



Grant Year: 2020

Due Date: June 3, 2019 at 5:00pm PST

Prepared by: KellyAnn Romanych

Funding Opportunity: **IOLTA LSP**

Email: **kromanych@vetslegal.com**

Project Title: **2987-IOLTA LSP-2020-Veterans Legal Institute-251**

Contact Phone: **818-219-1916**

Program Name: **Veterans Legal Institute**

Applicant Title: **Deputy Executive Director**

Address: **2100 N. Broadway, Ste. 209**

City: **Santa Ana**

I verify the information in the Organization Profile is accurate and up-to-date.

I verify that I have read, and am familiar with, the eligibility guidelines for IOLTA funding for legal services projects.

## I. Eligibility Criteria

### 1. New or Previously Funded Applicant

Reapply for Funding as a Legal Services Project

### 2. Applicant Type

A nonprofit corporation that provides civil legal services to the indigent without charge as its primary purpose and function

Upload a letter of support from the law school dean describing the history of the law school clinical program.

### 3. Applicant Eligibility

Select all that apply



Upload an LSC grant award letter or a subcontract showing the amount of LSC funds awarded through another agency.

Upload a contract, determination letter, or subcontract indicating the amount of Older Americans Act funds awarded.

An organization that receives at least \$20,000 annual cash funds from sources other than the State Bar of California to support free legal representation to indigent persons (as reflected in the Total of Non-State Bar Revenue calculated on Form VI) and can show community support for the program

**A. Community Support:** Since its founding in 2014, Veterans Legal Institute (VLI) has developed and received a wide range of ongoing community support which includes: individual donations; well-attended new and annual events; funding from collaborative organizations; and state and foundation grants.

Describe the community support for the operation of a viable, ongoing program.

In addition to IOLTA EAF funding, top funders in 2018 included:  
UC Irvine Law School/Nicholas Endowment (\$65,000)  
Rothenbuehler Foundation (\$65,000)  
Volunteers of America Los Angeles, Orange County (\$40,000)  
Equal Justice Works, AmeriCorps (\$24,930)  
Orange County Bar Association Charitable Fund (\$22,000)

VLI continues to collaborate with over 70 organizations through leadership in the Orange County Veterans and Military Families Collaborative. Outcomes range from securing housing, employment, education, and community outreach.

VLI remains a partner in the Strong Families, Strong Children collaborative. SFSC is a consortium of five nonprofit partners bringing together a coordinated, community-based approach to provide an array of support services to underserved OC veteran and military families with children. Services include: evidence-based mental health and trauma treatment; domestic violence and substance abuse prevention; housing; basic needs; legal assistance and advocacy; and program evaluation and outcome measurement.

Moving forward for fiscal year 19/20, The California Department of Veterans Affairs (CalVet), Veterans Services Division awarded a third year grant to the Orange



County Veterans Service Office and VLI to provide a continuing mobile legal clinic using Proposition 63 funds. Further, using the successful model from Orange County VSO, CalVet awarded additional Proposition 63 funding to the Veterans Service Offices in Riverside and San Bernardino counties for VLI mobile legal clinics to expand coverage to veterans in the Inland Empire who are lacking resources.

Last, VLI and Jamboree Housing are on schedule for providing onsite legal services for up to 75 veterans who will be residing in Jamboree Housing's Santa Ana Veterans Village. The groundbreaking ceremony was held in 2018, and the village will include wrap around services in basic needs for veteran residents. Further, Jamboree Housing continues to be a sponsor of VLI events and its employees regularly volunteer.

**b. Which of the following** Provides legal representation, training, or technical assistance on matters  
**services does your** concerning indigent special client groups, or substantive law important to special  
**organization provide?:** client groups



## Special Client Group(s) Served

	Nature of Assistance		
Special Client Group Served/ Relevant Substantive Law	Legal Representation	Training	Technical Assistance
Veterans	Yes	No	No
Veterans Benefits	Yes	No	No
Military	Yes	No	No
Low Income/Economically Disadvantaged	Yes	No	No
Homeless	Yes	No	No
Disabled	Yes	No	No
Justice Involved	Yes	No	No
Housing	Yes	No	No
Employment	Yes	No	No
Healthcare	Yes	No	No
Consumer Law	Yes	No	No
Family Law	Yes	No	No

## II. Description of Organization

Provide a comprehensive but concise description of the entire organization's work in the previous calendar year. Do not limit responses to activities funded by the State Bar of California. Suggested word count range for each of the following questions is 250-500.

Click "Save & Finish Later" after adding counties.



County

Los Angeles

Orange

## 1. Organization's Mission and Vision

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Veterans Legal Institute (VLI) is a 501(c)(3) organization that provides pro bono legal assistance to homeless, disabled, low-income, and at-risk current and former US service members to eradicate barriers to housing, employment, education, and healthcare to foster self-sufficiency.

VLI's enduring vision is to use its core values of outreach, compassion, quality, leadership, and empowerment to greatly reduce veteran homelessness and suicide.

## 2. Core Programs

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Describe the organization's core programs as reflected in promotional materials (include a summary of all work, not just activities funded by State Bar monies).



Veterans Legal Institute's core programs are in direct legal services to clients, increasing the number of highly capable professionals in veterans law, and providing collaborative leadership so vulnerable veteran clients can realize the full potential of human services in Southern California. Given unique and significant barriers to resources to veterans, including post traumatic stress disorder, traumatic brain injury, and military sexual trauma, VLI provides several opportunities for veterans to access pro bono legal services. Veterans can apply online, call the office and speak directly to a person, or attend one of VLI's many mobile legal clinics at strategic veteran hotspots. Mobile clinic locations include: the Veterans Administration Hospital in Long Beach, Starbucks Coffee in Santa Ana, Saddleback College, the City of Mission Viejo, North County Vet Center in Garden Grove, and the Orange County Veterans Service Office. As well to serve the growing needs of clients, VLI hosts family law and veterans benefits clinics in the office which are booked a month in advance.

Areas of law include (but are not limited to) discharge upgrades, VA pensions and healthcare access, landlord/tenant issues involving evictions, family law, and restoring driver's licenses. VLI completes all legal work in house and leverages pro bono attorney specialists when needed from a variety of firms. For clients who do not meet income requirements, they are provided general advice and referred to attorneys who are veteran advocates. No client ever receives a bill or leaves empty handed.

To expand the quantity and quality of highly trained legal professionals and veteran advocates, VLI is active in leadership and education. Throughout the year, VLI hosts clerks, interns, and fellows and presents veterans benefit law courses to increase the network of highly capable pro bono attorneys available to clients. As a result, the State of California recognizes VLI as a "multiple activity provider" in continuing attorney education.

### 3. Client Population

Describe the constituencies served by the organization. Include demographic information, such as age, gender, ethnicity, income levels, and any other characteristics particular to the service population.



Veterans Legal Institute serves homeless and low income veterans who require free legal aid to be self-reliant as they live with unique injuries such as traumatic brain injuries, PTSD, and military sexual trauma. Our clients are 19 to 99 years old with households ranging from 1 to 8 family members. Many earn less than \$1,500 a month. Those in college live frugally off benefit allowances, couch surf, or live in cars. VLI serves clients across Southern California with the top four cities being Santa Ana, Anaheim, Long Beach, and Los Angeles. In addition, according to the 2016 Census, Orange County clients face the highest median rent (\$1,548/month) when compared to veterans across Southern California.

#### 4. Income Eligibility for Services

Describe how the organization verifies and documents an individual's income eligibility for services. Identify all income criteria and guidelines used to establish eligibility for services.

Veterans Legal Institute defines low income on the current living conditions of clients. These conditions include: homeless, couch surfing, living in cars, being evicted, disabled and unemployed, and underemployed. Most clients who do have income are earning less than \$1,500 a month. Veterans Legal Institute verifies qualification by requesting income information on intake form, corroborating information when available from other service organizations, and the current living conditions of client. Service organization paperwork includes Section 8 housing authority, SSI, Medi-Cal, and VA benefits such as "helpless child."

7/1/2019 revision:

Can you confirm that VLI screens for eligibility based on indigency as defined by B&P 6213(d)? Yes. VLI requests clients to disclose their income amounts and sources and uses the indigent income table available on Smart Simple. The table and requirements are discussed and shared with staff in regular meetings, as well as in daily use during intakes and at reporting time. As well, VLI continues to receive referrals from other collaborating organizations that work with homeless and indigent clients.

#### 5. Programmatic Activities



Select all the programmatic activities the organization engaged in during the previous calendar year. Do not include fundraising and administrative activities (Eligibility Guidelines 2.3).

**A. Legal Services** Community legal education and information, Limited services, Legal self-help  
**Activities:** support, Representation

**Describe Other:**

**B. Other Activities:**

**i. Legal Services:** Provided outside of California, Provided to non-indigent clients/non-qualified organizations

**Under which funding sources did you serve these clients?:** Foundation, Other/Unrestricted

**ii. Other Services:**

**Describe Other Non-Legal Services:**

**A. Total number of impact litigation cases (include partner/co-counsel cases):**

Report all impact litigation cases your organization engaged in during the evaluation year, both open and closed.





**B. Total number of  
advocacy activities:**

Report all advocacy activities your organization engaged in during the evaluation year, both completed and ongoing.

**C. Summarize Additional  
Activities:**

If you engaged in more than 10 advocacy activities or more than 15 impact litigation cases in the previous calendar year, briefly summarize the nature of these additional activities.

### Impact Case(s)

This list will update the next time you save the record.

#	Case Name	Court Name	Case Status	View / Edit Template	Form Status
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### Advocacy Activity(ies)

This list will update the next time you save the record.

#	Advocacy Activity	Type	Activity Status	View / Edit Template	Form Status
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## III. Staffing and Volunteers

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## Staffing as of December 31

Personnel Category	Full-Time Staff	Part-Time Staff		Total Staffing FTEs	Temporary Staff		Volunteers	
		Number of people	Full-Time Equivalent		Number of people	Total Hours	Number of people	Donated Hours
Attorneys	7	1	0.50	7.50	0	0	0	0
Paralegals	0	0	0.00	0.00	0	0	0	0
Law Students	0	0	0.00	0.00	0	0	0	0
Professional Services	0	0	0.00	0.00	0	0	0	0
Clerical/Admin	1	1	0.50	1.50	0	0	0	0
Other Personnel	1	0	0.00	1.00	0	0	0	0
<b>TOTAL</b>	<b>9</b>	<b>2</b>	<b>1.00</b>	<b>10.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**A. Professional Services** Other personnel:

and Other Personnel: Director of Development 1.0 FTE

For each position included under Professional Services and Other Personnel, state the title and full-time equivalent of the position(s).

Volunteers are assisting in development needs. Duties include board service, graphic design, grant writing, and event support (preparing for and volunteering during and after events throughout the year).

**2. Use of Non-Legal Professionals**

Describe how the organization utilizes non-legal professionals in its service delivery model.



To provide holistic care, Veterans Legal Institute both receives and refers clients to non-legal professionals for health care, housing, education, and employment needs throughout VLI's collaborative network. This includes licensed clinical social workers and evidence-based mental health professionals.

**3. How many hours per week does the organization consider a full-time schedule?**

40.00

**4. Staffing and/or Organizational Changes**

Describe any significant changes in staffing levels or structure in the previous calendar year, and its impact on programmatic activities. Identify any significant vacancies and explain whether the organization is actively recruiting for the position, or is holding the position for budgetary or other reasons.

In August 2018, former Co-Founder and CEO Dwight Stirling left Veterans Legal Institute to establish another venture. VLI continues under the leadership of Executive Director and Co-Founder Antoinette Balta with support from William Tanner, Managing Attorney and KellyAnn Romanych, Director of Development. VLI was also able to add one additional UC Irvine Law School Legal Fellow for the period of one year.

## IV. Application for Pro Bono Allocation

To qualify for the pro bono allocation in the county(ies) in which the organization provides services, the organization must meet both these requirements (1) coordinate the recruitment of substantial numbers of attorneys in private practice to provide free legal representation to indigent persons or to qualified organizations as its principal means of delivering legal services; and (2) demonstrate that its principal means of delivering legal services is "the recruitment of attorneys in private practice to provide free legal representation to indigent persons or to qualified legal services projects in California" through one of the three tests described in Eligibility Guideline 2.9.

**1. Are you applying for the Pro Bono Allocation per the qualifications listed?**



If "yes", the organization should annually recruit at least 30 attorneys, OR recruit at least five percent of the licensed attorneys in the county served, OR receive at least 1,000 hours of donated legal services from volunteer attorneys.

Yes

## Pro-Bono Eligibility

### Los Angeles

In this county, does the organization annually recruit at least 30 attorneys, OR recruit at least five percent of the licensed attorneys in the county served, OR receive at least 1,000 hours of donated legal services from volunteer attorneys in this county?

Yes

POSITION	PAID		VOLUNTEER	
	PEOPLE	HOURS	PEOPLE	HOURS
Attorneys	8	1,731	52	582
Paralegals	0	0	18	102
Law Students	0	0	48	1,330
<b>TOTAL</b>	<b>8</b>	<b>1,731</b>	<b>118</b>	<b>2,014</b>

### Eligibility Results for Los Angeles county

Test A	NO
Test B	NO
Test C	



Since inception, VLI has always has a leveraged a significant number of pro bono attorneys, paralegals, and law clerks to paid staff.

In 2018, VLI conservatively estimates 52 attorneys provided over 3061 hours to all indigent clients in all counties. The numbers provided in the table are a conservative estimate of pro bono legal services provided to indigent clients in LA County. At least 58% of VLI's clients are indigent living in California. This number jumps to 62% if including indigent veterans from out of state that have no other recourse for free legal aid, especially for veterans benefit and military sexual trauma. LA County clients represent approximately 19% of this 58% indigent client total. No less than 30 pro bono attorneys are directly attributable to indigent clients in Los Angeles County.

All of the attorneys we recruit have special expertise needed to provide services. All have a military connection in being former service, military family members and veteran advocates. Moreover, many have specialized JAG experience. As a result, they understand the impact of military service on transitioning successfully to civilian life. Many are at the top of the profession in litigation and mediation in top requests for service in family law, veterans benefits, immigration, consumer, and housing law. Further, these attorneys are available to travel to and attend over 40 clinics dates for innovative strategic outreach clinics from the Veterans Administration Hospital in Long Beach through locations in Orange County as described in this application.

In 2018 we increased paid staff hours to keep up with demands for service and to need to place more cases with PBI attorneys with legal expertise.

Beyond pro bono attorney, paralegal, and law clerk hours, in 2018 VLI conservatively estimates an additional 305 hours from legal assistants and 135 hours from office assistants working directly on on indigent cases in LA county.

## STAFF VIEW ONLY

Pro-Bono Allocation Eligible:

Pending



## Orange

In this county, does the organization annually recruit at least 30 attorneys,  
OR recruit at least five percent of the licensed attorneys in the county  
served, OR receive at least 1,000 hours of donated legal services from  
volunteer attorneys in this county?

Yes

POSITION	PAID		VOLUNTEER	
	PEOPLE	HOURS	PEOPLE	HOURS
Attorneys	8	3,550	52	1,194
Paralegals	0	0	18	210
Law Students	0	0	48	2,731
TOTAL	8	3,550	118	4,135

## Eligibility Results for Orange county

Test A	NO
Test B	NO
Test C	



Since inception, VLI has always has a leveraged a significant number of pro bono attorneys, paralegals, and law clerks to paid staff. In 2018, VLI conservatively estimates 52 attorneys provided over 3061 hours to all indigent clients in all counties. The numbers provided in the table are a conservative estimate of pro bono legal services provided to indigent clients in Orange County. At least 58% of VLI's clients are indigent living in California. This number jumps to 62% if including indigent veterans from out of state that have no other recourse for free legal aid, especially for veterans benefit and military sexual trauma. Orange County clients represent approximately 39% of this 58% indigent client total. No less than 30 attorneys are directly attributable to indigent clients in Orange county.

All of the attorneys we recruit have special expertise needed to provide services. All have a military connection in being former service, military family members and veteran advocates. Moreover, many have specialized JAG experience. As a result, they understand the impact of military service on transitioning successfully to civilian life. Many are at the top of the profession in litigation and mediation in top requests for service in family law, veterans benefits, immigration, consumer, and housing law. Further, these attorneys are available to travel to and attend over 40 clinics dates for innovative strategic outreach clinics from the Veterans Administration Hospital in Long Beach through locations in Orange County as described in this application.

In 2018 we increased paid staff hours to keep up with demands for service and to need to place more cases with PBI attorneys with legal expertise.

Beyond pro bono attorney, paralegal, and law clerk hours, in 2018 VLI conservatively estimates an additional 627 hours from legal assistants and 277 hours from office assistants working directly on on indigent cases in Orange county.

## STAFF VIEW ONLY

Pro-Bono Allocation Eligible:

Pending



**A. Non-Attorney** Veterans Legal Institute uses volunteers who are not attorneys in all three functional areas of

**Volunteers:** legal services, management/administration, and fundraising. In legal services, volunteers will

Describe how your organization utilizes volunteers who are not attorneys.

meet and greet clients at the office and clinics, put them at ease, and help them begin intake process. As well, volunteers will input data and maintain files. Qualified volunteers will do legal research and support preparing documents while under supervision. In management, qualified and experienced volunteers help manage human resources for both paid and volunteer staff. With fundraising, qualified and experienced volunteers will seek sponsor and auction item support prior to events, events, research and write grants, write other outreach documents, and support social media.

## 2. Tracking Volunteer Hours

Describe how the organization obtains and maintains information about hours of service donated by volunteers. If the organization does not have written documentation corroborating the legal services hours reported, explain the basis of the reported figures. For example, if the organization relies upon estimates, provide the elements that were factored into the calculations.

Volunteers hours are tracked by survey, by planning documents, through PRIME, and by email correspondence.

## 3. Legal Services Staff Hours

If the applicant does not count all staff hours worked as legal services hours, for each paid staff position, explain the method used to calculate the number of legal services hours and, with respect to each county, describe the general nature of the non-legal services activities.

With the exception of Co-Founder Balta, all paid legal staff hours worked in 2018 were legal service hours. In order to meet development, recruiting, leadership collaborations, and fundraising obligations, Co-Founder Balta spent 80% of her time on nonlegal service activities. Time is generally divided between the counties at 97% in Orange County and 3% in Los Angeles County. These calculations were based on office and majority of clinics being in Orange County. The Veterans Administration Hospital Long Beach Clinic, within Los Angeles County, is five hours out of a 160 hour month.

# V. Quality Control Review

## 1. Quality Control Report

Has the organization received a written quality control review from the Legal Services Corporation, the California Department of Aging, or an Area Agency on Aging in the previous calendar year?





No

## 2. Legal Services Staff Supervision

Describe how legal services staff are supervised to ensure quality service. Identify supervisory personnel and provide information regarding their oversight (frequency of case management meetings, etc.). If there is only one staff attorney or the organization only employs contract attorneys, describe how oversight and quality control are ensured.

Case management conferences are held weekly, with staff attorneys, pro bono attorneys and law clerks updating Mr. Tanner on their caseloads and receiving advice and guidance on strategy, tactics, and client interaction.

## 3. Volunteer Supervision

Describe the method(s) by which volunteers (attorneys, paralegals, and law students) are supervised. If the organization does not actively supervise volunteers or review their work product, how does the organization ensure compliance with its quality standards?

Managing Attorney William Tanner interacts with the volunteers on a daily basis. In his absence, staff attorney and Equal Justice Works AmeriCorps Legal Fellow Allison Higley provides daily oversight.

## 4. Describe case opening and closing oversight practices.

Applications are assigned to staff members or volunteers, who contact the applicants to receive a background of the facts and circumstances of the case. Mr. Tanner is then briefed on the application, who decides whether to accept it or not. As to closing, when the work has been completed for a client, the pertinent staff member or volunteer meets with Mr. Tanner, who ensures a closing letter is sent, the client is advised as to all work performed, next steps, and how to obtain the physical file/s, and the file/s are added to the comprehensive filing system.

## VI. Sources of Funding



Use the table below to itemize the organization's sources of funding in the calendar year 2018.

Enter the cash amount received for each funding source. Do not include State Bar monies.

- Under Foundations, list the largest three grants by organization, and then add the remaining amounts together under Other Foundation Funding.
- Under Government Resources, for each Federal, State, and Cities and Counties, list the largest three grants by agency, and then add the remaining amounts together in the corresponding Other field.

## Sources of Funding

Source	Amount Received
Individual Contributions	
Attorneys/Private Donors/Individual Gifts	\$27,376
Event Sponsorship/Special Events	\$263,984
Other	\$0
Total	\$291,360
Organizations	
Bar Associations	\$22,000
Law Firms	\$0
Law Schools	\$71,429
Other, including subgrants from nonprofits	\$77,074
Total	\$170,503
Foundations	
Rothenbuehler Foundation	\$80,000
Hoag Hospital Foundation	\$12,000
Fidelity Charitable Foundation	\$15,000
Other Foundation Funding	\$49,500



Total		\$156,500
Legal Services Corporation		\$0
Area Agency on Aging		\$0
Total		\$0
Government Resources		
Federal (not LSC or OAA)		
		\$0
		\$0
		\$0
Other Federal Funding		\$0
State		
		\$0
		\$0
		\$0
Other State Funding		\$0
Cities and Counties		
County of Orange		\$34,236
City of Mission Viejo		\$3,500
City of Tustin		\$1,558
Other City and County Funding		\$0
Total		\$39,294
Residual and Cy Pres Awards		
State Court		\$0
Federal Court		\$0
Total		\$0
Fees and Reimbursements		
Attorneys' Fees		\$0
Client-Paid Amounts		\$0
Cost Reimbursements		\$0



Other Professional Fees	\$0
Total	\$0
Other Cash Support	
Rent Revenue	\$0
	\$0
	\$0
	\$0
	\$0
Total	\$0
TOTAL OF NON-STATE BAR REVENUE	\$657,657



**A. Other Funding: Notes:**

Itemize sources included in any "other" line items listed in the Sources of Funding table

The following adjustments were made to reasonably fill the table using the 2018 audit and 2018 banking records:

Individual contributions: \$393,673 (audit) - \$366,297 (aggregate of orgs, foundations, and govt in table) = \$27,376

Event contributions: \$303,964 (audit) - \$39,980 (2018 IOLTA/EAF monies required to exclude) = \$263,984

Other foundations:

Sunwest Bank Foundation \$5,000

Crean Foundation \$5,000

California Scottish Rite \$5500

Judicate West Foundation \$10,000

Orange County Charitable Foundation \$5000

John H. Grace Foundation \$5000

Shady Canyon Golf Charitable Foundation \$8000

Schwab Charitable Foundation \$6,000

Subtotal other foundations: \$49,500

Other nonprofits:

Volunteers of America \$34,000

Equal Justice Works AmeriCorps \$29,074

Child Guidance Center \$7000

Working Wardrobes \$7000

Subtotal other nonprofits: \$77,074

## VII. Total Corporate Expenditures

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**Organization's Fiscal Year**    December 31  
**End:**

### 1. Upload Audited or Reviewed Financial Statement Ended in the Previous Year

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Applications must include the audited or reviewed financial statements for the organization's fiscal year ending in 2018; Qualified expenditures will be calculated based on this document. The organization is required to submit a current audited or reviewed financial statement as soon as possible and no later than May 1, 2019. (See Application Instructions for further details and information.)

**Veterans\_Legal\_Insititute's\_2018\_Audited\_Financial\_Statements\_\_(1).pdf**

494.5 KB - 07/11/2019 10:37am

**Veterans\_Legal\_Institute\_2018\_Audit\_Report.pdf**

169.2 KB - 05/09/2019 3:50pm

Total Files: 2



## Total Corporate Expenditures

NON-CASH	Expenditures
In-Kind/Donated Services	\$107,747
Unrealized Losses	\$0
Other	\$0
Total Non-Cash Items	\$107,747
PASS-THROUGH / FISCAL SPONSOR	Expenditures
Pass-through	\$0
Total Pass-through	\$0
PERSONNEL	Expenditures
Lawyers	\$294,383
Paralegals	\$0
Other Staff	\$73,669
Subtotal	\$368,052
Employee Benefits	\$82,232
Total Personnel	\$450,284
NON-PERSONNEL	Expenditures
Space	\$29,670
Equipment Rental and Maintenance	\$0
Office Supplies and Small Equipment	\$9,862
Printing and Postage	\$10,492
Telecommunications	\$4,064
Technology	\$0
Program Travel	\$1,620
Training	\$0
Library	\$3,284
Insurance	\$4,456
Audit	\$5,000
Litigation	\$0



Depreciation	\$1,538
Contract Service to Clients	\$0
Contract Service to Program	\$12,852
Other	\$20,397
Total Non-Personnel	\$103,235
TOTAL EXPENDITURES (Personnel + Non-Personnel +Non-Cash+Pass-through)	\$661,266
TOTAL QUALIFIED CORPORATE EXPENDITURES (Personnel + Non-Personnel)	\$553,519

**Please itemize all expenses included under Depreciation.**

Depreciation \$1538 for furniture and equipment was depreciated.

**Please itemize all expenses included under Contract Service to Program.**

Legal fees \$5352  
Professional fees \$7500

**Please itemize all expenses included under Other (Non-Personnel).**





Other:

\$484 Advertising expenses

\$6068 Programs (backgrounds, facilities and equipment, operations, and insurances)

\$4545 Management and general (contract services in email migration, HR consulting support, and furniture moving). This is shown as \$9545 on audit and \$5,000 of these dollars were moved to line item for audit.

\$7,000 to Think Tank. Previously, a Think Tank was developed under VLI and grew to where it had to split off into its own organization. \$140,000 in funds were distributed to that new organization as a one time basis. The payments were made in two equal installments in December 2018 and June 2019. In consultation with accountant, this total cost of \$140,000 was amortized over 20 years and the 2018 audit was adjusted accordingly and uploaded.

\$2,300 was paid to Patriots and Paws, a fellow nonprofit organization from its participation in a bowling fundraiser. This bowling fundraiser was being put on by a realtor group who required VLI to collect the donations directly and split the proceeds with Patriots and Paws. This also was a one time action since VLI in practice does not act as a pass-through organization.

\$20,397 Total for Other

### 3. Explain Any Variance

If your organization's reported corporate expenditures do not align with your organization's uploaded audit, please explain the variance.

NA

## VIII. Qualified Expenditures

### Qualified Expenditures

Questions	Amount	Explanation
1. Total Corporate Expenditures from the previous fiscal year	\$553,519	



2. Did the corporation engage in activities other than the delivery of legal services?	\$9,300	\$7,000 provided to Think Tank went growing out into a new separate venture. Total amount to Think Tank is \$140,000 amortized over 20 years. The total amount of \$140,000 was paid out in two equal installments in December 2018 and June 2019. \$2,300 to Patriots and Paws as a result of being co-beneficiaries of another charitable organization fundraiser. Think Tank and Patriots and Paws costs are one time only.
3. Did the corporation lease or sublease space to another organization?	\$0	N/A
4. With regards to leased or subleased space, did the organization incur property management expenses, whether as primary owner or lessor?	\$0	N/A
5. Did you provide legal services in criminal matters?	\$0	All cases in 2018 met the definition of civil legal matters
6. Did you charge clients for any legal services in civil matters, other than requiring payment for costs and expenses or processing fee of \$20 or less?	\$0	VLI does not charge clients for legal services
7. Did you provide any free civil legal services to persons who were not indigent as defined in B & P Code Section 6213(d) and Eligibility Guidelines 2.3.3 and 2.3.4, or to organizations not providing benefits primarily on behalf of indigent?	\$193,731	<p>For this line item, the calculations are for CA non-indigent clients only.</p> <p>Total CA indigent cases: 1711  Total CA non-indigent cases: 1034  Total CA active cases: 2745  Total Active Cases (in state and out of state): 2940</p> <p>CA non-indigent / Total active cases = 1034 / 2940 = 35%</p> <p>\$553,519 x 0.35 = \$193,731</p>



8. Did you provide free civil legal services outside California?

\$33,211

For this line item, all out of state client who were indigent and non-indigent are included in the \$33,211.

Total # of out of state cases = 195

Total # indigent out of state cases = 102

Total # of active cases = 2940

$\$553,519 \times 0.06 = \$33,211$

6% of cases were for clients outside of CA who had no other recourse to free legal services due to military sexual trauma, other veterans benefit issue, or relocation out of state. All casework done through VLI office in Santa Ana, CA.

9. Did your organization incur expenses that did not contribute to the provision of civil legal services to indigent people and that were not itemized above?

\$0 N/A

10. TOTAL EXPENDITURES FOR NON-QUALIFIED ACTIVITIES

\$236,242

11. SUB-TOTAL OF QUALIFIED EXPENDITURES

\$317,277

## 12. PERCENT OF QUALIFIED EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS

Once you have completed and saved the Qualified Expenditures table above, click the "Save & Finish Later" button below to calculate this percentage.

57.32%

### A. Less than 75% Explanation

If the percentage of expenditures for free civil legal services to indigent persons calculated above is less than 75 percent, explain how the organization meets the primary purpose requirement for funding (B&P §6213(a)).



Please note: Previously, a Think Tank was developed under VLI and grew to where it had to split off into its own organization. \$140,000 in funds were distributed to that new organization as a one time basis. The payments were made in two equal installments in December 2018 and June 2019. In consultation with accountant, this total cost of \$140,000 was amortized over 20 years (\$7,000 each year), and the 2018 audit was adjusted accordingly and uploaded.

As well, the \$2,300 paid to Patriots and Paws was a one time payment required by the host of a mutual fundraiser in order for VLI to participate as a beneficiary.

Since its founding in 2014, Veterans Legal Institute's mission, by laws, financial guidelines, and case acceptance policies are to provide free legal services to homeless, disabled, low-income, and at-risk current and former US service members. In order to reach the indigent population within the military community, VLI expends on office, website, and maintaining relationships and clinic dates at six off-site veteran hotspots. VLI has always operated from a position of having more volunteer attorneys, paralegals, law students than paid staff. Last year, VLI qualified for the pro bono allocation for 2019.

VLI's outreach through innovative and strategic clinics began early in its founding with the medical-legal partnership at the Veterans Administration Hospital in Long Beach. This monthly clinic generally sees 30-40 medically frail veterans. Since founding, the clinic locations have expanded to include the North County Vet Center in Garden Grove, CA; the Starbucks Coffee house in Santa Ana; Saddleback College (home to over 1200 combat veteran students) in Mission Viejo; the City of Mission Viejo; and the Orange County Veterans Service Office in Santa Ana. In 2019/2020, VLI expects to expand into the Inland Empire by duplicating it's model at the Riverside and San Bernardino County Veterans Service Offices where veterans are disproportionately affected by extremely low income levels and high unemployment. VLI continues to stage family law, estate planning, bankruptcy, and veterans benefits clinics in house that bring together professionals from all industries to ensure the indigent veteran population receives access to justice.

At least 75% of VLI's overall client population can be identified as being 75% or less of the maximum levels of income for lower income households in Orange and Los Angeles Counties where VLI primarily operates. These numbers were not counted in the indigent calculations in this application. As VLI becomes more well known in the veteran community and with collaborating organizations, it is attracting more inquiries and applications.

In trying to prevent veteran homelessness, VLI pays particular attention to those at-risk veterans and military families who are on the borderline of low-income who live paycheck to paycheck when they present with pressing legal issues which if unmet could result in becoming homeless or indigent.

### 13. Exchanged Funds

---



Did the organization exchange funds with another legal services project that is applying for a State Bar grant?

No

**14. TOTAL DEDUCTION OF EXCHANGED FUNDS**

\$0

**15. Shriver Funds**

Enter funds received for a grant (or subgrant/subcontract) for a pilot project pursuant to the Sargent Shriver Civil Counsel Act of 2009.

\$0

**16. TOTAL QUALIFIED EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS IN CALIFORNIA**

\$317,277

Enter all IOLTA and EAF expenditures for 2018 in 17a and 17b, respectively. This should include any carry-over from 2017

**Reference Button:**

**17a. IOLTA Expenditures Net of Capital Additions (FISCAL YEAR)**

\$15,070

**17b. EAF Expenditures Net of Capital Additions (FISCAL YEAR)**

\$24,910

**17c. IOLTA AND EAF EXPENDITURES NET OF CAPITAL ADDITION EXPENDITURES (AUTO-CALCULATED)**

\$39,980



**18. GRAND TOTAL NON-STATE BAR QUALIFIED EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS IN CALIFORNIA**

\$277,297

**19. Upload Any Additional Expenditure Documents**

Include any additional documents regarding the information entered in this form.

**VIII-A. Expenditures by County**

**GRAND TOTAL NON-STATE BAR QUALIFIED EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS IN CALIFORNIA**

\$277,297

**1. Allocation of Expenditures for Each County**

If you provide free civil legal services to indigent persons in more than one county, describe the basis for your by county allocation of expenses and how it relates to the services in each county. Include any calculations or relevant data to support your explanation.



Veterans Legal Institute is based in Santa Ana, CA and takes care of clients in Los Angeles County who cannot travel the thirty (30) miles to the office through the clinic held at the Veterans Administration Hospital in Long Beach, CA.

VLI 2018 stats:

Total active cases: 2940

Total indigent cases: 1813

Total indigent cases in LA County: 572

Total Indigent cases in Orange County: 943

Total indigent cases for other CA counties served through VLI office: 196

Total indigent cases outside of CA: 102

Total indigent cases qualified for funding:  $1813 - 102 = 1711$

Total indigent OC + other CA county cases / Total indigent cases qualified for funding:

$943 + 196 / 1711 = 67\%$

Total indigent LA county cases / Total indigent cases qualified for funding:

$572 / 1711 = 33\%$

Calculations for table below:

Los Angeles County =  $\$264,783 \times 0.33 = \$87,378$

Orange County =  $\$264,783 \times 0.67 = \$177,404$

7/1/2019 revisions to equally divide the CA out of county cases across OC and LA county per procedure change:

Total indigent OC + 1/2 other CA county cases / Total indigent cases qualified for funding:

$943 + 89 / 1711 = 61\%$

Total indigent LA county cases + 1/2 of other CA county cases / Total indigent cases qualified for funding:

$572 + 98 / 1711 = 39\%$

Calculations for table below:

Los Angeles County =  $\$264,783 \times 0.39 = \$103,265$

Orange County =  $\$264,783 \times 0.61 = \$161,518$

## 2. New or Discontinued Counties



If applicant is seeking 2020 IOLTA and EAF funds to serve any counties that differ from the counties for which applicant is currently receiving 2019 IOLTA and EAF funds, provide information on new and/or discontinued counties. See application instructions for additional details. Enter N/A if not applicable.

N/A

3. Out of County Work

Describe any work in county(ies) other than those detailed in the questions above. Include name of county(ies), nature of work, start and/or end date, approximate county expenditures, and any other relevant information.

Because VLI is one of the very few public interest law firms in the nation that is military specific with significant expertise in veterans benefits, clients from the following counties have sought out assistance: El Dorado, Fresno, Glenn, Imperial, Kern, Lake, Marin, Mono, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Joaquin, Santa Barbara, Santa Clara, Santa Cruz, Santa Maria, Stanislaus, and Ventura. Requests for legal services included veterans benefits, family law, housing, employment, and expungements. The expenditures would be through the VLI office which supports the incoming applications, phone inquires, and those veterans that are still transitioning into a more permanent residence.





## Expenditures by County

Previous Fiscal Year Quarterly Reports:

### Los Angeles

County Expenditures (Fiscal year)	IOLTA Expenditures (Fiscal year)	EAF Expenditures (Fiscal year)	Qualified Expenditures
\$123,738	\$2,650	\$4,380	\$116,708

### Orange

County Expenditures (Fiscal year)	IOLTA Expenditures (Fiscal year)	EAF Expenditures (Fiscal year)	Qualified Expenditures
\$193,539	\$12,420	\$20,530	\$160,589

### County Totals

County Expenditures (Fiscal year)	IOLTA Expenditures (Fiscal year)	EAF Expenditures (Fiscal year)	Qualified Expenditures
317277	15070	24910	277297

## IX. Certifications & Assurances

Upload Signed  
Certifications &  
Assurances Document:

**IX\_\_Certification\_and\_Assurances.pdf**  
901.7 KB - 05/31/2019 11:24am

Total Files: 1

## Supporting Documents (Optional)



When naming optional supporting documents, please include the Organization's acronym (or short name) and a 1-5 word description of the file.

Pro Bono Eligible: No

Grant Adjustment:

Check Request to  
Finance:

## Key Documents Review (Org. Profile)

### IRS Determination Letter:

**Veterans\_Legal\_Institute\_\_\_Tax\_Exempt\_Status.pdf**

339.3 KB - 05/12/2017 1:15pm

Total Files: 1

### Board Roster :

**Veterans\_Legal\_Institute\_Board\_of\_Directors\_2017\_-\_Roster.pdf**

59.4 KB - 05/29/2017 11:27am

**Veterans\_Legal\_Institute\_Board\_of\_Directors\_2018\_-  
\_Updated\_May\_2018.pdf**

58.5 KB - 05/23/2018 5:01pm

**Veterans\_Legal\_Institute\_Board\_of\_Directors\_2019\_-\_20190508\_-  
\_Roster.pdf**

58.9 KB - 05/09/2019 1:14pm

Total Files: 3



**VETERANS LEGAL INSTITUTE**  
**(A California not-for-profit corporation)**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**December 31, 2018**  
  
**With comparative statements**  
**for the year ended December 31, 2017**  
  
**TOGETHER WITH**  
**INDEPENDENT AUDITOR'S REPORT**

**VETERANS LEGAL INSTITUTE**  
*(A California not-for-profit corporation)*

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## HZ CPAs & Advisors, P.C.

To the Board of Directors  
**Veterans Legal Institute**  
Santa Ana, California

### **INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying financial statements of **Veterans Legal Institute**, which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flow for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from the organization's 2017 financial statements and in our report dated March 9, 2018, an unmodified opinion was expressed on those 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 financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Veterans Legal Institute** as of December 31, 2018, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2019 on our consideration of **Veterans Legal Institute**' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 **Veterans Legal Institute**' internal control over financial reporting and compliance.

*HZ CPAs & Advisors, P.C.*

Buena Park, California  
March 15, 2019

**VETERANS LEGAL INSTITUTE**  
**STATEMENT OF FINANCIAL POSITION**  
As of December 31, 2018  
(With comparatives as of December 31, 2017)

<b>ASSETS</b>		<u>2018</u>	<u>2017</u>
<b>Current assets</b>			
Cash and cash equivalents	\$	<u>346,945</u>	\$ <u>270,746</u>
<b>Total current assets</b>		<u>346,945</u>	<u>270,746</u>
<b>Other assets</b>			
Amortizable support for veteran serving organizations		140,000	
Less: accumulated amortization		<u>(7,000)</u>	
Net amortizable support for veteran serving organizations		<u>133,000</u>	
<b>Total other assets</b>		<u>133,000</u>	
<b>Noncurrent assets</b>			
Furniture and equipment (Note 4)		10,882	4,500
Less: accumulated depreciation (Note 4)		<u>(3,338)</u>	<u>(1,800)</u>
Net furniture and equipment		7,544	2,700
Security deposit		<u>1,971</u>	<u>1,971</u>
<b>Total noncurrent assets</b>		<u>9,515</u>	<u>4,671</u>
<b>TOTAL ASSETS</b>	\$	<u><u>489,460</u></u>	\$ <u><u>275,417</u></u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities</b>			
Accounts payable	\$	<u>74,925</u>	\$ <u>5,000</u>
<b>Total current liabilities</b>		<u>74,925</u>	<u>5,000</u>
<b>Total liabilities</b>		<u>74,925</u>	<u>5,000</u>
<b>Net assets</b>			
Net assets without donor restrictions		<u>414,535</u>	<u>270,417</u>
<b>Total net assets</b>		<u>414,535</u>	<u>270,417</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$	<u><u>489,460</u></u>	\$ <u><u>275,417</u></u>

The accompanying notes are an integral part of these financial statements.

**VETERANS LEGAL INSTITUTE**  
**STATEMENT OF ACTIVITIES**  
For the year ended December 31, 2018  
(With comparative totals for the year ended December 31, 2017)

	<u>2018</u>	<u>2017</u>
<b>SUPPORT AND REVENUES</b>		
Grants and contributions	\$ 393,673	\$ 434,450
Special Events (net of expenses of \$73,417)	303,964	
Donated goods and services	<u>107,747</u>	<u>144,192</u>
<b>Total support and revenues</b>	<u>805,384</u>	<u>578,642</u>
<b>EXPENSES</b>		
Program services	625,313	521,205
Management and general	35,953	52,610
Fundraising	<u>1,068</u>	<u>1,068</u>
<b>Total expenses</b>	<u>661,266</u>	<u>574,883</u>
<b>Increase in net assets</b>	144,118	3,759
Net assets, beginning of the year	<u>270,417</u>	<u>266,658</u>
<b>Net assets, end of the year</b>	<u><u>\$ 414,535</u></u>	<u><u>\$ 270,417</u></u>

The accompanying notes are an integral part of these financial statements.



**VETERANS LEGAL INSTITUTE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the year ended December 31, 2018  
(With comparative totals for the year ended December 31, 2017)

	Programs	Management and general	Total expenses	2017 Total expenses
<b>EXPENSES:</b>				
Grants, contracts, & direct assistance:				
Contributions to other organizations	\$ 9,300	\$	\$ 9,300	\$ 159,800
Donated goods and services	107,747		107,747	144,192
Total grants, contracts, & direct assistance:	<u>117,047</u>		<u>117,047</u>	<u>303,992</u>
Salaries and related expenses:				
Salaries and wages	354,802	13,250	368,052	243,140
Payroll taxes	79,363	2,869	82,232	73,991
Total salaries and related expenses:	<u>434,165</u>	<u>16,119</u>	<u>450,284</u>	<u>317,131</u>
Contract service expenses:				
Legal fees	5,207	145	5,352	6,932
Professional fees	7,500	7,500	7,500	12,500
Total contract service expenses:	<u>5,207</u>	<u>7,645</u>	<u>12,852</u>	<u>19,432</u>
Nonpersonnel expenses:				
Supplies	8,928	934	9,862	7,028
Telephone and telecommunication	4,064		4,064	5,123
Postage and shipping	2,523		2,523	1,082
Printing and copying	7,969		7,969	2,745
Books, subscriptions, references	3,284		3,284	3,449
Total nonpersonnel expenses:	<u>26,768</u>	<u>934</u>	<u>27,702</u>	<u>19,427</u>
Facility & equipment expenses:				
Rent, parking, other occupancy	29,670		29,670	27,959
Depreciation	1,538		1,538	1,800
Total facility & equipment expenses:	<u>31,208</u>		<u>31,208</u>	<u>29,759</u>
Travel & meetings expenses:				
Travel	1,620		1,620	3,401
Total travel & meeting expenses:	<u>1,620</u>		<u>1,620</u>	<u>3,401</u>
Other expenses:				
Insurance	3,230	1,226	4,456	6,917
Advertising expenses		484	484	1,174
Donor appreciation events				19,620
Other expenses	6,068	9,545	15,613	13,830
Total other expenses:	<u>9,298</u>	<u>11,255</u>	<u>20,553</u>	<u>41,541</u>
<b>Total expenses</b>	<b>\$ <u>625,313</u></b>	<b>\$ <u>35,953</u></b>	<b>\$ <u>661,266</u></b>	<b>\$ <u>734,683</u></b>

The accompanying notes are an integral part of these financial statements

**VETERANS LEGAL INSTITUTE**  
**STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2018  
(With comparative totals for the year ended December 31, 2017)

	<u>2018</u>	<u>2017</u>
<b>Cash flows from operating activities:</b>		
Increase in net assets	\$ 144,118	\$ 3,759
<b>Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:</b>		
Depreciation	1,538	1,800
Amortization	7,000	
<b>Changes in operating assets and liabilities:</b>		
(Increase) decrease in assets:		
Furniture and equipment	(6,382)	
Amortizable support for veteran serving organizations	(140,000)	
Increase (decrease) in liabilities:		
Accounts payable	<u>69,925</u>	<u>5,000</u>
<b>Net cash provided by operating activities</b>	<u>76,199</u>	<u>10,559</u>
<b>Net increase in cash</b>	<u>76,199</u>	<u>10,559</u>
Cash - beginning of the year	<u>270,746</u>	<u>260,187</u>
<b>Cash - end of the year</b>	<u><u>\$ 346,945</u></u>	<u><u>\$ 270,746</u></u>

The accompanying notes are an integral part of these financial statements.

**VETERANS LEGAL INSTITUTE**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF ACTIVITIES**

**ORGANIZATION**

Veterans Legal Institute (VLI) empowers our nation's heroes and their families with a holistic approach. VLI is a 501 (c) 3 public interest law firm that is one of the very few in the nation totally dedicated to and military specific in providing pro bono legal assistance to veterans. Founded in 2014, our enduring goal is to greatly reduce veteran suicide and homelessness. Our clientele are homeless, at-risk, low income and disabled veterans and active service members. VLI's mission is to eradicate barriers to housing, education, employment, and healthcare and to foster self-sufficiency. VLI also advocates on behalf of its clients by providing community education and training in an effort to increase awareness, resources, and overall protections.

Studies show us that receiving care from peers generates the strongest and most enduring results. This holds true in our experience where all our staff have military experience and/or are spouses of veterans. To date, VLI has served over 5,000 veterans, and recovered over two million dollars in veterans' benefits across Southern California.

**Needs:**

Southern California has one of the largest concentrations of military veterans in the nation. The number of homeless, unemployed, underemployed, and low-income veterans in Orange County continues to grow as more service members return after completing service in Iraq, Afghanistan, and other postings overseas. While Orange County is distinguished at being 4th in veteran population, it is also challenged by having the highest median rent according to a recent US Census report.

Most of VLI's clients live across Southern California, with the top four cities being Santa Ana, Anaheim, Long Beach, and Los Angeles. Many live with traumatic brain injuries, PTSD, or complex challenges from military sexual trauma. Veterans are between 19-99 years old, have families with 1-5 children, and on average earn less than \$1,000 a month. Those in college live frugally off benefit allowances, couch surf, or live in cars.

**Success Story:**

Consider the transformative case of Judith, a United States Navy veteran who served four years as an Operations Specialist. Judith was the victim of military sexual trauma which left her completely unable to work, homebound, and suicidal. Her father became Judith's 24-hour caregiver to prevent her suicide attempts. The family was under constant financial strain and at-risk for homelessness.

**VETERANS LEGAL INSTITUTE**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF ACTIVITIES (continued)**

After applying with VLI, Judith was quickly matched to a VLI volunteer staff attorney - a Navy veteran and an expert in veterans' benefits. With his expert guidance, Judith went from having no benefits at all to being 100% service-connected, providing her with \$3,500 a month in tax free income. Also, Judith's father was successfully recognized in the caregiver program, providing an additional \$1,500 a month in tax free income to him. Further, Judith successfully enrolled in the Military Sexual Trauma clinic at the VA Hospital in Long Beach. Now, Judith is receiving vital healthcare treatment as her therapists continue to support her and to document her trauma. As a result, Judith and her father live with greater financial security, dignity, and hope for a healthier future.

**Program activities:**

Veterans can apply online, call the office and speak to a live person, attend one of VLI's many mobile legal clinics like the VA Hospital Long Beach, or be referred by several collaborating agencies. VLI completes legal work in house and farms out specialized areas of the law to pro bono civilian attorneys from a variety of firms. Areas of law include (but are not limited to) discharge upgrades, VA pensions and healthcare access, landlord-tenant disputes, and restoring driver's licenses. No veteran ever receives a bill.

Veterans can show up to a clinic or reserve a spot in advance. Attorneys or volunteers greet the veteran, put them at ease, and begin the intake process. An initial application is filled out which requests the applicant's military history, income and basic case information. Those who fall within the eligibility of VLI as low income, within our geographic area, and have a case type that VLI services are selected. Those veterans who require wrap around services are referred to evidence-based collaborators.

VLI collaborates with over 70 organizations through leadership in the Orange County Veterans and Military Families Collaborative. Also, VLI is a partner in the Strong Families, Strong Children collaborative. SFSC is a consortium of five nonprofit partners (Child Guidance Center, Human Options, Children and Family Futures, Families Forward, and Veterans Legal Institute) bringing together a coordinated, Community-based approach to provide an array of support services to underserved OC veteran and military families (including children). Services include: evidence-based mental health and trauma treatment; domestic violence and substance abuse prevention; housing; basic needs; legal assistance and advocacy; and program evaluation and outcome measurement.

**Program goal:**

To increase the quantity and quality of strategic, free legal aid to qualified active and former service members to empower self-sufficiency.

**VETERANS LEGAL INSTITUTE**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF ACTIVITIES (continued)**

**Objectives for 2019:**

1. Continue: strategic mobile outreach clinics at the veteran hotspots: VA Hospital Long Beach, Starbucks Coffeehouse next to the Santa Ana Civic Center, Saddleback College, the City of Mission Viejo, The North County Vet Center in Garden Grove, and the Orange County Veterans Service Office.
2. Continue: specialty clinics for family law, women veterans, and disability benefits in the VLI office, thereby expanding choice and options to access expert pro bono attorneys in these focus areas.

**Outcomes for 2018:**

1. Remove legal barriers to increase access to housing, employment, healthcare, and education for up to 400 unduplicated clients for a full calendar year via clinics.
2. Increase scope, range, and quality of legal services provided to the veteran community by expanding the number of total veterans served to 5,500 by the end of 2018.

**Program reporting:**

Outcomes are measured through an extensive computer reporting system called PRIME that defines various types of outcomes. General civilian legal issue reporting includes money won, money waived, reason closed, how the case was resolved (through litigation, settlement, etc.) and more. Military specific areas are measured by outcome received and what types of benefits are newly achieved as a direct result thereof, whether monetary, or in terms of education, health or cemetery benefits. Qualitative results are gathered during client case closure, permission to use personal stories in testimonials, and regular requests for feedback from collaborators and public discussions.

**Sustainability:**

Direct donations, beneficiary and annual events, and a variety of grants generate revenue, which we leverage with volunteers, collaborations, and leadership positions. Major subgrants or repeat sponsors of our clinics include Equal Justice Works AmeriCorps Legal Fellow, Volunteers of Los Angeles Orange County, American Warrior Project with OC Goodwill, and the Orange County Bar Association. VLI has also successfully acquired funding as a public interest law firm through the State Bar of California. Towards its commitment to transparency, VLI has received Platinum Seal with GuideStar, accreditation with The Patriot's Initiative, and a multiyear contract with DiversityComm for publication in their print and online US Veterans Magazine.

**VETERANS LEGAL INSTITUTE**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**CASH AND CASH EQUIVALENTS**

For purposes of the Statement of Cash Flows, Veterans Legal Institute considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**PROPERTY AND EQUIPMENT**

Property and equipment are capitalized at cost or fair market value on the date of receipt in the case of donated property. Depreciation is provided on the straight-line method over the estimated useful lives of the assets ranging from 3 to 10 years. Leasehold improvements are depreciated over the lease term (including options) or the useful life. Major additions are capitalized, and repairs and maintenance that do not improve or extend the life of the assets are expensed. When assets are sold or retired their cost and the related accumulated depreciation are removed from the accounts with the resulting gain or loss reflected in the Statement of Activities.

**FINANCIAL STATEMENT PRESENTATION**

The accompanying financial statements are prepared on the accrual basis in accordance with the AICPA's Audit and Accounting Guide, "Not-for-Profit Organizations."

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. The FASB Accounting Standard Update issued in August of 2016 requires that net assets be classified into two categories. VLI has accordingly adopted this classification:

*Net assets without donor restrictions* – Net assets that are not subject to any donor-imposed requirements.

*Net assets with donor restrictions* – Net assets subject to donor-imposed restrictions regarding to their special purpose other than normal programs and operations. For example, contributions received for fixed asset acquisitions will be recorded as net assets with donor restrictions. Perpetual restrictions such as endowment are another example.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### FINANCIAL STATEMENT PRESENTATION (continued)

Below is a general reference of comparison between previously reported categories and the new reporting convention.

<b>Previously reported</b>	<b>New reporting</b>
Unrestricted net assets	Net assets without donor restrictions
Temporarily restricted	Net assets with donor restrictions
Permanently restricted	

### ESTIMATES

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

### CONTRIBUTED GOODS AND SERVICES

The accompanying financial statements include amounts of materials, equipment and services donated to Veterans Legal Institute. The basis of valuation of these donations is generally in-house appraisal or fair market value as indicated by the person or agency making the donation. Included in the statement of activities is \$107,747 of volunteer services as both revenue and expense.

### INCOME TAXES

Veterans Legal Institute is a not-for-profit organization that is exempt from Federal and state income taxes under the Internal Revenue Code Section 501(c) (3) and the California State Revenue and Taxation Code 23701 (d) except on net income derived from unrelated business activities. The organization's management believes that it has support for any tax position taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Veterans Legal Institute's Forms 990, Return of Organization Exempt from Income Tax for the years ending December 31, 2016, 2017 and 2018, are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

## **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **COMPARATIVE FINANCIAL INFORMATION**

The 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

### **NOTE 3 – LIQUIDITY OF ORGANIZATION**

According to Accounting Standard Update (ASU) 2016-14, VLI' management has evaluated how the organization manages its liquid resources available to meet cash needs for general expenditures within one year of the balance sheet. VLI has a strong cash balance and stable funding sources from foundations, corporations, and individuals. VLI has a cohesive team that has won respect in the field and by funders. VLI had \$346,945 current assets and \$74,925 current liabilities at December 31, 2018, with a current ratio of 4.6 to 1. All of the current assets were cash. The general expense of the organization was \$794,266 in 2018, and its revenue was \$805,384. Management has confidence that with solid demand for VLI's service and the organization's foundation for integrity, accountability and transparency, VLI is on the path of sustainable operation.

### **NOTE 4 – PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2018 are comprised of the following:

<u>Description</u>	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>
Furniture and equipment	\$ <u>10,882</u>	\$ <u>(3,338)</u>	\$ <u>7,544</u>
Net property and equipment	\$ <u>10,882</u>	\$ <u>(3,338)</u>	\$ <u>7,544</u>

Depreciation expense for the year ended December 31, 2018 was \$1,538.



**NOTE 5 – CONCENTRATION OF CREDIT RISK**

VLI maintains its cash accounts with local banks. The cash balance is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per banking institution. As of December 31, 2018, VLI had cash deposits that are above the balance insured by the FDIC in the amount of \$96,945. Management believes that VLI is not exposed to any significant credit risk related to cash because of the solvency of the bank in which these funds are held.

**NOTE 6 - SUBSEQUENT EVENTS**

Veterans Legal Institute's management has evaluated subsequent events for the period from December 31, 2018, through March 15, 2019, the date the financial statements were available to be issued. Management did not identify any transactions that require disclosure or that would have an impact on the financial statements.



**HZ CPAs & Advisors, P.C.**

To the Board of Directors  
**Veterans Legal Institute**  
Santa Ana, California

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

We have audited, in accordance with the auditing standards generally accepted in the United States of American and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of **Veterans Legal Institute**, which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 15, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered **Veterans Legal Institute'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Veterans Legal Institute's** internal control. Accordingly, we do not express an opinion on the effectiveness of **Veterans Legal Institute's** internal control.

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 financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or 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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Veterans Legal Institute's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of 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.

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.

*H2 CPAs & Advisors, P.C.*

Buena Park, California  
March 15, 2019



**VETERANS LEGAL INSTITUTE**  
**(A California not-for-profit corporation)**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**December 31, 2018**  
  
**With comparative statements**  
**for the year ended December 31, 2017**  
  
**TOGETHER WITH**  
**INDEPENDENT AUDITOR'S REPORT**

**VETERANS LEGAL INSTITUTE**  
*(A California not-for-profit corporation)*

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To the Board of Directors  
**Veterans Legal Institute**  
Santa Ana, California

### **INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying financial statements of **Veterans Legal Institute**, which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flow for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from the organization's 2017 financial statements and in our report dated March 9, 2018, an unmodified opinion was expressed on those 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 financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Veterans Legal Institute** as of December 31, 2018, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated March 15, 2019 on our consideration of **Veterans Legal Institute**' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 **Veterans Legal Institute**' internal control over financial reporting and compliance.

*JZ CPAs Inc*

Long Beach, California  
March 15, 2019

**VETERANS LEGAL INSTITUTE**  
**STATEMENT OF FINANCIAL POSITION**  
As of December 31, 2018  
(With comparatives as of December 31, 2017)

<b>ASSETS</b>	<u>2018</u>	<u>2017</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 346,945	\$ 270,746
<b>Total current assets</b>	<u>346,945</u>	<u>270,746</u>
<b>Noncurrent assets</b>		
Furniture and equipment (Note 3)	10,882	4,500
Less: accumulated depreciation (Note 3)	<u>(3,338)</u>	<u>(1,800)</u>
Net furniture and equipment	7,544	2,700
Security deposit	<u>1,971</u>	<u>1,971</u>
<b>Total noncurrent assets</b>	<u>9,515</u>	<u>4,671</u>
<b>TOTAL ASSETS</b>	<u>\$ 356,460</u>	<u>\$ 275,417</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 74,925	\$ 5,000
<b>Total current liabilities</b>	<u>74,925</u>	<u>5,000</u>
<b>Total liabilities</b>	<u>74,925</u>	<u>5,000</u>
<b>Net assets</b>		
Unrestricted net assets	<u>281,535</u>	<u>270,417</u>
<b>Total net assets</b>	<u>281,535</u>	<u>270,417</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 356,460</u>	<u>\$ 275,417</u>

The accompanying notes are an integral part of these financial statements.



**VETERANS LEGAL INSTITUTE**  
**STATEMENT OF ACTIVITIES**  
For the year ended December 31, 2018  
(With comparative totals for the year ended December 31, 2017)

	<u>2018</u>	<u>2017</u>
<b>SUPPORT AND REVENUES</b>		
Grants and contributions	\$ 393,673	\$ 434,450
Special Events (net of expenses of \$73,417)	303,964	
Donated goods and services	<u>107,747</u>	<u>144,192</u>
<b>Total support and revenues</b>	<u>805,384</u>	<u>578,642</u>
<b>EXPENSES</b>		
Program services	758,313	521,205
Management and general	35,953	52,610
Fundraising	<u>1,068</u>	<u>1,068</u>
<b>Total expenses</b>	<u>794,266</u>	<u>574,883</u>
<b>Increase in net assets</b>	11,118	3,759
Net assets, beginning of the year	<u>270,417</u>	<u>266,658</u>
<b>Net assets, end of the year</b>	\$ <u><u>281,535</u></u>	\$ <u><u>270,417</u></u>

The accompanying notes are an integral part of these financial statements.

**VETERANS LEGAL INSTITUTE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the year ended December 31, 2018  
(With comparative totals for the year ended December 31, 2017)

	Programs	Management and general	Total expenses	2017 Total expenses
<b>EXPENSES:</b>				
Grants, contracts, & direct assistance:				
Contributions to other organizations	\$ 142,300	\$	\$ 142,300	\$ 159,800
Donated goods and services	107,747		107,747	144,192
Total grants, contracts, & direct assistance:	<u>250,047</u>		<u>250,047</u>	<u>303,992</u>
Salaries and related expenses:				
Salaries and wages	354,802	13,250	368,052	243,140
Payroll taxes	79,363	2,869	82,232	73,991
Total salaries and related expenses:	<u>434,165</u>	<u>16,119</u>	<u>450,284</u>	<u>317,131</u>
Contract service expenses:				
Legal fees	5,207	145	5,352	6,932
Professional fees		7,500	7,500	12,500
Total contract service expenses:	<u>5,207</u>	<u>7,645</u>	<u>12,852</u>	<u>19,432</u>
Nonpersonel expenses:				
Supplies	8,928	934	9,862	7,028
Telephone and telecommunication	4,064		4,064	5,123
Postage and shipping	2,523		2,523	1,082
Printing and copying	7,969		7,969	2,745
Books, subscriptions, references	3,284		3,284	3,449
Total nonpersonel expenses:	<u>26,768</u>	<u>934</u>	<u>27,702</u>	<u>19,427</u>
Facility & equipment expenses:				
Rent, parking, other occupancy	29,670		29,670	27,959
Depreciation	1,538		1,538	1,800
Total facility & equipment expenses:	<u>31,208</u>		<u>31,208</u>	<u>29,759</u>
Travel & meetings expenses:				
Travel	1,620		1,620	3,401
Total travel & meeting expenses:	<u>1,620</u>		<u>1,620</u>	<u>3,401</u>
Other expenses:				
Insurance	3,230	1,226	4,456	6,917
Advertising expenses		484	484	1,174
Donor appreciation events				19,620
Other expenses	6,068	9,545	15,613	13,830
Total other expenses:	<u>9,298</u>	<u>11,255</u>	<u>20,553</u>	<u>41,541</u>
<b>Total expenses</b>	<u>\$ 758,313</u>	<u>\$ 35,953</u>	<u>\$ 794,266</u>	<u>\$ 734,683</u>

The accompanying notes are an integral part of these financial statements

**VETERANS LEGAL INSTITUTE**  
**STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2018  
(With comparative totals for the year ended December 31, 2017)

	<u>2018</u>	<u>2017</u>
<b>Cash flows from operating activities:</b>		
Increase in net assets	\$ 11,118	\$ 3,759
<b>Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:</b>		
Depreciation	1,538	1,800
<b>Changes in operating assets and liabilities:</b>		
(Increase) decrease in assets:		
Fixed assets	(6,382)	
Increase (decrease) in liabilities:		
Accounts payable	<u>69,925</u>	<u>5,000</u>
<b>Net cash provided by operating activities</b>	<u>76,199</u>	<u>10,559</u>
<b>Net increase in cash</b>	<u>76,199</u>	<u>10,559</u>
Cash - beginning of the year	<u>270,746</u>	<u>260,187</u>
<b>Cash - end of the year</b>	<u><u>\$ 346,945</u></u>	<u><u>\$ 270,746</u></u>

The accompanying notes are an integral part of these financial statements.

**VETERANS LEGAL INSTITUTE**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF ACTIVITIES**

**ORGANIZATION**

Veterans Legal Institute (VLI) empowers our nation's heroes and their families with a holistic approach. VLI is a 501 (c) 3 public interest law firm that is one of the very few in the nation totally dedicated to and military specific in providing pro bono legal assistance to veterans. Founded in 2014, our enduring goal is to greatly reduce veteran suicide and homelessness. Our clientele are homeless, at-risk, low income and disabled veterans and active service members. VLI's mission is to eradicate barriers to housing, education, employment, and healthcare and to foster self-sufficiency. VLI also advocates on behalf of its clients by providing community education and training in an effort to increase awareness, resources, and overall protections.

Studies show us that receiving care from peers generates the strongest and most enduring results. This holds true in our experience where all our staff have military experience and/or are spouses of veterans. To date, VLI has served over 5,000 veterans, and recovered over two million dollars in veterans' benefits across Southern California.

**Needs:**

Southern California has one of the largest concentrations of military veterans in the nation. The number of homeless, unemployed, underemployed, and low-income veterans in Orange County continues to grow as more service members return after completing service in Iraq, Afghanistan, and other postings overseas. While Orange County is distinguished at being 4th in veteran population, it is also challenged by having the highest median rent according to a recent US Census report.

Most of VLI's clients live across Southern California, with the top four cities being Santa Ana, Anaheim, Long Beach, and Los Angeles. Many live with traumatic brain injuries, PTSD, or complex challenges from military sexual trauma. Veterans are between 19-99 years old, have families with 1-5 children, and on average earn less than \$1,000 a month. Those in college live frugally off benefit allowances, couch surf, or live in cars.

**Success Story:**

Consider the transformative case of Judith, a United States Navy veteran who served four years as an Operations Specialist. Judith was the victim of military sexual trauma which left her completely unable to work, homebound, and suicidal. Her father became Judith's 24-hour caregiver to prevent her suicide attempts. The family was under constant financial strain and at-risk for homelessness.

**VETERANS LEGAL INSTITUTE**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF ACTIVITIES (continued)**

After applying with VLI, Judith was quickly matched to a VLI volunteer staff attorney - a Navy veteran and an expert in veterans' benefits. With his expert guidance, Judith went from having no benefits at all to being 100% service-connected, providing her with \$3,500 a month in tax free income. Also, Judith's father was successfully recognized in the caregiver program, providing an additional \$1,500 a month in tax free income to him. Further, Judith successfully enrolled in the Military Sexual Trauma clinic at the VA Hospital in Long Beach. Now, Judith is receiving vital healthcare treatment as her therapists continue to support her and to document her trauma. As a result, Judith and her father live with greater financial security, dignity, and hope for a healthier future.

**Program activities:**

Veterans can apply online, call the office and speak to a live person, attend one of VLI's many mobile legal clinics like the VA Hospital Long Beach, or be referred by several collaborating agencies. VLI completes legal work in house and farms out specialized areas of the law to pro bono civilian attorneys from a variety of firms. Areas of law include (but are not limited to) discharge upgrades, VA pensions and healthcare access, landlord-tenant disputes, and restoring driver's licenses. No veteran ever receives a bill.

Veterans can show up to a clinic or reserve a spot in advance. Attorneys or volunteers greet the veteran, put them at ease, and begin the intake process. An initial application is filled out which requests the applicant's military history, income and basic case information. Those who fall within the eligibility of VLI as low income, within our geographic area, and have a case type that VLI services are selected. Those veterans who require wrap around services are referred to evidence-based collaborators.

VLI collaborates with over 70 organizations through leadership in the Orange County Veterans and Military Families Collaborative. Also, VLI is a partner in the Strong Families, Strong Children collaborative. SFSC is a consortium of five nonprofit partners (Child Guidance Center, Human Options, Children and Family Futures, Families Forward, and Veterans Legal Institute) bringing together a coordinated, Community-based approach to provide an array of support services to underserved OC veteran and military families (including children). Services include: evidence-based mental health and trauma treatment; domestic violence and substance abuse prevention; housing; basic needs; legal assistance and advocacy; and program evaluation and outcome measurement.

**Program goal:**

To increase the quantity and quality of strategic, free legal aid to qualified active and former service members to empower self-sufficiency.

**VETERANS LEGAL INSTITUTE**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF ACTIVITIES (continued)**

**Objectives for 2019:**

1. Continue: strategic mobile outreach clinics at the veteran hotspots: VA Hospital Long Beach, Starbucks Coffeehouse next to the Santa Ana Civic Center, Saddleback College, the City of Mission Viejo, The North County Vet Center in Garden Grove, and the Orange County Veterans Service Office.
2. Continue: specialty clinics for family law, women veterans, and disability benefits in the VLI office, thereby expanding choice and options to access expert pro bono attorneys in these focus areas.

**Outcomes for 2018:**

1. Remove legal barriers to increase access to housing, employment, healthcare, and education for up to 400 unduplicated clients for a full calendar year via clinics.
2. Increase scope, range, and quality of legal services provided to the veteran community by expanding the number of total veterans served to 5,500 by the end of 2018.

**Program reporting:**

Outcomes are measured through an extensive computer reporting system called PRIME that defines various types of outcomes. General civilian legal issue reporting includes money won, money waived, reason closed, how the case was resolved (through litigation, settlement, etc.) and more. Military specific areas are measured by outcome received and what types of benefits are newly achieved as a direct result thereof, whether monetary, or in terms of education, health or cemetery benefits. Qualitative results are gathered during client case closure, permission to use personal stories in testimonials, and regular requests for feedback from collaborators and public discussions.

**Sustainability:**

Direct donations, beneficiary and annual events, and a variety of grants generate revenue, which we leverage with volunteers, collaborations, and leadership positions. Major subgrants or repeat sponsors of our clinics include Equal Justice Works AmeriCorps Legal Fellow, Volunteers of Los Angeles Orange County, American Warrior Project with OC Goodwill, and the Orange County Bar Association. VLI has also successfully acquired funding as a public interest law firm through the State Bar of California. Towards its commitment to transparency, VLI has received Platinum Seal with GuideStar, accreditation with The Patriot's Initiative, and a multiyear contract with DiversityComm for publication in their print and online US Veterans Magazine.

**VETERANS LEGAL INSTITUTE**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**CASH AND CASH EQUIVALENTS**

For purposes of the Statement of Cash Flows, Veterans Legal Institute considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**PROPERTY AND EQUIPMENT**

Property and equipment are capitalized at cost or fair market value on the date of receipt in the case of donated property. Depreciation is provided on the straight-line method over the estimated useful lives of the assets ranging from 3 to 10 years. Leasehold improvements are depreciated over the lease term (including options) or the useful life. Major additions are capitalized, and repairs and maintenance that do not improve or extend the life of the assets are expensed. When assets are sold or retired their cost and the related accumulated depreciation are removed from the accounts with the resulting gain or loss reflected in the Statement of Activities.

**FINANCIAL STATEMENT PRESENTATION**

The accompanying financial statements are prepared on the accrual basis in accordance with the AICPA's Audit and Accounting Guide, "Not-for-Profit Organizations."

**ESTIMATES**

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

**CONTRIBUTED GOODS AND SERVICES**

The accompanying financial statements include amounts of materials, equipment and services donated to Veterans Legal Institute. The basis of valuation of these donations is generally in-house appraisal or fair market value as indicated by the person or agency making the donation. Included in the statement of activities is \$107,747 of volunteer services as both revenue and expense.

**VETERANS LEGAL INSTITUTE**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**INCOME TAXES**

Veterans Legal Institute is a not-for-profit organization that is exempt from Federal and state income taxes under the Internal Revenue Code Section 501(c) (3) and the California State Revenue and Taxation Code 23701 (d) except on net income derived from unrelated business activities. The organization's management believes that it has support for any tax position taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Veterans Legal Institute's Forms 990, Return of Organization Exempt from Income Tax for the years ending December 31, 2016, 2017 and 2018, are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

**COMPARATIVE FINANCIAL INFORMATION**

The 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

**NOTE 3 – PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2018 are comprised of the following:

<u>Description</u>	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>
Furniture and equipment	\$ <u>10,882</u>	\$ <u>(3,338)</u>	\$ <u>7,544</u>
Net property and equipment	\$ <u>10,882</u>	\$ <u>(3,338)</u>	\$ <u>7,544</u>

Depreciation expense for the year ended December 31, 2018 was \$1,538.



**VETERANS LEGAL INSTITUTE**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – CASH AND CASH EQUIVALENTS**

The organization's cash, \$346,945 as of December 31, 2018, is held in financial institutions which are either insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor, or certain non-interest bearing accounts that are fully insured by the FDIC. As of December 31, 2018, the organization had cash that was exposed to uninsured deposit risk in the amount of \$96,945.

**NOTE 5 - SUBSEQUENT EVENTS**

Veterans Legal Institute's management has evaluated subsequent events for the period from December 31, 2018, through March 15, 2019, the date the financial statements were available to be issued. Management did not identify any transactions that require disclosure or that would have an impact on the financial statements.



To the Board of Directors  
**Veterans Legal Institute**  
Santa Ana, California

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

We have audited, in accordance with the auditing standards generally accepted in the United States of American and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of **Veterans Legal Institute**, which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 15, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered **Veterans Legal Institute'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Veterans Legal Institute's** internal control. Accordingly, we do not express an opinion on the effectiveness of **Veterans Legal Institute's** internal control.

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 financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or 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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Veterans Legal Institute's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of 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.

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.

*JZ CPAs Inc*

Long Beach, California  
March 15, 2019

Grant Year: 2020

Due Date: June 3, 2019 at 5:00pm PST

Prepared by: KellyAnn Romanych

Funding Opportunity: IOLTA LSP  
Project Title: 2987-IOLTA LSP-2020-Veterans Legal Institute-251  
Program Name: Veterans Legal Institute  
Applicant Title: Director of Development  
Address: 2100 N. Broadway, Ste. 209  
City: Santa Ana

Email: kromanych@vetslegal.com  
Contact Phone: 818-219-1916

I verify the information in the Organization Profile is accurate and up-to-date.  
I verify that I have read, and am familiar with, the eligibility guidelines for IOLTA funding for legal services projects.

I. Eligibility Criteria

1. New or Previously Funded Applicant

Reapply for Funding as a Legal Services Project

2. Applicant Type

A nonprofit corporation that provides civil legal services to the indigent without charge as its primary purpose and function

3. Applicant Eligibility

Select all that apply

An organization that receives at least \$20,000 annual cash funds from sources other than the State Bar of California to support free legal representation to indigent persons (as reflected in the Total of Non-State Bar Revenue calculated on Form VI) and can show community support for the program

A. Community Support: Describe the community support for the operation of a viable, ongoing program. Since its founding in 2014, Veterans Legal Institute (VLI) has developed and received a wide range of ongoing community support which includes: individual donations; well-attended new and annual events; funding from collaborative organizations; and state and foundation grants.

In addition to IOLTA EAF funding, top funders in 2018 included:  
UC Irvine Law School/Nicholas Endowment (\$65,000)  
Rothenbuehler Foundation (\$65,000)  
Volunteers of America Los Angeles, Orange County (\$40,000)  
Equal Justice Works, AmeriCorps (\$24,930)  
Orange County Bar Association Charitable Fund (\$22,000)

VLI continues to collaborate with over 70 organizations through leadership in the Orange County Veterans and Military Families Collaborative. Outcomes range from securing housing, employment, education, and community outreach.

VLI remains a partner in the Strong Families, Strong Children collaborative. SFSC is a consortium of five nonprofit partners bringing together a coordinated, community-based approach to provide an array of support services to under-served OC veteran and military families with children. Services include: evidence-based mental health and trauma treatment; domestic violence and substance abuse prevention; housing; basic needs; legal assistance and advocacy; and program evaluation and outcome measurement.

Moving forward for fiscal year 19/20, The California Department of Veterans Affairs (CalVet), Veterans Services Division awarded a thrid year grant to the Orange County Veterans Service Office and VLI to provide a continuing mobile legal clinic using Proposition 63 funds. Further, using the successful model from Orange County VSO, CalVet awarded additional Proposition 63 funding to the Veterans Service Offices in Riverside and San Bernardino counties for VLI mobile legal clinics to expand coverage to veterans in the Inland Empire who are lacking resources.

Last, VLI and Jamboree Housing are on schedule for providing onsite legal services for up to 75 veterans who will be residing in Jamboree Housing's Santa Ana Veterans Village. The groundbreaking ceremony was held in 2018, and the village will include wrap around services in basic needs for veteran residents. Further, Jamboree Housing continues to be a sponsor of VLI events and its employees regularly volunteer.

b. Which of the following services does your organization provide?:

Provides legal representation, training, or technical assistance on matters concerning indigent special client groups, or substantive law important to special client groups

Special Client Group(s) Served

	Nature of Assistance		
Special Client Group Served/ Relevant Substantive Law	Legal Representation	Training	Technical Assistance
Veterans	Yes	No	No

Veterans Benefits	Yes	No	No
Military	Yes	No	No
Low Income/Economically Disadvantaged	Yes	No	No
Homeless	Yes	No	No
Disabled	Yes	No	No
Justice Involved	Yes	No	No
Housing	Yes	No	No
Employment	Yes	No	No
Healthcare	Yes	No	No
Consumer Law	Yes	No	No
Family Law	Yes	No	No

## II. Description of Organization

Provide a comprehensive but concise description of the entire organization's work in the previous calendar year. Do not limit responses to activities funded by the State Bar of California. Suggested word count range for each of the following questions is 250–500.

Click "Save & Finish Later" after adding counties.

### County

Los Angeles

Orange

#### 1. Organization's Mission and Vision

Veterans Legal Institute (VLI) is a 501(c)(3) organization that provides pro bono legal assistance to homeless, disabled, low-income, and at-risk current and former US service members to eradicate barriers to housing, employment, education, and healthcare to foster self-sufficiency.

VLI's enduring vision is to use its core values of outreach, compassion, quality, leadership, and empowerment to greatly reduce veteran homelessness and suicide.

#### 2. Core Programs

Describe the organization's core programs as reflected in promotional materials (include a summary of all work, not just activities funded by State Bar monies).

Veterans Legal Institute's core programs are in direct legal services to clients, increasing the number of highly capable professionals in veterans law, and providing collaborative leadership so vulnerable veteran clients can realize the full potential of human services in Southern California. Given unique and significant barriers to resources to veterans, including post traumatic stress disorder, traumatic brain injury, and military sexual trauma, VLI provides several opportunities for veterans to access pro bono legal services. Veterans can apply online, call the office and speak directly to a person, or attend one of VLI's many mobile legal clinics at strategic veteran hotspots. Mobile clinic locations include: the Veterans Administration Hospital in Long Beach, Starbucks Coffee in Santa Ana, Saddleback College, the City of Mission Viejo, North County Vet Center in Garden Grove, and the Orange County Veterans Service Office. As well to serve the growing needs of clients, VLI hosts family law and veterans benefits clinics in the office which are booked a month in advance.

Areas of law include (but are not limited to) discharge upgrades, VA pensions and healthcare access, landlord/tenant issues involving evictions, family law, and restoring driver's licenses. VLI completes all legal work in house and leverages pro bono attorney specialists when needed from a variety of firms. For clients who do not meet income requirements, they are provided general advice and referred to attorneys who are veteran advocates. No client ever receives a bill or leaves empty handed.

To expand the quantity and quality of highly trained legal professionals and veteran advocates, VLI is active in leadership and education. Throughout the year, VLI hosts clerks, interns, and fellows and presents veterans benefit law courses to increase the network of highly capable pro bono attorneys available to clients. As a result, the State of California recognizes VLI as a "multiple activity provider" in continuing attorney education.

### 3. Client Population

Describe the constituencies served by the organization. Include demographic information, such as age, gender, ethnicity, income levels, and any other characteristics particular to the service population.

Veterans Legal Institute serves homeless and low income veterans who require free legal aid to be self-reliant as they live with unique injuries such as traumatic brain injuries, PTSD, and military sexual trauma. Our clients are 19 to 99 years old with households ranging from 1 to 8 family members. Many earn less than \$1,500 a month. Those in college live frugally off benefit allowances, couch surf, or live in cars. VLI serves clients across Southern California with the top four cities being Santa Ana,

Anaheim, Long Beach, and Los Angeles. In addition, according to the 2016 Census, Orange County clients face the highest median rent (\$1,548/month) when compared to veterans across Southern California.

4. Income Eligibility for Services

Describe how the organization verifies and documents an individual’s income eligibility for services. Identify all income criteria and guidelines used to establish eligibility for services.

Veterans Legal Institute defines low income on the current living conditions of clients. These conditions include: homeless, couch surfing, living in cars, being evicted, disabled and unemployed, and underemployed. Most clients who do have income are earning less than \$1,500 a month. Veterans Legal Institute verifies qualification by requesting income information on intake form, corroborating information when available from other service organizations, and the current living conditions of client. Service organization paperwork includes Section 8 housing authority, SSI, Medi-Cal, and VA benefits such as “helpless child.”

5. Programmatic Activities

Select all the programmatic activities the organization engaged in during the previous calendar year. Do not include fundraising and administrative activities (Eligibility Guidelines 2.3).

A. Legal Services Activities:	Community legal education and information, Limited services, Legal self-help support, Representation
B. Other Activities:	
i. Legal Services:	Provided outside of California, Provided to non-indigent clients/non-qualified organizations
Under which funding sources did you serve these clients?:	Foundation, Other/Unrestricted
ii. Other Services:	

III. Staffing and Volunteers



## Staffing as of December 31

Personnel Category	Full-Time Staff	Part-Time Staff		Total Staffing FTEs	Temporary Staff		Volunteers	
		Number of people	Full-Time Equivalent		Number of people	Total Hours	Number of people	Donated Hours
Attorneys	7	1	0.50	7.50	0	0	0	0
Paralegals	0	0	0.00	0.00	0	0	0	0
Law Students	0	0	0.00	0.00	0	0	0	0
Professional Services	0	0	0.00	0.00	0	0	0	0
Clerical/Admin	1	1	0.50	1.50	0	0	0	0
Other Personnel	1	0	0.00	1.00	0	0	0	0
<b>TOTAL</b>	<b>9</b>	<b>2</b>	<b>1.00</b>	<b>10.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### A. Professional Services and Other Personnel:

For each position included under Professional Services and Other Personnel, state the title and full-time equivalent of the position(s).

Other personnel:

Director of Development 1.0 FTE

Volunteers are assisting in development needs. Duties include board service, graphic design, grant writing, and event support (preparing for and volunteering during and after events throughout the year).

### 2. Use of Non-Legal Professionals

Describe how the organization utilizes non-legal professionals in its service delivery model.

To provide holistic care, Veterans Legal Institute both receives and refers clients to non-legal professionals for health care, housing, education, and employment needs throughout VLI's collaborative network. This includes licensed clinical social workers and evidence-based mental health professionals.

### 3. How many hours per week does the organization consider a full-time schedule?

40.00

### 4. Staffing and/or Organizational Changes

Describe any significant changes in staffing levels or structure in the previous calendar year, and its impact on programmatic activities. Identify any significant vacancies and explain whether the organization is actively recruiting for the position, or is holding the position for budgetary or other reasons.

In August 2018, former Co-Founder and CEO Dwight Stirling left Veterans Legal Institute to establish another venture. VLI continues under the leadership of Executive Director and Co-Founder Antoinette Balta with support from William Tanner, Managing Attorney and KellyAnn Romanych, Director of Development. VLI was also able to add one additional UC Irvine Law School Legal Fellow for the period of one year.

IV. Application for Pro Bono Allocation

To qualify for the pro bono allocation in the county(ies) in which the organization provides services, the organization must meet both these requirements (1) coordinate the recruitment of substantial numbers of attorneys in private practice to provide free legal representation to indigent persons or to qualified organizations as its principal means of delivering legal services; and (2) demonstrate that its principal means of delivering legal services is “the recruitment of attorneys in private practice to provide free legal representation to indigent persons or to qualified legal services projects in California” through one of the three tests described in Eligibility Guideline 2.9.

1. Are you applying for the Pro Bono Allocation per the qualifications listed?

If “yes”, the organization should annually recruit at least 30 attorneys, OR recruit at least five percent of the licensed attorneys in the county served, OR receive at least 1,000 hours of donated legal services from volunteer attorneys.

Yes

Pro-Bono Eligibility

Los Angeles

In this county, does the organization annually recruit at least 30 attorneys, OR recruit at least five percent of the licensed attorneys in the county served, OR receive at least 1,000 hours of donated legal services from volunteer attorneys in this county?

Yes

POSITION	PAID		VOLUNTEER	

	PEOPLE		HOURS	PEOPLE		HOURS
Attorneys	8	1,731	52		582	
Paralegals	0	0	18		102	
Law Students	0	0	48		1,330	
TOTAL	8	1,731	118		2,014	

## Eligibility Results for Los Angeles county

Test A	NO
Test B	NO
Test C	

Since inception, VLI has always has a leveraged a significant number of pro bono attorneys, paralegals, and law clerks to paid staff.

In 2018, VLI conservatively estimates 52 attorneys provided over 3061 hours to all indigent clients in all counties. The numbers provided in the table are a conservative estimate of pro bono legal services provided to indigent clients in LA County. At least 58% of VLI's clients are indigent living in California. This number jumps to 62% if including indigent veterans from out of state that have no other recourse for free legal aid, especially for veterans benefit and military sexual trauma. LA County clients represent approximately 19% of this 58% indigent client total. No less than 30 pro bono attorneys are directly attributable to indigent clients in Los Angeles County.

All of the attorneys we recruit have special expertise needed to provide services. All have a military connection in being former service, military family members and veteran advocates. Moreover, many have specialized JAG experience. As a result, they understand the impact of military service on transitioning successfully to civilian life. Many are at the top of the profession in litigation and mediation in top requests for service in family law, veterans benefits, immigration, consumer, and housing law. Further, these attorneys are available to travel to and attend over 40 clinics dates for innovative strategic outreach clinics from the Veterans Administration Hospital in Long Beach through locations in Orange County as described in this application.

In 2018 we increased paid staff hours to keep up with demands for service and to need to place more cases with PBI attorneys with legal expertise.

Beyond pro bono attorney, paralegal, and law clerk hours, in 2018 VLI conservatively estimates an additional 305 hours from legal assistants and 135 hours from office assistants working directly on on indigent cases in LA county.

## Orange

In this county, does the organization annually recruit at least 30 attorneys, OR recruit at least five percent of the licensed attorneys in the county served, OR receive at least 1,000 hours of donated legal services from volunteer attorneys in this county?

Yes

POSITION	PAID		VOLUNTEER	
	PEOPLE	HOURS	PEOPLE	HOURS
Attorneys	8	3,550	52	1,194
Paralegals	0	0	18	210
Law Students	0	0	48	2,731
<b>TOTAL</b>	<b>8</b>	<b>3,550</b>	<b>118</b>	<b>4,135</b>

## Eligibility Results for Orange county

Test A	NO
Test B	NO
Test C	

Since inception, VLI has always has a leveraged a significant number of pro bono attorneys, paralegals, and law clerks to paid staff. In 2018, VLI conservatively estimates 52 attorneys provided over 3061 hours to all indigent clients in all counties. The numbers provided in the table are a conservative estimate of pro bono legal services provided to indigent clients in Orange County. At least 58% of VLI's clients are indigent living in California. This number jumps to 62% if including indigent veterans from out of state that have no other recourse for free legal aid, especially for veterans benefit and military sexual trauma. Orange County clients represent approximately 39% of this 58% indigent client total. No less than 30 attorneys are directly attributable to indigent clients in Orange county.

All of the attorneys we recruit have special expertise needed to provide services. All have a military connection in being former service, military family members and veteran advocates. Moreover, many have specialized JAG experience. As a result, they understand the impact of military service on transitioning successfully to civilian life. Many are at the top of the profession in litigation and mediation in top requests for service in family law, veterans benefits, immigration, consumer, and housing law. Further, these attorneys are available to travel to and attend over 40 clinics dates for innovative strategic outreach clinics from the Veterans Administration Hospital in Long Beach through locations in Orange County as described in this application.

In 2018 we increased paid staff hours to keep up with demands for

service and to need to place more cases with PBI attorneys with legal expertise.

Beyond pro bono attorney, paralegal, and law clerk hours, in 2018 VLI conservatively estimates an additional 627 hours from legal assistants and 277 hours from office assistants working directly on on indigent cases in Orange county.

A. Non-Attorney Volunteers:

Describe how your organization utilizes volunteers who are not attorneys.

Veterans Legal Institute uses volunteers who are not attorneys in all three functional area legal services, management/administration, and fundraising. In legal services, volunteers will meet and greet clients at the office and clinics, put them at ease, and help them begin int process. As well, volunteers will input data and maintain files. Qualified volunteers will legal research and support preparing documents while under supervision. In management, qual and experienced volunteers help manage human resources for both paid and volunteer staff. W fundraising, qualified and experienced volunteers will seek sponsor and auction item suppor to events, events, research and write grants, write other outreach documents, and support s media.

2. Tracking Volunteer Hours

Describe how the organization obtains and maintains information about hours of service donated by volunteers. If the organization does not have written documentation corroborating the legal services hours reported, explain the basis reported figures. For example, if the organization relies upon estimates, provide the elements that were factored in calculations.

Volunteers hours are tracked by survey, by planning documents, through PRIME, and by email correspondence.

3. Legal Services Staff Hours

If the applicant does not count all staff hours worked as legal services hours, for each paid staff position, explain method used to calculate the number of legal services hours and, with respect to each county, describe the general the non-legal services activities.

With the exception of Co-Founder Balta, all paid legal staff hours worked in 2018 were legal service hours. In order meet development, recruiting, leadership collaborations, and fundraising obligations, Co-Founder Balta spent 80% of time on nonlegal service activities. Time is generally divided between the counties at 97% in Orange County and 3% i Angeles County. These calculations were based on office and majority of clinics being in Orange County. The Veterans Administration Hospital Long Beach Clinic, within Los Angeles County, is five hours out of a 160 hour month.

### 1. Quality Control Report

Has the organization received a written quality control review from the Legal Services Corporation, the California Department of Aging, or an Area Agency on Aging in the previous calendar year?

No

### 2. Legal Services Staff Supervision

Describe how legal services staff are supervised to ensure quality service. Identify supervisory personnel and provide information regarding their oversight (frequency of case management meetings, etc.). If there is only one staff attorney or the organization only employs contract attorneys, describe how oversight and quality control are ensured.

Case management conferences are held weekly, with staff attorneys, pro bono attorneys and law clerks updating Mr. Tanner on their caseloads and receiving advice and guidance on strategy, tactics, and client interaction.

### 3. Volunteer Supervision

Describe the method(s) by which volunteers (attorneys, paralegals, and law students) are supervised. If the organization does not actively supervise volunteers or review their work product, how does the organization ensure compliance with its quality standards?

Managing Attorney William Tanner interacts with the volunteers on a daily basis. In his absence, staff attorney and Equal Justice Works AmeriCorps Legal Fellow Allison Higley provides daily oversight.

### 4. Describe case opening and closing oversight practices.

Applications are assigned to staff members or volunteers, who contact the applicants to receive a background of the facts and circumstances of the case. Mr. Tanner is then briefed on the application, who decides whether to accept it or not. As to closing, when the work has been completed for a client, the pertinent staff member or volunteer meets with Mr. Tanner, who ensures a closing letter is sent, the client is advised as to all work performed, next steps, and how to obtain the physical file/s, and the file/s are added to the comprehensive filing system.

## VI. Sources of Funding

Use the table below to itemize the organization's sources of funding in the calendar year 2018.

Enter the cash amount received for each funding source. Do not include State Bar monies.

- Under Foundations, list the largest three grants by organization, and then add the remaining amounts together under Other Foundation Funding.

- Under Government Resources, for each Federal, State, and Cities and Counties, list the largest three grants by agency, and then add the remaining amounts together in the corresponding Other field.

## Sources of Funding

Source	Amount Received
<b>Individual Contributions</b>	
Attorneys/Private Donors/Individual Gifts	\$27,376
Event Sponsorship/Special Events	\$263,984
Other	\$0
Total	\$291,360
<b>Organizations</b>	
Bar Associations	\$22,000
Law Firms	\$0
Law Schools	\$71,429
Other, including subgrants from nonprofits	\$77,074
Total	\$170,503
<b>Foundations</b>	
Rothenbuehler Foundation	\$80,000
Hoag Hospital Foundation	\$12,000
Fidelity Charitable Foundation	\$15,000
Other Foundation Funding	\$49,500
Total	\$156,500
Legal Services Corporation	\$0
Area Agency on Aging	\$0
Total	\$0
<b>Government Resources</b>	
Federal (not LSC or OAA)	\$0
	\$0
	\$0

Other Federal Funding	\$0
State	
	\$0
	\$0
	\$0
Other State Funding	\$0
Cities and Counties	
County of Orange	\$34,236
City of Mission Viejo	\$3,500
City of Tustin	\$1,558
Other City and County Funding	\$0
Total	\$39,294

Residual and Cy Pres Awards	
State Court	\$0
Federal Court	\$0
Total	\$0

Fees and Reimbursements	
Attorneys' Fees	\$0
Client-Paid Amounts	\$0
Cost Reimbursements	\$0
Other Professional Fees	\$0
Total	\$0

Other Cash Support	
Rent Revenue	\$0
	\$0
	\$0
	\$0
	\$0
Total	\$0
TOTAL OF NON-STATE BAR REVENUE	\$657,657

#### A. Other Funding: Notes:

Itemize sources included in any "other" line items

The following adjustments were made to reasonably fill the table using the 2018 audit and 2018 banking records:



listed in the Sources  
of Funding table

Individual contributions: \$393,673 (audit) – \$366,297 (aggregate of orgs, foundations,  
and govt in table) = \$27,376

Event contributions: \$303,964 (audit) – \$39,980 (2018 IOLTA/EAF monies required to  
exclude) = \$263,984

Other foundations:

Sunwest Bank Foundation \$5,000

Crean Foundation \$5,000

California Scottish Rite \$5500

Judicate West Foundation \$10,000

Orange County Charitable Foundation \$5000

John H. Grace Foundation \$5000

Shady Canyon Golf Charitable Foundation \$8000

Schwab Charitable Foundation \$6,000

Subtotal other foundations: \$49,500

Other nonprofits:

Volunteers of America \$34,000

Equal Justice Works AmeriCorps \$29,074

Child Guidance Center \$7000

Working Wardrobes \$7000

Subtotal other nonprofits: \$77,074

## VII. Total Corporate Expenditures

Organization's Fiscal  
Year End:

December 31

### 1. Upload Audited or Reviewed Financial Statement Ended in the Previous Year

Applications must include the audited or reviewed financial statements for the organization's fiscal year ending in 2018; Qualified expenditures will be calculated based on this document. The organization is required to submit a current audited or reviewed financial statement as soon as possible and no later than May 1, 2019. (See Application Instructions for further details and information.)

**Veterans\_Legal\_Institute\_2018\_Audit\_Report.pdf**

169.2 KB – 05/09/2019 3:50pm

Total Files: 1

## Total Corporate Expenditures

NON-CASH	Expenditures
In-Kind/Donated Services	\$107,747
Unrealized Losses	\$0
Other	\$0
Total Non-Cash Items	\$107,747
PASS-THROUGH / FISCAL SPONSOR	Expenditures
Pass-through	\$142,300
Total Pass-through	\$142,300
PERSONNEL	Expenditures
Lawyers	\$294,383
Paralegals	\$0
Other Staff	\$73,669
Subtotal	\$368,052
Employee Benefits	\$82,232
Total Personnel	\$450,284
NON-PERSONNEL	Expenditures
Space	\$29,670
Equipment Rental and Maintenance	\$0
Office Supplies and Small Equipment	\$9,862
Printing and Postage	\$10,492
Telecommunications	\$4,064
Technology	\$0
Program Travel	\$1,620
Training	\$0
Library	\$3,284
Insurance	\$4,456
Audit	\$5,000
Litigation	\$0
Depreciation	\$1,538
Contract Service to Clients	\$0
Contract Service to Program	\$12,852
Other	\$11,097
Total Non-Personnel	\$93,935
TOTAL EXPENDITURES	\$794,266
(Personnel + Non-Personnel + Non-Cash + Pass-through)	

**TOTAL QUALIFIED CORPORATE EXPENDITURES**  
(Personnel + Non-Personnel)

\$544,219

Please itemize all expenses included under Depreciation.

Depreciation \$1538

Please itemize all expenses included under Contract Service to Program.

Legal fees \$5352

Professional fees \$7500

Please itemize all expenses included under Other (Non-Personnel).

Programs \$6068

Management and General \$9545

Note \$5000 was shown in audit line item

### 3. Explain Any Variance

If your organization's reported corporate expenditures do not align with your organization's uploaded audit, please explain the variance.

NA

## VIII. Qualified Expenditures

### Qualified Expenditures

Questions	Amount	Explanation
1. Total Corporate Expenditures from the previous fiscal year	\$544,219	
2. Did the corporation engage in activities other than the delivery of legal services?	\$0	All activities can be categorized as the delivery of legal services
3. Did the corporation lease or sublease space to another organization?	\$0	N/A
4. With regards to leased or subleased space, did the organization incur property management expenses, whether as primary owner or lessor?	\$0	N/A
5. Did you provide legal services in criminal matters?	\$0	All cases in 2018 met the definition of civil legal matters
6. Did you charge clients for any legal services in civil matters, other than requiring payment for costs and expenses or processing fee of \$20 or less?	\$0	VLI does not charge clients for legal services
7. Did you provide any free civil legal services to persons who were not indigent as defined in B & P Code Section 6213(d) and Eligibility Guidelines 2.3.3 and 2.3.4, or to	\$206,803	For 2018: Total Indigent Cases: 1813 Total Active Cases: 2940 Total % indigent = 1813/2940 = 62%

organizations not providing benefits primarily on behalf of indigent?

Total % non-indigent = 38%  
\$544,219 x 0.38 = \$206,803

8. Did you provide free civil legal services outside California?

\$32,653

For 2018:

Total # of out of state cases = 195  
Total # indigent out of state cases = 102  
Total # of active cases = 2940

\$544,219 x 0.06 = \$32,653

6% of cases were for clients outside of CA who had no other recourse to free legal services due to military sexual trauma, other veterans benefit issue, or relocation out of state. All casework done through VLI office in Santa Ana, CA.

9. Did your organization incur expenses that did not contribute to the provision of civil legal services to indigent people and that were not itemized above?

\$0 N/A

10. TOTAL EXPENDITURES FOR NON-QUALIFIED ACTIVITIES

\$239,456

11. SUB-TOTAL OF QUALIFIED EXPENDITURES

\$304,763

## 12. PERCENT OF QUALIFIED EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS

Once you have completed and saved the Qualified Expenditures table above, click the "Save & Finish Later" button below to calculate this percentage.

56.00%

### A. Less than 75% Explanation

If the percentage of expenditures for free civil legal services to indigent persons calculated above is less than 75 percent, explain how the organization meets the primary purpose requirement for funding (B&P § 6213(a)).

Since its founding in 2014, Veterans Legal Institute's mission, by laws, financial guidelines, and case acceptance policies are to provide free legal services to homeless, disabled, low-income, and at-risk current and former US service members. In order to reach the indigent population within the military community, VLI expends on office, website, and maintaining relationships and clinic dates at six off-site veteran hotspots. VLI has always operated from a position of having more volunteer attorneys, paralegals, law students than paid staff. Last year, VLI qualified for the pro bono allocation for 2019.

VLI's outreach through innovative and strategic clinics began early in its founding with the medical-legal

partnership at the Veterans Administration Hospital in Long Beach. This monthly clinic generally sees 30–40 medically frail veterans. Since founding, the clinic locations have expanded to include the North County Vet Center in Garden Grove, CA; the Starbucks Coffee house in Santa Ana; Saddleback College (home to over 1200 combat veteran students) in Mission Viejo; the City of Mission Viejo; and the Orange County Veterans Service Office in Santa Ana. In 2019/2020, VLI expects to expand into the Inland Empire by duplicating it's model at the Riverside and San Bernardino County Veterans Service Offices where veterans are disproportionately affected by extremely low income levels and high unemployment. VLI continues to stage family law, estate planning, bankruptcy, and veterans benefits clinics in house that bring together professionals from all industries to ensure the indigent veteran population receives access to justice.

At least 75% of VLI's overall client population can be identified as being 75% or less of the maximum levels of income for lower income households in Orange and Los Angeles Counties where VLI primarily operates. These numbers were not counted in the indigent calculations in this application. As VLI becomes more well known in the veteran community and with collaborating organizations, it is attracting more inquires and applications.

In trying to prevent veteran homelessness, VLI pays particular attention to those at-risk veterans and military families who are on the borderline of low-income who live paycheck to paycheck when they present with pressing legal issues which if unmet could result in becoming homeless or indigent.

As well, VLI does accept cases on a case by case basis for clients who are out of state who have no other recourse for free legal aid or who may have relocated out of state. This includes complicated military sexual trauma cases that require expertise since many cases are devoid of facts relative to the trauma and require discharge upgrades. Without free legal aid to help achieve the discharge upgrade, a military sexual trauma survivor is restricted from life-changing veterans benefits which include income, healthcare, and education options which allow them to create new civilians lives of hope and dignity.

Additional data for 2018 active cases:

Total # CA indigent cases = 1711

Total # CA active cases = 2745

Total # Out of State indigent cases = 102

Total # Out of State active cases = 195

Total # Indigent cases = 1813

Total # Active cases = 2940

Total # CA indigent cases/Total # CA active cases =  $1711/2745 = 62\%$

Total # CA indigent cases/Total # active cases =  $1711/2940 = 58\%$

### 13. Exchanged Funds

Did the organization exchange funds with another legal services project that is applying for a State Bar grant?

No

14. TOTAL DEDUCTION OF EXCHANGED FUNDS

\$0

15. Shriver Funds

Enter funds received for a grant (or subgrant/subcontract) for a pilot project pursuant to the Sargent Shriver Civil Counsel Act of 2009.

\$0

16. TOTAL QUALIFIED EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS IN CALIFORNIA

\$304,763

Enter all IOLTA and EAF expenditures for 2018 in 17a and 17b, respectively. This should include any carry-over from 2017

Reference Button: [Reported IOLTA and EAF Expenses](#)

17a. IOLTA Expenditures Net of Capital Additions (FISCAL YEAR)

\$15,070

17b. EAF Expenditures Net of Capital Additions (FISCAL YEAR)

\$24,910

17c. IOLTA AND EAF EXPENDITURES NET OF CAPITAL ADDITION EXPENDITURES (AUTO-CALCULATED)

\$39,980

18. GRAND TOTAL NON-STATE BAR QUALIFIED EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS IN CALIFORNIA

\$264,783

19. Upload Any Additional Expenditure Documents

Include any additional documents regarding the information entered in this form.

VIII-A. Expenditures by County

GRAND TOTAL NON-STATE BAR QUALIFIED EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS IN CALIFORNIA

\$264,783

### 1. Allocation of Expenditures for Each County

If you provide free civil legal services to indigent persons in more than one county, describe the basis for your budget allocation of expenses and how it relates to the services in each county. Include any calculations or relevant data to support your explanation.

Veterans Legal Institute is based in Santa Ana, CA and takes care of clients in Los Angeles County who cannot travel thirty (30) miles to the office through the clinic held at the Veterans Administration Hospital in Long Beach, CA.

VLI 2018 stats:

Total active cases: 2940

Total indigent cases: 1813

Total indigent cases in LA County: 572

Total Indigent cases in Orange County: 943

Total indigent cases for other CA counties served through VLI office: 196

Total indigent cases outside of CA: 102

Total indigent cases qualified for funding:  $1813 - 102 = 1711$

Total indigent OC + other CA county cases / Total indigent cases qualified for funding:

$943 + 196 / 1711 = 67\%$

Total indigent LA county cases / Total indigent cases qualified for funding:

$572 / 1711 = 33\%$

Calculations for table below:

Los Angeles County =  $\$264,783 \times 0.33 = \$87,378$

Orange County =  $\$264,783 \times 0.67 = \$177,404$

### 2. New or Discontinued Counties

If applicant is seeking 2020 IOLTA and EAF funds to serve any counties that differ from the counties for which applicant currently receiving 2019 IOLTA and EAF funds, provide information on new and/or discontinued counties. See application instructions for additional details. Enter N/A if not applicable.

N/A

### 3. Out of County Work

Describe any work in county(ies) other than those detailed in the questions above. Include name of county(ies), nature of work, start and/or end date, approximate county expenditures, and any other relevant information.

Because VLI is one of the very few public interest law firms in the nation that is military specific with significant expertise in veterans benefits, clients from the following counties have sought out assistance: El Dorado, Fresno, G Imperial, Kern, Lake, Marin, Mono, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Joaquin, Santa Barb Santa Clara, Santa Cruz, Santa Maria, Stanislaus, and Ventura. Requests for legal services included veterans benefit family law, housing, employment, and expungements. The expenditures would be through the VLI office which supports t incoming applications, phone inquires, and those veterans that are still transitioning into a more permanent residen

Expenditures by County

Previous Fiscal Year Quarterly Reports: [View](#)

Los Angeles

County Expenditures (Fiscal year)	IOLTA Expenditures (Fiscal year)	EAF Expenditures (Fiscal year)	Qualified Expenditures
\$87,378	\$2,650	\$4,380	\$80,348

Orange

County Expenditures (Fiscal year)	IOLTA Expenditures (Fiscal year)	EAF Expenditures (Fiscal year)	Qualified Expenditures
\$177,404	\$12,420	\$20,530	\$144,454

County Totals

County Expenditures (Fiscal year)	IOLTA Expenditures (Fiscal year)	EAF Expenditures (Fiscal year)	Qualified Expenditures
264782	15070	24910	224802

IX. Certifications & Assurances

Upload Signed  
Certifications &  
Assurances Document:

**IX\_Certification\_and\_Assurances.pdf**  
901.7 KB – 05/31/2019 11:24am

Total Files: 1



**Supporting Documents (Optional)**

When naming optional supporting documents, please include the Organization' s acronym (or short name) and a 1-5 word description of the file.



**VETERANS LEGAL INSTITUTE**  
**(A California not-for-profit corporation)**

**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**December 31, 2018**

**With comparative statements**  
**for the year ended December 31, 2017**

**TOGETHER WITH**  
**INDEPENDENT AUDITOR'S REPORT**

**VETERANS LEGAL INSTITUTE**  
*(A California not-for-profit corporation)*

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To the Board of Directors  
**Veterans Legal Institute**  
Santa Ana, California

### **INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying financial statements of **Veterans Legal Institute**, which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flow for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from the organization's 2017 financial statements and in our report dated March 9, 2018, an unmodified opinion was expressed on those 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 financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Veterans Legal Institute** as of December 31, 2018, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated March 15, 2019 on our consideration of **Veterans Legal Institute**' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 **Veterans Legal Institute**' internal control over financial reporting and compliance.

*JZ CPAs Inc*

Long Beach, California  
March 15, 2019

**VETERANS LEGAL INSTITUTE**  
**STATEMENT OF FINANCIAL POSITION**  
As of December 31, 2018  
(With comparatives as of December 31, 2017)

<b>ASSETS</b>		
	<u>2018</u>	<u>2017</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ <u>346,945</u>	\$ <u>270,746</u>
<b>Total current assets</b>	<u>346,945</u>	<u>270,746</u>
<b>Noncurrent assets</b>		
Furniture and equipment (Note 3)	10,882	4,500
Less: accumulated depreciation (Note 3)	<u>(3,338)</u>	<u>(1,800)</u>
Net furniture and equipment	7,544	2,700
Security deposit	<u>1,971</u>	<u>1,971</u>
<b>Total noncurrent assets</b>	<u>9,515</u>	<u>4,671</u>
<b>TOTAL ASSETS</b>	<u>\$ <u>356,460</u></u>	<u>\$ <u>275,417</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable	\$ <u>74,925</u>	\$ <u>5,000</u>
<b>Total current liabilities</b>	<u>74,925</u>	<u>5,000</u>
<b>Total liabilities</b>	<u>74,925</u>	<u>5,000</u>
<b>Net assets</b>		
Unrestricted net assets	<u>281,535</u>	<u>270,417</u>
<b>Total net assets</b>	<u>281,535</u>	<u>270,417</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ <u>356,460</u></u>	<u>\$ <u>275,417</u></u>

The accompanying notes are an integral part of these financial statements.

**VETERANS LEGAL INSTITUTE**  
**STATEMENT OF ACTIVITIES**  
For the year ended December 31, 2018  
(With comparative totals for the year ended December 31, 2017)

	<u>2018</u>	<u>2017</u>
<b>SUPPORT AND REVENUES</b>		
Grants and contributions	\$ 393,673	\$ 434,450
Special Events (net of expenses of \$73,417)	303,964	
Donated goods and services	<u>107,747</u>	<u>144,192</u>
<b>Total support and revenues</b>	<u>805,384</u>	<u>578,642</u>
<b>EXPENSES</b>		
Program services	758,313	521,205
Management and general	35,953	52,610
Fundraising	<u>1,068</u>	<u>1,068</u>
<b>Total expenses</b>	<u>794,266</u>	<u>574,883</u>
<b>Increase in net assets</b>	11,118	3,759
Net assets, beginning of the year	<u>270,417</u>	<u>266,658</u>
<b>Net assets, end of the year</b>	\$ <u><u>281,535</u></u>	\$ <u><u>270,417</u></u>

The accompanying notes are an integral part of these financial statements.

**VETERANS LEGAL INSTITUTE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the year ended December 31, 2018  
(With comparative totals for the year ended December 31, 2017)

	Programs	Management and general	Total expenses	2017 Total expenses
<b>EXPENSES:</b>				
Grants, contracts, & direct assistance:				
Contributions to other organizations	\$ 142,300	\$	\$ 142,300	\$ 159,800
Donated goods and services	107,747		107,747	144,192
Total grants, contracts, & direct assistance:	<u>250,047</u>		<u>250,047</u>	<u>303,992</u>
Salaries and related expenses:				
Salaries and wages	354,802	13,250	368,052	243,140
Payroll taxes	79,363	2,869	82,232	73,991
Total salaries and related expenses:	<u>434,165</u>	<u>16,119</u>	<u>450,284</u>	<u>317,131</u>
Contract service expenses:				
Legal fees	5,207	145	5,352	6,932
Professional fees		7,500	7,500	12,500
Total contract service expenses:	<u>5,207</u>	<u>7,645</u>	<u>12,852</u>	<u>19,432</u>
Nonpersonel expenses:				
Supplies	8,928	934	9,862	7,028
Telephone and telecommunication	4,064		4,064	5,123
Postage and shipping	2,523		2,523	1,082
Printing and copying	7,969		7,969	2,745
Books, subscriptions, references	3,284		3,284	3,449
Total nonpersonel expenses:	<u>26,768</u>	<u>934</u>	<u>27,702</u>	<u>19,427</u>
Facility & equipment expenses:				
Rent, parking, other occupancy	29,670		29,670	27,959
Depreciation	1,538		1,538	1,800
Total facility & equipment expenses:	<u>31,208</u>		<u>31,208</u>	<u>29,759</u>
Travel & meetings expenses:				
Travel	1,620		1,620	3,401
Total travel & meeting expenses:	<u>1,620</u>		<u>1,620</u>	<u>3,401</u>
Other expenses:				
Insurance	3,230	1,226	4,456	6,917
Advertising expenses		484	484	1,174
Donor appreciation events				19,620
Other expenses	6,068	9,545	15,613	13,830
Total other expenses:	<u>9,298</u>	<u>11,255</u>	<u>20,553</u>	<u>41,541</u>
<b>Total expenses</b>	<u>\$ 758,313</u>	<u>\$ 35,953</u>	<u>\$ 794,266</u>	<u>\$ 734,683</u>

The accompanying notes are an integral part of these financial statements



**VETERANS LEGAL INSTITUTE**  
**STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2018  
(With comparative totals for the year ended December 31, 2017)

	<u>2018</u>	<u>2017</u>
<b>Cash flows from operating activities:</b>		
Increase in net assets	\$ 11,118	\$ 3,759
<b>Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:</b>		
Depreciation	1,538	1,800
<b>Changes in operating assets and liabilities:</b>		
(Increase) decrease in assets:		
Fixed assets	(6,382)	
Increase (decrease) in liabilities:		
Accounts payable	<u>69,925</u>	<u>5,000</u>
<b>Net cash provided by operating activities</b>	<u>76,199</u>	<u>10,559</u>
<b>Net increase in cash</b>	<u>76,199</u>	<u>10,559</u>
Cash - beginning of the year	<u>270,746</u>	<u>260,187</u>
<b>Cash - end of the year</b>	<u><u>\$ 346,945</u></u>	<u><u>\$ 270,746</u></u>

The accompanying notes are an integral part of these financial statements.

**VETERANS LEGAL INSTITUTE**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF ACTIVITIES**

**ORGANIZATION**

Veterans Legal Institute (VLI) empowers our nation's heroes and their families with a holistic approach. VLI is a 501 (c) 3 public interest law firm that is one of the very few in the nation totally dedicated to and military specific in providing pro bono legal assistance to veterans. Founded in 2014, our enduring goal is to greatly reduce veteran suicide and homelessness. Our clientele are homeless, at-risk, low income and disabled veterans and active service members. VLI's mission is to eradicate barriers to housing, education, employment, and healthcare and to foster self-sufficiency. VLI also advocates on behalf of its clients by providing community education and training in an effort to increase awareness, resources, and overall protections.

Studies show us that receiving care from peers generates the strongest and most enduring results. This holds true in our experience where all our staff have military experience and/or are spouses of veterans. To date, VLI has served over 5,000 veterans, and recovered over two million dollars in veterans' benefits across Southern California.

**Needs:**

Southern California has one of the largest concentrations of military veterans in the nation. The number of homeless, unemployed, underemployed, and low-income veterans in Orange County continues to grow as more service members return after completing service in Iraq, Afghanistan, and other postings overseas. While Orange County is distinguished at being 4th in veteran population, it is also challenged by having the highest median rent according to a recent US Census report.

Most of VLI's clients live across Southern California, with the top four cities being Santa Ana, Anaheim, Long Beach, and Los Angeles. Many live with traumatic brain injuries, PTSD, or complex challenges from military sexual trauma. Veterans are between 19-99 years old, have families with 1-5 children, and on average earn less than \$1,000 a month. Those in college live frugally off benefit allowances, couch surf, or live in cars.

**Success Story:**

Consider the transformative case of Judith, a United States Navy veteran who served four years as an Operations Specialist. Judith was the victim of military sexual trauma which left her completely unable to work, homebound, and suicidal. Her father became Judith's 24-hour caregiver to prevent her suicide attempts. The family was under constant financial strain and at-risk for homelessness.

**VETERANS LEGAL INSTITUTE**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF ACTIVITIES (continued)**

After applying with VLI, Judith was quickly matched to a VLI volunteer staff attorney - a Navy veteran and an expert in veterans' benefits. With his expert guidance, Judith went from having no benefits at all to being 100% service-connected, providing her with \$3,500 a month in tax free income. Also, Judith's father was successfully recognized in the caregiver program, providing an additional \$1,500 a month in tax free income to him. Further, Judith successfully enrolled in the Military Sexual Trauma clinic at the VA Hospital in Long Beach. Now, Judith is receiving vital healthcare treatment as her therapists continue to support her and to document her trauma. As a result, Judith and her father live with greater financial security, dignity, and hope for a healthier future.

**Program activities:**

Veterans can apply online, call the office and speak to a live person, attend one of VLI's many mobile legal clinics like the VA Hospital Long Beach, or be referred by several collaborating agencies. VLI completes legal work in house and farms out specialized areas of the law to pro bono civilian attorneys from a variety of firms. Areas of law include (but are not limited to) discharge upgrades, VA pensions and healthcare access, landlord-tenant disputes, and restoring driver's licenses. No veteran ever receives a bill.

Veterans can show up to a clinic or reserve a spot in advance. Attorneys or volunteers greet the veteran, put them at ease, and begin the intake process. An initial application is filled out which requests the applicant's military history, income and basic case information. Those who fall within the eligibility of VLI as low income, within our geographic area, and have a case type that VLI services are selected. Those veterans who require wrap around services are referred to evidence-based collaborators.

VLI collaborates with over 70 organizations through leadership in the Orange County Veterans and Military Families Collaborative. Also, VLI is a partner in the Strong Families, Strong Children collaborative. SFSC is a consortium of five nonprofit partners (Child Guidance Center, Human Options, Children and Family Futures, Families Forward, and Veterans Legal Institute) bringing together a coordinated, Community-based approach to provide an array of support services to underserved OC veteran and military families (including children). Services include: evidence-based mental health and trauma treatment; domestic violence and substance abuse prevention; housing; basic needs; legal assistance and advocacy; and program evaluation and outcome measurement.

**Program goal:**

To increase the quantity and quality of strategic, free legal aid to qualified active and former service members to empower self-sufficiency.

**VETERANS LEGAL INSTITUTE**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF ACTIVITIES (continued)**

**Objectives for 2019:**

1. Continue: strategic mobile outreach clinics at the veteran hotspots: VA Hospital Long Beach, Starbucks Coffeehouse next to the Santa Ana Civic Center, Saddleback College, the City of Mission Viejo, The North County Vet Center in Garden Grove, and the Orange County Veterans Service Office.
2. Continue: specialty clinics for family law, women veterans, and disability benefits in the VLI office, thereby expanding choice and options to access expert pro bono attorneys in these focus areas.

**Outcomes for 2018:**

1. Remove legal barriers to increase access to housing, employment, healthcare, and education for up to 400 unduplicated clients for a full calendar year via clinics.
2. Increase scope, range, and quality of legal services provided to the veteran community by expanding the number of total veterans served to 5,500 by the end of 2018.

**Program reporting:**

Outcomes are measured through an extensive computer reporting system called PRIME that defines various types of outcomes. General civilian legal issue reporting includes money won, money waived, reason closed, how the case was resolved (through litigation, settlement, etc.) and more. Military specific areas are measured by outcome received and what types of benefits are newly achieved as a direct result thereof, whether monetary, or in terms of education, health or cemetery benefits. Qualitative results are gathered during client case closure, permission to use personal stories in testimonials, and regular requests for feedback from collaborators and public discussions.

**Sustainability:**

Direct donations, beneficiary and annual events, and a variety of grants generate revenue, which we leverage with volunteers, collaborations, and leadership positions. Major subgrants or repeat sponsors of our clinics include Equal Justice Works AmeriCorps Legal Fellow, Volunteers of Los Angeles Orange County, American Warrior Project with OC Goodwill, and the Orange County Bar Association. VLI has also successfully acquired funding as a public interest law firm through the State Bar of California. Towards its commitment to transparency, VLI has received Platinum Seal with GuideStar, accreditation with The Patriot's Initiative, and a multiyear contract with DiversityComm for publication in their print and online US Veterans Magazine.

**VETERANS LEGAL INSTITUTE**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**CASH AND CASH EQUIVALENTS**

For purposes of the Statement of Cash Flows, Veterans Legal Institute considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**PROPERTY AND EQUIPMENT**

Property and equipment are capitalized at cost or fair market value on the date of receipt in the case of donated property. Depreciation is provided on the straight-line method over the estimated useful lives of the assets ranging from 3 to 10 years. Leasehold improvements are depreciated over the lease term (including options) or the useful life. Major additions are capitalized, and repairs and maintenance that do not improve or extend the life of the assets are expensed. When assets are sold or retired their cost and the related accumulated depreciation are removed from the accounts with the resulting gain or loss reflected in the Statement of Activities.

**FINANCIAL STATEMENT PRESENTATION**

The accompanying financial statements are prepared on the accrual basis in accordance with the AICPA's Audit and Accounting Guide, "Not-for-Profit Organizations."

**ESTIMATES**

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

**CONTRIBUTED GOODS AND SERVICES**

The accompanying financial statements include amounts of materials, equipment and services donated to Veterans Legal Institute. The basis of valuation of these donations is generally in-house appraisal or fair market value as indicated by the person or agency making the donation. Included in the statement of activities is \$107,747 of volunteer services as both revenue and expense.

**VETERANS LEGAL INSTITUTE**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**INCOME TAXES**

Veterans Legal Institute is a not-for-profit organization that is exempt from Federal and state income taxes under the Internal Revenue Code Section 501(c) (3) and the California State Revenue and Taxation Code 23701 (d) except on net income derived from unrelated business activities. The organization's management believes that it has support for any tax position taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Veterans Legal Institute's Forms 990, Return of Organization Exempt from Income Tax for the years ending December 31, 2016, 2017 and 2018, are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

**COMPARATIVE FINANCIAL INFORMATION**

The 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

**NOTE 3 – PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2018 are comprised of the following:

<u>Description</u>	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>
Furniture and equipment	\$ <u>10,882</u>	\$ <u>(3,338)</u>	\$ <u>7,544</u>
Net property and equipment	\$ <u>10,882</u>	\$ <u>(3,338)</u>	\$ <u>7,544</u>

Depreciation expense for the year ended December 31, 2018 was \$1,538.

**VETERANS LEGAL INSTITUTE**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – CASH AND CASH EQUIVALENTS**

The organization's cash, \$346,945 as of December 31, 2018, is held in financial institutions which are either insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000 per depositor, or certain non-interest bearing accounts that are fully insured by the FDIC. As of December 31, 2018, the organization had cash that was exposed to uninsured deposit risk in the amount of \$96,945.

**NOTE 5 - SUBSEQUENT EVENTS**

Veterans Legal Institute's management has evaluated subsequent events for the period from December 31, 2018, through March 15, 2019, the date the financial statements were available to be issued. Management did not identify any transactions that require disclosure or that would have an impact on the financial statements.



To the Board of Directors  
**Veterans Legal Institute**  
Santa Ana, California

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

We have audited, in accordance with the auditing standards generally accepted in the United States of American and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of **Veterans Legal Institute**, which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 15, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered **Veterans Legal Institute'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Veterans Legal Institute's** internal control. Accordingly, we do not express an opinion on the effectiveness of **Veterans Legal Institute's** internal control.

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 financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or 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.



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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Veterans Legal Institute's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of 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.

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.

*JZ CPAs Inc*

Long Beach, California  
March 15, 2019

Grant Year: 2019

**Prepared by: KellyAnn Romanych**

Project Title: **2840-IOLTA LSP-2019-Veterans Legal Institute-251**  
 Program Name: **Veterans Legal Institute**  
 Applicant Title: **Deputy Executive Director**  
 Address: **2100 N. Broadway, Ste. 209**  
 City: **Santa Ana**

Email: **kromanych@vetslegal.com**  
 Contact Phone: **818-219-1916**

I verify the information in the Organization Profile is accurate and up-to-date.

I verify that I have read, and am familiar with, the eligibility guidelines for IOLTA funding for legal services projects.

### I. Eligibility Criteria

#### 1. Applicant is applying for:

Reapply for Funding as a Legal Services Project

#### 2. Applicant is: (choose one)

A nonprofit corporation that provides civil legal services to the indigent without charge as its primary purpose and function

#### 3. Applicant is applying for eligibility as: (select all that apply)

An organization that receives at least \$20,000 annual cash funds from sources other than the Legal Services Trust Fund Program to support free legal representation to indigent persons (as reflected in the Total of Non-Trust Fund Revenue calculated on Form VI) and can show community support for the program

#### a. Describe community support for the operation of a viable, ongoing program to provide free civil legal services to indigent people.

Since its founding in 2014, Veterans Legal Institute (VLI) has developed and received a wide range of ongoing community support which includes: individual donations; well-attended new and annual events; funding from collaborative organizations; and state and foundation grants.

Top funders in 2017 included:

OC Women2Women (\$45,000)

American Legion Post Pacific Palisades (\$45,000)

Volunteers of America Los Angeles, Orange County Supportive Services to Veteran Families (\$39,000)

The Orange County Community Foundation (\$25,000)  
 Equal Justice Works AmeriCorps (\$25,000)  
 The Orange County Bar Association Charitable Fund (\$18,000)

Veterans Legal Institute continues to collaborate with over 70 organizations through leadership in the Orange County Veterans and Military Families Collaborative. Outcomes range from securing housing, employment, education, and community outreach.

VLI remains a partner in the Strong Families, Strong Children collaborative. SFSC is a consortium of five nonprofit partners (Child Guidance Center, Human Options, Children and Family Futures, Families Forward, and Veterans Legal Institute) bringing together a coordinated, community-based approach to provide an array of support services to underserved OC veteran and military families (including children). Services include: evidence-based mental health and trauma treatment; domestic violence and substance abuse prevention; housing; basic needs; legal assistance and advocacy; and program evaluation and outcome measurement.

Moving forward, for FY 18/19, The California Department of Veterans Affairs (CalVet), Veterans Services Division (VSD) awarded a second year grant to the Orange County Veterans Service Office and Veterans Legal Institute to provide a continuing mobile legal clinic using Proposition 63 funds. VLI anticipates \$34,000 from July 2018 to June 2019 under this award.

Last, Veterans Legal Institute and Jamboree Housing are on schedule to provide on site legal services for up to 75 veterans who will be residing in Jamboree Housing's Santa Ana Veterans Village. The village is under construction and designed to provide permanent supportive housing with wrap around services. Jamboree Housing has been a sponsor of VLI events over the last two years.

**b. Which of the following services does your organization provide?**

Provides legal representation, training, or technical assistance on matters concerning indigent special client groups, or substantive law important to special client groups

## Special Client Group(s) Served

	Nature of Assistance		
Special Client Group Served/ Relevant Substantive Law	Legal Representation	Training	Technical Assistance
Veterans	Yes	No	No
Veteran Benefits	Yes	No	No
Military	Yes	No	No
Low Income/Economically Disadvantaged	Yes	No	No
Homeless	Yes	No	No
Disabled	Yes	No	No

Justice Involved	Yes	No	No
Housing	Yes	No	No
Employment	Yes	No	No
Healthcare	Yes	No	No

## II. Description of Organization

Provide a comprehensive but concise description of the entire organization's work in the previous calendar year. Do not limit responses to activities funded by the Legal Services Trust Fund Program. Suggested word count range for each of the following questions is 250-1,000.

Please click "Save & Finish Later" after adding counties.

### County

Los Angeles

Orange

#### 1. What is the organization's mission and vision?

Veterans Legal Institute (VLI) is a 501(c)(3) organization that provides pro bono legal assistance to homeless, at-risk, disabled, and low-income current and former service members to eradicate barriers to housing, healthcare, education, and employment and to foster self-sufficiency. VLI also advocates on behalf of its clients by providing community education and policy advocacy in an effort to increase awareness, resources, and overall protections to current and former members of the US military.

Veterans Legal Institute's enduring vision is to use its core values of outreach, compassion, quality, leadership, and empowerment to greatly reduce veteran suicide and homelessness.

#### 2. Describe the organization's core programs as reflected in the organization's promotional materials (include a summary of all work, not just activities funded by Trust Fund monies).

Veterans Legal Institute's core programs are in direct legal services to clients, increasing the number of highly capable professionals in veterans law, and providing collaborative leadership so vulnerable veteran clients can realize the full potential of human services in Southern California. Given unique and significant barriers to resources to veterans, including post traumatic stress disorder, traumatic brain injury, and military sexual trauma, VLI provides several opportunities for veterans to access pro bono legal services. Veterans can apply online, call the office and speak directly to a person, or attend one of VLI's many mobile legal clinics at strategic veteran hotspots. Our mobile clinic locations include: The VA Hospital Long Beach, Starbucks Coffee in Santa Ana, Saddleback College, the City of Mission Viejo, North County Vet Clinic in Garden Grove, and

the Orange County Veterans Service Office. As well, to serve the growing needs of clients, VLI hosts Family Law clinics in the office which are booked a month in advance.

Areas of law include (but are not limited to) discharge upgrades, VA pensions and healthcare access, landlord/tenant issues involving evictions, family law, and restoring driver's licenses. VLI completes all legal work in house and leverages pro bono attorney specialists when needed from a variety of firms. For clients who do not meet income requirements, they are provided general advice and referred to attorneys who are veteran advocates. No client ever receives a bill or leaves empty handed.

To expand the quantity and quality of highly trained legal professionals and veteran advocates, VLI is active in leadership and education. In a recent example, VLI co-sponsored a veterans summit at the Richard Nixon Presidential Library, bringing together 200 veterans and veteran advocates. Throughout the year, VLI hosts clerks, interns, and fellows and presents veterans benefit law courses to increase the network of highly capable pro bono attorneys available to clients. As a result, the State of California recognizes VLI as a "multiple activity provider" in continuing attorney education.

**3. What client population does the organization serve? Include demographic information, such as age, gender, ethnicity, income levels, and any other characteristics particular to the service population.**

Veterans Legal Institute serves homeless and low income veterans who require free legal aid to be self-reliant as they live with unique injuries such as traumatic brain injuries, PTSD, and military sexual trauma. Our clients are 19 to 99 years old with households ranging from 1 to 8 family members. Many earn less than \$1,500 a month. Those in college live frugally off benefit allowances, couch surf, or live in cars. VLI serves clients across Southern California with the top four cities being Santa Ana, Anaheim, Long Beach, and Los Angeles. In addition, according to the 2016 Census, Orange County clients face the highest median rent (\$1,548/month) when compared to veterans across Southern California.

**4. How does the organization verify and document an individual's income eligibility for services? Identify all income criteria and guidelines used to establish eligibility for services.**

Veterans Legal Institute defines low income on the current living conditions of clients. These conditions include: homeless, couch surfing, living in cars, being evicted, disabled and unemployed, and underemployed. Most clients who do have income are earning less than \$1,500 a month. Veterans Legal Institute verifies qualification by requesting income information on intake form, corroborating information when available from other service organizations, and the current living conditions of client. Service organization paperwork includes Section 8 housing authority, SSI, Medi-Cal, and VA benefits such as "helpless child."

**5. Which of the programmatic activities below did the organization engage in during the previous calendar year? Do not include fundraising and administrative activities (Eligibility Guidelines 2.3). (choose all that apply)**

**a. Legal Services Activities**

Community legal education and information, Limited services, Legal self-help support, Representation, Legislative or policy advocacy

**b. Other Activities**

**i. Legal Services:** Provided to non-indigent clients/non-qualified organizations

Under which funding sources did you serve these clients?:

Foundation, Other/Unrestricted

ii. Other Services:

### III. Staffing and Volunteers

#### Staffing as of December 31

Personnel Category	Full-Time Staff	Part-Time Staff		Total Staffing FTEs	Temporary Staff		Volunteers	
		Number of people	Full-Time Equivalent		Number of people	Total Hours	Number of people	Donated Hours
Attorneys	3	1	0.50	3.50	0	0	54	2684
Paralegals	0	1	0.50	0.50	0	0	11	1155
Law Students	0	0	0.00	0.00	0	0	32	2607
Professional Services	0	0	0.00	0.00	0	0	0	0
Clerical/Admin	0	3	0.50	0.50	0	0	1	50
Other Personnel	1	0	0.00	1.00	0	0	35	1582
<b>TOTAL</b>	<b>4</b>	<b>5</b>	<b>1.50</b>	<b>5.50</b>	<b>0</b>	<b>0</b>	<b>133</b>	<b>8078</b>

1. For each position included above under Professional Services and Other Personnel, state the title and full-time equivalent of the position(s).

Other personnel:

Development Officer 1.0 FTE (same position later evolved into Director of Development 1.0 FTE later in the year)

Volunteers are assisting in development needs. Duties include board service, graphic design, grant writing, and event support (preparing for and volunteering during and after events throughout the year).

2. Describe how the organization utilizes non-legal professionals in its service delivery model.

To provide holistic care, Veterans Legal Institute both receives and refers clients to non-legal professionals for health care, housing, education, and employment needs throughout VLI's collaborative network. This includes licensed clinical social workers and evidence-based mental health professionals.

3. How many hours per week does the organization consider a full-time schedule?

40.00

4. Describe any significant changes in staffing levels or structure in the previous calendar year, and its impact on programmatic activity. Identify any significant vacancies over the previous calendar year and explain whether the organization is actively recruiting for the position, or is holding the position for budgetary or other reasons.

Significant changes in staffing during 2017 was hiring:

One (1) full time development officer that subsequently grew into a director of development position dividing their time equally across program, admin, and fundraising duties.

One (1) part time staff attorney.

#### IV. Application for Pro Bono Allocation

To qualify for the pro bono allocation in the county(ies) in which the organization provides services, the organization must meet both these requirements (1) coordinate the recruitment of substantial numbers of attorneys in private practice to provide free legal representation to indigent persons or to qualified organizations as its principal means of delivering legal services; and (2) demonstrate that its principal means of delivering legal services is "the recruitment of attorneys in private practice to provide free legal representation to indigent persons or to qualified legal services projects in California" through one of the three tests described in Eligibility Guideline 2.9.

##### 1. Are you applying for the Pro Bono Allocation per the qualifications listed?

If "yes", the organization should annually recruit at least 30 attorneys, OR recruit at least five percent of the licensed attorneys in the county served, OR receive at least 1,000 hours of donated legal services from volunteer attorneys.

Yes

### Pro-Bono Eligibility

#### Los Angeles

In this county, does the organization annually recruit at least 30 attorneys, OR recruit at least five percent of the licensed attorneys in the county served, OR receive at least 1,000 hours of donated legal services from volunteer attorneys in this county?

Yes

POSITION	PAID		VOLUNTEER	
	PEOPLE	HOURS	PEOPLE	HOURS
Attorneys	4	937	54	563

Paralegals	1	67	11	242
Law Students	0	0	32	547
<b>TOTAL</b>	<b>5</b>	<b>1,004</b>	<b>97</b>	<b>1,352</b>

### Eligibility Results for Los Angeles county

Test A	NO
Test B	YES
Test C	

#### STAFF VIEW ONLY

### Pro-Bono Allocation Eligible:

Yes

### Orange

In this county, does the organization annually recruit at least 30 attorneys, OR recruit at least five percent of the licensed attorneys in the county served, OR receive at least 1,000 hours of donated legal services from volunteer attorneys in this county?

Yes

POSITION	PAID		VOLUNTEER	
	PEOPLE	HOURS	PEOPLE	HOURS
Attorneys	4	1,607	54	966
Paralegals	1	115	11	415
Law Students	0	0	32	932
<b>TOTAL</b>	<b>5</b>	<b>1,722</b>	<b>97</b>	<b>2,313</b>

### Eligibility Results for Orange county

Test A	NO
Test B	YES
Test C	

#### STAFF VIEW ONLY



## Pro-Bono Allocation Eligible:

Yes

### a. If applicable, describe how your organization utilizes volunteers who are not attorneys.

Veterans Legal Institute uses volunteers who are not attorneys in all three functional areas of legal services, management/administration and fundraising. In legal services, volunteers will meet and greet clients at the office and clinics, put them at ease, and help them begin the intake process. As well, volunteers will input data and maintain files. Qualified volunteers will do legal research and support preparing documents while under supervision. In management, qualified and experienced volunteers help manage human resources for both paid and volunteer staff. With fundraising, qualified and experienced volunteers will seek sponsor and auction item support prior to events, events, research and write grants, write other outreach documents, and support social media.

### 2. Describe how the organization obtains and maintains information about hours of service donated by volunteers. If the organization has written documentation corroborating the legal services hours reported, explain the basis of the reported figures. For example, if the organization relies upon estimates, provide the elements that were factored into the calculations.

Volunteers hours are tracked by survey, by planning documents, through PRIME, and by email correspondence.

### 3. If the applicant does not count all staff hours worked as legal services hours, for each paid staff position, explain the method used to calculate the number of legal services hours and, with respect to each county, describe the general nature of the non-legal services provided.

With the exception of Co-Founder Balta, all paid legal staff hours worked in 2017 were legal service hours. In order to meet development, recruiting, leadership collaborations, and fundraising obligations, Co-Founder Balta spent 80% of her time on nonlegal service activities. Time is generally divided between the counties at 97% in Orange County and 3% in Los Angeles County. These calculations were based on office and majority of clinics being in Orange County. The Veterans Administration Hospital Long Beach Clinic, within Los Angeles County, is five hours out of a 160 hour month.

## V. Quality Control Review

### 1. Has the organization received a written quality control review from the Legal Services Corporation, the California Department of Aging, or an Area Agency on Aging in the previous calendar year?

No

### 2. Describe how legal services staff are supervised to ensure quality service. Identify supervisory personnel and provide information regarding their oversight (frequency of case management meetings, etc.). If there is only one staff attorney or the organization only employs contract attorneys, describe how oversight and quality control are ensured.

Case management conferences are held weekly, with staff attorneys, pro bono attorneys and law clerks updating Mr. Stirling on their caseloads and receiving advice and guidance on strategy, tactics, and client interaction.

### 3. Describe the method(s) by which volunteers (attorneys, paralegals, and law students) are supervised. If the organization does not actively supervise volunteers or review their work product, how does the organization ensure compliance with its quality control standards?

## standards?

CEO Dwight Stirling interacts with the volunteers on a daily basis. In his absence, staff attorney and Equal Justice Works AmeriCorps Legal Fellow Allison Higley provides daily oversight.

#### 4. Describe case opening and closing oversight practices.

Applications are assigned to staff members or volunteers, who contact the applicants to receive a background of the facts and circumstances of the case. Mr. Stirling is then briefed on the application, who decides whether to accept it or not. As to closing, when the work has been completed for a client, the pertinent staff member or volunteer meets with Mr. Stirling, who ensures a closing letter is sent, the client is advised as to all work performed, next steps, and how to obtain the physical file/s, and the file/s are added to the comprehensive filing system by last name.

## VI. Sources of Funding

Use the table below to itemize the organization's sources of funding in the previous calendar year.

Enter the cash amount received for each funding source specified in the previous calendar year.

- Under Foundations, list the largest three grants by organization, and then add the remaining amounts together under Other Foundation Funding.
- Under Government Resources, for each Federal, State, and Cities and Counties, list the largest three grants by agency, and then add the remaining amounts together in the corresponding Other field.

## Sources of Funding

Source	Amount Received
<b>Individual Contributions</b>	
Attorneys/Private Donors/Individual Gifts	\$138,810
Event Sponsorship/Special Events	\$64,272
Other	\$0
<b>Total</b>	<b>\$203,082</b>
<b>Organizations</b>	
Bar Associations	\$23,000
Law Firms	\$0
Law Schools	\$0
Other, including subgrants from nonprofits	\$130,914

Total	\$153,914
-------	-----------

#### Foundations

Orange County Community Foundation	\$25,000
Sunwest Charitable Foundation	\$5,000
Allergan Foundation	\$5,000
Other Foundation Funding	\$30,000

Total	\$65,000
-------	----------

Legal Services Corporation	\$0
Area Agency on Aging	\$0

Total	\$0
-------	-----

#### Government Resources

Federal (not LSC or OAA)

\$0

\$0

\$0

Other Federal Funding	\$0
-----------------------	-----

State

\$0

\$0

\$0

Other State Funding	\$0
---------------------	-----

Cities and Counties

County of Orange	\$8,954
------------------	---------

City of Mission Viejo	\$3,500
-----------------------	---------

\$0

Other City and County Funding	\$0
-------------------------------	-----

Total	\$12,454
-------	----------

#### Residual and Cy Pres Awards

State Court	\$0
-------------	-----

Federal Court	\$0
---------------	-----

Total	\$0
-------	-----

#### Fees and Reimbursements

Attorneys' Fees	\$0
-----------------	-----

Client-Paid Amounts	\$0
Cost Reimbursements	\$0
Other Professional Fees	\$0
Total	\$0
Other Cash Support	
Rent Revenue	\$0
	\$0
	\$0
	\$0
	\$0
Total	\$0
TOTAL OF NON-TRUST FUND REVENUE	\$434,450

### Other Funding

Itemize sources included in any "other" line items listed in the Sources of Funding table

Organizations, other including subgrants from nonprofits:

OC Women2Women, \$45,000

Volunteers of America, Los Angeles, Orange County SSVF, \$39,000

Equal Justice Works, AmeriCorps, \$26,104

America's Warriors Partnership, \$10,810

Child Guidance Center, \$10,000

Other Foundation Funding:

Bank of America, \$5,000

Cox Charities, \$5,000

Crean Foundation, \$5,000

Edison, \$5,000

OneOC, \$5,000

Wells Fargo Foundation, \$5,000

## VII. Total Corporate Expenditures

Organization's Fiscal  
Year End: December 31

1. Upload organization's most recent audited or reviewed financial statement ended in the prior year.

Applications must include the audited or reviewed financial statements for the organization's fiscal year ending in 2017; Qualified expenditures will be calculated based on this document. The Organization is required to submit a current audited or reviewed financial statement within 90 days of the end of its fiscal year. (See Application Instructions for further details and information.)

**VLI\_2017-\_Final\_audit\_report.pdf**

274 KB - 05/31/2018 2:20pm

Total Files: 1

## Total Corporate Expenditures

NON-CASH	Expenditures
In-Kind/Donated Services	\$144,192
Unrealized Gains/Losses	\$0
Other	\$0
Total Non-Cash Items	\$144,192
PASS-THROUGH / FISCAL SPONSOR	Expenditures
Pass-through	\$0
Total Pass-through	\$0
PERSONNEL	Expenditures
Lawyers	\$192,508
Paralegals	\$5,000
Other Staff	\$45,632
Subtotal	\$243,140
Employee Benefits	\$73,991
Total Personnel	\$317,131
NON-PERSONNEL	Expenditures
Space	\$47,579
Equipment Rental and Maintenance	\$0
Office Supplies and Small Equipment	\$7,028
Printing and Postage	\$3,827
Telecommunications	\$5,123
Technology	\$0
Program Travel	\$3,401
Training	\$0
Library	\$3,449
Insurance	\$6,917
Audit	\$5,000
Litigation	\$0
Depreciation	\$900
Contract Service to Clients	\$0
Contract Service to Program	\$6,932
Other	\$18,604
Total Non-Personnel	\$108,760
TOTAL EXPENDITURES (Personnel + Non-Personnel +Non-Cash+Pass-through)	\$570,083

**TOTAL QUALIFIED CORPORATE  
EXPENDITURES**  
(Personnel + Non-Personnel)

\$425,891

Please itemize all expenses included under Depreciation.

Depreciation: \$900

Please itemize all expenses included under Contract Service to Program.

Legal fees to program: \$3,222

Legal fees to management and general: \$3,710

Please itemize all expenses included under Other (Non-Personnel).

Other costs in programs: \$15,630

Other expenses in management and general: \$1,800

Advertising expenses in management and general: \$106

Advertising expenses in fundraising: \$1,068

3. If your organization's reported corporate expenditures do not align with your organization's uploaded audit, please explain the variance.

## VIII. Qualified Expenditures

### Qualified Expenditures

Questions	Amount	Explanation
1. Total Corporate Expenditures from the previous fiscal year	\$425,891	
2. Did the corporation engage in activities other than the delivery of legal services?	\$0	All activities can be categorized as the delivery of legal services.
3. Did the corporation lease or sublease space to another organization?	\$0	VLI does not lease or sublease space.
4. With regards to leased or subleased space, did the organization incur property management expenses, whether as primary owner or lessor?	\$0	VLI does not lease or sublease space.
5. Did you provide legal services in criminal matters?	\$0	All cases in 2017 met the definition of civil legal matters.
6. Did you charge clients for any legal services in civil matters, other than requiring payment for costs and expenses or processing fee of \$20 or less?	\$0	VLI does not charge clients for legal services.
7. Did you provide any free civil legal services to persons who were not indigent as defined in B & P Code Section 6213(d) and Eligibility Guidelines 2.3.3 and 2.3.4, or to organizations not providing benefits primarily on behalf of indigent?	\$192,792	In 2017, 43% of VLI's cases were for free legal services that were not indigent. The majority of these cases that did not meet the criteria for indigent were low-income or below. VLI identified 75% of its total cases attributed to Orange County and Los Angeles County met an income of 75 percent or less of the maximum levels of income for lower income households using the information

		table found in the trust fund resources.
8. Did you provide free civil legal services outside California?	\$17,934	In 2017, 75 cases out of a total of 1695 cases were for clients listing cities outside of CA as residences (a total of 4%). VLI handles these cases remotely through the office. 39 of the 75 cases are identified as indigent.
9. Did your organization incur expenses that did not contribute to the provision of civil legal services to indigent people and that were not itemized above?	\$0	NA
10. TOTAL EXPENDITURES FOR NON-QUALIFIED ACTIVITIES	\$210,726	
11. SUB-TOTAL OF EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS IN CALIFORNIA	\$237,629	

## 12. PERCENT OF EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS

Once you have completed and saved the Qualified Expenditures table above, click the "Save & Finish Later" button below in order to calculate this percentage.

55.80%

a. If the percentage of expenditures for free civil legal services to indigent persons calculated above is less than 75 percent, explain how the organization meets the primary purpose requirement for funding (B&P §6213(a)).

Since its founding in 2014, Veterans Legal Institute's mission, bylaws, financial guidelines, and case acceptance policies are to provide free legal services to homeless, disabled, low-income, and at-risk current and former service members. In order to reach the indigent population within the military community, VLI expends on office, website, and maintaining relationships and clinic dates at six off-site veteran hotspots. Salaries for co-founders were not started until 2015, with a third attorney being added in 2016 through Equal Justice Works, AmeriCorps as a legal fellow. VLI has always operated from a position of having more volunteer attorneys, paralegals, law students, than paid staff in the same categories.

VLI's outreach through innovative and strategic clinics began early in its founding with the medical-legal partnership at the Veterans Administration Hospital in Long Beach. In three years, the clinic locations have since grown to the VA Hospital in Long Beach, The North County Vet Center in Garden Grove, the Starbucks Coffeehouse in Santa Ana nestled next to the homeless quarter, the Orange County Veterans Service Office, Saddleback College home to 1200 student veterans, and the City of Mission Viejo. VLI also stages family law and veterans benefits specialized clinics where accomplished attorneys and other professionals from child support services and the Veterans Administration are available for those who qualify as indigent.

At least 75% of VLI's overall client population can be identified as being 75% or less of the maximum levels of income for lower income households for Orange and Los Angeles Counties where VLI primarily operates. And these figures were not



included in the indigent calculations required throughout the application. As VLI becomes more well-known in the veteran community, it is attracting more inquiries and applications.

In terms of older veterans, VLI has always provided estate planning and is expanding this service already this year with a specialty clinic to service those who are in need of estate planning, including those who are 60+ in age.

Also, in trying to prevent veteran homelessness, VLI pays particular attention to those at-risk veterans and military families who are on the borderline of low income who live paycheck to paycheck when they present with pressing legal issues which if unmet could result in their becoming homeless.

13. Did the organization exchange funds with another legal services project that is applying for a Legal Services Trust Fund Program grant?

No

#### 14. TOTAL DEDUCTION OF EXCHANGED FUNDS

\$0

15. If the organization received funding for a grant (or subgrant/subcontract) for a pilot project pursuant to the Sargent Shriver Civil Counsel Act of 2009, enter the amount received.

\$0

#### 16. TOTAL EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS IN CALIFORNIA

\$237,629

In the following fields, enter all IOLTA and EAF expenditures for 2017, this should include any carry-over from 2016

Reference Button: [Reported IOLTA and EAF Expenses](#)

#### 17a. IOLTA Expenditures Net of Capital Additions (CALENDAR YEAR)

\$0

#### 17b. EAF Expenditures Net of Capital Additions (CALENDAR YEAR)

\$0

#### 17c. EXPENDITURES OF IOLTA AND EAF GRANTS, NET OF CAPITAL ADDITION EXPENDITURES

\$0

#### 18. TOTAL NON-TRUST FUND EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS IN CALIFORNIA

\$237629

Please upload any additional documents regarding the information entered in this form.

## VIII-A. Expenditures by County

### Total Expenditures for Free Civil Legal Services to Indigent Persons in California

\$237629

#### 1. Explain the basis for the allocation of expenditures by county.

Be specific about how the amounts allocated to each county were calculated. If more than one method for allocating expenditures was used, describe each method and list the amounts allocated by that method separately. Please refer to the instructions for further direction.

Veterans Legal Institute is based in Santa Ana, CA and takes care of clients in Los Angeles County who cannot travel the thirty (30) minutes to the office through the clinic held at the VA Hospital in Long Beach, CA.

VLI 2017 stats:

Total cases: 1,695

Total indigent cases: 1007

Total indigent cases in LA County: 354

\*Total indigent cases for Orange County: 526

\*Total indigent cases for other California counties served through the VLI office: 86

VLI indigent cases outside of California: 39

VLI total indigent cases qualified for funding:  $1007 - 39 = 968$

Total indigent OC + Other CA county cases/Total indigent cases qualified for funding:

$526 + 86 / 968 = 63\%$

Total indigent LA county cases/Total indigent cases qualified for funding:

$354 / 968 = 37\%$

Calculations for table below:

Orange County :  $\$237,629 \times 0.63 = \$149,706$

Los Angeles:  $\$237,629 \times 0.37 = \$87,923$

#### 2. New or Discontinued Counties

If applicant is seeking 2019 IOLTA and EAF funds to serve any counties that differ from the counties for which applicant is currently receiving 2018 IOLTA and EAF funds, provide information on new and/or discontinued counties. See application instructions for additional details.

Not applicable. It is prohibitive for VLI to travel outside of the range of the Los Angeles and Orange County. VLI does not have resource staff offices outside of main location in Santa Ana, CA.

3. If applicant works or has cases in any counties other than those detailed in the questions above, include name of county(ies), nature of work, expected timeframe, approximate county expenditures, and any other relevant information.

VLI has cases with clients listing the following counties as residences: Alameda, Contra Costa, Fresno, Humboldt, Kern, Monterey, Ventura, Placer, Riverside, San Bernardino, San Diego, Santa Clara, and Ventura. Most requests for legal services were in veterans benefits, housing, family law, and expungements. The expenditures would be through the VLI office which supports the incoming web applications, phone inquiries, and those veterans that are still transitioning into a more permanent residence.

## Expenditures by County

Previous Calendar Year Quarterly Reports: [View](#)

### Los Angeles

County Expenditures (Fiscal year)	IOLTA Expenditures (Fiscal year)	EAF Expenditures (Fiscal year)	Qualified Expenditures
\$87,923	\$0	\$0	\$87,923

### Orange

County Expenditures (Fiscal year)	IOLTA Expenditures (Fiscal year)	EAF Expenditures (Fiscal year)	Qualified Expenditures
\$149,706	\$0	\$0	\$149,706

### County Totals

County Expenditures (Fiscal year)	IOLTA Expenditures (Previous calendar year)	EAF Expenditures (Previous calendar year)	Qualified Expenditures
237629	0	0	237629

## IX. Certifications & Assurances

Upload Signed  
Certifications &  
Assurances Document:

**California\_Certification\_Signed\_by\_Marc\_E\_Hankin\_and\_Antoinette\_\_Balta.pdf**  
1.2 MB - 06/08/2018 8:11am

Total Files: 1

### Supporting Documents (Optional)

When naming optional supporting documents, please include the Organization's acronym (or short name) and a 1-5 word description of the file.

### E-signature

In anticipation of implementing e-signing for grant agreements, please include full name and email of both the Executive Contact and Board Chair (or equivalent). Signer information can still be edited prior to agreement release.

Executive Contact - Full Name:	Antoinette Balta, Esq., LLM	Executive Contact - Email:	<a href="mailto:abalta@vetslegal.com">abalta@vetslegal.com</a>
Board Chair/Rep - Full Name:	Marc E. Hankin, Esq., Board Chair	Board Chair/Rep - Email:	<a href="mailto:marc@hankinpatentlaw.com">marc@hankinpatentlaw.com</a>
Executed IOLTA Agreement:	<b>2019_IOLTA_LSP_Grant_Agreement_-_VLI_251.pdf</b> 292.9 KB - 01/17/2019 12:26pm  Total Files: 1	Executed EAF Agreement:	<b>2019_EAF_LSP_Grant_Agreement_-_VLI_251.pdf</b> 299.4 KB - 01/16/2019 4:24pm  Total Files: 1
Pro Bono Eligible:	Yes	Grant Adjustment:	
Application Complete:	N/A		

### Key Documents Review (Org. Profile)

Salary Schedule:	<b>SalarySchedule2017.pdf</b> 75.9 KB - 06/09/2017 11:56am  <b>Salary_Schedule_2018.pdf</b> 42.3 KB - 05/31/2018 12:12pm  Total Files: 2
Franchise Tax Board Determination Letter:	<b>VLI_FTB_Entity_Status.pdf</b> 306.9 KB - 06/08/2017 3:17pm  Total Files: 1

IRS Determination Letter:	<div data-bbox="456 191 1588 289"> <b>Veterans_Legal_Institute__Tax_Exempt_Status.pdf</b>  339.3 KB - 05/12/2017 10:15am </div> <div data-bbox="1414 321 1560 352">Total Files: 1</div>
Articles of Incorporation:	<div data-bbox="456 426 1588 525"> <b>VLI_-_Articles_of_Incorporation__California_8-11-14.pdf</b>  104 KB - 05/12/2017 10:57am </div> <div data-bbox="1414 552 1560 583">Total Files: 1</div>
Certificate of Status:	<div data-bbox="456 661 1588 760"> <b>VLI_Certificate_of_Status.pdf</b>  711.1 KB - 05/12/2017 11:37am </div> <div data-bbox="1414 777 1560 808">Total Files: 1</div>
Board Roster :	<div data-bbox="456 896 1588 995"> <b>Veterans_Legal_Institute_Board_of_Directors_2017_-_Roster.pdf</b>  59.4 KB - 05/29/2017 8:27am </div>
	<div data-bbox="456 995 1588 1094"> <b>Veterans_Legal_Institute_Board_of_Directors_2018_-_Updated_May_2018.pdf</b>  58.5 KB - 05/23/2018 2:01pm </div>
	<div data-bbox="456 1094 1588 1192"> <b>Veterans_Legal_Institute_Board_of_Directors_2019_-_20190508_-_Roster.pdf</b>  58.9 KB - 05/09/2019 10:14am </div> <div data-bbox="1414 1220 1560 1251">Total Files: 3</div>
Annual Report:	<div data-bbox="456 1329 1588 1428"> <b>2018_Impact_Statement_3.pdf</b>  89.9 KB - 05/09/2019 10:11am </div>
	<div data-bbox="456 1428 1588 1526"> <b>VLI_2016_Impact_Summary.pdf</b>  57.5 KB - 06/09/2017 11:31am </div>
	<div data-bbox="456 1547 1588 1646"> <b>VLI_2017_Impact_Report.pdf</b>  95.2 KB - 05/23/2018 1:59pm </div> <div data-bbox="1414 1663 1560 1694">Total Files: 3</div>
Job Descriptions:	<div data-bbox="456 1770 1588 1869"> <b>Development_Officer_Job_Description.pdf</b>  263.6 KB - 06/09/2017 12:17pm </div>

**EOLC\_Job\_Description\_2016-2017.pdf**

380.8 KB - 06/09/2017 12:17pm

**Job\_Description\_VLI\_Management.pdf**

277.9 KB - 06/09/2017 12:16pm

**Job\_Description\_for\_legal\_specialist.pdf**

269.4 KB - 06/09/2017 12:17pm

**VLI\_Managing\_Attorney\_Job\_\_Description.pdf**

74.1 KB - 05/31/2018 12:15pm

**VLI\_Supervising\_Attorney\_Job\_\_Description.pdf**

82.4 KB - 05/31/2018 12:15pm

**V\_1\_VLI\_Managing\_Attorney\_Job\_\_Description.pdf**

74.1 KB - 05/31/2018 12:17pm

**V\_1\_VLI\_Supervising\_Attorney\_Job\_\_Description.pdf**

82.4 KB - 05/31/2018 12:18pm

Total Files: 8

**Organizational Bylaws:****VLI\_Amended\_and\_Restated\_Bylaws\_31\_May\_2019.pdf**

215 KB - 06/01/2019 1:52pm

**VLI\_Bylaws\_fully\_executed\_091615.pdf**

4.7 MB - 05/12/2017 10:58am

Total Files: 2

**Application Attachment Review****Audited Financial  
Statement :****VLI\_2017-\_Final\_audit\_report.pdf**

274 KB - 05/31/2018 2:20pm

Total Files: 1

**Certs & Assurances:****California\_Certification\_Signed\_by\_Marc\_E\_Hankin\_and\_Antoinette\_\_Balta.pdf**

1.2 MB - 06/08/2018 8:11am

Total Files: 1

Application Uploads (Optional Documents)

Other Missing Information

Include within here if you have additional comments.

Grant Year: 2018

**Prepared by: KellyAnn Romanych**

Project Title: **2536-IOLTA LSP-2018-Veterans Legal Institute-251**  
 Program Name: **Veterans Legal Institute**  
 Applicant Title: **Deputy Executive Director**  
 Address: **2100 N. Broadway, Ste. 209**  
 City: **Santa Ana**

Email: **kromanych@vetslegal.com**  
 Contact Phone: **818-219-1916**

I verify the information in the Organization Profile is accurate and up-to-date.

I verify that I have read, and am familiar with, the eligibility guidelines for IOLTA funding for legal services projects.

### I. Eligibility Criteria

#### 1. Applicant is applying for:

Initial Funding as a Legal Services Project

#### 2. Applicant is: (choose one)

A nonprofit corporation that provides civil legal services to the indigent without charge as its primary purpose and function

#### 3. Applicant is applying for eligibility as: (select all that apply)

A direct recipient of Legal Services Corporation funding

Upload an LSC grant award letter or a subcontract showing the amount of LSC funds awarded through another agency.

An organization that receives at least \$20,000 annual cash funds from sources other than the Legal Services Trust Fund Program to support free legal representation to indigent persons (as reflected in the Total of Non-Trust Fund Revenue calculated on Form VI) and can show community support for the program

#### a. Describe community support for the operation of a viable, ongoing program to provide free civil legal services to indigent people.

Since its founding in 2014, Veterans Legal Institute has developed and received a wide range of ongoing community support which includes: individual donations; well-attended annual and new events; funding from collaborative organizations; and state and foundation grants.

Top funders for FY 2016/17 include:



Volunteers of America \$40,000

Equal Justice Works AmeriCorps Legal Fellow \$25,000

OC Goodwill \$20,900

Affordable Housing Access \$16,500

Orange County Bar Association (2015 - \$10,000, 2016 - \$12,000, and 2017 - \$18,000)

Veterans Legal Institute collaborates with over 70 organizations through leadership in the Orange County Veterans and Military Families Collaborative. Outcomes range from securing housing, employment, education, and community outreach.

VLI is also a partner in the Strong Families, Strong Children collaborative. SFSC is a consortium of five nonprofit partners (Child Guidance Center, Human Options, Children and Family Futures, Families Forward, and Veterans Legal Institute) bringing together a coordinated, community-based approach to provide an array of support services to underserved OC veteran and military families (including children). Services include: evidence-based mental health and trauma treatment; domestic violence and substance abuse prevention; housing; basic needs; legal assistance and advocacy; and program evaluation and outcome measurement.

In addition, Veterans Legal Institute was hand selected as the beneficiary of OC Women2Women's Fundraising Gala for both 2016 and 2017 to celebrate, honor, and support female veterans.

Moving forward, for FY 17/18, The California Department of Veterans Affairs (CalVet), Veterans Services Division (VSD) awarded \$40,000 in 17/18 Proposition 63 Grant Program dollars to the Orange County Veterans Service Office and Veterans Legal Institute for collaborating to provide free legal clinics to remove legal barriers in support of mental health outreach and support services for California veterans, including those who are justice-involved.

As well, Veterans Legal Institute will provide on site legal services for up to 75 veterans who will be residing in Jamboree Housing's Santa Ana Veterans Village - designed as permanent supportive housing with wrap around services. The Santa Ana Veterans Village was approved in April 2017 and is under construction.

#### b. Which of the following services does your organization provide?

Provides legal representation, training, or technical assistance on matters concerning indigent special client groups, or substantive law important to special client groups

### Special Client Group(s) Served

	Nature of Assistance		
Special Client Group Served/ Relevant Substantive Law	Legal Representation	Training	Technical Assistance
Veterans	Yes	No	No
Veteran Benefit Law	Yes	No	No
Military	Yes	No	No

Low Income/Economically Disadvantaged	Yes	No	No
Homeless	Yes	No	No
Disabled	Yes	No	No
Justice Involved	Yes	No	No
Housing	Yes	No	No
Employment	Yes	No	No
Education	Yes	No	No
Healthcare	Yes	No	No

## II. Description of Organization

Provide a comprehensive description of the entire organization's work in the previous calendar year. Do not limit responses to activities funded by the Legal Services Trust Fund Program. Please click "Save & Finish Later" after adding counties.

### County

#### 1. What is the organization's mission and vision?

Veterans Legal Institute (VLI) is a 501 (c) (3) organization that provides pro bono legal assistance to homeless, at risk, disabled and low income current and former service members to eradicate barriers to housing, healthcare, education, and employment and foster self-sufficiency. VLI also advocates on behalf of its clients by providing community education and policy advocacy in an effort to increase awareness, resources, and overall protections to current and former members of the US military.

Veterans Legal Institute's enduring vision is to use its core values of outreach, compassion, quality, leadership, and empowerment to greatly reduce veteran suicide and homelessness.

#### 2. Describe the organization's core programs as reflected in the organization's promotional materials (include a summary of all work, not just activities funded by Trust Fund monies).

Veterans Legal Institute's core programs are in direct legal services to clients, increasing the number of highly capable professionals in veterans law, and providing collaborative leadership so vulnerable veteran clients can realize the full potential of human services in Southern California.

Given unique and significant barriers to resources to veterans, including post traumatic stress disorder, traumatic brain injury, and military sexual trauma, VLI provides several opportunities for veterans to access pro bono legal services. Veterans can apply online, call the office and speak directly to a person, or attend one of VLI's many mobile legal clinics at strategic veteran

hotspots. Our mobile clinic locations include: The VA Hospital Long Beach, Starbucks Coffee in Santa Ana, Saddleback College, North County Vet Clinic in Garden Grove, and a new clinic to open in the City of Mission Viejo and the Orange County Veterans Service Office. As well, to serve the growing needs of clients, VLI hosts Family Law clinics in the office which are booked a month in advance and have expanded from once to twice a month.

Areas of law include (but are not limited to) discharge upgrades, VA pensions and healthcare access, landlord/tenant issues involving evictions, family law, and restoring driver's licenses. VLI completes all legal work in house and leverages pro bono attorney specialists when needed from a variety of firms. If court fees are not waived, VLI covers the costs. For clients who do not meet income requirements, they are provided general advice and referred to attorneys who are veteran advocates. No client ever receives a bill or leaves empty handed.

To expand the quantity and quality of highly trained legal professionals and veteran advocates, VLI is active in leadership and education. In a recent example, VLI co-sponsored a veterans summit at the Richard Nixon Presidential Library, bringing together 200 veterans and veteran advocates. Throughout the year, VLI hosts clerks, interns, and fellows and presents veterans benefit law courses to increase the network of highly capable pro bono attorneys available to clients. As a result, the State of California recognizes VLI as a "multiple activity provider" in continuing attorney education.

### 3. What client population does the organization serve? Include demographic information, such as age, gender, ethnicity, income levels, and any other characteristics particular to the service population.

Veterans Legal Institute serves homeless and low income veterans who require free legal aid to be self-reliant as they live with unique injuries such as traumatic brain injuries, PTSD, and military sexual trauma. Our clients are 19 to 99 years old with up to 5 dependents. Many earn less than \$1,000 a month. Those in college live frugally off benefit allowances, couch surf, or live in cars. VLI serves clients across Southern California with the top four cities being Santa Ana, Anaheim, Long Beach, and Los Angeles. In addition, according to the 2016 Census, Orange County clients face the highest median rent (\$1,548/month) when compared to veterans across Southern California.

### 4. How does the organization verify and document an individual's income eligibility for services? Identify all income criteria and guidelines used to establish eligibility for services.

Veterans Legal Institute defines low income on the current living conditions of clients. These conditions include: homeless, couch surfing, living in cars, being evicted, disabled and unemployed, and underemployed. Most clients who do have income are earning less than \$1,000 a month.

Veterans Legal Institute verifies qualification by requesting income information on intake form, corroborating information when available from other service organizations, and the current living conditions of client. Service organization paperwork includes Section 8 housing authority, SSI, Medi-Cal, and VA benefits such as "helpless child."

### 5. Which of the programmatic activities below did the organization engage in during the previous calendar year? Do not include fundraising and administrative activities (Eligibility Guidelines 2.3). (choose all that apply)

#### a. Legal Services Activities

Community legal education and information, Limited services, Legal self-help support, Representation, Legislative or policy advocacy

**b. Other Activities**

i. Legal Services:

ii. Other Services:

### III. Staffing and Volunteers

#### Staffing as of December 31

Personnel Category	Full-Time Staff	Part-Time Staff		Total Staffing FTEs	Temporary Staff		Volunteers	
		Number of people	Full-Time Equivalent		Number of people	Total Hours	Number of people	Donated Hours
Attorneys	3	0	0.00	3.00	0	0	26	810
Paralegals	0	0	0.00	0.00	0	0	11	1155
Law Students	0	0	0.00	0.00	0	0	32	2607
Professional Services	0	0	0.00	0.00	0	0	0	0
Clerical/Admin	0	4	1.80	1.80	0	0	0	1350
Other Personnel	0	2	0.63	0.63	0	0	10	664
<b>TOTAL</b>	<b>3</b>	<b>6</b>	<b>2.43</b>	<b>5.43</b>	<b>0</b>	<b>0</b>	<b>79</b>	<b>6586</b>

1. For each position included above under Professional Services and Other Personnel, state the title and full-time equivalent of the position(s).

For Other Personnel:

10 Volunteer Development Officers @ 0.10 FTE for each position.

2 Part Time Law Clerks who do not meet the definitions for paralegals or law students. One clerk served 5 hours a week, the other clerk served 20 hours a week.

2. Describe how the organization utilizes non-legal professionals in its service delivery model.

To provide holistic care, Veterans Legal Institute both receives and refers clients to non-legal professionals for health care,

housing, education, and employment needs throughout VLI's collaborative network. This includes licensed clinical social workers and evidence-based mental health professionals.

3. How many hours per week does the organization consider a full-time schedule?

40.00

4. Describe any significant changes in staffing levels or structure in the previous calendar year, and its impact on programmatic activity. Identify any significant vacancies over the previous calendar year and explain whether the organization is actively recruiting for the position, or is holding the position for budgetary or other reasons.

The significant change in the staffing level or structure was the addition of one (1) Equal Justice Works Legal Fellow through AmeriCorps. This Legal Fellow began in September and increased capacity. Veterans Legal Institute has found that one (1) attorney can serve up to 200 clients in a calendar year.

#### IV. Application for Pro Bono Allocation

To qualify for the pro bono allocation in the county(ies) in which the organization provides services, the organization must meet both these requirements (1) coordinate the recruitment of substantial numbers of attorneys in private practice to provide free legal representation to indigent persons or to qualified organizations as its principal means of delivering legal services; and (2) demonstrate that its principal means of delivering legal services is "the recruitment of attorneys in private practice to provide free legal representation to indigent persons or to qualified legal services projects in California" through one of the three tests described in Eligibility Guideline 2.9.

1. Are you applying for the Pro Bono Allocation per the qualifications listed?

If "yes", the organization should annually recruit at least 30 attorneys, OR recruit at least five percent of the licensed attorneys in the county served, OR receive at least 1,000 hours of donated legal services from volunteer attorneys.

Yes

a. If applicable, describe how your organization utilizes volunteers who are not attorneys.

Veterans Legal Institute uses volunteers who are not attorneys in all three functional areas of legal services, management/administration, and fundraising. In legal services, volunteers will meet and greet clients at the office and clinics, put them at ease, and help them begin the intake process. As well, volunteers will input data and maintain files. In management, qualified and experienced volunteers help manage human resources for both paid and volunteer staff. With fundraising, qualified and experienced volunteers will seek sponsor and auction item support prior to events, staff events, research and write grants, write other outreach documents, and support social media.

2. Describe how the organization obtains and maintains information about hours of service donated by volunteers. If the organization does not have written documentation corroborating the legal services hours reported, explain the basis of the reported figures. For example, if the organization relies upon estimates, provide the elements that were factored into the calculations.

Volunteers hours are tracked by survey, by planning documents, through PRIME, and by email correspondence.

3. If the applicant does not count all staff hours worked as legal services hours, for each paid staff position, explain the method used to calculate the number of legal services hours and, with respect to each county, describe the general nature of the non-legal services activities.

With the exception of Co-Founder Balta, all paid staff hours worked in 2016 were legal service hours. In order to meet development, recruiting, leadership collaborations, and fundraising obligations, Co-Founder Balta spent 50% of her time on non-legal service activities. Time is generally divided between the counties at 97% in Orange County and 3% in Los Angeles County. These calculations were based on office and majority of clinics being in Orange County. The Veterans Administration Hospital Long Beach Clinic, within Los Angeles County, is five hours out of a 160 hour month.

## V. Quality Control Review

1. Has the organization received a written quality control review from the Legal Services Corporation, the California Department of Aging, or an Area Agency on Aging in the previous calendar year?

No

2. Describe how legal services staff are supervised to ensure quality service. Identify supervisory personnel and provide information regarding their oversight (frequency of case management meetings, etc.). If there is only one staff attorney or the organization only employs contract attorneys, describe how oversight and quality control are ensured.

Case management conferences are held weekly, with staff attorneys, pro bono attorneys and law clerks updating Mr. Stirling on their caseloads and receiving advice and guidance on strategy, tactics, and client interaction.

3. Describe the method(s) by which volunteers (attorneys, paralegals, and law students) are supervised. If the organization does not actively supervise volunteers or review their work product, how does the organization ensure compliance with its quality standards?

CEO Dwight Stirling interacts with the volunteers on a daily basis. In his absence, staff attorney and Equal Justice Works Legal Fellow Allison Higley provides daily oversight.

4. Describe case opening and closing oversight practices.

Applications are assigned to staff members or volunteers, who contact the applicants to receive a background of the facts and circumstances of the case. Mr. Stirling is then briefed on the application, who decides whether to accept it or not. As to closing, when the work has been completed for a client, the pertinent staff member or volunteer meets with Mr. Stirling, who ensures a closing letter is sent, the client is advised as to all work performed, next steps, and how to obtain the physical file/s, and the file/s are added to the comprehensive filing system by last name.

## VI. Sources of Funding

Use the table below to itemize the organization's sources of funding in the previous calendar year.

## Sources of Funding

Source	Amount Received
<b>Individual Contributions</b>	
Attorneys	\$0
Special Events	\$90,722
Other	\$0
Total	\$90,722
<b>Organizations</b>	
Bar Associations	\$18,000
Law Firms	\$0
Law Schools	\$0
Other	\$356,799
Total	\$374,799
<b>Foundations</b>	
Wells Fargo Foundation	\$5,000
	\$0
	\$0
Other Foundation Funding	\$0
Total	\$5,000
Legal Services Corporation	\$0
Area Agency on Aging	\$0
Total	\$0
<b>Government Resources</b>	
Federal (not LSC or OAA)	\$0
	\$0
	\$0
Other Federal Funding	\$0
State	\$0

	\$0
	\$0
Other State Funding	\$0
Cities and Counties	
South Orange County Community College	\$6,000
	\$0
	\$0
Other City and County Funding	\$0
<b>Total</b>	<b>\$6,000</b>
<b>Residual and Cy Pres Awards</b>	
State Court	\$0
Federal Court	\$0
<b>Total</b>	<b>\$0</b>
<b>Fees and Reimbursements</b>	
Attorneys' Fees	\$0
Client-Paid Amounts	\$0
Cost Reimbursements	\$0
Other Professional Fees	\$0
<b>Total</b>	<b>\$0</b>
<b>Other Cash Support</b>	
Miscellaneous Revenue, Business Code 900099	\$296
	\$0
	\$0
	\$0
<b>Total</b>	<b>\$296</b>
<b>TOTAL OF NON-TRUST FUND REVENUE</b>	<b>\$476,817</b>

## VII. Total Corporate Expenditures

Organization's Fiscal  
Year End: December 31

1. Upload organization's most recent audited or reviewed financial statement ended in the prior year.

Applications must include the audited or reviewed financial statements for the organization's fiscal year ending in 2016; Qualified expenditures will be calculated based on this document. The Organization is required to submit a current audited or reviewed



financial statement within 90 days of the end of its fiscal year. (See Application Instructions for further details and information.)

**FYE\_June2016\_VLI\_FS.pdf**

112.6 KB - 06/09/2017 12:44pm

**Veterans\_Legal\_Institute\_2016\_Audited\_Financial\_Statements\_.pdf**

599.7 KB - 08/08/2017 2:02pm

Total Files: 2

## Total Corporate Expenditures

NON-CASH	Expenditures
In-Kind/Donated Services	\$0
Unrealized Gains/Losses	\$0
Other	\$0
Total Non-Cash Items	\$0
PERSONNEL	Expenditures
Lawyers	\$118,723
Paralegals	\$0
Other Staff	\$18,600
Subtotal	\$137,323
Employee Benefits	\$36,858
Total Personnel	\$174,181
NON-PERSONNEL	Expenditures
Space	\$25,251
Equipment Rental and Maintenance	\$0
Office Supplies and Small Equipment	\$3,721
Printing and Postage	\$0
Telecommunications	\$0
Technology	\$3,835
Program Travel	\$2,121
Training	\$0
Library	\$0
Insurance	\$9,844
Audit	\$0
Litigation	\$0
Depreciation	\$0
Contract Service to Clients	\$0
Contract Service to Program	\$5,485
Other	\$11,426
Total Non-Personnel	\$61,683
TOTAL EXPENDITURES (Personnel + Non-Personnel +Non-Cash)	\$235,864
<b>TOTAL QUALIFIED CORPORATE EXPENDITURES</b> (Personnel + Non-Personnel)	\$235,864

Please itemize all expenses included under Contract Service to Program.

Contract Service to Program:

Program service expense - legal: \$4202

Program service expense - accounting: \$1283

Management and general expense - accounting: \$1132

**Please itemize all expenses included under Other (Non-Personnel).**

Other Non-Personal:

License and Dues: \$935

Program service expenses - all other expenses: \$6685

Management and general expenses - all other expenses: \$2674

**3. If your organization's reported corporate expenditures do not align with your organization's uploaded audit, please explain the variance.**

Veterans Legal Institute has made several attempts to obtain a CPA reviewed letter of financial statement; however, we have not been able to secure a firm or individual as of the June 9 deadline. We respectfully request the extension and will advise on progress and provide CPA review letter upon completion. VLI understands this delay impacts the review process of this year's application. VLI also understands best practices for its income and expenses would be audit and is evaluating available options.

## VIII. Qualified Expenditures

### Qualified Expenditures

Questions	Amount	Explanation
1. Total Qualified Corporate Expenditures from the previous fiscal year	\$235,864.00	
2. Did the corporation engage in activities other than the delivery of legal services?	\$4,717	2% of VLI's work time was in co-sponsoring two veteran summits in 2016. The first summit focused 100% on legal issues. The second summit was focused approximately 25% on legal issues and the remaining 75% on related housing issues.
3. Did the corporation lease or sublease space to another organization?	\$0	
4. With regards to leased or subleased space, did the organization incur property management expenses, whether as primary owner or lessor?	\$0	
5. Did you provide legal services in criminal matters?	\$11,792	Approximately 5% of Veterans Legal Institute's legal services in 2106 could be classified as criminal matters.
6. Did you charge clients for any legal services in civil matters, other than requiring payment for costs and expenses or processing fee of \$20 or less?	\$0	
7. Did you provide any free civil legal services to persons who were not indigent as defined in B & P Code Section 6213(d) and Eligibility Guidelines 2.3.3 and 2.3.4, or to organizations not providing	\$11,792	95% of all retained clients are under the 125% federal poverty threshold. The remaining 5% of retained clients may current have income in excess of threshold, but are at risk of becoming homeless if

benefits primarily on behalf of indigent?

a legal issue is not resolved, such as a pending eviction.

8. Did you provide free civil legal services outside California?	\$0
--	-----

9. Did your organization incur expenses that did not contribute to the provision of civil legal services to indigent people and that were not itemized above?	\$0
---	-----

10. TOTAL EXPENDITURES FOR NON-QUALIFIED ACTIVITIES	\$28,301
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11. SUB-TOTAL OF EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS IN CALIFORNIA	\$207,563
---	-----------

## 12. PERCENT OF EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS

Once you have completed and saved the Qualified Expenditures table above, click the "Save & Finish Later" button below in order to calculate this percentage.

88.00%

a. If the percentage of expenditures for free civil legal services to indigent persons calculated above is less than 75 percent, explain how the organization meets the primary purpose requirement for funding (B&P §6213(a)).

N/A

13. Did the organization exchange funds with another legal services project that is applying for a Legal Services Trust Fund Program grant?

No

## 14. TOTAL DEDUCTION OF EXCHANGED FUNDS

\$0

15. If the organization received funding for a grant (or subgrant/subcontract) for a pilot project pursuant to the Sargent Shriver Civil Counsel Act of 2009, enter the amount received.

\$0

## 16. TOTAL EXPENDITURES FOR FREE CIVIL LEGAL SERVICES TO INDIGENT PERSONS IN CALIFORNIA

\$207,563

Please upload any additional documents regarding the information entered in this form.

### VIII-A. Expenditures by County

Total Expenditures for Free Civil Legal Services to Indigent Persons in California

\$207,563

### Expenditures by County

#### Los Angeles

County Expenditures (Fiscal year)	IOLTA Expenditures (Previous calendar year)	EAF Expenditures (Previous calendar year)	Qualified Expenditures
\$62,269	\$0	\$0	\$62,269

#### Orange

County Expenditures (Fiscal year)	IOLTA Expenditures (Previous calendar year)	EAF Expenditures (Previous calendar year)	Qualified Expenditures
\$132,840	\$0	\$0	\$132,840

#### County Totals

County Expenditures (Fiscal year)	IOLTA Expenditures (Previous calendar year)	EAF Expenditures (Previous calendar year)	Qualified Expenditures
195109	0	0	195109

#### 1. Explain the basis for the allocation of expenditures by county.

Be specific about how the amounts allocated to each county were calculated. If more than one method for allocating expenditures is used, describe each method and list the amounts allocated by that method separately. Please refer to the instructions for further direction.

To calculate the allocation of expenditures by county, Veterans Legal Institute has used the clients per county to the total number of served in 2016.

The data for 2016 is as follows:

Total number of clients served = 1,323

Total number of Orange County clients served = 772

Total number of Los Angeles County clients served = 398

Total number of other than OC/LA County clients served = 153

As a result, expenditures were allocated as Orange County at 58.4% and Los Angeles County at 30%.

**2. If your organization works in any counties other than those listed above, please describe the nature of that work.**

Veterans Legal Institute does not work in counties other than listed above; however, they do provide services to clients who state they reside beyond the Orange and Los Angeles County borders. Of the 11.6% of clients residing outside of Orange and Los Angeles County, 1.4% are in San Diego County, 2.2% are in San Bernardino County, and 1.6% in Riverside County. The remaining 6.4% identified Fresno, El Dorado, Butte, and Contra Costa as residence counties, with the rest identifying PA, MD, SC, MO, TX, FL, VA, IA, OH, HI, and G residencies.

## IX. Certifications & Assurances

Upload Signed  
Certifications &  
Assurances Document:

**Certification\_and\_Assurance.pdf**  
625.6 KB - 06/09/2017 11:26am

Total Files: 1

### Supporting Documents (Optional)

When naming optional supporting documents, please include the Organization's acronym (or short name) and a 1-5 word description of the file.

**VLI\_Trust\_Fund\_Application\_Notice.pdf**  
158.1 KB - 08/24/2017 9:53am

Total Files: 1

Program Signed IOLTA  
Agreement:

**StateBarGrantIOLTA2018.pdf**

Executed IOLTA  
Agreement:

**VLI\_2018\_IOLTA\_Grant\_Agreement.pdf**

11/26/2019

Please upload your IOLTA grant agreement signed by the Executive Director and Board Chair	4.3 MB - 12/01/2017 2:21pm Total Files: 1	248.4 KB - 02/06/2018 2:51pm Total Files: 1
Executed EAF Agreement:	<b>VLI_2018_EAF_Grant_Agreement.pdf</b> 256.2 KB - 02/06/2018 2:51pm Total Files: 1	Pro Bono Eligible: No
Grant Adjustment:		Date Sent to Procurement: 12/11/2017
Check Disbursement Notice to ACCT:		Application Complete: N/A

### Key Documents Review (Org. Profile)

#### Eval Report Reference

Report error,Invalid report

#### Organizational Chart :

**Veterans\_Legal\_Institute\_-\_Organization\_Chart\_-\_20190402.pdf**  
109.6 KB - 05/09/2019 10:17am

**Veterans\_Legal\_Institute\_Organization\_Chart\_2017.pdf**  
58.4 KB - 06/09/2017 11:32am

**Veterans\_Legal\_Institute\_Organization\_Chart\_2018.pdf**  
58.3 KB - 05/31/2018 12:08pm

Total Files: 3

#### Salary Schedule:

**SalarySchedule2017.pdf**  
75.9 KB - 06/09/2017 11:56am

**Salary\_Schedule\_2018.pdf**  
42.3 KB - 05/31/2018 12:12pm

Total Files: 2

#### Franchise Tax Board Determination Letter:

**VLI\_FTB\_Entity\_Status.pdf**  
306.9 KB - 06/08/2017 3:17pm

Total Files: 1

## IRS Determination Letter:

**Veterans\_Legal\_Institute\_\_\_Tax\_Exempt\_Status.pdf**  
339.3 KB - 05/12/2017 10:15am

Total Files: 1

## Articles of Incorporation:

**VLI\_-\_Articles\_of\_Incorporation\_\_California\_8-11-14.pdf**  
104 KB - 05/12/2017 10:57am

Total Files: 1

## Certificate of Status:

**VLI\_Certificate\_of\_Status.pdf**  
711.1 KB - 05/12/2017 11:37am

Total Files: 1

## Board Roster :

**Veterans\_Legal\_Institute\_Board\_of\_Directors\_2017\_-\_Roster.pdf**  
59.4 KB - 05/29/2017 8:27am

**Veterans\_Legal\_Institute\_Board\_of\_Directors\_2018\_-\_Updated\_May\_2018.pdf**  
58.5 KB - 05/23/2018 2:01pm

**Veterans\_Legal\_Institute\_Board\_of\_Directors\_2019\_-\_20190508\_-\_Roster.pdf**  
58.9 KB - 05/09/2019 10:14am

Total Files: 3

## Annual Report:

**2018\_Impact\_Statement\_3.pdf**  
89.9 KB - 05/09/2019 10:11am

**VLI\_2016\_Impact\_Summary.pdf**  
57.5 KB - 06/09/2017 11:31am

**VLI\_2017\_Impact\_Report.pdf**  
95.2 KB - 05/23/2018 1:59pm

Total Files: 3

## Job Descriptions:

**Development\_Officer\_Job\_Description.pdf**  
263.6 KB - 06/09/2017 12:17pm



**EOLC\_Job\_Description\_2016-2017.pdf**

380.8 KB - 06/09/2017 12:17pm

**Job\_Description\_VLI\_Management.pdf**

277.9 KB - 06/09/2017 12:16pm

**Job\_Description\_for\_legal\_specialist.pdf**

269.4 KB - 06/09/2017 12:17pm

**VLI\_Managing\_Attorney\_Job\_\_Description.pdf**

74.1 KB - 05/31/2018 12:15pm

**VLI\_Supervising\_Attorney\_Job\_\_Description.pdf**

82.4 KB - 05/31/2018 12:15pm

**V\_1\_VLI\_Managing\_Attorney\_Job\_\_Description.pdf**

74.1 KB - 05/31/2018 12:17pm

**V\_1\_VLI\_Supervising\_Attorney\_Job\_\_Description.pdf**

82.4 KB - 05/31/2018 12:18pm

Total Files: 8

**Organizational Bylaws:****VLI\_Amended\_and\_Restated\_Bylaws\_31\_May\_2019.pdf**

215 KB - 06/01/2019 1:52pm

**VLI\_Bylaws\_fully\_executed\_091615.pdf**

4.7 MB - 05/12/2017 10:58am

Total Files: 2

**Application Attachment Review****Audited Financial  
Statement :****FYE\_June2016\_VLI\_FS.pdf**

112.6 KB - 06/09/2017 12:44pm

**Veterans\_Legal\_Institute\_2016\_Audited\_Financial\_Statements\_.pdf**

599.7 KB - 08/08/2017 2:02pm

Total Files: 2

**Auditor's Engagement  
Letter:**

N/A

LSC Grant Award Letter:	Missing
Certs & Assurances:	<div>Certification_and_Assurance.pdf 625.6 KB - 06/09/2017 11:26am</div>

Total Files: 1

Optional Uploads

Other Missing Information

Include within here if you have additional comments.

## Eligibility Conference for 2020 IOLTA and EAF Funds

### Veterans Legal Institute

July 26, 2019

11:00am to 1:00pm

**Organization:** Veterans Legal Institute (VLI) <https://www.vetslegal.com/>

**Organization Attendees:** Antoinette Balta, Co-founder/Executive Director and KellyAnn Romanych, Development Director

**Commission Attendees:** Herman DeBose and Bob Planthold

**Staff Attendees:** Rocio Avalos

**First Year IOLTA/EAF Funded:** 2018 (Legal Services Project)

#### **Organization Description** (from application):

Veterans Legal Institute (VLI) is a 501(c)(3) organization that provides pro bono legal assistance to homeless, disabled, low-income, and at-risk current and former US service members to eradicate barriers to housing, employment, education, and healthcare to foster self-sufficiency. VLI's enduring vision is to use its core values of outreach, compassion, quality, leadership, and empowerment to greatly reduce veteran homelessness and suicide.

Veterans Legal Institute's core programs are in direct legal services to clients, increasing the number of highly capable professionals in veterans law, and providing collaborative leadership so vulnerable veteran clients can realize the full potential of human services in Southern California. Given unique and significant barriers to resources to veterans, including post-traumatic stress disorder, traumatic brain injury, and military sexual trauma, VLI provides several opportunities for veterans to access pro bono legal services. Veterans can apply online, call the office and speak directly to a person, or attend one of VLI's many mobile legal clinics at strategic veteran hotspots. Mobile clinic locations include: the Veterans Administration Hospital in Long Beach, Starbucks Coffee in Santa Ana, Saddleback College, the City of Mission Viejo, North County Vet Center in Garden Grove, and the Orange County Veterans Service Office. As well to serve the growing needs of clients, VLI hosts family law and veterans benefits clinics in the office which are booked a month in advance.

Areas of law include (but are not limited to) discharge upgrades, VA pensions and healthcare access, landlord/tenant issues involving evictions, family law, and restoring driver's licenses. VLI completes all legal work in house and leverages pro bono attorney specialists when needed from a variety of firms. For clients who do not meet income requirements, they are provided general advice and referred to attorneys who are veteran advocates. No client ever receives a bill or leaves empty handed.

To expand the quantity and quality of highly trained legal professionals and veteran advocates, VLI is active in leadership and education. Throughout the year, VLI hosts clerks, interns, and fellows and presents veterans benefit law courses to increase the network of highly capable pro bono attorneys available to clients. As a result, the State of California recognizes VLI as a "multiple activity provider" in continuing attorney education.

## Background

This is VLI's third year applying for IOLTA/EAF funding. Aligned with their mission, VLI has consistently served many non-eligible out of state and over-income clients which has resulted in falling below the 75% primary purpose presumption (57.32% for 2020 and 55.8% for 2019).

As a first time grantee, staff conducted a monitoring visit to VLI on April 10, 2018 that revealed they were not using the appropriate income threshold for client eligibility among other program and fiscal findings. VLI took swift action to revise income thresholds and data to be in compliance with IOLTA requirements and also addressed recommendations to strengthen internal controls and implement best practices. Shortly after the monitoring visit in 2018, one of VLI's programs, the "think tank," split off into its own organization but the staff remained on VLI's payroll for the majority of the year. VLI's 2018 audit reflected a one-time payment of \$140,000 to the think tank.

The 2020 IOLTA/EAF grant application that VLI submitted initially listed \$142,300 of 2018 expenses as pass-through funds with qualified expenditures at 56%. Staff review concluded that the \$142,300 were not pass-through (\$140,000 to the think tank and \$2,300 to a partner organization for a joint fundraiser). VLI revised their application to remove the funds as pass-through which resulted in a drop of their qualified expenditures to 44%, below the 50% marker for primary purpose. Staff and VLI discussed the drop and its primary purpose implication on July 10<sup>th</sup>. The following day, on July 11, 2019, VLI submitted application revisions and a revised audit that reflected a change in the reporting of the \$140,000 payment to the think tank as "amortizable support for veteran serving organization" over 20 years and attributing \$7,000 to 2018. The revised audit was not dated or acknowledged the revisions. It also did not highlight the various narrative changes in the auditor's notes. VLI confirmed that its board of directors had not been consulted or had reviewed or approved the revisions. It is unclear if there are internal processes for board review and approval of audits and revisions. The current version of VLI's application, with the revised audit, has qualified expenditures at 57.32%.

VLI is also applying for a 2020 pro bono allocation in Los Angeles and Orange counties. VLI does not meet the numerical tests A or B, and have applied for eligibility under test C. The Committee did not consider test C at the July 19th meeting pending their eligibility review conference. If the Committee recommends VLI as eligible for 2020 IOLTA and EAF funding, test C will need to be reviewed to determine eligibility for a pro-bono allocation. For reference, VLI was eligible for a pro-bono allocation for 2019 in Los Angeles and Orange counties under test B.

## Current Eligibility Concerns:

- Internal Controls: There are concerns regarding VLI's internal controls, including findings from the 2018 monitoring visit and most recently in the actions related to the 2020 IOLTA and EAF application revisions.
- Independent Auditor: There are questions as to whether 2018 financial statements were audited by an *independent* auditor, particularly in relation to the overnight revision of VLI's 2018 audit at staff's request to support the revised qualified expenditures to meet primary purpose and be eligible for 2020 funding.

- Primary Purpose: It is unclear if any of the activities provided in 2018 by the “think tank” that split off are non-qualifying. If so, additional non-qualifying expenditures will need to be deducted in their 2020 application and may also impact primary purpose. If the revised audit is not accepted, VLI will not meet primary purpose for 2020 funding.

#### **Suggested Commissioner Questions:**

- It would be helpful to have VLI explain what their internal process is for review and approval of their audit. Who is the primary contact with the auditor and has authority to request changes? It would also be helpful to clarify the auditor’s relationship with the board of directors. Is the board meeting their fiduciary responsibility?
- The monitoring visit in 2018 helped provide some insight into the activities of the think tank but given that it split off into its own organization, it would be helpful to learn more about what prompted the split and the activities it provided in 2018. Are any of them non-qualifying? Our understanding is that the co-founder who left with the think tank remained on payroll for the majority of 2018. Were all of his activities qualifying or does a portion of his salary need to be deducted as non-qualifying expenditures?
- During our monitoring visit in 2018, we learned that the co-founder who left with the think tank was responsible for day-to-day operations and finances. Given the concern with internal controls, who is now responsible and accountable for this work? What actions will be taken to address our concerns and strengthen internal controls?

#### **Internal Questions for Commissioners:**

- Do we accept VLI’s revised audit and application?
- If VLI meets primary purpose and is found eligible for 2020 IOLTA and EAF funding, does the Committee find them eligible for a pro-bono allocation based on the narrative provided under test C?
- Is there action to be taken by VLI or staff to address the concern with internal controls?

#### **Excerpts from Governing Authorities**

- A Qualified Legal Services Project as defined in Business & Professions Code 6213(a)1: A nonprofit project incorporated and operated exclusively in California that provides as its primary purpose and function legal services without charge to indigent persons and that has quality control procedures approved by the State Bar of California.
- Application requirement per State Bar Rule 3.680(E)1: An application must include (1) an audited financial statement by an independent certified public accountant for the fiscal year that concluded during the prior calendar year.
- Standard 1.1-3 on Fiscal Matters: A legal aid provider should undergo an annual independent financial audit that measures compliance with sound accounting principles

and funder audit requirements. The governing body should adopt procedures that assure the highest level of service from its auditors. It should establish an active audit committee and should periodically solicit bids from auditing firms to perform the annual financial audit. The governing body should be certain to hire auditors who are familiar with the special audit requirements that apply generally to non-profits and capable of meeting the specific audit requirements imposed by the provider's funders. The auditing contract should establish the work to be done and should specify the particular requirements imposed by the provider's funders. The contract should include the maximum cost for the audit and should provide for submission of a timely report, usually within 90 days of the close of the fiscal year. On receipt of the financial report, the governing body's audit committee should meet with the auditors to discuss their findings, their recommendations for responding to identified problems, and their suggestions for improving and updating the provider's fiscal systems. The audit committee should report to the full governing body, which has ultimate responsibility for the provider's fiscal health.

**Additional Materials**

1. Current version of VLI's 2020 IOLTA and EAF application with revised audit (7/11/19)
2. Former version of VLI's 2020 IOLTA and EAF application with original audit (7/10/19)
3. 2018 Monitoring Visit Reports (program and fiscal) and VLI's response

## **Notes from Veteran Legal Institute Eligibility Conference for 2020 IOLTA and EAF Funds**

Eligibility Determination: Not Eligible for 2020 IOLTA and EAF Funding

The Commission has determined that Veterans Legal Institute (VLI) does not meet the primary purpose requirement as defined in Business and Professions Code 6213(a) and does not have sufficient internal controls to be found eligible for IOLTA and EAF funding.

The document submitted by VLI on July 11, 2019 was not accepted as a replacement for the audited financial statement submitted with the 2020 IOLTA and EAF grant application. VLI's executive staff seemed unaware of the extent of the changes made in the document that was submitted as a "revised audit" on July 11 and were unable to assuage the Commission's concerns about the independent nature of the auditor as required by State Bar Rule 3.680(E)1. The Commission remains concerned about VLI's internal controls.

With qualified expenditures at 44%, VLI did not provide the Commission with evidence that it meets the primary purpose requirement for qualified legal services projects. The Commission has found VLI not eligible for 2020 IOLTA and EAF funding.



**The State Bar  
of California**

**OFFICE OF ACCESS & INCLUSION**

180 Howard Street, San Francisco, CA 94105

415-538-2249

hellen.hong@calbar.ca.gov

August 27, 2019

Antoinette Balta  
President and Co-Founder  
Veterans Legal Institute  
2100 N. Broadway, Suite 209  
Santa Ana, CA 92706

RE: IOLTA and EAF Grant Eligibility Determination

Dear Ms. Balta:

This letter is to notify you that at its August 23, 2019 meeting, the Legal Services Trust Fund Commission (LSTFC) determined that Veterans Legal Institute was not eligible for IOLTA and EAF funding for grant year 2020. This determination was made for the reasons set forth in the memorandum, "Recommendations for IOLTA and EAF Grant Eligibility for Grant Year 2020," dated August 23, 2019, and as discussed at the following public meetings: Eligibility and Budget Review Committee on July 19, 2019 and August 23, 2019, and Legal Services Trust Fund Commission on August 23, 2019.

State Bar Rule 3.691(B) allows applicants denied funding the opportunity to request reconsideration by the LSTFC within thirty days of receipt of the notice of denial or termination of funding. If you wish to request reconsideration by the LSTFC, please submit your written request to my attention no later than September 27, 2019.

Sincerely,

A handwritten signature in blue ink, appearing to read "Hellen Hong", is written over the word "Sincerely,".

Hellen Hong  
Program Director II

cc: LSTFC Executive Committee





# The State Bar of California

## OFFICE OF ACCESS & INCLUSION

Rocio Avalos, Senior Program Analyst

---

180 Howard Street, San Francisco, CA 94105 Tel: 415.538.2551 E-mail: [rocio.avalos@calbar.ca.gov](mailto:rocio.avalos@calbar.ca.gov)

January 11, 2019

Antoinette Balta, President and Co-Founder  
Veterans Legal Institute  
2100 N. Broadway, Ste. 209  
Santa Ana, CA 92706

Dear Antoinette:

It was a pleasure speaking with you, your staff and your board member on Tuesday, April 10, 2018. Frank Bittner and I appreciated the time and courtesy you all extended to us during the course of our monitoring visit to Veterans Legal Institute ("VLI").

VLI is a welcomed addition to the IOLTA community, especially with the limited number of legal assistance programs for low-income veterans in California. We were glad to see your organization is growing, strengthening community partnerships, and becoming an important part of the local legal ecosystem. As you continue to expand, we encourage you to evaluate your infrastructure and internal policies to ensure continued success.

With regard to program and fiscal operations, our interviews and document review showed that VLI is substantially in compliance with the requirements of the Trust Fund Program statute, rules, grant provisions, and your grant agreements with the State Bar. However, the following comments are provided to assist VLI to comply more fully with authorities such as the Trust Fund rules and regulations, and best practices from the ABA Standards for the Provision of Civil Legal Aid ("The Standards")."

- **Income Guidelines:** According to Section 6213 of the Business and Professions Code, qualified legal services projects must provide as its primary purpose and function legal services without charge to indigent persons. The statute further defines indigent as a person whose income is less than 125% of the federal poverty guidelines, a senior, or a person with a developmental disability. Our interviews and document review indicate that VLI adopted the higher HUD income guidelines to determine eligibility for services in 2017. While we do not prohibit programs from serving non-eligible clients, VLI is required to have screening protocols and to deduct all expenses for clients over the IOLTA income requirements from its qualified expenditures or demonstrate that its principal means of delivering legal services is the recruitment of volunteer attorneys. We appreciate your willingness to update your

intake form and retroactively adjust your database for 2018 services provided in order to comply with the IOLTA income requirements.

- Governance: VLI leadership has been thoughtful about the ideal board size and has recently voted to increase its maximum membership size from 25 to 35 members. It appears the copy of the bylaws we received is outdated as it does not reflect this change. Our copy of the bylaws also does not include a conflict of interest policy but merely references a need to develop one. See Standard 1.2-4 on Governing Body Members' Conflicts of Interest. Please share an updated version of the bylaws with us when it becomes available.
- Strategic Planning: Our preparation for the visit included review of the VLI Business Plan for 2014-2015. As strategic vision is among the most important of the board's responsibilities (see Standard 1.1), we were glad to hear during interviews that the board desired to engage with leadership to work toward development of a new strategic plan. If this process has not yet begun, we strongly encourage the board to take steps toward that goal.

As for your fiscal systems, the enclosed Memorandum of Advisory Comment (MAC) includes 6 findings that call for your further attention. Please reply within 60 days (**March 8, 2019**), with your responses concerning the recommendations of both this letter and MAC.

Very truly yours,



Rocio Avalos

cc: Bonnie Hough, Managing Attorney, Judicial Council  
Bobby McDonald, Board Chair



**VETERANS LEGAL INSTITUTE**

**MEMORANDUM OF ADVISORY COMMENT**

**VISIT DATE: APRIL 10, 2018**

The grant accounting records and the related internal control systems of the Veterans Legal Institute (VLI) were reviewed to determine whether the program is in compliance with the terms and conditions of its grant agreements with the State Bar.

The review was conducted in accordance with requirements of the Trust Fund Program's General Grant Provisions ("the Provisions") and Standards for Financial Management Systems and Audits ("the Standards"), which pertain to financial and compliance audits. The review consisted principally of inquiries of management, evaluation of internal control structure, analytical procedures applied to financial data, and such other procedures as considered necessary to the circumstances. However, the review was substantially less in scope than an examination in accordance with generally accepted auditing standards.

Based on information gathered from our interviews, document review and tests of VLI's accounting records and related internal control systems, we became aware of matters that are summarized below. Our recommendations are intended to lead to meaningful actions that will strengthen the effectiveness of the program's internal control system and improve compliance with Trust Fund Program requirements.

1. **Finding:** Hours worked and paid are not indicated in the payroll register for hourly employees.

**Recommendation:** Non-exempt employees should be set-up in the payroll system as hourly so that hours are entered and wages are calculated in the system. Hours and hourly pay rates should be reflected in the payroll register as well as on the employee pay stub.

2. **Finding:** Some employees are paid monthly on the last day of the month.

**Recommendation:** Consider changing all employees to semi-monthly payroll or pay monthly as stated in the State of California Labor Code § 204(a): "...executive, administrative and professional employees...may be paid once a month on or before the 26th day of the month during which the labor was performed if the entire month's salary, including the unearned portion between the date of payment and the last day of the month, is paid at that time."

3. **Finding:** There is no fidelity or employee crime coverage in place covering individuals having financial responsibilities. On page one of the Not-for-Profit Policy Declarations, neither Fiduciary Liability nor Crime coverages are checked as elected.

**Recommendation:** Purchase a crime policy to cover employee dishonesty.

4. **Finding:** The Accounting Policies & Procedures manual does not include a section covering insurance or risk management policies.

**Recommendation:** Policies prescribing the types of insurance coverage and policies that the organization will have in place should be documented in a manual.

5. **Finding:** Both the President and CEO, using separate check sequences, are preparing and signing accounts payable checks.

**Recommendation:** Blank checks should be pre-numbered, used in sequence, and prepared using the QuickBooks accounting system. Ideally, the person preparing checks would not be a check signer, but would have custody of blank checks. Handwritten, out of sequence checks should be used only when payment is urgently required and the regular preparer of checks is not available or is otherwise unable to use the system to prepare checks.

6. **Finding:** Monthly financial reports were not available at the time of monitoring. Part XV. Financial Reports of Accounting Policies & Procedures manual begins with: "The Bookkeeper will prepare the monthly and annual financial reports for distribution to the President and CEO."

**Recommendation:** Financial Reports, as described in the Accounting Policies & Procedures manual should be prepared in a monthly basis.

*Prepared: July 26, 2018*  
*Reviewed: December 21, 2018*



March 5, 2019

Rocio Avalos, Senior Program Analyst  
The State Bar of California  
Office of Access and Inclusion  
180 Howard Street  
San Francisco, CA 94105

RE: 2018 Monitoring Visit Response

Dear Rocio,

Thank you for your oversight during our first monitoring visit. Our staff and volunteers greatly appreciated the thoughtfulness and guidance both you and Frank shared to ensure our at-risk local veterans access justice.

This letter contains our responses to income guidelines, governance, and strategic plan. A separate letter will provide responses for the fiscal monitoring visit.

**Income guidelines:** VLI staff and volunteers have been briefed on the statute definition of indigent as a person whose income is less than 125% of the federal poverty guidelines, a senior, or a person with a developmental disability. Since the monitoring visit, VLI has applied this definition as requested retroactively to clients in the 2018 database and new clients it moves forward. VLI identifies indigent clients using this definition on its intake form and initial interview, and deducts expenses for low income clients that are over the IOLTA income requirements. Further, VLI revisits income guidelines and indigent qualifications during monthly staff meetings.

**Governance:** VLI Board of Directors is updating bylaws to show increase of membership size and conflict of interest policy. Approved bylaws are projected to be completed by June 2019. Approved bylaws will be shared with the State Bar on or before this date.

**Strategic Planning:** The VLI Board of Directors held its board retreat on February 9th, 2019. The retreat was under the guidance of a professional consultant who 1) conducted pre-retreat interviews

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Tax ID No. 47-1608069

with Director and VLI Leadership, 2) led the retreat, and 3) will continue working with board through 2019 to ensure goals are achieved. During the retreat, Directors and Leadership identified core strategic initiatives for 2019, leaders and members for subcommittees, and timeline to check on progress.

We look forward to working alongside you to serve our veterans and military families when they need it most. If you have any questions, please contact me directly at 949-290-5733 or via email at [abalta@vetslegal.com](mailto:abalta@vetslegal.com).

Warmest Regards,

Antoinette Balta, Esq., LLM  
President and Founder  
Veterans Legal Institute

Veterans Legal Institute 2



March 5, 2019

Frank Bittner, Senior Financial Analyst  
Office of Legal Services  
The State Bar of California  
180 Howard Street  
San Francisco, CA 94105

RE: 2018 Fiscal Monitoring Visit Response

Dear Frank,

Thank you for your oversight during our first fiscal monitoring visit. Our staff and volunteers greatly appreciated the thoughtfulness and guidance both you and Rocio shared to ensure our at-risk local veterans access justice.

This letter contains our responses to finding and recommendations to strengthen our internal control system and improve compliance with Trust Fund Program requirements. A separate letter will provide responses for the program monitoring visit.

1. Finding: Hours worked and paid are not indicated in the payroll register for hourly employees.

Recommendation: Non-exempt employees should be set-up in the payroll system as hourly so that hours are entered and wages are calculated in the system. Hours and hourly pay rates should be reflected in the payroll register as well as on the employee pay stub.

Response: All recommendations for this finding have been implemented.

2. Finding: Some employees are paid monthly on the last day of the month.

Recommendation: Consider changing all employees to semi-monthly payroll or pay monthly as stated in the State of California Labor Code § 204(a): "...executive, administrative and professional employees...may be paid once a month on or before

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Tax ID No. 47-1608069

the 26th day of the month during which the labor was performed if the entire month's salary, including the unearned portion between the date of payment and the last day of the month, is paid at that time.”

Response: All VLI salary and non-exempt employees are paid semi-monthly as of August 2018.

3. Finding: There is no fidelity or employee crime coverage in place covering individuals having financial responsibilities. On page one of the Not-for-Profit Policy Declarations, neither Fiduciary Liability nor Crime coverages are checked as elected.

Recommendation: Purchase a crime policy to cover employee dishonesty.

Response: VLI has crime coverage in its business owners policy covering general liability. Current policy is with The Hartford for the period of 12/17/18 to 12/17/19.

4. Finding: The Accounting Policies & Procedures manual does not include a section covering insurance or risk management policies.

Recommendation: Policies prescribing the types of insurance coverage and policies that the organization will have in place should be documented in a manual.

Response: With input from its CPA that prepares VLI audits and 990s, the Accounting Policies & Procedures manual has been updated to include insurance and risk management policies. The update is found as XVII - Insurance and Risk Management on page 21 in the manual as shown below:

The Board of Directors annually evaluates the need for and amount of General Liability Insurance that covers damages and legal defense costs for bodily injury or property damage to third parties for which the organization is legally responsible; Professional Liability Insurance that provides coverage for legal liability arising out of errors and omissions while providing professional services on behalf of the organization, and Nonprofit Organization Liability Insurance that provides coverage for legal liability arising out of wrongful acts of the organization or its authorized representatives, including Director's & Officer's Liability, Employment Practices Liability and Personal Injury claims. Management is responsible for creating workplace, record-keeping and asset management procedures that help eliminate the risks of losses by the organization, and for reporting to the Board immediately regarding any potential issues, or events should they occur.



5. Finding: Both the President and CEO, using separate check sequences, are preparing and signing accounts payable checks.

Recommendation: Blank checks should be pre-numbered, used in sequence, and prepared using the QuickBooks accounting system. Ideally, the person preparing checks would not be a check signer, but would have custody of blank checks. Handwritten, out of sequence checks should be used only when payment is urgently required and the regular preparer of checks is not available or is otherwise unable to use the system to prepare checks.

Response: As of August 2018, the CEO had left VLI for another venture. Blank, pre-numbered checks are in the custody of the President or kept within a locked file cabinet in their office. VLI is still in the process of getting check processing set up in the QuickBooks Online system. The majority of accounts payable is done through automatic payments or bank card. In the limited instances when a paper check is required, it is prepared by the Director of Development (if available) or the President. All checks are signed by the President.

6. Finding: Monthly financial reports were not available at the time of monitoring. Part XV. Financial Reports of Accounting Policies & Procedures manual begins with: "The Bookkeeper will prepare the monthly and annual financial reports for distribution to the President and CEO."

Recommendation: Financial Reports, as described in the Accounting Policies & Procedures manual should be prepared in a monthly basis.

Response: Financial reports are prepared by the 15th of the month using QuickBooks Online.

We look forward to working alongside you to serve our veterans and military families when they need it most. If you have any questions, please contact me directly at 949-290-5733 or via email at [abalta@vetslegal.com](mailto:abalta@vetslegal.com).

Warmest Regards,

Antoinette Balta, Esq., LLM  
President and Founder  
Veterans Legal Institute

Veterans Legal Institute 3