee responsible for this task did not follow the procedures.

Effect: The Organization could lose federal funding as a result of this noncompliance.

Recommendation: The Organization should set up procedures where multiple individuals have reminders to file reports timely.

Views of Responsible Officials and Planned Corrective Actions: The Organization agrees with the finding and will review the procedures to timely file this report and determine if they need to be modified.

CITY OF PHILADELPHIA AUDIT REQUIREMENTS

VETERANS MULTI-SERVICE CENTER, INC.
OFFICE OF SUPPORTIVE HOUSING (HUD)
CITY OF PHILADELPHIA CONTRACT NO. 15-20209
HUD SHELTER PLUS CARE - FREEDOM'S GATE GRANT NO. PA0027L3T001306
RECONCILIATION OF AGENCY REPORTED EXPENDITURES/REVENUES TO AUDIT
FOR THE GRANT PERIOD JULY 1, 2014 THROUGH JUNE 30, 2015

<u>Budget Categories</u>	<u>Agency Total Contract Expenditures</u>	<u>Adjustments</u>	<u>Amount per Audit</u>
Personnel services			
Salaries	\$ 8,124	\$ -	\$ 8,124
Fringe benefits	2,348	-	2,348
Sub-total: Personnel services	<u>10,472</u>	<u>-</u>	<u>10,472</u>
Operating Expenses			
Rent, occupancy and utilities	300	-	300
Communications and telephone	600	-	600
Supplies	<u>2,760</u>	<u>-</u>	<u>2,760</u>
Sub-total: Operating Expenses	<u>3,660</u>	<u>-</u>	<u>3,660</u>
Administrative Costs			
Fees	10,500	-	10,500
Insurance	<u>600</u>	<u>-</u>	<u>600</u>
Sub-total: Administrative costs	<u>11,100</u>	<u>-</u>	<u>11,100</u>
Participants			
Rental assistance	<u>283,195</u>	<u>-</u>	<u>283,195</u>
Sub-total: Participants	<u>283,195</u>	<u>-</u>	<u>283,195</u>
Total OSH Contract Expenditures	<u>308,427</u>	<u>-</u>	<u>308,427</u>
City of Philadelphia, OSH	<u>307,956</u>	<u>-</u>	<u>307,956</u>
Total Funding	<u>307,956</u>	<u>-</u>	<u>307,956</u>
Excess of expenditures over funding sources	<u>\$ 471</u>	<u>\$ -</u>	<u>\$ 471</u>

VETERANS MULTI-SERVICE CENTER, INC.
OFFICE OF SUPPORTIVE HOUSING (HUD)
CITY OF PHILADELPHIA CONTRACT NO. 15-20196
PHILADELPHIA RAPID REHOUSING PROGRAM GRANT NO. PA0619L3T001200
RECONCILIATION OF AGENCY REPORTED EXPENDITURES/REVENUES TO AUDIT
FOR THE GRANT PERIOD JULY 1, 2014 THROUGH JUNE 30, 2015

<u>Budget Categories</u>	<u>Agency Total Contract Expenditures</u>	<u>Adjustments</u>	<u>Amount per Audit</u>
Personnel services			
Salaries	\$ 52,945	\$ -	\$ 52,945
Fringe benefits	12,707	-	12,707
Sub-total: Personnel services	<u>65,652</u>	<u>-</u>	<u>65,652</u>
Administrative Costs			
Fees	8,379	-	8,379
Sub-total: Administrative Costs	<u>8,379</u>	<u>-</u>	<u>8,379</u>
Participants			
Rental assistance	113,730	-	113,730
Sub-total: Participants	<u>113,730</u>	<u>-</u>	<u>113,730</u>
Total OSH Contract Expenditures	<u>187,761</u>	<u>-</u>	<u>187,761</u>
City of Philadelphia, OSH	186,287	-	186,287
Total Funding	<u>186,287</u>	<u>-</u>	<u>186,287</u>
Excess of expenditures over funding sources	<u>\$ 1,474</u>	<u>\$ -</u>	<u>\$ 1,474</u>