



Financial Audit

For the Period

July 1, 2017 through June 30, 2018

VIETNAM VETERANS OF AMERICA, PA STATE COUNCIL
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
VETERANS' SERVICE ORGANIZATION GRANT PROGRAM
JUNE 30, 2018

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Contract Financial Statements	3
Notes to Financial Statements	6

INDEPENDENT AUDITOR'S REPORT

August 24, 2018

Vietnam Veterans of America, PA State Council
Johnstown, Pennsylvania

We have audited the accompanying financial statements of Vietnam Veterans of America, PA State Council, Pennsylvania Department of Military and Veterans Affairs, Veterans Service Organization Grant Program, Contract FY 17-18, which comprises the balance sheet as of June 30, 2018, and the related statement of revenues and expenditures and budget comparison statement for the period July 1, 2017 through June 30, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Vietnam Veterans of America, PA State Council's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of those risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

As discussed in Note 3, the financial statements present only the Pennsylvania Department of Military and Veterans Affairs, Veterans Service Organization Grant Program, Contract FY 17-18 and are not intended to present fairly the financial position of the Vietnam Veterans of America, PA State Council and the results of its operations in conformity with accounting principles generally accepted in the United States of America.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Vietnam Veterans of America, PA State Council, Pennsylvania Department of Military and Veterans Affairs, Veterans Service Organization Grant Program, Contract FY 17-18, as of June 30, 2018, and the results of its operations, budget comparison, and its fund balance for the period July 1, 2017 through June 30, 2018, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

In connection with our audit, nothing came to our attention that caused us to believe that Vietnam Veterans of America failed to comply with the terms, covenants provisions, or conditions of Vietnam Veterans of America, PA State Council, Pennsylvania Department of Military and Veterans Affairs, Veterans Service Organization Grant Program, Contract FY 17-18, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Company's noncompliance with the above-referenced terms, covenants, provisions or conditions of the contract, insofar as they relate to accounting matters.

Restricted Use Relating to the Other Matter

The communication related to compliance with the aforementioned Indenture described in the Other Matter paragraph is intended solely for the information and use of the board of directors and management of Vietnam Veterans of America and the Pennsylvania Department of Military and Veterans Affairs and is not intended to be and should not be used by anyone other than these specified parties.



WESSEL & COMPANY
Certified Public Accountants

VIETNAM VETERANS OF AMERICA, PA STATE COUNCIL
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
VETERANS SERVICE ORGANIZATION GRANT PROGRAM
CONTRACT FY 17-18
BALANCE SHEET
JUNE 30, 2018

ASSETS

Cash	\$ 15,721
Receivable from Other Funding Sources (Note 2)	376
	376
Total Assets	\$ 16,097
	16,097

LIABILITIES AND FUND BALANCE

Liabilities:	
Account Payables (Note 3)	\$ 16,097
Line of Credit (Note 4)	-
	-
Total Liabilities	16,097
Fund Balance	-
	-
Total Liabilities and Fund Balance	\$ 16,097
	16,097

VIETNAM VETERANS OF AMERICA, PA STATE COUNCIL
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
VETERANS SERVICE ORGANIZATION GRANT PROGRAM
CONTRACT FY 17-18
STATEMENT OF REVENUES AND EXPENDITURES
JUNE 30, 2018

Revenues:

Grant Revenue	\$ 95,000
Interest Income	5
Other Funding Sources (Note 2)	<u>376</u>
Total Revenues	<u>95,381</u>

Expenditures:

Salaries and Wages	91,703
Travel and Related Costs	432
Supplies	157
Audit Fees	2,000
Postage	<u>987</u>
Total Expenditures	<u>95,279</u>

Excess Revenues Over Expenditures	<u><u>\$ 102</u></u>
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VIETNAM VETERANS OF AMERICA, PA STATE COUNCIL
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
VETERANS SERVICE ORGANIZATION GRANT PROGRAM
CONTRACT FY 17-18
BUDGET COMPARISON STATEMENT
JUNE 30, 2018

Category	Original Budget	Final Approved Budget	Expenditures Contract Period	Variance
Personnel				
Salaries and Wages	\$ 92,352	\$ 92,623	\$ 91,703	\$ (920)
Training	-	-	-	-
Travel and Related Costs	1,000	1,003	432	(571)
Operating				
Supplies	1,000	1,004	157	(847)
Audit Fees	-	-	2,000	2,000
Interest	-	-	-	-
Postage	648	650	987	337
Grand Total	<u>\$ 95,000</u>	<u>\$ 95,279</u>	<u>\$ 95,279</u>	<u>\$ (1)</u>

VIETNAM VETERANS OF AMERICA, PA STATE COUNCIL
PENNSYLVANIA DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
VETERANS SERVICE ORGANIZATION GRANT PROGRAM
CONTRACT FY 17-18
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - REPORTING ENTITY

The objectives of the Vietnam Veterans of America, PA State Council are to enhance the social, economic, cultural, and political positions of Vietnam Era Veterans in the Commonwealth of Pennsylvania.

NOTE 2 - FUNDING FROM OTHER SOURCES

Vietnam Veterans of America received additional funding from other sources which was used to cover expenditures relating to the 17-18 contract year. The portion of this funding that was received after June 30, 2018 is reflected in Accounts Receivable.

NOTE 3 - ACCOUNTS PAYABLE

Vietnam Veterans of America had expenditures that were paid after contract year end of June 30, 2018. However, these expenditures were committed for the contract period 17-18 year. Amounts were categorized in the following expense accounts at June 30, 2018:

Audits Fees for Contract Audit	\$ 2,000
Other Payables – Postage	801
Accrued Payroll	<u>13,296</u>
Total Accounts Payable at June 30, 2018	\$ <u>16,097</u>

NOTE 4 - LINE OF CREDIT

The Vietnam Veterans of America, PA State Council maintains a line of credit through First National Bank of Pennsylvania. The organization is able to draw on a maximum of \$45,000. The interest rate on the line of credit is subject to change from time to time based on the prime rate. On June 30, 2018, the prime rate was 4.25%. As of June 30, 2018, the line of credit balance due was \$-.

NOTE 5 - PURPOSE OF GRANT

The Vietnam Veterans of America, PA State Council entered into a contract with the Commonwealth of Pennsylvania, Department of Military and Veterans Affairs for the period July 1, 2017 – June 30, 2018.

The purpose of the grant is to solely support accredited veterans' service officers and the associated costs, including:

- Wages, benefits, other compensation and related personnel costs.
- Training provided by accredited veterans' service advocacy staff.
- Equipment to be used by accredited veterans' service officer staff.

Grant Proceeds Received or Receivable as of June 30, 2018	\$ 95,000
Less: Program Expenditures and Obligations July 1, 2017 – June 30, 2018	<u>(95,000)</u>
Unexpended Grant Proceeds Due to DMVA at June 30, 2018	\$ <u>---</u>

NOTE 6 - BASIS OF FINANCIAL STATEMENTS

The financial statements present only the financial position and results of operations as they relate to the Pennsylvania Department of Military and Veterans Affairs, Veterans Service Organization Grant Program, Contract FY 17-18, of the Vietnam Veterans of America, PA State Council. They have been prepared on the accrual basis of accounting; consequently, certain revenues and related assets are recognized when earned and certain expenses are recognized when the obligation is incurred in accordance with the Grant Agreement.