



FAMILY VIOLENCE APPELLATE PROJECT

*Reviewed
Financial Statements*

Year Ended
December 31, 2013



C E R T I F I E D P U B L I C A C C O U N T A N T S
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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors Family Violence Appellate Project

We have reviewed the accompanying statement of financial position of Family Violence Appellate Project (a California nonprofit corporation) as of December 31, 2013 and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

**February 10, 2014
Danville, California**

Regalia & Associates

FAMILY VIOLENCE APPELLATE PROJECT

**Statement of Financial Position
December 31, 2013**

ASSETS

	<u>2013</u>
Current assets:	
Cash and cash equivalents	\$ 297,137
Grants and pledges receivable	65,000
Prepaid expenses and other assets	<u>5,116</u>
	<u>\$ 367,253</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable and accrued liabilities	<u>\$ 3,417</u>
Total current liabilities	<u>3,417</u>
Net assets:	
Unrestricted	313,836
Temporarily restricted	<u>50,000</u>
Total net assets	<u>363,836</u>
	<u>\$ 367,253</u>

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**Statement of Activities and Changes in Net Assets
Year Ended December 31, 2013**

<i>Changes in unrestricted net assets:</i>	<u>2013</u>
Revenue and support:	
Program fees and other earned income	\$ 5,345
Contributed income:	
Foundation grants	125,200
Individual donations	140,934
Corporate/Law Firm Contributions	70,153
In-kind contributions	1,142,213
Total contributed income	<u>1,478,500</u>
 Net assets released from restrictions:	
Satisfaction of program restrictions	<u>-</u>
 Total revenue and support	<u>1,483,845</u>
 Expenses:	
Program expenses	1,216,487
General and administrative	46,300
Fundraising	25,222
Total expenses	<u>1,288,009</u>
 Increase in unrestricted net assets	<u>195,836</u>
 <i>Changes in temporarily restricted net assets:</i>	
Grants and contributions	50,000
Net assets released from restrictions	<u>-</u>
Increase in temporarily restricted net assets	<u>50,000</u>
 Increase in net assets	245,836
Net assets at beginning of year	<u>118,000</u>
Net assets at end of year	<u>\$ 363,836</u>

FAMILY VIOLENCE APPELLATE PROJECT

**Statement of Cash Flows
Year Ended December 31, 2013**

	<u>2013</u>
<i>Operating activities:</i>	
Increase in net assets	\$ 245,836
Adjustments to reconcile to cash provided by (used for) operating activities:	
Changes in:	
Grants and pledges receivable	(62,100)
Prepaid expenses and other assets	(2,955)
Accounts payable and accrued liabilities	3,126
Cash provided by operating activities	<u>183,907</u>
Net increase in cash and cash equivalents	183,907
Cash and cash equivalents at beginning of year	<u>113,230</u>
Cash and cash equivalents at end of year	<u>\$ 297,137</u>
 <i>Additional cash flow information:</i>	
State registration taxes paid	<u>\$ 75</u>
Interest and finance charges paid	<u>\$ -</u>

FAMILY VIOLENCE APPELLATE PROJECT

**Statement of Functional Expenses
Year Ended December 31, 2013**

	General and			
	Program	Admin-	Fund-	Total
	Services	istrative	raising	2013
Bank charges/processing fees	\$ 66	\$ 1,788	\$ 1,582	\$ 3,436
Computers and technology	1,686	754	324	2,764
Events	193	-	6,907	7,100
In-kind expenses:				
In-kind attorney services	993,843	-	-	993,843
In-kind professional fees	5,377	7,491	887	13,755
In-kind rent	15,254	4,089	1,657	21,000
Other pro-bono services	113,615	-	-	113,615
Insurance	-	1,580	-	1,580
Office/phone/supplies	988	199	156	1,343
Professional fees	14,166	10,118	4,617	28,901
Program expenses	4,562	106	133	4,801
Salaries, payroll taxes, and benefits	63,737	19,792	7,428	90,957
Travel, meals and conferences	3,000	383	1,531	4,914
Totals	\$ 1,216,487	\$ 46,300	\$ 25,222	\$ 1,288,009

**Notes to Financial Statements
December 31, 2013**

1. Organization

Family Violence Appellate Project (FVAP) is a non-profit organization incorporated in California in 2012 and operates from its headquarters in Berkeley, California. FVAP's primary mission is to ensure the safety and well-being of survivors of domestic violence and their children by helping survivors of domestic violence obtain effective appellate representation

FVAP works to empower victims and survivors of domestic violence through the court system to ensure that they and their children can live in safe and healthy environments, free from abuse.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of FVAP have been prepared on the accrual basis of accounting and reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958.205, *Presentation of Financial Statements of Not-for-Profit Entities*. Under ASC 958.205, FVAP is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets

Grants and Pledges Receivable

Grants and pledges receivable are recognized as unrestricted or temporarily restricted contributed revenue when the contractual obligation is received.

Revenue Recognition

FVAP records contributions in accordance with the recommendations of ASC 958.605, *Revenue Recognition of Not-for-Profit Entities*. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in unrestricted or temporarily restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported on the statements of activities and changes in net assets as net assets released from restrictions.

Notes to Financial Statements

2. Summary of Significant Accounting Policies *(continued)*

Income Taxes

Financial statement presentation follows the recommendations of ASC 740, *Income Taxes*. Under ASC 740, FVAP is required to report information regarding its exposure to various tax positions taken by the organization and requires a two-step process that separates recognition from measurement. The first step is determining whether a tax position has met the recognition threshold; the second step is measuring a tax position that meets the recognition threshold. Management believes that FVAP has adequately evaluated its current tax positions and has concluded that as of December 31, 2013, FVAP does not have any uncertain tax positions for which a reserve or an accrual for a tax liability would be necessary.

FVAP has received notification from the Internal Revenue Service and the State of California that it qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. This exemption is subject to periodic review by the federal and state taxing authorities and management is confident that the organization continues to satisfy all federal and state statutes in order to qualify for continued tax exemption status. FVAP may periodically receive unrelated business income requiring the organization to file separate tax returns under federal and state statutes. Under such conditions, FVAP calculates and accrues the applicable taxes payable.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing FVAP's various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Contributed Services and Costs

FVAP is the recipient of substantial in-kind and pro-bono services. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Such contributed time and services were recognized in the accompanying financial statements because they met the criteria for recognition under ASC 958.30 *Gifts in Kind*.

3. Cash and Cash Equivalents

Cash and cash equivalents of \$297,137 at December 31, 2013 consist of funds on deposit in checking, savings and online accounts. Funds on deposit in savings bear interest at 0.01% per annum as of December 31, 2013. FVAP attempts to limit its credit risk associated with cash balances by utilizing financial institutions that are well capitalized and highly rated.

Notes to Financial Statements

4. Grants and Pledges Receivable

Grants and pledges receivable of \$65,000 at December 31, 2013 are due from various foundations and are stated at net realizable value. Management has determined that all amounts are fully collectible and therefore no reserve for uncollectible amounts has been established.

5. Lease Arrangement

FVAP receives complimentary office space and related services for its headquarters in Berkeley, California. During the year ended December 31, 2013, the value of this in-kind rent contribution was estimated to be \$21,000 and has been reflected as (1) in-kind contribution on the statement of activities and changes in net assets and (2) in-kind rent expense on the statement of functional expenses.

6. In-Kind Contributions

During the year ended December 31, 2013, FVAP was the recipient of a substantial amount of in-kind contributions. The values of these contributions, as reflected in the financial statements, are as follows:

In-kind attorney services	\$ 993,843
In-kind professional fees	13,755
In-kind rent	21,000
Other pro-bono services	113,615
Total in-kind donations received	<u>\$ 1,142,213</u>

7. Commitments and Contingencies

In the normal course of business there are outstanding various commitments and contingent liabilities, such as commitments to enter into contracts and future performances, which are not reflected in the combined financial statements. Such commitments and contingencies also include risks associated with various economic and operating factors, which include (a) Grant restrictions and donor conditions which obligate FVAP to fulfill certain requirements as set forth in grant instruments, (b) Funding levels which vary based on factors beyond the FVAP's control, such as generosity of donors and general economic conditions, (c) Employment and service agreements with key management and operating personnel, and (d) Financial risks associated with funds on deposit at bank and investment brokerage accounts. Management believes that such commitments, contingencies and risks will not have a material adverse effect on the combined financial statements. Certain of the grants and contracts (including current and prior costs) are subject to audit and final acceptance by the granting entities.

FAMILY VIOLENCE APPELLATE PROJECT

Notes to Financial Statements

8. Net Assets

FVAP recognizes support from temporarily restricted net assets when the restrictions imposed by the donors have been satisfied or expired. As of December 31, 2013, temporarily restricted net assets consist of donations which are available for a future time period. A summary of the activity affecting temporarily restricted net assets for the year ended December 31, 2013 is as follows:

Description	Dec. 31, 2012 Beginning Balance	Additions	Released to Unrestricted	Dec. 31, 2013 Ending Balance
Blue Shield of California Foundation	\$ -	\$ 50,000	\$ -	\$ 50,000
Totals	\$ -	\$ 50,000	\$ -	\$ 50,000

9. Compensated Absences (Accrued Payroll and Related Benefits)

Financial statement presentation follows the recommendations of ASC 710.25, *Compensated Absences*. Under ASC 710.25, FVAP is required to record a liability for the estimated amounts of compensation for future absences. Employees are permitted to accrue a specific number of hours of personal time off which is payable upon termination of the employee. Sick leave is not paid upon termination. Annual leave accruals are recorded in the financial statements as an accrued liability on the statement of financial position based on hourly rates in effect at the end of the fiscal year. Accrued payroll liabilities amounted to \$1,671 at December 31, 2013.

10. Subsequent Events

In compliance with ASC 855, *Subsequent Events*, FVAP has evaluated subsequent events through February 10, 2014, the date the financial statements were available to be issued and, in the opinion of management, there are no subsequent events which need to be disclosed.