



## Audited Financial Statements

September 30, 2020

## **Independent Auditor's Report**

To the Board of Directors of  
Legal Information for Families Today

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Legal Information for Families Today ("LIFT"), which comprise the statement of financial position as of September 30, 2020, 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 entity'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 entity'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.

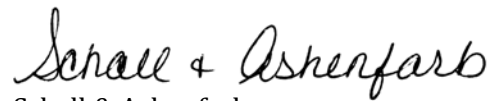
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Legal Information for Families Today as of September 30, 2020, 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 the LIFT's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 24, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.



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Schall & Ashenfarb  
Certified Public Accountants, LLC

January 20, 2021

**LEGAL INFORMATION FOR FAMILIES TODAY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF SEPTEMBER 30, 2020**  
(With comparative totals as of September 30, 2019)

	<u>9/30/20</u>	<u>9/30/19</u>
<b>Assets</b>		
Cash and cash equivalents	\$1,535,201	\$1,432,313
Investments (Note 3)	8,888	0
Government grants receivable	325,647	319,111
Pledges receivable	205,052	25,256
Prepaid expenses and other assets	88,916	71,880
Security deposits	29,403	29,403
Fixed assets, net (Note 4)	<u>46,190</u>	<u>11,570</u>
 Total assets	 <u><u>\$2,239,297</u></u>	 <u><u>\$1,889,533</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$121,022	\$105,905
Refundable advances	36,878	0
Paycheck Protection Program loan payable (Note 5)	229,117	0
Deferred rent	16,094	12,407
Total liabilities	<u>403,111</u>	<u>118,312</u>
Net assets:		
Without donor restrictions:		
Reserve fund	350,000	350,000
Operations	<u>1,301,216</u>	<u>1,387,435</u>
Total net assets without donor restrictions	1,651,216	1,737,435
With donor restrictions (Note 6)	<u>184,970</u>	<u>33,786</u>
Total net assets	<u>1,836,186</u>	<u>1,771,221</u>
 Total liabilities and net assets	 <u><u>\$2,239,297</u></u>	 <u><u>\$1,889,533</u></u>

*The attached notes and auditor's report are an integral part of these financial statements.*

**LEGAL INFORMATION FOR FAMILIES TODAY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**  
(With comparative totals for the year ended September 30, 2019)

	Without Donor Restriction			With Donor Restrictions	Total 9/30/20	Total 9/30/19
	General Operations	Reserve Fund	Total Without Donor Restrictions			
Revenue and support:						
Government grants	\$1,503,186		\$1,503,186		\$1,503,186	\$1,529,805
Contributions	430,625		430,625	\$282,000	712,625	434,630
In-kind contributions	117,147		117,147		117,147	82,364
UpLIFT fundraising campaign (Note 10)	520,664		520,664		520,664	0
Special events (net of expenses with a direct benefit to donor)			0		0	471,144
Investments and other income	18,829		18,829		18,829	14,102
Net assets released from restrictions	130,816		130,816	(130,816)	0	0
Total revenue and support	<u>2,721,267</u>	<u>0</u>	<u>2,721,267</u>	<u>151,184</u>	<u>2,872,451</u>	<u>2,532,045</u>
Expenses:						
Program services	2,078,843		2,078,843		2,078,843	1,668,203
Supporting services:						
Management and general	455,791		455,791		455,791	261,974
Fundraising	272,852		272,852		272,852	290,551
Total supporting services	<u>728,643</u>	<u>0</u>	<u>728,643</u>	<u>0</u>	<u>728,643</u>	<u>552,525</u>
Total expenses	<u>2,807,486</u>	<u>0</u>	<u>2,807,486</u>	<u>0</u>	<u>2,807,486</u>	<u>2,220,728</u>
Change in net assets	(86,219)		(86,219)	151,184	64,965	311,317
Net assets - beginning of year	<u>1,387,435</u>	<u>350,000</u>	<u>1,737,435</u>	<u>33,786</u>	<u>1,771,221</u>	<u>1,459,904</u>
Net assets - end of year	<u><u>\$1,301,216</u></u>	<u><u>\$350,000</u></u>	<u><u>\$1,651,216</u></u>	<u><u>\$184,970</u></u>	<u><u>\$1,836,186</u></u>	<u><u>\$1,771,221</u></u>

*The attached notes and auditor's report are an integral part of these financial statements.*

**LEGAL INFORMATION FOR FAMILIES TODAY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**  
(With comparative totals for the year ended September 30, 2019)

	Program Services						Supporting Services			Total Expenses 9/30/20	Total Expenses 9/30/19	
	Helplines	Court Programs	Outreach	Legal Resource Guides	Pro Bono Services	PPE/ COVID-19 Program	Total Program Services	Management and General	Fundraising			Total Supporting Services
Salaries	\$316,855	\$384,084	\$196,143	\$210,891	\$166,974	\$26,620	\$1,301,567	\$47,421	\$112,304	\$159,725	\$1,461,292	\$1,209,387
Payroll taxes and benefits	73,109	88,621	45,257	48,660	38,527	6,142	300,316	10,942	25,911	36,853	337,169	294,556
<b>Total personnel expenses</b>	<b>389,964</b>	<b>472,705</b>	<b>241,400</b>	<b>259,551</b>	<b>205,501</b>	<b>32,762</b>	<b>1,601,883</b>	<b>58,363</b>	<b>138,215</b>	<b>196,578</b>	<b>1,798,461</b>	<b>1,503,943</b>
Program expenses							0			0	0	2,776
Rent expense	42,890	51,990	26,550	28,546	22,602	3,603	176,181	6,419	15,201	21,620	197,801	194,099
Professional fees							0	63,525		63,525	63,525	79,050
Consultant fees	12,871	19,753	40,497	35,095	23,676	54,245	186,137	181,563	79,468	261,031	447,168	157,132
In-kind professional fees							0	117,147		117,147	117,147	82,364
Telephone and communications	4,881	5,916	3,021	3,249	2,572	410	20,049	730	1,731	2,461	22,510	20,703
Office expenses	4,104	4,975	5,261	16,093	2,163	345	32,941	614	1,457	2,071	35,012	31,718
Travel and meeting expenses	762	924	472	507	402	64	3,131	114	271	385	3,516	6,652
Dues and subscriptions	5,620	6,813	3,479	3,741	2,962	472	23,087	841	1,991	2,832	25,919	21,400
Insurance	4,748	5,755	2,939	3,160	2,502	399	19,503	711	1,681	2,392	21,895	20,482
Training and conferences	1,082	1,311	670	720	570	91	4,444	162	382	544	4,988	6,198
Equipment rental	1,325	1,606	820	882	698	111	5,442	198	470	668	6,110	5,881
Other expenses	92	112	57	61	49	8	379	25,198	31	25,229	25,608	17,184
Depreciation	1,379	1,672	854	918	727	116	5,666	206	488	694	6,360	4,233
Event expenses							0		31,466	31,466	31,466	123,153
<b>Total expenses</b>	<b>469,718</b>	<b>573,532</b>	<b>326,020</b>	<b>352,523</b>	<b>264,424</b>	<b>92,626</b>	<b>2,078,843</b>	<b>455,791</b>	<b>272,852</b>	<b>728,643</b>	<b>2,807,486</b>	<b>2,276,968</b>
Less: direct costs of special events							0			0	0	(56,240)
<b>Total expenses reported by function on the statement of activities</b>	<b>\$469,718</b>	<b>\$573,532</b>	<b>\$326,020</b>	<b>\$352,523</b>	<b>\$264,424</b>	<b>\$92,626</b>	<b>\$2,078,843</b>	<b>\$455,791</b>	<b>\$272,852</b>	<b>\$728,643</b>	<b>\$2,807,486</b>	<b>\$2,220,728</b>

*The attached notes and auditor's report are an integral part of these financial statements.*

**LEGAL INFORMATION FOR FAMILIES TODAY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**  
(With comparative totals for the year ended September 30, 2019)

	<u>9/30/20</u>	<u>9/30/19</u>
Cash flows from operating activities:		
Change in net assets	\$64,965	\$311,317
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,360	4,233
Donated securities	(5,164)	0
Unrealized gain on investments	(3,724)	0
Changes in assets and liabilities:		
Government grants receivable	(6,536)	(21,003)
Pledges receivable	(179,796)	3,530
Prepaid expenses and other assets	(17,036)	(12,124)
Security deposits	0	(857)
Accounts payable and accrued expenses	15,117	(8,251)
Refundable advances	36,878	0
Paycheck Protection Program loan payable	229,117	0
Deferred rent	3,687	8,877
Total adjustments	<u>78,903</u>	<u>(25,595)</u>
Net cash flows provided by operating activities	143,868	285,722
Cash flows from investing activities:		
Purchase of fixed assets	<u>(40,980)</u>	<u>(12,250)</u>
Net cash flows used for investing activities	<u>(40,980)</u>	<u>(12,250)</u>
Net increase in cash and cash equivalents	102,888	273,472
Cash and cash equivalents - beginning of year	<u>1,432,313</u>	<u>1,158,841</u>
Cash and cash equivalents - end of year	<u><u>\$1,535,201</u></u>	<u><u>\$1,432,313</u></u>

Supplemental information:  
No interest or taxes were paid.

*The attached notes and auditor's report are an integral part of these financial statements.*

**LEGAL INFORMATION FOR FAMILIES TODAY  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2020**

**Note 1 - Organization**

Legal Information for Families Today (“LIFT”) empowers unrepresented litigants by providing them with information, advice and guidance which enable them to advocate for their needs in Family Court. To achieve this goal, LIFT operates award-winning programs that work across a continuum, enabling participants to choose either short-term interventions or long-term engagements that will assist in achieving their familial goals.

The following are significant programs offered by LIFT:

- Helplines – Provide legal information over the phone and via chat and email to anyone with a New York State family law related question.
- Court Programs – Provide legal information on child support, custody, visitation, and other family law topics through brief question and answer engagements. Provide legal advice through limited scope consultations with clients on more in-depth issues.
- Outreach – Through community outreach, LIFT provides legal education clinics and workshops on child support, custody, visitation, and other family law topics, in partnership with community-based organizations.
- Legal Resource Guides - LIFT produces easy to understand legal resources guides and other user-friendly materials explaining family law topics.
- Pro Bono Services - LIFT partners with attorneys in the private bar, from law firms and corporate legal departments, to provide advice and counsel to litigants with family law issues through their virtual program, Family Legal Connection, as well as through clinics in the court and the community.
- PPE/COVID-19 Program – LIFT engaged in a program to help provide PPE materials to New York City Family Court litigants.

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

a. Basis of Accounting

The financial statements of LIFT have been prepared using the accrual basis of accounting which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

Effective October 1, 2019, LIFT adopted the requirements of the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, “Topic 606”). This provides the framework for recognizing revenue by highlighting the identification of performance obligations of a contract, determining the price, and then allocating the price to each of the performance obligations so that revenue is recognized as each of those performance obligations are satisfied.



Also, effective July 1, 2019, LIFT adopted ASU No. 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (“Topic 605”). Key provisions of this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improved guidance for conditional versus unconditional contributions. In accordance with this new standard, LIFT evaluates whether a transfer of assets is an exchange transaction in which a resource provider is receiving a commensurate value in return for the transfer of resources or whether it is non-reciprocal. If the transaction is determined to be an exchange transaction, LIFT applies guidance under Topic 606. If the transaction is determined to be non-reciprocal, it is treated as a contribution under Topic 605.

Analysis of the various provisions of both standards resulted in no significant changes in the way LIFT recognizes revenue.

b. Basis of Presentation

LIFT, as a not-for-profit organization, reports information regarding its financial position and activities according to the following classes of net assets:

- *Net Assets Without Donor Restrictions* – represents all activity without donor-imposed restrictions. The Board of Directors of LIFT have established a board designated reserve fund. The Board of Directors is required to approve any requests for the use of these funds.
- *Net Assets With Donor Restrictions* – relates to contributions of cash and other assets with donor stipulations that make clear the assets’ restriction, either due to a program nature or by the passage of time.

c. Revenue Recognition

Contributions are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in the net asset classes referred to above depending on the existence and/or nature of any donor-imposed 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. If donor restricted contributions are satisfied in the same period they were received, they are classified as without donor restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributions expected to be received within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk-adjusted present value techniques. At September 30, 2020 and 2019, all contributions were expected to be received within one year.

Revenue from non-exchange transactions may be subject to conditions which are defined under ASU 2018-08 as both a barrier to entitlement and a right of return of payments or release from obligations.

LIFT’s government grants are primarily conditional non-exchange transactions and fall under the scope of Topic 605. Revenue from these transactions is recognized when qualifying expenditures are incurred, performance related outcomes are achieved, and other conditions under the agreements are met. Payments received in advance of conditions being met are recorded as a government grant advance. At September 30, 2020, all government grants receivable are expected to be collected within one year.

Management reviews receivables that are unlikely to be collected based on historical experience and a review of activity subsequent to the statement of financial position date. No allowance for doubtful accounts exists as of September 30, 2020 and 2019. Write-offs will be made directly to operations in the period the receivable is deemed to be uncollectable.

d. Cash and Cash Equivalents

LIFT considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

e. Concentration of Credit Risk

Financial instruments that potentially subject LIFT to concentration of credit risk consist of cash accounts with financial institutions. At year end and at various times during the year, LIFT had material balances that were not insured; however, no losses have been experienced due to the failure of any of these institutions; however, management deems such financial institutions to be creditworthy and monitors this risk on a regular basis.

f. Investments

Investments are recorded at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are reflected in the statement of activities.

g. Fixed Assets

Property and equipment that exceed predetermined thresholds and have a useful life greater than one year are capitalized at cost or at their fair value if donated. Furniture and equipment are depreciated using the straight-line method over estimated useful lives of three to ten years.

h. In-Kind Services

Donated services that create or enhance non-financial assets or require specialized skills, which are provided by individuals possessing those skills, and would typically need to be purchased if not provided in-kind, are recognized at estimated fair value determined on the date of contribution. LIFT received in-kind legal services of \$117,147 and \$82,364, during the years ended September 30, 2020 and 2019, respectively. Such amounts are reported as in-kind contributions and supporting services on the accompanying statement of activities and statement of functional expenses.

Organizational governance and some fundraising duties are performed voluntarily by the Board of Directors. Those services have not been recorded because they do not meet the criteria for recognition as outlined above.

i. Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

j. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The following costs were allocated based on time and effort:

- Salaries
- Payroll taxes and benefits
- Rent expense
- Consultant fees
- Telephone and communications
- Office expenses
- Travel and meeting expenses
- Dues and subscriptions
- Insurance
- Training and conferences
- Equipment rental
- Other expenses
- Depreciation

All other expenses have been charged directly to the applicable program or supporting services.

k. Income Tax Status

LIFT has been notified by the Internal Revenue Service that it is a not-for-profit organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation.

l. Accounting for Uncertainty of Income Taxes

LIFT does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending September 30, 2017 and later are subject to examination by applicable taxing authorities.

m. Prior Year 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, 2019, from which the summarized information was derived.

n. New Accounting Pronouncements

FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which becomes effective for the September 30, 2022 year with early adoption permitted. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires separate line-item presentation on the statement of activities and additional disclosures.

FASB issued ASU No. 2016-02, *Leases*. The ASU which becomes effective for the September 30, 2023 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding "right to use asset" on the statement of financial position.

LIFT is in the process of evaluating the impact these standards will have on future financial statements.

**Note 3 - Investments**

A fair value hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the securities based on market data obtained from sources independent of LIFT. Unobservable inputs reflect LIFT's assumptions about the inputs that market participants would use in pricing the securities based on the best information available in the circumstances.

The fair value hierarchy is categorized into the three levels based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that LIFT has the ability to access.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

At September 30, 2020, all investments are considered to be level 1 securities and consisted of U.S. corporate equities.

**Note 4 - Fixed Assets**

Fixed assets consist of the following:

	<u>9/30/20</u>	<u>9/30/19</u>
Equipment (3 years)	\$182,054	\$141,074
Furniture and fixtures (5 years)	34,926	34,926
Leasehold improvements (life of lease)	19,910	19,910
Software (3 years)	<u>6,010</u>	<u>6,010</u>
	242,900	201,920
Less: accumulated depreciation	<u>(196,710)</u>	<u>(190,350)</u>
Total fixed assets, net	<u>\$46,190</u>	<u>\$11,570</u>

**Note 5 - Paycheck Protection Program Loan**

During the year ended September 30, 2020, LIFT obtained a loan from the SBA in the amount of \$229,117 through the Paycheck Protection Program. Terms of the loan indicate that if certain conditions are met, which include maintaining average work forces during periods subsequent to receipt of the loan funds that are not less than pre-determined historical periods, that the loan, or a portion thereof, will be forgiven. Portions that are not forgiven will be payable over a two-year period, with a ten-month deferral of payments and interest will accrue at 1%. The loan forgiveness amount has not been determined as of the date of these financial statements.

LIFT expects to recognize revenue from this loan consistent with ASU 2018-08, as it is considered to have traits similar to a conditional contribution, however, will continue to review whether any new accounting pronouncements may be issued that will provide more definitive guidance.

**Note 6 - Net Assets with Donor Restrictions**

Donor restricted net assets consist of the following:

<u>September 30, 2020</u>				
	Balance		Released	Balance
	<u>10/1/19</u>	<u>Contributions</u>	from <u>Restrictions</u>	<u>9/30/20</u>
Program restrictions:				
Community Based Workshops	\$7,676	\$0	(\$7,676)	\$0
Legal Education	16,110	0	(16,110)	0
Family Legal Center	0	50,000	(25,000)	25,000
PPE/COVID-19 program	0	100,000	(72,030)	27,970
Equipment	<u>0</u>	<u>7,000</u>	<u>0</u>	<u>7,000</u>
Total program	23,786	157,000	(120,816)	59,970
Time restrictions	<u>10,000</u>	<u>125,000</u>	<u>(10,000)</u>	<u>125,000</u>
Total	<u>\$33,786</u>	<u>\$282,000</u>	<u>(\$130,816)</u>	<u>\$184,970</u>

<u>September 30, 2019</u>				
	Balance		Released	Balance
	<u>10/1/18</u>	<u>Contributions</u>	from <u>Restrictions</u>	<u>9/30/19</u>
Program restrictions:				
Community Based Workshops	\$0	\$37,000	(\$29,324)	\$7,676
Legal Education	<u>0</u>	<u>20,000</u>	<u>(3,890)</u>	<u>16,110</u>
Total program	0	57,000	(33,214)	23,786
Time restrictions	<u>0</u>	<u>10,000</u>	<u>(0)</u>	<u>10,000</u>
Total	<u>\$0</u>	<u>\$67,000</u>	<u>(\$33,214)</u>	<u>\$33,786</u>

**Note 7 - Retirement Plan**

LIFT maintains a Safe Harbor 403(b) Thrift Plan where eligible employees can contribute pre-tax or post-tax dollars up to statutory limits. All employees are eligible to participate on the entry date immediately following their date of hire. The employer matches the lesser of 100% of participating employee's salary reduction amount contributed during the plan year, or 5% of each participating employee's annual salary. Total contribution was \$39,597 and \$45,047 for the years ended September 30, 2020 and 2019, respectively.

**Note 8 - Contingencies**Office Space

LIFT has a lease agreement for office space through May 31, 2023, with an option to renew for an additional 5 years. The future estimated minimum lease payments are as follows:

Year ending:	September 30, 2021	\$183,525
	September 30, 2022	189,031
	September 30, 2023	<u>128,516</u>
Total		<u>\$501,072</u>

### Government Grants

Government grants are subject to audit by the grantor and other oversight agencies. Management is of the opinion that any potential disallowances that may result from an audit will not be material and has not set aside a reserve for this. Any future disallowances will be recorded when they become known and the amount is probable that it will be paid.

### **Note 9 - Significant Concentrations**

Approximately 18% and 40%, of LIFT's support was derived from contracts issued by the New York City Mayor's Office of Criminal Justice for the years ended September 30, 2020 and 2019, respectively. A significant decrease in funding from this agency could have a material effect on LIFT's ability to carry-out its programs.

### **Note 10 - UpLIFT Fundraising Campaign**

LIFT cancelled its 2020 gala to obey Governor Cuomo's executive orders due to COVID-19. In order to meet its special events budgetary goal, LIFT launched the UpLIFT fundraising campaign and held a virtual retirement fundraiser for one of its board members. LIFT asked supporters for their continued financial help to seamlessly serve its clientele through the pandemic and to protect against impending government funding cuts.

### **Note 11 - Availability and Liquidity**

Financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash and cash equivalents	\$1,535,201	
Investments	8,888	
Government grants receivable	325,647	
Pledges receivable	<u>205,052</u>	
Total financial assets		\$2,074,888
Less amounts not available for general expenditures:		
Board designated reserve fund	(350,000)	
Net assets with donor restrictions	<u>(184,970)</u>	
Total unavailable for general expenditures		<u>(534,970)</u>
Financial assets available to meet cash needs for general expenditures within one year		<u>\$1,539,818</u>

As part of its liquidity management plan, LIFT operates its programs within a board approved budget and relies on government grants, contributions, and special events to fund its operations and program activities. Additionally, LIFT maintains a board designated operating reserve funds intended to fund future operations.

### **Note 12 - Other Matters**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures

for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which LIFT operates. It is unknown how long these conditions will last and what the complete financial effect will be. Management continues to monitor the outbreak, however, as of the date of these financial statements, the potential impact cannot be quantified.

**Note 13 - Subsequent Events**

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through January 20, 2021, the date the financial statements were available to be issued. All events that have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or disclosure in the financial statements have been made.