

COORDINATED ADVICE & REFERRAL PROGRAM FOR LEGAL SERVICES

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
AND SUPPLEMENTARY INFORMATION**

JUNE 30, 2025 AND 2024

COORDINATED ADVICE & REFERRAL PROGRAM FOR LEGAL SERVICES

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
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JUNE 30, 2025 AND 2024

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES.....	4
STATEMENTS OF FUNCTIONAL EXPENSES.....	5-6
STATEMENTS OF CASH FLOWS.....	7
NOTES TO FINANCIAL STATEMENTS	8-17
SUPPLEMENTARY INFORMATION	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	18-19
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	20
SCHEDULE OF PRIOR YEAR FINDINGS	21
CORRECTIVE ACTION PLAN	22



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Coordinated Advice & Referral Program for Legal Services
35 E Wacker Drive, Suite 3000
Chicago, IL 60601

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Coordinated Advice & Referral Program for Legal Services, which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coordinated Advice & Referral Program for Legal Services as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Coordinated Advice & Referral Program for Legal Services and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Coordinated Advice & Referral Program for Legal Services' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Coordinated Advice & Referral Program for Legal Services' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Coordinated Advice & Referral Program for Legal Services' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2026 on our consideration of Coordinated Advice & Referral Program for Legal Services' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Coordinated Advice & Referral Program for Legal Services' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Coordinated Advice & Referral Program for Legal Services' internal control over financial reporting and compliance.

PORTE BROWN LLC
Certified Public Accountants



Elk Grove Village, Illinois
January 13, 2026

COORDINATED ADVICE & REFERRAL PROGRAM FOR LEGAL SERVICES

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 668,823	\$ 833,903
Grants and contributions receivable	2,175,626	1,605,751
Other receivable	-	21,083
Prepaid expenses	95,313	122,516
	<u>2,939,762</u>	<u>2,583,253</u>
FIXED ASSETS		
Property and equipment	609,308	442,292
Less: Accumulated depreciation	<u>(442,292)</u>	<u>(442,292)</u>
	<u>167,016</u>	<u>-</u>
OTHER ASSETS		
Security deposits	30,360	30,360
Investments	1,135,981	1,022,981
Operating lease right-of-use-assets	450,227	565,473
	<u>1,616,568</u>	<u>1,618,814</u>
TOTAL ASSETS	<u>\$ 4,723,346</u>	<u>\$ 4,202,067</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 2,370	\$ 37,167
Accrued expenses	99,339	275,756
Current portion of operating lease liabilities	111,034	65,610
	<u>212,743</u>	<u>378,533</u>
LONG-TERM OBLIGATIONS		
Operating lease liabilities, net of current portion	<u>401,170</u>	<u>521,996</u>
NET ASSETS		
Without donor restrictions	1,941,224	1,635,786
With donor restrictions	2,168,209	1,665,752
TOTAL NET ASSETS	<u>4,109,433</u>	<u>3,301,538</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,723,346</u>	<u>\$ 4,202,067</u>

The accompanying notes are an integral part of these financial statements

COORDINATED ADVICE & REFERRAL PROGRAM FOR LEGAL SERVICES

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT						
Grants and contributions	\$ 3,314,031	\$ 2,168,209	\$ 5,482,240	\$ 2,814,547	\$ 1,567,282	\$ 4,381,829
Fundraising events, net	424,066	-	424,066	439,892	98,470	538,362
In-kind donations	17,375	-	17,375	92,894	-	92,894
Fees for service	35,000	-	35,000	35,000	-	35,000
Client fees	4,711	-	4,711	2,534	-	2,534
Investment income, net	121,656	-	121,656	87,784	-	87,784
Miscellaneous income	52,743	-	52,743	16,980	-	16,980
Net assets released from restrictions	1,665,752	(1,665,752)	-	1,602,617	(1,602,617)	-
TOTAL REVENUES AND OTHER SUPPORT	5,635,334	502,457	6,137,791	5,092,248	63,135	5,155,383
EXPENSES						
Program services	4,581,718	-	4,581,718	4,154,744	-	4,154,744
Management and general	429,430	-	429,430	244,392	-	244,392
Fundraising services	318,748	-	318,748	394,092	-	394,092
TOTAL EXPENSES	5,329,896	-	5,329,896	4,793,228	-	4,793,228
CHANGE IN NET ASSETS	305,438	502,457	807,895	299,020	63,135	362,155
NET ASSETS, BEGINNING OF YEAR	1,635,786	1,665,752	3,301,538	1,336,766	1,602,617	2,939,383
NET ASSETS, END OF YEAR	\$ 1,941,224	\$ 2,168,209	\$ 4,109,433	\$ 1,635,786	\$ 1,665,752	\$ 3,301,538

The accompanying notes are an integral part of these financial statements

COORDINATED ADVICE & REFERRAL PROGRAM FOR LEGAL SERVICES

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2025

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising Services</u>	<u>Total</u>
EXPENSES				
Salaries	\$ 3,342,954	\$ 262,929	\$ 150,245	\$ 3,756,128
Payroll taxes	265,291	20,866	11,923	298,080
Employee benefits	219,216	17,242	9,852	246,310
Bad debt expense	-	-	18,679	18,679
Computer support and maintenance	301,101	23,682	13,533	338,316
Dues and subscriptions	12,194	959	548	13,701
Equipment rental and maintenance	108,382	8,524	4,871	121,777
Fundraising events	-	-	116,306	116,306
Insurance	29,541	2,324	1,328	33,193
Marketing and promotion	-	-	29,303	29,303
Meetings	-	1,601	-	1,601
Miscellaneous	3,018	3,214	136	6,368
Occupancy	142,485	11,207	6,404	160,096
Office supplies and expense	8,435	16,528	10,260	35,223
Postage	2,257	177	101	2,535
Printing	693	54	980	1,727
Professional fees	17,375	49,995	46,663	114,033
Retirement plan	81,402	6,402	3,658	91,462
Staff development	22,782	1,792	1,024	25,598
Telephone	24,592	1,934	1,105	27,631
TOTAL FUNCTIONAL EXPENSES	<u>\$ 4,581,718</u>	<u>\$ 429,430</u>	<u>\$ 426,919</u>	<u>\$ 5,438,067</u>
Direct benefit to donors, netted with revenue	<u>-</u>	<u>-</u>	<u>(108,171)</u>	<u>(108,171)</u>
TOTAL EXPENSES	<u><u>\$ 4,581,718</u></u>	<u><u>\$ 429,430</u></u>	<u><u>\$ 318,748</u></u>	<u><u>\$ 5,329,896</u></u>

The accompanying notes are an integral part of these financial statements

COORDINATED ADVICE & REFERRAL PROGRAM FOR LEGAL SERVICES

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2024

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising Services</u>	<u>Total</u>
EXPENSES				
Salaries	\$ 3,025,001	\$ 137,500	\$ 275,000	\$ 3,437,501
Payroll taxes	219,662	9,985	19,969	249,616
Employee benefits	198,593	9,027	18,054	225,674
Computer support and maintenance	285,970	7,217	18,797	311,984
Consultants	-	-	7,223	7,223
Depreciation	193	9	17	219
Dues and subscriptions	11,065	41	82	11,188
Equipment rental and maintenance	129,007	1,300	2,601	132,908
Fundraising events	-	-	109,673	109,673
Insurance	32,307	1,469	2,937	36,713
Marketing and promotion	5,252	3,645	24,110	33,007
Meetings	100	6,650	1,019	7,769
Miscellaneous	761	767	69	1,597
Occupancy	114,823	5,219	10,438	130,480
Office supplies and expense	6,173	11,486	3,607	21,266
Postage	-	1,031	1,031	2,062
Printing	1,387	-	-	1,387
Professional fees	92,894	47,612	-	140,506
Staff development	8,364	380	760	9,504
Telephone	23,192	1,054	2,108	26,354
TOTAL FUNCTIONAL EXPENSES	<u>\$ 4,154,744</u>	<u>\$ 244,392</u>	<u>\$ 497,495</u>	<u>\$ 4,896,631</u>
Direct benefit to donors, netted with revenue	<u>-</u>	<u>-</u>	<u>(103,403)</u>	<u>(103,403)</u>
TOTAL EXPENSES	<u><u>\$ 4,154,744</u></u>	<u><u>\$ 244,392</u></u>	<u><u>\$ 394,092</u></u>	<u><u>\$ 4,793,228</u></u>

The accompanying notes are an integral part of these financial statements

COORDINATED ADVICE & REFERRAL PROGRAM FOR LEGAL SERVICES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
OPERATING ACTIVITIES		
Change in net assets:	\$ 807,895	\$ 362,155
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	-	219
Net gain (loss) on investments	80,037	(351)
Reduction of right-of-use assets	115,246	123,323
Changes in assets and liabilities:		
Accounts receivable	-	26,000
Grants and contributions receivable	(569,875)	109,013
Other receivable	21,083	(21,083)
Prepaid expenses	27,203	(23,112)
Security deposit	-	(9,277)
Accounts payable and accrued expenses	(211,214)	176,061
Operating lease liabilities	<u>(75,402)</u>	<u>(101,190)</u>
Net cash provided by operating activities	<u>194,973</u>	<u>641,758</u>
INVESTING ACTIVITIES		
Purchase of investments	(193,037)	(241,333)
Proceeds from sale of investments	-	161,507
Purchases of property and equipment	<u>(167,016)</u>	<u>-</u>
Net cash used by investing activities	<u>(360,053)</u>	<u>(79,826)</u>
NET (DECREASE) INCREASE IN CASH	(165,080)	561,932
BEGINNING CASH	<u>833,903</u>	<u>271,971</u>
ENDING CASH	<u>\$ 668,823</u>	<u>\$ 833,903</u>
SUPPLEMENTAL INFORMATION TO CASH FLOWS		
Cash paid during the year for:		
Income taxes	\$ -	\$ -
Interest	-	-
Noncash activities:		
Unrealized gain on investments	\$ 80,037	\$ 56,275
Operating lease assets obtained in exchange for lease liabilities	-	585,343

The accompanying notes are an integral part of these financial statements

COORDINATED ADVICE & REFERRAL PROGRAM FOR LEGAL SERVICES

NOTES TO FINANCIAL STATEMENTS

NOTE A – NATURE OF OPERATIONS

Coordinated Advice & Referral Program for Legal Services (the "Organization") is a not-for-profit organization that provides pro bono legal advice and coordinates referrals for indigent clients to legal aid offices in Cook County and other areas of Illinois. In addition, the Organization operates a free telephone hotline for those seeking legal advice and assistance from attorneys hoping to solve issues in a single call. There are four court-based self-help centers that offer legal advice and document preparation for those looking to represent themselves in court. Some services like the Hotline and Advice Desks are available only to Cook County residents, but the Organization provides other services to the rest of Illinois like the Illinois Armed Forces Legal Aid Network, COVID HELP, Eviction Help, and New Leaf Illinois each with specific legal aid issues.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

BASIS OF ACCOUNTING

The Organization maintains records on the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when the obligation is incurred.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Due to the inherent uncertainty involved in making estimates, actual results could differ from those estimates.

FINANCIAL STATEMENT PRESENTATION

In accordance with FASB ASC 958-205, "Not-for-Profit Entities Presentation of Financial Statements," the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions and providing services less expenses incurred in providing program-related services, raising contributions, and performing administrative functions.

Net Assets with Donor Restrictions – These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of donated assets, either temporarily or permanently, until the donor restriction expires, the net assets are restricted.

COORDINATED ADVICE & REFERRAL PROGRAM FOR LEGAL SERVICES

NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

REVENUE RECOGNITION

The Organization derives its revenue primarily from contributions. In accordance with FASB ASC 958-605-25 “Not-for-Profit Entities Revenue Recognition” contributions received, including unconditional promises to give, are recognized as revenues in the period received at their fair market values. Conditional promises to give, whether received or made, are recognized when they become unconditional, that is, when the conditions are substantially met. In addition, FASB ASC 958-605 requires not-for-profit organizations to distinguish between contributions received that increase net assets without donor restrictions and net assets with donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Conditional promises to give, that is, those with a measurable performance or other barrier and right of return, are not recognized until the conditions on which they depend have been met. Federal and state grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. At June 30, 2025 and 2024, \$805,855 and \$856,043, respectively, of contributions had not been recognized in the accompanying financial statements because the conditions have not been met. The Organization received unconditional promises to give from various other organizations and private foundations. All unconditional promises to give are recorded in grants and contributions receivable.

Grants awarded that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

Revenue from the annual Golden Gavel Celebration fundraising event is recognized at a point in time as the cost of direct benefits to donors, and contribution revenue is recognized for the difference depending on the sponsorship level and ticket prices.

Government fees for service are recognized at a point in time each quarter when the Organization earns the revenue from the City of Chicago based on an agreement the Organization maintains with the city.

Contract revenues totaled to \$39,711 and \$37,534 for the years ended June 30, 2025 and 2024, respectively.

PROMISES TO GIVE

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

COORDINATED ADVICE & REFERRAL PROGRAM FOR LEGAL SERVICES

NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DONOR IMPOSED RESTRICTIONS

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions which increases that net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as without donor restrictions.

Net assets with donor restrictions are available for the following:

	<u>2025</u>	<u>2024</u>
Purpose restrictions, available for spending:		
Telephone hotlines	\$ 776,591	\$ 619,455
Court-based help centers	550,565	323,627
Community outreach	<u>70,500</u>	<u>54,000</u>
	1,397,656	997,082
Time restrictions, some of which may also be subject to purpose restrictions:	<u>770,553</u>	<u>668,670</u>
	<u><u>\$ 2,168,209</u></u>	<u><u>\$ 1,665,752</u></u>

Net assets released from restriction due the years ended June 30, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Expiration of time restrictions	\$ 668,670	\$ 848,867
Satisfaction of purpose restrictions		
Telephone hotlines	619,455	433,750
Court-based help centers	323,627	-
Community outreach	<u>54,000</u>	<u>320,000</u>
Total satisfaction of purpose restrictions	<u>997,082</u>	<u>753,750</u>
	<u><u>\$ 1,665,752</u></u>	<u><u>\$ 1,602,617</u></u>

IN-KIND CONTRIBUTIONS

The Organization received significant in-kind contributions of attorney and law school student services of \$17,375 and \$92,894 for the years ended June 30, 2025 and 2024, respectively related to program operations. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation based on prevailing rates for similar services.

COORDINATED ADVICE & REFERRAL PROGRAM FOR LEGAL SERVICES

NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

EXPENSE RECOGNITION AND ALLOCATION

The Organization allocates its expenses on a functional basis among its various programs and supporting activities. Expenses that can be identified with a specific program or supporting activity are allocated directly according to their natural expenditure classification. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. Additionally, advertising costs are expensed as incurred. Total advertising expense for the years ended June 30, 2025 and 2024 was \$29,303 and \$33,007, respectively. Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct its fundraising activities in conjunction with its other activities.

CONCENTRATION OF CREDIT RISK

The Organization has cash and cash equivalents in excess of federally insured limits of \$250,000 at one banking institution. These amounts potentially subject the Organization to credit risk if the banking institution fails. It is of the opinion of management that the solvency of the referenced financial institutions is not of a particular concern at this time.

GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable consists of payments due from various corporations and foundations. Grants and contributions receivable are valued at management's estimate of the amount that will ultimately be collected. The Organization considers grants and contributions receivable to be fully collectible and all grants and contributions are expected to be collected in the next fiscal year.

PREPAID EXPENSES

Prepaid expenses consist of prepaid rents and deposits, insurance, and other miscellaneous costs.

FIXED ASSETS

Fixed assets are stated at cost. Depreciation is calculated on a straight-line basis over the estimated lives of the related assets. The Organization has adopted a policy to capitalize assets using a \$2,500 threshold. Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions.

COORDINATED ADVICE & REFERRAL PROGRAM FOR LEGAL SERVICES

NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FIXED ASSETS (Continued)

Major classifications of property and equipment and their respective useful lives are summarized below:

	<u>Lives in Years</u>	<u>2025</u>	<u>2024</u>
Office equipment	3 - 7	\$ 52,583	\$ 52,582
Furniture and fixtures	5 - 7	65,086	65,086
Software	3 - 5	324,624	324,624
Software in process	-	167,015	-
		<u>\$ 609,308</u>	<u>\$ 442,292</u>

Maintenance and repairs, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred.

INVESTMENTS

Investment securities are stated at fair value based on quoted market prices or market prices for similar securities. Unrealized gains and losses are recognized based on the change in fair value and are reported as a component of investment income. Realized gains and losses are recognized using the average cost method and are reported as a component of investment income. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor restrictions or law. Gains and losses whose restrictions are met in the same fiscal year are reported as without donor restrictions. In addition, external and direct internal expenses relating to investment activities have been netted against investment income.

Investments as of June 30, 2025 are as follows:

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>
Cash	\$ 14,682	\$ 14,682	\$ -
Equity funds	585,848	485,827	100,021
Fixed income	524,289	536,619	(12,330)
Exchange-traded product	11,162	9,800	1,362
	<u>\$ 1,135,981</u>	<u>\$ 1,046,928</u>	<u>\$ 89,053</u>

Investments as of June 30, 2024 are as follows:

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>
Cash	\$ 7,173	\$ 7,173	\$ -
Equity funds	515,589	472,726	42,863
Fixed income	500,219	552,164	(51,945)
	<u>\$ 1,022,981</u>	<u>\$ 1,032,063</u>	<u>\$ (9,082)</u>

COORDINATED ADVICE & REFERRAL PROGRAM FOR LEGAL SERVICES

NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INVESTMENTS (Continued)

Investment income includes the following for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Interest and dividends	49,607	38,796
Unrealized gain on investments	80,037	56,275
Investment management expenses	<u>(7,988)</u>	<u>(7,287)</u>
	<u>\$ 121,656</u>	<u>\$ 87,784</u>

INCOME TAXES

The Organization is generally exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and similar state statutes. Accordingly, no provision for income tax expense is included in the accompanying financial statements. The Organization has adopted the provision of ASC Topic 740, Income Taxes, relating to the accounting for uncertainty in income taxes. The Organization files information returns in the U.S. federal jurisdiction, and the State of Illinois. Management is not aware of any uncertain tax positions.

SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through January 13, 2026, the date which the financial statements were available to be issued.

NOTE C – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization considers all expenditures related to its ongoing program activities, as well as the services undertaken to support those activities to be general expenditures. The Organization regularly monitors liquidity required to meet its operation needs and other contractual commitments, while also striving to maximize the investment of its available funds. In addition to the financial assets available to meet general expenditures over the next year, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor restricted resources.

COORDINATED ADVICE & REFERRAL PROGRAM FOR LEGAL SERVICES

NOTES TO FINANCIAL STATEMENTS

NOTE C – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

The following table show the total financial assets held by the Organization and the amounts of which could readily be made available within one year of June 30, 2025 and 2024 to meet general expenditures:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 668,823	\$ 833,903
Grants and contributions receivable	2,175,626	1,605,751
Other receivables	-	21,083
Investments	<u>1,135,981</u>	<u>1,022,981</u>
Total financial assets	3,980,430	3,483,718
Less those unavailable for general expenditures within one year due to:		
Contractual or donor imposed restrictions	<u>(2,168,209)</u>	<u>(1,665,752)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,812,221</u>	<u>\$ 1,817,966</u>

NOTE D – FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

COORDINATED ADVICE & REFERRAL PROGRAM FOR LEGAL SERVICES

NOTES TO FINANCIAL STATEMENTS

NOTE D – FAIR VALUE MEASUREMENTS (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at June 30, 2025 and 2024.

Equity funds, fixed income, and exchange-traded product: Valued at the net asset value (NAV) of shares, which are based on quoted market prices, held by the Organization as of the end of the year.

The preceding methods described may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Cash and cash equivalents are included in investments on the statements of financial position but are not subject to fair value under FASB ASC Topic 820.

Assets at fair value as of June 30, 2025 consist of:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity funds	\$ 585,848	\$ -	\$ -	\$ 585,848
Fixed income	524,289	-	-	524,289
Exchange-traded product	<u>11,162</u>	<u>-</u>	<u>-</u>	<u>11,162</u>
	<u>\$ 1,121,299</u>	<u>\$ -</u>	<u>\$ -</u>	1,121,299
Cash				<u>14,682</u>
				<u>\$ 1,135,981</u>

Assets at fair value as of June 30, 2024 consist of:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity funds	\$ 515,589	\$ -	\$ -	\$ 515,589
Fixed income	<u>500,219</u>	<u>-</u>	<u>-</u>	<u>500,219</u>
	<u>\$ 1,015,808</u>	<u>\$ -</u>	<u>\$ -</u>	1,015,808
Cash				<u>7,173</u>
				<u>\$ 1,022,981</u>

COORDINATED ADVICE & REFERRAL PROGRAM FOR LEGAL SERVICES

NOTES TO FINANCIAL STATEMENTS

NOTE E – SPECIAL EVENTS AND FUNDRAISING

FUNDRAISING EVENTS

The Organization has one fundraising event. Significant fundraising events are reported net of costs of direct benefit to donors. Peripheral or incidental fundraising events report revenue net of direct expense.

Details of the fundraising event for the year ended June 30, 2025 is as follows:

	<u>Gross Revenue</u>	<u>Less: Direct Costs</u>	<u>Net Revenue</u>
Golden Gavel Celebration	\$ 532,237	\$ (108,171)	\$ 424,066

Details of the fundraising event for the year ended June 30, 2024 is as follows:

	<u>Gross Revenue</u>	<u>Less: Direct Costs</u>	<u>Net Revenue</u>
Golden Gavel Celebration	\$ 641,765	\$ (103,403)	\$ 538,362

FUNDRAISING EXPENSES

In addition to the fundraising event, the Organization conducts numerous appeals during the year and significant direct mail solicitation.

NOTE F – RETIREMENT PLAN

The Organization maintains a qualified 401(k) and profit-sharing plan combination that covers all eligible employees. Eligible employees make deferrals under the terms of the plan. The Organization determines contributions to the profit-sharing plan. Total retirement plan expense relating to the Organization match for the period was \$91,462. There was no match in 2024.

NOTE G – LEASE COMMITMENTS

The Organization has entered into various lease commitments on a building and certain equipment used for its activities. The current terms of the leases provide for annual rents of \$182,160 payable monthly, increasing annually to \$201,071 throughout the life of the lease. For the building lease, which expires April 30, 2029, the Organization may also be responsible for operating expenses and real estate taxes, which exceed the base year defined in the lease. The equipment leased is collateral on operating leases of the applicable equipment item. Lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The building lease contains an option to renew with renewal terms that can extend the lease term for an additional five years. The exercise of the lease renewal option is at the Organization's sole discretion. The financial statements do not include operating lease payments related to the option to extend the lease term because it is not reasonably certain that the option will be exercised.

COORDINATED ADVICE & REFERRAL PROGRAM FOR LEGAL SERVICES

NOTES TO FINANCIAL STATEMENTS

NOTE G – LEASE COMMITMENTS (Continued)

Lease expense was \$156,370 and \$130,065 for the years ended June 30, 2025 and 2024, respectively and is included in occupancy on the statements of functional expenses.

The operating lease assets and liabilities were calculated using the risk-free discount rate according to the Organization's elected policy for all lease agreements.

The following summarizes the weighted average remaining lease term and discount rate as of June 30, 2025 and 2024 :

	<u>2025</u>	<u>2024</u>
Operating leases		
Weighted Average Remaining Lease Term	3.83 Years	4.83 Years
Weighted Average Discount Rate	4.64%	4.64%

The maturities of lease liabilities as of June 30, 2025 are as follows:

Year-ending June 30,	<u>Operating</u>
2026	\$ 142,514
2027	147,202
2028	152,006
2029	<u>130,077</u>
Total lease payments	<u>571,799</u>
Less: Interest	<u>(59,595)</u>
Present value of lease liabilities	<u><u>\$ 512,204</u></u>

NOTE H – CONCENTRATION IN SUPPORT RECEIVED

The Organization relies heavily on grant revenue from various sources. The Organization received approximately 44% of its support from the Chicago Bar Foundation, 26% from the Lawyers Trust Fund of Illinois, and 18% from Illinois Equal Justice during the year ended June 30, 2025. The Organization received approximately 42% of its support from the Chicago Bar Foundation, 25% from the Lawyers Trust Fund of Illinois, and 20% from Illinois Equal Justice during the year ended June 30, 2024. In the event that these grants were to be eliminated, it is likely that the Organization would need to restructure its current operations and overall business.

NOTE I – RECLASSIFICATIONS

Reclassifications occurred to certain prior year amounts in order to conform with the current year presentation. The reclassifications have no effect on reported change in net assets.



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Coordinated Advice & Referral Program for Legal Services
35 E Wacker Drive, Suite 3000
Chicago, IL 60601

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Coordinated Advice & Referral Program for Legal Services, which comprise the statement of financial position as of June 30, 2025 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 13, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Coordinated Advice & Referral Program for Legal Services' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Coordinated Advice & Referral Program for Legal Services' internal control. Accordingly, we do not express an opinion on the effectiveness of the Coordinated Advice & Referral Program for Legal Services' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coordinated Advice & Referral Program for Legal Services' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Coordinated Advice & Referral Program for Legal Services' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Coordinated Advice & Referral Program for Legal Services' response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Coordinated Advice & Referral Program for Legal Services' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PORTE BROWN LLC
Certified Public Accountants

A handwritten signature in cursive script that reads "Porte Brown LLC". The signature is written in black ink and is positioned to the right of the printed name and title.

Elk Grove Village, Illinois
January 13, 2026

COORDINATED ADVICE & REFERRAL PROGRAM FOR LEGAL SERVICES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2025

SECTION I - SUMMARY OF INDEPENDENT AUDITORS' RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness identified? No

Significant deficiency identified? Yes

Noncompliance material to financial statements noted? No

SECTION II - FINANCIAL STATEMENT FINDINGS

2025-001: Preparation of Financial Statements in Accordance with U.S. GAAP **Significant Deficiency**

Criteria: According to FASB ASC 958-605, unconditional promises to give should be recognized as revenue in the period the promise is made.

Condition: The Organization improperly recognized revenue related to multi-year grant awards that were unconditional. Specifically, the Organization only recognized as revenue the amount of the grant that was received in cash for the year ended June 30, 2025, rather than recognizing the entire amount of the grant awarded.

Cause: The Organization did not apply appropriate revenue recognition policies for multi-year grants. This appears to stem from a misunderstanding of the distinction between conditional and unconditional contributions, and the related timing of revenue recognition.

Effect: As a result, revenue was understated in the current year, and future year revenues may be overstated. This misstatement affects the accuracy of reported net assets and may result in improperly reporting the Organization's financial performance and compliance with donor restrictions.

Recommendation: We recommend that the Organization revise its revenue recognition policy to comply with FASB ASC 958-605, relating to unconditional multi-year grants and review its policies and procedures to identify all multi-year awards to ensure the proper recognition of grant revenue.

Views of Responsible Officials: Management agrees with the finding; see corrective action plan.

COORDINATED ADVICE & REFERRAL PROGRAM FOR LEGAL SERVICES

SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED JUNE 30, 2025

NO PRIOR YEAR FINDINGS



CORRECTIVE ACTION PLAN

Finding 2025-001

Financial Statement Finding

Condition: The Organization improperly recognized revenue related to multi-year grant awards that were unconditional. Specifically, the Organization only recognized as revenue the amount of the grant that was received in cash for the year ended June 30, 2025, rather than recognizing the entire amount of the grant awarded.

Corrective Action Plan: The Organization will review its accounting close processes and procedures to ensure that all unconditional multi-year pledges are recognized and recorded in accordance with GAAP.

Anticipated Completion Date: June 30, 2026

Responsible Individual: Kevin Horan-Bussey, Finance Manager