

VETERANS COMMUNITY PROJECT
CONSOLIDATED AUDITED FINANCIAL STATEMENTS
Years Ended December 31, 2023 and 2022

AND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
WITH

SINGLE AUDIT REPORTS
Year Ended December 31, 2023

VETERANS COMMUNITY PROJECT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Veterans Community Project`

Opinion

We have audited the accompanying consolidated financial statements of Veterans Community Project (the Organization), a not-for-profit organization, which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated financial statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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 consolidated 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 consolidated 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 the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated 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 November 20, 2024 on our consideration of the Organization'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 the Organization'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 the Organization's internal control over financial reporting and compliance.

The logo for UHY LLP, featuring the letters 'UHY' in a large, stylized, handwritten font, with 'LLP' in a smaller, simpler font to the right.

Kansas City, Missouri
November 20, 2024

VETERANS COMMUNITY PROJECT
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS	December 31,	
	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,379,233	\$ 2,571,912
Contributions and grants receivable	2,402,141	1,084,306
Other receivables	9,973	31,652
Inventory	10,253	10,253
Prepaid expenses	65,181	46,704
Total current assets	<u>4,866,781</u>	<u>3,744,827</u>
LONG-TERM ASSETS		
Contributions and grants receivable, less current portion	223,558	330,488
Property and equipment	20,249,389	17,625,425
Total long-term assets	<u>20,472,947</u>	<u>17,955,913</u>
Total assets	<u>\$ 25,339,728</u>	<u>\$ 21,700,740</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of long-term debt	\$ 1,038,356	\$ 32,145
Accounts payable	362,351	539,033
Accrued expenses	99,579	126,175
Total current liabilities	<u>1,500,286</u>	<u>697,353</u>
LONG-TERM DEBT, less current portion	<u>1,001,176</u>	<u>2,021,083</u>
NET ASSETS		
Without donor restrictions	18,558,020	14,851,874
With donor restrictions	4,280,246	4,130,430
Total net assets	<u>22,838,266</u>	<u>18,982,304</u>
Total liabilities and net assets	<u>\$ 25,339,728</u>	<u>\$ 21,700,740</u>

See notes to financial statements.

**VETERANS COMMUNITY PROJECT
CONSOLIDATED STATEMENT OF ACTIVITIES**

	Year Ended December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions and grants	\$ 9,420,612	\$ 2,299,822	\$ 11,720,434
Contributed nonfinancial assets	<u>1,203,234</u>	<u>-</u>	<u>1,203,234</u>
	<u>10,623,846</u>	<u>2,299,822</u>	<u>12,923,668</u>
Special events			
Revenues	188,913	-	188,913
Contributions	306,492	-	306,492
Less: direct expenses	<u>(296,215)</u>	<u>-</u>	<u>(296,215)</u>
	<u>199,190</u>	<u>-</u>	<u>199,190</u>
Total public support	10,823,036	2,299,822	13,122,858
Sales of branded materials	40,632	-	40,632
Other revenue	181,019	-	181,019
Gain on disposal of property and equipment	<u>104,072</u>	<u>-</u>	<u>104,072</u>
Total revenues	11,148,759	2,299,822	13,448,581
Net assets released from restrictions	<u>2,150,006</u>	<u>(2,150,006)</u>	<u>-</u>
Total support and revenues	<u>13,298,765</u>	<u>149,816</u>	<u>13,448,581</u>
EXPENSES			
Program services	7,897,461	-	7,897,461
Management and general	678,601	-	678,601
Fundraising	<u>1,016,557</u>	<u>-</u>	<u>1,016,557</u>
Total expenses	<u>9,592,619</u>	<u>-</u>	<u>9,592,619</u>
CHANGE IN NET ASSETS	3,706,146	149,816	3,855,962
NET ASSETS, BEGINNING	<u>14,851,874</u>	<u>4,130,430</u>	<u>18,982,304</u>
NET ASSETS, ENDING	<u>\$ 18,558,020</u>	<u>\$ 4,280,246</u>	<u>\$ 22,838,266</u>

See notes to financial statements.

VETERANS COMMUNITY PROJECT
CONSOLIDATED STATEMENT OF ACTIVITIES

	Year Ended December 31, 2022		
	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>	
SUPPORT AND REVENUES			
Contributions and grants	\$ 6,243,026	\$ 4,085,918	\$ 10,328,944
Contributed nonfinancial assets	<u>3,883,745</u>	<u>-</u>	<u>3,883,745</u>
	<u>10,126,771</u>	<u>4,085,918</u>	<u>14,212,689</u>
Special events			
Revenues	182,150	-	182,150
Contributions	311,491	-	311,491
Less: direct expenses	<u>(327,496)</u>	<u>-</u>	<u>(327,496)</u>
	<u>166,145</u>	<u>-</u>	<u>166,145</u>
Total public support	10,292,916	4,085,918	14,378,834
Sales of branded materials	31,081	-	31,081
Other revenue	34,746	-	34,746
Gain on disposal of property and equipment	<u>(53,112)</u>	<u>-</u>	<u>(53,112)</u>
Total revenues	10,305,631	4,085,918	14,391,549
Net assets released from restrictions	<u>4,220,490</u>	<u>(4,220,490)</u>	<u>-</u>
Total support and revenues	<u>14,526,121</u>	<u>(134,572)</u>	<u>14,391,549</u>
EXPENSES			
Program services	6,174,075	-	6,174,075
Management and general	389,279	-	389,279
Fundraising	<u>660,719</u>	<u>-</u>	<u>660,719</u>
Total expenses	<u>7,224,073</u>	<u>-</u>	<u>7,224,073</u>
CHANGE IN NET ASSETS	7,302,048	(134,572)	7,167,476
NET ASSETS, BEGINNING	<u>7,549,826</u>	<u>4,265,002</u>	<u>11,814,828</u>
NET ASSETS, ENDING	<u>\$ 14,851,874</u>	<u>\$ 4,130,430</u>	<u>\$ 18,982,304</u>

See notes to financial statements.

VETERANS COMMUNITY PROJECT
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2023

	Program Services				Management and General	Fundraising	Total
	Veteran Outreach	VCP Village	Expansion	Total			
Salaries	\$ 1,301,623	\$ 1,561,040	\$ 668,723	\$ 3,531,386	\$ 156,871	\$ 590,391	\$ 4,278,648
Employee benefits	195,883	227,756	111,746	535,385	17,419	70,544	623,348
Payroll taxes	112,912	130,277	53,849	297,038	13,654	50,076	360,768
	<u>1,610,418</u>	<u>1,919,073</u>	<u>834,318</u>	<u>4,363,809</u>	<u>187,944</u>	<u>711,011</u>	<u>5,262,764</u>
Accounting fees	8,491	9,693	3,755	21,939	441	2,160	24,540
Advertising	8,451	8,682	1,200	18,333	-	8,802	27,135
Bank and credit card fees	113	16	44	173	1,237	47,819	49,229
Books, subscriptions, references	288	80	603	971	15	857	1,843
Community development	15,856	13,241	2,220	31,317	-	27,606	58,923
Computer and website expenses	49,740	34,713	4,650	89,103	24,237	30,753	144,093
Conferences and meetings	937	10	-	947	138	-	1,085
Cost of inventory	-	144	-	144	13,505	-	13,649
Depreciation	92,994	132,890	4,356	230,240	24,675	-	254,915
Equipment rental and maintenance	201	1,575	194	1,970	240	-	2,210
Grants to other organizations	-	-	-	-	100	-	100
Insurance	53,756	41,506	7,244	102,506	43,578	24,592	170,676
Interest	27,500	55,359	1,451	84,310	-	-	84,310
Legal fees	9,405	37,859	3,639	50,903	30,970	9,383	91,256
Licenses and fees	1,293	21,725	1,035	24,053	64,518	5,908	94,479
Membership dues	3,015	555	250	3,820	-	212	4,032
Occupancy and maintenance	181,688	166,734	11,232	359,654	137,193	11,484	508,331
Printing and postage	14,265	8,134	3,247	25,646	3,635	15,576	44,857
Professional fees, other	108,535	176,746	581,319	866,600	105,928	27,007	999,535
Specific assistance	306,788	27,380	1,000	335,168	-	-	335,168
Staff development	19,847	9,626	3,001	32,474	5,417	3,442	41,333
Supplies	654,597	415,002	17,860	1,087,459	23,936	67,772	1,179,167
Temporary help	318	3,805	600	4,723	-	316	5,039
Travel and auto	72,536	37,693	50,970	161,199	10,894	21,857	193,950
	<u>\$ 3,241,032</u>	<u>\$ 3,122,241</u>	<u>\$ 1,534,188</u>	<u>\$ 7,897,461</u>	<u>\$ 678,601</u>	<u>\$ 1,016,557</u>	<u>\$ 9,592,619</u>

VETERANS COMMUNITY PROJECT
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2022

	Program Services				Management and General	Fundraising	Total
	Veteran Outreach	VCP Village	Expansion	Total			
Salaries	\$ 691,218	\$ 1,279,042	\$ 574,536	\$ 2,544,796	\$ 93,681	\$ 326,103	\$ 2,964,580
Employee benefits	101,836	188,451	91,678	381,965	14,247	49,753	445,965
Payroll taxes	59,332	109,790	49,317	218,439	8,041	27,992	254,472
	<u>852,386</u>	<u>1,577,283</u>	<u>715,531</u>	<u>3,145,200</u>	<u>115,969</u>	<u>403,848</u>	<u>3,665,017</u>
Accounting fees	5,585	10,310	4,670	20,565	794	2,641	24,000
Advertising	2	199	75	276	499	1,886	2,661
Bank and credit card fees	28	78	-	106	435	46,821	47,362
Books, subscriptions, references	754	178	1	933	-	740	1,673
Community development	7,740	3,510	707	11,957	3,137	5,255	20,349
Computer and website expenses	35,895	23,960	3,426	63,281	13,928	31,818	109,027
Cost of inventory	19,854	15,453	-	35,307	6,524	6,251	48,082
Depreciation	80,801	112,882	6,374	200,057	11,520	-	211,577
Equipment rental and maintenance	4,694	13,019	-	17,713	140	(16,004)	1,849
Grants and individual assistance	279,261	12,323	-	291,584	-	-	291,584
Insurance	46,911	66,677	14,146	127,734	8,155	8,240	144,129
Interest	27,500	48,609	-	76,109	-	-	76,109
Legal fees	230	14,526	792	15,548	2,741	2,149	20,438
Licenses and fees	196	16,915	835	17,946	70,298	17,556	105,800
Membership dues	790	902	200	1,892	175	1,000	3,067
Occupancy and maintenance	219,988	208,471	8,696	437,155	64,399	19,576	521,130
Printing and postage	12,364	5,686	656	18,706	4,692	19,393	42,791
Professional fees, other	61,812	104,146	481,811	647,769	56,210	14,281	718,260
Staff development	8,181	15,139	6,800	30,120	1,109	3,861	35,090
Supplies	565,883	267,774	29,170	862,827	24,557	79,654	967,038
Temporary help	133	1,009	-	1,142	-	-	1,142
Travel and auto	40,712	42,114	67,322	150,148	3,997	11,753	165,898
	<u>\$ 2,271,700</u>	<u>\$ 2,561,163</u>	<u>\$ 1,341,212</u>	<u>\$ 6,174,075</u>	<u>\$ 389,279</u>	<u>\$ 660,719</u>	<u>\$ 7,224,073</u>

VETERANS COMMUNITY PROJECT
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2023	2022
OPERATING ACTIVITIES		
Change in net assets	\$ 3,855,962	\$ 7,167,476
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	254,915	211,577
(Gain) Loss on disposal of property and equipment	(104,072)	53,112
Change in:		
Contributions and grants receivable	(1,210,905)	345,002
Other receivables	21,679	5,660
Prepaid expenses	(18,477)	41,072
Accounts payable	(176,682)	274,153
Accrued expenses	(26,596)	(68,450)
Net cash provided by operating activities	<u>2,595,824</u>	<u>8,029,602</u>
INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	381,487	-
Purchase of property and equipment	(3,156,294)	(10,631,821)
Net cash used by investing activities	<u>(2,774,807)</u>	<u>(10,631,821)</u>
FINANCING ACTIVITIES		
Proceeds from notes payable	26,771	-
Payments on notes payable	(40,467)	(40,467)
Net cash used by financing activities	<u>(13,696)</u>	<u>(40,467)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(192,679)	(2,642,686)
CASH AND CASH EQUIVALENTS, Beginning of year	<u>2,571,912</u>	<u>5,214,598</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 2,379,233</u>	<u>\$ 2,571,912</u>
<i>Supplemental cash flow information</i>		
Cash paid during the year for interest	<u>\$ 111,810</u>	<u>\$ 103,609</u>

See notes to financial statements.

VETERANS COMMUNITY PROJECT

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Founded in Kansas City, Missouri in 2016, Veterans Community Project (the Organization) is a not-for-profit organization founded by a group of combat Veterans shaped by their military service and with a determination to do better for Veterans in need. All Veterans qualify for services, regardless of time in service, discharge status, or service type. The Organization's two core programs – Residential and Veteran Outreach Services – ensure Veterans not only get back on their feet but continue standing. Its third program, the Expansion program, focuses on growing the mission nationwide.

The Residential program's unique approach revolves around the utilization of tiny homes in VCP Villages as transitional housing. VCP Villages combine tiny homes with customized, comprehensive wraparound case management services designed to get homeless Veterans off the street and transition them to permanent housing.

The Organization's Veteran Outreach Services are provided through various channels, including physical Outreach Centers, and community, street, and agency outreach activities. These services offer direct access to life-changing support for any Veteran in need. Services include supporting Veterans with navigation of the Department of Veterans Affairs and their benefits, housing support, emergency assistance, mental and physical health referrals, financial counseling, employment support, assistance with basic needs, as well as a range of other services.

The Expansion program seeks to grow the mission of VCP to serve more Veterans nationwide by constructing VCP Villages in other cities. VCP currently operates in Kansas City, Missouri; Longmont, Colorado; St. Louis, Missouri; and Sioux Falls, South Dakota, with the Expansion program underway in Glendale, AZ and Milwaukee, WI; VCP will continue expanding to additional cities.

The accounts of the Organization and its wholly-owned subsidiary, Bravo Bravo Que, Inc. (BBQ) are included in the consolidated financial statements. BBQ is a for-profit subsidiary formed to design and sell barbeque products to raise awareness of the Organization. All significant intercompany balances and transaction have been eliminated.

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis in accordance with United States generally accepted accounting principles (U.S. GAAP) on a consistent basis. The financial transactions are recorded in and reported by the following net asset groups:

Net Assets Without Donor Restrictions - Net assets without donor restrictions represent resources over which the Board of Directors have discretionary control and are used to carry out operations of the Organization in accordance with its by-laws.

Net Assets With Donor Restrictions - Net assets with donor restrictions represent resources available for use currently or in the future, but expendable only for purposes specified by the donor or within a donor-designated time period. Resources of these funds originate from contributions and grants.

VETERANS COMMUNITY PROJECT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Nonfinancial Assets

Contributions of supplies are valued at fair value and recognized as revenue and expense as received. Contributions of property and equipment are valued at fair value and are capitalized and depreciated over the useful lives of the assets.

Contributed services are recognized as revenue if the services create or enhance nonfinancial assets or if the services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect amounts in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Functional Allocation of Expenses

The Organization allocates its expenses on a functional basis among program services, management and general, and fundraising. Expenses that can be directly identified with a specific program are allocated directly according to their natural expense classification. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. Fundraising expense includes those expenses related to the solicitation of contributions and grants

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in banks and highly liquid short-term investments with original maturities of three months or less. As of December 31, 2023 and 2022, cash equivalents consist primarily of money market funds. The Organization maintains cash and cash equivalent accounts at financial institutions with strong credit ratings. Accounts at banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. At times, the Organization may have balances in excess of FDIC coverage. Management considers this a normal business risk.

Contributions and Grants Receivable

Contributions and grants receivable consist of unconditional promises to give and are recorded in the year the promise is made. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows.

VETERANS COMMUNITY PROJECT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and Grants Receivable (Continued)

The discounts on those amounts are computed using an interest rate of 8.50%. Amortization of the discount is included in contribution revenue. The discount will be recognized as contributions revenue in future fiscal years as the discount is amortized over the duration of the contributions. An allowance for uncollectible contributions receivable is provided based on management's judgment, including such factors as prior collection history, type of contribution, past and expected future loss experience, reasonable and supportable forecasts, and nature of fundraising activity. Management determined that no allowance was necessary at December 31, 2023 and 2022, respectively.

Inventories

Inventories, which consist primarily of promotional merchandise and barbeque products, are stated at the lower of cost (average cost method) or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business. Inventories are evaluated for slow moving or obsolete items on an annual basis.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Expenditures for repairs and maintenance are charged to expense as incurred. Expenditures that materially extend the life of an asset are capitalized. Estimated useful lives for property and equipment are:

	<u>Years</u>
Buildings and improvements	15 - 30
Furniture, equipment, and vehicles	3

Revenue Recognition

Contributions and grants receivable, including unconditional promises-to-give in future periods, are recognized as revenues in the period the pledge is received. Conditional pledges, which depend upon specific future and uncertain events, are recognized as revenue when the conditions upon which they depend are substantially met.

Contributions are recorded as restricted support 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and change in net assets as net assets released from program restrictions. The Organization's policy is to record restricted contributions as without donor restriction if the restriction is met within the reporting period. Gifts of long-lived assets received without stipulation are also recorded as without donor restriction support.

VETERANS COMMUNITY PROJECT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

The Organization determines its allowance on contributions and grants receivable by considering a number of factors, including the length of time receivables are past due, the Organization's previous loss history, the grantor's or donor's current ability to pay its obligations to the Organization, and the condition of the general economy as a whole. The Organization writes off receivables when they become uncollectible. At December 31, 2023 and 2022, the Organization considered contributions and grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts was recorded.

Revenue Recognition for Contracts with Customers

The Organization's revenue streams under contracts with customers are comprised of revenues associated with grants, sales of branded materials, and special events.

For each revenue stream identified above, revenue recognition is subject to the completion of performance obligations. For each contract with a customer, the Organization determined whether the performance obligations in the contracts are distinct or should be bundled. Factors to be considered include the pattern of transfer, whether customers can benefit from the resources, and whether the resources are readily available. The Organization's revenue is recognized when a given performance obligation is satisfied, either over a period of time or at a given point in time. The Organization recognized the revenue over a period of time if the customer receives and consumes the benefit that the Organization provided, or if the Organization's performance does not create an asset with an alternative use, and has an enforceable right to payment for the performance.

The revenue is recognized at a given point in time when the control of the goods or service is transferred to the customer and when the customer can direct its use and obtain substantial benefit from the goods.

The transaction price is calculated as the amount of consideration to which the Organization expects to be entitled (such as grant and contract price, and event ticket price).

The following explains the performance obligations related to each revenue stream and how they are recognized.

Grants - The Organization receives grants from various sources to fund certain programs. The revenue is recognized upon receipt if there are no conditions or recognized as conditions are satisfied.

Sales of branded materials - The Organization earns revenues from sales of branded merchandise including logo merchandise and barbecue sauces. The revenue is recognized at point of sale.

Special events - The Organization earns revenues from fundraising events. The Organization's revenue is recognized when a given performance obligation is satisfied, usually at the time of the event.

VETERANS COMMUNITY PROJECT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising Expenses

Advertising costs are expensed as incurred and totaled \$27,135 and \$2,661 for the years ended December 31, 2023 and 2022, respectively.

Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization provides for uncertain income tax provisions if and when a liability is probable and estimable. The Organization has no uncertain tax positions for the years ended December 31, 2023 and 2022. Management is not aware of any violation of its tax status as an Organization exempt from income taxes. The Organization is subject to audits for federal and state purposes for the statutory period.

BBQ files a corporate income tax return. Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. No income tax expense was incurred by BBQ in the years ended December 31, 2023 and 2022. There were no deferred tax assets or liabilities as of December 31, 2023 or 2022.

Recently Adopted Accounting Pronouncement

Effective January 1, 2023, the Company adopted accounting standards update ASU 2016-13 *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaced the incurred loss methodology with an expected loss methodology. There was no material impact to the consolidated financial statements as a result of the adoption of ASU 2016-13.

Subsequent Events

Subsequent events have been evaluated through November 20, 2024, which is the date the consolidated financial statements were available to be issued.

VETERANS COMMUNITY PROJECT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 2 — LIQUIDITY AND AVAILABILITY OF RESOURCES

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

	December 31,	
	2023	2022
Cash	\$ 2,379,233	\$ 2,571,912
Contributions and grants receivable	2,402,141	1,084,306
Other receivable	<u>9,973</u>	<u>31,652</u>
	<u>\$ 4,791,347</u>	<u>\$ 3,687,870</u>

The Organization regularly monitors liquidity to meet its operating needs and other contractual commitments and maintains sufficient cash reserves to maintain its liquidity.

NOTE 3 — CONTRIBUTIONS RECEIVABLE

Contributions receivable are due as follows:

	December 31,	
	2023	2022
Less Than One Year	\$ 2,402,141	\$ 1,084,306
One to Five Years	265,000	375,825
Greater than Five Years	10,000	20,000
Pledge Discounts	<u>(51,442)</u>	<u>(65,337)</u>
	<u>\$ 2,625,699</u>	<u>\$ 1,414,794</u>

NOTE 4 — PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	December 31,	
	2023	2022
Land and land improvements	\$ 4,148,926	\$ 4,422,743
Buildings and improvements	10,873,145	6,345,896
Furniture and equipment	156,121	116,751
Vehicles	351,048	249,098
Construction in process	<u>5,860,098</u>	<u>7,406,362</u>
	21,389,338	18,540,850
Accumulated depreciation	<u>(1,139,949)</u>	<u>(915,425)</u>
	<u>\$ 20,249,389</u>	<u>\$ 17,625,425</u>

Depreciation expense was \$254,915 and \$211,577 for the years ended December 31, 2023 and 2022, respectively.

VETERANS COMMUNITY PROJECT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 5 — LONG-TERM DEBT

	December 31,	
	<u>2023</u>	<u>2022</u>
Note payable, bank, payments of \$8,721 including interest at 7.2%, maturing July 2029, when the remaining balance is due, collateralized by deed of trust on real estate	\$ 1,011,090	\$ 1,053,228
Note payable, charitable foundation, unsecured, payable in monthly installments of interest at 2.75%, maturing December 2024, when the remaining balance is due	1,000,000	1,000,000
Note payable, bank, payable in monthly installments of interest only at 7.35% through July 2028, when the remaining balance is due	<u>28,442</u>	<u>-</u>
	2,039,532	2,053,228
Current portion	<u>(1,038,356)</u>	<u>(32,145)</u>
	<u>\$ 1,001,176</u>	<u>\$ 2,021,083</u>

As of December 31, 2023, scheduled annual maturities of long-term debt is as follows:

<u>Year Ending</u> <u>December 31,</u>	
2024	\$ 1,038,356
2025	41,220
2026	44,297
2027	47,604
2028	48,000
Thereafter	<u>820,055</u>
	<u>\$ 2,039,532</u>

The Organization has a \$1,335,000 bank line of credit, scheduled to expire July, 2025, bearing interest at 8.50%, collateralized by a deed of trust of real property. The Organization had no amounts outstanding on the line at December 31, 2023 and 2022.

VETERANS COMMUNITY PROJECT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 6 — NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were restricted for the following purposes.

	December 31,	
	2023	2022
General Veteran support programs	\$ -	\$ 80,827
Expansion	100,000	100,000
Kansas City Veteran support programs and VCP Village	5,000	27,021
Veterans Navigation Campus	1,394,477	1,064,118
Colorado VCP Village	111,223	688,706
Oklahoma City VCP Village	23,159	-
Milwaukee VCP Village	110,500	-
Sioux Falls VCP Village	620,581	553,494
St. Louis VCP Village	<u>1,915,306</u>	<u>1,616,264</u>
	<u>\$ 4,280,246</u>	<u>\$ 4,130,430</u>

The Organization releases net assets with donor restrictions as they incur expenses satisfying the restrictions imposed or by occurrence of other events specified by donors or time. Net assets were released from the following purposes:

	Years Ended December 31,	
	2023	2022
General Veteran support programs	\$ 80,827	\$ 177,173
Expansion	-	54,613
Kansas City Veteran support programs and VCP Village	172,021	212,335
Veterans Navigation Campus	162,380	81,520
Colorado VCP Village	718,077	1,467,022
Oklahoma City VCP Village	26,841	100,000
Sioux Falls VCP Village	465,173	807,793
St. Louis VCP Village	<u>524,687</u>	<u>1,320,034</u>
	<u>\$ 2,150,006</u>	<u>\$ 4,220,490</u>

VETERANS COMMUNITY PROJECT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 7 — CONTRIBUTED NONFINANCIAL ASSETS

In addition to receiving cash contributions, the Organization regularly receives contributed nonfinancial assets in the form of food, household goods, operating supplies, property and equipment, and professional services. It is the policy of the Organization to record the estimated fair value of contributed nonfinancial assets as an expense in its consolidated financial statements, and similarly increase contribution revenue by a like amount. The following donations are reflected as contributed nonfinancial assets with no associated donor restrictions in the accompanying statements of activities:

	Valuation Techniques and Inputs	Years Ended December 31,	
		2023	2022
Food	The Organization estimates the fair value based on current market prices	\$ 373,254	\$ 140,456
Household goods	The Organization estimates the fair value based on current market prices	426,708	326,568
Operating supplies	The Organization estimates the fair value based on current market prices	74,609	260,509
Property and equipment	The Organization estimates the fair value based on current market prices	328,663	3,088,800
Professional services	The Organization estimates the fair value based on current market prices	-	67,412
		<u>\$ 1,203,234</u>	<u>\$ 3,883,745</u>

Contributed nonfinancial assets and their use in programs and other activities are as follows:

	Program Services	Management and General	Fundraising	Total
Year Ended December 31, 2023				
Food	\$ 373,254	\$ -	\$ -	\$ 373,254
Clothing and household goods	426,708	-	-	426,708
Operating supplies	74,609	-	-	74,609
Property and equipment	<u>328,663</u>	<u>-</u>	<u>-</u>	<u>328,663</u>
	<u>\$</u>	<u>-</u>	<u>-</u>	<u>\$ 1,203,234</u>
Year Ended December 31, 2022				
Food	\$ 140,456	\$ -	\$ -	\$ 140,456
Clothing and household goods	326,568	-	-	326,568
Operating supplies	260,509	-	-	260,509
Property and equipment	3,088,800	-	-	3,088,800
Professional services	<u>67,412</u>	<u>-</u>	<u>-</u>	<u>67,412</u>
	<u>\$ 3,883,745</u>	<u>-</u>	<u>-</u>	<u>\$ 3,883,745</u>

VETERANS COMMUNITY PROJECT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 8 — COMMITMENTS

The Organization has entered into various commitments to construct VCP Villages in Glendale, Arizona, Longmont, Colorado; St. Louis, Missouri; and Sioux Falls, South Dakota, Milwaukee, Wisconsin. The aggregate amount of these contracts was \$7,752,839, as of the date of the independent auditor's report. As of December 31, 2023, \$7,531,298 related to these was included in property and equipment.

NOTE 9 — SUBSEQUENT EVENTS

In March, 2024 the Organization was approved for a \$1,000,000 non-interest bearing loan from the City of St. Louis to fund construction of tiny homes in the VCP Village planned for St. Louis. Advances on the loan will be made as related construction expenditures are verified by a third party. The loan is collateralized by a deed of trust on property and is forgivable as certain conditions are met.

VETERANS COMMUNITY PROJECT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2023

Federal Grantor, Program Title (Cluster, Pass-Through Grantor)	Pass-Through Grantor	Pass-Through Identifying Number	Assistance Listing Number	Passed Through to Subrecipients	TOTAL FEDERAL EXPENDITURES
U.S. DEPARTMENT OF VETERANS AFFAIRS					
SSG Fox SPGP Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program			64.055	\$ -	\$ 857,344
Subtotal			64.055	-	857,344
Total for U.S. Department of Veterans Affairs				-	857,344
U.S. DEPARTMENT OF LABOR					
Homeless Veterans' Reintegration Program			17.805	\$ -	\$ 2,689
Subtotal			17.805	-	2,689
Total for U.S. Department of Labor				-	2,689
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
AmeriCorps VISTA Training & Logistics Support			94.006	\$ -	\$ 188,963
Subtotal			94.006	-	188,963
Total for Corporation for National and Community Service				-	188,963
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ -	\$ 1,048,996

VETERANS COMMUNITY PROJECT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2023

BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant awards of Veterans Community Project (the Organization) under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the consolidated financial position, changes in net assets or cash flows of the Organization.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-122, *Cost Principles for Non-profit Organizations*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Direct expenses are recorded based upon actual expenses incurred that are allowable per the program requirements. Indirect expenses are allocated based upon recorded direct expenses. The Organization has a negotiated indirect cost rate specific to research. The Organization has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance in situations where the negotiated cost rate is not applicable or allowed.

NONCASH ASSISTANCE

No federal awards were expended in the form of noncash assistance.

INDEPENDENT AUDITOR’S 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
Veterans Community Project

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 consolidated financial statements of Veterans Community Project (the Organization), which comprise the statement of financial position as of December 31, 2023, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 20, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization’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 consolidated 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 Organization’s consolidated 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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated 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 consolidated 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*.

Veterans Community Project Response to Finding

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kansas City, Missouri
November 20, 2024

INDEPENDENT AUDITOR'S 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 Community Project

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Veterans Community Project's (the Organization) 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 the Organization's major federal program for the year ended December 31, 2023. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Organization 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 the major federal program. Our audit does not provide a legal determination of the Organization'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 the Organization's federal program.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization'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 the Organization'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 the Organization'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.

Report on Internal Control over Compliance (Continued)

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.

Kansas City, Missouri

VETERANS COMMUNITY PROJECT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2023

SECTION 1 SUMMARY OF AUDITOR'S RESULTS

Consolidated Financial Statements

- | | |
|--|---------------|
| 1. Type of report the auditor issued on whether the consolidated financial statements audited were prepared in accordance with GAAP: | Unmodified |
| 2. Internal control over financial reporting: | |
| a) Material weaknesses identified? | Yes |
| b) Significant deficiencies identified? | None Reported |
| 3. Noncompliance material to consolidated financial statements noted? | No |

Federal Awards

- | | |
|---|---------------|
| 1. Internal control over major programs: | |
| a) Material weaknesses identified? | No |
| b) Significant deficiencies identified? | None Reported |
| 2. Type of auditors' report issued on compliance for major programs: | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |
| 4. Identification of major federal programs: | |

Federal Assistance Lending Number	Name of Federal Program or Cluster
64.055	Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program
5. Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
6. Auditee qualified as low-risk auditee?	No

VETERANS COMMUNITY PROJECT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2023

SECTION 2

Financial Statement Findings

**Reference
Number**

Finding

2023-001

Finding Type – Material weakness relative to timely reporting of the schedule of expenditures of federal awards (“SEFA”) and associated data collection form on reporting for single audits.

Criteria – Per 2 CFR 200.512 (a) (1), the audit must be completed, and the data collection form described in paragraph (b) of this section and reporting package described in paragraph (c) of this section must be submitted within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period. Per 2 CFR 200.501 (b), a non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single audit conducted in accordance with § 200.514.

Condition – The data collection form was not submitted within the required time as required by 2 CFR 200.512.

Context –The Organization had \$1,048,996 in expenditures under various federal awards to report on the Schedule of Expenditures of Federal Awards (“SEFA”) for the year ended December 31, 2023. The Organization did not have the single audit completed within the Uniform Guidance required timeframe.

Cause/Effect – The Organization's controls were not adequate to ensure compliance with federal statutes, regulations, and Uniform Guidance requirements.

Recommendation – We recommend the Organization strengthen internal controls and evaluate or monitor compliance with federal statutes, regulations, and the terms and conditions of their awards.

View of Responsible Officials and Corrective Action Plan –
The Organization agrees with the finding and recommendation as outlined above. The Organization has remedied its controls and procedures to ensure the single audit is completed within the required timeline.

Summary Schedule of Prior Year Findings

None

VETERANS COMMUNITY PROJECT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2023

SECTION 3

Federal Award Findings and Questioned Costs

None noted.

Summary Schedule of Prior Year Findings

None noted.