

VETERANS MULTI-SERVICE CENTER, INC.

FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

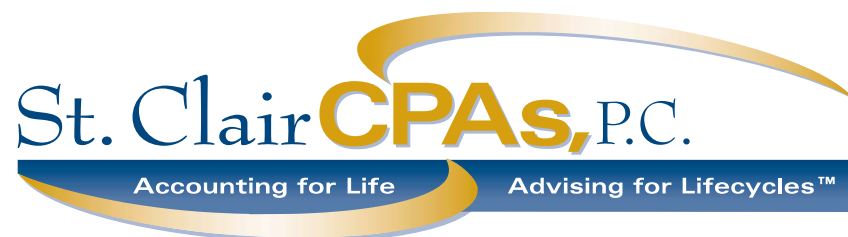
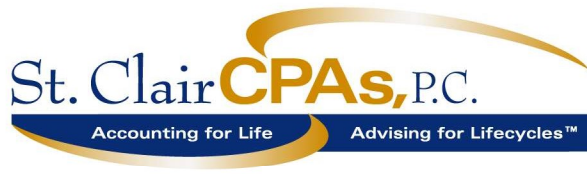


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INDEPENDENT AUDITORS' REPORT

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, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' 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 from 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, 2019 and 2018, 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.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the financial statements. Additionally, the accompanying schedules of Reconciliation of Agency Reported Expenditures / Revenues to Audit - HUD Continuum of Care - Freedom's Gate, Reconciliation of Agency Reported Expenditures / Revenues to Audit - HUD Rapid Re-housing, and Reconciliation of Agency Reported Expenditures / Revenues to Audit - PSH Rental Assistance - Edison 64 are presented for purposes of additional analysis as required by the *City of Philadelphia Subrecipient Audit Guide* and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2020, 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 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 Veterans Multi-Service Center, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Veterans Multi-Service Center, Inc.'s internal control over financial reporting and compliance.

De Clair CPAs, P.C.

Certified Public Accountants

Merchantville, New Jersey
February 20, 2020

VETERANS MULTI-SERVICE CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash and restricted cash	\$ 1,518,509	\$ 908,643
Grants and contracts receivable	502,728	738,825
Other receivables	42,535	20,294
Pledges receivable	31,990	37,723
Inventory	128,143	78,930
Prepaid expenses	<u>62,082</u>	<u>11,719</u>
TOTAL CURRENT ASSETS	<u>2,285,987</u>	<u>1,796,134</u>
PROPERTY AND EQUIPMENT, net of accumulated depreciation	<u>1,178,294</u>	<u>1,250,566</u>
OTHER ASSETS		
Artwork	17,000	17,000
Gift cards	-	10,000
Note receivable	510,000	490,000
Security deposits	<u>13,700</u>	<u>13,500</u>
TOTAL OTHER ASSETS	<u>540,700</u>	<u>530,500</u>
	<u>\$ 4,004,981</u>	<u>\$ 3,577,200</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of long-term debt	\$ 27,472	\$ 15,844
Accounts payable	127,147	149,986
Accrued expenses	238,420	112,309
Deferred income	<u>29,337</u>	<u>27,828</u>
TOTAL CURRENT LIABILITIES	422,376	305,967
LONG-TERM DEBT, net of current portion	752,534	369,853
OTHER LIABILITIES		
Security deposits held in escrow	<u>25,380</u>	<u>16,776</u>
TOTAL LIABILITIES	<u>1,200,290</u>	<u>692,596</u>
NET ASSETS		
Without donor restrictions	2,146,323	2,235,187
With donor restrictions	<u>658,368</u>	<u>649,417</u>
TOTAL NET ASSETS	<u>2,804,691</u>	<u>2,884,604</u>
	<u>\$ 4,004,981</u>	<u>\$ 3,577,200</u>

See accompanying notes.

VETERANS MULTI-SERVICE CENTER, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES AND SUPPORT WITHOUT DONOR RESTRICTIONS		
Fundraising and contributions	\$ 1,141,011	\$ 966,830
Resident fees	233,425	197,060
Rental income	173,721	174,244
Grant awards	-	-
Thrift shop	406,151	373,100
Other income	<u>184,034</u>	<u>182,569</u>
TOTAL REVENUES AND SUPPORT WITHOUT DONOR RESTRICTIONS	2,138,342	1,893,803
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of program restrictions	<u>8,539,137</u>	<u>8,517,125</u>
TOTAL REVENUES AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS	<u>10,677,479</u>	<u>10,410,928</u>
EXPENSES		
Program	9,934,768	9,524,498
Fundraising	188,413	190,304
General and administrative	<u>643,162</u>	<u>584,578</u>
TOTAL EXPENSES	<u>10,766,343</u>	<u>10,299,380</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>(88,864)</u>	<u>111,548</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	206,000	176,862
Contract revenues - Department of Veterans Affairs	7,142,080	7,146,378
Contract revenues - Department of Labor	269,912	262,050
Contract revenues - City of Philadelphia	499,814	476,658
Contract revenues - Department of Housing	326,554	293,131
Grant awards	103,728	59,404
Net assets released from restrictions	<u>(8,539,137)</u>	<u>(8,517,125)</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>8,951</u>	<u>(102,642)</u>
TOTAL INCREASE (DECREASE) IN NET ASSETS	(79,913)	8,906
NET ASSETS, BEGINNING	<u>2,884,604</u>	<u>2,875,698</u>
NET ASSETS, ENDING	<u>\$ 2,804,691</u>	<u>\$ 2,884,604</u>

See accompanying notes.

VETERANS MULTI-SERVICE CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	<u>Homeless Veteran Programs</u>	<u>Employment and Training Programs</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>Total Expenses</u>
EXPENSES					
Administrative fees - general	\$ 61,287	\$ -	\$ -	\$ -	\$ 61,287
Advertising and promotion	27,642	-	45,832	934	74,408
Depreciation	80,254	-	-	13,383	93,637
Employee benefits	436,916	20,960	12,788	26,114	496,778
Equipment rental and repair	160,814	7,839	2,604	25,720	196,977
Food and entertainment	-	-	604	-	604
Insurance	104,460	7,150	-	32,068	143,678
Interest	-	-	-	32,498	32,498
Materials and supplies	61,596	2,182	-	-	63,778
Office expenses	38,274	805	4,027	73,014	116,120
Payroll taxes	361,360	16,201	8,800	19,356	405,717
Production expense	321,364	-	-	-	321,364
Professional fees	217,344	10,839	-	44,264	272,447
Program costs	2,972,198	4,687	-	2,497	2,979,382
Rent and occupancy	591,221	10,199	5,173	96,127	702,720
Retirement plan	96,030	6,070	2,690	48,096	152,886
Salaries and wages	3,956,283	167,140	104,656	217,241	4,445,320
Telephone	72,146	2,500	-	9,622	84,268
Training expenses	24,621	6,805	-	1,274	32,700
Travel and meetings	76,314	11,267	1,239	954	89,774
	<u>\$ 9,660,124</u>	<u>\$ 274,644</u>	<u>\$ 188,413</u>	<u>\$ 643,162</u>	<u>\$ 10,766,343</u>

See accompanying notes.

VETERANS MULTI-SERVICE CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2018

	<u>Homeless Veteran Programs</u>	<u>Employment and Training Programs</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>Total Expenses</u>
EXPENSES					
Administrative fees - general	\$ 67,516	\$ -	\$ -	\$ -	\$ 67,516
Advertising and promotion	5,973	-	87,262	1,075	94,310
Bad debt expense	-	-	16,778	-	16,778
Depreciation	105,468	-	-	18,580	124,048
Employee benefits	623,359	27,033	10,778	42,921	704,091
Equipment rental and repair	99,358	2,500	616	26,763	129,237
Insurance	105,611	7,320	-	34,236	147,167
Interest	-	-	-	19,668	19,668
Materials and supplies	84,165	985	-	-	85,150
Office expenses	28,429	690	2,755	64,461	96,335
Payroll taxes	362,739	13,897	5,044	17,686	399,366
Professional fees	210,442	9,654	-	63,965	284,061
Program costs	3,017,552	3,583	-	10,219	3,031,354
Rent and occupancy	551,125	10,000	4,758	62,909	628,792
Retirement plan	95,580	6,512	2,412	9,728	114,232
Salaries and wages	3,751,440	162,877	59,871	194,568	4,168,756
Telephone	78,211	2,500	-	17,316	98,027
Training expenses	6,926	6,093	-	-	13,019
Travel and meetings	67,976	8,984	30	483	77,473
	<u>\$ 9,261,870</u>	<u>\$ 262,628</u>	<u>\$ 190,304</u>	<u>\$ 584,578</u>	<u>\$ 10,299,380</u>

See accompanying notes.

VETERANS MULTI-SERVICE CENTER, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (79,913)	\$ 8,906
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Bad debt expense	-	16,778
Depreciation	93,637	124,048
Donated gift cards	10,000	90,000
Accrued interest income	(10,000)	-
(Increase) decrease in		
Grants and contracts receivable	236,097	77,715
Other receivables	(22,241)	23,875
Pledges receivable	5,733	(1,435)
Inventory	(49,213)	(15,378)
Prepaid expenses	(50,363)	68,842
Increase (decrease) in		
Accounts payable	(22,839)	(185,965)
Accrued expenses	126,111	(14,045)
Deferred income	1,509	(32,169)
Security deposits held in escrow	8,604	781
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>247,122</u>	<u>161,953</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acceptance of note receivable	(10,000)	(490,000)
Purchases of property and equipment	(21,365)	(11,999)
Net security deposits refunded (placed)	(200)	(2,300)
NET CASH USED BY INVESTING ACTIVITIES	<u>(31,565)</u>	<u>(504,299)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt refinancing	417,488	-
Payments on long-term debt	(23,179)	(18,629)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>394,309</u>	<u>(18,629)</u>
NET INCREASE (DECREASE) IN CASH AND RESTRICTED CASH	609,866	(360,975)
CASH AND RESTRICTED CASH, BEGINNING	<u>908,643</u>	<u>1,269,618</u>
CASH AND RESTRICTED CASH, ENDING	<u>\$ 1,518,509</u>	<u>\$ 908,643</u>
Interest paid	<u>\$ 32,498</u>	<u>\$ 19,668</u>
SCHEDULE OF NON-CASH FINANCING TRANSACTIONS		
Refinancing of long-term debt	<u>\$ 382,512</u>	<u>\$ -</u>

See accompanying notes.

**VETERANS MULTI-SERVICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

The Organization follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*, to prepare its financial statements. Under FASB ASC 958, updated by Accounting Standards Update (ASU) 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Support and revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increase or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation, stipulated time restriction, or by law.

Net Assets With Donor Restrictions – Contributions subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or passage of time or that the contribution be maintained permanently by the Organization. Generally, the donor of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

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.

VETERANS MULTI-SERVICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Cash and Restricted 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, 2019 and 2018. Included in cash and restricted cash is \$25,380 and \$16,776 of cash held for security deposits for the years ended June 30, 2019 and 2018, respectively.

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 transitional housing programs. Fees are recorded as revenue based on the amounts billed. Tenant billings are based on each 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 net assets without donor restrictions 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 net assets with donor restrictions until restrictions are met.

VETERANS MULTI-SERVICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 range from 3-40 years. Donated property and equipment are recorded at their fair value on the date of receipt.

Contributed Services and Supplies

The Organization receives equipment and other supplies which are used in its 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 \$641,457 and \$330,857, respectively for the years ended June 30, 2019 and 2018, which are included in contributions revenue, production expense, equipment, and office expense for the respective fiscal years.

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, 2019 and 2018 was \$74,408 and \$94,310, 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, 2019 the tax periods remaining open for examination are fiscal years ended June 30, 2016 through 2019.

New Accounting Pronouncements

In August 2016, FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, with the stated purpose of improving financial reporting by not-for-profit entities. Among other provisions, ASU 2016-14 amends guidance in Accounting Standards Codification 958 and reduces the number of classes of net assets from three to two-net assets with donor restrictions and net assets without donor restrictions, requires the presentation of expenses in both natural and functional classifications, enhances liquidity disclosures, and eliminates the requirement to prepare a reconciliation in the statement of cash flows when applying the direct method. This amendment is effective for fiscal years beginning after December 15, 2017, with early application permitted. Veterans Multi-Service Center, Inc. has adopted this amendment as of July 1, 2018 and has applied it retrospectively to all prior periods.

VETERANS MULTI-SERVICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A recap of the net asset reclassifications driven by the adoption of ASU 2016-14 as of June 30, 2018 follows:

<u>Net Assets Classifications</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Assets</u>
As previously presented:			
Unrestricted	\$ 2,235,187	\$ -	\$ 2,235,187
Temporarily restricted	<u>-</u>	<u>649,417</u>	<u>649,417</u>
	<u>\$ 2,235,187</u>	<u>\$ 649,417</u>	<u>\$ 2,884,604</u>

In May 2014, the Financial Accounting Standards Board (FASB) issued an amendment to the accounting guidance related to revenue recognition. The amendment serves to clarify the principals for recognizing revenue and to develop common revenue standards for U.S. GAAP. To meet those objectives, the FASB amended the FASB Accounting Standards Codification and added a new Topic 606, Revenue from Contracts with Customers. The guidance is effective for non-public companies for annual reporting periods beginning after December 15, 2018, and early adoption is permitted. The Company is evaluating the impact of adopting the guidance to its financial statement, but management doesn't feel it should have a significant impact.

Subsequent Events

The Organization has evaluated events or transactions that have occurred after June 30, 2019 (the financial statement date) through February 20, 2020, 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.

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.

VETERANS MULTI-SERVICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Land	\$ 175,000	\$ 175,000
Building and renovations	1,906,728	1,906,728
Leasehold improvements	167,885	167,885
Equipment	133,542	133,541
Vehicles	<u>423,347</u>	<u>401,983</u>
Total	2,806,502	2,785,137
Less accumulated depreciation	<u>(1,628,208)</u>	<u>(1,534,571)</u>
Net property and equipment	<u>\$ 1,178,294</u>	<u>\$ 1,250,566</u>

Depreciation expense for the years ended June 30, 2019 and 2018 was \$93,637 and \$124,048 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 NOTE RECEIVABLE

The Organization has a note receivable with an entity for the redevelopment of Edison High School into housing. The note is for \$500,000 and is accruing interest at 2% per annum. The Organization had advanced \$490,000 as of June 30, 2018. The additional \$10,000 was advanced during the fiscal year ended June 30, 2019. The current balance of the Note receivable including interest is \$510,000. The principal balance and accrued interest are due in full in December 2047.

NOTE 7 SECURITY DEPOSITS

Security deposits relate to payments due from residents of the 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 LIQUIDITY AND AVAILABILITY

The Organization has the following financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date.

Cash and restricted cash	\$ 1,518,509
Grants and contracts receivable	<u>502,728</u>
	<u>\$ 2,021,237</u>

VETERANS MULTI-SERVICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 9 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% (prime rate at June 30, 2018 was 5.0%), which was renewable on June 1, 2018. The line of credit was renewed until September 1, 2018. This line of credit is subject to a covenant and secured by the building, assets of the organization and future rents. There were no outstanding balances as of June 30, 2017 and 2018. On August 21, 2018 the Organization entered into a new line of credit agreement whereby the interest rate was reduced to Wall Street Journal rate plus 0.5% and the line was extended to September 1, 2020.

NOTE 10 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 mortgage consists at 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. This mortgage was subject to a covenant and secured by the building, assets of the business and future rents. The Organization extended this mortgage through September 1, 2018. On August 21, 2018 the Organization refinanced its debt. The Organization entered into a \$485,000 mortgage with an interest rate of 4.6%. The mortgage consists of 83 payments of principal and interest of \$3,104 monthly and one irregular last payment estimated at \$365,671 on or before August 1, 2025. This mortgage is subject to a covenant and secured by the building, assets of the business and future rents. The outstanding balance on the mortgage is \$472,363 as of June 30, 2019.

On August 21, 2018 the Organization entered into an additional new \$315,000 mortgage with an interest rate at 4.6%, which matures on September 1, 2025. This mortgage is subject to a covenant and secured by the building, assets of the organization and future rents. The Organization must pay \$2,021 each month and one last irregular payment of \$238,104 on September 1, 2025. The outstanding balance on the mortgage is \$307,643 as of June 30, 2019.

Future minimum payments are as follows:

<u>Years ending June 30,</u>	
2020	\$ 27,472
2021	27,415
2022	28,703
2023	30,052
2024	31,463
Thereafter	634,901
	<u>\$ 780,006</u>

NOTE 11 SECURITY DEPOSITS

Security deposits represent a deposit on the store front where the Organization operates its thrift shop, deposits on various office spaces, and a deposit on additional space used for veteran housing.

VETERANS MULTI-SERVICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 12 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 was from October 1, 2012 and expired September 30, 2019. The lease was renewed for another year as of October 1, 2019.

The Organization leases additional office space throughout Pennsylvania and Southern New Jersey. These leases are typically for 12 months and expire at various times throughout the year. Monthly base rent per office location is between \$500 and \$3,500.

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 also leases office equipment under a non-cancellable operating lease. This lease was renewed to January 2024.

Rent expense for the years ended June 30, 2019 and 2018 was \$491,434 and \$457,808, respectively.

Future minimum lease payments are as follows:

Years ending June 30,

2020	\$ 489,324
2021	157,703
2022	54,322
2023	51,124
2024	<u>1,775</u>
	<u>\$ 754,249</u>

NOTE 13 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 its receivables.

VETERANS MULTI-SERVICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 14 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, 2019 and 2018 was \$152,886 and \$114,232, respectively.

NOTE 15 CONTINGENT LIABILITY

A significant part of funding of the renovations to the Organization's facility at 213 – 217 North 4th Street in Philadelphia was provided 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 years ended June 30, 2019 and 2018, leaving a lien balance of \$35,515 at June 30, 2019. The lien will be released in total in December 2019.

NOTE 16 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 17 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. The lease was renewed during 2017 for an additional five (5) years and expires August 31, 2022.

Future minimum rental payments to be received are as follows:

Years ending June 30,

2020	\$ 134,400
2021	134,400
2022	134,400
2023	<u>22,400</u>
	<u>\$ 425,600</u>

VETERANS MULTI-SERVICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 18 NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Philadelphia RDA - lien on building	\$ 35,515	\$ 106,544
Edison 64 Project	575,000	500,000
Women's Center	24,993	12,658
Food and temporary assistance	-	4,349
Other funds restricted for use	22,860	9,837
Bathroom remodel fiscal year 2018-2019	<u>-</u>	<u>16,029</u>
	<u>\$ 658,368</u>	<u>\$ 649,417</u>

SUPPLEMENTARY INFORMATION

UNIFORM GUIDANCE REQUIREMENTS

VETERANS MULTI-SERVICE CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

	Federal C.F.D.A. Number	Pass-Through Grantor's Number	Grant Period	Award Amount	Passed Through to Subrecipient	June 30, 2018		2019		June 30, 2019	
						Account Receivable	Unexpended Funds	Receipts	Expenditures	Account Receivable	Unexpended Funds
U.S. Department of Labor											
Incarcerated Veterans Transition Program	17.805		7/1/2018 - 6/30/2019	\$ 269,912	\$ -	\$ -	\$ -	\$ 269,912	\$ 269,912	\$ -	\$ -
Total U.S. Department of Labor					-	-	-	269,912	269,912	-	-
U.S. Department of Housing and Urban Development											
Supportive Housing Program	14.235		1/1/2018 - 12/31/2018	\$ 313,334	-	22,001	-	199,866	177,865	-	-
Supportive Housing Program	14.235		1/1/2019 - 12/31/2019	\$ 313,334	-	-	-	73,427	146,411	72,984	-
Pass-Through City of Philadelphia Continuum of Care Program	14.238	PA-0027-L3T001306	4/1/2018 - 3/31/2019	\$ 351,519	-	75,053	-	305,443	230,390	-	-
Continuum of Care Program	14.238	PA-0027-L3T001811	4/1/2019 - 3/31/2020	\$ 351,519	-	-	-	-	78,345	78,345	-
Pass-Through City of Philadelphia Rapid Re-housing Program	14.267	PA-0619-L3T001200	7/1/2017 - 6/30/2018	\$ 192,335	-	43,817	-	43,817	-	-	-
Rapid Re-housing Program	14.267	PA-0619-L3T001704	7/1/2018 - 6/30/2019	\$ 192,325	-	-	-	119,814	191,079	71,265	-
Total U.S. Department of Housing and Urban Development					-	140,871	-	742,367	824,090	222,594	-
U.S. Department of Veterans Affairs											
VA Homeless Providers Grant And Per Diem Program	64.024		7/01/2017 - 6/30/2018	\$2,004,175	-	179,167	-	179,167	-	-	-
VA Homeless Providers Grant And Per Diem Program	64.024		7/01/2018 - 6/30/2019	\$2,313,735	-	-	-	2,102,196	2,313,735	211,539	-
Supportive Services for Veteran Families	64.033		10/1/2017 - 9/30/2018	\$2,047,411	-	34,981	-	466,357	431,376	-	-
Supportive Services for Veteran Families	64.033		10/1/2018 - 9/30/2019	\$4,047,411	257,035	-	-	2,827,809	2,891,747	63,938	-
Supportive Services for Veteran Families	64.033		10/1/2017 - 9/30/2018	\$1,010,000	-	8,456	-	274,113	265,657	-	-
Supportive Services for Veteran Families	64.033		10/1/2018 - 9/30/2019	\$1,962,430	-	-	-	715,848	720,505	4,657	-
Pass-Through Project H.O.M.E. Supportive Services for Veteran Families	64.033		10/1/2017 - 9/30/2018	\$1,530,520	-	298,572	-	817,632	519,060	-	-
Pass-Through Impact Services Corporation Supportive Services for Veteran Families	64.033		10/1/2017 - 9/30/2018	\$ 93,400	-	76,778	-	76,778	-	-	-
Total U.S. Department of Veterans Affairs					257,035	597,954	-	7,459,900	7,142,080	280,134	-
TOTAL					<u>\$ 257,035</u>	<u>\$738,825</u>	<u>\$ -</u>	<u>\$ 8,472,179</u>	<u>\$ 8,236,082</u>	<u>\$ 502,728</u>	<u>\$ -</u>

See accompanying notes to schedule of expenditures federal awards.

VETERANS MULTI-SERVICE CENTER, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2019

NOTE A BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the federal award activity of Veterans Multi-Service Center, Inc., under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

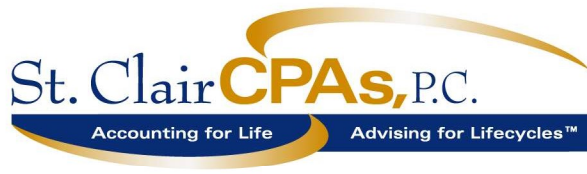
(2) Pass-through entity identifying numbers are presented when available.

NOTE C INDIRECT COST RATE

The Organization has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE D SUBRECIPIENTS

The Organization provided funds to subrecipients in the amount of \$257,035 for the year ended June 30, 2019.



**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, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated February 20, 2020.

Internal Control over Financial Reporting

In planning and performing our audit 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 matters that are required to be reported under *Government Auditing Standards*.

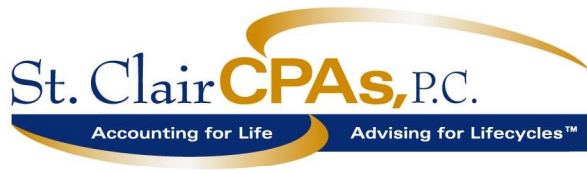
Purpose of this Report

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.

De Clair CPAs P.C.

Certified Public Accountants

Merchantville, New Jersey
February 20, 2020



**INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

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.'s (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2019. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance), and the *City of Philadelphia Subrecipient Audit Guide*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and a material effect on each of its major federal programs for the year ended June 30, 2019.

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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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Dr. Clair CPAs, P.C.

Certified Public Accountants

Merchantville, New Jersey
February 20, 2020

**VETERANS MULTI-SERVICE CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019 AND 2018**

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on whether the financial statements of Veterans Multi-Service Center, Inc. (the "Organization") were prepared in accordance with accounting principles generally accepted in the United States of America.
2. No significant deficiencies or material weaknesses 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 or material weaknesses over major federal awards programs disclosed during the audit are reported in the Report on Compliance for Each Major Program and on Internal Control over Compliance Requirements for Federal Awards required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance).
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 "*Supportive Services for Veterans Families*" under CFDA No. 64.033
 - U.S. Department of Housing and Urban Development "*Continuum of Care Program*" under CFDA No. 14.267
8. The threshold for distinguishing types A and B programs was \$750,000.
9. The Organization was determined to be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENT AUDIT

None.

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, 2019 AND 2018**

FINDINGS FINANCIAL STATEMENT AUDIT

None.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

CITY OF PHILADELPHIA AUDIT REQUIREMENTS

**VETERANS MULTI-SERVICE CENTER, INC.
OFFICE OF SUPPORTIVE HOUSING (HUD)
CITY OF PHILADELPHIA CONTRACT NO. 18-20613
HUD CONTINUUM OF CARE - FREEDOM'S GATE GRANT NO. PA0027L3T001306
RECONCILIATION OF AGENCY REPORTED EXPENDITURES/REVENUES TO AUDIT
FOR THE GRANT PERIOD APRIL 1, 2018 THROUGH MARCH 31, 2019**

<u>Budget Categories</u>	<u>Agency Total Contract Expenditures</u>	<u>Adjustments</u>	<u>Amount per Audit</u>
Personnel services			
Salaries	\$ 23,914	\$ (6,285)	\$ 17,629
Fringe benefits	3,444	(1,240)	2,204
Sub-total: Personnel services	<u>27,358</u>	<u>(7,525)</u>	<u>19,833</u>
Operating Expenses			
Rent, occupancy and utilities	-	-	-
Communications and telephone	-	-	-
Supplies	-	-	-
Sub-total: Operating Expenses	<u>-</u>	<u>-</u>	<u>-</u>
Administrative Costs			
Insurance	-	-	-
Sub-total: Administrative costs	<u>-</u>	<u>-</u>	<u>-</u>
Participants			
Rental assistance	<u>280,492</u>	<u>(68,151)</u>	<u>212,341</u>
Sub-total: Participants	<u>280,492</u>	<u>(68,151)</u>	<u>212,341</u>
Total OSH Contract Expenditures	<u>307,850</u>	<u>(75,676)</u>	<u>232,174</u>
City of Philadelphia, OSH	<u>304,334</u>	<u>(73,944)</u>	<u>230,390</u>
Total Funding	<u>304,334</u>	<u>(73,944)</u>	<u>230,390</u>
Excess of expenditures over funding sources	<u>\$ 3,516</u>	<u>\$ (1,732)</u>	<u>\$ 1,784</u>

VETERANS MULTI-SERVICE CENTER, INC.
OFFICE OF SUPPORTIVE HOUSING (HUD)
CITY OF PHILADELPHIA CONTRACT NO. 19-20652
HUD CONTINUUM OF CARE - FREEDOM'S GATE GRANT NO. PA0072L3T001811
RECONCILIATION OF AGENCY REPORTED EXPENDITURES/REVENUES TO AUDIT
FOR THE GRANT PERIOD APRIL 1, 2019 THROUGH MARCH 31, 2020

<u>Budget Categories</u>	<u>Agency Total Contract Expenditures</u>	<u>Adjustments</u>	<u>Amount per Audit</u>
Personnel services			
Salaries	\$ 5,353	\$ -	\$ 5,353
Fringe benefits	<u>687</u>	<u>-</u>	<u>687</u>
Sub-total: Personnel services	<u>6,040</u>	<u>-</u>	<u>6,040</u>
Operating Expenses			
Rent, occupancy and utilities	-	-	-
Communications and telephone	-	-	-
Supplies	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total: Operating Expenses	<u>-</u>	<u>-</u>	<u>-</u>
Administrative Costs			
Insurance	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total: Administrative costs	<u>-</u>	<u>-</u>	<u>-</u>
Participants			
Rental assistance	<u>72,208</u>	<u>-</u>	<u>72,208</u>
Sub-total: Participants	<u>72,208</u>	<u>-</u>	<u>72,208</u>
Total OSH Contract Expenditures	<u>78,248</u>	<u>-</u>	<u>78,248</u>
City of Philadelphia, OSH	<u>78,345</u>	<u>-</u>	<u>78,345</u>
Total Funding	<u>78,345</u>	<u>-</u>	<u>78,345</u>
Excess of expenditures over funding sources	<u>\$ (97)</u>	<u>\$ -</u>	<u>\$ (97)</u>

VETERANS MULTI-SERVICE CENTER, INC.
OFFICE OF SUPPORTIVE HOUSING (HUD)
CITY OF PHILADELPHIA CONTRACT NO. 19-20252
HUD RAPID REHOUSING GRANT NO. PA0619L3T001704
RECONCILIATION OF AGENCY REPORTED EXPENDITURES/REVENUES TO AUDIT
FOR THE GRANT PERIOD JULY 1, 2018 THROUGH JUNE 30, 2019

<u>Budget Categories</u>	<u>Agency Total Contract Expenditures</u>	<u>Adjustments</u>	<u>Amount per Audit</u>
Personnel services			
Salaries	\$ 58,924	\$ -	\$ 58,924
Fringe benefits	13,304	-	13,304
Sub-total: Personnel services	<u>72,228</u>	<u>-</u>	<u>72,228</u>
Administrative Costs			
Fees	-	-	-
Sub-total: Administrative Costs	<u>-</u>	<u>-</u>	<u>-</u>
Participants			
Rental assistance	120,175	-	120,175
Sub-total: Participants	<u>120,175</u>	<u>-</u>	<u>120,175</u>
Total OSH Contract Expenditures	<u>192,403</u>	<u>-</u>	<u>192,403</u>
City of Philadelphia, OSH	<u>191,079</u>	<u>-</u>	<u>191,079</u>
Total Funding	<u>191,079</u>	<u>-</u>	<u>191,079</u>
Excess of expenditures over funding sources	<u>\$ 1,324</u>	<u>\$ -</u>	<u>\$ 1,324</u>

VETERANS MULTI-SERVICE CENTER, INC.
OFFICE OF SUPPORTIVE HOUSING (HUD)
CITY OF PHILADELPHIA CONTRACT NO. 19-20632
PSH RENTAL ASSISTANCE - EDISON 64 GRANT NO. PA0865L3T001700
RECONCILIATION OF AGENCY REPORTED EXPENDITURES/REVENUES TO AUDIT
FOR THE GRANT PERIOD MAY 1, 2019 THROUGH APRIL 30, 2020

<u>Budget Categories</u>	<u>Agency Total Contract Expenditures</u>	<u>Adjustments</u>	<u>Amount per Audit</u>
Personnel services			
Salaries	\$ -	\$ -	\$ -
Fringe benefits	-	-	-
Sub-total: Personnel services	-	-	-
Operating Expenses			
Advertising	6,750	-	6,750
Program expense	48	-	48
Supplies	1,676	-	1,676
Sub-total: Operating Expenses	8,474	-	8,474
Administrative Costs			
Fees	2,728	-	2,728
Training and conferences	-	-	-
Sub-total: Administrative Costs	2,728	-	2,728
Participants			
Rental assistance	-	-	-
Sub-total: Participants	-	-	-
Total OSH Contract Expenditures	11,202	-	11,202
City of Philadelphia, OSH	-	-	-
Total Funding	-	-	-
Excess of expenditures over funding sources	\$ 11,202	\$ -	\$ 11,202