

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

*Financial Statements for the Years Ended
December 31, 2023 and 2022, Federal Awards
Information for the Year Ended December 31, 2023
and Independent Auditors' Report*

VETERANS ONE-STOP CENTER OF WNY, INC.
Table of Contents
Years Ended December 31, 2023 and 2022

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position.....	4
Statement of Activities	5
Statements of Cash Flows.....	6
Notes to the Financial Statements.....	7
Federal Awards Information:	
Schedule of Expenditures of Federal Awards.....	13
Notes to the Schedule of Expenditures of Federal Awards.....	14
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance.....	17
Schedule of Findings and Questioned Costs.....	20
Summary Schedule of Prior Year Audit Findings	21

DRESCHER & MALECKI LLP

2721 Transit Road, Suite 111
Elma, New York 14059
Telephone: 716.565.2299
Fax: 716.389.5178



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Veterans One-stop Center of WNY, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Veterans One-stop Center of WNY, Inc. (the "Center") (incorporated under the not-for-profit corporation laws of the State of New York), which comprise the statements of financial position as of December 31, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Center as of December 31, 2023, and the changes in its 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* ("GAS"), 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 the Center 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 opinion.

Other Matter

The financial statements of Center for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on May 26, 2023.

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 the Center's ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS and GAS 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 financial statements.

In performing an audit in accordance with GAAS and GAS, 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 the Center'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 the Center's ability to continue as a going concern for a reasonable period of time.

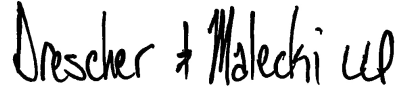
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 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* ("Uniform Guidance") 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 Schedule of Expenditures of Federal Awards are 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 August 1, 2024 on our consideration of the Center'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 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 Center's internal control over financial reporting and compliance.



August 1, 2024

FINANCIAL STATEMENTS

VETERANS ONE-STOP CENTER OF WNY, INC.
Statements of Financial Position
December 31, 2023 and 2022

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 426,802	\$ 271,085
Grants and contributions receivable	251,275	234,380
Total current assets	678,077	505,465
Prepaid right-to-use lease asset	100,564	7,482
Operating right-of-use lease asset	874,854	219,310
Property and equipment, net	115,564	4,947
Total assets	\$ 1,769,059	\$ 737,204
 LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 14,878	\$ 7,327
Accrued expenses	46,513	53,350
Operating lease liability, current maturities	91,882	43,562
Total current liabilities	153,273	104,239
Operating lease liability, less current maturities	793,599	178,691
Total liabilities	946,872	282,930
 Net assets without donor restrictions	 822,187	 454,274
Total liabilities and net assets	\$ 1,769,059	\$ 737,204

The notes to the financial statements are an integral part of these statements.

VETERANS ONE-STOP CENTER OF WNY, INC.
Statement of Activities
Years Ended December 31, 2023 and 2022

	2023	2022
REVENUES		
Contributions:		
Corporate and foundation	\$ 162,101	\$ 314,260
Individuals	163,651	125,073
Federated organizations	53,025	39,172
Contributions of nonfinancial assets	21,005	24,732
Contracts and program income	2,595,426	1,135,927
Other income	2,526	-
Total revenue	2,997,734	1,639,164
EXPENSES		
Program services	2,306,704	1,489,396
Management and general	283,710	200,676
Fundraising	39,407	37,339
Total expenses	2,629,821	1,727,411
Change in net assets	367,913	(88,247)
Net assets, beginning of year	454,274	542,521
Net assets, end of year	\$ 822,187	\$ 454,274

The notes to the financial statements are an integral part of this statement.

VETERANS ONE-STOP CENTER OF WNY, INC.
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 367,913	\$ (88,247)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation	4,361	942
Amortization of lease	7,684	2,943
Changes in operating assets and liabilities affecting cash flow:		
(Increase) in grants and contributions receivable	(16,895)	(234,380)
(Decrease) increase in accounts payable	7,551	(27,675)
(Decrease) increase in accrued expenses	(6,837)	23,750
Net cash provided by (used for) operating activities	363,777	(322,667)
 CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchase of capital assets	(114,978)	-
Prepayment of leases	(93,082)	(1,695)
Net cash provided by (used for) capital financing activities	(208,060)	(1,695)
Net increase (decrease) in cash	155,717	(324,362)
Cash and cash equivalents—beginning of year	271,085	595,447
Cash and cash equivalents—end of year	\$ 426,802	\$ 271,085

The notes to the financial statements are an integral part of these statements.

**** THIS PAGE INTENTIONALLY LEFT BLANK ****

VETERANS ONE-STOP CENTER OF WNY, INC.
Notes to the Financial Statements
Years Ended December 31, 2023 and 2022

1. DESCRIPTION OF ORGANIZATION

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—the Center prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (“U.S. GAAP”) for not-for-profit organizations. The significant accounting and reporting policies used by the Center are described below to enhance the usefulness and understandability of the financial statements.

Basis of Accounting—The accounts of the Center are maintained on the accrual basis of accounting. As such, revenues are recognized in the period in which they are earned and expenses are recognized in the period in the period in which they are incurred. The significant accounting and reporting policies used by the Center are described below to enhance the usefulness and understandability of the financial statements.

Use of Estimates—The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the Center’s management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. the Center’s management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Net Assets—The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of donor or grantor imposed restrictions, 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 the option to designate, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions—Net assets subject to donor-imposed (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.

Classification of Transactions—All revenue and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Cash and Cash Equivalents—the Center’s cash and cash equivalents consist of cash on hand, demand deposits, time deposits and short-term, highly liquid investments with original maturities of three months or less from the date of acquisition.

Receivables—Receivables are carried at original invoice amount, less any estimate made for doubtful accounts. Management believes that all outstanding accounts receivable are collectible in full; therefore, no allowance for uncollectible receivables has been provided at December 31, 2023 and 2022.

Prepaid Right of Use Lease Asset—Certain rent payments reflect costs applicable to future accounting periods. The Center has elected to report these payments as a separate prepaid right-of-use lease asset.

Right of Use Assets—The Center reports right-of-use assets for operating leases. Leases result in the recognition of right-of-use lease assets and lease liabilities on the statements of financial position. Right-of-use assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Center determines the lease classification as operating or finance at the lease commencement date. When applicable, financing leases are presented within property, plant and equipment within the statement of financial position. Right of use assets and lease liabilities for operating leases are included in the statements of financial position and presented separately. At December 31, 2023 and 2022 the Center reports \$874,854 and \$219,310, respectively, of right-of-use assets for operating leases.

Property and Equipment—Equipment, facility improvements and vehicles are reported in the statements of financial position at cost, if purchased, and at fair value at the date of donation, if donated. Capital assets are defined by the Center as assets with an initial, individual cost equal or greater than \$5,000 and an estimated useful life in excess of three years. Depreciation of capital assets is computed using the straight-line method over the estimated useful lives of the assets as presented below:

	Estimated Useful Life (Years)
Leasehold improvements	15
Vehicles	5
Computer equipment	3

Accrued Expenses and Other Liabilities—Accrued expenses and other liabilities consist of accrued payroll expenses and accrued employee vacation expenses.

Contributions—Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed asset is specifically restricted by the donor. Amounts received that are restricted for specific

purposes are reported as increases in net assets with donor restrictions, consistent with the nature of the restriction. Conditional promises are not recognized until they have become unconditional, that is, until all conditions on which they depend are substantially met. Contributions received are recorded at fair value at the date of donation.

Revenue and Revenue Recognition—Revenue is recognized when earned. In the case of conditional promises, revenue is recognized when the donor imposed conditions have been substantially met. Contributions are classified as net assets without donor restrictions or net assets with donor restrictions depending upon the existence and/or nature of donor restrictions on the use of the funds. At December 31, 2023 and 2022, the Center reports no net assets with donor restrictions.

Expense Recognition and Allocation—The cost of providing the Center’s programs and other activities is summarized on a functional basis in the statement of activities. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefitted.

Administrative office expenses include those costs not directly identifiable with any specific program, but which provide for the overall support and direction of the Center.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. Additionally, advertising costs are expensed as incurred.

Tax Status—the Center is incorporated exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code (“IRC”), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). All applicable tax forms for the Center have been filed and accepted by the Internal Revenue Service through the fiscal year ended December 31, 2022. The tax years ending December 31, 2022, 2021 and 2020 are still open to audit for both federal and state purposes.

3. LIQUIDITY AND AVAILABILITY

For the years ended December 31, 2023 and 2022, the Center reported cash and cash equivalents of \$426,802 and \$271,085 and grants and contributions receivable of \$251,275 and \$234,380, respectively, as financial assets available for general expenditure that are, without donor or other restrictions limiting their use, within one year of the balance sheet date. The Center ensures funds are managed to provide high levels of safety and liquidity, while also looking to maximize yield in a conservative manner.

4. RECEIVABLES

Receivables consist of the following components at December 31, 2023 and 2022:

	<u>December 31,</u>	
	<u>2023</u>	<u>2022</u>
Grants and contributions receivable	\$ 251,275	\$ 234,380
Total receivables	<u>\$ 251,275</u>	<u>\$ 234,380</u>

5. PROPERTY AND EQUIPMENT

Property and equipment activity for the Center for the years ended December 31, 2023 and 2022 was as follows:

	<u>December 31,</u>	
	<u>2023</u>	<u>2022</u>
Property and equipment, being depreciated:		
Leasehold improvements	\$ 74,625	\$ -
Vehicles	37,515	37,515
Computer equipment	<u>64,562</u>	<u>24,209</u>
Total Property and equipment, being depreciated	<u>176,702</u>	<u>61,724</u>
Less accumulated depreciation	(61,138)	(56,777)
Total property and equipment, net	<u>\$ 115,564</u>	<u>\$ 4,947</u>

Depreciation is expensed over the estimated useful lives of the respective assets on a straight-line basis. Total depreciation expensed by the Center was \$4,361 and \$942 for the years ended December 31, 2023 and 2022, respectively.

6. LEASES

The Center leases a building under non-cancelable operating lease agreements requiring minimum payments through May 2033. The following table presents the maturities of the Center's operating lease liabilities as of December 31, 2023:

<u>Year ending December 31,</u>	
2024	\$ 126,070
2025	132,374
2026	102,527
2027	95,498
2028	100,273
2029-2033	<u>505,769</u>
Total payments	1,062,511
Less portion representing interest	<u>(177,030)</u>
Operating lease obligation, net	<u>\$ 885,481</u>

7. FUNCTIONAL CLASSIFICATION OF EXPENSES

The operating costs, classified by function, of providing the various programs and other activities of the Center for the years ended December 31, 2023 and 2022 are shown below:

	2023			
	Program Services	Management and General	Fundraising	Total
Salaries	\$ 1,018,502	\$ 165,803	\$ -	\$ 1,184,305
Payroll taxes and benefits	247,985	40,370	-	288,355
Total payroll expenses	1,266,487	206,173	-	1,472,660
Cost of special events	-	-	18,402	18,402
Depreciation	4,099	262	-	4,361
Emergency housing assistance	636,781	-	-	636,781
Contributed nonfinancial assets	-	-	21,005	21,005
Insurance	16,906	1,079	-	17,985
Occupancy	116,685	7,448	-	124,133
Professional fees	-	58,625	-	58,625
Promotion and outreach	44,184	-	-	44,184
Supplies and small equipment	55,808	3,562	-	59,370
Technology and infrastructure	63,899	4,079	-	67,978
Travel and meetings	92,572	1,889	-	94,461
Interest expense	9,283	593	-	9,876
Total expenses	<u>\$ 2,306,704</u>	<u>\$ 283,710</u>	<u>\$ 39,407</u>	<u>\$ 2,629,821</u>

	2022			
	Program Services	Management and General	Fundraising	Total
Salaries	\$ 739,708	\$ 120,418	\$ -	\$ 860,126
Payroll taxes and benefits	138,199	22,497	-	160,696
Total payroll expenses	877,907	142,915	-	1,020,822
Cost of special events	-	-	12,451	12,451
Depreciation	885	57	-	942
Emergency housing assistance	398,714	-	-	398,714
Contributed nonfinancial assets	-	-	24,888	24,888
Insurance	13,176	841	-	14,017
Occupancy	81,005	5,171	-	86,176
Professional fees	-	47,414	-	47,414
Promotion and outreach	22,887	-	-	22,887
Supplies and small equipment	16,336	1,043	-	17,379
Technology and infrastructure	37,611	2,401	-	40,012
Travel and meetings	40,875	834	-	41,709
Total expenses	<u>\$ 1,489,396</u>	<u>\$ 200,676</u>	<u>\$ 37,339</u>	<u>\$ 1,727,411</u>

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Center. Those expenses include employee benefits and payroll taxes. The allocation and natural classifications of employee benefits and payroll are based on estimates of time and effort.

8. COMMITMENTS AND CONTINGENCIES

Grants—In the normal course of operations, the Center receives grant funds from various federal and state agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed expenditures resulting from such audits could become a liability of the Center. While the amount of expenditures, if any, which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

Note Payable—In March of 2021, the Center entered into a line of credit agreement with a maximum borrowing capacity of \$150,000. There were no outstanding borrowings at December 31, 2023 or 2022.

9. CONTRIBUTIONS OF NONFINANCIAL ASSETS

The Center receives donations of goods and services for distribution to its consumers or for auction at the Center's various fundraising events. Such goods and services include donated events and gift cards. During the years ended December 31, 2023 and 2022, the Center received donations of goods and services amounting to \$21,005 and \$24,888, respectively.

The Center records donated goods and services at fair value, which is provided by the donors.

10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 1, 2024, which is the date the financial statements are available for issuance, and has determined there are no subsequent events that require disclosure under generally accepted accounting principles.

* * * * *

**** THIS PAGE INTENTIONALLY LEFT BLANK ****

VETERANS ONE-STOP CENTER OF WNY, INC.
Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Veterans One-stop Center of WNY, Inc. (the “Center”) 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 (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the Center, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Center. The following notes were identified on the Schedule:

- a) Includes all federal award programs of the Center.
- b) Source: Federal Assistance Listing Numbers, previously known as Catalog of Federal Domestic Assistance.
- c) Pass-through entity identifying numbers are presented where available.
- d) Prepared under accounting principles generally accepted in the United States of America and includes all federal award programs.
- e) A reconciliation to the financial statements is available.

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. The Center has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3. BASIS OF ACCOUNTING

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable program and periods. The amounts reported in these federal financial reports are prepared from records maintained for each program, which are periodically reconciled with the Center’s financial reporting system.

**** THIS PAGE INTENTIONALLY LEFT BLANK ****

DRESCHER & MALECKI LLP

2721 Transit Road, Suite 111
Elma, New York 14059
Telephone: 716.565.2299
Fax: 716.389.5178



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

The Board of Trustees
Veterans One-stop Center of WNY, Inc.:

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 One-stop Center of WNY, Inc. (the "Center"), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated August 1, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center'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 the Center's internal control. Accordingly, we do not express an opinion on the effectiveness the Center'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.

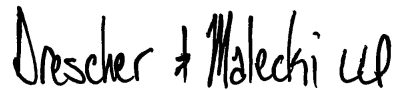
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.



August 1, 2024

DRESCHER & MALECKI LLP

2721 Transit Road, Suite 111
Elma, New York 14059
Telephone: 716.565.2299
Fax: 716.389.5178



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

The Board of Trustees
Veterans One-stop Center of WNY, Inc.:

Report on Compliance for Each Major Federal Program

Opinion on Each Federal Program

We have audited Veterans One-stop Center of WNY, Inc.'s (the "Center") 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 the Center's major federal programs for the year ended December 31, 2023. The Center's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Center 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, 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 ("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* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Center 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 the Center'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 Center's federal programs.

Auditors' 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 Center'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 the Center'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 the Center'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 Center'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 Center'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.

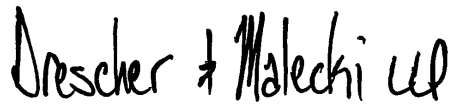
Report on Internal Control Over Compliance

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 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 Auditors' 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.

Handwritten signature in black ink that reads "Drescher & Malecki LLP". The signature is written in a cursive, flowing style.

August 1, 2024

VETERANS ONE-STOP CENTER OF WNY, INC.
Schedule of Findings and Questioned Costs
Year Ended May 31, 2023

Section I. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes ✓ No

Significant deficiency(ies) identified? _____ Yes ✓ None reported

Noncompliance material to the financial statements noted? _____ Yes ✓ No

Federal Awards:

Internal control over major federal programs:

Material weakness(es) identified? _____ Yes ✓ No

Significant deficiency(ies) identified? _____ Yes ✓ None reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes ✓ No

Identification of major federal programs:

Name of Federal Program	Federal Assistance Listing Number
VA Supportive Services for Veteran Families Program	64.033

Dollar threshold used to distinguish between Type A and Type B programs? \$ 750,000

Auditee qualified as low-risk auditee? _____ Yes ✓ No

VETERANS ONE-STOP CENTER OF WNY, INC.
Schedule of Findings and Questioned Costs
Year Ended December 31, 2023

SECTION II. FINANCIAL STATEMENTS FINDINGS

No findings noted.

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings noted.

VETERANS ONE-STOP CENTER OF WNY, INC.
Summary Schedule of Prior Year Audit Findings
Year Ended December 31, 2023
(Follow Up of December 31, 2022 Findings)

No findings were reported.

**** THIS PAGE INTENTIONALLY LEFT BLANK ****