

SPECIAL EDUCATION LEGAL FUND, INC.

Financial Statements

**Year Ended June 30, 2021
(with comparative totals for 2020)**

SPECIAL EDUCATION LEGAL FUND, INC.

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Independent Accountant's Review Report

The Board of Directors
Special Education Legal Fund, Inc.
Greenwich, Connecticut

We have reviewed the accompanying financial statements of Special Education Legal Fund, Inc., which comprise the statement of financial position as of June 30, 2021 and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

The Board of Directors
Special Education Legal Fund, Inc.
Greenwich, Connecticut

Report on Summarized Comparative Information

We previously reviewed Special Education Legal Fund, Inc.'s June 30, 2020 financial statements and in our report dated October 1, 2020, stated that based on our procedures, we were not aware of any material modifications that should be made to the June 30, 2020 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended June 30, 2020 for it to be consistent with the reviewed financial statements from which it has been derived.

Cirone Friedberg, LLP

Shelton, Connecticut
September 13, 2021

SPECIAL EDUCATION LEGAL FUND, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

(with comparative totals for 2020)

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 94,578	\$ 87,408
Investment	1,370	-
Contribution Receivable	1,000	-
Prepaid Expenses	<u>5,896</u>	<u>-</u>
Total Assets	<u>\$ 102,844</u>	<u>\$ 87,408</u>
 LIABILITIES AND NET ASSETS		
<u>Liabilities</u>		
Accrued Expenses	\$ 6,500	\$ 5,750
Refundable Advance	<u>2,700</u>	<u>3,455</u>
Total Liabilities	<u>9,200</u>	<u>9,205</u>
<u>Net Assets</u>		
Without Donor Restriction:		
Undesignated - Available for Operations	93,644	78,203
With Donor Restriction	<u>-</u>	<u>-</u>
Total Net Assets	<u>93,644</u>	<u>78,203</u>
Total Liabilities and Net Assets	<u>\$ 102,844</u>	<u>\$ 87,408</u>

See independent accountant's review report and notes to financial statements.

SPECIAL EDUCATION LEGAL FUND, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021
(with comparative totals for 2020)

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>2021 Total</u>	<u>2020 Total</u>
Public Support, Investment Income and Other				
Contributions and Grants:				
Grants	\$ 52,300	\$ -	\$ 52,300	\$ 54,045
Contributions	30,146	-	30,146	20,713
Annual Event	109,575	-	109,575	186,780
Investment Income	19	-	19	763
Unrealized Appreciation on Investment	<u>269</u>	<u>-</u>	<u>269</u>	<u>-</u>
Net Assets Released from Restriction:				
Satisfaction of Purpose and Time Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Public Support, Investment Income and Other	<u>192,309</u>	<u>-</u>	<u>192,309</u>	<u>262,301</u>
Expenses				
Program Services	<u>161,489</u>	<u>-</u>	<u>161,489</u>	<u>127,758</u>
Support Services:				
Management and General	11,897	-	11,897	9,316
Fund Raising	3,482	-	3,482	12,425
Total Support Services	<u>15,379</u>	<u>-</u>	<u>15,379</u>	<u>21,741</u>
Total Functional Expenses	176,868	-	176,868	149,499
Cost of Direct Benefit to Donors	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,698</u>
Total Expenses	<u>176,868</u>	<u>-</u>	<u>176,868</u>	<u>211,197</u>
Change in Net Assets	15,441	-	15,441	51,104
Net Assets - Beginning of Year	<u>78,203</u>	<u>-</u>	<u>78,203</u>	<u>27,099</u>
Net Assets - End of Year	<u>\$ 93,644</u>	<u>\$ -</u>	<u>\$ 93,644</u>	<u>\$ 78,203</u>

See independent accountant's review report and notes to financial statements.

SPECIAL EDUCATION LEGAL FUND, INC.

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021
(with comparative totals for 2020)

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 15,441	\$ 51,104
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Unrealized Appreciation on Investment	(269)	-
Donated Securities	(1,101)	-
Changes in Assets and Liabilities:		
Contribution Receivable	(1,000)	-
Prepaid Expenses	(5,896)	-
Accrued Expenses	750	5,200
Refundable Advance	(755)	3,455
Total Adjustments	<u>(8,271)</u>	<u>8,655</u>
Net Cash Provided by Operating Activities	<u>7,170</u>	<u>59,759</u>
Net Increase in Cash	7,170	59,759
Cash - Beginning of Year	<u>87,408</u>	<u>27,649</u>
Cash - End of Year	<u>\$ 94,578</u>	<u>\$ 87,408</u>

See independent accountant's review report and notes to financial statements.

SPECIAL EDUCATION LEGAL FUND, INC.

STATEMENT OF FUNCTIONAL EXPENSES
 YEAR ENDED JUNE 30, 2021
 (with comparative totals for 2020)

	Support Services			Total Expenses 2021	Total Expenses 2020
	Program Services	Management and General	Fund Raising		
Grants	\$ 159,708	\$ -	\$ -	\$ -	\$ 159,708
Event	-	-	750	750	750
Program Marketing	1,781	-	-	-	1,781
Professional Fees	-	7,250	-	7,250	7,250
Credit Card Fees	-	-	2,732	2,732	2,732
Computer and Internet Fees	-	3,627	-	3,627	3,627
Filing Fees	-	125	-	125	125
Office Expenses	-	301	-	301	301
Insurance	-	594	-	594	594
Total Functional Expenses	\$ 161,489	\$ 11,897	\$ 3,482	\$ 15,379	\$ 176,868

See independent accountant's review report and notes to financial statements.

SPECIAL EDUCATION LEGAL FUND, INC.

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (with comparative totals for 2020)

NOTE 1 - NATURE OF OPERATIONS

The mission of Special Education Legal Fund, Inc. (S.E.L.F.) is to level the playing field for families in need with children in the special education system. S.E.L.F. provides resources, knowledge and empowerment to support families in the special education advocacy in Connecticut, New York and the surrounding areas.

S.E.L.F. is a not-for-profit organization incorporated in June 2018 under the Nonstock Corporation Act of the State of Connecticut and is exempt from federal tax under Section (501)(c)(3) of the Internal Revenue Code. S.E.L.F. is also exempt from state income tax.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of S.E.L.F. have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which require S.E.L.F. to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restriction

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of S.E.L.F.'s board of directors (Board).

Net Assets With Donor Restriction

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of S.E.L.F. or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restriction. When a restriction expires or the restricted purpose is satisfied, net assets are reclassified from net assets with donor restriction to net assets without donor restriction in the statement of activities.

See independent accountant's review report.

SPECIAL EDUCATION LEGAL FUND, INC.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(with comparative totals for 2020)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Newly Adopted Accounting Standards

Effective July 1, 2020, S.E.L.F. adopted Accounting Standards Update (ASU) 2018-08: *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08). ASU 2018-08 clarifies and improves existing guidance under U.S. GAAP about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. ASU 2018-08 also requires an entity to determine whether a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

S.E.L.F. adopted ASU 2018-08 using the modified prospective method. Management's analysis of various provisions of ASU 2018-08 resulted in no significant changes in the way S.E.L.F. recognizes revenue. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Use of Estimates

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

Revenue Recognition

S.E.L.F. recognizes contributions and non-governmental grants when cash, securities, an unconditional promise to give, other assets, or a notification of a beneficial interest are received. Conditional promises to give, that is, those with measurable performance or other barrier and right of return, are not recognized until the conditions on which they depend have been met.

S.E.L.F. recognizes revenue from cost-reimbursable federal, state and non-governmental grants, which are conditioned upon certain performance requirements and/or the incurrence of certain allowable qualifying expenses, when S.E.L.F. has incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

See independent accountant's review report.

SPECIAL EDUCATION LEGAL FUND, INC.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(with comparative totals for 2020)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions/Grants Non-Governmental

Contributions received are recorded as net assets without donor restriction or net assets with donor restriction, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restriction if the restriction expires or the restricted purpose is satisfied in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restriction, depending on the nature of the restriction. When a restriction expires or the restricted purpose is satisfied, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restriction.

Contributed Goods and Services

Goods or services have been provided by various organizations and a number of unpaid volunteers have contributed their time. Contributions are recognized if the goods or services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed goods or services that do not meet the above criteria are not recognized.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

Investments

Investments are reflected at fair value. Realized gains or losses and unrealized appreciation or depreciation on investments are reflected on the accompanying statement of activities as increases or decreases in net assets without donor restriction unless their use is restricted by donor stipulation which are then reflected in net assets with donor restriction.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis on the accompanying statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs may be allocated among the programs and supporting services benefited. Such allocations are determined by S.E.L.F. on an equitable basis. There were no allocated costs for the year ended June 30, 2021.

See independent accountant's review report.

SPECIAL EDUCATION LEGAL FUND, INC.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(with comparative totals for 2020)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Management has evaluated events and transactions for potential recognition or disclosure through September 13, 2021, which is the date the financial statements were available to be issued. Through that date there were no material events that would require recognition or additional disclosure in the financial statements except as noted in Note 7.

NOTE 3 - CONCENTRATION OF RISK

Cash

Financial instruments that potentially subject S.E.L.F. to concentrations of credit risk consist principally of cash. S.E.L.F. maintains its cash in one bank account that, at times, may exceed federally insured limits. S.E.L.F.'s cash account has been placed with a high credit quality financial institution. S.E.L.F. has not experienced, nor does it anticipate, any losses with respect to such accounts.

NOTE 4 - LIQUIDITY

S.E.L.F. regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations. As of June 30, 2021 and 2020, the following financial assets are available to meet annual operating needs of the 2021/2022 and 2020/2021 fiscal years:

	<u>2021</u>	<u>2020</u>
Financial Assets at Year End:		
Cash	\$94,578	\$87,408
Less: Amounts Not Available to be Used Within One Year	_____ -	_____ -
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$94,578</u>	<u>\$87,408</u>

See independent accountant's review report.

SPECIAL EDUCATION LEGAL FUND, INC.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(with comparative totals for 2020)**

NOTE 5 - INVESTMENT

U.S. GAAP defines fair value as the exchange price that would be received for an asset, or paid to transfer a liability, (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. U.S. GAAP has established a definition and framework for measuring fair value and disclosure about fair value measurements. That framework provides a fair value hierarchy that prioritizes the inputs used to measure fair value, requiring the Entities to maximize the use of markets or observable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs generally require significant management judgment. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset such as quoted prices for similar assets or liabilities.
- Level 3 inputs are unobservable inputs for the asset or liability.

S.E.L.F.'s investment is in common stock. Fair value for this investment is based on quoted market prices.

Assets measured at fair value on a recurring basis at June 30, were as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
<u>2021</u>				
Investment	\$ <u>1,370</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,370</u>
<u>2020</u>				
Investment	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

NOTE 6 - CONTRIBUTED GOODS AND SERVICES

S.E.L.F. received donated fundraising goods with an estimated fair market value of \$0- and \$2,000 which is included in annual event income and cost of direct benefit to donors in the statement of activities at June 30, 2021 and 2020, respectively.

See independent accountant's review report.

SPECIAL EDUCATION LEGAL FUND, INC.

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021
(with comparative totals for 2020)**

NOTE 7 - CONTINGENCY

The COVID-19 outbreak is continuing to disrupt business operations across a range of industries. The extent of the impact of COVID-19 on S.E.L.F.'s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on donors, governmental and non-governmental funding sources and vendors, all of which are uncertain and cannot be predicted. The extent to which COVID-19 may continue to impact the financial condition or results of operations of S.E.L.F. is uncertain as of the date of these financial statements.

NOTE 8 - PRIOR YEAR INFORMATION

S.E.L.F.'s financial statements include certain prior year summarized comparative information at June 30, 2020 and for the year then ended in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with S.E.L.F.'s financial statements for the year ended June 30, 2020, from which the summarized information was derived.

See independent accountant's review report.