

**Family Legal Care, Inc.**

Audited Financial Statements

September 30, 2025

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## **Independent Auditor's Report**

To the Board of Directors of  
Family Legal Care, Inc.

### **Opinion**

We have audited the financial statements of Family Legal Care, Inc. ("FLC"), which comprise the statement of financial position as of September 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of FLC as of September 30, 2025, 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.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of FLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about FLC's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 FLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about FLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Report on Summarized Comparative Information**

We have previously audited FLC's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 25, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Sax LLP*

New York, NY  
February 24, 2026

# Family Legal Care, Inc.

## Statement of Financial Position

As of September 30, 2025  
(With comparative totals as of September 30, 2024)

	<u>September 30,</u>	
	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 752,489	\$ 1,371,749
Government grants receivable	918,495	437,283
Pledges receivable	185,000	172,000
Prepaid expenses and other assets	121,491	134,645
Security deposit	37,738	37,738
Operating lease-right-of-use asset	74,482	198,652
<b>TOTAL ASSETS</b>	<b><u>\$ 2,089,695</u></b>	<b><u>\$ 2,352,067</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 170,640	\$ 131,812
Refundable advances	134,792	74,992
Operating lease liabilities	90,943	241,534
Total liabilities	<u>396,375</u>	<u>448,338</u>
<b>NET ASSETS</b>		
Without donor restrictions		
Operations	1,029,262	1,174,038
Reserve fund	350,000	350,000
Total net assets without donor restrictions	<u>1,379,262</u>	<u>1,524,038</u>
With donor restrictions	314,058	379,691
Total net assets	<u>1,693,320</u>	<u>1,903,729</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 2,089,695</u></b>	<b><u>\$ 2,352,067</u></b>

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

# Family Legal Care, Inc.

## Statement of Activities

For the Year Ended September 30, 2025  
(With comparative totals for the year ended September 30, 2024)

	Without Donor Restrictions			With Donor Restrictions	Total 9/30/2025	Total 9/30/2024
	Operations	Reserve Fund	Total			
<b>PUBLIC SUPPORT AND REVENUE</b>						
Government grants	\$ 2,082,045	\$ -	\$ 2,082,045	\$ -	\$ 2,082,045	\$ 1,818,607
Contributions and fundraising	565,813	-	565,813	335,000	900,813	948,840
In-kind contributions	39,796	-	39,796	-	39,796	27,654
Special event income (net of \$126,877 and \$96,010 in expenses with a direct benefit to donors during FY25 and FY24, respectively)	857,358	-	857,358	-	857,358	685,874
Other income	10,949	-	10,949	-	10,949	11,251
Net assets released from restrictions	400,633	-	400,633	(400,633)	-	-
Total public support and revenue	3,956,594	-	3,956,594	(65,633)	3,890,961	3,492,226
<b>EXPENSES</b>						
Program services	3,192,185	-	3,192,185	-	3,192,185	2,908,290
Supporting services						
General and administrative	470,917	-	470,917	-	470,917	359,204
Fundraising	438,268	-	438,268	-	438,268	403,918
Total supporting services	909,185	-	909,185	-	909,185	763,122
Total expenses	4,101,370	-	4,101,370	-	4,101,370	3,671,412
<b>Change in net assets</b>	<b>(144,776)</b>	<b>-</b>	<b>(144,776)</b>	<b>(65,633)</b>	<b>(210,409)</b>	<b>(179,186)</b>
<b>NET ASSETS, beginning of year</b>	1,174,038	350,000	1,524,038	379,691	1,903,729	2,082,915
<b>NET ASSETS, end of year</b>	<b>\$ 1,029,262</b>	<b>\$ 350,000</b>	<b>\$ 1,379,262</b>	<b>\$ 314,058</b>	<b>\$ 1,693,320</b>	<b>\$ 1,903,729</b>

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

# Family Legal Care, Inc.

## Statement of Functional Expenses

For the Year Ended September 30, 2025  
(With comparative totals for the year ended September 30, 2024)

	Program Services								Supporting Services					Total 09/30/25	Total 09/30/24
	Helpline	Court Programs	Outreach	Legal Resource Guides	Pro Bono Services	Digital Justice Initiative	Legal Research	Advocacy	Legal Consultations & Tech Hub	Total Program Services	General and Administrative	Fundraising	Total Supporting Services		
Salaries	\$ 484,003	\$ 458,465	\$ 191,430	\$ 80,779	\$ 357,068	\$ 161,099	\$ 36,462	\$ 84,498	\$ 246,518	\$ 2,100,322	\$ 176,755	\$ 241,608	\$ 418,363	\$ 2,518,685	\$ 2,314,082
Employee benefits and payroll taxes	131,382	124,449	51,963	21,927	96,926	43,730	9,898	22,937	66,917	570,129	47,980	65,584	113,564	683,693	608,497
Total salaries and related expenses	615,385	582,914	243,393	102,706	453,994	204,829	46,360	107,435	313,435	2,670,451	224,735	307,192	531,927	3,202,378	2,922,579
Rent expense	27,240	25,801	10,773	4,546	20,095	9,066	2,052	4,755	13,873	118,201	9,947	13,597	23,544	141,745	125,763
Professional fees	-	-	-	-	-	-	-	-	-	-	100,000	-	100,000	100,000	97,999
Consultant fees	19,317	19,493	7,640	18,724	19,827	102,580	1,455	3,373	9,839	202,248	19,555	10,838	30,393	232,641	215,700
In-kind legal expense	-	-	-	-	5,879	-	-	-	17,638	23,517	16,279	-	16,279	39,796	27,654
Telephone and communications	8,209	7,774	3,246	1,370	6,055	2,732	618	1,433	4,180	35,617	2,997	4,097	7,094	42,711	42,412
Office expenses	9,558	6,257	8,278	1,102	4,873	2,199	498	1,153	3,364	37,282	2,412	3,297	5,709	42,991	29,570
Travel and meeting expenses	1,329	1,259	526	222	981	443	100	232	677	5,769	486	664	1,150	6,919	6,448
Dues and subscriptions	14,839	14,057	5,869	2,477	10,948	4,940	1,118	2,591	7,559	64,398	5,420	7,408	12,828	77,226	76,501
Insurance	6,330	5,995	2,503	1,056	4,669	2,107	477	1,105	3,224	27,466	2,311	3,159	5,470	32,936	32,271
Training and conferences	1,056	1,000	417	176	779	351	80	184	538	4,581	385	527	912	5,493	7,292
Equipment rental	610	580	242	102	452	204	46	107	312	2,655	224	306	530	3,185	3,651
Other expenses	-	-	-	-	-	-	-	-	-	-	86,166	-	86,166	86,166	9,072
Event expenses	-	-	-	-	-	-	-	-	-	-	-	214,060	214,060	214,060	170,509
Total expenses	703,873	665,130	282,887	132,481	528,552	329,451	52,804	122,368	374,639	3,192,185	470,917	565,145	1,036,062	4,228,247	3,767,421
Less: costs of direct benefits to donors netted with revenue	-	-	-	-	-	-	-	-	-	-	-	(126,877)	(126,877)	(126,877)	(96,010)
<b>Total expenses</b>	<b>\$ 703,873</b>	<b>\$ 665,130</b>	<b>\$ 282,887</b>	<b>\$ 132,481</b>	<b>\$ 528,552</b>	<b>\$ 329,451</b>	<b>\$ 52,804</b>	<b>\$ 122,368</b>	<b>\$ 374,639</b>	<b>\$ 3,192,185</b>	<b>\$ 470,917</b>	<b>\$ 438,268</b>	<b>\$ 909,185</b>	<b>\$ 4,101,370</b>	<b>\$ 3,671,411</b>

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

# Family Legal Care, Inc.

## Statement of Cash Flows

For the Year Ended September 30, 2025  
(With comparative totals for the year ended September 30, 2024)

	<u>September 30,</u>	
	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (210,409)	\$ (179,186)
Adjustments to reconcile change in net assets to net cash (used for)/provided by operating activities:		
Change in operating lease right-of-use asset and liability	(26,421)	(10,798)
Changes in assets and liabilities:		
Government grants receivable	(481,212)	615,635
Pledges receivables	(13,000)	31,500
Prepaid expenses and other assets	13,154	(22,637)
Accounts payable and accrued expenses	38,828	(1,928)
Refundable advances	59,800	(3,360)
Total adjustments	<u>(408,851)</u>	<u>608,412</u>
Net cash (used for)/provided by operating activities	<u>(619,260)</u>	<u>429,226</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(619,260)</b>	<b>429,226</b>
<b>CASH AND CASH EQUIVALENTS, <i>beginning of year</i></b>	<u>1,371,749</u>	<u>942,523</u>
<b>CASH AND CASH EQUIVALENTS, <i>end of year</i></b>	<b><u>\$ 752,489</u></b>	<b><u>\$ 1,371,749</u></b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid for taxes	<u>\$ -</u>	<u>\$ -</u>

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

# Family Legal Care, Inc.

## Notes to Financial Statements

September 30, 2025

### Note 1 - Nature of the Organization

Family Legal Care, Inc. ("FLC")'s mission is to increase access to justice in New York State Family Court. FLC combines legal guidance, easy-to-access technology, and compassionate support to help unrepresented parents and caregivers self-advocate on critical family law issues while working on reform that improves the system for everyone.

FLC was formerly known as Legal Information for Families Today. On June 8, 2022, the organization changed its name to Family Legal Care, Inc.

FLC's innovative services and programs - all available in Spanish - include the following:

- Family Law Information Helpline – The bilingual telephone, email, and live-chat helplines are the primary point of entry for people who need FLC support and guidance, and a central artery through which clients can access more of our services. Helpline services are available in English and Spanish, and FLC uses a translation service for callers who speak additional languages. Anyone with a New York Family Law matter access FLC services through the helplines.
- Legal Consultations - Unrepresented litigants meet with an FLC staff attorney for about an hour to receive vital support in preparing a case. Consultations take place over the phone or via Microsoft Teams. Clients receive in-depth advice and counsel, and many return for follow-up advice and support.
- Legal Information and Tech Hubs- FLC provides legal information to walk-in visitors to NYC's busiest courthouses at FLC Legal Information Hubs. In addition to legal information, litigants affected by the digital divide can visit the FLC Brooklyn, Queens, and Bronx Tech Hubs for technical assistance accessing the hybrid court system. Litigants who may not have access to technology, a stable internet connection, or a private space can conduct their virtual hearings and get help with documents related to their case.
- Pro Bono Program – This unique program leverages the resources and legal experience of the private bar. Clients receive legal advice from FLC-trained volunteer attorneys on their mobile devices or computers, eliminating the need for long-distance trips to the courthouse and mitigating expensive burdens like taking time away from work and securing childcare.
- Legal Resource Guides (LRGs) - FLC has created more than 60 unique guides that cover a range of family law issues in nine languages, including Chinese, English, French, Haitian-Creole, Hebrew, Korean, Russian, Spanish, and Yiddish. They are available at various courthouses, through community partners, and on the FLC website.
- Legal Education and Community Outreach – FLC works with community partners throughout the five boroughs to offer in-person and virtual workshops and legal clinics in both English and Spanish.
- Digital Justice Initiative – FLC has developed innovative tools that address the gaps in the Family Court's online resources and help parents and caregivers to easily access family law information. *Family Law Navigator* and *Family Law Explained* series of digital shorts both make legal information easy to access and understand, and *Guided Court Forms* make it possible to complete important court documents from any mobile device.
- Advocacy – FLC uplifts pro se litigants' voices and push for reforms that will have a real impact on families and make the Family Court more equitable for everyone.

# Family Legal Care, Inc.

## Notes to Financial Statements

September 30, 2025

### Note 1 - Nature of the Organization - Continued

- Legal Research – This research work helps FLC stay current with changes in the law that may impact our work and clients.

### Note 2 - Summary of Significant Accounting Policies

#### a. Basis of Accounting and Presentation

The financial statements of FLC 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.

FLC 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.

#### b. Revenue Recognition

FLC follows the requirements of the FASB ASC 958-605 for recording contributions, which are recorded at the time they become unconditional in nature. Contributions are recorded in one of the classes of net assets described 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 are 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.

Government grants received by FLC are conditional, non-exchange transactions and fall under the scope of FASB 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 refundable advances.

# Family Legal Care, Inc.

## Notes to Financial Statements

September 30, 2025

### Note 2 - Summary of Significant Accounting Policies - Continued

#### *b. Revenue Recognition*

Contributions and grants 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. All receivables are expected to be received within one year.

Management assesses the collectability of all outstanding receivables based upon historical trends and experience with donors. Based on that review, management has concluded that all receivables are collectible. As such, no allowance for uncollectible accounts was deemed necessary.

Fundraising revenue (Special event income) is comprised of payments received from third parties (individuals and corporations) to support and/or attend fundraising events. Fundraising revenue includes an exchange transaction component for the value of the goods or services received, which follows revenue recognition guidance under ASC Topic 606. The amount paid by individuals and corporations that is above the value of goods or services received is considered a contribution. Revenue is recognized at the time the fundraising event occurs.

The Organization states receivables at the amount it expects to collect from outstanding balances. Expected credit losses on special events receivable are estimated based on historical credit loss experience, aging analysis and management's assessment of current conditions and reasonable execution of future conditions. Based on that evaluation, management has determined that no allowance for credit losses is warranted.

#### *c. Cash and Cash Equivalents*

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

#### *d. Concentration of Credit Risk*

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

#### *e. Property and Equipment*

Property and equipment that exceed predetermined thresholds and have a useful life greater than one year are capitalized at cost or at fair value if donated. Depreciation and amortization are provided on a straight-line basis over the estimated useful life of the assets. Leasehold improvements that materially benefit future periods are capitalized and amortized over the life of the lease.

# Family Legal Care, Inc.

## Notes to Financial Statements

September 30, 2025

### Note 2 - Summary of Significant Accounting Policies - Continued

#### *f. Leases*

FLC determines if an arrangement is or contains a lease at inception. Leases are included in ROU assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. FLC does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that FLC will exercise that option. The change in operating lease right-of-use asset and liability on the statement of cash flows includes the amortization of the ROU asset and accretion of the discounted lease liability.

#### *g. In-kind Donations*

Donated services are recognized in circumstances where those services 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.

FLC received in-kind legal services totaling \$39,796 and \$27,654 during the years ended September 30, 2025 and 2024, respectfully. For the year ended September 30, 2025, these expenses were allocated to program services on the statement of functional expenses. For the year ended September 30, 2024, donated legal services were provided to participants of FLC's various programs in the amount of \$23,517. These expenses were charged to program services and the remaining \$16,279 allocated to management and general on the statement of functional expenses. Legal services are valued at the standard hourly rates charged for those services.

#### *h. 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.

#### *i. 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.

# Family Legal Care, Inc.

## Notes to Financial Statements

September 30, 2025

### Note 2 - Summary of Significant Accounting Policies - Continued

#### *j. Functional Allocation of Expenses - Continued*

The following costs were allocated based on time and effort:

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

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

#### *k. Income Tax Status*

FLC 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*

FLC does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending September 30, 2022 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 FLC's financial statements for the year ended September 30, 2024, from which the summarized information was derived.

# Family Legal Care, Inc.

## Notes to Financial Statements

September 30, 2025

### Note 3 - Operating Lease Right-of-Use Asset and Operating Lease Liability

FLC evaluated current contracts to determine which met the criteria of a lease. FLC leases building space in New York City, under a non-cancelable lease, which expires April 30, 2026. This has been determined to be an operating lease. The lease does not include an option to renew.

The ROU assets represent FLC's right to use the underlying asset for the lease term, and the lease liabilities represent FLC's obligation to make lease payments arising from this lease. The ROU assets and lease liabilities were calculated based on the present value of future lease payments over the lease terms. The weighted-average remaining lease term for FLC's operating lease as of September 30, 2025 and 2024 was 0.58 and 1.58 years, respectively. FLC has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of September 30, 2025 and 2024 was 2.9%.

For the years ended September 30, 2025 and 2024, total operating lease cost was \$128,831.

Cash paid for operating leases for the years ended September 30, 2025 and 2024 was \$155,252 and \$125,450, respectively. There were no noncash investing and financing transactions related to leasing.

The future payments due under the operating lease as of September 30, 2025 are as follows:

Total lease payments due for the year ending:	
September 30, 2026	\$ 91,612
Total future maturities of lease liabilities	91,612
Less: present value discount	(669)
Total	<u>\$ 90,943</u>

# Family Legal Care, Inc.

## Notes to Financial Statements

September 30, 2025

### Note 4 - Net Assets with Donor Restrictions

The following summarizes the activity of net assets with donor restrictions:

	September 30, 2025			
	Beginning		Released	Ending
	Balance		from	Balance
	10/1/2024	Contributions	Restrictions	9/30/2025
Program restrictions				
Pro Bono Program	\$ 10,000	\$ -	\$ (10,000)	\$ -
Tech Hub	150,223	-	(100,223)	50,000
Professional Development	40,308	-	-	40,308
Trial Resource Guides	29,160	-	(29,160)	-
Digital Tool	-	200,000	(100,000)	100,000
Digital Justice Initiative	-	100,000	(11,250)	88,750
Total program	229,691	300,000	(250,633)	279,058
Time restrictions	150,000	35,000	(150,000)	35,000
Total	\$ 379,691	\$ 335,000	\$ (400,633)	\$ 314,058

	September 30, 2024			
	Beginning		Released	Ending
	Balance		from	Balance
	10/1/2023	Contributions	Restrictions	9/30/2024
Program restrictions				
Digital Tool	\$ 96,681	\$ -	\$ (96,681)	\$ -
Family Court Project	-	10,000	-	10,000
Pro Bono Program	205,494	150,000	(205,271)	150,223
Tech Hub	47,600	-	(7,292)	40,308
Professional Development	31,408	-	(31,408)	-
Free Legal Services - Westchester	-	60,000	(30,840)	29,160
Total program	381,183	220,000	(371,492)	229,691
Time restrictions	30,000	150,000	(30,000)	150,000
Total	\$ 411,183	\$ 370,000	\$ (401,492)	\$ 379,691

### Note 5 - Retirement Plan

FLC 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 \$74,256 and \$68,190 for the years ended September 30, 2025 and 2024, respectively.

### Note 6 - Contingencies

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 quantifiable.

# Family Legal Care, Inc.

## Notes to Financial Statements

September 30, 2025

### Note 7 - Availability and Liquidity

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

Financial assets at year-end:

Cash and cash equivalents	\$ 752,489
Government grants receivable	918,495
Pledges receivable	<u>185,000</u>

Total financial assets 1,855,984

Less amounts not available for general expenditures:

Board designated reserve fund	(350,000)
Net assets with program restrictions	<u>(279,058)</u>
Total unavailable for general expenditures	<u>(629,058)</u>

Financial assets available within one year to meet cash needs for general expenditures \$ 1,226,926

As part of its liquidity management plan, FLC 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, FLC maintains a board designated operating reserve fund intended to fund future operations and to enable FLC to sustain operations through delays in payments of committed funding, manage cash flow and maintain financial flexibility. FLC intends to fund an additional \$50,000 each year in which there is a surplus, until the total reaches \$750,000. Spending from the reserve will be based on approval by first the executive committee and then the full board of directors. These funds are included in cash and cash equivalents in the statement of financial position.

### Note 8 - Subsequent Events

Subsequent events have been evaluated through February 24, 2026, the date the financial statements were available to be issued. There were no material events that have occurred that required adjustment to or disclosure to the financial statements.