



The State Bar *of California*

DATE: June 19, 2020

TO: Members, Eligibility and Budget Review Committee, Legal Services Trust Fund Commission

FROM: Doan Nguyen, Acting Program Manager
Erica Carroll, Senior Program Analyst

SUBJECT: 2021 IOLTA/EAF Application Process and Late Audited or Reviewed Financial Statements

EXECUTIVE SUMMARY

Interest on Lawyers' Trust Accounts (IOLTA) and Equal Access Fund (EAF) grants are awarded to approximately 100 qualified legal services projects (LSP) or support centers (SC) each year to support the provision of free civil legal aid in California to indigent persons. These grants must comply with criteria set forth in Business & Professions Code (B&P) sections 6210-6228, State Bar Rules, and Eligibility Guidelines for Legal Services Projects and Support Centers.

This year, the Office of Access & Inclusion (OA&I) received 106 applications for IOLTA/EAF funding for grant year 2021. There are 99 renewal applications and seven new applications for funding. Eighty-four applicants are seeking funding as LSP and 22 as SC. Recommendations made by the Eligibility and Budget Review Committee (Committee) will be approved by the Legal Services Trust Fund Commission (Commission).

The Committee will be expected to discuss the IOLTA/EAF application review process and the general eligibility requirements for LSPs and SCs. The Committee will also be asked to consider (1) the submission of late applications and (2) extension requests for late financial audits or financial reviews. Since 14 applicants were unable to provide a final audit by the application deadline, the Committee will need to determine whether modifications to the application review process and timeline are necessary.

BACKGROUND

IOLTA and EAF grants are awarded to approximately 100 LSPs and SCs each year. These

organizations provide free civil legal aid in California to indigent¹ persons, or legal training, technical assistance, and advocacy support to the organizations that directly serve indigent persons. Although IOLTA and EAF grants are separate sources of funding, there is one combined application for both IOLTA and EAF grants.

IOLTA funds are mainly generated from interest accrued on lawyers' trust accounts while EAF funds are included in the State's annual budget act, as part of the judicial branch budget. Business and Profession Code sections 6210-6228 (referred to here as the IOLTA statute), is the primary governing authority that defines how IOLTA funds are generated and distributed. The vast majority of EAF funds are also distributed using the IOLTA formula. IOLTA and EAF grants are both governed by the IOLTA statute, State Bar Rules, and Eligibility Guidelines for LSP and SC. Organizations may apply for IOLTA and EAF funding as either a LSP or SC.

LSPs must have a primary purpose to provide free civil legal aid to indigent individuals to be eligible for funding. LSPs may apply for funding in each county in which they provide these services. IOLTA and EAF grant amounts are based on an LSP's qualified expenditures (the amount spent on the delivery of free civil legal aid to eligible individuals) from the previous fiscal year in each county for which it is applying for funding. In addition, if an LSP's primary purpose is the delivery of these services through pro bono volunteers, it may apply for an additional pro bono allocation for those counties.

SCs must have a primary purpose to provide support services to LSPs and the broader legal aid community statewide to be eligible for funding. SCs apply for IOLTA and EAF grants on a statewide basis. The total amount of IOLTA and EAF funds available for distribution to SCs each year is determined by the IOLTA formula. That total amount available is then split equally amongst all eligible SCs.

Grant Year 2021 Application Process and Next Steps

OA&I received 106 applications for IOLTA/EAF funding for grant year 2021. There are 99 renewal applications and seven new applications for funding. Eighty-four applicants are seeking funding as LSPs and 22 as SCs. See Attachment A for list of IOLTA/EAF funding applicants for grant year 2021.

IOLTA/EAF funding applications were due on June 15, 2020 at 5 p.m.,² and staff is currently reviewing them. The purpose of the IOLTA and EAF application review is to determine if applicants 1) meet Primary Purpose; 2) have identified appropriate Qualified Expenditures; and 3) have adequate Quality Control. Staff completes an initial review of grant applications and presents recommendations to the Committee, which makes recommendations to the full Commission for a final determination.

¹ Per the IOLTA statute, indigent includes a person 1) whose income is not higher than 125 percent of the federal poverty threshold, or 2) eligible for Supplemental Security Income or free services under the Older Americans Act (seniors 60+) or Developmentally Disabled Assistance Act (B&P 6213(d)).

² Due to COVID-19 and the shelter-in-place orders throughout the State, the IOLTA/EAF due date was extended from May 15 to June 15, 2020.

The June 26 discussion will focus on the submission timeline. At the next Committee meeting on July 10, staff will identify additional eligibility issues for consideration, and we will be prepared to discuss the applications we have reviewed by that date. The Committee will identify applicants it wants to meet with during Eligibility Review Conferences that will be scheduled in late July and early August. Assuming there are no modifications to the current application review timeline, the Committee will present its recommendation to the Commission at its August 14 meeting. Once the Commission approves eligibility for 2021 grants, OA&I will run the IOLTA formula and release award allocations and budget applications on August 24. Budget applications are due September 24, and the Committee will reconvene on October 28 to discuss any substantive issues related to budget proposals. The Commission will reconvene on November 13 to approve award allocations.

DISCUSSION

After an initial review of applications, OA&I staff would like the Committee to consider the following two issues: (1) late submission of applications; and (2) late or incorrect submission of audited or reviewed financial statements.

A. Late Submission of IOLTA/EAF Application

State Bar Rule 3.680 requires applicants to submit “timely and complete” grant applications in the manner prescribed by the Commission. The IOLTA/EAF Grant Application Instructions allow the Commission discretion to accept late applications. By action of the Commission, the Committee has been delegated the authority to make the determination related to late applications.

IOLTA/EAF Grant Applications were due on June 15, 2020 at 5 p.m. The following three applicants submitted their applications late.

1. Inland Empire Latino Lawyers Association submitted on June 15 at 6:16 p.m.
2. Justice & Diversity Center of the Bar Association of San Francisco submitted on June 15 at 5:21 p.m.
3. Senior Citizens Legal Services submitted on June 15 at 5:29 p.m.

Staff Recommendation

Staff recommends approval of all late applications as eligible for review since they were submitted within hours of the 5 p.m. due date. Staff believes that programs may have experienced operational hardships due to the impact of Covid-19 and the shelter-in-place orders, and we encourage the Committee to be flexible. Staff notes, however, that this is the second year in a row that Senior Citizens Legal Services submitted an application past the submission deadline.

B. Late or Incorrect Submission of Required Audited or Reviewed Financial Statement

Business and Professions Code section 6222 and State Bar Rule 3.680(E)(1) require organizations applying for IOLTA grants to submit “an audited financial statement by an independent certified public accountant for the fiscal year that concluded during the prior calendar year” as part of a “timely and complete” application. Organizations with gross expenditures of less than \$500,000 may submit a financial review in lieu of an audit (State Bar Rule 3.80(E)(1)). This is necessary to confirm the organization’s qualified expenditures for the purposes of determining eligibility and ultimately the amount of any grant award. According to the Schedule of Charges and Deadlines, the audit or financial review is due “no later than May 1.” (Attachment B.)

Staff has discretion to grant an extension up to the application deadline, and the Commission has the authority to grant an extension to submit the audited or reviewed financial statement past the application deadline upon a showing of extraordinary circumstances.³ However, the audit or financial review must be submitted before staff calculates grant allocations.

1. Audit or Financial Review Extension Requests for 2021 IOLTA/EAF Applicants

Almost half of applicants have fiscal years that end between December 31 and March 31. Over the course of the first three months of 2020, COVID-19 began spreading widely in the United States, prompting state and local officials to impose strict shelter-in-place and social distancing requirements in an effort to minimize the spread of the virus. With offices closed and auditors unable to review organizations’ records, many applicants were unable to complete their audits or financial reviews on time. As a result, they could not comply with the May 1 submission deadline.

The audit or financial review is an important step in ensuring that each organization’s qualified expenditures are correctly reported, which is the basis for calculating grant awards. Incorrect qualified expenditures would not only impact the organization that reported them, but would affect other organizations providing services in the same county and their proportional share of the grant award.

Staff agreed to all extension requests up to the application deadline of June 15 and informed grantees that the Committee would have to approve any requests to submit an audit or financial review past that date (i.e. on or after June 16). Staff further told grantees that the Committee would likely be favorably disposed toward their extension requests due to circumstances that were outside of their control.

In the meantime, grantees were instructed to complete their applications based on the information in draft audits or their financial records. They were also asked to upload a written explanation of the delay in their audit in lieu of the audit itself. Those explanations are found in

³ As with late applications, by action of the Commission, the Committee has been delegated the authority to make the determination related to late audited or reviewed financial statements.

Attachment C. If the extension requests are granted by the Committee, grantees can submit their final audits once approved and update their applications, if necessary.⁴

Staff believed that having programs submit their applications with reasonable estimates of their expenditures until an approved audit or financial review was available would be the best compromise: It would allow the application review process to continue moving forward while ensuring all requirements are eventually met in order for an accurate final grant allocation to be determined.

Staff Recommendation Regarding Extension Requests

Every year, the Legal Services Trust Fund Commission recommends a grant distribution amount to the Board of Trustees, which the Board reviews and approves in July. Staff typically prepares grant allocations using the IOLTA formula in August. The form for submitting budget proposals is then released in September, and proposed budgets due back in October. Given the scale of the public health crisis in recent months, staff believes that the showing of extraordinary circumstances is clear for all applicants that have requested extensions. Staff recommends granting extensions for submission of the final audit or financial review to all programs listed in Attachment C. Though most organizations already anticipate submitting completed audits or financial reviews prior to August 1, staff recommends that August 1 be set as the deadline for submission to allow staff sufficient time to prepare grant allocations.

2. Incorrect Financial Review Submitted

State Bar Rule 3.680(E)(1) allows organizations with less than \$500,000 of gross corporate expenditures to submit a financial review in lieu of an audit. Business and Professions Code section 6222 specifies that an audit must be performed by a Certified Public Accountant (CPA). As for the financial review, the statute states only notes that the State Bar must approve it. However, Eligibility Guidelines for LSP 2.7.1 requires financial reviews to be conducted by an “independent certified public accountant.”⁵

A financial review, though less rigorous than an audit, is an important step in ensuring that each organization’s qualified expenditures are correctly reported. Staff have provided consistent guidance that applicants must submit a financial review conducted by an independent CPA.⁶

⁴ In theory, as long as programs have adequate tracking and reporting systems in place, there should be no need to update the application after completion of the audit; the audit should simply confirm the information that was already provided.

⁵ Through the codification process, staff recommended explicitly stating in State Bar Rule 3.680(E)(1) that an independent certified public accountant must conduct financial reviews. The Legal Aid Association of California, which represents the legal aid community in the codification process, indicated in its feedback to the State Bar no significant community opposition to this revision. The Rules Committee approved the proposed revision to the rule at its meeting on March 6, 2020. The Legal Services Trust Fund Commission and Board of Trustees must approve the recommendation for it to take effect.

⁶ In the past, law school applicants have submitted financial reviews that were not conducted by CPAs. Since law school clinics are not stand alone nonprofit entities and are typically part of a University, the Commission has been more flexible in allowing law school programs the ability to submit an audited or reviewed schedule of the law

Community Lawyers, Inc., a new applicant for 2021 IOLTA and EAF funding, submitted a document titled “Financial Review for 2019 & 2020” found in Attachment D. After an initial assessment, it does not appear to staff that the document submitted is a financial review completed by a CPA. Typically, a report from a CPA clearly identifies the period being audited or reviewed, includes only one prior year, and does not include partial periods. Staff sent an email to Community Lawyers, Inc. on June 18 requesting the organization to clarify if the submitted document was completed by a CPA and/or if it intends to submit a final financial review at a later date.

Community Lawyers, Inc. was a first-time applicant in the 2020 grant cycle. The organization was found ineligible last year because it failed to meet the primary purpose requirement, and the organization did not submit the required audited or reviewed financial statement with its 2020 application.

Staff Recommendation

If the organization requests an extension to provide the correct financial review, staff recommends that the Committee grant an extension for the reasons stated in the prior section of this memo. Staff will provide an oral update and additional recommendation on this issue at the June 26 meeting.

ATTACHMENTS LIST

- A.** IOLTA/EAF Applicants for Grant Year 2021
- B.** Excerpts from Governing Authorities: Business and Professions Code section 6222, State Bar Rule, Schedule of Charges and Deadlines (regarding Rule 3.680(E)(1)), Guidelines 2.7. and 2.7.1. of the Legal Services Trust Fund Program Eligibility Guidelines for Legal Services Projects
- C.** 2021 IOLTA/EAF Applicant Explanations for Audit Extension Requests
- D.** Community Lawyers, Inc. Financial Review for 2019 & 2020

school program in addition to the University’s audit. These challenges will be explored and addressed through the codification process.

2021 IOLTA & EAF Applicants		
Legal Services Projects	Note	Apply for Pro Bono
Advancing Justice - Asian Law Caucus		
Affordable Housing Advocates		
Aids Legal Referral Panel		
Alameda County Homeless Action Center		
Alliance for Children's Rights		Yes
Asian Americans Advancing Justice- - Los Angeles		
Asian Pacific Islander Legal Outreach		
Bay Area Legal Aid		
Bet Tzedek Legal Services		Yes
California Indian Legal Services		
California Rural Legal Assistance, Inc.		
Casa Cornelia Law Center		Yes
Central California Legal Services		
Centro Legal de la Raza		
Chapman University Family Protection Clinic		
Community Lawyers Inc.	NEW	Yes
Community Legal Aid SoCal		
Community Legal Services in East Palo Alto		Yes
Contra Costa Senior Legal Services		
Dependency Advocacy Center		
Disability Rights California		
Disability Rights Legal Center		Yes
East Bay Community Law Center		
East Bay Family Defenders	NEW	
Elder Law & Advocacy		
Eviction Defense Collaborative		
Family Legal Assistance at CHOC Children's		
Family Violence Law Center		
Greater Bakersfield Legal Assistance		
Harriett Buhai Center for Family Law		Yes
HEART L.A.		
Housing and Economic Rights Advocates		
Housing Rights Center	NEW	
Inland Counties Legal Services		
Inland Empire Latino Lawyers Association, Inc.		Yes
Inner City Law Center		
Justice & Diversity Center of the Bar Association of San Francisco		Yes
Kids in Need of Defense	NEW	
La Raza Centro Legal		
LACBA Counsel for Justice		Yes
Law Foundation of Silicon Valley		
Lawyers' Committee for Civil Rights		Yes

Learning Rights Law Center		
Legal Access Alameda		Yes
Legal Aid at Work		
Legal Aid Foundation of Los Angeles		
Legal Aid Foundation of Santa Barbara County		
Legal Aid of Marin		Yes
Legal Aid of Sonoma County		Yes
Legal Aid Society of San Bernardino		Yes
Legal Aid Society of San Diego		
Legal Aid Society of San Mateo County		
Legal Assistance for Seniors		
Legal Assistance to the Elderly		
Legal Services for Children		
Legal Services for Seniors		
Legal Services of Northern California		
Los Angeles Center for Law and Justice		
McGeorge Community Legal Services		
Mental Health Advocacy Services		
Neighborhood Legal Services		
Prison Law Office		
Public Advocates Inc.		
Public Counsel		Yes
Public Law Center		Yes
Riverside Legal Aid		Yes
San Diego Volunteer Lawyer Program		Yes
San Joaquin College of Law		
San Luis Obispo Legal Assistance Foundation		
Santa Clara County Asian Law Alliance		
Santa Clara University Alexander Law Center		
Senior Adults Legal Assistance		
Senior Advocacy Network		
Senior Citizens Legal Services		
Social Justice Collaborative	NEW	
UC Davis School of Law Legal Clinics		
UnCommon Law	NEW	
USC Gould School of Law Immigration Clinic	NEW	
USD School of Law Legal Clinics		
Veterans Legal Institute		Yes
Voluntary Legal Services Program of Northern California		Yes
Wage Justice Center		
Watsonville Law Center		
Yuba-Sutter Legal Center for Seniors		

Support Centers	Note
California Advocates for Nursing Home Reform	
California Rural Legal Assistance Foundation	
California Women's Law Center	
Center for Gender and Refugee Studies - California	
Center for Human Rights and Constitutional Law	
Child Care Law Center	
Coalition of California Welfare Rights Organizations	
Disability Rights Education and Defense Fund	
Family Violence Appellate Project	Deeming
Immigrant Legal Resource Center	
Impact Fund	Deeming
Justice in Aging	
Legal Services for Prisoners with Children	Deeming
National Center for Youth Law	
National Health Law Program	
National Housing Law Project	
National Immigration Law Center	Deeming
OneJustice	
Public Interest Law Project	
Western Center on Law and Poverty	
Worksafe, Inc.	
Youth Law Center	

**Attachment B: Text of Governing Authorities: Business and Professions Code
section 6222, State Bar Rule 3.680, Schedule of Charges and Deadlines
(regarding Rule 3.680(E)(1))**

California Business and Professions Code section 6222

A recipient of funds allocated pursuant to this article annually shall submit a financial statement to the State Bar, including an audit of the funds by a certified public accountant or a fiscal review approved by the State Bar, a report demonstrating the programs on which they were expended, a report on the recipient's compliance with the requirements of Section 6217 , and progress in meeting the service expansion requirements of Section 6221 .

The Board of Trustees of the State Bar shall include a report of receipts of funds under this article, expenditures for administrative costs, and disbursements of the funds, on a county-by-county basis, in the annual report of State Bar receipts and expenditures required pursuant to Section 6145 .

State Bar Rule 3.680: Application for Trust Fund Program grants

To be considered for a Trust Fund Program grant, a qualified legal services project or qualified support center seeking a Trust Fund Program grant must submit a timely and complete application for funding in the manner prescribed by the Commission. The applicant must agree to use any grant in accordance with grant terms and legal requirements.

- (A) A qualified legal services project must meet statutory criteria.
- (B) A qualified support center must agree to offer support services in two or more of the following ways: consultation, representation, information services, and training. The board of directors of the support center must establish priorities for providing such services after consulting with legal services attorneys and other relevant stakeholders.
- (C) A support center not in existence prior to December 31, 1980 must demonstrate that it is deemed to be of special need by a majority of qualified legal services projects in accordance with Trust Fund Program procedures. Upon request, the Commission must make available to the applicant a list of all the names and addresses of qualified legal services projects.
- (D) A nonprofit corporation that believes it meets the criteria for a qualified legal services project and qualified support center may submit two applications, one as a project and one as a support center, indicating in each application whether it is to be considered the primary or secondary application. The Commission will consider the secondary

application only if the primary application is not approved. No applicant may receive a grant as a qualified legal services project and as a qualified support center.

- (E) 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. A financial review in lieu of an audited financial statement may be submitted by an applicant whose gross corporate expenditures were less than the amount specified in the Schedule of Charges and Deadlines; 10 Business & Professions Code § 6223. 5
 - (2) information about the maintenance of quality service and professional standards and how the applicant maintains standards, such as internal quality control and review procedures; experience and educational requirements of attorneys and paralegals; supervisory structure, procedures, and responsibilities; job descriptions and current salaries for all filled and unfilled professional and management positions; and fiscal controls and procedures.
 - (3) a budget and budget narrative, which must be submitted within thirty days of receipt of a notice of tentative allocation, explaining how funds will be used to provide civil legal services to indigent persons, especially underserved client groups such as, the elderly, the disabled, juveniles, and non-English-speaking persons within the applicant's service area; and
 - (4) information about program activities, such as substantive practice areas, extent and complexity of services, a summary of litigation, and populations served.

RULES OF THE STATE BAR OF CALIFORNIA

APPENDIX A: SCHEDULE OF CHARGES AND DEADLINES FOR 2020

<i>Rule</i>	<i>Description</i>	<i>Amount</i>	<i>Deadline</i>
3.680(E)(1)	Threshold amount of gross corporate expenditures requiring submission of an audited financial statement. Deadline for applicant to submit an audited or reviewed financial	\$500,000	Not applicable Promptly when available, and no later than May 1. Upon written request, an extension up to the

	statement for the fiscal year that concluded during the prior calendar year.		application deadline may be granted by the State Bar staff. Upon a showing of extraordinary circumstances, the Commission may grant an extension beyond the application deadline. Under no circumstances shall such extension be granted beyond the date upon which grant allocations are determined.
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Guidelines 2.7. and 2.7.1. of the Legal Services Trust Fund Program Eligibility Guidelines for Legal Services Projects

2.7. The application must include a financial statement that includes the total expenditures of the applicant. The financial statement must meet the requirements of Guideline 2.7.1 below.

2.7.1. The statement must show expenditures for the completed fiscal year ended most recently before the application deadline, and must be audited or reviewed by an independent certified public accountant. A financial review, in lieu of an audited financial statement, may be submitted by an applicant whose gross corporate expenditures were less than the amount specified in the Schedule of Charges and Deadlines. Applicants must submit a financial statement no later than 90 days after the end of their fiscal year. The required financial statement must be received prior to the disbursement of any funds from the Legal Services Trust Fund Program.

Commentary:

Independent CPA-audited or reviewed statements are required of organizations with gross expenditures of less than \$500,000. Organizations with gross expenditures in excess of \$500,000 must submit audited statements. If such a statement is unavailable at the time of the application, you may substitute an approximated financial statement, but you must submit an audited or reviewed statement no more than 90 days after the end of their fiscal year. [B&P Code §6222; Rule 3.680(E)(1); Schedule of Charges and Deadlines]

Audit Extension Requests	
Organization	Anticipated Submission Date (By/Before)
Asian American Advancing Justice - Los Angeles	7/1/2020 (or after)
Asian Pacific Islander Legal Outreach	7/15/2020
Bay Area Legal Aid	7/6/2020 (or after)
Center for Human Rights & Constitutional Law Foundation	TBD
Community Legal Aid SoCal	7/31/2020
Family Legal Assistance at CHOC Children's	8/1/2020 (or before)
Inland Counties Legal Services	7/30/2020
Justice & Diversity Center of the Bar Association of San Francisco	7/31/2020
Legal Aid Society of San Bernardino	8/1/2020
Legal Services of Northern California	6/19/2020
Neighborhood Legal Services	7/31/2020
Senior Citizens Legal Services	6/30/2020
Voluntary Legal Services Program of Northern California	6/19/2020
Wage Justice Center	7/1/2020



June 10, 2020

Office of Access & Inclusion
The State Bar of California
180 Howard St.
San Francisco, CA 94105

RE: Request for Financial Audit Extension for 2021 State Bar Legal Services Trust Fund
IOLTA/EAF Application

To Whom It May Concern:

Asian Americans Advancing Justice - Los Angeles (Advancing Justice-LA) would like to request an audit extension. In addition to COVID-19, we have experienced significant staff transitions in our Finance department in the past year and hired a new auditing firm to conduct our 2019 financial audit that have delayed our audit process. We expect our audit to be finalized by early July 2020.

Please contact myself or Janet Guan, Director of Grants Management, at (213) 977-7500 if you have any questions regarding this request.

Sincerely,

Anthony Roh
Interim Co-Executive Director

ASIAN PACIFIC ISLANDER LEGAL OUTREACH

June 11, 2020

Asian Pacific Islander Legal Outreach anticipates that its financial audit will be available July 15, 2020. The reason our agency is unable to submit its financial audit at this time is because COVID-19 has resulted in a large increase in workload for our finance team. The majority of our funders have required budget modifications and accompanying request paperwork to accommodate COVID-19 related expenses.



BAY AREA LEGAL AID

WORKING TOGETHER FOR JUSTICE

GENEVIEVE RICHARDSON
EXECUTIVE DIRECTOR

BAY AREA LEGAL AID 2019 AUDIT DELAYED DUE TO COVID-19

As of June 15, 2020, BayLegal has completed the financial portion of its annual audit for calendar 2019, and these numbers are reflected in sections VI, VII, and VIII of the 2021 application for IOLTA and EAF support. Due to the Covid-19 pandemic and shelter-in-place precautions, however, the LSC-required case file review has been delayed, since auditors are currently unable to access hard-copy files housed at the firm's six branch offices. A limited re-opening of BayLegal offices for essential tasks is anticipated to begin July 6, and we will forward to OAI the final report from auditors once it is complete.

BayLegal's activities are regulated under federal law by the Legal Services Corporation Act of 1974, as amended, and related regulations, guaranteeing that no funding will be used for any prohibited purpose.

Serving the counties of Alameda ♦ Contra Costa ♦ Marin ♦ Napa ♦ San Francisco ♦ San Mateo ♦ Santa Clara
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Audit Explanation

Due to the time and attention demanded of our financial staff by our COVID-19 response, CLA SoCal was unable to complete our audit by June 15. We anticipate our FY2020 audit (February 2019 – January 2020) **will be provided to the State Bar by July 2020.**



Family Legal Assistance at CHOC Children's

June 15, 2020

This letter is written to explain why we have not attached a financial review to our application.

Due to COVID-19, many standard operational processes have been delayed. Because our program exclusively serves patients of CHOC and works on a hospital campus, we have been deeply impacted by the strain on the health care industry in response to COVID-19. The primary focus has been on making appropriate adjustments for patient care. For Sheniece, that has meant attending to her primary role as a hospital executive and responding to hospital operational needs. For Amanda, that has meant participating in the reduced work time program where employees were asked to take time off to reduce labor costs.

Reasonable estimates have been provided based on financials as entered so far. But these financials still need to be reconciled and reviewed by our CPA.

Thank you for understanding and reviewing our application.

Sheniece Smith, Esq.

President

ICLS | INLAND COUNTIES LEGAL SERVICES, INC.

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May 13, 2020

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Legal Services Corporation
3333 K St NW
Washington DC 20007

Submitted via e-mail: audits@oig.lsc.gov

California State Bar
Office on Access and Inclusion
180 Howard Street
San Francisco, CA 94105

Submitted via e-mail: trustfundprogram@calbar.ca.gov
Doan.Nguyen@calbar.ca.gov

**RE: Request for Extension to July 30, 2020 to Submit FY 2019 Audit
Inland Counties Legal Services, Inc. LSC Grantee #805230**

Dear Gentlepersons,

Inland Counties Legal Services (ICLS) is in the process of completing our 2019 audit. While substantial progress has been made towards completion of the audit, significant work remains to be completed. Numerous substantial challenges posed by the COVID-19 pandemic have prevented ICLS, and its auditors, from completing the audit timely. Consequently, ICLS is requesting an extension until July 30, 2020 to submit its completed audit.

As this request is being prepared the Office of Inspector General (OIG) has unilaterally extended the deadline to submit the completed audit to May 29, 2020. This request for an extension is being submitted two weeks prior to that deadline in conformance with OIG's guidance to auditors and grantees. Similarly, the State Bar of California has indicated that submission of the completed audit could be included with the 2021 application for funding due on June 15, 2020.

The factual reasons supporting this request are numerous:

CHALLENGES POSED BY INABILITY TO PHYSICALLY REVIEW FILES

Effective March 19, 2020 all ICLS offices were physically closed and all staff began working remotely from home in conformance with the California Governors mandated "work from home" policy. ICLS auditors were notified on March 18 that face to face contact and the physical of review of files would not be possible. This put ICLS, and its auditors, in the position of having to complete the audit remotely.

CHALLENGES POSED BY REMOTE WORK AND RECENT TRANSITION TO NEW CASE MANAGEMENT SYSTEM

ICLS very proudly completed transition from the KEMPs case management system to the cloud based Legal Server case management system (CMS) in 2019. This was going to be our first audit with the new CMS. It was anticipated that this audit season would be a little tougher than usual given the "simple fact" of the transition. It was understood that there would be

significant need for a lot of face to face meetings between staff and auditors as both got used to working with each other in the context of the new system and moving towards electronic file reviews. All of this has been substantially delayed due to the work from home mandate.

CHALLENGES POSED BY REMOTE WORK AND NEW COMMUNICATION PLATFORM MICROSOFT 365 AND TEAMS

To facilitate ICLS' efforts to continue working towards completion of the audit, as well as continuing program operations, ICLS has had to incorporate a new language into daily program operations. While Microsoft 365, and specifically TEAMS, has been a lifesaver, nonetheless significant time and resources to get ICLS staff equipped and trained to function in this new environment. This effort to establish basic effective communications program wide has caused significant delays to all program operations, including completion of the audit.

CHALLENGES POSED BY INVESTIGATION OF SUBGRANTEE

One of the necessary steps that ICLS must satisfy in order to complete its audit is to obtain a completed audit from each of its subgrantees. As both offices to whom this letter is addressed are aware, a former ICLS subgrantee, Legal Aid Society of San Bernardino, is currently under investigation by each of your offices. Despite this, it is ICLS's understanding that LASSB is in the process of completing its audit. As of this date ICLS has not yet received an audit from LASSB. Until that audit is received, ICLS will not be in a position to complete its audit.

CHALLENGES POSED BY CHALLENGES TO THE AUDITORS

ICLS has enjoyed the benefits of a very positive relationship with the auditing firm presently known as SingerLewak. My comments here are in no way intended to cast SingerLewak in a negative light; they are facing the same tough challenges that we are all facing in this environment. SingerLewak has recently gone through a period of corporate downsizing. Three of their impacted employees included ICLS's lead auditor and two of her team members. The challenges identified above, remote file access and establishing effective communications, are only exacerbated by having the auditing personnel most familiar with the ICLS operation no longer involved in the process. The current lead auditor/partner, Chadrick Halliday, has specifically indicated to me that he would be happy to speak to either of your offices about this request. Mr. Halliday can be reached at (951) 462-2687. A copy of this letter is being provided to him. In an effort to meet the challenges posed by the coronavirus pandemic ICLS has inquired as to the possibility of rehiring these specific auditors. SingerLewak has explored this possibility and determined that it is not possible.

SUBSTANTIAL PROGRESS IS BEING MADE

Despite these challenges, ICLS has provided all of the necessary fiscal documents to the auditors and has been responding to auditors' questions regarding the fiscal review. All additionally requested fiscal documents have been provided electronically.

With respect to the program side of the audit, ICLS is setting up its case management system to allow the auditors remote electronic access to the cases that need to be reviewed for the compliance portion of the audit. To convey some idea of the complexity of this one task my CMS manager has provided me with the following description:

“This involves the creation of a series of custom user profiles created in the ICLS LegalServer Case Management System (CMS) for use by auditors during their review of selected cases. These user profiles differ substantially from the program's standard staff user profiles in that they contain a minimal amount of information about the user and are assigned a user role that includes a far narrower scope of

permissions. The newly created user role that will be assigned to the auditing user is called “Auditor – Based on Pro Bono Restriction”. (Pro bono user permissions are the most restrictive settings available in the CMS and allow access to only cases that have been assigned specifically to the user.) All other features of the CMS, such as timekeeping, grant management, and calendaring, will be inaccessible to the auditor user. Additionally, the auditor’s user role is assigned to open by default an alternate case profile view that provides strictly read-only fields and an expanded profile setup that is designed to include information generally found outside the case profile (case closing and litigation information).”

I want to emphasize to each of you that ICLS is well aware of its obligation to responsibly manage the grants and monies that have been entrusted to us. I want to further emphasize that ICLS is making every best effort to satisfy its obligations. ICLS does not undertake this request lightly, however given all of the above circumstances, ICLS is making this request for an extension of time to July 30, 2020 to submit its completed audit.

Thank you for your consideration.

Sincerely,

Darrell K. Moore, Executive Director *approved remotely by D Moore*

c: ICLS Board of Directors

Elaine S. Rosen, Esq., President; Erica Alfaro, Esq., Vice President (*Interim*); Bob Garcia, Secretary; Christian Perez, Treasurer (*Interim*); Goushia Farook, Esq.; Andrew R. Morand, Esq.; Steven R. Weber, Esq.; David Colella, Esq.; Julie D. Neal, Esq.; Mark I. Richards, Esq.; Stephanie Plascencia, Marvin Powell Jr.; Daniel Aguilar
Chadrick Halliday, Director, Assurance & Advisory; SingerLewak

Coronavirus Restrictions: Due to the coronavirus outbreak, Inland Counties Legal Services has taken precautions to keep our staff and clients safe. We have temporarily limited the use of our offices and maintain constant communication remotely. We continue to serve our communities with their safety in mind. Please be advised that our offices are not accepting walk-ins or in-person appointments. If you need assistance please call our intake line: (888)245-4257, senior hotline: (800)977-4257 or apply online: inlandlegal.org/apply. Thank you for your continued support.

June 15, 2020

State Bar of California
Interest on Lawyer Trust Accounts (IOLTA)
Equal Access Fund (EAF)

RE: Audit Extension Request

Dear IOLTA Application Review Committee,

Please accept this letter as an official request for an extension to the Audit submission deadline for the Justice & Diversity Center of the Bar Association of San Francisco's IOLTA/EAF application for 2021 funding.

Due to the ongoing COVID-19 pandemic and resulting disruptions to society and office operations, our independent auditors were unable to complete their audit of our 2019 financial records by today's deadline. However, we are assured that the audit process will be complete and finalized by July 15, 2020. At that time, we will submit the final Audit Report to the State Bar of California for review and comparison to this IOLTA/EAF 2021 application.

The financial information included in this application represents our Finance team's best reasonable estimates. We understand that these numbers are not confirmed by independent auditors, and if the audit process should return figures that differ from the ones included in this application, we will adjust the application in accordance with the audit findings.

Sincerely,

Yolanda Jackson, Executive Director
Justice & Diversity Center of the Bar Association of San Francisco

June 3, 2020

The State Bar of California
180 Howard Street
San Francisco, Ca 94105-1617

Attention Doan Nguyen, Program Supervisor
Office of Access & Inclusion
doan.nguyen@calbar.ca.gov

Subject: Legal Aid Society of San Bernardino (LASSB)

Dear Ms. Nguyen,

This letter is sent at the request of the LASSB President of the Board of Directors as well as the Interim Executive Director.

Eadie and Payne, LLP was hired as the independent auditors to issue an opinion on the financial statements for December 31, 2019. The client has made us aware that the application for 2021 calendar year is due on June 15, 2020 and is based on the December 31, 2019 financial statements.

Under normal circumstances getting the statements to you by the 15th would not be an issue. Unfortunately, there are numerous challenges facing LASSB board and management that will delay the issuance of our opinion until August 1st. We are encouraged that significant progress is being made in a number of areas:

- Restoring the agency's commitment to appropriate use of volunteer services. The board has worked diligently to accomplish this goal;
- Significant financial investment of various stakeholders to assist in the financial budget shortfall;
- The agency has accepted and successfully managed resignations from key individuals and the board is investing hundreds of hours in LASSB;
- Deborah Davis (Interim Executive Director) has been working closely with the board, independent legal counsel, your agency, as well as ourselves.

In summary, we respectfully ask that LASSB be given until August 1st to submit the audited financial statement. As we are all aware, this delay is further caused by COVID-19 restriction in accessing material supplied by other outside sources, vendors, and stakeholders. Thank you for your consideration of this critical matter.



Donald N. Ecker
Chairman

cc: Michael Scafiddi, Esq.
Deborah Davis, Interim Executive Director



EADIE + PAYNE

*Celebrating a Century
of Quality Service*

Eadie + Payne, LLP

3880 Lemon St., Ste. 300
Riverside, CA 92501

P.O. Box 1529
Riverside, CA 92502-1529

Office: 951-241-7800

www.eadiepaynellp.com



June 15, 2020

Dear Legal Services Trust Fund:

Due to COVID-19 safer at home order, NLSLA will need additional time to complete its 2019 audited financial statements and compliance audit. NLSLA anticipates completing the audit and making it available to grants by July 31, 2020. Although the audit is not yet complete, NLSLA does not anticipate any significant variances or changes to our reported 2019 numbers other than donated services which is still being compiled.

Thank you,

Lynne Hiortdahl

Lynne Hiortdahl
Chief Financial Officer



Sharon Hulett <shulett@lsnc.net>

Audits

4 messages

Sharon Hulett <shulett@lsnc.net>

Mon, May 18, 2020 at 3:44 PM

To: Trust Fund Program <trustfundprogram@calbar.ca.gov>

It is my understanding that the audits for the organization's fiscal year ending in 2019 are to be submitted with the 2021 IOLTA and EAF application, due on June 15, 2020.

I am writing to ask for a four day extension to this deadline.

During the transition to a work from home environment, Legal Services of Northern California (LSNC) and Voluntary Legal Services Program of Northern California (VLSP) encountered additional challenges in getting the audit completed. Both organizations were in the middle of the audit process during this transition period. The financial data, including the MIP accounting software, for LSNC and VLSP is stored in the cloud with a company called Community Brands. On March 24, 2020, Community Brands experienced a security breach and we lost all access to our accounting information. We did not have access to any information for more than three weeks. The audit was put on hold during this time. After we were told our data was secure and not compromised we resumed the audit. As of today, I am still waiting for a draft copy from our auditors, the Harrington Group. I should have the drafts by the end of this week. The audits will then be presented to the Board of Directors at the LSNC's and VLSP regularly scheduled, June 17th, board meeting. After the audits are approved I can forward the final version to the State Bar.

I can use the draft audit for working on the application and upload the draft onto SmartSimple in order to meet the June 15, 2020, application deadline. I just cannot upload an final version of the audit until it is approved.

Thank you for your consideration of this request.

Best Regards,

Sharon

--

Sharon Hulett
Director of Finance

THE WAGE JUSTICE CENTER

ATTACHMENT C

*A California Nonprofit Organization
Dedicated to Enforcing the Basic Rights of California's Workers*

3250 WILSHIRE BOULEVARD • SUITE 1010 • LOS ANGELES • CALIFORNIA • 90010
TELE: (213) 273-8400 • FAX: (213) 785-1708 • WEB: WWW.WAGEJUSTICE.ORG

June 15, 2020

Re: REQUEST EXTENSION FOR FY 2019 AUDIT

Dear Daniel Passamaneck,

The Wage Justice Center hereby submits a request for an extension to submit its FY 2019 (January-December) Audit. Attached please find a draft of our audit report, final audit report should be completed no later than July 1st 2020. We do not anticipate a substantial change in our financial position from attached draft version of the audit to the final version, but we are nonetheless aware of the potential impact any changes will have on our IOLTA/EAF allocations.

All of us at the Wage Justice Center remain grateful for the flexibility and accommodations of the California Bar Association! Thank you for your past investment in our mission to bring economic justice to low-wage workers whose wages have been stolen. Your generosity to the Wage Justice Center has improved local economies by returning wages to the low-wage workers who earned them.

If you have any questions, please contact me at 213-471-2070 or tania@wagejustice.org.

Best Regards,



Tania Millan
Director of Finance and Administration
Wage Justice Center

Community Lawyers, Inc. (Financial Review for 2019 & 2020)

Financial Executive Summary

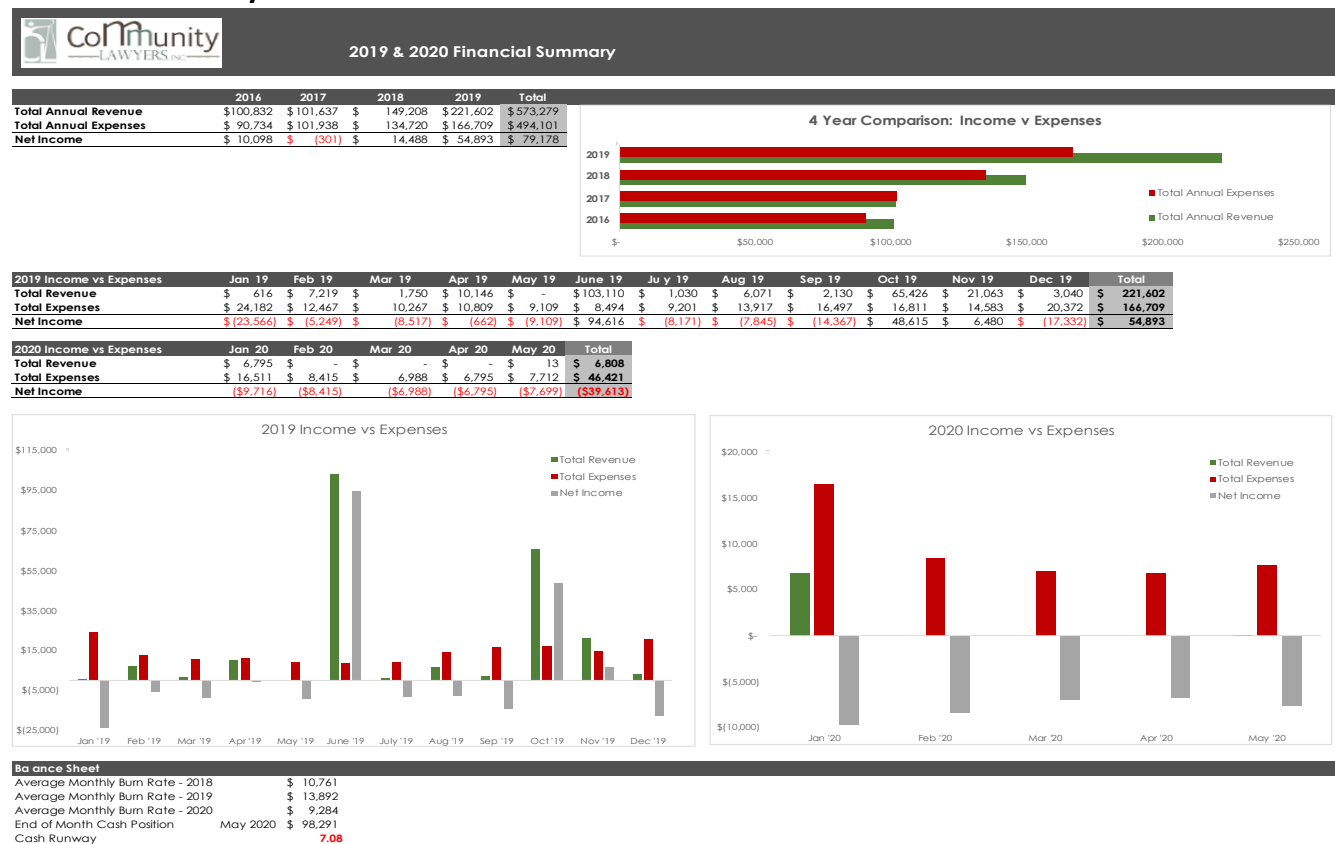
Community Lawyers, Incorporated (CLI) financial structure, data, and taxes have been reviewed to ensure financial data and statements are clean, accurate and fully compliant. CLI's financial data for 2019 through May 2020 is fully reconciled in accordance with Financial Accounting Standards Board (FASB) non-profit accounting standards and Generally Accepted Accounting Principles (GAAP) standards.

All financials for 2019 through May 2020 have been analyzed and reviewed to separate restricted versus unrestricted funds. Due to the fact that all current CLI funding is unrestricted, financial statements do not need to be separated out. Moving forward, CLI is fully prepared to classify all revenue and expenses based on the existence or absence of donor-imposed restrictions.

During the past 4 years CLI has managed to increase revenue annually. From 2016 to 2019, CLI's revenues totaled \$573.3k. In 2019 CLI brought in a total of \$221.6k in income. With a strong cash position of \$98k, CLI has sufficient funds to operate for a healthy 7 months.

Financial statements referred to above present fairly, in all material respects, the financial position of Community Lawyers, Incorporated as of May 31, 2020 and the results of its operations and its cash flows ended in conformity with the accounting principles generally accepted in the United States.

Financial Summary



Record Revenue

During the past 4 years CLI has managed to increase income annually. From 2016 to 2019, CLI's revenue totaled \$573.3k. In 2019 CLI brought in a total of \$221.6k in income. That represents a 49% increase in revenue from 2018. Almost half of CLI's 2019 income came in during June 2019. CLI ended 2019 with \$166.7k in expenses, which resulted in net income of \$54,893. That represent the highest net income in 4 years.

During the first 6 months of 2019, CLI already exceeded \$100k in revenues, which represents 80% of all of 2018 total revenues. In June 2019, CLI had its largest revenue month of the past few years at \$103k.

For 2020, CLI has applied for a total of \$107,500 in additional grant funding. The applications are currently under review.

Expenses

Expenses in 2019 averaged \$14k monthly. Monthly 2020 expenses are averaging \$9k. January 2019 saw the largest expense total during the past 18 months.

With an average monthly burn rate for 2020 at \$9,284 and a strong cash position of \$98k, CLI has sufficient funds to operate for a healthy 7 months.

Financial Structure

To improve CLIs financial clarity, 2018 and 2019 financials were migrated to QuickBooks. The migration was made to improve financial clarity, enhance analysis, and better fund tracking. CLI continues to improve processes and use of QuickBooks to ensure compliance and accuracy.

CLI financials are up to date and are fully reconciled for 2019 and from January 1, 2020 to May 31, 2020.

To achieve full reconciliation a bank reconciliation was completed by matching the balances in CLI's accounting records for cash accounts to the corresponding information in bank statements. The goal was to ascertain the differences between the two, and to book changes to the accounting records as appropriate.

CLI's chart of accounts have been updated in order to be aligned with tax form 990 and common non-profit chart of accounts. The new chart structure better suits the organization's financial model and structure. Chart of accounts are now numbered for improved tracking and reconciliation and have been grouped into functional expense categories.

Tax Filing

The 2018 990 EZ filing represents the last tax filing for the organization. Utilizing this analysis, CLI will commence its filling of 2019 taxes.

Due to the fact that CLI utilized a 990 EZ form to file its 2018 taxes, the organization was not required to break out financial data as restricted versus unrestricted. Due to the fact that all current CLI funding is unrestricted, financial statements do not need to be broken out as restricted versus unrestricted.

Moving forward, CLI is fully prepared to classify all revenues and expenses based on the existence or absence of donor-imposed restrictions.

Continued Improvements and Recommendations for Financial Operations

Listed below are several process improvements that have been implemented to continue to improve CLI's financial well-being, as well as additional recommendations:

1. Grants & Contracts Management

Provider	Type of Funding	Purpose	PI # & Project Name	Grant Date	Total Amount (Pledged)	Grant Duration	2018 Received Amount	2019 Received Amount	2020 Amount To Be Received
ADAMMA Foundation	Grant	General Operation Expenses		Jun-19	\$ 10,000	Jun-19	\$ 5,000	\$ 10,000	
CAL EITC 4 ME (Golden State opportunity Foundation)	Grant	Community Outreach and Education Programs at PRCWC	CAL EITC Outreach	2018	\$ 20,000		\$ 20,000		
California Community Foundation	Grant	Support organizational capacity through intensive and strategic financial planning	BA-19-1585288	Jul-19	\$ 75,000	07/01/19-06/30/21	\$ 18,065	\$ 75,000	
Naleo Foundation	MOU	Establish a collaboration solely to promote and provide naturalization application assistance services			\$ 19,938	07/01/16-06/30/17			
Naleo Foundation	MOU	Establish a collaboration solely to promote and provide naturalization application assistance services			\$ 4,000	07/01/17-06/30/18	\$ 4,590		
Naleo Foundation	MOU	Establish a collaboration solely to promote and provide naturalization application assistance services			\$ 13,797	10/01/18-06/30/19	\$ 5,519	\$ 8,278	
Naleo Foundation	MOU	Establish a collaboration solely to promote and provide naturalization application assistance services			\$ 12,996	07/01/19-06/30/20		\$ 12,996	
Naleo Foundation	MOU	Establish a collaboration solely to promote and provide naturalization application assistance services			\$ 13,855	07/01/20-06/30/21			\$ 13,855.00
Skylight Foundation	Grant				\$ 20,000	2018	\$ 20,000		
WeinGart Foundation	Grant				\$ 25,000	2017			
WeinGart Foundation	Grant				\$ 50,000	2019		\$ 50,000	
Disney Family Foundation	Grant	General Operation Expenses			\$ 10,000	2019		\$ 10,000	
Community Legal Aid SoCal	Agreement	Fee for service contract/reimbursement payment for clinics and Judicare Program		10/26/17	\$ 12,000	01/01/17-12/31/18 (extended)	\$ 5,000		
Community Legal Aid SoCal	Agreement	Fee for service contract/reimbursement payment for clinics and Judicare Program		4/30/19	\$ 3,000	01/01/19-06/30/19 (extended)		\$ 3,000	
Community Legal Aid SoCal	Agreement	Fee for service contract/reimbursement payment for clinics and Judicare Program		4/30/19	\$ 3,000	07/01/19-12/31/19		\$ 2,750	

Illustrated are all CLI grants and contracts for the past 4 years.)

CLI continues to maintain financial clarity, by combining all available/active grants and contracts in a centralized schedule as shown above. This document is updated regularly during a weekly grants and development call.

2.) Monthly Bookkeeping

CLI has contracted with an outside Accountant to manage their QuickBooks. This will ensure timely and accurate financials, grant recording and expense management. Continued improvements will be made to the processes implemented to ensure compliance with FASB and GAAP in regard to non-profit accounting.

3.) Donor Management Software

CLI utilizes Little Green Light donor management software to maintain donor and foundation records, standardize data and reporting.

4.) Internal Controls Documentation

In order to improve financial procedures and to become audit ready, CLI should create internal controls documentation of all financial procedures. The creation of documentation will entail the creation of a multipage financial process document that outlines all funding sources, financial structure and accounting procedures. A robust internal controls document should also be created and should contain a process narrative. Audit firms often require the creation of this type of document to evaluate internal controls. The creation of the documentation will save time and money when it comes time to conduct an audit.

Significant Events

CLI's Board of Directors is currently in the processes of recruiting a new Executive Director.

On January 30, 2020 the World Health Organization declared the COVID-19 outbreak a public health emergency and subsequently a pandemic on March 11, 2020. CLI is currently assessing the potential impact of the COVID-19 pandemic. At this time an estimate of the impact upon CLI's future financial statements cannot be made.

CLI submitted a loan application under the Paycheck Protection Program (PPP) to cover payroll and benefits, lease payments and other costs. On May 7, 2020, CLI received loan proceeds of \$12,806 and \$1,000 from the Economic Injury Disaster Loan (EIDL). The PPP and EIDL provide for loan forgiveness if CLI is able to meet certain employee retention, salary and other requirements.

Community Lawyers Inc

Statement of Activities

January December 2019

	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Total
Income													
4000 Program Income													\$ -
4100 Consulting Income		\$ 1,700	\$ 1,250	\$ 5,712		\$ 4,351	\$ 1,030	\$ 4,701	\$ 1,930	\$ 680	\$ 1,520	\$ 1,660	\$ 24,534
Total 4000 Program Income	\$ -	\$ 1,700	\$ 1,250	\$ 5,712	\$ -	\$ 4,351	\$ 1,030	\$ 4,701	\$ 1,930	\$ 680	\$ 1,520	\$ 1,660	\$ 24,534
4200 Contributions, Grants, and Contracts													\$ -
4201 Legal Aid Contribution	\$ 500		\$ 500	\$ 1,000		\$ 1,000		\$ 1,000		\$ 750		\$ 500	\$ 5,250
4203 ADAMMA Foundation Contribution						\$ 10,000							\$ 10,000
4204 California Community Foundation						\$ 75,000							\$ 75,000
4207 Naleo Foundation		\$ 5,519				\$ 2,759				\$ 12,996			\$ 21,274
4208 Other Foundations						\$ 10,000				\$ 50,000		\$ 250	\$ 60,250
4300 Individual Donations	\$ 116									\$ 1,000		\$ 630	\$ 1,746
4302 Other Contributions				\$ 150							\$ 8		\$ 158
Total 4200 Contributions, Grants, and Contracts	\$ 616	\$ 5,519	\$ 500	\$ 1,150	\$ -	\$ 98,759	\$ -	\$ 1,000	\$ -	\$ 64,746	\$ 8	\$ 1,380	\$ 173,678
4400 Fundraising revenue				\$ 3,284				\$ 370	\$ 200		\$ 19,535		\$ 23,389
Total Income	\$ 616	\$ 7,219	\$ 1,750	\$ 10,146	\$ -	\$ 103,110	\$ 1,030	\$ 6,071	\$ 2,130	\$ 65,426	\$ 21,063	\$ 3,040	\$ 221,602
Gross Profit	\$ 616	\$ 7,219	\$ 1,750	\$ 10,146	\$ -	\$ 103,110	\$ 1,030	\$ 6,071	\$ 2,130	\$ 65,426	\$ 21,063	\$ 3,040	\$ 221,602
Expenses													
5000 Program Services Expenses													\$ -
5100 Salaries & related costs													\$ -
5101 Salaries & Wages	\$ 8,142	\$ 7,043	\$ 5,113	\$ 5,525	\$ 4,230	\$ 4,326	\$ 2,744	\$ 4,401	\$ 5,734	\$ 5,680	\$ 5,680	\$ 5,680	\$ 64,298
5102 Payroll Taxes	\$ 1,541	\$ 1,464	\$ 2,458	\$ 1,540	\$ 1,540	\$ 917	\$ 210	\$ 337	\$ 439	\$ 435	\$ 435	\$ 435	\$ 11,749
5103 Payroll processing fees	\$ 78			\$ 78	\$ 121	\$ 82	\$ 78	\$ 78	\$ 82	\$ 85	\$ 130	\$ 88	\$ 899
5104 Unemployment Insurance (EDD)				\$ 625									\$ 625
5106 Employee Benefits/Gifts	\$ 270			\$ 150					\$ 120				\$ 540
Total 5100 Salaries & related costs	\$ 10,031	\$ 8,507	\$ 7,571	\$ 7,293	\$ 6,515	\$ 5,325	\$ 3,032	\$ 4,816	\$ 6,375	\$ 6,199	\$ 6,244	\$ 6,202	\$ 78,111
5200 Insurance Expense													\$ -
5201 Insurance - General Liability	\$ 52	\$ 52	\$ 52	\$ 52	\$ 52	\$ 52	\$ 52	\$ 52	\$ 52	\$ 51	\$ 51	\$ 1,194	\$ 1,765
5202 Insurance-medical	\$ 650	\$ 650	\$ 13	\$ 332	\$ 332	\$ 332	\$ 332	\$ 332	\$ 332	\$ 354	\$ 354	\$ 354	\$ 4,364
5203 Insurance-Workers Comp								\$ 659					\$ 659
Total 5200 Insurance Expense	\$ 702	\$ 702	\$ 65	\$ 384	\$ 384	\$ 384	\$ 384	\$ 1,043	\$ 384	\$ 405	\$ 405	\$ 1,548	\$ 6,788
5300 Facilities & Equipment Expenses													\$ -
5301 Rent Expense	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 12,000
5302 Equipment lease	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 137		\$ 391	\$ 412	\$ 412	\$ 3,713
5303 Furniture Expense	\$ 3,354	\$ 97											\$ 3,450
5304 Repairs & Maintenance	\$ -					\$ 264			\$ 10	\$ 17		\$ 41	\$ 331
5306 Utilities	\$ 415	\$ 683	\$ 505	\$ 489	\$ 166	\$ 506	\$ 669	\$ 566	\$ 600	\$ 546	\$ 519	\$ 504	\$ 6,168
5307 Office cleaning	\$ -	\$ 100	\$ 220		\$ 100	\$ 100	\$ 100	\$ 200	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,220
Total 5300 Facilities & Equipment Expenses	\$ 5,106	\$ 2,217	\$ 2,062	\$ 1,826	\$ 1,604	\$ 1,943	\$ 2,370	\$ 1,903	\$ 1,700	\$ 2,047	\$ 2,048	\$ 2,057	\$ 26,883
5305 Computer - Software	\$ 7,575								\$ 1,239				\$ 8,814
5400 Contract Service Expense													\$ -
5401 Executive Director							\$ 1,339	\$ 2,975	\$ 2,818	\$ 2,765	\$ 2,468	\$ 3,010	\$ 15,374
5405 Development Consulting/Grant writing	\$ 350	\$ 900		\$ 600	\$ 550	\$ 700	\$ 1,575	\$ 900	\$ 500		\$ 1,300	\$ 950	\$ 8,325
5410 Professional Fees							\$ 150	\$ 1,253	\$ 3,300			\$ 742	\$ 5,445
Total 5400 Contract Service Expense	\$ 350	\$ 900	\$ -	\$ 600	\$ 550	\$ 700	\$ 3,064	\$ 5,128	\$ 6,618	\$ 2,765	\$ 3,768	\$ 4,702	\$ 29,143
5701 Website maintenance						\$ 16					\$ 16		\$ 32
Total 5000 Program Services Expenses	\$ 23,765	\$ 12,326	\$ 9,697	\$ 10,103	\$ 9,053	\$ 8,367	\$ 8,849	\$ 12,889	\$ 16,315	\$ 11,417	\$ 12,481	\$ 14,509	\$ 149,770
6000 Management and General Expenses													\$ -
6001 Office Supplies & Software	\$ 417	\$ 141	\$ 569	\$ 188	\$ 37	\$ 127	\$ 352	\$ 34	\$ 167	\$ 247	\$ 103	\$ 75	\$ 2,456
6200 Meals & Entertainment								\$ 136				\$ 407	\$ 542
6250 Travel												\$ 5,381	\$ 5,381
6300 Taxes & Licenses					\$ 20								\$ 20
Total 6000 Management and General Expenses	\$ 417	\$ 141	\$ 569	\$ 188	\$ 57	\$ 127	\$ 352	\$ 169	\$ 167	\$ 247	\$ 103	\$ 5,863	\$ 8,400
7000 Fundraising Expense				\$ 518				\$ 858	\$ 15	\$ 5,147	\$ 2,000		\$ 8,538
Total Expenses	\$ 24,182	\$ 12,467	\$ 10,267	\$ 10,809	\$ 9,109	\$ 8,494	\$ 9,201	\$ 13,917	\$ 16,497	\$ 16,811	\$ 14,583	\$ 20,372	\$ 166,709
Net Operating Income	\$ (23,566)	\$ (5,249)	\$ (8,517)	\$ (662)	\$ (9,109)	\$ 94,616	\$ (8,171)	\$ (7,845)	\$ (14,367)	\$ 48,615	\$ 6,480	\$ (17,332)	\$ 54,893
Net Income	\$ (23,566)	\$ (5,249)	\$ (8,517)	\$ (662)	\$ (9,109)	\$ 94,616	\$ (8,171)	\$ (7,845)	\$ (14,367)	\$ 48,615	\$ 6,480	\$ (17,332)	\$ 54,893

Community Lawyers Inc
Statement of Activities

January May 2020

	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Total
Income						
4000 Program Income						\$ -
4100 Consulting Income	\$ 6,295					\$ 6,295
Total 4000 Program Income	\$ 6,295	\$ -	\$ -	\$ -	\$ -	\$ 6,295
4200 Contributions, Grants, and Contracts						\$ -
4201 Legal Aid Contribution	\$ 500					\$ 500
4203 ADAMMA Foundation Contribution						\$ -
4204 California Community Foundation						\$ -
4207 Naleo Foundation						\$ -
4208 Other Foundations						\$ -
4300 Individual Donation						\$ -
4302 Other Contributions					\$ 13	\$ 13
Total 4200 Contributions, Grants, and Contracts	\$ 500	\$ -	\$ -	\$ -	\$ 13	\$ 513
4400 Fundraising revenue						\$ -
Total Income	\$ 6,795	\$ -	\$ -	\$ -	\$ 13	\$ 6,808
Gross Profit	\$ 6,795	\$ -	\$ -	\$ -	\$ 13	\$ 6,808
Expenses						
5000 Program Services Expenses						\$ -
5100 Salaries & related costs						\$ -
5101 Salaries & Wages	\$ 11,440	\$ 3,772	\$ 3,680	\$ 3,680	\$ 3,680	\$ 26,252
5102 Payroll Taxes	\$ 1,177	\$ 364	\$ 260	\$ 282	\$ 282	\$ 2,364
5103 Payroll processing fees	\$ 170	\$ 84	\$ 84	\$ 84	\$ 126	\$ 548
5104 Unemployment Insurance (EDD)						\$ -
5106 Employee Benefits/Gifts						\$ -
Total 5100 Salaries & related costs	\$ 12,787	\$ 4,220	\$ 4,024	\$ 4,046	\$ 4,088	\$ 29,163
5200 Insurance Expense						\$ -
5201 Insurance – General Liability	\$ 51	\$ 51	\$ 51	\$ 51	\$ 51	\$ 255
5202 Insurance-Medical	\$ 1,039	\$ 696	\$ 696	\$ 696	\$ 696	\$ 3,823
5203 Insurance-Workers Comp						\$ -
Total 5200 Insurance Expense	\$ 1,090	\$ 747	\$ 747	\$ 747	\$ 747	\$ 4,078
5300 Facilities & Equipment Expenses						\$ -
5301 Rent Expense	\$ 1,000	\$ 1,000	\$ 1,000		\$ 2,000	\$ 5,000
5302 Equipment lease	\$ 412	\$ 412	\$ 412	\$ 412	\$ 412	\$ 2,062
5303 Furniture Expense						\$ -
5304 Repairs & Maintenance	\$ 559	\$ 342	\$ -	\$ 18		\$ 918
5306 Utilities	\$ 462	\$ 456	\$ 481	\$ 460	\$ 465	\$ 2,323
5307 Office cleaning		\$ 100				\$ 100
Total 5300 Facilities & Equipment Expenses	\$ 2,433	\$ 2,310	\$ 1,893	\$ 890	\$ 2,877	\$ 10,404
5305 Computer – Software		\$ 240				\$ 240
5400 Contract Service Expense						\$ -
5401 Executive Director						\$ -
5405 Development Consulting/Grant writing		\$ 900		\$ 1,100		\$ 2,000
5410 Professional Fees			\$ 100			\$ 100
Total 5400 Contract Service Expense	\$ -	\$ 900	\$ 100	\$ 1,100	\$ -	\$ 2,100
5701 Website maintenance						\$ -
Total 5000 Program Services Expenses	\$ 16,310	\$ 8,417	\$ 6,764	\$ 6,783	\$ 7,712	\$ 45,985
6000 Management and General Expenses						\$ -
6001 Office Supplies & Software	\$ 30	\$ 4		\$ 12		\$ 45
6200 Meals & Entertainment						\$ -
6250 Travel		\$ (6)				\$ (6)
6300 Taxes & Licenses	\$ 132					\$ 132
Total 6000 Management and General Expenses	\$ 162	\$ (2)	\$ -	\$ 12	\$ -	\$ 171
7000 Fundraising Expense	\$ 40		\$ 224			\$ 264
Total Expenses	\$ 16,511	\$ 8,415	\$ 6,988	\$ 6,795	\$ 7,712	\$ 46,421
Net Operating Income	\$ (9,716)	\$ (8,415)	\$ (6,988)	\$ (6,795)	\$ (7,699)	\$ (39,613)
Net Income	\$ (9,716)	\$ (8,415)	\$ (6,988)	\$ (6,795)	\$ (7,699)	\$ (39,613)

Community Lawyers Inc

Statement of Financial Position

As of May 31, 2020

	Total
ASSETS	
Current Assets	
Bank Accounts	
1000 Cash & Cash Equivalents	
1001 Wells Fargo Bank	\$ 97,791
1002 Petty Cash	\$ 500
Total 1000 Cash & Cash Equivalents	<u>\$ 98,291</u>
Total Bank Accounts	<u>\$ 98,291</u>
Other Current Assets	
1200 Grants Receivable	\$ -
Total Other Current Assets	<u>\$ -</u>
Total Current Assets	<u>\$ 98,291</u>
TOTAL ASSETS	\$ 98,291
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2100 PPP/EIDL Loan	\$ 13,806
Total 2000 Other Current Liabilities	<u>\$ 13,806</u>
Total Current Liabilities Accounts	<u>\$ 13,806</u>
Total Liabilities	<u>\$ 13,806</u>
Equity	
Retained Earnings	\$ 124,098
Net Income	\$ (39,613)
Total Equity	<u>\$ 84,485</u>
TOTAL LIABILITIES AND EQUITY	\$ 98,291