



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, 2018, 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 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 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, 2018, 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, 2017 and expressed an unmodified audit opinion on those financial statements, in our report dated April 23, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 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
September 20, 2018

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, 2018 and June 30, 2017.

Exhibit B - Statement of Activities and Changes in Net Assets for the Year Ended June 30, 2018 with Comparative Totals for the Year Ended June 30, 2017.

Exhibit C - Statement of Functional Expenses for the Year Ended June 30, 2018 with Comparative Totals for the Year Ended June 30, 2017.

Exhibit D - Comparative Statement of Cash Flows for the Years Ended June 30, 2018 and June 30, 2017.

Notes to Financial Statements.

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

	June 30,	
	2018	2017
<u>A S S E T S</u>		
<u>Current Assets:</u>		
Cash	\$ 281,727	\$ 532,373
Cash - Board Designated	325,000	325,000
Fees and Contributions receivable	139,771	100,375
Prepaid expenses	3,739	6,916
Total Current Assets	750,237	964,664
 <u>TOTAL ASSETS</u>	 \$ 750,237	 \$ 964,664
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities:</u>		
Accounts payable	\$ 11,853	\$ 21,967
Accrued payroll taxes	7,572	5,955
Accrued wages	10,069	7,135
Total Current Liabilities	29,494	35,057
 <u>Net Assets:</u>		
Unrestricted		
Operating	395,743	319,607
Board Designated	325,000	325,000
Temporarily restricted	-	285,000
Total Net Assets	720,743	929,607
 <u>TOTAL LIABILITIES AND NET ASSETS</u>	 \$ 750,237	 \$ 964,664

CONNECTICUT VETERANS LEGAL CENTER, INC.
WEST HAVEN, CONNECTICUT
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2018, WITH COMPARATIVE
TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2018</u>	<u>Totals 2017</u>
<u>Revenue and Support:</u>				
Grants	\$ 138,365	\$ -	\$ 138,365	\$ 368,001
Contract support	98,153	-	98,153	65,000
Contributions	737,851	-	737,851	792,973
Net assets released from restrictions:				
Satisfaction of Program Restrictions	<u>285,000</u>	<u>(285,000)</u>	<u>-</u>	<u>-</u>
<u>Total Revenue and Support</u>	<u>1,259,369</u>	<u>(285,000)</u>	<u>974,369</u>	<u>1,225,974</u>
<u>Expenses:</u>				
Program - Court fees	49,514	-	49,514	-
Program - Judicial	5,368	-	5,368	-
Program - IOLTA	7,401	-	7,401	-
Program - other	908,270	-	908,270	849,803
Management & General	56,707	-	56,707	51,824
Fundraising expenses	<u>155,973</u>	<u>-</u>	<u>155,973</u>	<u>147,262</u>
<u>Total Expenses</u>	<u>1,183,233</u>	<u>-</u>	<u>1,183,233</u>	<u>1,048,889</u>
<u>Change in Net Assets</u>	76,136	(285,000)	(208,864)	177,085
<u>Net Assets - Beginning</u>	<u>644,607</u>	<u>285,000</u>	<u>929,607</u>	<u>752,522</u>
<u>Net Assets - Ending</u>	\$ <u>720,743</u>	\$ <u>-</u>	\$ <u>720,743</u>	\$ <u>929,607</u>

See Accompanying Notes

CONNECTICUT VETERANS LEGAL CENTER, INC.
WEST HAVEN, CONNECTICUT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018, WITH COMPARATIVE
TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	Court Fee Grant	Judicial Grant	IOLTA Grant	Other	Total	Management & General	Fundraising	Totals	
								2018	2017
Salaries	\$ 43,572	\$ 4,724	\$ 6,513	\$ 413,358	\$ 468,167	\$ 41,412	\$ 65,077	\$ 574,656	\$ 466,474
Payroll taxes	3,485	378	521	35,856	40,240	3,341	5,250	48,831	38,277
Fringe benefits	2,457	266	367	37,883	40,973	2,051	3,223	46,247	28,679
Total Salaries and Fringe Benefits	49,514	5,368	7,401	487,097	622,930	46,804	73,550	669,734	533,430
Occupancy	-	-	-	6,990	6,990	953	-	7,943	7,943
Communication expense	-	-	-	4,487	4,487	498	-	4,985	7,862
Office supplies	-	-	-	8,154	8,154	905	-	9,059	6,725
Postage	-	-	-	1,980	1,980	219	-	2,199	2,332
Professional development and fees	-	-	-	7,803	7,803	1,064	-	8,867	6,776
Travel and parking	-	-	-	11,340	11,340	1,259	-	12,599	10,480
Insurance	-	-	-	7,660	7,660	1,044	-	8,704	7,157
Conferences, conventions & meetings	-	-	-	5,645	5,645	627	-	6,272	9,745
Meals and entertainment	-	-	-	957	957	106	-	1,063	1,482
Professional fees and consultants	-	-	-	17,687	17,687	1,965	-	19,652	15,225
Legal services	-	-	-	330,000	330,000	-	-	330,000	341,250
Marketing / publications	-	-	-	1,175	1,175	-	-	1,175	1,300
Website	-	-	-	6,053	6,053	672	-	6,725	4,485
Information technology	-	-	-	5,328	5,328	591	-	5,919	4,288
Research participant expense	-	-	-	400	400	-	-	400	100
Fundraising events	-	-	-	5,503	5,503	-	82,423	87,926	85,777
Volunteer and training	-	-	-	11	11	-	-	11	2,532
Total Expenses	\$ 49,514	\$ 5,368	\$ 7,401	\$ 908,270	\$ 970,553	\$ 56,707	\$ 155,973	\$ 1,183,233	\$ 1,048,889

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>2018</u>	<u>2017</u>
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ (208,864)	\$ 177,085
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	(39,396)	(90,375)
Prepaid expenses	3,177	(4,127)
Accounts payable	(10,114)	10,320
Accrued payroll taxes	1,617	123
Accrued wages	2,934	(43)
Total Adjustments	(41,782)	(84,102)
Net Increase (Decrease) in Cash	(250,646)	92,983
<u>Cash at the Beginning of Year</u>	<u>532,373</u>	<u>439,390</u>
<u>Cash at the End of Year</u>	<u>\$ 281,727</u>	<u>\$ 532,373</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	\$ 7,943	\$ 7,943
Legal services	\$ 330,000	\$ 341,250

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:

Unrestricted net assets:

Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets:

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.

Permanently restricted net assets:

Net assets subject to donor-imposed stipulations that are to be maintained permanently by the Center. Generally, the donors of these assets permit the Center to use all or part of the income earned on any related investments for general or specific purposes.

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, 2018 and June 30, 2017, the Center received contributed professional legal services valued at \$330,000 and \$341,250 respectively, which are included in contributions and expenses in the statement of activities.

For the years ended June 30, 2018 and June 30, 2017, the Organization received contributed facilities valued at \$7,943, 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, 2018 and June 30, 2017. 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 3 - Allocation of Functional Expenses:

The costs of providing the Center's various programs and supporting services have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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, 2018 and June 30, 2017, the organization's uninsured cash balance was \$350,714 and \$606,959 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, 2018 and June 30, 2017, the Center received approximately 0% and 17% respectively, of its total revenues from the Weinberg Foundation, Inc.

Note 7 - Temporarily Restricted Net Assets:

At June 30, 2018 and June 30, 2017, temporarily restricted net assets consisted of \$0 and \$285,000 respectively, to be used for future programs.

Note 8 - Evaluation of Subsequent Events:

Management has evaluated subsequent events through September 20, 2018, the date which the financial statements were available to be issued.

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, 2018 and June 30, 2017 the designated reserves totaled \$325,000.