



Audited Financial Statements

September 30, 2016

Independent Auditors' 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, 2016, 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.

Auditors' 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 auditors' 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.

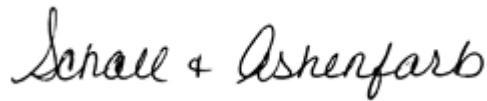
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2016, 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 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 14, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Schall & Ashenfarb
Certified Public Accountants, LLC

January 13, 2017

LEGAL INFORMATION FOR FAMILIES TODAY
STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2016
(With comparative totals as of September 30, 2015)

	9/30/16	9/30/15
Assets		
Cash and cash equivalents	\$626,497	\$734,163
Government grants receivable	259,060	192,500
Pledges receivable (Note 3)	40,000	57,300
Prepaid expenses	50,474	33,861
Security deposits	18,089	17,562
Fixed assets, net (Note 4)	17,545	17,865
Total assets	\$1,011,665	\$1,053,251
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$91,625	\$82,920
Total liabilities	91,625	82,920
Net assets:		
Unrestricted:		
Reserve fund	250,000	250,000
Undesignated	622,664	545,310
Total unrestricted	872,664	795,310
Temporarily restricted (Note 5)	47,376	175,021
Total net assets	920,040	970,331
Total liabilities and net assets	\$1,011,665	\$1,053,251

The attached notes and auditors' report are an integral part of these financial statements.

LEGAL INFORMATION FOR FAMILIES TODAY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(With comparative totals for the year ended September 30, 2015)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 9/30/16</u>	<u>Total 9/30/15</u>
Revenue and support:				
Government grants	\$872,294		\$872,294	\$732,961
Contributions	314,658	\$121,500	436,158	595,622
In-kind contributions	65,441		65,441	14,000
Special events (Note 6)	320,764		320,764	296,045
Investment income	103		103	221
Net assets released from restrictions	249,145	(249,145)	0	0
Total revenue and support	<u>1,822,405</u>	<u>(127,645)</u>	<u>1,694,760</u>	<u>1,638,849</u>
Expenses:				
Program services	<u>1,301,415</u>		<u>1,301,415</u>	<u>1,338,570</u>
Supporting services:				
Management and general	142,697		142,697	166,241
Fundraising	<u>300,939</u>		<u>300,939</u>	<u>281,256</u>
Total supporting services	<u>443,636</u>	0	<u>443,636</u>	<u>447,497</u>
Total expenses	<u>1,745,051</u>	<u>0</u>	<u>1,745,051</u>	<u>1,786,067</u>
Change in net assets	77,354	(127,645)	(50,291)	(147,218)
Net assets - beginning of year	<u>795,310</u>	<u>175,021</u>	<u>970,331</u>	<u>1,117,549</u>
Net assets - end of year	<u><u>\$872,664</u></u>	<u><u>\$47,376</u></u>	<u><u>\$920,040</u></u>	<u><u>\$970,331</u></u>

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LEGAL INFORMATION FOR FAMILIES TODAY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(With comparative totals for the year ended September 30, 2015)

	Program Services						Supporting Services			Total Expenses 9/30/16	Total Expenses 9/30/15	
	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	\$207,063	\$320,911	\$91,309	\$34,913	\$54,234	\$112,247	\$820,677	\$46,204	\$129,687	\$175,891	\$996,568	\$1,127,804
Payroll taxes and benefits	55,664	86,269	24,546	9,385	14,579	30,175	220,618	12,421	34,864	47,285	267,903	280,292
Total personnel expenses	262,727	407,180	115,855	44,298	68,813	142,422	1,041,295	58,625	164,551	223,176	1,264,471	1,408,096
Rent expense	23,459	36,358	10,345	3,955	6,144	12,717	92,978	5,235	14,693	19,928	112,906	110,860
Program expenses						7,688	7,688			0	7,688	10,381
Professional fees							0	32,559	59,514	92,073	92,073	46,648
Consultants fees	6,140	9,516	3,257	1,035	1,608	3,628	25,184	21,120	3,846	24,966	50,150	45,332
In-kind professional fees		50,000					50,000	15,441		15,441	65,441	14,000
Telephone and communications	4,427	6,861	1,952	746	1,160	2,400	17,546	988	2,774	3,762	21,308	21,596
Supplies	1,199	1,858	529	202	314	650	4,752	267	750	1,017	5,769	7,603
Payroll processing fees	1,474	2,284	650	248	386	799	5,841	329	923	1,252	7,093	5,440
Postage and delivery	741	1,149	327	125	194	402	2,938	165	466	631	3,569	4,879
Travel and meeting expenses	716	1,110	316	121	188	388	2,839	160	448	608	3,447	3,255
Printing and copying			11,267				11,267			0	11,267	15,998
Dues and subscriptions	2,129	3,300	939	359	558	1,154	8,439	475	1,333	1,808	10,247	11,411
Insurance	2,434	3,773	1,073	410	638	1,320	9,648	543	1,525	2,068	11,716	11,523
Training and conferences	330	1,275					1,858	436		436	2,294	8,205
Recruitment fees							0	970		970	970	800
Equipment rental	2,166	3,357	955	365	567	1,174	8,584	483	1,357	1,840	10,424	8,562
Miscellaneous expenses	653	1,011	288	110	171	354	2,587	4,452	409	4,861	7,448	5,142
Special events - indirect expenses							0		47,090	47,090	47,090	36,319
Total expenses before depreciation	308,595	529,032	147,753	51,974	80,741	175,349	1,293,444	142,248	299,679	441,927	1,735,371	1,776,050
Depreciation	2,011	3,117	887	339	527	1,090	7,971	449	1,260	1,709	9,680	10,017
Total expenses	<u>\$310,606</u>	<u>\$532,149</u>	<u>\$148,640</u>	<u>\$52,313</u>	<u>\$81,268</u>	<u>\$176,439</u>	<u>\$1,301,415</u>	<u>\$142,697</u>	<u>\$300,939</u>	<u>\$443,636</u>	<u>\$1,745,051</u>	<u>\$1,786,067</u>

The attached notes and auditors' report are an integral part of these financial statements.

LEGAL INFORMATION FOR FAMILIES TODAY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2016
(With comparative totals for the year ended September 30, 2015)

	<u>9/30/16</u>	<u>9/30/15</u>
Cash flows from operating activities:		
Change in net assets	(\$50,291)	(\$147,218)
Adjustments to reconcile change in net assets to net cash (used for)/provided by operating activities:		
Depreciation	9,680	10,017
Changes in assets and liabilities:		
Government grants receivable	(66,560)	(40,827)
Pledges receivable	17,300	177,700
Prepaid expenses	(16,613)	691
Security deposits	(527)	(511)
Accounts payable and accrued expenses	8,705	15,346
Total adjustments	<u>(48,015)</u>	<u>162,416</u>
Net cash (used for)/provided by operating activities	<u>(98,306)</u>	<u>15,198</u>
Cash flows from investing activities:		
Purchase of fixed assets	<u>(9,360)</u>	<u>(6,892)</u>
Net cash used for investing activities	<u>(9,360)</u>	<u>(6,892)</u>
(Decrease)/increase in cash and cash equivalents	(107,666)	8,306
Cash and cash equivalents - beginning of year	<u>734,163</u>	<u>725,857</u>
Cash and cash equivalents - end of year	<u><u>\$626,497</u></u>	<u><u>\$734,163</u></u>
Supplemental information:		
No interest or taxes were paid.		

The attached notes and auditors' report are an integral part of these financial statements.

LEGAL INFORMATION FOR FAMILIES TODAY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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 2016, 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 whereby the assets must remain intact due to restrictions placed by the donor. There was no permanently restricted activity or net assets at September 30, 2016 and 2015, 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.

Government grants are reviewed to determine if they have traits more commonly associated with contributions or exchange transactions. Management has determined that all government grants more closely resemble exchange transactions, and are therefore recognized as revenue when earned. The difference between cash received and amounts recognized as government grant income, are reflected as government grant receivables or 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 which 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. Contributions 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.

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, 2016 and 2015, respectively. Write-offs will be made directly to operations in the period the receivable is deemed to be uncollected.

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, 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 \$65,441 and \$14,000, during the years ended September 30, 2016 and 2015, 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.

- 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. 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.

- k. Income Tax Status
LIFT is exempt from Federal taxes under Section 501(c)(3) of the Internal Revenue Code and has not been designated as a private foundation under Section 509(a)(1) of the Code.

- 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, 2013 and later are subject to examination by applicable taxing authorities.

- m. Subsequent Events
Management has evaluated for potential recognition and disclosure events subsequent to the date of the balance sheet through January 13, 2017, 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.

- n. 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.

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

Note 3 - Pledges Receivable

Pledges receivable are due as follows:

	<u>Amount</u>
Year ending: September 30, 2017	\$20,000
September 30, 2018	<u>20,000</u>
Total	<u>\$40,000</u>

Due to immaterial amounts, no discount to present value was taken on pledges due in more than one year.

Note 4 - Fixed Assets

Fixed assets consist of the following:

	<u>9/30/16</u>	<u>9/30/15</u>
Equipment	\$128,824	\$119,464
Furniture and fixtures	34,926	34,926
Leasehold improvements	19,910	19,910
Software	<u>6,010</u>	<u>6,010</u>
	189,670	180,310
Less: accumulated depreciation	<u>(172,125)</u>	<u>(162,445)</u>
Total fixed assets, net	<u>\$17,545</u>	<u>\$17,865</u>

Note 5 - Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following:

	<u>September 30, 2016</u>			
	Net Assets <u>10/1/15</u>	<u>Contributions</u>	Released from <u>Restrictions</u>	Net Assets <u>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>

September 30, 2015

	<u>Net Assets 10/1/14</u>	<u>Contributions</u>	<u>Released from Restrictions</u>	<u>Net Assets 9/30/15</u>
Program restrictions:				
Hiring of Development				
Director	\$90,196	\$0	(\$90,196)	\$0
Family Legal Center	180,360	231,000	(255,239)	156,121
Capacity and technology	0	28,900	(20,000)	8,900
Pat the Pigeon	<u>3,360</u>	<u>0</u>	<u>(3,360)</u>	<u>0</u>
Total program	273,916	259,900	(368,795)	165,021
Time restrictions	<u>0</u>	<u>20,000</u>	<u>(10,000)</u>	<u>10,000</u>
Total	<u>\$273,916</u>	<u>\$279,900</u>	<u>(\$378,795)</u>	<u>\$175,021</u>

Note 6 - Special Events

LIFT holds an annual benefit. The event proceeds are summarized as follows:

	<u>9/30/16</u>	<u>9/30/15</u>
Gross revenue	\$359,664	\$344,010
Less: expenses where donor receives a direct benefit	<u>(38,900)</u>	<u>(47,965)</u>
	320,764	296,045
Less: other event expenses	<u>(47,090)</u>	<u>(36,319)</u>
Net revenue from event	<u>\$273,674</u>	<u>\$259,726</u>

Note 7 - Retirement Plan

LIFT maintains a Safe Harbor 403(b) Thrift Plan whereby 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 8 - Contingencies

Office Space

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

Year ending:	September 30, 2017	\$110,163
	September 30, 2018	<u>74,527</u>
Total		<u>\$184,690</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 29% and 32%, of LIFT's support was derived from a contract approved by the New York City Council and issued by the New York City Mayor's Office of Criminal Justice for the years ended September 30, 2016 and 2015, respectively. A significant decrease in funding from this agency could have a material effect on LIFT's ability to carry-out its programs.