

**LATIN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2021**

**(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE  
YEAR ENDED JUNE 30, 2020)**

**LATIN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND, INC.**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2021**  
**(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE**  
**YEAR ENDED JUNE 30, 2020)**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Latin American Legal Defense and Educational Fund, Inc.  
Trenton, New Jersey

### Report on the Financial Statements

We have audited the accompanying financial statements of **LATIN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND, INC.** (a non-profit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **LATIN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND, INC.** as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited **LATIN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND, INC.**'s June 30, 2020 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 29, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Haefele Flanagan & Co., p.c.*

Maple Shade, New Jersey  
April 29, 2022

**LATIN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2021**  
**(WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2020)**

**ASSETS**

	2021	2020
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 255,722	\$ 205,200
Grants receivable	52,250	8,924
Contributions receivable	79,101	1,000
Prepaid expenses	3,530	1,291
Total current assets	390,603	216,415
<b>LONG-TERM ASSETS</b>		
Grants receivable	50,000	-0-
<b>PROPERTY AND EQUIPMENT, NET</b>		
	266,706	258,674
Total Assets	\$ 707,309	\$ 475,089

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Current portion of long-term debt	\$ 4,745	\$ 891
Accounts payable	5,944	24,730
Accrued payroll and related liabilities	18,643	17,435
Accrued expenses	5,100	5,750
Custodial funds	-0-	2,789
Deferred revenue	-0-	11,495
Total current liabilities	34,432	63,090
<b>LONG-TERM LIABILITIES</b>		
Long-term debt, net	230,555	186,632
Conditional contribution	-0-	73,301
	230,555	259,933
Total liabilities	264,987	323,023
<b>NET ASSETS</b>		
Without donor restrictions	257,404	152,066
With donor restrictions	184,918	-0-
Total net assets	442,322	152,066
Total liabilities and net assets	\$ 707,309	\$ 475,089

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

**LATIN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)**

	2021			2020
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>				
Contributions	\$ 288,745	\$ 230,622	\$ 519,367	\$ 170,007
Grants	43,500	335,672	379,172	471,239
Program income	36,408	-0-	36,408	61,102
In-kind contributions	171,213	-0-	171,213	126,150
Released from restrictions	381,376	(381,376)	-0-	-0-
Paycheck Protection Program loan forgiveness	73,301	-0-	73,301	-0-
Interest and other income	621	-0-	621	397
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue and support	995,164	184,918	1,180,082	828,895
<b>PROGRAM EXPENSES</b>				
Community center	527,876	-0-	527,876	540,317
Youth development	171,069	-0-	171,069	178,190
Total program services	<hr/>	<hr/>	<hr/>	<hr/>
	698,945	-0-	698,945	718,507
<b>SUPPORT SERVICES</b>				
Management and general	121,176	-0-	121,176	61,643
Fundraising	69,705	-0-	69,705	17,130
Total support services	<hr/>	<hr/>	<hr/>	<hr/>
	190,881	-0-	190,881	78,773
Total expenses	<hr/>	<hr/>	<hr/>	<hr/>
	889,826	-0-	889,826	797,280
Change in net assets	105,338	184,918	290,256	31,615
Net assets, beginning of year	<hr/>	<hr/>	<hr/>	<hr/>
	152,066	-0-	152,066	120,451
Net assets, end of year	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 257,404	\$ 184,918	\$ 442,322	\$ 152,066

**LATIN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)**

	2021						2020	
	Program Services			Support Services				
	Community Center	Youth Development	Total Program Services	Management and General	Fundraising	Support Services Total	Total	Total
Personnel	\$ 242,086	\$ 74,826	\$ 316,912	\$ 70,425	\$ 52,819	\$ 123,244	\$ 440,156	\$386,278
Payroll taxes	22,888	7,074	29,962	6,658	4,994	11,652	41,614	35,873
Advertising	-0-	-0-	-0-	69	-0-	69	69	1,799
Dues and subscriptions	56	-0-	56	-0-	-0-	-0-	56	3,335
In-kind expenditures	123,106	34,063	157,169	14,043	-0-	14,043	171,212	126,150
Insurance	15,576	3,068	18,644	2,907	2,605	5,512	24,156	7,563
Interest	5,048	1,560	6,608	1,470	1,101	2,571	9,179	10,520
Office expenses	14,126	3,884	18,010	8,137	2,614	10,751	28,761	18,674
Postage and printing	3,133	-0-	3,133	407	1,247	1,654	4,787	3,242
Professional fees	23,996	415	24,411	11,521	635	12,156	36,567	66,946
Program expenses	19,342	42,782	62,124	1,600	160	1,760	63,884	94,425
Repairs and maintenance	7,527	443	7,970	442	443	885	8,855	10,448
Telephone and internet	6,714	420	7,134	420	839	1,259	8,393	7,636
Training and travel	31,940	-0-	31,940	672	40	712	32,652	4,003
Utilities	5,187	324	5,511	324	648	972	6,483	8,559
Depreciation	7,151	2,210	9,361	2,081	1,560	3,641	13,002	11,829
<b>Total expenses</b>	<b>\$ 527,876</b>	<b>\$ 171,069</b>	<b>\$ 698,945</b>	<b>\$ 121,176</b>	<b>\$ 69,705</b>	<b>\$ 190,881</b>	<b>\$ 889,826</b>	<b>\$797,280</b>

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

**LATIN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 290,256	\$ 31,615
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	13,002	11,829
Paycheck Protection Program loan forgiveness	(73,301)	-0-
Decrease (increase) in:		
Grants receivable	(93,326)	23,076
Contributions receivable	(78,101)	7,500
Prepaid expenses	(2,239)	3,797
Increase (decrease) in:		
Accounts payable	(18,786)	24,730
Accrued payroll and related liabilities	1,208	7,457
Accrued expenses	(650)	(963)
Custodial funds	(2,789)	(300)
Deferred revenue	(11,495)	11,495
	23,779	120,236
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital expenditures	(21,034)	(24,650)
	(21,034)	(24,650)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from conditional contribution	-0-	73,301
Borrowings on long-term debt	235,400	-0-
Repayments on long-term debt	(187,623)	(1,827)
	47,777	71,474
Net cash provided by operating activities		
Net cash used in investing activities		
Net cash provided by financing activities	47,777	71,474
Net increase in cash	50,522	167,060
Cash and cash equivalents, beginning of year	205,200	38,140
Cash and cash equivalents, end of year	\$ 255,722	\$ 205,200
<b>Supplemental cash flow information:</b>		
Cash paid for interest	\$ 5,057	\$ 10,520

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



**LATIN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 1 – Nature of Activities**

Founded in 2004, Latin American Legal Defense and Educational Fund, Inc. (the “Organization”) is a not-for-profit social impact organization headquartered in Trenton, New Jersey. The Organization’s mission is to promote the rights of all immigrants (with a focus on the Latin American community in the Mercer County area); facilitate access to health care, education, and legal representation; advocate for the integration of immigrants; and foster intercultural communication that strengthens the communities served.

The Organization’s programs fall into two key areas: legal services – which encompass humanitarian immigration support – and community outreach/education, which includes client advocacy, continuing education, youth mentoring and development, and the dissemination of vital, reliable information regarding healthcare, digital literacy, citizenship, healthcare, financial stability, and more.

Legal Services

The Organization’s humanitarian legal services are dedicated to ensuring that recent immigrants to Greater Mercer County know their rights and can access protective services and navigate the often-complicated legal systems that lead to permanent status in the United States. The Organization is particularly focused on ensuring that the most vulnerable – including children, survivors of torture or sexual and gender-based violence – can secure low-cost legal aid.

Community Outreach and Education

The Organization’s Outreach and Education programs include Adult Education, Client Advocacy, Community Organizing, and the Organization’s high impact mentoring program for promising junior and senior high school students. Called FUTURO, the program provides these first- and second-generation Americans with academic support, SAT preparation, college application guidance, mentoring, social support, and community service opportunities.

The bulk of these programs are held at the Organization’s headquarters: Casa de Bienvenida. Located in Trenton, this welcoming Community Center is a resource hub for the city’s immigrants. Casa de Bienvenida is open six days a week, year-round, and annually serves between 3,000 and 3,500 households.

**LATIN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 1 – Nature of Activities (continued)**

COVID Considerations

On March 11, 2020, the World Health Organization characterized the outbreak of a novel strain of coronavirus (“COVID-19”) as a pandemic, prompting many national, regional, and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures and capacity limitations, and wide-sweeping quarantines and stay-at-home orders.

With the onset of COVID-19, office employees have been able to work from home remotely and there were no layoffs or slowdowns. The Organization has stopped requiring fees for most legal services as well as walk-in/consultations. The Organization has lost some revenue from adult education classes as classes were moved online, since a majority of the Organization’s clients are unable to access online classes. To maintain liquidity during the period, the Organization borrowed \$73,301 from the SBA in the form of a PPP loan (see Note 7). While the disruption caused by the pandemic was initially expected to be temporary, there is remaining uncertainty regarding its duration. The ultimate impact of the pandemic on the Organization’s results of operations, financial position, and liquidity cannot be reasonably estimated at this time.

**Note 2 – Summary of Significant Accounting Policies**

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting, and accordingly, reflects all significant receivables, payables, and other liabilities. Consequently, revenue is recognized as described below in the section entitled Revenue and Revenue Recognition and expenses are recognized when the obligations are incurred.

Basis of Presentation

To ensure the observance of limitations and restrictions placed on the use of resources available to the Organization, its net assets and revenues have been reported according to the following 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 Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors. As these funds may be used at the discretion of the

**LATIN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 2 – Summary of Significant Accounting Policies (continued)**

Basis of Presentation (continued)

Net Assets without Donor Restrictions (continued): board of directors, program services and supporting services are considered net assets without donor restrictions.

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 Organization or by the passage of time. 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 Statement of Activities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Given the situation surrounding the COVID-19 pandemic, many estimates and assumptions have required increased judgment and are subject to a higher degree of variability and volatility. Although management believes the estimates that have been used are reasonable, as events continue to evolve and additional information becomes available, actual results could vary from the estimates that were used.

Revenue and Revenue Recognition

Contributions

Contributions are recognized as revenue when cash, donated investments or other assets, or other various notifications of a beneficial interest are received. Conditional contributions, that is, those with a measurable performance or other barrier, and right of return or release of assets, are not recognized as revenue until the conditions on which they depend have been substantially met. During the year ended June 30, 2021, conditions were met related to the Small Business Paycheck Protection Program loan and forgiveness of the loan in the amount of \$73,301 was recognized in the Statement of Activities. See Note 7.

Unconditional contributions received 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

**LATIN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 2 – Summary of Significant Accounting Policies (continued)**

Revenue and Revenue Recognition (continued)

Contributions (continued)

restrictions. Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Program Income

The Organization recognizes program income as exchange transactions. The Organization provides a number of programs in its Trenton Community Center including adult education programs, youth mentoring, photo identification cards, immigration legal services, English as a second language classes, and computer classes. Revenues are recognized when the related services are provided, thus, at a point in time.

In-kind Contributions

Volunteers contribute significant amounts of time to program and support services; however, the financial statements do not reflect the value of these contributed services because they do not meet the necessary criteria for recognition under GAAP. The Organization recognizes volunteer services if the services received (1) create or enhance non-financial assets or (2) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased, if not provided by donation. The total amount of donated legal service hours for the year ended June 30, 2021 totaled 1,500 at an estimated fair value rate of \$40 per hour for the year. The total amount of donated adult education service hours for the year ended June 30, 2021 totaled 3,438 at an estimated fair value rate of \$29 per hour for the year. In-kind contributions are recorded as both revenue and expense and therefore, there is no effect on the change in net assets.

**LATIN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 2 – Summary of Significant Accounting Policies (continued)**

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years, beyond one year from the year end date, are initially recorded at their fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discount is included in contribution or grant revenue on the Statement of Activities. If necessary, an allowance for uncollectible promises to give is determined based on historical experience, an assessment of economic conditions, and a review of any subsequent collections. Promises to give are to be written off when uncollectible. At June 30, 2021, no allowance was deemed necessary.

Cash and Cash Equivalents

The Organization considers all highly liquid financial instruments with original maturities of three months or less to be cash equivalents, except those which are held for or restricted by donors for long-term purposes.

Grants and Contributions Receivable

Grants and contributions receivable are stated at the amount management expects to collect from outstanding balances. Management reviews collectability on grants and contributions receivable regularly. If balances become uncollectible management will write them off. Historically, the Organization has had no need for an allowance for doubtful accounts and has a history of no write-offs.

Property and Equipment and Depreciation

Property and equipment are recorded at cost if purchased or at fair value if donated. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. The estimated useful lives of assets for financial reporting purposes are as follows: building and improvements, 10 to 25 years and furniture and equipment, 10 years. When items of property or equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in income. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. Depreciation expense for the year ended June 30, 2021 was \$13,002.

**LATIN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 2 – Summary of Significant Accounting Policies (continued)**

Deferred Revenue

Deferred revenue represents money received for services that were not yet rendered and as such are not included in income.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel and payroll taxes costs are allocated on the basis of estimates of time and effort. Directly identifiable expenses are charged to program and supporting services based on actual usage. Professional fees, office expense, printing, and training and travel are allocated based upon the Organization's predetermined allocation percentages. Management and general expenses include those expenses that are not directly identifiable with any specific function but provide for the overall support and direction of the Organization.

Advertising

Advertising costs are expensed when incurred. Advertising expense for the year ended June 30, 2021 was \$69.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code. The Organization follows the accounting guidance for uncertainty in income taxes, which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return and also provides guidance on various related matters such as derecognition, interest, penalties, and disclosures required. The Organization believes that it has appropriate support for any tax position taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Prior Year Summarized Comparative Information

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

**LATIN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 2 – Summary of Significant Accounting Policies (continued)**

Recent Accounting Pronouncements Not Yet Adopted

Leases

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-02 “Leases (Topic 842).” The primary objective of the standard is to increase transparency and comparability among organizations by requiring lessees to recognize lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The new standard clarifies the definition of a lease and causes lessees to recognize leases on the balance sheet as a lease liability with a corresponding right-of-use asset. The standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating the standard and its impact on the financial statements

Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU 2020-07 (“Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets”) to increase the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to the presentation and disclosure process. The ASU does not change existing recognition and measurement requirements for contributed nonfinancial assets. The standard is effective for annual periods beginning after June 15, 2021. The Organization is currently evaluating the standard and its effect on the financial statements.

**Note 3 – Cash and Cash Equivalents**

The Organization maintains cash and cash equivalents at various financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 per depositor. At times, balances may exceed federally insured amounts. As of June 30, 2021 the Organization had no uninsured cash balances.

**LATIN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 4 – Availability and Liquidity**

The following represents the Organization’s financial assets at June 30, 2021:

Financial assets at year-end:	
Cash and cash equivalents	\$ 255,722
Grants receivable	102,250
Contributions receivable	<u>79,101</u>
Total financial assets	437,073
Less amounts not available to be used within one year:	
Net assets with time restrictions beyond one year	<u>( 50,000)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 387,073</u>

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while striving to maximize the investment of its available funds. The Organization typically maintains its financial assets other than receivables and promises to give in cash accounts or investments available for sale with a goal of having funds available when needed.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor restricted resources.

**Note 5 – Property and Equipment**

Property and equipment consists of the following:

Land	\$ 42,984
Building and improvements	247,341
Furniture and equipment	<u>11,571</u>
	301,896
Less: accumulated depreciation	<u>( 35,190)</u>
	<u>\$ 266,706</u>



**LATIN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 6 – Long Term Debt**

On December 7, 2020 the Organization received a \$85,400 loan from the New Jersey Economic Development Authority. Payments on the loan are deferred for the first twelve months, and interest accrues at 0% for the first five years and a cap not to exceed 3% for the remaining five years. After the deferment period monthly installments of principal are due. The loan is due December 2030 and is secured by substantially all the assets of the Organization. As of June 30, 2021 the balance on the loan is \$85,400.

On July 3, 2020 the Organization received a \$150,000 loan from the U.S. Small Business Administration (“SBA”). Payments on the loan are deferred for the first thirty months, however, interest will continue to accrue. After the deferment period monthly installments of \$695 are due, including principal and interest at 2.75%. The loan is due June 2050 and is secured by substantially all the assets of the Organization. As of June 30, 2021 the balance on the loan is \$149,900.

The balance of the long-term debt at June 30, 2021 was as follows:

Total debt	\$ 235,300
Less: current portion	<u>4,745</u>
Long-term debt, net of current portion	<u>\$ 230,555</u>

Principal maturities of long-term debt at June 30, 2021 are as follows:

<u>Year ending June 30,</u>	
2022	\$ 4,745
2023	11,134
2024	13,471
2025	13,596
2026	13,712
2027	13,831
Thereafter	<u>164,811</u>
	<u>\$ 235,300</u>

**Note 7 – Paycheck Protection Program Loan**

On April 23, 2020, the Organization received a \$73,301 loan under the Paycheck Protection Program (“PPP”), of the Coronavirus, Aid, Relief, and Economic Security Act (“CARES”). The PPP loan had a maturity date of April 23, 2022 and a stated interest rate of 1.0% per annum. Payments of principal and interest were deferred until the earlier of ten months after the end of the covered period or the date on which the loan forgiveness amount is granted by the lender. The loan provided for customary events of default, including, among others, those relating to failure to make payment when due and breaches of representations.

**LATIN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 7 – Paycheck Protection Program Loan (continued)**

On March 15, 2021, the lender notified the Organization that the principal of \$73,301 and accrued and unpaid interest of \$629 was forgiven pursuant to terms set forth within the CARES Act. The forgiveness of the principal amount was recognized in the Statement of Activities for the year ended June 30, 2021. While unlikely, the SBA may choose to review the loan forgiveness and there is potential, for up to six years from the date the loan was forgiven, that some or all of the amount may be disallowed and have to be repaid.

**Note 8 – Net Assets with Donor Restrictions**

Net assets with donor restrictions were as follows as of June 30, 2021:

Purpose restrictions:

Health Outreach	\$ 52,820
Assistance Relief	2,500
Bond and Deportation fund	600
Welcome House	13,622
Futuro	<u>115,376</u>
	<u>\$ 184,918</u>

Net assets released from donor restrictions were as follows for the year ended June 30, 2021:

Purpose restrictions:

Adult Education	\$ 5,000
Advocacy Outreach	10,750
COVID	62,714
Health Outreach	44,893
Legal Services	69,495
Bond and Deportation fund	600
Nicholson Grant	45,500
PACF - AKT Grant	37,500
Interns	1,500
Futuro	<u>103,424</u>
	<u>\$ 381,376</u>

**Note 9 – Leases**

The Organization currently leases a copier under an operating lease agreement expiring in November 2022. Lease expense for the year ended June 30, 2021 was \$1,583 and is included in repairs and maintenance on the accompanying Statement of Functional Expenses.

**LATIN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 9 – Leases (continued)**

Future minimum lease payments under operating lease agreements as of June 30, 2021 are as follows:

<u>Year ending June 30,</u>	
2022	\$ 1,740
2023	<u>725</u>
	<u>\$ 2,465</u>

**Note 10 – Promises to give**

The Organization has the following conditional promises to give as of June 30, 2021:

The Organization will receive \$50,000 per year to provide increased support of the FUTURO mentoring program. A promise to give, up to \$150,000 payable over three years beginning during the year ended June 30, 2021. As of June 30, 2021, the Organization received \$50,000.

**Note 11 – Subsequent Events**

The Organization evaluated subsequent events through April 29, 2022, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosures in these financial statements.