

Legal Information for Families Today

Financial Statements
and
Auditor's Report

Year Ended September 30, 2010

The Board of Directors
Legal Information for Families Today

Independent Auditor's Report

We have audited the accompanying statement of financial position of the Legal Information for Families Today (LIFT) as of September 30, 2010 and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of LIFT's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from LIFT's September 30, 2009 financial statements and, in our report dated March 23, 2010, we expressed an unqualified opinion on those financial statements.

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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of LIFT's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LIFT as of September 30, 2010 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Lambrides, Lamos, Taylor LLP

April 12, 2011

Legal Information for Families Today
Statement of Financial Position
September 30, 2010
With Comparative Figures at September 30, 2009

	2010	2009
ASSETS		
Cash and cash equivalents:		
Operating cash	\$ 491,163	\$ 550,187
Restricted cash	85,701	45,598
Reserve fund	420,000	280,000
Prepaid expenses	42,256	29,959
Grants and other receivables	188,913	227,798
Pledges receivable	52,500	
Security deposits	33,439	7,977
Fixed assets		
(net of accumulated depreciation)	<u>56,731</u>	<u>36,568</u>
Total assets	<u>\$ 1,370,703</u>	<u>\$ 1,178,087</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 90,751	\$ 50,672
Accrued payroll	37,772	48,304
Refundable advances	35,000	35,000
Deferred revenue	<u>142,750</u>	<u> </u>
Total liabilities	<u>306,273</u>	<u>133,976</u>
 Net assets:		
Unrestricted:		
Invested in fixed assets	56,731	36,568
Reserve fund	420,000	280,000
Undesignated	<u>501,998</u>	<u>681,945</u>
Total unrestricted	978,729	998,513
Temporarily restricted	<u>85,701</u>	<u>45,598</u>
Total net assets	<u>1,064,430</u>	<u>1,044,111</u>
Total liabilities and net assets	<u>\$ 1,370,703</u>	<u>\$ 1,178,087</u>

See notes to financial statements.

Legal Information for Families Today
Statement of Activities
For the Year Ended September 30, 2010
With Summarized Comparative Figures for the Year Ended September 30, 2009

	Unrestricted	Temporarily Restricted	2010 Totals	2009 Totals
Revenue, support and releases:				
Contributions and grants	\$ 273,716	\$ 232,500	\$ 506,216	\$ 376,606
Government grants	913,529		913,529	860,528
Special events:				
Contributions	\$ 190,468			
Revenue	20,605			
Less: direct expenses	<u>(20,928)</u>			
Special events net	190,145		190,145	177,573
In-kind contributions	137,810		137,810	267,836
Miscellaneous income	1,590		1,590	1,287
Interest income	2,901		2,901	6,925
Releases in satisfaction of program restrictions	<u>192,397</u>	<u>(192,397)</u>	<u> </u>	<u> </u>
Total revenue, support and releases	<u>1,712,088</u>	<u>40,103</u>	<u>1,752,191</u>	<u>1,690,755</u>
Expenses:				
Program	1,458,625		1,458,625	1,331,533
Supporting services:				
Management and general	193,837		193,837	201,321
Fundraising	<u>79,410</u>		<u>79,410</u>	<u>54,143</u>
Total expenses	<u>1,731,872</u>		<u>1,731,872</u>	<u>1,586,997</u>
Change in net assets	(19,784)	40,103	20,319	103,758
Net assets at beginning of year	<u>998,513</u>	<u>45,598</u>	<u>1,044,111</u>	<u>940,353</u>
Net assets at end of year	<u>\$ 978,729</u>	<u>\$ 85,701</u>	<u>\$ 1,064,430</u>	<u>\$ 1,044,111</u>

See notes to financial statements.

Legal Information for Families Today
Statement of Cash Flows
For the Year Ended September 30, 2010
With Comparative Figures for the Year Ended September 30, 2009

	2010	2009
Cash flows from operating activities:		
Change in net assets	\$ 20,319	\$ 103,758
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	13,361	10,083
(Increase) decrease in:		
Prepaid expenses	(12,297)	(27,548)
Grants receivable	38,885	72,600
Pledges receivable	(52,500)	3,715
Security deposits	(25,462)	
Increase (decrease) in:		
Accounts payable and accrued expenses	40,079	(6,270)
Accrued payroll	(10,532)	(11,428)
Deferred revenue	<u>142,750</u>	<u> </u>
Cash provided by operating activities	<u>154,603</u>	<u>144,910</u>
Cash flows from investing activities:		
Acquisition of fixed assets	<u>(33,524)</u>	<u>(21,430)</u>
Cash used by investing activities	<u>(33,524)</u>	<u>(21,430)</u>
Net increase in cash and cash equivalents	121,079	123,480
Cash and cash equivalents:		
Beginning of year	<u>875,785</u>	<u>752,305</u>
End of year	<u><u>\$ 996,864</u></u>	<u><u>\$ 875,785</u></u>

See notes to financial statements.

**Legal Information for Families Today
Statement of Functional Expenses
For the Year Ended September 30, 2010
With Summarized Comparative Figures for the Year Ended September 30, 2009**

	Program Services						Total Program Services	Management and General	Fund Raising	2010 Totals	2009 Totals
	Hotline	Family Court EI Sites	Legal Education Programs	Public Policy	Judge for a Day	Family Legal Center					
Salaries	\$134,978	\$201,710	\$119,653	\$ 89,464	\$ 50,442	\$270,166	\$ 866,413	\$ 43,601	\$ 24,701	\$ 934,715	\$ 804,140
Payroll taxes and fringe benefits	26,883	40,173	23,830	17,818	10,046	53,807	172,557	8,684	4,919	186,160	164,899
Rent expense	16,999	25,403	15,069	11,267	6,353	34,025	109,116	5,491	3,111	117,718	100,487
Program expenses	1,116	1,116	1,116	1,116	1,116	10,334	15,914			15,914	9,959
Professional fees								105,983	42,034	148,017	92,958
Consultants fees	10,505	13,359	11,544	4,337	3,553	7,968	51,266	18,096	496	69,858	35,858
Donated consultants and professional services	19,553	19,553	19,553	19,553		19,554	97,766			97,766	265,436
Telephone and communications	2,638	3,942	2,338	1,748	986	5,279	16,931	852	483	18,266	13,867
Supplies	3,546	5,298	3,143	2,350	1,325	7,097	22,759	1,145	649	24,553	14,880
Payroll processing fees	461	689	408	305	172	921	2,956	149	84	3,189	2,385
Equipment repairs and upgrade	68	101	60	45	25	134	433	22	12	467	423
Postage and delivery	610	911	541	404	228	1,221	3,915	197	112	4,224	3,778
Travel and meeting expenses	2,416	3,611	2,142	1,602	903	4,837	15,511	781	442	16,734	6,672
Printing and copying	7,140	10,670	6,329	4,732	2,668	14,291	45,830	2,306	1,307	49,443	41,948
Dues and subscriptions	476	711	422	315	178	953	3,055	154	87	3,296	3,267
Insurance	1,275	1,905	1,130	845	476	2,553	8,184	1,418	232	9,834	7,591
Bank charges and fees								2,598		2,598	1,336
Training and conferences	440	657	390	291	164	880	2,822	142	80	3,044	4,986
Recruitment fees								1,050		1,050	708
Depreciation expense	1,929	2,883	1,710	1,279	721	3,862	12,384	624	353	13,361	10,083
Moving expense	836	1,250	741	554	313	1,673	5,367	270	153	5,790	
Miscellaneous expenses	848	1,268	752	562	317	1,699	5,446	274	155	5,875	1,336
Total	\$232,717	\$335,210	\$210,871	\$ 158,587	\$ 79,986	\$441,254	\$1,458,625	\$ 193,837	\$ 79,410	\$1,731,872	\$1,586,997

See notes to financial statements.

Legal Information for Families Today
Notes to Financial Statements
September 30, 2010

1. Organization:

Legal Information for Families Today (LIFT) is an award-winning non-profit dedicated to empowering unrepresented litigants so that they may successfully self-advocate in the New York Family Courts. Driven by the results of rigorous program evaluation, LIFT forges innovative solutions to the significant challenges faced by those acting as their own lawyer while the safety and stability of their children hang in the balance.

In 2010, LIFT's direct service programs included:

- Education and Information Sites and Help Centers in the Bronx, Brooklyn, Manhattan and Queens Family Courts;
- Telephone and Email Family Law Information Hotlines; and
- The Family Legal Center.

Through these programs, LIFT served nearly 25,000 people, 48% were black, 37% Latino/a, 8% white, 3% Asian, and 4% identified as other. Of this group, 49% were men and 51% were women. All were low-income, and 96% were facing the Family Courts without counsel.

In addition, in 2010, LIFT produced thirty-six Legal Resource Guides, which are translated into eight languages by a team of volunteers. The Guides are produced at a fifth-grade reading level in an easy to understand Q&A format. During the past year, LIFT distributed 130,700 Guides across our programs; in addition, 68,080 Guides were downloaded from our website.

Also in 2010, LIFT held five Judge for a Day Programs (JFAD). At JFAD, business leaders and elected officials spend a day in Family Court, sitting alongside a judge and witnessing proceedings from that unique vantage point. LIFT served on numerous statewide and citywide taskforces and advisory councils dedicated to improving the Family Courts and began work on a number of policy initiatives.

LIFT's earnings are exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.

2. Summary of Significant Accounting Policies:

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

a. Accrual Basis Financial Statements

The accompanying financial statements have been prepared on the accrual basis and conform to accounting principles generally accepted in the United States of America and in accordance with the principles of not-for-profit accounting.

b. Net Assets

The net assets of LIFT and changes therein are classified and reported as follows:

- Unrestricted net assets include all resources which are not subject to donor-imposed restrictions of a more specific nature than those which only obligate LIFT to utilize funds in furtherance of its mission.

Legal Information for Families Today
Notes to Financial Statements
September 30, 2010

2. Summary of Significant Accounting Policies: (Continued)

b. Net Assets: (Continued)

- Temporarily restricted net assets carry specific, donor-imposed restrictions on the expenditure or other use of contributed funds. Temporary restrictions may expire either because certain actions are taken by LIFT, which fulfill the restrictions, or because of the passage of time. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

c. Cash and Cash Equivalents

LIFT considers cash on deposit, cash on hand and certificates of deposit with original maturities of less than three months when purchased (if any) to be cash equivalents.

d. Fair Value Measurements

Fair market value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the entity transacts. LIFT must determine whether its assets and liabilities recorded at fair value were based on Level 1 (valued based on quoted prices in an active market for identical assets), Level 2 (valued based on significant other observable inputs), or Level 3 (valued based on significant unobservable inputs) measurements within the fair value hierarchy.

e. Fixed Assets

Fixed assets are stated at cost, or, if donated, at the estimated fair market value at the date of donation. Depreciation is recorded using the straight-line method at various rates calculated to allocate the cost of the respective items over their estimated useful lives. During the fiscal year no depreciation was taken for software as it was not yet put into service.

Estimated useful lives are:

Equipment	5-10 years
Furniture and fixtures	5-10 years
Leasehold improvements	2-5 years
Software	3 years

f. Deferred Revenue

Deferred revenue consists of income received for special fundraising events that took place after the fiscal year end and will be deferred and recognized over the periods to which the income relates.

g. Reserve Fund

The Board established the reserve fund to provide adequate cash flow for operations to mitigate the effects of the variability of the timing of receipts from government contracts and unforeseen exigencies.

Legal Information for Families Today
Notes to Financial Statements
September 30, 2010

2. Summary of Significant Accounting Policies: (Continued)

h. Contributions

Contributions are recorded as revenue upon receipt of cash or unconditional promises to give (pledges). Contributions are considered available for unrestricted use unless specifically restricted by the donor.

i. Government Grants

Government grants are recorded as revenues to the extent that expenses have been incurred for the purposes specified by the grantors. To the extent amounts received exceed amounts spent, LIFT establishes advances from governmental sources.

j. Donated Assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

k. Donated Services

LIFT receives services donated by individuals to facilitate carrying out LIFT's nonprofit purpose. Amounts are reflected on the financial statements for those services where there is a reliable basis for determining an appropriate amount.

l. Donated Use of Facilities

The value of donated facilities is calculated based on the estimated fair rental value of the space used. The fair rental value is the amount that would be charged for similar space that is rented under similar terms. Since the free use of facilities is not promised for any specified period of time, LIFT recognizes the contribution and related expense for the period it occupies the free office space.

m. Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies.

n. 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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with LIFT's financial statements for the year ended September 30, 2009, from which the summarized information was derived.

Legal Information for Families Today
Notes to Financial Statements
September 30, 2010

2. Summary of Significant Accounting Policies: (Continued)

o. Accounting for Uncertainty in Income Taxes

LIFT's current accounting policy is to disclose liabilities for uncertain tax positions when a liability is probable and estimable. Management is not aware of any violation of its tax status as an organization exempt from income taxes, nor is it aware of any exposure to unrelated business income tax.

p. Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management must make estimates based on future events that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from these estimates.

3. Concentration of Risk:

LIFT's cash accounts are located in three institutions. The amount on deposit in financial institutions on September 30, 2010 exceeded the federally insured limit by an aggregate amount of \$371,453.

4. Grants Receivable:

Grants receivable of \$188,913 at September 30, 2010 is expected to be collected during the 2011 fiscal year and consist of funding from government agencies.

5. Pledges Receivable:

Pledges receivable at September 30, 2010 of \$52,500 were subsequently collected in fiscal year 2011.

6. Fixed Assets:

Fixed assets at September 30, 2010 are summarized as follows:

	Cost	Accumulated Depreciation	Net
Equipment	\$101,076	\$61,455	\$39,621
Furniture and fixtures	25,900	25,900	
Leasehold improvements	19,910	8,810	11,100
Software	<u>6,010</u>	<u> </u>	<u>6,010</u>
	<u>\$152,896</u>	<u>\$96,165</u>	<u>\$56,731</u>

Depreciation expense for the year was \$13,361.

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Notes to Financial Statements
September 30, 2010

7. Donated Use of Facilities:

LIFT uses space, without charge, at their facility. The estimated fair rental value of the facilities for the 2010 fiscal year is \$16,719. This amount is recorded as donated use of facilities and corresponding rent expense in the accompanying financial statements.

8. Deferred Revenue:

Deferred revenue of \$142,750 at September 30, 2010 consists of revenue received prior to the fiscal year end relating to a special fundraising event that took place after the fiscal year end.

9. Donated Goods and Services:

Donated goods and services valued at \$137,810 were donated to LIFT and have been disclosed in the statement of activities. Also, LIFT receives a significant amount of donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition have not been satisfied.

10. Lease Commitments:

LIFT currently rents office space. Current year rent payments totaled \$106,424 and were charged to occupancy. Utilities in the amount of \$9,722 were also included in the monthly rent payment and were charged to occupancy. The rent payments and utilities totaled \$116,146.

The future estimated minimum lease payments including utilities for each of the five succeeding fiscal years and thereafter are as follows:

Year Ending September 30,

2011	\$	201,635
2012		205,668
2013		209,781
2014		213,977
2015		218,256
2016 and thereafter		1,097,389

LIFT also leases office equipment. Current year lease payments totaled \$2,661 and were charged to printing and copying expense.

Office equipment payments for the succeeding two years are as follows:

Year Ending September 30,

2011	\$2,388
2012	<u>1,194</u>
Total	<u>\$3,582</u>

Legal Information for Families Today
Notes to Financial Statements
September 30, 2010

11. Refundable Advances:

Refundable advances of \$35,000 from a government agency consist of amounts forwarded to LIFT relating to a grant for the next fiscal year. These amounts would be due to the government agency should LIFT not comply with the grant stipulations.

12. Temporarily Restricted Net Assets:

Temporarily restricted net assets are designated for the following:

Family Legal Center	\$45,002
Performance measurement database	2,265
Strategic planning	<u>38,434</u>
Total	<u>\$85,701</u>

13. Fair Value Measurements:

LIFT had no assets for which fair value disclosures were required at September 30, 2010.

14. Retirement Plan:

LIFT sponsors a SIMPLE IRA contributory retirement plan with an employer match of 100% of an employee's elective deferrals up to 3% of the employee's annual compensation. Funds are held with an outside trustee. Retirement expense for fiscal year 2010 amounted to \$16,024.

15. Subsequent Events:

Management of LIFT evaluated subsequent events through April 12, 2011, which is the date the financial statements were available to be issued. They discovered no additional subsequent events.