

**VETERANS ONE-STOP CENTER
OF WNY, INC.**

**Financial Statements
With Independent Auditor's Report**

December 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Veterans One-Stop Center of WNY, Inc.
Buffalo, New York

Report on the Financial Statements

We have audited the accompanying financial statements of Veterans One-Stop Center of WNY, Inc. (the Agency), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, 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.

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. 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 amount 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 One-Stop Center of WNY, Inc. as of December 31, 2020 and 2019, 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.

Dopkins & Company, LLP
CERTIFIED PUBLIC ACCOUNTANTS

March 22, 2021

VETERANS ONE-STOP CENTER OF WNY, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2020 and 2019

ASSETS	2020	2019
Current Assets		
Cash	\$ 258,710	\$ 45,941
Grants and contributions receivable	197,946	213,790
Prepaid expenses	10,329	4,541
Total current assets	466,985	264,272
Property and Equipment, net	14,334	26,138
Total assets	\$ 481,319	\$ 290,410
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 24,959	\$ 49,506
Accrued expenses	33,081	34,217
Refundable advances	180,000	-
Total current liabilities	238,040	83,723
Net Assets Without Donor Restrictions	243,279	206,687
Total liabilities and net assets	\$ 481,319	\$ 290,410

VETERANS ONE-STOP CENTER OF WNY, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended December 31, 2020 and 2019

	2020	2019
Revenue:		
Contributions:		
Corporate and foundation	\$ 303,205	\$ 382,138
Individuals	84,482	106,290
Federated organizations	41,527	15,000
In-kind donations	4,544	48,274
Contracts and program income	701,522	636,206
Other income (Note 8)	139,754	-
Total revenue	1,275,034	1,187,908
Expenses:		
Program services	1,098,604	980,347
Management and general	136,428	157,846
Fundraising	3,410	4,490
Total expenses	1,238,442	1,142,683
Change in net assets	36,592	45,225
Net assets:		
Balance, beginning of year	206,687	161,462
Balance, end of year	\$ 243,279	\$ 206,687

VETERANS ONE-STOP CENTER OF WNY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2020 and 2019

	2020				2019			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	\$ 475,702	\$ 77,440	\$ -	\$ 553,142	\$ 503,349	\$ 81,940	\$ -	\$ 585,289
Payroll taxes and benefits	98,074	15,965	-	114,039	101,984	16,602	-	118,586
Total payroll expenses	573,776	93,405	-	667,181	605,333	98,542	-	703,875
Advertising, marketing and promotion	22,805	-	-	22,805	33,079	-	-	33,079
Contract services	69,717	-	-	69,717	78,251	-	-	78,251
Depreciation	11,096	708	-	11,804	11,096	708	-	11,804
Emergency housing assistance	262,415	-	-	262,415	31,154	1,989	-	33,143
Fundraising	-	-	3,410	3,410	-	-	4,490	4,490
In-kind expense	4,544	-	-	4,544	18,274	30,000	-	48,274
Insurance	22,141	1,413	-	23,554	19,196	1,225	-	20,421
Occupancy	62,420	3,984	-	66,404	126,916	8,101	-	135,017
Office supplies	3,374	215	-	3,589	8,748	558	-	9,306
Professional fees	-	32,850	-	32,850	-	14,254	-	14,254
Technology and infrastructure	57,564	3,674	-	61,238	34,166	2,181	-	36,347
Travel and meetings	8,752	179	-	8,931	14,134	288	-	14,422
Total expenses	\$ 1,098,604	\$ 136,428	\$ 3,410	\$ 1,238,442	\$ 980,347	\$ 157,846	\$ 4,490	\$ 1,142,683

VETERANS ONE-STOP CENTER OF WNY, INC.

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2020 and 2019

	2020	2019
Cash Flows From Operating Activities		
Change in net assets	\$ 36,592	\$ 45,225
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	11,804	11,804
(Increase) decrease in:		
Grants and contributions receivable	15,844	(31,354)
Prepaid expenses	(5,788)	-
Increase (decrease) in:		
Accounts payable	(24,547)	1,062
Accrued expenses	(1,136)	46
Refundable advances	180,000	-
Net cash provided by operating activities	212,769	26,783
Cash Flows From Financing Activities		
Net repayments under note payable, bank	-	(20,000)
Net cash used in operating activities	-	(20,000)
Net increase in cash	212,769	6,783
Cash:		
Beginning of year	45,941	39,158
End of year	\$ 258,710	\$ 45,941

VETERANS ONE-STOP CENTER OF WNY, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities:

Veterans One-Stop Center of WNY, Inc. (the Agency) is an advocacy nonprofit collaborative agency empowering veterans, veteran families, and service members in achieving economic success, housing stability, and emotional health and well-being in support of their transition to civilian life.

The Agency empowers veterans by facilitating access to local, regional, and national-level opportunities and resources that offer value to and increase the self sufficiency of all veterans, service members, and military families. By utilizing a collective impact model, coordinated by, through and with a collaborative integrated care management approach, the Agency strengthens community support for veterans. Through innovative public and private partnerships, the Agency supports empowerment through linkages to community-based resources and opportunities. The Agency advocates for the support of veterans, service members, and military families as they successfully transition into the civilian world as civic assets and leaders, as the Agency strives to develop veteran-ready communities.

A summary of the Agency's significant accounting policies follows:

Cash:

The Agency maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Agency has not experienced any losses in such accounts. The Agency believes it is not exposed to any significant credit risk with respect to these accounts.

Accounts receivable:

Accounts receivable for services provided are recorded at the amount the Agency expects to be reimbursed based upon prices negotiated with the customers, or contract arrangements with governmental agencies. Management determines the allowance for doubtful accounts by identifying troubled accounts and using historical experience applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. Management has determined that no allowance for doubtful accounts is necessary as of December 31, 2020 or 2019.

Property and equipment:

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the following estimated useful lives.

	<u>Years</u>
Leasehold improvement	15
Vehicle	5
Computer equipment	3

VETERANS ONE-STOP CENTER OF WNY, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Net assets:

The Agency is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets with donor restrictions are those whose use has been limited by donors to a specific time period or purpose. The Agency does not have any net assets with donor restrictions.

Contributions:

All contributions are considered to be available for unrestricted use unless specifically restricted by a donor. Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Conditional pledges are recognized as revenue when the stipulated conditions have been met.

The Agency reports gifts of cash and investments as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the related net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

The Agency reports gifts of land, buildings and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donor restricted contributions whose restrictions are met in the same reporting periods are reported as support without donor restrictions in the statements of activities and changes in net assets.

Advertising:

The Agency incurs advertising and marketing costs both to promote the Agency and to fulfill its outreach services under various program requirements. Advertising, marketing and promotion costs incurred during the years ended December 31, 2020 and 2019 amounted to \$22,805 and \$33,079, respectively.

VETERANS ONE-STOP CENTER OF WNY, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Income taxes:

The Agency is exempt from taxation under Section 501(c) (3) of the Internal Revenue Code. It is highly certain that some positions taken for income tax purposes would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements only to the extent that an uncertain tax position, if any, is attributable to the Agency. The tax returns for the tax years 2017 through 2020 remain subject to examination by the Internal Revenue Service for U.S. Federal tax purposes and also by New York State for state tax purposes.

Methods used for allocation of expenses between program and support services:

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Agency. Those expenses include occupancy costs, IT costs and insurance, and facility maintenance. All of these expenses are allocated to the program or supporting functions based on time spent by specific individuals performing the functions or the square footage of the space the programs or functions occupy.

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 the 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 reporting period. Actual results could differ from those estimates.

Accounting pronouncement not yet adopted:

Accounting Standards Update 2016-02, *Leases*, will require entities to recognize assets and liabilities for leases that are longer than 12 months including operating leases existing at the date the standard becomes effective. ASU 2016-02 must be adopted by the Agency for their year ending December 31, 2021, although earlier application is permitted. As disclosed in Note 6, the expected payments under non-cancelable operating leases are \$77,806 at December 31, 2020. The new standard will require the presentation of these leases in the statement of financial position. Management does not expect a material impact on the statement of activities and changes in net assets.

Subsequent events:

Subsequent events have been evaluated through March 22, 2021, which is the date the financial statements were available to be issued.

VETERANS ONE-STOP CENTER OF WNY, INC.

NOTES TO FINANCIAL STATEMENTS

Note 2. Liquidity Management

As part of the Agency's liquidity management practice, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Agency has the following financial assets available within one year of the balance sheet date to meet cash needs for general expenditure:

Cash	\$ 258,710
Grants and contributions receivable	<u>197,946</u>
	<u>\$ 456,656</u>

The receivables are subject to implied time restrictions but are expected to be collected within one year.

Note 3. Property and Equipment

Property and equipment at December 31, 2020 and 2019 consists of the following:

	2020	2019
Leasehold improvement	\$ 14,132	\$ 14,132
Vehicle	37,515	37,515
Computer equipment	<u>10,077</u>	<u>10,077</u>
	61,724	61,724
Less accumulated depreciation	<u>47,390</u>	<u>35,586</u>
	<u>\$ 14,334</u>	<u>\$ 26,138</u>

Note 4. Note Payable

At December 31, 2019, the Agency had a line of credit agreement with a maximum borrowing capacity of \$110,000. The agreement expired on December 31, 2020 with the retirement of the Agency's former President. In March 2021, the Agency entered into a line of credit agreement with maximum borrowing capacity of \$150,000.

Note 5. In-Kind Donations and Expenses

Donated goods and services for the years ended December 31, 2020 and 2019 consist of the following:

	2020	2019
Sporting events, concert tickets and other events and volunteers with specialized skills	\$ 4,544	\$ 18,274
Accounting and human resource services	<u>-</u>	<u>30,000</u>
	<u>\$ 4,544</u>	<u>\$ 48,274</u>

VETERANS ONE-STOP CENTER OF WNY, INC.

NOTES TO FINANCIAL STATEMENTS

Note 6. Leases

The Agency leases its facilities under the terms of a non-cancelable operating lease expiring in March 2022, and under month-to-month rentals. Future minimum payments under these operating leases amount to \$62,245 and \$15,561 for the years ending December 31, 2020 and 2021, respectively.

Total rent expense for the years ended December 31, 2020 and 2019 amounted to \$66,137 and \$134,900, respectively, and is included in occupancy expense.

Note 7. Support from Governmental Units

The Agency receives significant support from various governmental agencies. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Agency's programs and activities.

Note 8. Coronavirus Pandemic

On March 13, 2020, the President of the United States of America declared a national state of emergency related to the health pandemic from the COVID-19 virus (Coronavirus Pandemic). As a result of the Coronavirus Pandemic, certain international travel bans and other restrictions by local, federal and foreign governments have been imposed. The overall impact to businesses as a result of the response to the health and safety concerns from the current outbreak is uncertain, however, the Coronavirus Pandemic has caused unavailability of personnel, facility closures and regulatory changes. During 2020, as a result of the Coronavirus Pandemic, New York State issued various orders requiring the temporary closure of all non-essential businesses. Such orders also reduced occupancy capacities for all businesses that were allowed to continue to operate. The Coronavirus Aid, Relief and Economic Security (CARES) Act was enacted on March 27, 2020 in response to the Coronavirus Pandemic. The Agency participated in the following CARES Act program:

Paycheck Protection Program

The Paycheck Protection Program (PPP) is administered by the U.S. Small Business Administration (SBA). Under this program, the Agency was awarded a loan in the amount of \$139,754. The Agency has the opportunity to have the loan forgiven if it meets the requirements under the PPP including, among others, maintaining or increasing employment levels over a twenty-four week period after receiving the loan. If not forgiven, the loan will bear interest at 1% and will be repaid in monthly installments of principal and interest. Management believes, within reasonable assurance, that the Agency has met the conditions and incurred the expenses necessary for forgiveness of the entire amount of the PPP loan. Additionally, the SBA approved the Agency's forgiveness application on February 21, 2021. As a result, the Agency has recorded other income in the amount of \$139,754 in the accompanying financial statements as of December 31, 2020.

VETERANS ONE-STOP CENTER OF WNY, INC.

NOTES TO FINANCIAL STATEMENTS

Note 8. Coronavirus Pandemic (Continued)

On December 27, 2020, the President of the United States signed an appropriations bill into law which included certain modifications to the PPP, including eligibility for a second loan for entities meeting requirements, including a significant reduction in revenues based on periods defined by the SBA. Subsequent to year end, on March 9, 2021, the Agency was awarded a second PPP loan for \$130,000. The Agency has the opportunity to have the loan forgiven if it meets the requirements under the PPP including, among others, maintaining or increasing employment levels over a twenty-four week period after receiving the loan. If not forgiven, the loan will bear interest at 1% and will be repaid in monthly installments of principal and interest.

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