



**Inland Empire Latino Lawyers Association, Inc.**

Financial Statements

With Independent Accountant's Review Report

December 31, 2024 with

Summarized Comparative Information for 2023




INLAND EMPIRE LATINO LAWYERS ASSOCIATION, INC.  
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## **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To the Board of Directors  
Inland Empire Latino Lawyers Association, Inc.  
Riverside, California

We have reviewed the accompanying financial statements of Inland Empire Latino Lawyers Association, Inc., (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows 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 the association's 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.

We are required to be independent of Inland Empire Latino Lawyers Association, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

**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.

**Summarized Comparative Information**

We previously reviewed Inland Empire Latino Lawyers Association, Inc., December 31, 2023 financial statements and in our report dated April 25, 2024, stated that based on our procedures, we were not aware of any material modifications that should be made to the December 31, 2023 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 December 31, 2023 for it to be consistent with the reviewed financial statements from which it has been derived.

*Eadie and Payne, LLP*

Riverside, California  
February 14, 2025

# INLAND EMPIRE LATINO LAWYERS ASSOCIATION, INC.

## STATEMENT OF FINANCIAL POSITION

For the Year Ended December 31, 2024

(With Summarized Comparative Information for 2023)

	2024	2023
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 79,589	\$ 225,873
Grants and other receivable	16,255	-
Prepaid expenses	2,600	4,985
<b>Total Current Assets</b>	<u>98,444</u>	<u>230,858</u>
<b>Property and Equipment</b>		
Furniture and equipment	48,538	83,541
Leasehold improvements	-	11,651
Less: Accumulated depreciation	35,208	62,800
	<u>13,330</u>	<u>32,392</u>
<b>Other Assets</b>		
Right-of-use asset, net of amortization	48,999	750
Security deposits	1,300	-
<b>TOTAL ASSETS</b>	<u>\$ 162,073</u>	<u>\$ 264,000</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 5,051	\$ 6,576
Accrued vacation	3,201	11,251
Current portion of lease liability	16,792	750
Refundable advances	18,968	20,156
<b>Total Current Liabilities</b>	<u>44,012</u>	<u>38,733</u>
<b>Long-Term Liabilities</b>		
Lease liability	32,168	-
<b>Net Assets</b>		
Net assets without donor restrictions	85,893	81,003
Net assets with donor restrictions	-	144,264
<b>Total Net Assets</b>	<u>85,893</u>	<u>225,267</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 162,073</u>	<u>\$ 264,000</u>

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

# INLAND EMPIRE LATINO LAWYERS ASSOCIATION, INC.

## STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2024

(With Summarized Comparative Information for 2023)

	2024			2023
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	TOTAL
<b>REVENUES AND SUPPORT</b>				
Grant income	\$ 222,900	\$ -	\$ 222,900	\$ 335,155
Contributed legal services	159,012	-	159,012	313,201
Contributions - cash	8,825	-	8,825	21,076
Fundraising revenue, net	14,635	-	14,635	8,588
Interest and other income	83	-	83	113
Net assets released from restriction	144,264	(144,264)	-	-
<b>Total Revenues and Support</b>	<u>549,719</u>	<u>(144,264)</u>	<u>405,455</u>	<u>678,133</u>
<b>EXPENSES</b>				
Program services	485,442	-	485,442	540,037
Management and general	59,387	-	59,387	70,865
<b>Total Expenses</b>	<u>544,829</u>	<u>-</u>	<u>544,829</u>	<u>610,902</u>
<b>CHANGE IN NET ASSETS</b>	4,890	(144,264)	(139,374)	67,231
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>81,003</u>	<u>144,264</u>	<u>225,267</u>	<u>158,036</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 85,893</u>	<u>\$ -</u>	<u>\$ 85,893</u>	<u>\$ 225,267</u>

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

# INLAND EMPIRE LATINO LAWYERS ASSOCIATION, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2024

(With Summarized Comparative Information for 2023)

	2024			2023
	Program Services	Management and General	Total	Total
Salaries and wages	\$ 178,785	\$ 21,872	\$ 200,657	\$ 152,820
Payroll taxes and benefits	23,676	2,896	26,572	28,140
	202,461	24,768	227,229	180,960
Professional services	178,564	21,845	200,409	344,333
Occupancy	24,362	2,980	27,342	27,463
Office supplies	14,607	1,787	16,394	4,470
Depreciation	9,515	1,164	10,679	12,282
Information technology	27,295	3,339	30,634	21,257
Insurance	3,324	407	3,731	3,487
Equipment costs	2,643	323	2,966	7,200
Travel	3,354	410	3,764	2,131
Dues and training	4,892	599	5,491	1,789
Other expenses	14,425	1,765	16,190	5,530
<b>Total Expenses</b>	<b>\$ 485,442</b>	<b>\$ 59,387</b>	<b>\$ 544,829</b>	<b>\$ 610,902</b>

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

# INLAND EMPIRE LATINO LAWYERS ASSOCIATION, INC.

## STATEMENT OF CASH FLOW

For the Year Ended December 31, 2024

(With Summarized Comparative Information for 2023)

	2024	2023
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (139,374)	\$ 67,231
Adjustments to Reconcile Change in New Assets to Net Cash Provided By Operating Activities		
Depreciation and amortization	19,556	12,282
Loss on disposal of property and equipment	7,383	-
Increase (Decrease) in Operating Assets		
Grants and other receivable	(16,255)	23,896
Prepaid expenses	2,386	1,011
Right-of-use asset	750	8,790
Security deposits	(1,300)	-
Accounts payable	(1,526)	4,284
Accrued vacation	(8,050)	4,953
Refundable advances	(1,188)	16,865
Lease liabilities	(9,666)	(8,790)
<b>Net Cash Provided (Used in) Operating Activities</b>	<u>(147,284)</u>	<u>130,522</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from disposal of property and equipment	1,000	-
<b>Net Cash Provided By Investing Activities</b>	<u>1,000</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash and Restricted Cash</b>	<u>(146,284)</u>	<u>130,522</u>
<b>Cash at Beginning of Year</b>	<u>225,873</u>	<u>95,351</u>
<b>Cash at Ending of Year</b>	<u>\$ 79,589</u>	<u>\$ 225,873</u>
<b>Supplementary Disclosures</b>		
Non-cash:		
Obtaining right-of-use asset in exchange for a lease liability	<u>\$ 57,876</u>	<u>\$ -</u>

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



# INLAND EMPIRE LATINO LAWYERS ASSOCIATION, INC.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2024

### 1. NATURE OF ACTIVITIES

Inland Empire Latino Lawyers Association, Inc. ("the Association") is a nonprofit corporation organized in California in 1978 for the promotion and preservation of the equality of the American legal system in rendering justice to all members of its Association. The Association is governed by a volunteer board of directors and is engaged in providing legal assistance in non-criminal proceedings to persons financially unable to afford legal assistance in the counties of Riverside and San Bernardino. The Association is principally funded through grants from the Legal Services Trust Fund Program of the State Bar of California ("LSTF").

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Basis of Accounting

The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Not-for-profit organizations are required to report information regarding financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association. These net assets may be used at the discretion of the Association's management and Board of Directors. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

**Net assets with donor restrictions:** 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 the Association or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

#### B. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect assets and liabilities at the reporting date and revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### C. Revenue and Revenue Recognition

An exchange transaction is a transaction in which the resource provider receives commensurate value in a transfer of resources. If commensurate value is not received by the resource provider the transaction is considered a contribution. Contributions are determined to be conditional when one or more barriers must be overcome for the recipient to be entitled to the transferred resources, and the resource provider has a right of return of the transferred resources.

Contributions are recognized in the period received and as assets, decreases of liabilities, or expenses depending on the form of benefit received, or if conditional, when the barriers are overcome. Unconditional contributions are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions restricted by the donor are reported as increases in net assets with donor restrictions.

# INLAND EMPIRE LATINO LAWYERS ASSOCIATION, INC.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2024

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### C. Revenue and Revenue Recognition (Continued)

When a restriction expires, net assets with donor restriction are reclassified to net assets without restrictions and reported in the statements of activities as net assets released from restrictions. When restrictions are satisfied in the same accounting period as the receipt of the contribution, the Association reports both revenue and the related expense in unrestricted net assets.

The Association receives grant revenues from the Legal Services Trust Fund Program of the State Bar of California ("LSTF"). All grant revenues received are expected to be disbursed during the calendar year grant period. Grants are considered contribution.

#### D. Fair Value Measurements

Generally accepted accounting principles provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level:

Level 1 inputs – quoted prices in active markets for identical assets

Level 2 inputs – quoted prices in active or inactive markets for the same or similar assets

Level 3 inputs – estimates using the best information available when there is little or no market

The Association is required to measure donated services and facilities at fair value. The technique used to measure those fair values is described in Note 4.

#### E. Cash, Cash Equivalents, and Restricted Cash

For purposes of the statement of financial position and the statement of cash flows, cash and cash equivalents consist of cash and other highly liquid resources, such as investments in certificates of deposit and money market funds, with an original maturity of three months or less when purchased. Amounts included in restricted cash represent those required to be set aside by a contractual agreement with a grantor for the payments related to specific programs.

#### F. Grants Receivable

Grants receivable consist of amounts due from governmental funding sources. Management considers these amounts to be fully collectible based on the historical information.

#### G. Functional Expenses

The costs of providing the various programs and other activities are summarized on a functional basis in the statements of activities. All expenses are allocated based on the payroll hours charged between programs and other services.

#### H. Income Taxes

The Association is exempt from federal and State income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) and Section 23701(d) of the California Tax Code. Consequently, the accompanying financial statements do not reflect any provision for income taxes. The Association uses the same accounting methods for tax and financial reporting.

# INLAND EMPIRE LATINO LAWYERS ASSOCIATION, INC.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2024

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### I. Property and Equipment

Property and equipment include fixtures, equipment, and leasehold improvements presented at cost or donated value. These assets are depreciated by the straight-line method over estimated useful lives ranging from five to seven years. The Association's policy is to capitalize property acquisitions in excess of \$1,000.

Construction in progress includes all capitalized costs for expenditures directly incurred to bring a capital asset to a useable condition. These capitalized costs will be recorded to property and equipment when the asset is operational. At that time the costs will be depreciated over the respective useful lives of the assets.

#### J. Right-of-use Asset

The right-of-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-of-use assets, which are from operating leases, are amortized on a straight-line basis over the life of the related lease and the amortization is reported as a part of lease expense.

#### K. Refundable Advances

Refundable advances consist of transferred resources that have not been recognized in the statements of activities because the conditions on which they depend have not yet been met. As of December 31, 2024, the refundable advances comprise \$13,968 in funds received from LSTF-Equal Access Fund and \$5,000 from the Morongo Grant.

### 3. SUMMARY OF FUNDING

Grant revenues for the year ended December 31, 2024 are as follows:

CIELO	\$	10,000
LSTF – Equal Access Fund		41,610
LSTF – IOLTA		<u>171,290</u>
Total	\$	<u>222,900</u>

### 4. NON-CASH CONTRIBUTIONS

Contributed legal services are recognized at an hourly rate of \$350 and consisted of approximately 454 contributed hours for the year ended December 31, 2024. A number of volunteer attorneys have contributed significant amounts of time to advance the Association's program objectives.

Contributed legal services are valued at a rate normally charged by the attorneys donating their services. These amounts are recognized as contributed legal services revenue and as the cost of professional services in the statements of activities. The fair values of contributed services are measured using quoted prices for similar services (Level 2 inputs).

# INLAND EMPIRE LATINO LAWYERS ASSOCIATION, INC.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2024

### 5. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Association receives substantial support from grants, including grants with grantor restrictions (donor restrictions) that require use for specific purposes. However, those specified purposes are for program expenses that will be incurred in the next year. Therefore, all restricted cash is available for future general expenditures in future periods.

The Association has the following financial assets available to meet cash needs for general expenditures, liabilities, and other obligations during the next year:

Financial assets at year end:	
Cash	\$ 79,589
Grants and other receivable	16,255
Total Financial Assets Available	<u>\$ 95,844</u>

The Association's liquidity management includes a policy to structure its financial assets to be available for general expenditures as they come due. General expenditures consist of the following:

Total Expenses	\$ 544,829
Less In-Kind Expenses (non-cash)	(159,012)
Total General Expenditures	<u>\$ 385,817</u>

The Association's general expenses are largely funded by annual grant awards. The Association adjusts its budget and operations each year according to expected funding from various sources and operates with a balanced budget. The Association anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

### 6. PROPERTY AND EQUIPMENT

The Association during the year relocated its offices and disposed property and equipment with net book value of approximately \$8,383, realizing a loss of \$7,383. Loss is included in statement of activities within management and expenses.

### 7. OPERATING LEASES

The Association entered into a 3-year lease agreement with commencement date July 2024, ending June 2027 for the new main facility, where operations are conducted. The previous lease agreement relating to the previous main facility, ended on September 2023 and then entered into a month to month arrangement up to June 2024. In November 2018, the Association entered into a sixty-three month lease agreement for a copier with monthly lease payments of \$375, ending in January 2024. In February 2024, the Association entered into a sixty-three month lease agreement for a copier with monthly lease payments of \$249, ending in May 2029. The following is a reconciliation of lease expense and other information under these agreements for the year ended December 31, 2024:

Operating lease expense	<u>\$ 11,001</u>
Cash flow: Interest	\$ 1,374
Cash flow: Principal	9,666
	<u>\$ 11,040</u>
Weighted-average remaining lease term	2.9 years
Weighted-average discount rate	4.52%

# INLAND EMPIRE LATINO LAWYERS ASSOCIATION, INC.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2024

### 7. OPERATING LEASES (Continued)

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liabilities as of December 31, 2024:

	Year Ending December 31,	
2025		\$ 18,588
2026		18,588
2027		10,788
2028		2,988
2029		1,245
		<u>52,197</u>
Less: Present value discount		<u>3,237</u>
Total Lease Liability		<u>\$ 48,960</u>

### 8. RISKS AND UNCERTAINTIES

#### A. Concentrations of Revenue Sources

The Association received approximately 53% of its total revenues for the year ended December 31, 2024, from LSTF. Excluding donated services, the Association received approximately 96% of its revenues for the year ended December 31, 2024 from LSTF.

#### B. Concentrations of Credit Risk

The Association maintains its cash balances in financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At various times there were balances in the bank that were over the FDIC limit. At December 31, 2024, the Association bank balances were fully covered by FDIC insurance. The Association has not experienced any loss in such accounts and believes it is not exposed to any significant credit risk on its cash balances.

### 9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 14, 2025, the date the financial statements were available to be issued. No events occurred through this date requiring disclosure.