

**SOUTHEASTERN MASS VETERANS
HOUSING PROGRAM, INC.**

**CONSOLIDATED UNIFORM FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

**YEAR ENDED SEPTEMBER 30, 2019
(WITH COMPARATIVE TOTALS FOR THE
YEAR ENDED SEPTEMBER 30, 2018)**

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



SOUTHEASTERN MASS VETERANS HOUSING PROGRAM, INC. AND SUBSIDIARY
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(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED SEPTEMBER 30, 2018)

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Southeastern Mass Veterans Housing Program, Inc. and Subsidiary
New Bedford, Massachusetts

Report on the Consolidated financial statements s

We have audited the accompanying consolidated financial statements of Southeastern Mass Veterans Housing Program, Inc. and Subsidiary (a Massachusetts nonprofit organization), which comprise the consolidated statement of financial position as of September 30, 2019, 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 s.

Management's Responsibility for the Consolidated financial statements s

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Southeastern Mass Veterans Housing Program, Inc. and Subsidiary as of September 30, 2019, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying UFR Organization Supplemental Information Schedule A and UFR Program Supplemental Information Schedule B, is presented for purposes of additional analysis as required by the Commonwealth of Massachusetts Operational Services Division, and are 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 not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we do not express an opinion on it.

Report on Summarized Comparative Information

We have previously audited Southeastern Mass Veterans Housing Program, Inc. and Subsidiary 2018, consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 14, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of Matter Regarding a Change in Accounting Principle

As described in Note 1, the Organization adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial statements of Not-For-Profit Entities*. Accordingly, the accounting change has been retrospectively applied to prior periods presented as if the policy had always been used. Our opinion is not modified with respect to that matter.

Emphasis of Matter Regarding a Correction of an Error

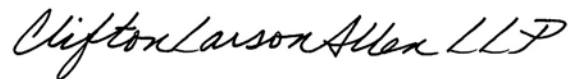
As discussed in Note 15 to the financial statements, during the current fiscal year it was determined that certain revenue related to cost-reimbursement contracts was recorded as revenue and related pledges receivable prior to expenses being incurred and reimbursement being requested. Accordingly, amounts reported for pledges receivable, revenue and net assets have been restated in the summarized 2018 financial statements to correct the error. Our opinion is not modified with respect to that matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2020, on our consideration of Southeastern Mass Veterans Housing Program, Inc. and Subsidiary'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.

Board of Directors
Southeastern Mass Veterans Housing Program, Inc. and Subsidiary

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 Southeastern Mass Veterans Housing Program, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southeastern Mass Veterans Housing Program, Inc. and Subsidiary's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

New Bedford, Massachusetts
February 14, 2020

STATEMENT OF FINANCIAL POSITION AS OF
(BALANCE SHEET)

09/30/2019

WITH COMPARATIVE TOTALS AS OF

9/30/2018

	CURRENT OPERATIONS	PLANT	ENDOWMENT	CUSTODIAN	TOTAL THIS YEAR	TOTAL LAST YEAR
ASSETS						
1	Cash and Cash Equivalents	862,879			862,879	167,918
2	Accounts Receivable, Program Services	327,555			327,555	220,457
3	Allowance for Doubtful Accounts					
4	Net Accounts Receivable, Program Services	327,555			327,555	220,457
5	Contributions Receivable	100,583			100,583	76,850
6	Notes Receivable					
7	Prepaid Expenses	14,857			14,857	13,525
8	Other Accounts Receivable	237,708			237,708	
9	Other Current Assets	306			306	
10	Short-Term Investments					
11	TOTAL CURRENT ASSETS	1,543,888			1,543,888	478,750
12	Land, Buildings, and Equipment		2,216,058		2,216,058	1,583,489
13	Accumulated Depreciation		(559,015)		(559,015)	(422,653)
14	Net Land, Buildings and Equipment		1,657,043		1,657,043	1,160,836
15	Long-Term Investments					
16	Other Assets	148,459	330,200		478,659	448,086
17	Due From Other Funds					
18	TOTAL ASSETS	1,692,347	1,987,243		3,679,590	2,087,672
LIABILITIES AND NET ASSETS						
19	Accounts Payable	172,632			172,632	10,172
20	Subcontract Payable					
21	Accrued Expenses	39,229			39,229	45,170
22	Current Notes Payable	125,000			125,000	100,000
23	Current Portion Long-Term Debt		228,060		228,060	46,326
24	Deferred Revenue					
25	Other Current Liabilities					
26	TOTAL CURRENT LIABILITIES	336,861	228,060		564,921	201,668
27	Long-Term Notes & Mortgage Payable		206,796		206,796	679,264
28	Other Liabilities	11,804			11,804	9,274
29	Due to Other Funds					
30	TOTAL LIABILITIES	348,665	434,856		783,521	890,206
NET ASSETS						
31	Without Donor Restrictions	150,616	1,552,387		1,703,003	748,203
32	With Donor Restrictions	1,193,066			1,193,066	449,263
33						
34	TOTAL NET ASSETS	1,343,682	1,552,387		2,896,069	1,197,466
35	TOTAL LIABILITIES AND NET ASSETS	1,692,347	1,987,243		3,679,590	2,087,672

See Accompanying Notes to the Financial Statements

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED

09/30/2019 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED

09/30/2018

	Without Donor Restrictions	With Donor Restrictions		TOTAL THIS YEAR	TOTAL LAST YEAR
REVENUES, GAINS, AND OTHER SUPPORT					
1 Contributions, Gifts, Legacies, Bequests & Special Events	113,057	743,803		856,860	576,027
2 In-Kind Contributions	117,511			117,511	17,228
3 Grants					
4 Program Service Fees	1,204,019			1,204,019	1,299,870
5 Federated Fundraising Organization Allocation					
6 Investment Revenue	868			868	131
7 Revenue from Commercial Products & Services					
8 Other	1,166,304			1,166,304	34,021
9 Net Assets Released From Restrictions:					
10 Satisfaction of Program Restrictions					
11 Satisfaction of Equipment Acquisition Restrictions					
12 Expiration of Time Restrictions					
13 TOTAL REVENUE, GAINS, AND OTHER SUPPORT	2,601,759	743,803		3,345,562	1,927,277
EXPENSES AND LOSSES					
14 Administration (Management & General)	319,202			319,202	257,157
15 Fundraising	56,962			56,962	26,269
16 Total Program Services	1,270,795			1,270,795	1,289,576
17 TOTAL EXPENSES	1,646,959			1,646,959	1,573,002
18 Losses					
19 TOTAL EXPENSES AND LOSSES	1,646,959			1,646,959	1,573,002
CHANGES IN NET ASSETS:					
20 Property & Equipment Acquisitions from Unrestricted Funds					
21 Transfer of Realized Endowment Fund Appreciation					
22 Return to Donor					
23 Other Increases (Decreases)					
24 TOTAL CHANGES IN NET ASSETS	954,800	743,803		1,698,603	354,275
25 NET ASSETS AT BEGINNING OF YEAR	748,203	449,263		1,197,466	843,191
26 NET ASSETS AT END OF YEAR	1,703,003	1,193,066		2,896,069	1,197,466

See Accompanying Notes to Financial Statements

ORGANIZATION : Southeastern Massachusetts Veterans Housing Progr **FEIN:** 111190035

Statement of Functional Expenses for the Year Ended: 09/30/2019

	TOTALS	SUPPORTING SERVICES		PROGRAM SERVICES
		ADMINISTRATION (MNGT. & GEN.)	FUND RAISING	TOTAL ALL PROGRAMS
1. Employee Compensation & Related Expenses	946,802	217,899		728,903
2. Occupancy	248,972	24,637		224,335
3. Other Program / Operating Expense	96,931	70		96,861
4. Subcontract Expense	56,962		56,962	
5. Direct Administrative Expense	205,673	69,362		136,311
6. Other Expenses	45,904	5,261		40,643
7. Depreciation of Buildings and Equipment	45,715	1,974		43,741
8. TOTAL EXPENSES	1,646,959	319,202	56,962	1,270,795

See Accompanying Notes to Financial Statements

ORGANIZATION : Southeastern Massachusetts Veterans Housing Progr FEIN: 111190035

Statement of Functional Expenses for the Year Ended: 09/30/19

	<u>PROGRAM #</u>	<u>PROGRAM #</u>	<u>PROGRAM #</u>	<u>PROGRAM #</u>	<u>PROGRAM #</u>
	<u>01-R</u>	<u>3</u>	<u>6</u>	<u>01-W</u>	<u>7</u>
1. Employee Compensation & Related Expenses	<u>329,583</u>	<u>123,956</u>	<u>46,100</u>	<u>82,636</u>	<u>131,544</u>
2. Occupancy	<u>122,622</u>	<u>28,468</u>	<u>2,158</u>	<u>21,679</u>	<u>5,620</u>
3. Other Program / Operating Expense	<u>89,284</u>	<u>1,750</u>		<u>747</u>	<u>3,908</u>
4. Subcontract Expense					
5. Direct Administrative Expense	<u>60,601</u>	<u>27,794</u>	<u>7,939</u>	<u>15,905</u>	<u>14,222</u>
6. Other Expenses	<u>24,348</u>	<u>7,312</u>	<u>1,228</u>	<u>4,495</u>	<u>2,862</u>
7. Depreciation of Buildings and Equipment	<u>19,848</u>	<u>6,715</u>		<u>6,220</u>	
8. TOTAL EXPENSES	<u>646,285</u>	<u>195,996</u>	<u>57,425</u>	<u>131,682</u>	<u>158,156</u>

See Accompanying Notes to Financial Statements

ORGANIZATION : Southeastern Massachusetts Veterans Housing Progr FEIN: 111190035

Statement of Functional Expenses for the Year Ended: 09/30/19

	<u>PROGRAM #</u>	<u>PROGRAM #</u>	<u>PROGRAM #</u>	<u>PROGRAM #</u>	<u>PROGRAM #</u>
	<u>8</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
1. Employee Compensation & Related Expenses	<u>15,084</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
2. Occupancy	<u>43,787</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
3. Other Program / Operating Expense	<u>1,171</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
4. Subcontract Expense	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
5. Direct Administrative Expense	<u>9,851</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
6. Other Expenses	<u>398</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
7. Depreciation of Buildings and Equipment	<u>10,958</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
8. TOTAL EXPENSES	<u>81,250</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

See Accompanying Notes to Financial Statements

ORGANIZATION : Southeastern Massachusetts Veteran

FEIN: 111190035

STATEMENT OF CASH FLOWS for the YEAR ENDED

09/30/2019

INDIRECT METHOD

	TOTAL
Cash Flows from Operating Activities:	
1 Changes in Net Assets	<u>1,698,603</u>
Adjustments to Reconcile Change In Net Assets to Net Cash provided by/(used in) Operating Activities:	
2 Depreciation	<u>45,715</u>
3 Losses	<u>(670,488)</u>
4 Increase/Decrease in Net Accounts Receivable	<u>(107,098)</u>
5 Increase/Decrease in Prepaid Expenses	<u>(1,332)</u>
6 Increase/Decrease in Contributions Receivable	
7 Increase/Decrease in Accounts Payable	<u>157,598</u>
8 Increase/Decrease in Accrued Expenses	<u>(1,079)</u>
9 Increase/Decrease in Deferred Revenue	
10 Increase/Decrease in Subcontract Payable	
11 Contributions Restricted for Long-Term Investment	<u>(598,130)</u>
12 Net Unrealized and Realized Gains on Long-Term Investments	
13 Other Cash Used in/Provided by Operating Activities	<u>(570,554)</u>
14 Net Cash Provided by/(used in) Operating Activities	<u>(46,765)</u>
Cash Flows from Investing Activities:	
15 Insurance Proceeds	
16 Purchase(s) of Capital Assets (Land, Bldgs. & Equip.)	<u>(411,447)</u>
17 Proceeds from Sale(s) of Investments	
18 Purchase(s) of Investments	
19 Purchase(s) of Assets Restricted To Long-Term Investment	
20 Other Investing Activities	<u>788,294</u>
21 Net Cash Provided by/(used in) Investing Activities	<u>376,847</u>
Cash from Financing Activities:	
Proceeds from Contributions Restricted For:	
22 Investment in Endowment	
23 Investment in Term Endowment	
24 Investment in Plant (Land Bldgs. & Equip.)	
Other Financing Activities:	
25 Contributions Restricted for Long-Term Investment	<u>630,613</u>
26 Interest and Dividends Restricted for Reinvestment	
27 Payments on Notes Payable	<u>(375,000)</u>
28 Payments on Long-Term Debt	<u>(290,734)</u>
29 Other Finance Payments/Reciepts	<u>400,000</u>
30 Net Cash Provided by/(used in) Financing Activities	<u>364,879</u>

See Accompanying Notes to the Financial Statements

ORGANIZATION : Southeastern Massachusetts Veteran

FEIN: 111190035

STATEMENT OF CASH FLOWS for the YEAR ENDED

09/30/2019

INDIRECT METHOD

31	Net Increase/(Decrease) in Cash and Cash Equivalents	<u>694,961</u>
32	Cash and Cash Equivalents at Beginning of Year	<u>167,918</u>
33	Cash and Cash Equivalents at End of Year	<u><u>862,879</u></u>

Supplemental Disclosure of Cash Flow Information:

34	Cash Paid During the Year for Interest	<u>24,599</u>
35	Cash Paid During the Year for Taxes/Other	<u> </u>

Supplemental Data for Noncash Investing and Financing Activities:

36	Gifts of Equipment	<u> </u>
37	Other Noncash Investing and Financing Activities	<u> </u>
38	Gift of building and land	<u>111,000</u>
39		<u> </u>
40		<u> </u>

See Accompanying Notes to the Financial Statements

SOUTHEASTERN MASS VETERANS HOUSING PROGRAM, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 ORGANIZATION AND NATURE OF OPERATIONS

Southeastern Mass Veterans Housing Program, Inc. and Subsidiary (the Agency), is a Massachusetts nonprofit corporation organized and incorporated in 1990. The Agency provides social services primarily to veterans in the Southeastern area of Massachusetts.

The Agency provides the following programs:

Transitional Housing — This program reaches into communities of Southeastern Massachusetts serving homeless veterans in need of support and assistance. The types of services include, but are not limited to, independent living skills, rehabilitation, and re-integration into the community.

Graduate Houses — These programs provide long-term, single bedroom apartments in houses owned by the Agency. Residents of the graduate houses are required to comply with Agency regulations pertaining to an alcohol and drug free environment.

Supportive Services to Veteran Families (SSVF) — The SSVF Program provides supportive services to very low-income Veteran families living in or transitioning to permanent housing. Staff provide eligible Veteran families with outreach, case management, and assistance in obtaining VA and other benefits, which include:

- Health Care Services
- Daily Living Services
- Personal Financial Planning Services
- Transportation Services
- Fiduciary and Payee Services
- Legal Services
- Child Care Services
- Housing Counseling Services

Permanent Supportive Housing — The Agency currently owns and operates 11 permanent, supportive apartments, six at 53 South Sixth Street, New Bedford and five at 7 County Street, New Bedford. The Agency has been providing supportive services to veterans since 1991, including case management, individual/group counseling, transportation, computer training, career counseling, meals, volunteer/community service programs, financial assistance, and recreational activities. These services are available to qualified veteran residents of our permanent, supportive apartments on an as-needed basis. The program will be expanded to serve qualified veteran residents at 30 new units at the Willis Street Apartments, which is under development.

Southeastern Mass Veterans Housing Program, Inc. and Subsidiary also helps participant's access time-limited payments to third parties (e.g., landlords, utility companies, moving companies, and licensed childcare providers) from the primary SSVF grantee, New England Center for Homeless Veterans, in order to help Veteran families stay in or acquire permanent housing on a sustainable basis.

SOUTHEASTERN MASS VETERANS HOUSING PROGRAM, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied in the preparation of the consolidated financial statements follows:

Basis of Presentation

The accompanying consolidated financial statements have been prepared on an accrual basis and in accordance with the reporting principles of nonprofit accounting as defined by professional standards.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of VTH Beacon, LLC, which is a 100% owned subsidiary. The entities are related through common governance and control. All inter-entity accounts and transactions have been eliminated.

Donated Goods

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair value at the date of donation.

Donated services are recognized as contributions in accordance with professional standards, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Agency. Volunteers also provided services throughout the year that are not recognized as contributions in the consolidated financial statements since the recognition criteria under Professional Standards was not met.

During the year ended September 30, 2019, the Agency received in-kind donations of food totaling \$6,511 and a donated building and land with fair market value of \$111,000.

Display of Net Assets by Class

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when received and released from restrictions when the assets are placed in service. 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.

SOUTHEASTERN MASS VETERANS HOUSING PROGRAM, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Display of Net Assets by Class (Continued)

Grants, which are limited to the use of various Agency programs, are reflected as unrestricted revenue if these funds are received and spent during the same year and if they support the activities of the Agency within the limits of the Agency's articles of organization.

Summarized Comparative Data

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended September 30, 2018, from which the summarized information was derived.

Cash and Cash Equivalents

The Agency considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides probable uncollectible amounts through a provision of bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts, or upon move-out of the client, are written off through a charge to the valuation allowance and a credit to accounts receivable. As of September 30, 2019, management estimated all receivables were collectible and therefore there was no provision for uncollectible accounts.

The Agency does not have a policy to accrue interest or to require collateral or other security to secure accounts receivable.

Unconditional Promises

The Agency records unconditional promises to give expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statement of activities. The Agency determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections.

SOUTHEASTERN MASS VETERANS HOUSING PROGRAM, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

The Agency's policy is to capitalize assets whose cost individually (or if part of a related group of assets, cost in the aggregate) is in excess of \$3,000.

Property and equipment are stated at cost if purchased, or fair estimated market value if donated. In the absence of original cost records, appraisals of historical cost or fair market value at the date of gift have been recorded. Additions, improvements, and expenditures that significantly extend the economic life of the assets are capitalized. Expenditures for repairs and maintenance are charged to operations in the year the costs are incurred.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings	30 to 40 Years
Building Improvements	16.5 to 27.5 Years
Furniture and Fixtures	5 Years
Equipment	3 to 5 Years
Motor Vehicles	5 Years

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the assets' carrying amount over the fair value of the asset.

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies, licensed capacity, square footage, etc. Management and general include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Agency.

Tax Exempt Status

The Agency qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no tax provision for income taxes is reflected in the accompanying consolidated financial statements s.

SOUTHEASTERN MASS VETERANS HOUSING PROGRAM, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

The Agency expenses advertising costs when they are incurred. Advertising expense for the year ended September 30, 2019 was \$13,170.

Use of Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates and assumptions.

Deferred Financing Costs

Deferred financing costs totaling \$23,521 incurred for bank financing have been accounted for as a reduction in the related outstanding loans and are being amortized, using the straight-line method, over the life of the loan to interest expense.

Revenue Recognition

The Agency operates its programs under various cost reimbursement contracts with the Federal Government and the Commonwealth of Massachusetts. Under cost-reimbursement programs, recognition of income takes place as costs related to the services provided are incurred. Billings on the contracts are subject to final approval by the governmental agency.

Contributions received are recorded as a contribution with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions for which restrictions are met in the same period the contribution is received are reported as net assets without donor restrictions.

Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year's presentation.

Subsequent Events

Subsequent events have been evaluated through February 14, 2020, the date the consolidated financial statements were available to be issued. No such events requiring disclosure subsequent to year-end were noted as of February 14, 2020.

SOUTHEASTERN MASS VETERANS HOUSING PROGRAM, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Standards Update

The Agency has adopted the accounting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, which changes presentation and disclosure requirements for nonprofit entities to provide more relevant information about their resources (and the changes in those resources) to donors, granters, creditors, and other users. These include qualitative and quantitative requirements in the following areas: net asset classes, investment return, expenses, and liquidity. Adoption of the new standard had no effect on the previously reported total change in net assets or net assets balance.

NOTE 3 CONCENTRATIONS OF CREDIT RISK

The majority of the Agency's activities and revenues are as a result of contracts with the Commonwealth of Massachusetts and the federal government. The Agency's operations are concentrated in the human services provider field. As such, the Agency operates in a heavily regulated environment. The operations of the Agency are subject to administrative directives, rules, and regulations of federal, state, and local regulatory agencies, including, but not limited to the Department of Veterans Services.

Such administrative directives, rules, and regulations are subject to change by an act of Congress, act of the state legislature or an administrative change mandated by the Department of Veterans Services. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change. Additionally, contractual funding may decrease or be withdrawn with little notice.

The following is a summary of the sources of revenue and monies owed to the Agency as of September 30, 2019:

	<u>Revenue</u>	<u>Accounts Receivable</u>
Commonwealth of Massachusetts	44 %	51 %
Federal - Direct or Passed Through	28	17
Private Fees	9	2
Contributions and Other	19	30
Totals	<u>100 %</u>	<u>100 %</u>

The Agency maintains its cash in deposits at local financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Deposits at FDIC insured institutions are insured up to \$250,000 per depositor. At September 30, 2019, there were \$619,661 of uninsured balances.

SOUTHEASTERN MASS VETERANS HOUSING PROGRAM, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 4 PROMISES TO GIVE

Unconditional promises to give at September 30, 2019 are from the Agency's capital campaign and are collectible over the next five years. Management believes that's all promises to give are collectible. Accordingly, no allowance has been recorded.

Unconditional promises to give consist of the following:

Receivable in Less than One Year	\$ 100,583
Receivable in One to Three Years	155,784
Total Unconditional Promises to Give	<u>256,367</u>
Less: Unamortized Discount	(7,325)
Net Unconditional Promises to Give	<u><u>\$ 249,042</u></u>

Unconditional promises to give due in more than one year are included in other assets in the consolidated statement of financial position and are reflected at the present value of estimated future cash flows using a discount rates of approximately 1.55% – 1.63%.

NOTE 5 PROPERTY AND EQUIPMENT

The following is a summary of land, building, and equipment by major category at September 30, 2019:

Land	\$ 314,140
Building and Improvements	1,365,660
Furniture and Fixtures	35,621
Equipment	300
Vehicles	132,205
Construction in Process	<u>368,132</u>
Total	2,216,058
Less: Accumulated Depreciation	(559,015)
Total Land, Building, and Equipment	<u><u>\$ 1,657,043</u></u>

Depreciation expense for the year ended September 30, 2019 was \$45,715

The Agency has commenced a building project which includes the construction of a facility to be used for program purposes. As of September 30, 2019, certain phases of the project have begun and costs associated with designing the facility have been incurred. No contract has been signed for the construction of the building.

SOUTHEASTERN MASS VETERANS HOUSING PROGRAM, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 6 MORTGAGES AND NOTES PAYABLE

The Agency's long-term debt consists of the following at September 30:

<u>Description</u>	<u>Amount</u>
Note payable - bank, payable in monthly installments of interest only at 7.2% until March 2008, a principal reduction of no less than \$184,950 will be required in the initial year of the loan, thereafter, 168 monthly installments of principal and interest of \$1,331, interest at 7.2%, secured by property at 98 Arnold Street, New Bedford, MA, due March 2022.	\$ 41,035
Note payable - bank, payable in monthly installments of interest only until June 2015, followed by principal and interest at prime + 1%, currently 5.25%, payments of \$1,486 until May 2020, at which time remaining principal and interest is due, secured by property at 1311 Purchase Street, New Bedford, MA.	206,930
Note payable - bank, payable in 300 monthly installments of principal and interest of \$1,129, interest at 4.25%, secured by properties at 717 Country Street, New Bedford, MA, and 53 South Sixth Street, New Bedford, MA, renewable and interest rate adjusted every five years through July 2039.	178,825
Note payable - HAND Corporation, payable in 360 monthly installments of principal and interest of \$126, interest at 3% secured by a second mortgage at 717 Country Street, New Bedford, MA, due January 2029.	<u>12,096</u>
Total	438,886
Less: Current Maturities of Mortgages and Notes Payable	(228,060)
Less: Unamortized Deferred Financing Costs	<u>(4,030)</u>
Total	<u><u>\$ 206,796</u></u>

SOUTHEASTERN MASS VETERANS HOUSING PROGRAM, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 6 MORTGAGE AND NOTES PAYABLE (CONTINUED)

The future minimum principal payments for mortgages and notes payable are as follows:

<u>Year Ended September 30,</u>	<u>Amount</u>
2020	\$ 228,060
2021	22,486
2022	19,319
2023	7,943
2024	8,289
Thereafter	152,789
Total	<u>\$ 438,886</u>

Interest expense on mortgages and notes payable for the year ended September 30, 2019 totaled \$22,322

The Agency is required to meet certain ratio covenants as detailed in the loan documents.

NOTE 7 LINE OF CREDIT

The Agency has a revolving line of credit for working capital with a limit of \$125,000 that is renewable annually through April 2021. The line of credit is secured by a second position security interest in 98 Arnold St, New Bedford and all tangible and intangible business assets and bears interest at Wall Street Journal Prime rate plus 0.50% (5.75% as of September 30, 2019). The outstanding balance on the line of credit was \$125,000 as of September 30, 2019.

Interest expense on the line of credit totaled \$2,277 for the year ended September 30, 2019.

NOTE 8 LEASES

In May 2018, the Agency entered into a one-year operating lease agreement with an unrelated entity for office and program space. The agreement calls for monthly rental payments of \$5,200 through April 2019. Lease expense was \$65,563 for the year ended September 30, 2019. As of October 1, 2019, the Organization is leasing on a month to month basis, as they anticipate completion of their renovations in the near future.

SOUTHEASTERN MASS VETERANS HOUSING PROGRAM, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 9 COMMITMENTS AND CONTINGENCIES

The Agency entered into an agreement with Community Economic Development Assistance Corporation (CEDAC) in the amount of \$312,533 to provide funding for a building located at 1074 Pleasant Street, New Bedford, Massachusetts prior to fiscal year 2006. The note originally accrued interest at 5% per year simple interest and was to be assessed on a pro rata basis at the end of each month during the first 20 years. On March 16, 2006, the agreement was revised to change the interest rate to 0%.

However, should the lender exercise the right to declare the entire indebtedness due and payable, or if the indebtedness evidenced by the Note which is due on the maturity date is not paid on the maturity date, then in addition to all other rights and remedies of the lender, the Agency agrees that all unpaid amounts shall bear interest until paid at the lesser of the following rates: 1) an annual rate of 10% per annum or 2) the maximum rate of interest which may lawfully be charged or collected on account of such unpaid amounts in accordance with applicable law and the terms and conditions of the general obligation bond(s) by which the loan is funded.

Repayment of the note will only be required in the event that restrictions, as defined in the Note Agreement, are not met. Currently the maturity date of the note is December 2029 which may be extended to 2069 if the property continues to meet the Housing Innovation Fund requirements. The repayment terms can be further extended in additional 10-year increments assuming requirements noted above continue to be met. In addition, to the extent that cash flow generated from the property exceeds 15% of the net operating income from the property in any calendar year, the Agency would be required to pay excess cash flow to CEDAC within 45 days of the end of each calendar year which shall be applied first to interest and thereafter to principal. As of September 30, 2019, no payments were due to CEDAC.

The Agency also holds financing agreements with HAND Corporation in the amounts of \$122,246 and \$56,100, respectively, to provide funding for buildings respectively located at 53 South Sixth Street and 717 County Street, New Bedford, Massachusetts. The notes are noninterest bearing. Repayment of the notes will only be required in the event that restrictions, as defined in the Note Agreement, are not met.

NOTE 10 RELATED PARTY TRANSACTIONS

The Agency purchased insurance coverage and health insurance through an insurance agency. One of the owners of that insurance agency is currently serving as the president of the board of directors of the Agency. Total payments for these insurance costs were \$41,276 for the year ended September 30, 2019, which includes \$26,027 paid to third party insurance providers represented by the insurance agency. There was no amount due to the related party as of September 30, 2019.

SOUTHEASTERN MASS VETERANS HOUSING PROGRAM, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 10 RELATED PARTY TRANSACTIONS (CONTINUED)

The Agency has a line of credit with a local bank. One of members of the board of directors is the Commercial Lending Officer for the bank that funded the line of credit. See Note 7.

During the year ended September 30, 2019, the Agency entered into an agreement with Willis St. LLC, to create 30 permanent apartments to house homeless veterans. As a result of the agreement, a new entity was created known as VTH Beacon, LLC. which is a 100% owned subsidiary of Southeastern Mass Veterans Housing Program, Inc.. VTH Beacon, LLC owns 49% of 0.1% of WS Development LLC which is the managing member of Willis St. LLC. During the sale of 20 Willis St, the Agency loaned the Willis St. LLC \$330,200. The amount is included as note receivable within other assets as of September 30, 2019.

In addition, the Agency received development fees and reimbursement of expenses from Willis St. LLC. Total revenue from this was \$397,253 of which, \$235,884 was payable to the Agency as of September 30, 2019 and included as other accounts receivable.

NOTE 11 SURPLUS REVENUE ESTIMATE: COMMONWEALTH PROGRAMS

The Operational Services Division (OSD) of the Commonwealth of Massachusetts regulates nonprofit contractors per regulation 808 CMR 1.00 Compliance, Reporting and Auditing for Human and Social Services. This regulation allows nonprofit contractors to accrue an annual net surplus, not to exceed 20% of said revenues, from the revenues and expenses associated with services provided. Surpluses may be used for any of the contractors established charitable purposes, provided that no portion of the surplus may be used for any nonreimbursable cost set forth in 808 CMR 1.05, the free care prohibition excepted. OSD shall be responsible for determining the amount of surplus that may be retained by each contractor in any given year and may determine whether any excess surplus shall be used to reduce future prices or be recouped. The Agency did not exceed the 20% allowable amount; therefore, no liability has been recorded as of year-end.

NOTE 12 NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with donor restrictions as of September 30, 2019 are restricted for building improvements relating to the capital campaign. Total net assets with donor restrictions were \$1,193,066 at year-end.

SOUTHEASTERN MASS VETERANS HOUSING PROGRAM, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 13 LIQUIDITY AND AVAILABILITY

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

Cash and Cash Equivalents	\$	862,879
Accounts Receivable		327,555
Contributions Receivable		100,583
Other Accounts Receivable		237,708
Less:		
Assets with Donor-Imposed Restrictions		<u>(1,193,066)</u>
Total	\$	<u>335,659</u>

NOTE 14 PRIOR PERIOD ADJUSTMENT

During the year ended September 30, 2019, it was determined that certain revenue related to cost-reimbursement grants was recorded as revenue and related pledge receivable prior to expenses being incurred and reimbursement being requested. As a result, as of October 1, 2018 net assets with restrictions was decreased by \$200,000. This adjustment has been recorded as the correction of an error.

The adjustment resulted in the following changes to the 2018 balances for pledges receivable, contributions, gifts, legacies, bequests and special events, net assets with donor restrictions and change in net assets:

	<u>As Originally Presented</u>	<u>As Restated</u>
Pledges Receivable - Current Portion	\$ 276,850	\$ 76,850
Contributions, Gifts, Legacies, Bequests & Special Events	776,027	576,027
Net Assets with Donor Restrictions - End of Year	649,263	449,263
Change in Net Assets	554,275	354,275

ORGANIZATION: Southeastern Massachusetts Veterans Housing Program, Inc.

ORGANIZATION SUPPLEMENTAL INFORMATION SCHEDULE A - Unaudited

FY END: 9/30/2019

FEIN: 111190035

REVENUE	Total Organization			Total All Prog	EXPENSE			Total Organization		Admin (M&G)		Fund Raising		Total All Programs	
	FTE	Expense	FTE		FTE	Expense	FTE	Expense	FTE	Expense	FTE	Expense	FTE	Expense	
1R Contributions, Gifts, Legacies, Bequests		113,057		113,057	1E Total Direct Prog.Staff FTE/Exp 101-138	17.89	622,308	XXXX	XXXXXXXXXX	XXXX	XXXXXXXXXX	17.89	622,308		
2R Gov. In-Kind/Capital Budget			XXXXXXXXXX		2E Chief Executive Officer - FTE/Exp.	1.00	87,001	1.00	87,001						
3R Private IN-Kind		117,511		117,511	3E Chief Financial Officer - FTE/Exp.	1.00	77,661	1.00	77,661						
4R Total Contributions and In-Kind		230,568		117,511	4E Accting/Clerical/Support FTE/Expense	1.00	47,840	1.00	47,840						
5R Mass Gov. Grant			XXXXXXXXXX		5E Admin Maint/House-Grndskeeping FTE/Exp	3.00	212,502	3.00	212,502						
6R Other Grant (exclud. Fed.Direct)			XXXXXXXXXX		6E Total Admin Employee FTE/Expense 410										
7R Total Grants					7E Commercial Products & Svs/Mktng FTE/Exp					XXXX	XXXXXXXXXX				
8R Dept. of Mental Health (DMH)			XXXXXXXXXX		8E Total FTE/Salary/Wages	20.89	834,810	3.00	212,502					17.89	622,308
9R Dept. of Developmental Services(DDS/DMR)			XXXXXXXXXX		9E Payroll Taxes 150		84,066		4,051						80,015
10R Dept. of Public Health (DPH)			XXXXXXXXXX		10E Fringe Benefits 151		27,926		1,346						26,580
11R Dept. of Children and Families (DCF/DSS)			XXXXXXXXXX		11E Accrual Adjustments										
12R Dept. of Transitional Assist (DTA/WEL)			XXXXXXXXXX		12E Total Employee Compensation & Rel. Exp.		946,802		217,899						728,903
13R Dept. of Youth Services (DYS)			XXXXXXXXXX		13E Facility and Prog. Equip.Expenses 301, 390		65,563								65,563
14R Health Care Fin & Policy (HCF)-Contract			XXXXXXXXXX		14E Facility & Prog. Equip. Depreciation 301		39,474		1,974						37,500
15R Health Care Fin & Policy (HCF)-UCP			XXXXXXXXXX		15E Facility Operation/Maint./Furn.390		147,178		22,891						124,287
16R MA. Comm. For the Blind (MCB)			XXXXXXXXXX		16E Facility General Liability Insurance 390		36,231		1,746						34,485
17R MA. Comm. for Deaf & H H (MCD)			XXXXXXXXXX		17E Total Occupancy		288,446		26,611						261,836
18R MA. Rehabilitation Commission (MRC)			XXXXXXXXXX		18E Direct Care Consultant 201										
19R MA. Off. for Refugees & Immigr.(ORI)			XXXXXXXXXX		19E Temporary Help 202										
20R Dept.of Early Educ. & Care (EEC)-Contract			XXXXXXXXXX		20E Clients and Caregivers Reimb./Stipends 203				XXXXXXXXXX		XXXXXXXXXX				
21R Dept.of Early Educ. & Care (EEC)-Voucher			XXXXXXXXXX		21E Subcontracted Direct Care 206				XXXXXXXXXX		XXXXXXXXXX				
22R Dept of Correction (DOC)			XXXXXXXXXX		22E Staff Training 204		1,045		70						975
23R Dept. of Elementary & Secondary Educ. (DOE)			XXXXXXXXXX		23E Staff Mileage / Travel 205		4,722								4,722
24R Parole Board (PAR)			XXXXXXXXXX		24E Meals 207		51,507								51,507
25R Veteran's Services (VET)		671,562		671,562	25E Client Transportation 208		21,302		XXXXXXXXXX		XXXXXXXXXX				21,302
26R Ex. Off. of Elder Affairs (ELD)			XXXXXXXXXX		26E Vehicle Expenses 208		2,442								2,442
27R Div. of Housing & Community Develop(OCDD)			XXXXXXXXXX		27E Vehicle Depreciation 208		6,241								6,241
28R POS Subcontract			XXXXXXXXXX		28E Incidental Medical /Medicine/Pharmacy 209				XXXXXXXXXX		XXXXXXXXXX				
29R Other Mass. State Agency POS			XXXXXXXXXX		29E Client Personal Allowances 211				XXXXXXXXXX		XXXXXXXXXX				
30R Mass State Agency Non - POS			XXXXXXXXXX		30E Provision Material Goods/Svs./Benefits 212				XXXXXXXXXX		XXXXXXXXXX				
31R Mass. Local Govt/Quasi-Govt. Entities		36,216		36,216	31E Direct Client Wages 214				XXXXXXXXXX		XXXXXXXXXX				
32R Non-Mass. State/Local Government			XXXXXXXXXX		32E Other Commercial Prod. & Svs. 214				XXXXXXXXXX		XXXXXXXXXX				
33R Direct Federal Grants/Contracts		432,560		432,560	33E Program Supplies & Materials 215		9,402		XXXXXXXXXX		XXXXXXXXXX				9,402
34R Medicaid - Direct Payments			XXXXXXXXXX		34E Non Charitable Expenses										
35R Medicaid - MBHP Subcontract			XXXXXXXXXX		35E Other Expense		25,938		5,261						20,677
36R Medicare			XXXXXXXXXX		36E Total Other Program Expense		122,598		5,331						117,267
37R Mass. Govt. Client Stipends			XXXXXXXXXX		37E Management Fees 410										XXXXXXXXXX
38R Client Resources		63,682		63,682	38E Fundraising Fees 410		56,962		XXXXXXXXXX		56,962				XXXXXXXXXX
39R Mass. Publicly sponsored client offsets			XXXXXXXXXX		39E Legal Fees 410		19,476		19,476						XXXXXXXXXX
40R Other Publicly sponsored client offsets			XXXXXXXXXX		40E Audit Fees 410		22,565		22,565						XXXXXXXXXX
41R Private Client Fees (excluding 3rd Pty)			XXXXXXXXXX		41E Management Consultant 410										XXXXXXXXXX
42R Private Client 3rd Pty/other offsets			XXXXXXXXXX		42E Other Professional Fees & Other Admin. Expenses 410		97,367		9,866						XXXXXXXXXX
43R Total Assistance and Fees		1,204,019		1,204,019	43E Leased Office/Program Office Equip.410,390										87,502
44R Federated Fundraising					44E Office Equipment Depreciation 410										
45R Commercial Activities					45E Admin. Vehicle Expenses 410		2,080		2,080						XXXXXXXXXX
46R Non-Charitable Revenue					46E Admin. Vehicle Depreciation 410		2,440		2,440						XXXXXXXXXX
47R Investment Revenue		868		868	47E Directors & Officers Insurance 410		37,146		XXXXXXXXXX		XXXXXXXXXX				XXXXXXXXXX
48R Other Revenue		1,166,304		1,065,123	48E Program Support 216										37,146
49R Allocated Admin (M&G) Revenue		XXXXXXXXXX			49E Professional Insurance 410										
50R Released Net Assets-Program					50E Working Capital Interest 410		24,599		12,936						11,664
51R Released Net Assets-Equipment					51E Total Direct Administrative Expense		262,636		69,362		56,962				136,311
52R Released Net Assets-Time					52E Admin (M&G) Reporting Center Allocation		XXXXXXXXXX		(319,202)		13,973				305,229
53R TOTAL REVENUE		2,601,759	868	1,182,634	53E Total Reimbursable & Fundraising Expense		1,620,482				70,935				1,549,547
54R TOTAL EXPENSE = 56E		1,646,959		70,935	54E Direct State/Federal Non-Reimbursable Expense		26,477				XXXXXXXXXX				26,477
55R OPERATING RESULTS		954,800	868	1,111,699	55E Allocation of State/Fed Non-Reimbursable Expense		XXXXXXXXXX								XXXXXXXXXX
				(157,767)	56E TOTAL EXPENSE = 56R		1,646,959				70,935				1,576,024

COMPENSATION DISCLOSURE Enter all compensation (salary, benefit packages, vehicles, consultant payments, loans, etc.) from the entity & its related parties/affiliates to organization principals. Attach schedule of non-salary items.

Name & Title	Reporting Entity Compensation		Compensation from Other Entities	
	Salary	Other	Salary	Other
1C James Reid, CEO	87,001			
2C Jason Stripinis, CFO	77,661	8,729		
3C				
4C				
5C				

MA Surplus Revenue Retention	Starting Balance	Expended Amount	Accrual Amount	Liability Amt.
Prior Year Ma. Revenue				

Comm. of MA cost reimbursement overbilling (preliminary calc. subject to adjustment)

NON-REIMBURSABLE EXPENSE DETAIL

1N Direct Employee Compensation & Related Exp.			XXXXXXXXXX	
2N Direct Occupancy			XXXXXXXXXX	
3N Direct Other Program/Operating		6,511	XXXXXXXXXX	6,511
4N Direct Subcontract Expense			XXXXXXXXXX	
5N Direct Administrative Expense			XXXXXXXXXX	
6N Direct Other Expense		19,966	XXXXXXXXXX	19,966
7N Direct Depreciation			XXXXXXXXXX	
8N Total Direct Non-Reimbursable (must tie to 54E)		26,477	XXXXXXXXXX	26,477
9N Total Direct and Allocated Non-Reimbursable (54E+55E)		26,477	XXXXXXXXXX	26,477
10N Eligible Non-Reimb./Fundraising Exp. Revenue Offsets		215,105	868	214,238
11N Capital Budget Revenue Adjustments			XXXXXXXXXX	
12N Excess of Non-Reimb./Fundraising Expense over Offsets		(188,628)	(868)	(187,760)

Note to Readers: Please see Schedule B Note to Readers regarding appropriate Non-Reimbursable Exp.

Southeastern Mass Veterans Housing Program, Inc. and Subsidiary
Federal Employee Identification Number: 11-1190035
September 30, 2019

Schedule A - UFR Line Reconciliations

Line 48R	Other Revenue	
	Development Fees	\$ 397,253
	Gain on Sale of 20 Willis St	670,488
	Other	98,563
	Total	<u>\$ 1,166,304</u>
Line 35E	Other Expense	
	Data Processing	\$ 7,772
	Dues and Subscriptions	768
	Advertising	12,469
	Filing Fees	4,697
	Bank Service Charge	232
	Total	<u>\$ 25,938</u>
Line 42E	Other Professional Fees and Other Admin Expense	
	Other Professional Fees	\$ 58,940
	Office Supplies	22,983
	Telephone	10,961
	Meals and Entertainment	2,189
	Miscellaneous	1,074
	Postage	846
	Printing	374
	Total	<u>\$ 97,367</u>

ORGANIZATION: Southeastern Massachusetts Veterans Housing Program, Inc.

PROGRAM SUPPLEMENTAL INFORMATION SCHEDULE B - Unaudited

FY END: 9/30/2019

FEIN: 111190035

UFR Program Number: 01-R Program Name: Veterans Transition House Description: Veterans Homeless Shelter Catalog of Federal Domestic Assistance #: 14.231 B
*Program Type: 27 Program Address: 344 County Street New Bedford MA 02740 # Weeks operated during audit period (e.g., 52): 52.00 # operating hours/week (e.g., 40): 40.00

Note to Readers: This schedule should be read in context with F.S. Notes and all other UFR information. In many instances the presence of significant planned to actual variances or non-reimbursable expenses (e.g., In-Kind donations) may be appropriate and desirable.
* Program Type codes: 21 = SPED; 22 = HCFP/Medicaid Class Rate; 23 = Negotiated Unit Rate; 24 = Negotiated Accommodations Rate; 25 = Non-negotiated Accommodations Rate; 26 = Other Non-negotiated Unit Rate; 27 = Cost Reimbursement; NA = Not Applicable

Table with columns: REVENUE, STAFFING # hours/yr = 1.00 FTE, FTE, Salary/Wage, EXPENSE - ACTUAL/PLANNED, FTE, Actual, Planned, % Var. Rows include 1R-53R for revenue and 1S-7SS for staffing, and 1E-58E for expenses.

SERVICE STATISTICS table with columns: Enter defined unit of service, Bed Days, Enter total unit capacity, 12.045.

MASSACHUSETTS CONTRACT INFORMATION table with columns: Dept, Contract ID, Characters, MMARS Code, and POS SUBCONTRACT INFORMATION table with columns: State Dept, Payor Name, Payor's FEIN.

UNDUP # CLIENTS # SERVICE UNITS DELIVERED table and NON-REIMBURSABLE EXPENSE DETAIL table with columns: Description, Expense Amt.

SUBCONTRACTED DIRECT CARE EXPENSE DETAIL table with columns: Subcontractor Name, FEIN, Expense Amt.

PREPARER COMMENTS:

ORGANIZATION: Southeastern Massachusetts Veterans Housing Program, Inc.

PROGRAM SUPPLEMENTAL INFORMATION SCHEDULE B - Unaudited

FY END: 9/30/2019

FEIN: 111190035

UFR Program Number: 3 Program Name: Veterans Graduate House Description: Veterans Transitional Housing Catalog of Federal Domestic Assistance #: 64.024 B
http://www.cfda.gov/default.htm
* Program Type codes: 21 = SPED; 22 = HCFP/Medicaid Class Rate; 23 = Negotiated Unit Rate; 24 = Negotiated Accommodations Rate; 25 = Non-negotiated Accommodations Rate; 26 = Other Non-negotiated Unit Rate; 27 = Cost Reimbursement; NA = Not Applicable
Weeks operated during audit period (e.g., 52): 52.00 # operating hours/week (e.g., 40): 40.00

Note to Readers: This schedule should be read in context with F.S. Notes and all other UFR information. In many instances the presence of significant planned to actual variances or non-reimbursable expenses (e.g., In-Kind donations) may be appropriate and desirable.

Table with columns: REVENUE, STAFFING # hours/yr = 1.00 FTE: 2080, FTE, Salary/Wage, EXPENSE - ACTUAL/PLANNED, FTE, Actual, Planned, % Var. Rows include 1R-39S and 40E-58E.

Table with columns: SUBCONTRACTED DIRECT CARE EXPENSE DETAIL, POS SUBCONTRACT INFORMATION, MASSACHUSETTS CONTRACT INFORMATION, NON-REIMBURSABLE EXPENSE DETAIL, Description. Rows include 1SDC-5SDC and 1N-12N.

PREPARER COMMENTS:

ORGANIZATION: Southeastern Massachusetts Veterans Housing Program, Inc.

PROGRAM SUPPLEMENTAL INFORMATION SCHEDULE B - Unaudited

FY END: 9/30/2019

FEIN: 111190035

UFR Program Number: 3 Program Name: Veterans Graduate House Description: Veterans Transitional Housing Catalog of Federal Domestic Assistance #: 64.024 B
http://www.cdca.gov/default.htm
Program Type: N/A Program Address: See Supplemental Schedule New Bedford MA 02740 # Weeks operated during audit period (e.g., 52): 52.00 # operating hours/week (e.g., 40): 40.00

Note to Readers: This schedule should be read in context with F.S. Notes and all other UFR information. In many instances the presence of significant planned to actual variances or non-reimbursable expenses (e.g., In-Kind donations) may be appropriate and desirable.

* Program Type codes: 21 = SPED; 22 = HCFF/Medicaid Class Rate; 23 = Negotiated Unit Rate; 24 = Negotiated Accommodations Rate; 25 = Non-negotiated Accommodations Rate; 26 = Other Non-negotiated Unit Rate; 27 = Cost Reimbursement; NA = Not Applicable

REVENUE 1R Contrib., Gifts, Leg., Bequests, Spec. Ev. 26,917 1S Program Director (UFR Title 102) 1E Total Direct Program Staff = 39S 4.57 107,996

2R Gov. In-Kind/Capital Budget 2S Program Function Manager (UFR Title 101) 2E Chief Executive Officer 3E Chief Financial Officer

3R Private IN-Kind 3S Asst. Program Director (UFR Title 103) 4E Actgng/Clerical Support 5E Admin Maint/House-Grndskeeping

4R Total Contribution and In-Kind 26,917 4S Supervising Professional (UFR Title 104) 6E Total Admin Employee 7E Commerical products & Svs/Mkting

5R Mass Gov. Grant 5S Physician & Psychiatrist (UFR Title 105 & 121) 8E Total FTE/Salary/Wages 4.57 107,996

6R Other Grant (exclud. Fed.Direct) 6S Physician Asst. (UFR Title 106) 9E Payroll Taxes 150 11,980

7R Total Grants 7S N. Midwife, N.P., Psych N.,N.A., R.N.- MA (Title 107) 10E Fringe Benefits 151 3,980

8R Dept. of Mental Health (DMH) 8S R.N. - Non Masters (UFR Title 108) 11E Accrual Adjustments 12E Total Employee Compensation & Rel. Exp. 123,956

9R Dept. of Developmental Services(DDS/DMR) 9S L.P.N. (UFR Title 109) 13E Facility and Prog. Equip.Expenses 301,390 13E Facility and Prog. Equip. Depreciation 301 5,526

10R Dept. of Public Health (DPH) 10S Pharmacist (UFR Title 110) 14E Facility Operation/Maint./Furn.390 23,305

11R Dept. of Children and Families (DCF/DSS) 11S Occupational Therapist (UFR Title 111) 16E Facility General Liability Insurance 390 5,163

12R Dept. of Transitional Assist (DTA/WEL) 12S Physical Therapist (UFR Title 112) 17E Total Occupancy 33,995

13R Dept. of Youth Services (DYS) 13S Speech / Lang. Pathol., Audiologist (UFR Title 113) 18E Direct Care Consultant 201 19E Temporary Help 202

14R Health Care Fin & Policy (HCF)-Contract 14S Dietician / Nutritionist (UFR Title 114) 20E Clients and Caregivers Reimb./Stipends 203 21E Subcontracted Direct Care 206

15R Health Care Fin & Policy (HCF)-UCP 15S Spec. Education Teacher (UFR Title 115) 22E Staff Training 204 23E Staff Mileage / Travel 205 164

16R MA. Comm. For the Blind (MCB) 16S Teacher (UFR Title 116) 24E Meals 207 218

17R MA. Comm. for Deaf & H H (MCD) 17S Day Care Director (UFR Title 117) 25E Client Transportation 208 26E Vehicle Expenses 208 1,189

18R MA. Rehabilitation Commission (MRC) 18S Day Care Lead Teacher (UFR Title 118) 26E Vehicle Depreciation 208 27E Incidental Medical /Medicine/Pharmacy 209

19R MA. Off. for Refugees & Immigr.(ORI) 19S Day Care Teacher (UFR Title 119) 29E Client Personal Allowances 211 30E Provision Material Goods/Svs./Benefits 212

20R Dept. of Early Educ. & Care (EEC)-Contract 20S Day Care Asst. Teacher / Aide (UFR Title 120) 31E Direct Client Wages 214 32E Other Commercial Prod. & Svs. 214 119

21R Dept. of Early Educ. & Care (EEC)-Voucher 21S Psychologist - Doctorate (UFR Title 122) 33E Program Supplies & Materials 215 34E Non Charitable Expenses 4,243

22R Dept. of Correction (DOC) 22S Clinician-(formerly Psych.Masters)(UFR Title 123) 35E Other Expense 5,942

23R Dept. of Elementary & Secondary Educ. (DOE) 23S Social Worker - L.I.C.S.W. (UFR Title 124) 42E Other Professional Fees & Other Admin. Exp. 410 14,765

24R Parole Board (PAR) 24S Social Worker - L.C.S.W., L.S.W (UFR Title 125 & 126) 43E Leased Office/Program Office Equip.410,390 44E Office Equipment Depreciation 410 5,163

25R Veteran's Services (VET) 25S Licensed Counselor (UFR Title 127) 48E Program Support 216 49E Professional Insurance 410 7,865

26R Ex. Off. of Elder Affairs (ELD) 26S Cert. Voc. Rehab. Counselor (UFR Title 128) 51E Total Direct Administrative Expense 27,794

27R Div. of Housing & Community Develop(OCDD) 27S Cert. Alch. &/or Drug Abuse Counselor (UFR Title 129) 52E Admin (M&G) Reporting Center Allocation 47,021

28R POS Subcontract 28S Counselor (UFR Title 130) 53E Total Reimbursable Expense 238,708

29R Other Mass. State Agency POS 29S Case Worker / Manager - Masters (UFR Title 131) 54E Direct State/Federal Non-Reimbursable Expense 4,309

30R Mass State Agency Non - POS 30S Case Worker / Manager (UFR Title 132) 55E Allocation of State/Fed Non-Reimbursable Expense 243,017

31R Mass. Local Govt/Quasi-Govt. Entities 31S Direct Care / Prog. Staff Superv. (UFR Title 133) 56E TOTAL EXPENSE 200,260

32R Non-Mass. State/Local Government 32S Direct Care / Prog. Staff III (UFR Title 134) 57E TOTAL REVENUE = 53R 200,260

33R Direct Federal Grants/Contracts 33S Direct Care / Prog. Staff II (UFR Title 135) 58E OPERATING RESULTS 42,756

34R Medicaid - Direct Payments 34S Direct Care / Prog. Staff I (UFR Title 136) 59E CRE Preliminary Calculation of Cost Reimb. Excess Rev. * (subject to OSD adjustment)

35R Medicaid - MBHP Subcontract 35S Prog. Secretarial / Clerical Staff (UFR Title 137) 60E Direct Employee Compensation & Related Exp. 1,240

36R Medicare 36S Maintenance, House/Groundskeeping, Cook 138 4.57 107,996 61E Direct Subcontract Expense 3,069

37R Mass. Govt. Client Stipends 37S Direct Care / Driver Staff (UFR Title 138) XXXXXX 62E Direct Administrative Expense 4,309

38R Client Resources 6,456 38S Direct Care Overtime, Shift Differential and Relief 63E TOTAL REVENUE = 53R 200,260

39R Mass. spon.client SF/3rd Pty offsets 39S Total Direct Program Staff = 1E 4.57 107,996 64E Excess of Non-Reimbursable Expense Over Offsets 27,886

40R Other Publicly sponsored client offsets 41R Private Client Fees (excluding 3rd Pty) 42R Private Client 3rd Pty/other offsets 43R Total Assistance and Fees 168,066

44R Federated Fundraising 45R Commercial Activities 46R Non-Charitable Revenue 47R Investment Revenue 48R Other Revenue 5,278

49R Allocated Admin (M&G) Revenue 50R Released Net Assets-Program 51R Released Net Assets-Equipment 52R Released Net Assets-Time 53R Total Revenue = 57E 200,260

41R Private Client Fees (excluding 3rd Pty) 42R Private Client 3rd Pty/other offsets 43R Total Assistance and Fees 168,066

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41R Private Client Fees (excluding 3rd Pty) 42R Private Client 3rd Pty/other offsets 43R Total Assistance and Fees 168,066

ORGANIZATION: Southeastern Massachusetts Veterans Housing Program, Inc.

PROGRAM SUPPLEMENTAL INFORMATION SCHEDULE B - Unaudited

FY END: 9/30/2019

FEIN: 111190035

UFR Program Number: 6 Program Name: Veterans Transition Program Description: Homeless Veterans Shelter Catalog of Federal Domestic Assistance #: 14.231 B
http://www.cfda.gov/default.htm
Program Type: N/A Program Address: 344 County Street New Bedford MA 02740 # Weeks operated during audit period (e.g., 52): 52.00 # operating hours/week (e.g., 40): 40.00

Note to Readers: This schedule should be read in context with F.S. Notes and all other UFR information. In many instances the presence of significant planned to actual variances or non-reimbursable expenses (e.g., In-Kind donations) may be appropriate and desirable.

* Program Type codes: 21 = SPED; 22 = HCFP/Medicaid Class Rate; 23 = Negotiated Unit Rate; 24 = Negotiated Accommodations Rate; 25 = Non-negotiated Accommodations Rate; 26 = Other Non-negotiated Unit Rate; 27 = Cost Reimbursement; NA = Not Applicable

Table with columns: REVENUE, STAFFING # hours/yr = 1.00 FTE: 2080, FTE, Salary/Wage, EXPENSE - ACTUAL/PLANNED, FTE, Actual, Planned, % Var. Rows include 1R Contrib., Gifts, Leg., Bequests, Spec. Ev., 2R Gov. In-Kind/Capital Budget, 3R Private In-Kind, 4R Total Contribution and In-Kind, 5R Mass Gov. Grant, 6R Other Grant (exclud. Fed.Direct), 7R Total Grants, 8R Dept. of Mental Health (DMH), 9R Dept of Developmental Services(DDS/DMR), 10R Dept. of Public Health (DPH), 11R Dept of Children and Families (DCF/DSS), 12R Dept. of Transitional Assist (DTA/WEL), 13R Dept. of Youth Services (DYS), 14R Health Care Fin & Policy (HCF)-Contract, 15R Health Care Fin & Policy (HCF)-UCP, 16R MA. Comm. For the Blind (MCB), 17R MA. Comm. for Deaf & H H (MCD), 18R MA. Rehabilitation Commission (MRC), 19R MA. Off. for Refugees & Immigr.(ORI), 20R Dept of Early Educ. & Care (EEC)-Contract, 21R Dept of Early Educ. & Care (EEC)-Voucher, 22R Dept of Correction (DOC), 23R Dept. of Elementary & Secondary Educ. (DOE), 24R Parole Board (PAR), 25R Veteran's Services (VET), 26R Ex. Off. of Elder Affairs (ELD), 27R Div of Housing & Community Develop(OCDD), 28R POS Subcontract, 29R Other Mass. State Agency POS, 30R Mass State Agency Non - POS, 31R Mass. Local Govt/Quasi-Govt. Entities, 32R Non-Mass. State/Local Government, 33R Direct Federal Grants/Contracts, 34R Medicaid - Direct Payments, 35R Medicaid - MBHP Subcontract, 36R Medicare, 37R Mass. Govt. Client Stipends, 38R Client Resources, 39R Mass. spon.client SF/3rd Pty offsets, 40R Other Publicly sponsored client offsets, 41R Private Client Fees (excluding 3rd Pty), 42R Private Client 3rd Pty/other offsets, 43R Total Assistance and Fees, 44R Federated Fundraising, 45R Commercial Activities, 46R Non-Charitable Revenue, 47R Investment Revenue, 48R Other Revenue, 49R Allocated Admin (M&G) Revenue, 50R Released Net Assets-Program, 51R Released Net Assets-Equipment, 52R Released Net Assets-Time, 53R Total Revenue = 57E

Table with columns: Subcontractor Name, FEIN, Expense Amt. Rows include 1SDC, 2SDC, 3SDC, 4SDC, 5SDC, Comm. Of MA Surplus Rev. Retention Share

SERVICE STATISTICS
1SS Enter defined unit of service:
2SS Enter total unit capacity:
3SS Publicly sponsored clients:
4SS OSD's Program Privately sponsored clients:
5SS Performance Report (D-1 Free Care clients:
6SS Internet filing system) Total:
7SS suspended for FY '08 filings.

MASSACHUSETTS CONTRACT INFORMATION
Table with columns: Dept, Contract ID -11 Characters, MMARS Code
1C, 2C, 3C, 4C, 5C
POS SUBCONTRACT INFORMATION
Table with columns: State Dept, Payor Name, Payor's FEIN
1PS, 2PS, 3PS

UNDUP # # service units
Clients delivered
51E Total Direct Administrative Expense
52E Admin (M&G) Reporting Center Allocation
53E Total Reimbursable Expense
54E Direct State/Federal Non-Reimbursable Expense
55E Allocation of State/Fed Non-Reimbursable Expense
56E TOTAL EXPENSE
57E TOTAL REVENUE = 53R
58E OPERATING RESULTS
CRE Preliminary Calculation of Cost Reimb. Excess Rev. *
1N Direct Employee Compensation & Related Exp.
2N Direct Occupancy
3N Direct Other Program/Operating
4N Direct Subcontract Expense
5N Direct Administrative Expense
6N Direct Other Expense
7N Direct Depreciation
8N Total Direct Non-Reimbursable (Tie to 54E)
9N Total Direct and Allocated Non-Reimb. (54E+55E)
10N Eligible Non-Reimbursable Exp. Revenue Offsets
11N Capital Budget Revenue Adjustment
12N Excess of Non-Reimbursable Expense Over Offsets

Table with columns: Description, FTE, Actual, Planned, % Var. Rows include 1E Total Direct Program Staff = 39S, 2E Chief Executive Officer, 3E Chief Financial Officer, 4E Acting/Clerical Support, 5E Admin Maint/House-Grdskeeping, 6E Total Admin Employee, 7E Commercial products & Svs/Mkting, 8E Total FTE/Salary/Wages, 9E Payroll Taxes 150, 10E Fringe Benefits 151, 11E Accrual Adjustments, 12E Total Employee Compensation & Rel. Exp., 13E Facility and Prog. Equip.Expenses 301,390, 14E Facility & Prog. Equip. Depreciation 301, 15E Facility Operation/Maint./Furn.390, 16E Facility General Liability Insurance 390, 17E Total Occupancy, 18E Direct Care Consultant 201, 19E Temporary Help 202, 20E Clients and Caregivers Reimb./Stipends 203, 21E Subcontracted Direct Care 206, 22E Staff Training 204, 23E Staff Mileage / Travel 205, 24E Meals 207, 25E Client Transportation 208, 26E Vehicle Expenses 208, 27E Vehicle Depreciation 208, 28E Incidental Medical /Medicine/Pharmacy 209, 29E Client Personal Allowances 211, 30E Provision Material Goods/Svs./Benefits 212, 31E Direct Client Wages 214, 32E Other Commercial Prod. & Svs. 214, 33E Program Supplies & Materials 215, 34E Non Charitable Expenses, 35E Other Expense, 36E Total Other Program Expense, 42E Other Professional Fees & Other Admin. Exp. 410, 43E Leased Office/Program Office Equip.410,390, 44E Office Equipment Depreciation 410, 48E Program Support 216, 49E Professional Insurance 410, 50E Working Capital Interest 410, 51E Total Direct Administrative Expense, 52E Admin (M&G) Reporting Center Allocation, 53E Total Reimbursable Expense, 54E Direct State/Federal Non-Reimbursable Expense, 55E Allocation of State/Fed Non-Reimbursable Expense, 56E TOTAL EXPENSE, 57E TOTAL REVENUE = 53R, 58E OPERATING RESULTS, (subject to OSD adjustment)

PREPARER COMMENTS:

ORGANIZATION: Southeastern Massachusetts Veterans Housing Program, Inc.

PROGRAM SUPPLEMENTAL INFORMATION SCHEDULE B - Unaudited

FY END: 9/30/2019

FEIN: 111190035

UFR Program Number: 01-W Program Name: Veterans Graduate House Description: Veterans Transitional Housing Catalog of Federal Domestic Assistance #: 64.024 B
http://www.cdca.gov/default.htm
Program Type: N/A Program Address: See Supplemental Schedule (Number/Street) New Bedford MA 02740 # Weeks operated during audit period (e.g., 52): 52.00 # operating hours/week (e.g., 40): 40.00

Note to Readers: This schedule should be read in context with F.S. Notes and all other UFR information. In many instances the presence of significant planned to actual variances or non-reimbursable expenses (e.g., In-Kind donations) may be appropriate and desirable.

* Program Type codes: 21 = SPED; 22 = HCFFP/Medicaid Class Rate; 23 = Negotiated Unit Rate; 24 = Negotiated Accommodations Rate; 25 = Non-negotiated Accommodations Rate; 26 = Other Non-negotiated Unit Rate; 27 = Cost Reimbursement; NA = Not Applicable

REVENUE 1R Contrib., Gifts, Leg., Bequests, Spec. Ev. 12,790 1S STAFFING # hours/yr = 1.00 FTE: FTE Salary/Wage EXPENSE - ACTUAL/PLANNED FTE Actual Planned % Var

Table with columns for Revenue (1R-53R), Staffing (1S-7S), FTE, Salary/Wage, Expense (1E-58E), and Actual/Planned values. Includes sub-totals for Direct Program Staff (39S) and Total Revenue (57E).

SERVICE STATISTICS section including Enter defined unit of service, Enter total unit capacity, and Undup # service units delivered. Includes categories like Publicly sponsored clients, Privately sponsored clients, and Free Care clients.

MASSACHUSETTS CONTRACT INFORMATION table with columns for Dept, Contract ID, and MMARS Code. Includes sub-sections for SUBCONTRACTED DIRECT CARE EXPENSE DETAIL and POS SUBCONTRACT INFORMATION.

PREPARER COMMENTS:

ORGANIZATION: Southeastern Massachusetts Veterans Housing Program, Inc.

PROGRAM SUPPLEMENTAL INFORMATION SCHEDULE B - Unaudited

FY END: 9/30/2019

FEIN: 111190035

UFR Program Number: 7 Program Name: SSVF Description: Supportive Services to Veteran Families Catalog of Federal Domestic Assistance #: 64.033 B
http://www.cfda.gov/default.htm
Program Type: N/A Program Address: 344 County Street New Bedford MA 02740 # Weeks operated during audit period (e.g., 52): 52.00 # operating hours/week (e.g., 40): 40.00

Note to Readers: This schedule should be read in context with F.S. Notes and all other UFR information. In many instances the presence of significant planned to actual variances or non-reimbursable expenses (e.g., In-Kind donations) may be appropriate and desirable.
* Program Type codes: 21 = SPED; 22 = HCFFP/Medicaid Class Rate; 23 = Negotiated Unit Rate; 24 = Negotiated Accommodations Rate; 25= Non-negotiated Accommodations Rate; 26 = Other Non-negotiated Unit Rate; 27 = Cost Reimbursement; NA = Not Applicable

Table with columns: REVENUE, STAFFING # hours/yr = 1.00 FTE: 2080, FTE, Salary/Wage, EXPENSE - ACTUAL/PLANNED, FTE, Actual, Planned, % Var. Rows include 1R Contrib., Gifts, Leg., Bequests, Spec. Ev., 2R Gov. In-Kind/Capital Budget, 3R Private IN-Kind, 4R Total Contribution and In-Kind, 5R Mass Gov. Grant, 6R Other Grant (exclud. Fed.Direct), 7R Total Grants, 8R Dept. of Mental Health (DMH), 9R Dept. of Developmental Services(DDS/DMR), 10R Dept. of Public Health (DPH), 11R Dept. of Children and Families (DCF/DSS), 12R Dept. of Transitional Assist. (DTA/WEL), 13R Dept. of Youth Services (DYS), 14R Health Care Fin & Policy (HCF)-Contract, 15R Health Care Fin & Policy (HCF)-UCP, 16R MA. Comm. For the Blind (MCB), 17R MA. Comm. for Deaf & H H (MCD), 18R MA. Rehabilitation Commission (MRC), 19R MA. Off. for Refugees & Immigr.(ORI), 20R Dept. of Early Educ. & Care (EEC)-Contract, 21R Dept. of Early Educ. & Care (EEC)-Voucher, 22R Dept of Correction (DOC), 23R Dept. of Elementary & Secondary Educ. (DOE), 24R Parole Board (PAR), 25R Veteran's Services (VET), 26R Ex. Off. of Elder Affairs (ELD), 27R Div. of Housing & Community Develop(OCDD), 28R POS Subcontract, 29R Other Mass. State Agency POS, 30R Mass State Agency Non - POS, 31R Mass. Local Govt/Quasi-Govt. Entities, 32R Non-Mass. State/Local Government, 33R Direct Federal Grants/Contracts, 34R Medicaid - Direct Payments, 35R Medicaid - MBHP Subcontract, 36R Medicare, 37R Mass. Govt. Client Stipends, 38R Client Resources, 39R Mass. spon.client SF/3rd Pty offsets, 40R Other Publicly sponsored client offsets, 41R Private Client Fees (excluding 3rd Pty), 42R Private Client 3rd Pty/other offsets, 43R Total Assistance and Fees, 44R Federated Fundraising, 45R Commercial Activities, 46R Non-Charitable Revenue, 47R Investment Revenue, 48R Other Revenue, 49R Allocated Admin (M&G) Revenue, 50R Released Net Assets-Program, 51R Released Net Assets-Equipment, 52R Released Net Assets-Time, 53R Total Revenue = 57E

Table with columns: Subcontractor Name, FEIN, Expense Amt. Rows include 1SDC, 2SDC, 3SDC, 4SDC, 5SDC

Table with columns: Dept, Contract ID -11 Characters, MMARS Code, State Dept, Payor Name, Payor's FEIN. Includes sections for SERVICE STATISTICS and POS SUBCONTRACT INFORMATION

Table with columns: Undup # Clients, # service units delivered, Description. Includes sections for MASSACHUSETTS CONTRACT INFORMATION and NON-REIMBURSABLE EXPENSE DETAIL

Table with columns: Description, Revenue Offsets, recognized as a liability on the Financial Statements.

PREPARER COMMENTS:

ORGANIZATION: Southeastern Massachusetts Veterans Housing Program, Inc.

PROGRAM SUPPLEMENTAL INFORMATION SCHEDULE B - Unaudited

FY END: 9/30/2019

FEIN: 111190035

UFR Program Number: 8 Program Name: Permanent Supportive Housing Description: Catalog of Federal Domestic Assistance #: B
http://www.cfda.gov/default.htm
Program Type: N/A Program Address: See Supplemental Schedule New Bedford MA 02740 # Weeks operated during audit period (e.g., 52): 52.00 # operating hours/week (e.g., 40): 40.00

Note to Readers: This schedule should be read in context with F.S. Notes and all other UFR information. In many instances the presence of significant planned to actual variances or non-reimbursable expenses (e.g., In-Kind donations) may be appropriate and desirable.

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Table with columns: REVENUE, STAFFING # hours/yr = 1.00 FTE, FTE, Salary/Wage, EXPENSE - ACTUAL/PLANNED, FTE, Actual, Planned, % Var. Rows include 1R Contrib., Gifts, Leg., Bequests, Spec. Ev., 2R Gov. In-Kind/Capital Budget, 3R Private In-Kind, 4R Total Contribution and In-Kind, 5R Mass Gov. Grant, 6R Other Grant (exclud. Fed.Direct), 7R Total Grants, 8R Dept. of Mental Health (DMH), 9R Dept.of Developmental Services(DDS/DMR), 10R Dept. of Public Health (DPH), 11R Dept.of Children and Families (DCF/DSS), 12R Dept. of Transitional Assist (DTA/WEL), 13R Dept. of Youth Services (DYS), 14R Health Care Fin & Policy (HCF)-Contract, 15R Health Care Fin & Policy (HCF)-UCP, 16R MA. Comm. For the Blind (MCB), 17R MA. Comm. for Deaf & H H (MCD), 18R MA. Rehabilitation Commission (MRC), 19R MA. Off. for Refugees & Immigr.(ORI), 20R Dept.of Early Educ. & Care (EEC)-Contract, 21R Dept.of Early Educ. & Care (EEC)-Voucher, 22R Dept of Correction (DOC), 23R Dept. of Elementary & Secondary Educ. (DOE), 24R Parole Board (PAR), 25R Veteran's Services (VET), 26R Ex. Off. of Elder Affairs (ELD), 27R Div. of Housing & Community Develop(ODC), 28R POS Subcontract, 29R Other Mass. State Agency POS, 30R Mass State Agency Non - POS, 31R Mass. Local Govt/Quasi-Govt. Entities, 32R Non-Mass. State/Local Government, 33R Direct Federal Grants/Contracts, 34R Medicaid - Direct Payments, 35R Medicaid - MBHP Subcontract, 36R Medicare, 37R Mass. Govt. Client Stipends, 38R Client Resources, 39R Mass. spon.client SF/3rd Pty offsets, 40R Other Publicly sponsored client offsets, 41R Private Client Fees (excluding 3rd Pty), 42R Private Client 3rd Pty/other offsets, 43R Total Assistance and Fees, 44R Federated Fundraising, 45R Commercial Activities, 46R Non-Charitable Revenue, 47R Investment Revenue, 48R Other Revenue, 49R Allocated Admin (M&G) Revenue, 50R Released Net Assets-Program, 51R Released Net Assets-Equipment, 52R Released Net Assets-Time, 53R Total Revenue = 57E

Table with columns: SUBCONTRACTED DIRECT CARE EXPENSE DETAIL, Subcontractor Name, FEIN, Expense Amt., POS SUBCONTRACT INFORMATION, State Dept, Payor Name, Payor's FEIN, NON-REIMBURSABLE EXPENSE DETAIL, Description. Rows include 1C, 2C, 3C, 4C, 5C, 1PS, 2PS, 3PS, 1N Direct Employee Compensation & Related Exp., 2N Direct Occupancy, 3N Direct Other Program/Operating, 4N Direct Subcontract Expense, 5N Direct Administrative Expense, 6N Direct Other Expense, 7N Direct Depreciation, 8N Total Direct Non-Reimbursable (Tie to 54E), 9N Total Direct and Allocated Non-Reimb. (54E+55E), 10N Eligible Non-Reimbursable Exp. Revenue Offsets, 11N Capital Budget Revenue Adjustment, 12N Excess of Non-Reimbursable Expense Over Offsets

PREPARER COMMENTS:



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

Board of Directors of
Southeastern Mass Veterans Housing Program, Inc.
New Bedford, Massachusetts

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 Southeastern Mass Veterans Housing Program, Inc., which comprise the consolidated statement of financial position as of September 30, 2019, and the related consolidated statements of activities, consolidated statements of 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 February 14, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Southeastern Mass Veterans Housing Program, Inc. and Subsidiary's internal control over financial reporting (internal control) to determine the 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 Southeastern Mass Veterans Housing Program, Inc. and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of Southeastern Mass Veterans Housing Program, Inc. and Subsidiary's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses listed as 2019-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and responses listed as items 2019-002 and 2019-003 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Southeastern Mass Veterans Housing Program, Inc. and Subsidiary'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 determination of consolidated financial statement amounts. 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*.

Southeastern Mass Veterans Housing Program, Inc. and Subsidiary's Response to Findings

Southeastern Mass Veterans Housing Program, Inc. and Subsidiary's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Southeastern Mass Veterans Housing Program, Inc. and Subsidiary's response was not subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on it.

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.



CliftonLarsonAllen LLP

New Bedford, Massachusetts
February 14, 2020

**SOUTHEASTERN MASS VETERANS HOUSING PROGRAM, INC. AND SUBSIDIARY
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2019**

Section I – Summary of Auditors' Results

Consolidated financial statements

1. Type of auditor's report issued: Unmodified
2. Internal Control Over Financial Reporting:
- Material weakness(es) identified? X yes none reported
 - Significant deficiencies identified that are not considered to be material weakness(es)? X yes no
3. Noncompliance material to financial consolidated statements noted? yes X no

Federal Awards

Uniform Guidance not applicable.

**SOUTHEASTERN MASS VETERANS HOUSING PROGRAM, INC. AND SUBSIDIARY
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2019**

Section II – Consolidated Financial Statement Findings

CURRENT YEAR

2019-001 Recognition of Revenue on Cost-Reimbursement Contracts

Condition: During the audit, we determined that revenue was recognized in the prior year for cost-reimbursement contracts at the date of the contract award.

Criteria: Cost-reimbursement contracts are conditional in that reimbursement cannot be requested until the costs have been incurred.

Effect: The recording of the revenue resulted in an overstatement of beginning net assets as well as pledges receivables for the current fiscal year.

Cause of Condition: The original agreement regarding the funding was verbal and the grantor signed off on the pledge receivable confirmation. Subsequent to the end of the prior year, the grantor provided written documentation which revealed that the funding was actually a cost reimbursement grant and not an unconditional promise to give.

Recommendation: As contract and grants are received going forward they should be reviewed to determine if they are exchange or non-exchange transactions and if they are non-exchange, whether there are conditions. To the extent that there are conditions, revenue would not be recognized until the conditions have been met.

Management Response: Going forward, contracts and grants will be reviewed to determine whether they are exchange or non-exchange transactions and whether or not they carry restrictions or conditions.

2019-002 Segregation of Duties

Condition: Recording of receipts and bank deposit procedures are not segregated in the Business Office.

Criteria: Internal controls should be in place that segregate these duties to provide reasonable assurance that receipts are recorded and deposited appropriately.

Effect: Because of the absence of segregation of duties, misstatements may occur during the recording and deposit process.

Cause of Condition: Procedures for segregation of duties in the Accounting Manual are not consistently being followed by the Business Office.

Recommendation: Procedures should be implemented requiring the segregation of duties in the Business Office.

**SOUTHEASTERN MASS VETERANS HOUSING PROGRAM, INC. AND SUBSIDIARY
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2019**

Section II – Consolidated Financial Statement Findings (Continued)

Management Response: Segregation of duties are followed whenever practical in the Business Office.

Because of the scheduled hours, sometimes only one person is in the office when receipts are received. The procedures in effect are that a signed receipt is always given for all cash or checks paid in person. A cash receipts journal is maintained, plus a client ledger card is maintained, and the bank deposit must agree with the cash receipts journal.

The vast majority of funds received are direct deposited in the corporate bank account. Of the remaining funds, most are checks – city, private, and client – and there are some cash payments.

We believe there are sufficient overlapping procedures in place to prevent misstatements.

2019-003 Record Construction Liabilities

Condition: During the review of subsequent transactions, we noted construction costs as well as related retainage that had been incurred as of year-end that was not recorded.

Criteria: Expenditures should be reviewed at year-end to ensure all fiscal year amounts are properly recorded on an accrual basis.

Effect: As a result, property, plant and equipment and related liabilities were understated.

Cause of Condition: This was a nonroutine transaction for the Organization.

Recommendation: We recommend that policies and procedures be developed whereby a look to subsequent disbursements is made to ensure there has been a proper cut-off of items related to the fiscal year.

Management Response: As the Cause for Condition note indicates, this was a nonroutine type of transaction for the Organization. Going forward, the CFO will seek specific training in accounting for construction and fixed asset accounting generally to avoid recurrence of this deficiency.

**SOUTHEASTERN MASS VETERANS HOUSING PROGRAM, INC. AND SUBSIDIARY
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2019**

Section III – Federal Award Findings and Responses

Not applicable