

VETERANS OUTREACH CENTER, INC.

FINANCIAL STATEMENTS

December 31, 2024



TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	4
Statement of Activities	6
Statement of Functional Expenses	7
Statements of Cash Flows	9
Notes to Financial Statements	11
FEDERAL FINANCIAL ASSISTANCE/SUPPLEMENTARY INFORMATION	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	24
Report on Compliance For Each Major Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	26
Schedule of Findings and Questioned Costs	29
Schedule of Expenditures of Federal Awards	30
Notes to the Schedule of Expenditures of Federal Awards	31



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Veterans Outreach Center, Inc.
Rochester, New York

Opinion

We have audited the accompanying financial statements of Veterans Outreach Center, Inc. (a New York nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Veterans Outreach Center, Inc. as of December 31, 2024, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about Veterans Outreach Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Veterans Outreach Center, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about Veterans Outreach Center, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

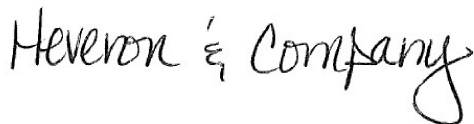
We have previously audited Veterans Outreach Center, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 30, 2024. In our opinion, the summarized comparative information presented herein, as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule 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* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 June 26, 2025 on our consideration of Veterans Outreach 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 Outreach 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 Outreach Center, Inc.'s internal control over financial reporting and compliance.



Heveron & Company
Certified Public Accountants

Rochester, New York
June 26, 2025

VETERANS OUTREACH CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

ASSETS

	<u>2024</u>	<u>2023</u>
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 274,260	\$ 635,972
Accounts and Rents Receivable	99,137	69,156
Grants Receivable	581,019	441,841
Pledges Receivable	667,183	53,500
Inventory	40,500	46,776
Prepaid Expenses	<u>166,840</u>	<u>28,015</u>
 Total Current Assets	 <u>1,828,939</u>	 <u>1,275,260</u>
 <u>Property and Equipment</u>		
Buildings and Building Improvements	12,580,690	11,780,787
Furniture, Fixtures and Equipment	205,644	194,999
Land and Improvements	317,909	317,909
Vehicles	74,770	91,511
Less: Accumulated Depreciation	<u>(2,780,943)</u>	<u>(2,426,440)</u>
 Net Property and Equipment	 <u>10,398,070</u>	 <u>9,958,766</u>
 <u>Other Assets</u>		
Pledges Receivable - Long Term, less present value discount of \$38,572	1,043,603	-
Investments	2,221,718	2,600,296
Loan Receivable	<u>746,366</u>	<u>746,366</u>
 Total Other Assets	 <u>4,011,687</u>	 <u>3,346,662</u>
 TOTAL ASSETS	 <u>\$16,238,696</u>	 <u>\$14,580,688</u>

LIABILITIES AND NET ASSETS

	<u>2024</u>	<u>2023</u>
<u>Current Liabilities</u>		
Accounts Payable	\$ 321,322	\$ 225,314
Accrued Payroll and Related Benefits	89,580	75,882
Accrued Vacation	41,992	35,158
Refundable Advances	<u>243,370</u>	<u>572,014</u>
Total Current Liabilities	<u>696,264</u>	<u>908,368</u>
<u>Long-Term Debt</u>	<u>2,746,366</u>	<u>2,746,366</u>
Total Liabilities	<u>3,442,630</u>	<u>3,654,734</u>
<u>Net Assets</u>		
Without Donor Restrictions:		
Operating	9,555,437	8,936,718
Board-Designated	<u>1,302,332</u>	<u>1,110,368</u>
Total Net Assets without Donor Restrictions	<u>10,857,769</u>	<u>10,047,086</u>
With Donor Restrictions:		
Purpose restrictions	377,511	848,868
Time-restricted for future periods	<u>1,560,786</u>	<u>30,000</u>
Total Net Assets with Donor Restrictions	<u>1,938,297</u>	<u>878,868</u>
Total Net Assets	<u>12,796,066</u>	<u>10,925,954</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$16,238,696</u>	<u>\$14,580,688</u>

See Accompanying Notes to Financial Statements.

VETERANS OUTREACH CENTER, INC.
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2024
(With Comparative Totals For The Year Ended December 31, 2023)

	Without Donor	With Donor	<u>Totals</u>	
	<u>Restrictions</u>	<u>Restrictions</u>	<u>2024</u>	<u>2023</u>
<u>Support and Revenue</u>				
Government Grants	\$ 2,382,306	\$ -	\$ 2,382,306	\$ 3,252,170
Contributions	1,675,446	1,886,078	3,561,524	1,006,906
Fundraising Events	456,612	-	456,612	486,911
Less: Direct Benefit to Donors	(125,035)	-	(125,035)	(139,852)
United Way	18,156	31,000	49,156	63,780
Flag Store Sales	123,132	-	123,132	75,967
Less: Cost of Goods Sold	(71,590)	-	(71,590)	(48,045)
Other Income	8,748	-	8,748	10,000
Net Assets Released From Restriction	<u>857,649</u>	<u>(857,649)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>5,325,424</u>	<u>1,059,429</u>	<u>6,384,853</u>	<u>4,707,837</u>
<u>Expenses</u>				
Program Expenses	3,248,619	-	3,248,619	2,716,871
Administration	1,001,948	-	1,001,948	771,082
Fundraising Expenses	<u>642,518</u>	<u>-</u>	<u>642,518</u>	<u>724,495</u>
Total Expenses	<u>4,893,085</u>	<u>-</u>	<u>4,893,085</u>	<u>4,212,448</u>
<u>Other Gains/(Losses)</u>				
Gain/(Loss) on Sale of Assets	149,988	-	149,988	-
Investment Income	71,920	-	71,920	117,353
Net Investment Return	<u>156,436</u>	<u>-</u>	<u>156,436</u>	<u>168,311</u>
Total Other Gains/(Losses)	<u>378,344</u>	<u>-</u>	<u>378,344</u>	<u>285,664</u>
Change in Net Assets	810,683	1,059,429	1,870,112	781,053
Net Assets - Beginning of Year	<u>10,047,086</u>	<u>878,868</u>	<u>10,925,954</u>	<u>10,144,901</u>
Net Assets - End of Year	<u>\$ 10,857,769</u>	<u>\$ 1,938,297</u>	<u>\$ 12,796,066</u>	<u>\$ 10,925,954</u>

See Accompanying Notes to Financial Statements.

VETERANS OUTREACH CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended December 31, 2024

(With Comparative Totals For The Year Ended December 31, 2023)

	Program Services					
	Employment and Training Program	Housing	Supportive and Wellness Services	Flag Store	Behavioral Health	Total Program Services
Salaries and Wages	\$ 336,714	\$ 578,560	\$ 355,698	\$ 66,056	\$ 318,962	\$ 1,655,990
Payroll Taxes and Benefits	38,911	105,210	57,880	6,314	47,295	255,610
Depreciation	20,313	254,925	18,340	2,492	72,323	368,393
Professional Fees and Contract Services	7,631	165,469	14,132	577	43,298	231,107
Supplies and Office Expense	36,795	73,801	27,619	10,107	57,611	205,933
Catering and Venue Expense	-	-	-	-	-	-
Marketing Expenses	111	-	-	2,262	-	2,373
Temporary Financial Assistance	7,469	45,344	24,649	-	9,777	87,239
Insurance	4,144	52,002	3,741	508	14,753	75,148
Other Expenses	-	1,098	-	4,111	1,320	6,529
Repairs, Maintenance and Janitorial Contracts	3,168	69,739	2,924	1,003	11,844	88,678
Food/Supplies	353	69,524	10,680	45	2,456	83,058
Cost of Sales	-	-	-	71,590	-	71,590
Communications	6,892	21,780	5,949	779	8,908	44,308
Utilities	719	51,268	648	88	2,556	55,279
Travel and Training	50,448	1,552	-	-	1,092	53,092
Transportation	2,168	5,808	13,149	182	514	21,821
Outreach Expenses	8,679	80	-	662	-	9,421
Rent	-	4,640	-	-	-	4,640
Interest Expense	-	-	-	-	-	-
Total Expenses	524,515	1,500,800	535,409	166,776	592,709	3,320,209
Less Expenses Included in Support and Revenue on the Statement of Activities	-	-	-	(71,590)	-	(71,590)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 524,515	\$1,500,800	\$ 535,409	\$ 95,186	\$ 592,709	\$3,248,619

Supporting Services

Administration	Fund-Raising	Direct Benefit to Donors	Total Supporting Services	Total Expenses	
				2024	2023
\$ 470,304	\$ 394,682	\$ -	\$ 864,986	\$2,520,976	\$2,259,790
118,751	70,899	-	189,650	445,260	361,876
14,951	9,967	-	24,918	393,311	289,744
303,059	7,769	4,825	315,653	546,760	277,650
43,328	45,475	-	88,803	294,736	256,575
-	-	113,414	113,414	113,414	135,302
-	61,745	-	61,745	64,118	103,887
-	-	-	-	87,239	99,311
3,050	2,033	-	5,083	80,231	81,134
34,274	29,018	6,796	70,088	76,617	73,063
2,331	1,554	-	3,885	92,563	65,643
-	3,335	-	3,335	86,393	58,936
-	-	-	-	71,590	48,045
6,199	5,856	-	12,055	56,363	48,241
528	352	-	880	56,159	61,702
57	212	-	269	53,361	53,722
2,856	1,611	-	4,467	26,288	17,165
2,260	8,010	-	10,270	19,691	43,067
-	-	-	-	4,640	7,640
-	-	-	-	-	57,852
<u>1,001,948</u>	<u>642,518</u>	<u>125,035</u>	<u>1,769,501</u>	<u>5,089,710</u>	<u>4,400,345</u>
<u>-</u>	<u>-</u>	<u>(125,035)</u>	<u>(125,035)</u>	<u>(196,625)</u>	<u>(187,897)</u>
<u>\$ 1,001,948</u>	<u>\$ 642,518</u>	<u>\$ -</u>	<u>\$ 1,644,466</u>	<u>\$4,893,085</u>	<u>\$4,212,448</u>

See Accompanying Notes to Financial Statements.

VETERANS OUTREACH CENTER, INC.
STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2024 and 2023

	2024	2023
<u>Cash Flow From Operating Activities</u>		
Change in Net Assets	\$ 1,870,112	\$ 781,053
Grants and Contributions Restricted for Long-Term Purposes	(308,803)	(1,451,843)
Noncash Expenses, Revenues, Losses and Gains:		
Depreciation	393,311	289,744
Realized/Unrealized (Gain)/Loss on Investments	(156,910)	(177,025)
(Gain)/Loss on Sale of Assets	(149,988)	-
Decrease/(Increase) In:		
Accounts and Rents Receivable	(29,981)	28,627
Grants Receivable	(139,178)	267,203
Pledges Receivable	(1,517,286)	5,047
Inventory	6,276	(5,558)
Prepaid Expenses	(138,825)	13,436
Increase/(Decrease) In:		
Accounts Payable	196,535	(503,782)
Accrued Payroll and Related Benefits	13,698	5,092
Accrued Vacation	6,834	6,337
Refundable Advances	<u>(328,644)</u>	<u>422,514</u>
Net Cash Flow Provided/(Used) By Operating Activities	<u>(282,849)</u>	<u>(319,155)</u>
<u>Cash Flow From Investing Activities</u>		
Purchase of Property and Equipment	(1,120,457)	(2,336,474)
Proceeds from Sale of Property and Equipment	337,302	-
Purchase of Investments	(593,881)	(3,876,090)
Sale of Investments	<u>1,129,370</u>	<u>7,067,047</u>
Net Cash Flow Provided/(Used) By Investing Activities	<u>(247,666)</u>	<u>854,483</u>

VETERANS OUTREACH CENTER, INC.
STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2024 and 2023
(Continued)

	<u>2024</u>	<u>2023</u>
<u>Cash Flow From Financing Activities</u>		
Grants and Contributions Restricted for Long-Term Purposes	308,803	1,451,843
(Increase)/Decrease in Pledges Receivable	(140,000)	522,795
Borrowings on Line of Credit	25,499	72,109
Repayments on Line of Credit	<u>(25,499)</u>	<u>(3,053,799)</u>
Net Cash Flow Provided/(Used) By Financing Activities	<u>168,803</u>	<u>(1,007,052)</u>
 Net Increase/(Decrease) in Cash and Cash Equivalents	 (361,712)	 (471,724)
 Cash and Cash Equivalents - Beginning of Year	 <u>635,972</u>	 <u>1,107,696</u>
 Cash and Cash Equivalents - End of Year	 <u>\$ 274,260</u>	 <u>\$ 635,972</u>
 <u>Supplemental Disclosures of Non-Cash Investing Activities</u>		
Acquisition of Property and Equipment*	<u>\$ 46,174</u>	<u>\$ 146,701</u>
* These acquisitions were included in Accounts Payable at year end, therefore they have been excluded from the cash flows above		
 <u>Supplemental Disclosures</u>		
Cash Paid During The Year For:		
Interest	<u>\$ -</u>	<u>\$ 57,852</u>

See Accompanying Notes to Financial Statements.

VETERANS OUTREACH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Veterans Outreach Center, Inc. (the Center) is a not-for-profit corporation whose purpose is to provide assistance to veterans and their families in the City of Rochester, New York and the surrounding five county area (Monroe, Wayne, Ontario, Livingston, and Orleans). In 2024, the Center served a total of 2,171 veterans. Of those, 1,665 individual veterans visited the Center's facilities a combined 15,815 times, and staff interacted with an additional 506 veterans 7,878 times via phone, email, or in off-site locations. 505 of those served were first-time visitors. Additionally, the Center's staff conducted 564 outreach activities to connect with and support veterans in the broader community. The following supportive services are offered at the Center: case management and advocacy, on-site legal assistance, job training, employment search and placement, residential programs including emergency, transitional, permanent and supportive housing, food pantry and clothing closet, behavioral health and wellness services at the Morale Center and Peer Connection Center, financial guidance, and public awareness programs for veterans. The Center also has a retail e-commerce Flag Store for the purposes of generating program revenue. The major programs are described below.

Employment and Training Program

The Center's Employment Resource Center provides vocational counseling, skills assessment, occupational skills training, resume preparation and job search assistance. In 2024, the Centers's professional team of Employment Specialists assisted in placing 202 veterans in jobs with 156 in full-time positions (40 hours per week) and 46 in part-time positions (19 hours per week), with an overall average wage of \$18.35/hour. The Center's Veterans Community Technology Center (VCTC) had nearly 4,225 visits. The Center provided or funded career-based training to 264 veterans and conducted 231 classes, offering professional development and training opportunities.

Housing

Veterans Outreach Center, Inc. owns and operates 54 beds of housing to serve homeless male veterans. In 2024, 134 male veterans were provided shelter in our residential program. This program includes two primary facilities, Richards House and Otto House, both located at The Veterans Outreach Center Gary B. Beikirch Residential Complex. Richards House has 46 beds in congregate living for the purposes of emergency or transitional housing. Otto House, which has 8 private apartments for transitional and/or supportive living. Each facility offers case management to help veterans achieve their goals. Following completion of program goals, these veterans are then transitioned into permanent housing. The Center also continues to operate Liberty Landing, which opened in 2020. It is the first affordable, permanent housing facility with veteran preference in Monroe County, and it includes 10 units set aside specifically for formerly homeless veterans with disabilities. Liberty Landing has 33 apartments with onsite program management by the Center and property management via our development partner, Conifer.

VETERANS OUTREACH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024
(Continued)

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Organization (Continued)

Supportive and Wellness Services

The Center offered a portfolio of no-cost services available to all veterans and immediate family members. Counseling, temporary financial assistance, housing search, peer mentoring, financial counseling, budget workshops, and legal counseling are some of the services provided in 2024. The Center supported 29 veterans with their journey through Veterans Treatment Court, a program designed to support justice-involved veterans so that they may avoid incarceration, develop healthy networks, establish economic sufficiency, and lead successful lives. Additionally, through a partnership, the Center had 143 veterans participate in Lawyer for a Day, an opportunity hosted at the Center that utilizes volunteer lawyers who donate their time. This was utilized 163 times in 2024. A dedicated female veterans program served 196 individual veterans with services focused on the unique challenges they faced during military service. The Center conducts remote services using web-based technology and helped support 398 veterans across the country. We continue to provide hundreds of unlimited bus passes to veterans (free of charge) through our partnership with RTS in Monroe and the surrounding counties. Lastly, the Center staff safely conducted over 564 outreach activities to raise awareness of the services that local veterans have access to.

The Steve Preston Peer Connection Center (PCC) serves as a welcoming hub where veterans can access peer-to-peer support, build community, and receive guidance from those with shared lived experience. The PCC opened in June of 2024. From opening until the end of the year, the PCC saw a total of 166 unique veterans, and they visited the PCC 1,442 times. Over the course of the year, 166 peer-led support groups were offered and attended 963 times. Each day, the PCC features a theme or activity designed to promote connection, reflection, or skill-building—though participation is always encouraged, never required. The PCC plays a vital role in fostering trust, reducing isolation, and empowering veterans on their journey toward stability and healing.

Flag Store

The e-commerce store offers a wide selection of flags, accessories, military and patriotic merchandise for sale with any proceeds going to support the Center's programs and services.

VETERANS OUTREACH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024
(Continued)

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Organization (Continued)

Behavioral Health Program

This program is dedicated to the wellness of the Western NY veteran community, while also leading the agency's trauma-informed care efforts through internal modeling and training. The Behavior Health team is led by a NYS State licensed mental health counselor. The team provides crisis intervention, outreach, and internal and external consultation. In 2024, they served 850 individual clients through 1,863 total engagements. Additionally, the center conducted 782 suicide screenings. With a strong focus on suicide prevention and awareness, the team also provides regular wellness checks and acts as a critical resource for both clients and staff.

In 2024, the Center's Quartermaster Program served 936 veterans a total of 6,004 times, providing essential daily living supplies such as food, clothing, and hygiene items. Additionally, the Center's Fitness Center—equipped with free weights, ellipticals, treadmills, and other exercise equipment—was utilized by 167 veterans across 1,443 visits, reinforcing the link between physical health and overall wellness.

A component of the Center's Wellness Programs is the Morale Center. In 2024, the following services were offered: Peer Support & Substance Abuse Recovery Groups, Open Art Studio, Art Therapy, Plastic Model building, Fitness Center Recreation, Massage Therapy, Hydro Massage, Free Laundry Facilities, Reiki Therapy, Chess Club, Barber & Salon Services, Socialization Groups, Outdoor Wellness, and behavioral health support for all staff and clients on site. This resulted in veterans utilizing these holistic wellness services just over 9,871 times.

The Center benefits from strong community engagement, with skilled volunteers playing a vital role in delivering free services to local veterans. In 2024, 42 dedicated Center volunteers contributed their time throughout the year, supported by an additional 441 volunteers for special events. Together, they logged a total of 3,629 hours of service. This volunteer-driven support is essential to extending the reach and impact of the Center's mission.

VETERANS OUTREACH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Net Assets

In accordance with accounting principles generally accepted in the United States of America, the Center reports information regarding its financial position and activities according to the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve to provide support for current and future activities.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled or both.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other 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 and reported in the statements of activities as net assets released from restrictions.

VETERANS OUTREACH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

A portion of the Center's revenue is derived from cost-reimbursable federal, state, and foundation contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Center has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Center received cost-reimbursable grants of \$243,370 and \$572,014 that have not been recognized at December 31, 2024 and 2023, respectively, because qualifying expenditures had not yet been incurred. These advance payments have been recognized in the statements of financial position as refundable advances at December 31, 2024 and 2023, respectively.

Funding sources may, at their discretion, amend the grant and contract amounts. In addition, reimbursement for expenses or return of funds, or both, may be requested as a result of noncompliance by the Organization with the terms of the grants and contracts. The Organization records such amendments, reimbursements, and returns of funds as an adjustment to revenue in the year of the amendment.

Revenue from the sales of products (flags, merchandise, and memorabilia) is recognized at the time of sale.

Contributions

The Center recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Contributions that are expected to be received in future years are recorded at their present value. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

In-kind Contributions

Contributed nonfinancial assets may include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. Contributed goods and services are recorded at fair value at the date of donation. The Center does not sell donated gifts-in-kind. No significant contributions of such goods or services were received during the years ended December 31, 2024 and 2023, respectively.

VETERANS OUTREACH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024
(Continued)

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Inventory

Inventory consists of items held for resale at the Center's Flag Store and is recorded at the lower of cost (determined on a first-in, first-out basis) or market.

Pledges Receivable

Pledges receivable represent amounts due the Center under the terms of unconditional promises to give. Payments to be received after December 31, 2025 are adjusted to their estimated net present value when deemed material.

Accounts and Rents Receivables

Accounts and rents receivable are stated at the amount management expects to collect. Amounts that management believes to be uncollectible after collection efforts have been completed are written off. In addition, management evaluates the need for and, if appropriate, provides an allowance to reduce receivables to amounts management expects will be collected. Management determines the allowance for uncollectible accounts receivable based on historical information, adjusted for current conditions, and reasonable and supportable forecasts. Management determined that no allowances were necessary at December 31, 2024 and 2023.

Grants Receivable

Grants receivable are stated at the amount management expects to collect. Management provides for probable uncollectible amounts based on its assessment of the current status of receivables from grants, agencies, and others. Balances that are still outstanding after management has used reasonable collection efforts are written off. There was no allowances for doubtful accounts at December 31, 2024 and 2023.

Income Taxes

The Internal Revenue Service has determined that the Center is qualified as a charity exempt under Section 501(c)(3) of the Internal Revenue Code, and has also determined that the Center is publicly supported. As a result, no provision for federal or state income taxes has been made.

Use of Estimates in the Preparation of Financial Statements

Accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the amounts of assets and liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Actual results could vary from those estimates.

VETERANS OUTREACH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses

The financial statements report certain categories of expenses that are attributed to both program and supporting functions. Therefore, allocation on a reasonable basis that is consistently applied is required. The expenses that are allocated include utilities, repairs and maintenance, and depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, professional fees and contract services, office expenses, communications, interest, insurance, and other expenses, which are allocated on the basis of estimates of time and effort for each category. These functional allocations are spread across the Center's programs applying reasonableness and consistency in the process.

Marketing Expenses

Marketing expenses costs are expensed as incurred.

Property and Equipment

Property and equipment are stated at cost. The Center capitalizes property and equipment with a cost of over \$5,000 and an estimated life of three or more years. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets, as follows.

	<u>Years</u>
Equipment	3-10
Vehicles	5
Furniture and Fixtures	7
Land Improvements	15
Buildings and Improvements	15-39

Depreciation expense amounted to \$393,311 and \$289,744 for the years ended December 31, 2024 and 2023, respectively.

Long-Lived Assets

Management reviews long-lived assets to be held and used for possible impairment when events or changes in circumstances indicate that their carrying amounts may not be recoverable. Recoverability of these assets is measured by the comparison of the carrying value of the asset to the sum of the undiscounted cash flows expected to result from the use of the asset and its eventual disposition. If the assets are considered to be impaired, an impairment loss is recognized as the amount by which the carrying amount of the assets exceeds the fair value of the asset. Management determined there was no impairment for the years ended December 31, 2024 and 2023.

VETERANS OUTREACH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents, and Restricted Cash

For the purposes of the statements of cash flows, cash, cash equivalents, and restricted cash, include all cash on hand and in banks, which, at times may exceed federally insured limits. The Center considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Certain of these accounts are not federally insured. The Center has not experienced any losses in these accounts and does not believe it is exposed to any significant credit risk with respect to cash and cash equivalents. The Center did not have any restricted cash at December 31, 2024 and 2023.

Determining Fair Value of Financial Assets and Liabilities

Accounting principles generally accepted in the United States of America established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation method are unadjusted quoted market prices and active markets for identical assets or liabilities.

Level 2: Inputs to the valuation method include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or by other means.

Level 3: Inputs to the valuation method are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used, need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended December 31, 2023 from which the summarized information was derived.

VETERANS OUTREACH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements

On January 1, 2023, the Center adopted ASU 2016-13 Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASC 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including loan receivables. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses. The Center adopted ASC 326 and all related subsequent amendments thereto effective January 1, 2023 using the modified retrospective transition approach for all financial assets. Accordingly, financial information for periods prior to the date of initial application has not been adjusted. This required recognition had no current impact to the Center’s financial statements.

NOTE 2 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions or board designations limiting their use within one year of the statement of financial position date, comprise the following:

	2024	2024
Cash and cash equivalents	\$ 274,260	\$ 635,972
Less donor-restricted cash	(377,511)	(327,073)
Accounts and rents receivable	99,137	69,156
Grants receivable	581,019	441,841
Pledges receivable	667,183	53,500
Total	\$ 1,244,088	\$ 873,396

In addition, the Center has a \$300,000 line of credit that may be used for operations (Note 3).

Although the board-designated endowment fund is intended for specific uses, the board has the ability to take earnings from, and even the principal of, that fund for general expenditures, if necessary.

VETERANS OUTREACH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024
(Continued)

NOTE 3 - PLEDGES RECEIVABLE

Pledges receivable consist of unconditional promises to give from donors to support the center's programs and activities. For the year ended December 31, 2024, there were pledges due in more than one year, that were reflected at the present value of estimated future cash flows using discount rates ranging from 3.45% to 4.09%. There were no pledges due in more than five years at December 31, 2023.

Pledges receivable consisted of the following at December 31:

	<u>2024</u>	<u>2023</u>
Less than one year	\$ 667,183	\$ 53,500
One to five years	<u>1,082,175</u>	<u>-</u>
Total gross pledges receivable	1,749,358	53,500
Less: Present value discount	<u>(38,572)</u>	<u>-</u>
Total pledges receivable, net	<u><u>\$1,710,786</u></u>	<u><u>\$ 53,500</u></u>

NOTE 4 - INVESTMENTS

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair market value. Unrealized gains or losses on securities result from differences between the cost and fair market value of securities on a specified valuation date.

Investment securities are exposed to various risks, such as interest rate, market, economic conditions, world affairs and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Investments are held in investment funds managed by professional investment advisors. A summary of investments at market value at December 31, are as follows:

	<u>2024</u>	<u>2023</u>
Exchange Traded Funds	\$ 1,301,811	\$ -
Money Market Fund	919,907	2,597,494
Equity and Mutual Fund Investments	<u>-</u>	<u>2,802</u>
Total Investments	<u><u>\$ 2,221,718</u></u>	<u><u>\$ 2,600,296</u></u>

All of the investments are based on level 1 inputs in the hierarchy as described in Note 1.

VETERANS OUTREACH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024
(Continued)

NOTE 5 - LONG TERM DEBT

The Center was awarded a capital advance from Federal Home Loan Bank to assist in the construction of rental property. The total amount of the advance was \$746,366. The capital advance is secured by a mortgage which shall bear no interest and is not required to be repaid, so long as the housing remains available to income-eligible households for a period of at least fifteen years from the date of the issuance of the Project's Certificate of Occupancy. The rental property is pledged as collateral for the mortgage. The advance is also subject to requirements by Affordable Housing Program (AHP) regulations.

In 2022, the Center was awarded a capital advance from Homeless Housing and Assistance Corporation to assist in the construction and improvement of housing for homeless veterans. The total amount of the advance was \$2,000,000. The capital advance is secured by a mortgage which shall bear no interest and is not required to be repaid, so long as the housing remains available to homeless veterans for a period of at least twenty-five years from the date of the issuance of the Project's Certificate of Occupancy. The housing property is pledged as collateral for the mortgage.

NOTE 6 - AFFILIATED ORGANIZATIONS AND RELATED PARTY ACTIVITIES

Joint Venture

VOC Liberty Landing, LLC is a joint venture development between Conifer Realty, LLC and the Center. Each serves as co-developer for the project. The project is located at 185-205 Scio Street and 143-147 Delevan in the City of Rochester, New York. There are two managing members, VOC Liberty Landing CMM Corporation and VOC Liberty Landing Managing Member, LLC. VOC Liberty Landing CMM Corporation is wholly owned by the Center. VOC Liberty Landing Housing Development Fund Company, Inc., in which the Center is the sole member, holds title to the property. The aforementioned affiliates did not have any financial activity, and therefore are not included in these financial statements.

Loan Receivable

The Center has a loan receivable from VOC Liberty Landing, LLC in the amount of \$746,366. The loan does not require repayment so long as the housing remains available to income-eligible households for at least fifteen years. The loan is also subject to requirements by Affordable Housing Program (AHP) regulations.

VETERANS OUTREACH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024
(Continued)

NOTE 7 - LINE OF CREDIT

The Center has a line of credit with a maximum authorization of \$300,000. Advances against this line bear an interest rate at the current bank prime rate with a minimum rate of 4%. There were no amounts outstanding at December 31, 2024 and 2023. The line of credit is secured by the Center's physical assets.

NOTE 8 - BOARD-DESIGNATED NET ASSETS

The Board has designated, from net assets without donor restrictions, net assets for an operating reserve to provide support for current and future activities. The changes in net assets of the board-designated fund consist of the following for the years ended December 31:

	2024	2023
Interest and Dividends	\$ 25,577	\$ 24,327
Net realized gain/(loss)	-	96,596
Net unrealized gain/(loss)	166,531	72,533
Advisory fees	(144)	(3,797)
Increase/(decrease) in the board designated net assets	\$ 191,964	\$ 189,659

NOTE 9 - EMPLOYEE BENEFIT PLAN

The Center has a 403(b) employee benefit plan covering substantially all employees. This was an employee funded plan with no matching requirements for the Center until 2024. Consequently, there were no plan expenses incurred by the Center for this plan during 2023. In October 2024, the plan was updated to include an employer discretionary match. Expenses incurred during 2024 totaled \$1,971.

NOTE 10 - DONATED SERVICES AND GOODS

The Center receives donated services that, although substantial, do not meet the criteria for recording as revenue and expense under accounting principles generally accepted in the United States of America. During 2024 and 2023, approximately 480 and 400 active volunteers provided 3,625 and 3,100 hours of service, respectively. These consisted of assisting with fundraisers, clerical duties, greeting clients, lab instruction, art gallery and resource center assistance, wellness services, and tax preparation. The Center also had 15 board members provide 93 and 105 hours of service during 2024 and 2023.

VETERANS OUTREACH CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024
(Continued)

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods at December 31:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purpose:		
Steve Preston Peer Connection Center	\$ 150,000	\$ 501,795
Training	102,909	138,458
Rex Holiday and Emergency Fund for Vets	61,399	51,824
Peer Support, Morale, and Suicide Awareness	13,100	57,000
Capital Campaign	10,000	20,000
Mastrella Emergency Fund	9,783	9,783
Security Upgrades	9,771	-
Quartermaster	8,500	4,000
Vets with Pets	5,985	5,017
Woodruff Emergency Fund	2,956	11,148
Female Veteran Housing	2,428	1,000
Veterans Housewarming	680	2,260
Priscilla's House	-	46,583
	<u>377,511</u>	<u>848,868</u>
Subject to the passage of time:		
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	<u>1,560,786</u>	<u>30,000</u>
Total Net Assets with Donor Restrictions	<u><u>\$1,938,297</u></u>	<u><u>\$ 878,868</u></u>

NOTE 12 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 26, 2025, which is the date the statements were available for issuance.

VETERANS OUTREACH CENTER, INC.

FEDERAL FINANCIAL ASSISTANCE

SUPPLEMENTARY INFORMATION

For the Year Ended December 31, 2024



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

Independent Auditors' Report

To the Board of Directors
Veterans Outreach Center, Inc.
Rochester, NY

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 Outreach Center, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Veterans Outreach Center, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Veterans Outreach Center, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Veterans Outreach Center, Inc.'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.

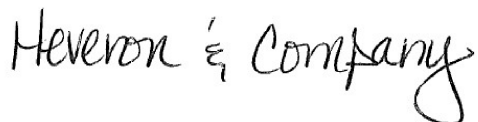
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Heveron & Company
Certified Public Accountants

Rochester, New York
June 26, 2025



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

Independent Auditors' Report

To the Board of Directors
Veterans Outreach Center, Inc.
Rochester, NY

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

We have audited Veterans Outreach Center, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Veterans Outreach Center, Inc.'s major federal programs for the year ended December 31, 2024. Veterans Outreach Center, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Veterans Outreach Center, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Veterans Outreach Center, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Veterans Outreach Center, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Veterans Outreach Center, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Veterans Outreach Center, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Veterans Outreach Center, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Veterans Outreach Center, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Veterans Outreach Center, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Veterans Outreach Center, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

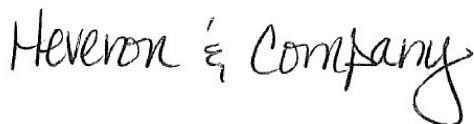
Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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



Heveron & Company
Certified Public Accountants

Rochester, New York
June 26, 2025

VETERANS OUTREACH CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2024

Section I - Summary of Auditor's Results

Financial Statements

The auditors' report expresses an unmodified opinion on the general-purpose financial statements of Veterans Outreach Center, Inc.

No material weaknesses were identified in the internal controls over financial reporting.

No significant deficiencies were identified in the internal controls over financial reporting.

No instances of noncompliance material to the financial statements of Veterans Outreach Center, Inc. were disclosed during the audit.

Federal Awards

The auditors' report on compliance for major programs expresses an unmodified opinion.

No material weaknesses were identified in the internal control over major programs.

No significant deficiencies were identified in the internal controls over major programs.

There are no audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a).

Identification of Major Programs:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
64.024	VA Homeless Providers Grant and Per Diem Program

Dollar Threshold used to Distinguish
between type A and type B programs: \$ 750,000

The auditee qualified as a low-risk auditee.

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

VETERANS OUTREACH CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2024

Federal Grantor/Program Title Pass-Through Grantor	Federal AL Number	Agency or Pass Through Number	Passed Through to Subrecipients	Federal Expenditures
<u>U.S. Department of Labor</u>				
Homeless Veterans Reintegration Program	17.805	N/A	\$ -	\$ 510,911
<u>U.S. Department of Veteran Affairs</u>				
VA Homeless Providers Grant and Per Diem Program	64.024	N/A	-	843,966
<u>U.S. Department of Housing & Urban Development</u>				
Emergency Solutions Grants Program Pass-through: City of Rochester	14.231	Not Available	-	42,338
Shelter Plus Care Program Pass-through: Rochester Housing Authority	14.238	NY0013L2C002215	-	23,781
Total U.S. Department of Housing & Urban Development			-	66,119
<u>U. S. Department of the Treasury</u>				
COVID-19: Coronavirus State and Local Fiscal Recovery Funds Pass-through: Monroe County	21.027	Not Available	-	275,681
<u>U. S. Department of Justice</u>				
Treatment Court Discretionary Grant Program Pass-through: All Rise for Justice	16.585	1008-0002-0005-0007	-	34,165
Total Federal Expenditures			\$ -	\$ 1,730,842

VETERANS OUTREACH CENTER, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2024

Note 1 - Basis of Presentation:

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Veterans Outreach Center, Inc. under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Veterans Outreach Center, Inc., it is not intended to and does not present the financial position, change in net assets, or cash flows of Veterans Outreach Center, Inc.

Note 2 - Summary of Significant Accounting Policies:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Veterans Outreach Center, Inc. has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.