



# LONDON & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Connecticut Veterans Legal Center, Inc.  
114 Boston Post Road  
West Haven, Connecticut 06516

### **Opinion**

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, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and related notes to the financial statements.

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, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Connecticut Veterans Legal Center, Inc. and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management's for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditors' Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Connecticut Veterans Legal Center, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Connecticut Veterans Legal Center, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

### **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, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **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, 2022 and expressed an unmodified audit opinion on those financial statements, in our report dated April 19, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 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  
April 18, 2024

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, 2023 and June 30, 2022.

Exhibit B - Statement of Activities and Changes in Net Assets for the Year Ended June 30, 2023 with Comparative Totals for the Year Ended June 30, 2022.

Exhibit C - Statement of Functional Expenses for the Year Ended June 30, 2023 with Comparative Totals for the Year Ended June 30, 2022.

Exhibit D - Comparative Statement of Cash Flows for the Years Ended June 30, 2023 and June 30, 2022.

Notes to Financial Statements.

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

	June 30,	
	2023	2022
<u>ASSETS</u>		
<u>Current Assets:</u>		
Cash	\$ 555,478	\$ 761,262
Cash - Board Designated	325,000	325,000
Fees and Contributions receivable	232,484	35,370
Prepaid expenses	16,145	2,155
Total Current Assets	1,129,107	1,123,787
<u>TOTAL ASSETS</u>	\$ 1,129,107	\$ 1,123,787
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities:</u>		
Accounts payable	\$ 1,822	\$ 480
Payroll withholdings	26,107	15,500
Accrued wages	41,272	37,968
Total Current Liabilities	69,201	53,948
<u>Net Assets:</u>		
Without Donor Restrictions -Operating	608,427	681,378
Without Donor Restrictions - Board Designated	325,000	325,000
With Donor Restrictions	126,479	63,461
Total Net Assets	1,059,906	1,069,839
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 1,129,107	\$ 1,123,787

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, 2023, WITH COMPARATIVE  
TOTALS FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Totals</u> 2023	<u>Totals</u> 2022
<u>Revenue and Support:</u>				
Grants and contracts	\$ 775,113	\$ 777,930	\$ 1,553,043	\$ 1,029,689
Contributions	744,441	-	744,441	1,001,133
Fee income	6,113	-	6,113	27,390
Interest income	2,017	-	2,017	164
Net assets released from restrictions:				
Satisfaction of Program Restrictions	<u>714,912</u>	<u>( 714,912)</u>	<u>-</u>	<u>-</u>
<u>Total Revenue and Support</u>	<u>2,242,596</u>	<u>63,018</u>	<u>2,305,614</u>	<u>2,058,376</u>
<u>Expenses:</u>				
Program - Court fees	110,629	-	110,629	110,957
Program - Judicial	12,292	-	12,292	15,752
Program - IOLTA	28,496	-	28,496	25,323
Program - other	1,944,024	-	1,944,024	1,477,439
Management & General	101,019	-	101,019	87,800
Fundraising expenses	<u>119,087</u>	<u>-</u>	<u>119,087</u>	<u>93,374</u>
<u>Total Expenses</u>	<u>2,315,547</u>	<u>-</u>	<u>2,315,547</u>	<u>1,810,645</u>
<u>Change in Net Assets</u>	<u>( 72,951)</u>	<u>63,018</u>	<u>( 9,933)</u>	<u>247,731</u>
<u>Net Assets - Beginning</u>	<u>1,006,378</u>	<u>63,461</u>	<u>1,069,839</u>	<u>822,108</u>
<u>Net Assets - Ending</u>	<u>\$ 933,427</u>	<u>\$ 126,479</u>	<u>\$ 1,059,906</u>	<u>\$ 1,069,839</u>

See Accompanying Notes

CONNECTICUT VETERANS LEGAL CENTER, INC.  
WEST HAVEN, CONNECTICUT  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2023, WITH COMPARATIVE  
TOTALS FOR THE YEAR ENDED JUNE 30, 2022

	Court Fee Grant	Judicial Grant	IOLTA Grant	Other	Total	Management & General	Fundraising	2023	2022
Salaries	\$ 102,358	\$ 11,373	\$ 26,365	\$ 1,111,032	\$ 1,251,128	\$ 71,087	\$ 99,521	\$ 1,421,736	\$ 1,020,060
Payroll taxes	8,271	919	2,131	92,951	104,272	5,925	8,294	118,491	80,698
Fringe benefits	-	-	-	141,706	141,706	8,051	11,272	161,029	53,912
Total Salaries and Fringe Benefits	110,629	12,292	28,496	1,345,689	1,616,193	85,063	119,087	1,701,256	1,154,670
Occupancy	-	-	-	35,000	35,000	-	-	35,000	51,029
Communication expense	-	-	-	10,393	10,393	1,154	-	11,547	5,640
Office supplies	-	-	-	8,577	8,577	1,169	-	9,746	14,251
Bank fees	-	-	-	3,251	3,251	207	-	3,458	3,230
Postage	-	-	-	609	609	68	-	677	885
Printing and copying	-	-	-	1,542	1,542	98	-	1,640	-
Professional development and fees	-	-	-	8,701	8,701	967	-	9,668	11,696
Travel and parking	-	-	-	-	-	1,151	-	1,151	124
Insurance	-	-	-	8,778	8,778	975	-	9,753	9,910
Conferences, conventions & meetings	-	-	-	4,615	4,615	294	-	4,909	2,958
Meals and entertainment	-	-	-	954	954	106	-	1,060	1,245
Professional fees and consultants	-	-	-	73,350	73,350	8,149	-	81,499	49,921
Legal services	-	-	-	410,820	410,820	-	-	410,820	478,455
Marketing / publications	-	-	-	18,825	18,825	-	-	18,825	1,697
Licensing fees	-	-	-	6,464	6,464	-	-	6,464	-
Video and web production	-	-	-	-	-	-	-	-	3,025
Information technology	-	-	-	6,456	6,456	717	-	7,173	19,409
Miscellaneous	-	-	-	-	-	901	-	901	1,500
Fundraising events	-	-	-	-	-	-	-	-	1,000
Total Expenses	\$ 110,629	\$ 12,292	\$ 28,496	\$ 1,944,024	\$ 2,095,441	\$ 101,019	\$ 119,087	\$ 2,315,547	\$ 1,810,645

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>2023</u>	<u>2022</u>
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ ( <u>9,933</u> )	\$ <u>247,731</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	( 197,114 )	( 9,026 )
Prepaid expenses	( 13,990 )	4,309
Accounts payable	1,342	150
Payroll liabilities	10,607	15,500
Accrued wages	<u>3,304</u>	<u>12,421</u>
Total Adjustments	( <u>195,851</u> )	<u>23,354</u>
Net Increase (Decrease) in Cash	( <u>205,784</u> )	<u>271,085</u>
<u>Cash at the Beginning of Year</u>	<u>761,262</u>	<u>490,177</u>
<u>Cash at the End of Year</u>	\$ <u>555,478</u>	\$ <u>761,262</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	\$ 35,000	\$ 51,029
Legal services	\$ 410,820	\$ 478,455

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, 2023 and June 30, 2022, the Center received contributed professional legal services valued at \$410,820 and \$478,455 respectively, which are included in contributions and expenses in the statement of activities.

For the years ended June 30, 2023 and June 30, 2022, the Center received contributed facilities valued at \$35,000 and \$51,029 respectively, which are included in contributions and expenses in the statement of activities. For the year ended June 30, 2023, the Center received advertising valued at \$11,750.

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, 2023 and June 30, 2022. 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 - 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, 2023 and June 30, 2022, the organization's uninsured cash balance was \$367,373 and \$836,262 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, 2023 and 2022, the Center received approximately 29% and 26%, respectively of its total revenues from the Connecticut Bar Foundation, Inc.

Note 7 - Net Assets With Donor Restrictions:

At June 30, 2023 and June 30, 2022, net assets with donor restrictions consisted of \$126,479 and \$63,461 respectively, to be used for future programs.

Note 8 - Evaluation of Subsequent Events:

Management has evaluated subsequent events through April 18, 2024, 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 two-month period. Consequently, the operating reserve is designed to provide cash flows to cover program costs and grant obligations. As of June 30, 2023 and June 30, 2022 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 \$1,129,107 of financial assets available within one year of the statement of financial position to meet cash needs for general expenditures, consisting of cash of \$880,478, \$232,484 in accounts receivable and \$16,145 in prepaid expenses. \$126,479 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.