



Legal Information for Families Today

Audited Financial Statements

September 30, 2021

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, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited LIFT's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 20, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.


Schall & Ashenfarb
Certified Public Accountants, LLC

January 24, 2022

LEGAL INFORMATION FOR FAMILIES TODAY
STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2021
(With comparative totals as of September 30, 2020)

	<u>9/30/21</u>	<u>9/30/20</u>
Assets		
Cash and cash equivalents	\$1,332,070	\$1,535,201
Investments	0	8,888
Government grants receivable	852,084	325,647
Pledges receivable	68,000	205,052
Prepaid expenses and other assets	101,160	88,916
Security deposits	31,193	29,403
Fixed assets, net (Note 3)	<u>28,446</u>	<u>46,190</u>
 Total assets	 <u><u>\$2,412,953</u></u>	 <u><u>\$2,239,297</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$83,525	\$121,022
Refundable advances	76,013	36,878
Paycheck Protection Program loan payable (Note 4)	285,837	229,117
Deferred rent	14,436	16,094
Total liabilities	<u>459,811</u>	<u>403,111</u>
Net assets:		
Without donor restrictions:		
Reserve fund	350,000	350,000
Operations	<u>1,482,172</u>	<u>1,301,216</u>
Total net assets without donor restrictions	1,832,172	1,651,216
With donor restrictions (Note 5)	<u>120,970</u>	<u>184,970</u>
Total net assets	<u>1,953,142</u>	<u>1,836,186</u>
 Total liabilities and net assets	 <u><u>\$2,412,953</u></u>	 <u><u>\$2,239,297</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, 2021
(With comparative totals for the year ended September 30, 2020)

	Without Donor Restrictions			With Donor Restrictions	Total 9/30/21	Total 9/30/20
	Operations	Reserve Fund	Total Without Donor Restrictions			
Revenue and support:						
Government grants	\$1,534,360		\$1,534,360		\$1,534,360	\$1,503,186
Contributions	388,551		388,551	\$393,810	782,361	712,625
Paycheck Protection Program grant (Note 4)	229,117		229,117		229,117	0
In-kind contributions	278,937		278,937		278,937	117,147
UpLIFT fundraising campaign (Note 8)			0		0	520,664
Special events (Note 8)	659,649		659,649		659,649	0
Investments and other income	19,260		19,260		19,260	18,829
Net assets released from restrictions	457,810		457,810	(457,810)	0	0
Total revenue and support	<u>3,567,684</u>	<u>0</u>	<u>3,567,684</u>	<u>(64,000)</u>	<u>3,503,684</u>	<u>2,872,451</u>
Expenses:						
Program services	2,588,865		2,588,865		2,588,865	2,078,843
Supporting services:						
Management and general	465,609		465,609		465,609	455,791
Fundraising	332,254		332,254		332,254	272,852
Total supporting services	<u>797,863</u>	<u>0</u>	<u>797,863</u>	<u>0</u>	<u>797,863</u>	<u>728,643</u>
Total expenses	<u>3,386,728</u>	<u>0</u>	<u>3,386,728</u>	<u>0</u>	<u>3,386,728</u>	<u>2,807,486</u>
Change in net assets	180,956		180,956	(64,000)	116,956	64,965
Net assets - beginning of year	<u>1,301,216</u>	<u>350,000</u>	<u>1,651,216</u>	<u>184,970</u>	<u>1,836,186</u>	<u>1,771,221</u>
Net assets - end of year	<u><u>\$1,482,172</u></u>	<u><u>\$350,000</u></u>	<u><u>\$1,832,172</u></u>	<u><u>\$120,970</u></u>	<u><u>\$1,953,142</u></u>	<u><u>\$1,836,186</u></u>

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LEGAL INFORMATION FOR FAMILIES TODAY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(With comparative totals for the year ended September 30, 2020)

	Program Services						Supporting Services			Total Expenses 9/30/21	Total Expenses 9/30/20	
	Helplines	Court Programs	Outreach	Legal Resource Guides	Pro Bono Services	PPE/ COVID-19/ Tech Hub	Total Program Services	Management and General	Fundraising			Total Supporting Services
Salaries	\$361,418	\$413,587	\$197,960	\$193,990	\$226,247	\$168,453	\$1,561,655	\$70,613	\$148,856	\$219,469	\$1,781,124	\$1,461,292
Payroll taxes and benefits	87,111	99,600	49,071	56,926	54,133	13,903	360,744	16,741	42,291	59,032	419,776	337,169
Total personnel expenses	448,529	513,187	247,031	250,916	280,380	182,356	1,922,399	87,354	191,147	278,501	2,200,900	1,798,461
Rent expense	39,580	45,293	21,679	21,245	24,777	18,448	171,022	7,734	16,302	24,036	195,058	197,801
Professional fees							0	73,325		73,325	73,325	63,525
Consultant fees	10,481	11,748	37,638	7,559	25,123	110,325	202,874	172,663	6,920	179,583	382,457	447,168
In-kind professional fees	32,693	32,695	32,695	32,695	32,695		163,473	115,464		115,464	278,937	117,147
Telephone and communications	6,219	7,116	3,406	3,338	3,893	2,898	26,870	1,216	2,561	3,777	30,647	22,510
Office expenses	3,035	3,473	1,662	12,650	1,900	1,415	24,135	594	1,250	1,844	25,979	35,012
Travel and meeting expenses	1,422	1,627	779	763	890	663	6,144	278	586	864	7,008	3,516
Dues and subscriptions	4,344	4,970	2,379	2,331	2,719	2,024	18,767	849	1,789	2,638	21,405	25,919
Insurance	4,711	5,391	2,580	2,528	2,949	2,196	20,355	920	1,940	2,860	23,215	21,895
Training and conferences	2,521	2,885	1,381	1,353	1,578	1,175	10,893	493	1,038	1,531	12,424	4,988
Equipment rental	1,118	1,279	612	600	700	521	4,830	218	460	678	5,508	6,110
Other expenses	358	409	196	192	224	167	1,546	3,798	146	3,944	5,490	25,608
Depreciation	3,600	4,120	1,972	1,933	2,254	1,678	15,557	703	1,484	2,187	17,744	6,360
Event expenses							0		106,631	106,631	106,631	31,466
Total expenses	\$558,611	\$634,193	\$354,010	\$338,103	\$380,082	\$323,866	\$2,588,865	\$465,609	\$332,254	\$797,863	\$3,386,728	\$2,807,486

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, 2021
(With comparative totals for the year ended September 30, 2020)

	<u>9/30/21</u>	<u>9/30/20</u>
Cash flows from operating activities:		
Change in net assets	\$116,956	\$64,965
Adjustments to reconcile change in net assets to net cash (used for)/provided by operating activities:		
Depreciation	17,744	6,360
Donated securities	(18,070)	(5,164)
Realized and unrealized loss/(gain) on investments	253	(3,724)
Changes in assets and liabilities:		
Government grants receivable	(526,437)	(6,536)
Pledges receivable	137,052	(179,796)
Prepaid expenses and other assets	(12,244)	(17,036)
Security deposits	(1,790)	0
Accounts payable and accrued expenses	(37,497)	15,117
Refundable advances	39,135	36,878
Paycheck Protection Program loan payable	56,720	229,117
Deferred rent	(1,658)	3,687
	<u>(346,792)</u>	<u>78,903</u>
Total adjustments		
Net cash flows (used for)/provided by operating activities	(229,836)	143,868
Cash flows from investing activities:		
Proceeds from sale of securities	26,705	0
Purchase of fixed assets	<u>0</u>	<u>(40,980)</u>
Net cash flows provided by/(used for) investing activities	<u>26,705</u>	<u>(40,980)</u>
Net (decrease)/increase in cash and cash equivalents	(203,131)	102,888
Cash and cash equivalents - beginning of year	<u>1,535,201</u>	<u>1,432,313</u>
Cash and cash equivalents - end of year	<u><u>\$1,332,070</u></u>	<u><u>\$1,535,201</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, 2021**

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/Tech Hub Program – LIFT developed and ran a program to help provide PPE and other legal information and resources to litigants coming to Family Court during the pandemic. LIFT also set up a technology hub in its office for litigants who do not have the appropriate technology to participate in virtual hearings or access to download court documents. The Tech HUB is open for several hours each workday and is staffed by temporary employees.

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.

b. Basis of Presentation

LIFT reports information regarding their 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 has established a board designated reserve fund which is intended to fund future operations.
- *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. Cash and Cash Equivalents

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

d. Revenue Recognition

LIFT follows the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 958-605 for recording contributions, which 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.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments or release from obligations and are recognized as income once the conditions have been substantially met.

LIFT's government grants are primarily conditional non-exchange transactions and fall under the scope of ASC 958-605. 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.

Contributions that are due within one year are recorded at net realizable value. All government grants and pledges receivable at September 30, 2021 are expected to be received within twelve months. Long-term pledges are recorded at fair value, using risk-adjusted present value techniques. Management assesses receivable balances for collectability. Based on a review of several factors, including the credit worthiness of the donor and historical experience, management deems these receivables to be fully collectable and has not established any reserves.

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 the estimated useful lives of three to ten years.

h. Deferred Rent

Rent expense is recognized evenly over the life of the lease using the straight-line method. In the earlier years of the lease, as rent expense exceeds amounts paid, a deferred rent liability is created. In later years of the lease, as payments exceed the amount of expense recognized, deferred rent will be reduced until it is zero at the end of the lease.

i. 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 \$278,937 and \$117,147 during the years ended September 30, 2021 and 2020, respectively. These amounts are reported as in-kind contributions on the statement of activities and in-kind professional fees on the statement of functional expenses.

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

j. 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.

k. 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.

l. 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.

m. 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, 2018 and later are subject to examination by applicable taxing authorities.

n. 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, 2020, from which the summarized information was derived.

o. New Accounting Pronouncements

FASB issued Accounting Standards Update ("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 a 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 - Fixed Assets

Fixed assets consist of the following:

	<u>9/30/21</u>	<u>9/30/20</u>
Equipment (3 years)	\$182,054	\$182,054
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	242,900
Less: accumulated depreciation	<u>(214,454)</u>	<u>(196,710)</u>
Total fixed assets, net	<u>\$28,446</u>	<u>\$46,190</u>

Note 4 - Paycheck Protection Program Loan

During the year ended September 30, 2020, LIFT obtained a loan from the Small Business Administration (“SBA”) in the amount of \$229,117 through the Paycheck Protection Program. LIFT treated this loan consistent with ASC 958-605, as it is considered to have traits similar to a conditional contribution. As all conditions of the loan had been satisfied as of September 30, 2021, the loan was recognized as revenue on the statement of activities. The loan was formally forgiven by the SBA on May 14, 2021.

On February 24, 2021, LIFT obtained a second loan from the SBA in the amount of \$285,837 through the Paycheck Protection Program. This is reflected as a liability as of September 30, 2021 and will be accounted for in a consistent manner as the first loan.

Note 5 - Net Assets with Donor Restrictions

Donor restricted net assets consist of the following:

	<u>September 30, 2021</u>			
	<u>Balance</u>		<u>Released</u>	<u>Balance</u>
	<u>10/1/20</u>	<u>Contributions</u>	<u>from</u>	<u>9/30/21</u>
			<u>Restrictions</u>	
Program restrictions:				
Family Legal Center	\$25,000	\$0	(\$25,000)	\$0
PPE/COVID-19	27,970	250,000	(271,922)	6,048
Tech Hub	0	98,810	(31,368)	67,442
Equipment	<u>7,000</u>	<u>0</u>	<u>(4,520)</u>	<u>2,480</u>
Total program	59,970	348,810	(332,810)	75,970
Time restrictions	<u>125,000</u>	<u>45,000</u>	<u>(125,000)</u>	<u>45,000</u>
Total	<u>\$184,970</u>	<u>\$393,810</u>	<u>(\$457,810)</u>	<u>\$120,970</u>

September 30, 2020

	Balance		Released	
	<u>10/1/19</u>	<u>Contributions</u>	from	Balance
			<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	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>

Note 6 - 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 each participating employee's salary reduction amount contributed during the plan year or 5% of each participating employee's annual salary. Total contributions were \$48,237 and \$39,597 for the years ended September 30, 2021 and 2020, respectively.

Note 7 - 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, 2022	\$189,031
	September 30, 2023	<u>128,516</u>
Total		<u>\$317,547</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 8 - UpLIFT Fundraising Campaign

LIFT cancelled its 2020 gala due to the COVID-19 pandemic. In order to meet its special events' budgetary goal in 2020, LIFT held an 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.

During the year ended September 30, 2021 LIFT held a virtual event.

Note 9 - Availability and Liquidity

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

Cash and cash equivalents	\$1,332,070	
Government grants receivable	852,084	
Pledges receivable	<u>68,000</u>	
Total financial assets		\$2,252,154
Less amounts not available for general expenditures:		
Board designated reserve fund	(350,000)	
Net assets with donor restrictions	<u>(120,970)</u>	
Total unavailable for general expenditures		<u>(470,970)</u>
Financial assets available to meet cash needs for general expenditures within one year		<u>\$1,781,184</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 fund intended to fund future operations.

Note 10 - Subsequent Events

Subsequent events have been evaluated through January 24, 2022, the date the financial statements were available to be issued. There were no material events that have occurred that require adjustment to or disclosure to the financial statements.

Note 11 - 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. As of the date of these financial statements, many of the travel restrictions and stay at home orders have been lifted, however supply chains remain impacted. Management continues to monitor the outbreak, however as of the date of these financial statements, the potential impact cannot be quantified.