



LONDON & COMPANY, LLC

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Connecticut Veterans Legal Center, Inc.
114 Orange Avenue
West Haven, Connecticut 06516

Report on the Financial Statements

We have audited the accompanying financial statements of Connecticut Veterans Legal Center, Inc. (a not-for-profit corporation), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year ended, and related notes to the financial statements.

Management's Responsibility for the Financial Statements

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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 the 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Connecticut Veterans Legal Center, Inc. as of June 30, 2021, 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.

Report on Summarized Comparative Information

We have previously audited the Connecticut Veterans Legal Center, Inc.'s financial statements as of and for the year ended June 30, 2020 and expressed an unmodified audit opinion on those financial statements, in our report dated November 18, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Very truly yours,

London & Company, LLC

London & Company, LLC
Certified Public Accountants
January 26, 2022

CONNECTICUT VETERANS LEGAL CENTER, INC.
WEST HAVEN, CONNECTICUT

I. Independent Auditor's Report.

II. Financial Statements:

Exhibit A - Comparative Statement of Financial Position as of June 30, 2021 and June 30, 2020.

Exhibit B - Statement of Activities and Changes in Net Assets for the Year Ended June 30, 2021 with Comparative Totals for the Year Ended June 30, 2020.

Exhibit C - Statement of Functional Expenses for the Year Ended June 30, 2021 with Comparative Totals for the Year Ended June 30, 2020.

Exhibit D - Comparative Statement of Cash Flows for the Years Ended June 30, 2021 and June 30, 2020.

Notes to Financial Statements.

CONNECTICUT VETERANS LEGAL CENTER, INC.
WEST HAVEN, CONNECTICUT
COMPARATIVE STATEMENT OF FINANCIAL POSITION

	June 30,	
	2021	2020
<u>A S S E T S</u>		
<u>Current Assets:</u>		
Cash	\$ 490,177	\$ 400,528
Cash - Board Designated	325,000	325,000
Fees and Contributions receivable	26,344	109,127
Prepaid expenses	6,464	12,373
Total Current Assets	847,985	847,028
<u>TOTAL ASSETS</u>	\$ 847,985	\$ 847,028
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities:</u>		
Accounts payable	\$ 330	\$ 8,030
Accrued expenses	-	314
Accrued payroll taxes	-	189
Refundable advance	-	122,023
Accrued wages	25,547	24,699
Total Current Liabilities	25,877	155,255
<u>Net Assets:</u>		
Without Donor Restrictions -Operating	372,108	316,773
Without Donor Restrictions - Board Designated	325,000	325,000
With Donor Restrictions	125,000	50,000
Total Net Assets	822,108	691,773
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 847,985	\$ 847,028

See Accompanying Notes

CONNECTICUT VETERANS LEGAL CENTER, INC.
WEST HAVEN, CONNECTICUT
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2021, WITH COMPARATIVE
TOTALS FOR THE YEAR ENDED JUNE 30, 2020

	<u>Without</u> <u>Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Totals</u> <u>2021</u>	<u>2020</u>
<u>Revenue and Support:</u>				
Grants	\$ 642,565	\$ 150,000	\$ 792,565	\$ 587,913
Contract support	60,308	-	60,308	83,863
Contributions	1,107,661	25,000	1,132,661	1,076,336
Fee income	10,657	-	10,657	14,694
Interest income	590	-	590	246
Net assets released from restrictions:				
Satisfaction of Program Restrictions	<u>100,000</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>
<u>Total Revenue and Support</u>	<u>1,921,781</u>	<u>75,000</u>	<u>1,996,781</u>	<u>1,763,052</u>
<u>Expenses:</u>				
Program - Court fees	101,281	-	101,281	11,624
Program - Judicial	13,728	-	13,728	96,249
Program - IOLTA	27,790	-	27,790	26,381
Program - other	1,565,473	-	1,565,473	1,627,861
Management & General	72,862	-	72,862	69,601
Fundraising expenses	<u>85,312</u>	<u>-</u>	<u>85,312</u>	<u>109,441</u>
<u>Total Expenses</u>	<u>1,866,446</u>	<u>-</u>	<u>1,866,446</u>	<u>1,941,157</u>
<u>Change in Net Assets</u>	55,335	75,000	130,335	(178,105)
<u>Net Assets - Beginning</u>	<u>641,773</u>	<u>50,000</u>	<u>691,773</u>	<u>869,878</u>
<u>Net Assets - Ending</u>	<u>\$ 697,108</u>	<u>\$ 125,000</u>	<u>\$ 822,108</u>	<u>\$ 691,773</u>

See Accompanying Notes

CONNECTICUT VETERANS LEGAL CENTER, INC.
WEST HAVEN, CONNECTICUT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021, WITH COMPARATIVE
TOTALS FOR THE YEAR ENDED JUNE 30, 2020

	Court Fee Grant	Judicial Grant	IOLTA Grant	Other	Total	Management & General	Fundraising	Totals	
								2021	2020
Salaries	\$ 88,114	\$ 11,943	\$ 24,177	\$ 613,053	\$ 737,287	\$ 51,439	\$ 68,584	\$ 857,310	\$ 896,148
Payroll taxes	8,103	1,099	2,223	47,204	58,629	4,104	5,471	68,204	71,211
Fringe benefits	5,064	686	1,390	54,465	61,605	4,293	5,724	71,622	56,219
Total Salaries and Fringe Benefits	101,281	13,728	27,790	714,722	937,300	59,836	79,779	997,136	1,023,578
Occupancy	-	-	-	45,926	45,926	5,103	-	51,029	7,943
Communication expense	-	-	-	4,978	4,978	553	-	5,531	5,364
Office supplies	-	-	-	14,667	14,667	1,629	-	16,296	12,077
Postage	-	-	-	1,878	1,878	208	-	2,086	1,671
Professional development and fees	-	-	-	8,712	8,712	968	-	9,680	8,169
Travel and parking	-	-	-	-	-	-	-	-	7
Insurance	-	-	-	8,787	8,787	976	-	9,763	9,312
Conferences, conventions & meetings	-	-	-	-	-	-	-	-	4,669
Meals and entertainment	-	-	-	290	290	32	-	322	567
Professional fees and consultants	-	-	-	17,843	17,843	1,982	-	19,825	17,801
Legal services	-	-	-	723,750	723,750	-	-	723,750	697,500
Marketing / publications	-	-	-	1,545	1,545	-	-	1,545	1,118
Video and web production	-	-	-	8,195	8,195	-	-	8,195	-
Information technology	-	-	-	14,180	14,180	1,575	-	15,755	12,795
Subgrantee expenses	-	-	-	-	-	-	-	-	111,032
Fundraising events	-	-	-	-	-	-	5,533	5,533	27,554
Total Expenses	\$ 101,281	\$ 13,728	\$ 27,790	\$ 1,565,473	1,708,272	\$ 72,862	\$ 85,312	\$ 1,866,446	\$ 1,941,157

See Accompanying Notes

CONNECTICUT VETERANS LEGAL CENTER, INC.
WEST HAVEN, CONNECTICUT
COMPARATIVE STATEMENT OF CASH FLOWS
Increase (Decrease) in Cash

	<u>For the Years Ended</u>	
	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ <u>130,335</u>	\$ (<u>178,105</u>)
Adjustments to reconcile excess of revenues over expenses to net cash used in operating activities:		
Change in assets and liabilities:		
Increase Decrease in Assets and Liabilities:		
Fees and Contributions receivable	82,783	(65,632)
Prepaid expenses	5,909	(3,101)
Accounts payable	(7,700)	1,530
Accrued expenses	(314)	(8,335)
Accrued payroll taxes	(189)	(11,720)
Refundable advance	(122,023)	122,023
Accrued wages	848	6,768
Total Adjustments	(<u>40,686</u>)	<u>41,533</u>
Net Increase (Decrease) in Cash	89,649	(136,572)
<u>Cash at the Beginning of Year</u>	<u>400,528</u>	<u>537,100</u>
<u>Cash at the End of Year</u>	\$ <u>490,177</u>	\$ <u>400,528</u>
<u>Supplemental Disclosure of Cash Flow Information:</u>		
Cash paid during the year:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -
<u>Non-Cash Program Activities</u>		
Occupancy costs	\$ 51,029	\$ 7,943
Legal services	\$ 723,750	\$ 697,500

See Accompanying Notes

CONNECTICUT VETERANS LEGAL CENTER, INC.
WEST HAVEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS

Note 1 - Organization:

The mission of the Connecticut Veterans Legal Center, Inc. ("Center"), is to help veterans recovering from homelessness and serious mental illness overcome legal barriers to housing, healthcare and income.

Note 2 - Accounting Policies:

A. Basis of Presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions:

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of management and the board of directors.

Net Assets with Donor Restrictions:

Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Center and/or the passage of time. When a restriction on a transaction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

B. Estimates:

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

C. Donated Materials and Services:

The Center recognizes donated services if they create or enhance non-financial assets or requires specialized skills and would be typically purchased if not provided by donation. For the years ended June 30, 2021 and June 30, 2020, the Center received contributed professional legal services valued at \$723,750 and \$697,500 respectively, which are included in contributions and expenses in the statement of activities.

For the years ended June 30, 2021 and June 30, 2020, the Organization received contributed facilities valued at \$51,029 and \$7,943 respectively, which are included in contributions and expenses in the statement of activities.

CONNECTICUT VETERANS LEGAL CENTER, INC.
WEST HAVEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS

Note 2 - Accounting Policies: (Continued)

D. Depreciation:

Property and equipment are capitalized at cost, or if donated, at fair market value at the date of receipt. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Expenditures for additions and improvements are capitalized, and costs for repairs and maintenance are charged to expense as incurred. The Center follows the practice of capitalizing all expenditures for property and equipment in excess of \$500.

E. Tax Status:

The Center is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. The Internal Revenue Service classifies the Center as a non-private foundation. There was no unrelated business income for the year ended June 30, 2021 and June 30, 2020. The federal information returns of the Center are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

F. Cash and Cash Equivalents:

The Center holds all its cash in accounts that are subject to immediate withdrawal. The Center considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. During the period covered by these financial statements, the Center has not invested in financial instruments classified as cash equivalents.

Note 13 - Method Used For Allocation of Expenses:

The Center's general approach to cost allocations is as follows: allowable direct costs are charged directly to programs, grants, activity, etc. Costs that can be identified to more than one program are prorated individually as direct costs using a base most appropriate to the cost being prorated. All other costs (i.e. general and administrative) are allocated using a base that results in an equitable distribution.

Note 4 Concentration of Credit Risk:

The Center maintains cash balances in excess of \$250,000 at a bank, which is insured by the Federal deposit Insurance Corporation for amounts up to \$250,000. At June 30, 2021 and June 30, 2020, the organization's uninsured cash balance was \$565,177 and \$475,528 respectively.

Note 5 - Program Grants:

Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of funds to the respective grantors.

CONNECTICUT VETERANS LEGAL CENTER, INC.
WEST HAVEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS

Note 6 - Concentration of Revenue:

For the year ended June 30, 2021, the Center received approximately 22% of its total revenues from the Bob Woodruff Foundation, Inc.

Note 7 - Net Assets With Donor Restrictions:

At June 30, 2021 and June 30, 2020, net assets with donor restrictions consisted of \$125,000 and \$50,000 respectively, to be used for future programs.

Note 8 - Evaluation of Subsequent Events:

Management has evaluated subsequent events through January 26, 2022, the date which the financial statements were available to be issued.

On January 30, 2020, the World Health Organization declared the coronavirus to be a public health emergency. Given regulatory restrictions since the outbreak was announced, the situation creates uncertainty about the impact on future revenues that might be generated or expenses incurred. Due to the unknown duration and extent of the outbreak, the Organization is unable to determine the impact it might have on future operations and financial performance.

In April 2020, the Organization received a \$209,182 payroll protection program loan/grant related to the CARES Act. For the years ended June 30, 2021 and June 30, 2020 the Center incurred \$122,023 and \$87,159, respectively in qualified expenses. At June 30, 2020, the Organization had \$122,023 unspent funds reflected as refundable advance on Exhibit A.

Note 9 - Board Designated Unrestricted Net Assets:

The Board of Directors of the Center has deemed it prudent operating policy to maintain a "reserve", representing a minimum level of funds required to continue current core operations for approximately a six-month period. Consequently, the operating reserve is designed to provide cash flows to cover program costs and grant obligations. As of June 30, 2021 and June 30, 2020 the designated reserves totaled \$325,000.

Note 10 - Liquidity and Availability of Financial Assets:

The Center is funded by contributions from donors that contain restrictions. Those restrictions require that resources be used in a certain manner or in a future period. Therefore, the Center must maintain adequate resources to meet those responsibilities to its donors and certain financial assets may not be available for general expenditures within one year. The Center has approximately \$847,985 of financial assets available within one year of the statement of financial position to meet cash needs for general expenditures, consisting of cash of \$815,177, \$26,344 in accounts receivable and \$6,464 in prepaid expenses. \$125,000 of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. As part of liquidity management, the Center structures its financial assets to be available as general expenditures, liabilities and other obligations become due. The Center also invests its cash in excess of its daily needs in short term investments.