

*Lester Halpern & Company P.C.*  
Certified Public Accountants

Thomas A. Terry CPA ♦ Betty Jane Bourdon CPA ♦ Mary-Anne S. Stearns CPA ♦ Robert B. McKay CPA ♦ Lester L. Halpern CPA Retired

**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To The Board of Directors  
Lawyers Clearinghouse on Affordable Housing and Homelessness, Inc.  
16 Beacon Street  
Boston, Massachusetts 02108

We have reviewed the accompanying statement of financial position of Lawyers Clearinghouse on Affordable Housing and Homelessness, Inc. (a nonprofit corporation) as of August 31, 2012, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization 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 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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 conformity with accounting principles generally accepted in the United States of America.

*Lester Halpern & Company P.C.*

January 15, 2013

LAWYERS CLEARINGHOUSE ON AFFORDABLE  
HOUSING AND HOMELESSNESS, INC.  
STATEMENT OF FINANCIAL POSITION  
AUGUST 31, 2012  
(See Independent Accountant's Review Report)

<u>ASSETS</u>		
<u>Current Assets:</u>		
Cash	\$ 141,656	
Accounts receivable	5,629	
Prepaid expense	<u>894</u>	
<u>Total Current Assets</u>		\$ 148,179
<u>Capital Assets - At Cost:</u>		
Computer equipment	1,447	
<u>Less - accumulated depreciation</u>	<u>1,447</u>	
<u>Total Capital Assets</u>		<u>0</u>
<u>TOTAL ASSETS</u>		<u>\$ 148,179</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities:</u>		
Accounts payable	\$ 797	
Taxes and other items withheld	400	
Accrued expense	24,541	
Due to Boston Bar Foundation, Inc.	450	
Due to Boston Bar Association	<u>144</u>	
<u>Total Current Liabilities and Total Liabilities</u>		\$ 26,332
<u>Net Assets:</u>		
Unrestricted		<u>121,847</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>		<u>\$ 148,179</u>

See accompanying notes.

LAWYERS CLEARINGHOUSE ON AFFORDABLE  
HOUSING AND HOMELESSNESS, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2012  
(See Independent Accountant's Review Report)

Support and Revenue:

Grants and contributions	\$ 277,342
Fee revenue	12,080
Interest	<u>245</u>

Total Support and Revenue \$ 289,667

Expense:

Salaries	158,302
Payroll taxes	13,008
Fringe benefits	25,150
Professional services	5,640
Office, postage and copying	1,833
Telephone	960
Receptions and luncheon meetings	6,365
Rent	5,400
Travel	1,645
Insurance	2,401
Dues and subscriptions	2,339
Computer maintenance and supplies	121
Miscellaneous	<u>3,203</u>

Total Expense 226,367

Change in Net Assets - Unrestricted 63,300

Net assets - unrestricted - beginning of year 58,547

Net Assets - Unrestricted - End of Year \$ 121,847

LAWYERS CLEARINGHOUSE ON AFFORDABLE  
HOUSING AND HOMELESSNESS, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2012  
(See Independent Accountant's Review Report)

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Cash Flows From Operating Activities:

Cash received from program services	\$ 6,451
Cash received from grants and contributions	277,342
Interest income	245
Cash paid to suppliers and employees	<u>(223,743)</u>

Net Cash Provided by Operating Activities \$ 60,295

Cash Provided By Investing Activities:

Decrease in certificate of deposit	<u>25,317</u>
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Net Increase in Cash 85,612

Cash - beginning of year	<u>56,044</u>
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Cash - End of Year \$ 141,656

LAWYERS CLEARINGHOUSE ON AFFORDABLE  
HOUSING AND HOMELESSNESS, INC.  
SCHEDULE OF RECONCILIATION OF CHANGE IN NET ASSETS  
TO NET CASH PROVIDED BY OPERATING ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2012  
(See Independent Accountant's Review Report)

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<u>Change in Net Assets</u>		\$ 63,300
<u>Adjustments to Reconcile Change in Net Assets to Net</u>		
<u>Cash Provided by Operating Activities:</u>		
(Increase) decrease - accounts receivable	\$ (5,629)	
- prepaid expense	326	
Increase (decrease) - accounts payable	(216)	
- accrued expense	2,127	
- due to Boston Bar Foundation, Inc.	450	
- due to Boston Bar Association	<u>(63)</u>	
<u>Total Adjustments</u>		<u>(3,005)</u>
<u>Net Cash Provided by Operating Activities</u>		<u>\$ 60,295</u>

See accompanying notes.

LAWYERS CLEARINGHOUSE ON AFFORDABLE HOUSING AND HOMELESSNESS, INC.  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2012

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1. Summary of Significant Accounting Policies:

Organization - Lawyers Clearinghouse on Affordable Housing and Homelessness, Inc. (the Clearinghouse) was organized to promote the development and the maintenance and expansion of affordable housing, transitional housing and emergency shelters in Massachusetts.

Income Taxes - The Clearinghouse is a not-for-profit corporation under the laws of the Commonwealth of Massachusetts and is exempt from both federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and accordingly does not record a provision for income taxes on its related earnings.. In addition, the Clearinghouse qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

The Clearinghouse regularly reviews and evaluates its tax positions taken in its previous financial statements, with regard to issues affecting its tax exempt status, unrelated business income, and related matters. The Clearinghouse is subject to various federal and state tax examinations for the years ended August 31, 2009 through 2012. Penalties and interest, if any, assessed by tax authorities will be included in operating expenses. It believes that in the event of an examination by taxing authorities, its positions would prevail based upon the technical merit of such positions. Therefore, the Clearinghouse has concluded that no tax benefits or liabilities are required to be recognized.

Basis of Accounting - The financial statements of the Clearinghouse are prepared on the accrual basis.

Basis of Presentation - The net assets of the Clearinghouse are reported in each of the following three classes when applicable: (a) unrestricted net assets, (b) temporarily restricted net assets and (c) permanently restricted net assets. Net assets of the two restricted classes are created only by donor-imposed restrictions on their use. All other net assets are legally unrestricted and are reported as part of the unrestricted class.

Capitalization of Expenditures - The cost of computer equipment is capitalized. Expenditures for maintenance and repairs are expensed against income as incurred.

Revenue Recognition - Grant income is recognized based upon the terms and conditions as set forth by the grantor or ratably during the performance period. Fee revenue is recognized as eligible services are rendered. Contributions are recorded when pledged.

Cash Flows - For purposes of the statement of cash flows, cash includes cash in the checking account.

Use of 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 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.

LAWYERS CLEARINGHOUSE ON AFFORDABLE HOUSING AND HOMELESSNESS, INC.  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2012

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Accounts Receivable - Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written-off through a charge to the valuation allowance and a credit to receivables. There was no need for a valuation allowance for the year ended August 31, 2012.

Subsequent Events - The Clearinghouse has evaluated events that have occurred subsequent to August 31, 2012, through January 15, 2013, the date these financial statements were available to be issued, and no material events requiring recognition or disclosure.

2. Functional Expenses:

The cost of providing various program and other activities are summarized on a functional basis as follows:

Program Services:

Promote development, maintenance and expansion of affordable housing, transitional housing and emergency shelters	\$188,323
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Supporting Services:

General and administrative	<u>38,044</u>
	<u>\$226,367</u>

3. Pension Plan:

The Clearinghouse participates in a defined contribution pension plan covering substantially all of its employees.

Pension expense for the year ended August 31, 2012 was \$11,120.

4. Major Funding Source:

Approximately 14% of the Clearinghouse's fiscal year 2012 support and revenue was provided by the Boston Bar Foundation IOLTA program.