



## Audited Financial Statements

September 30, 2017

## **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, 2017, 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 organization'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 organization'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.

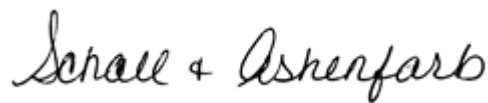
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***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, 2017, 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 Organization's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 13, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Schall & Ashenfarb  
Certified Public Accountants, LLC

January 17, 2018

**LEGAL INFORMATION FOR FAMILIES TODAY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF SEPTEMBER 30, 2017**  
(With comparative totals as of September 30, 2016)

	<u>9/30/17</u>	<u>9/30/16</u>
<b>Assets</b>		
Cash and cash equivalents	\$748,215	\$626,497
Government grants receivable	332,134	259,060
Pledges receivable	38,500	40,000
Prepaid expenses and other assets	83,657	50,474
Security deposits	18,632	18,089
Fixed assets, net (Note 3)	<u>8,670</u>	<u>17,545</u>
 Total assets	 <u><u>\$1,229,808</u></u>	 <u><u>\$1,011,665</u></u>
 <b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	<u>\$79,265</u>	<u>\$91,625</u>
Total liabilities	<u>79,265</u>	<u>91,625</u>
Net assets:		
Unrestricted:		
Reserve fund	250,000	250,000
Undesignated	<u>870,543</u>	<u>622,664</u>
Total unrestricted	1,120,543	872,664
Temporarily restricted (Note 4)	<u>30,000</u>	<u>47,376</u>
Total net assets	<u>1,150,543</u>	<u>920,040</u>
 Total liabilities and net assets	 <u><u>\$1,229,808</u></u>	 <u><u>\$1,011,665</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, 2017**  
(With comparative totals for the year ended September 30, 2016)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 9/30/17</u>	<u>Total 9/30/16</u>
Revenue and support:				
Government grants	\$1,412,452		\$1,412,452	\$872,294
Contributions	219,528	\$61,000	280,528	436,158
In-kind contributions	43,488		43,488	65,441
Special events (net of direct expenses of \$63,446 and \$38,900)	344,594		344,594	320,764
Investment and other income	5,372		5,372	103
Net assets released from restrictions	78,376	(78,376)	0	0
Total revenue and support	<u>2,103,810</u>	<u>(17,376)</u>	<u>2,086,434</u>	<u>1,694,760</u>
Expenses:				
Program services	<u>1,395,703</u>		<u>1,395,703</u>	<u>1,301,415</u>
Supporting services:				
Management and general	194,638		194,638	142,697
Fundraising	265,590		265,590	300,939
Total supporting services	<u>460,228</u>	<u>0</u>	<u>460,228</u>	<u>443,636</u>
Total expenses	<u>1,855,931</u>	<u>0</u>	<u>1,855,931</u>	<u>1,745,051</u>
Change in net assets	247,879	(17,376)	230,503	(50,291)
Net assets - beginning of year	<u>872,664</u>	<u>47,376</u>	<u>920,040</u>	<u>970,331</u>
Net assets - end of year	<u><u>\$1,120,543</u></u>	<u><u>\$30,000</u></u>	<u><u>\$1,150,543</u></u>	<u><u>\$920,040</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, 2017**  
(With comparative totals for the year ended September 30, 2016)

	Program Services						Supporting Services					Total Expenses 9/30/17	Total Expenses 9/30/16
	Hotlines	Family Court Programs	Legal Education and Publications	Public Policy	Judge For a Day	Social Services	Total Program Services	Management and General	Fundraising	Total Supporting Services			
Salaries	\$225,232	\$362,761	\$92,191	\$33,280	\$61,936	\$117,004	\$892,404	\$46,315	\$96,010	\$142,325	\$1,034,729	\$996,568	
Payroll taxes and benefits	58,959	94,960	24,133	8,712	16,213	30,628	233,605	12,125	25,133	37,258	270,863	267,903	
Total personnel expenses	284,191	457,721	116,324	41,992	78,149	147,632	1,126,009	58,440	121,143	179,583	1,305,592	1,264,471	
Rent expense	25,694	41,383	10,517	3,796	7,066	13,348	101,804	5,283	10,953	16,236	118,040	112,906	
Program expenses						10,621	10,621			0	10,621	7,688	
Professional fees			10,182		10,182		20,364	17,884	81,454	99,338	119,702	92,073	
Consultants fees	6,805	30,914	3,514	1,014	1,859	3,846	47,952	5,042	3,000	8,042	55,994	50,150	
In-kind professional fees							0	43,488		43,488	43,488	65,441	
Telephone and communications	4,626	7,451	1,894	684	1,272	2,403	18,330	951	1,972	2,923	21,253	21,308	
Supplies	2,260	3,640	925	334	622	1,174	8,955	465	963	1,428	10,383	5,769	
Payroll processing fees	1,574	2,535	644	233	433	818	6,237	323	670	993	7,230	7,093	
Postage and delivery	481	774	197	71	132	250	1,905	99	204	303	2,208	3,569	
Travel and meeting expenses	1,017	1,637	416	150	280	528	4,028	209	434	643	4,671	3,447	
Printing and copying			7,243				7,243			0	7,243	11,267	
Dues and subscriptions	2,531	4,076	1,036	374	696	1,315	10,028	520	1,078	1,598	11,626	10,247	
Insurance	2,955	4,759	1,209	437	813	1,535	11,708	607	1,260	1,867	13,575	11,716	
Training and conferences	245	674				60	979	956	195	1,151	2,130	2,294	
Recruitment fees							0	57,182		57,182	57,182	970	
Equipment rental	2,346	3,779	960	347	645	1,219	9,296	482	1,000	1,482	10,778	10,424	
Miscellaneous expenses	654	1,053	268	97	179	338	2,589	2,311	278	2,589	5,178	7,448	
Special events - indirect expenses							0		40,162	40,162	40,162	47,090	
Total expenses before depreciation	335,379	560,396	155,329	49,529	102,328	185,087	1,388,048	194,242	264,766	459,008	1,847,056	1,735,371	
Depreciation	1,932	3,112	791	285	531	1,004	7,655	396	824	1,220	8,875	9,680	
Total expenses	<u>\$337,311</u>	<u>\$563,508</u>	<u>\$156,120</u>	<u>\$49,814</u>	<u>\$102,859</u>	<u>\$186,091</u>	<u>\$1,395,703</u>	<u>\$194,638</u>	<u>\$265,590</u>	<u>\$460,228</u>	<u>\$1,855,931</u>	<u>\$1,745,051</u>	

*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, 2017**  
(With comparative totals for the year ended September 30, 2016)

	<u>9/30/17</u>	<u>9/30/16</u>
Cash flows from operating activities:		
Change in net assets	\$230,503	(\$50,291)
Adjustments to reconcile change in net assets to net cash provided by/(used for) operating activities:		
Depreciation	8,875	9,680
Changes in assets and liabilities:		
Government grants receivable	(73,074)	(66,560)
Pledges receivable	1,500	17,300
Prepaid expenses	(33,183)	(16,613)
Security deposits	(543)	(527)
Accounts payable and accrued expenses	<u>(12,360)</u>	<u>8,705</u>
Total adjustments	<u>(108,785)</u>	<u>(48,015)</u>
Net cash provided by/(used for) by operating activities	<u>121,718</u>	<u>(98,306)</u>
Cash flows from investing activities:		
Purchase of fixed assets	<u>0</u>	<u>(9,360)</u>
Net cash used for investing activities	<u>0</u>	<u>(9,360)</u>
Increase/(decrease) in cash and cash equivalents	121,718	(107,666)
Cash and cash equivalents - beginning of year	<u>626,497</u>	<u>734,163</u>
Cash and cash equivalents - end of year	<u><u>\$748,215</u></u>	<u><u>\$626,497</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, 2017**

**Note 1 - Organization**

Legal Information for Families Today (“LIFT”) empowers unrepresented litigants by providing them with education, information, and supportive services which enable them to advocate for their needs in Family Court. To achieve this goal, we operate award-winning programs that work across a continuum, enabling participants in our services to choose either short-term interventions or long-term engagements that will assist in achieving their familial goals. For quick answers to their family law questions, they may access our Education & Information Sites, located inside the Court buildings, as well as our Family Law Information Hotlines. More intensive services are provided by LIFT’s Family Legal Center housed at the City’s Family Courthouses in all five boroughs. We also ensure that families have access to a range of social services, and we conduct skills-building workshops in partnership with community-based organizations. In addition, we produce multilingual Legal Resource Guides, which are step-by-step guides to a variety of family law topics, and Legal Education Webinars, which engage and inform various entities in the legal and social services community on topics and issues that are directly related to family court and family law. In 2017, LIFT served nearly 30,000 families through our programs.

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

a. Basis of Accounting

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

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:

- *Unrestricted* – represents all activity without donor imposed restrictions.
- *Temporarily restricted* – accounts for activity based on specific donor restrictions that are expected to be satisfied by passage of time or performance of activities.
- *Permanently restricted* – relates to contributions of cash and other assets that the assets must remain intact due to restrictions placed by the donor. There was no permanently restricted activity or net assets at September 30, 2017 and 2016, respectively.

c. Revenue Recognition

LIFT reports contributions at the earlier of the receipt of cash or at a time a pledge becomes unconditional in nature. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.



All government grants have been recognized as income when earned, either based on performance of certain milestones or by incurring expenses that can be reimbursed under the terms of the grant agreement. The difference between cash received and revenue recognized is reflected as government grants receivable or refundable advances.

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. From time to time throughout the year, portions of such balances may exceed the Federal Depository Insurance Corporation limit; however, management deems such financial institutions to be creditworthy and monitors this risk on a regular basis.

f. Pledges Receivable

LIFT records unconditional promises to give in the period pledged at net realizable value if expected to be received within one year. Long-term pledges are recorded at fair value based on a risk adjusted discount rate if considered material. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

g. Allowance for Doubtful Accounts

At year end, all outstanding government and contributions receivable were due 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, 2017 and 2016, respectively. Write-offs will be made directly to operations in the period the receivable is deemed to be uncollectable.

h. 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.

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 fair value. LIFT received in-kind legal services of \$43,488 and \$65,441, during the years ended September 30, 2017 and 2016, respectively, which has been reflected on the financial statements.

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.

- 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. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of LIFT.
- 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 taxes under Section 501(c)(3) of the Internal Revenue Code (“Code”) and has not been determined to be a private foundation as defined under Section 509(a)(1) of the Code.
- 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, 2014 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 the Organization’s financial statements for the year ended September 30, 2016, from which the summarized information was derived.
- o. Subsequent Events  
Management has evaluated for potential recognition and disclosure events subsequent to the date of the balance sheet through January 17, 2018, the date the financial statements were available to be issued. No events 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.
- p. New Accounting Pronouncement  
On August 18, 2016, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU, which becomes effective for the September 30, 2019 year, with early implementation permitted, focuses on improving the current net asset classification requirements and information presented in the financial statements and notes that is useful in assessing a not-for-profit’s liquidity, financial performance and cash flows.

In addition, FASB issued ASU No. 2016-02, *Leases*. The ASU which becomes effective for the September 30, 2021 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.

FASB issued ASU No. 2014-09, Revenue from Contracts with Customers. The ASU, which becomes effective for the September 30, 2020 year, focuses on a principle based model. It highlights the identification of performance obligations of the contract, determining the price and allocating that price to the performance obligation so that revenue is recognized as each performance obligation is satisfied.

LIFT has not yet evaluated the impact these standards will have on future statements.

**Note 3 - Fixed Assets**

Fixed assets consist of the following:

	<u>9/30/17</u>	<u>9/30/16</u>
Equipment	\$128,824	\$128,824
Furniture and fixtures	34,926	34,926
Leasehold improvements	19,910	19,910
Software	<u>6,010</u>	<u>6,010</u>
	189,670	189,670
Less: accumulated depreciation	<u>(181,000)</u>	<u>(172,125)</u>
Total fixed assets, net	<u>\$8,670</u>	<u>\$17,545</u>

**Note 4 - Temporarily Restricted Net Assets**

Temporarily restricted net assets consist of the following:

	<u>September 30, 2017</u>			
	<u>Net Assets 10/1/16</u>	<u>Contributions</u>	<u>Released from Restrictions</u>	<u>Net Assets 9/30/17</u>
Program restrictions:				
Family Legal Center	\$7,376	\$23,000	(\$30,376)	\$0
Brooklyn Office	<u>0</u>	<u>18,000</u>	<u>(18,000)</u>	<u>0</u>
Total program	7,376	41,000	(48,376)	0
Time restrictions	<u>40,000</u>	<u>20,000</u>	<u>(30,000)</u>	<u>30,000</u>
Total	<u>\$47,376</u>	<u>\$61,000</u>	<u>(\$78,376)</u>	<u>\$30,000</u>
	<u>September 30, 2016</u>			
	<u>Net Assets 10/1/15</u>	<u>Contributions</u>	<u>Released from Restrictions</u>	<u>Net Assets 9/30/16</u>
Program restrictions:				
Family Legal Center	\$156,121	\$40,000	(\$188,745)	\$7,376
Capacity and technology	<u>8,900</u>	<u>21,500</u>	<u>(30,400)</u>	<u>0</u>
Total program	165,021	61,500	(219,145)	7,376
Time restrictions	<u>10,000</u>	<u>60,000</u>	<u>(30,000)</u>	<u>40,000</u>
Total	<u>\$175,021</u>	<u>\$121,500</u>	<u>(\$249,145)</u>	<u>\$47,376</u>

**Note 5 - 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.

**Note 6 - Contingencies**

Office Space

LIFT has a lease agreement for office space. The future estimated minimum lease payments are as follows:

Year ending: September 30, 2018 \$74,527

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 7 - Significant Concentrations**

Approximately 50% and 36%, 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, 2017 and 2016, respectively. A significant decrease in funding from this agency could have a material effect on LIFT's ability to carry-out its programs.