

Legal Information for Families Today

Financial Statements
and
Auditor's Report

Year Ended September 30, 2009

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, 2009 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, 2008 financial statements and, in our report dated January 16, 2009, 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, 2009 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.

As discussed in Note 2 to the financial statements, LIFT adopted the provisions of the *Fair Value Measurements and Disclosures Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification*, effective October 1, 2008.

Lambrides, Lamos, Taylor LLP

March 23, 2010

Legal Information for Families Today
Statement of Financial Position
September 30, 2009
With Comparative Figures at September 30, 2008

	2009	2008
ASSETS		
Cash and cash equivalents:		
Operating cash	\$ 550,187	\$ 557,623
Restricted cash	45,598	54,384
Reserve fund	280,000	140,298
Prepaid expenses	29,959	2,411
Grants and other receivables	227,798	300,398
Pledges receivable		3,715
Security deposits	7,977	7,977
Furniture, fixtures and equipment (net of accumulated depreciation)	<u>36,568</u>	<u>25,221</u>
Total assets	<u><u>\$ 1,178,087</u></u>	<u><u>\$ 1,092,027</u></u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 50,672	\$ 56,942
Accrued payroll	48,304	59,732
Refundable advances	<u>35,000</u>	<u>35,000</u>
Total liabilities	<u>133,976</u>	<u>151,674</u>
Net assets:		
Unrestricted:		
Invested in furniture, fixtures and equipment	36,568	25,221
Reserve fund	280,000	140,298
Undesignated	<u>681,945</u>	<u>720,450</u>
Total unrestricted	998,513	885,969
Temporarily restricted	<u>45,598</u>	<u>54,384</u>
Total net assets	<u>1,044,111</u>	<u>940,353</u>
Total liabilities and net assets	<u><u>\$ 1,178,087</u></u>	<u><u>\$ 1,092,027</u></u>

See notes to financial statements.

Legal Information for Families Today
Statement of Activities
For the Year Ended September 30, 2009
With Summarized Comparative Figures for the Year Ended September 30, 2008

	Unrestricted	Temporarily Restricted	2009 Totals	2008 Totals
Revenue and support:				
Contributions and grants	\$ 220,358	\$ 156,248	\$ 376,606	\$ 494,470
Government grants	860,528		860,528	978,025
Special event:				
Contributions	\$ 178,490			
Revenue	24,850			
Less: direct expenses	<u>(25,767)</u>			
Special event net	177,573		177,573	363,449
In-kind contributions	267,836		267,836	183,623
Miscellaneous income	1,287		1,287	1,732
Interest income	6,925		6,925	6,108
Releases in satisfaction of program restrictions	<u>165,034</u>	<u>(165,034)</u>	<u> </u>	<u> </u>
Total revenue and support	<u>1,699,541</u>	<u>(8,786)</u>	<u>1,690,755</u>	<u>2,027,407</u>
Expenses:				
Program	1,331,533		1,331,533	1,269,326
Supporting services:				
Management and general	201,321		201,321	256,410
Fundraising	<u>54,143</u>		<u>54,143</u>	<u>201,406</u>
Total expenses	<u>1,586,997</u>		<u>1,586,997</u>	<u>1,727,142</u>
Change in net assets	112,544	(8,786)	103,758	300,265
Net assets at beginning of year	<u>885,969</u>	<u>54,384</u>	<u>940,353</u>	<u>640,088</u>
Net assets at end of year	<u>\$ 998,513</u>	<u>\$ 45,598</u>	<u>\$ 1,044,111</u>	<u>\$ 940,353</u>

See notes to financial statements.

Legal Information for Families Today
Statement of Cash Flows
For the Year Ended September 30, 2009
With Comparative Figures for the Year Ended September 30, 2008

	2009	2008
Cash flows from operating activities:		
Change in net assets	\$ 103,758	\$ 300,265
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	10,083	18,024
Realized and unrealized losses on investments		212
Stock contributions		(6,385)
(Increase) decrease in:		
Prepaid expenses	(27,548)	59
Grants receivable	72,600	(60,582)
Pledges receivable	3,715	(3,715)
Increase (decrease) in:		
Accounts payable and accrued expenses	(6,270)	47,652
Accrued payroll	(11,428)	29,685
Refundable advances	<u> </u>	<u>(3,800)</u>
Cash provided by operating activities	<u>144,910</u>	<u>321,415</u>
Cash flows from investing activities:		
Acquisition of fixed assets	(21,430)	
Proceeds from sale of investments	<u> </u>	<u>7,099</u>
Cash provided (used) by investing activities	<u>(21,430)</u>	<u>7,099</u>
Net increase in cash and cash equivalents	123,480	328,514
Cash and cash equivalents:		
Beginning of year	<u>752,305</u>	<u>423,791</u>
End of year	<u>\$ 875,785</u>	<u>\$ 752,305</u>

See notes to financial statements.

**Legal Information for Families Today
Statement of Functional Expenses
For the Year Ended September 30, 2009
With Summarized Comparative Figures for the Year Ended September 30, 2008**

	Program Services						Total Program Services	Management and General	Fund Raising	2009 Totals	2008 Totals
	Family Hotline	Family Court EI Sites	Legal Education Programs	Public Policy	Judge for a Day	Family Legal Center					
Salaries	\$ 119,851	\$ 195,354	\$ 70,363	\$ 62,647	\$ 40,029	\$ 240,545	\$ 728,789	\$ 43,164	\$ 32,187	\$ 804,140	\$ 913,513
Payroll taxes and fringe benefits	24,577	40,060	14,429	12,847	8,208	49,327	149,448	8,851	6,600	164,899	180,399
Occupancy	14,977	24,412	8,793	7,828	5,002	30,059	91,071	5,394	4,022	100,487	99,886
Program expenses	186	186	186	186	186	9,029	9,959			9,959	10,412
Professional fees								89,867	3,091	92,958	122,977
Consultants fees	2,974	6,614	14,306	2,867	2,825	3,198	32,784	2,581	493	35,858	66,546
Donated consultants and professional services	7,452	33,432	42,625	80,395	2,489	53,207	219,600	43,835	2,001	265,436	177,722
Telephone and communications	2,067	3,369	1,213	1,080	690	4,149	12,568	744	555	13,867	23,966
Supplies	2,217	3,615	1,302	1,160	741	4,451	13,486	798	596	14,880	23,502
Payroll processing fees	355	579	209	186	119	714	2,162	128	95	2,385	2,715
Equipment repairs and upgrade	63	103	37	33	21	126	383	23	17	423	2,372
Postage and delivery	563	918	331	294	188	1,130	3,424	203	151	3,778	6,550
Travel and meeting expenses	994	1,621	584	520	332	1,996	6,047	358	267	6,672	9,643
Printing and copying	6,252	10,191	3,670	3,268	2,088	12,548	38,017	2,252	1,679	41,948	36,992
Dues and subscriptions	487	794	286	255	163	976	2,961	175	131	3,267	2,037
Insurance	982	1,599	576	513	328	1,970	5,968	1,359	264	7,591	7,964
Professional development											4,075
Bank charges and fees									1,336	1,336	1,027
Training and conferences	743	1,211	436	388	248	1,492	4,518	268	200	4,986	4,404
Recruitment fees								708		708	5,510
Depreciation	1,503	2,450	882	786	502	3,015	9,138	541	404	10,083	18,024
Miscellaneous	199	325	117	104	67	398	1,210	72	54	1,336	6,906
Total	\$ 186,442	\$ 326,833	\$ 160,345	\$ 175,357	\$ 64,226	\$ 418,330	\$ 1,331,533	\$ 201,321	\$ 54,143	\$ 1,586,997	\$ 1,727,142

See notes to financial statements.

Legal Information for Families Today
Notes to Financial Statements
September 30, 2009

1. Organization:

Legal Information for Families Today (LIFT), a New York State corporation, provides legal information and compassionate guidance to low-income families so that they may successfully advocate for themselves in the New York City Family Courts. Driven by the results of rigorous and ongoing outcome measurements, all of LIFT's programs offer a high-quality cost-effective response to a demonstrated need. Those programs include:

- The Family Legal Center
- The Telephone and Email Family Law Information Hotline
- Four Family Court-based Education and Information Sites
- The Grandparents Legal Education Program

LIFT also conducts the Family Court Judge for a Day (JFAD) Program which brings public and private sector officials together to raise awareness of Family Court issues. Through JFAD and membership on commissions and task-forces throughout the State, LIFT advances positive reform on behalf of the families LIFT serves.

During the fiscal year, LIFT served more than 25,000 families, 95% of whom did not have legal representation. Those served were typically low-income, black (51%) or Latino/a (32%) parents (82%) and grandparents (18%). One in ten was monolingual Spanish speaking. In 2009, LIFT was a finalist for the 2009 New York Times Company Nonprofit Excellence Award, and received The Thom A. Fluellen Award from the NYU Community Fund for excellent services to the community.

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, 2009

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. Furniture, Fixtures and Equipment

Furniture, fixtures and equipment 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.

Estimated useful lives are:

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

e. 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.

f. 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.

g. Donated Assets

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

h. 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.

Legal Information for Families Today
Notes to Financial Statements
September 30, 2009

2. Summary of Significant Accounting Policies: (Continued)

i. 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.

j. Reclassification

Certain amounts previously reported in the financial statements for September 30, 2008 have been reclassified to facilitate comparability with the September 30, 2009 amounts with no effect on the change in net assets as previously reported.

k. Adoption of New Accounting Standards

In September 2006, the Financial Accounting Standards Board (FASB) issued the *Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification*. This topic provides a new definition of fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. LIFT adopted the provisions of this topic as of October 1, 2008. In accordance with the provisions of the topic, LIFT will delay application for nonfinancial assets and nonfinancial liabilities until October 1, 2009. The adoption of the *Fair Value Measurements and Disclosures Topic* did not have a material effect on LIFT's financial position as of September 30, 2009 or on the statements of activities and changes in net assets or cash flows for the year ended September 30, 2009. See Note 10 for related fair value disclosures.

l. 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, 2008, from which the summarized information was derived.

m. 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 two institutions. The amount on deposit in financial institutions on September 30, 2009 exceeded the federally insured limit by an aggregate amount of \$383,892.

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Notes to Financial Statements
September 30, 2009

4. Grants and Other Receivables:

Grants and other receivables of \$227,798 are expected to be collected during the 2010 fiscal year and consist of the following:

Government agencies	\$226,918
Other receivables	<u>880</u>
Total	<u>\$227,798</u>

5. Furniture, Fixtures and Equipment:

Furniture, fixtures and equipment at September 30, 2009 are summarized as follows:

	Cost	Accumulated Depreciation	Net
Equipment	\$ 83,256	\$48,494	\$34,762
Furniture and fixtures	25,900	25,784	116
Leasehold improvements	8,525	8,525	
Software	<u>1,690</u>	<u> </u>	<u>1,690</u>
	<u>\$119,371</u>	<u>\$82,803</u>	<u>\$36,568</u>

Depreciation expense for the year was \$10,083.

6. Lease Commitments:

LIFT currently rents office space. Current year rent payments totaled \$89,523 and were charged to occupancy. Utilities in the amount of \$9,078 were also included in the monthly rent payment and were charged to occupancy. The rent payments and utilities totaled \$98,601.

LIFT also leases office equipment. Current year lease payments totaled \$2,218 and were charged to printing and copying expense.

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

Year Ending September 30,

2010	\$2,388
2011	2,388
2012	<u>1,194</u>
Total	<u>\$5,970</u>

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Notes to Financial Statements
September 30, 2009

7. 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.

8. 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.

9. Temporarily Restricted Net Assets:

Temporarily restricted net assets are designated for the following:

Family Legal Center	\$29,911
Performance measurement database	10,687
Legal Education Program	<u>5,000</u>
Total	<u>\$45,598</u>

10. Fair Value Measurements:

In determining fair value, LIFT uses various valuation approaches within the *Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification* fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

The *Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification* established a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1 inputs: In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that LIFT has the ability to access.

Level 2 inputs: Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs: Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related assets or liability.

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Notes to Financial Statements
September 30, 2009

10. Fair Value Measurements: (Continued)

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in the entirety are categorized based on the lowest level input that is significant to the valuation. LIFT's assessment of the significance of the particular inputs to these fair value measurements requires judgment and considers factors of each asset or liability.

LIFT had no assets for which fair value disclosures were required at September 30, 2009.

11. 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 2009 amounted to \$18,845.

12. Subsequent Events:

Management of LIFT evaluated subsequent events through March 23, 2010, which is the date the financial statements were available to be issued. They discovered no additional subsequent events.