

FAMILY VIOLENCE APPELLATE PROJECT
(A NONPROFIT PUBLIC BENEFIT CORPORATION)

REPORT ON AUDIT OF FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT.....	1-2
FINANCIAL STATEMENTS:	
Statement of Financial Position.....	3
Statement of Activities.....	4
Statement of Functional Expenses	5
Statement of Cash Flows.....	6
NOTES TO FINANCIAL STATEMENTS	7-14

INDEPENDENT AUDITOR'S REPORT

May 4, 2026

To the Board of Directors
of Family Violence Appellate Project
Oakland, California

Opinion

I have audited the accompanying financial statements of Family Violence Appellate Project (a nonprofit public benefit corporation), which comprise the statement of financial position as of December 31, 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 my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family Violence Appellate Project as of December 31, 2025, and the changes in 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

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Family Violence Appellate Project and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Family Violence Appellate Project's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, I:

- 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 Family Violence Appellate Project'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Family Violence Appellate Project's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.


Healy and Associates
Concord, California

FAMILY VIOLENCE APPELLATE PROJECT
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 992,114
Investments	573,822
Contributions receivable	73,298
Prepaid expenses	<u>23,574</u>

Total Current Assets 1,662,808

Deposits	<u>11,413</u>
----------	---------------

Total Assets \$ 1,674,221

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 179,533
Grant advance	<u>575,493</u>

Total Current Liabilities 755,026

Total Liabilities 755,026

NET ASSETS

Without donor restrictions	808,464
With donor restrictions	<u>110,731</u>

Total Net Assets 919,195

Total Liabilities and Net Assets \$ 1,674,221

FAMILY VIOLENCE APPELLATE PROJECT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
In-kind services	\$ 2,778,563	\$ -	\$ 2,778,563
Government grants	2,080,324	-	2,080,324
Contributions	115,834	151,320	267,154
Fundraising events			
Gross proceeds	120,736		
In-kind services	13,000		
Less:			
Direct expenses	(23,597)		
In-kind services	(13,000)		
Investment gain, net	21,814	-	21,814
Other income	12,156	-	12,156
	<u>5,105,830</u>	<u>151,320</u>	<u>5,257,150</u>
Net assets released from restriction	<u>125,086</u>	<u>(125,086)</u>	<u>-</u>
TOTAL REVENUE AND SUPPORT	<u>5,230,916</u>	<u>26,234</u>	<u>5,257,150</u>
EXPENSES			
Program services	4,579,047	-	4,579,047
Supporting services:			
Administrative services	298,211	-	298,211
Fundraising expenses	257,149	-	257,149
TOTAL EXPENSES	<u>5,134,407</u>	<u>-</u>	<u>5,134,407</u>
CHANGE IN NET ASSETS	96,509	26,234	122,743
NET ASSETS, beginning of year	<u>711,955</u>	<u>84,497</u>	<u>796,452</u>
NET ASSETS, end of year	<u>\$ 808,464</u>	<u>\$ 110,731</u>	<u>\$ 919,195</u>

See Notes to Financial Statements

FAMILY VIOLENCE APPELLATE PROJECT
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	Program Services	Administrative Services	Fundraising Expenses	Total
Wages	\$ 1,368,730	\$ 63,352	\$ 197,466	\$ 1,629,548
Employee benefits	179,610	16,314	20,662	216,586
Payroll taxes	95,588	2,806	21,426	119,820
Total Personnel Expenses	1,643,928	82,472	239,554	1,965,954
In-kind services	2,778,563	-	13,000	2,791,563
Professional services	60,235	173,543	239	234,017
Events and discretionary	3,536	4,629	23,748	31,913
Occupancy	14,325	14,368	2,494	31,187
Insurance	16,121	3,086	1,653	20,860
Computers and technology	4,918	5,580	6,192	16,690
Dues and memberships	15,647	782	-	16,429
Case and accessibility expenses	11,505	216	-	11,721
Bank charges, online donation, and fees	6,258	2,277	3,126	11,661
Travel	9,334	1,051	402	10,787
Telecommunications	5,716	3,551	1,335	10,602
Lobbying	6,601	-	-	6,601
Fees and licenses	5	3,456	54	3,515
Printing, shipping, and postage	760	467	1,855	3,082
Office supplies	763	1,779	23	2,565
Miscellaneous	452	660	41	1,153
Other program expenses	380	294	30	704
Total Expenses	4,579,047	298,211	293,746	5,171,004
Less expenses included with revenues on the statement of activities:				
Direct fundraising expenses	-	-	(36,597)	(36,597)
Total expenses included in the expense section of the statement of activities	\$ 4,579,047	\$ 298,211	\$ 257,149	\$ 5,134,407

FAMILY VIOLENCE APPELLATE PROJECT
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 122,743
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Realized and unrealized gain on investments	(21,814)
CHANGES IN ASSETS AND LIABILITIES:	
Contributions receivable	116,715
Prepaid expenses	7,515
Deposits	14,400
Right-of-use asset	22,374
Accounts payable and accrued expenses	10,914
Grant advances	542,054
Lease liability	<u>(22,705)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>792,196</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases or reinvestments	(310)
Sales or maturities of investments	<u>100,000</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>99,690</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	891,886
CASH AND CASH EQUIVALENTS, beginning of year	<u>100,228</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 992,114</u></u>

FAMILY VIOLENCE APPELLATE PROJECT
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE A – NATURE OF ACTIVITIES

Family Violence Appellate Project (Organization) is a California nonprofit public benefit corporation, incorporated in 2012 and operates from its headquarters in Oakland, California. The Organization'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.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method and Basis of Presentation

The accounting records of the Organization are maintained on the accrual basis of accounting. The financial statements of the Organization have been prepared in accordance with ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

FAMILY VIOLENCE APPELLATE PROJECT
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of three months or less, which are neither held for nor restricted by donors for long term purposes. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Fair Value Measurements

The Organization's financial instruments include cash, cash equivalents and investments measured using Level 1 inputs. The carrying amount of these financial instruments has been estimated by management to approximate fair value. Fair value is defined as "the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date." When determining the inputs used to measure fair value, the highest priority is given to observable inputs and lowest priority is given to unobservable inputs. Accounting Standards Codification (ASC) 820-10, *Fair Value Measurement*, establishes a fair value hierarchy to prioritize the inputs used in measuring fair value. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1— Quoted prices for identical assets in active markets.

Level 2—Observable inputs other than Level 1, which include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair values of the assets.

Contributions Receivable

Contributions receivable are recorded at net realizable value consisting of the amount awarded less an allowance for uncollectible amounts. The Organization evaluates the collectability of its receivables on an ongoing basis and records a provision for potential uncollectible receivables when appropriate. Management did not consider an allowance for doubtful accounts necessary as of December 31, 2025.

Fixed Assets

Fixed asset additions in excess of \$5,000 are recorded at cost, or if donated, at fair value on the date of donation, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Maintenance and repairs that do not extend the useful lives of the respective assets are expensed as incurred. The Organization has no capitalized fixed assets at December 31, 2025.

FAMILY VIOLENCE APPELLATE PROJECT
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax Exemption Status

The Organization has received exempt status under section 501(c)(3) of the Internal Revenue Code and 23701(d) of the California Revenue and Taxation Code. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS along with related state filings. The related tax returns are subject to examination by federal and state taxing authorities generally for three years after they are filed. The Organization has no unrelated business income, and management has analyzed tax positions taken and has concluded that there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

Revenue Recognition

The Organization is supported primarily through government grants, contributions, and in-kind services.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

A portion of the Organization's revenue is derived from cost-reimbursable grants, which are conditioned upon the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization has \$575,493 in cost-reimbursement grants that have not been recognized as of December 31, 2025, because qualifying expenditures have not yet been incurred, with \$575,493 having been received in advance and reflected in grant advances.

In-Kind Services, Goods, and Supplies

The Organization records donated services, goods, and supplies at their estimated fair value on the date of receipt. Donated professional services, goods, and supplies for the year ended December 31, 2025 are \$2,791,563 as reflected in the accompanying statement of activities and statement of functional expenses.

In addition, the Organization receives contributions of volunteer time in furtherance of the Organization's mission throughout the year. However, these services are not reflected in the accompanying financial statements as they do not meet the criteria for recognition under accounting principles generally accepted in the United States of America.

FAMILY VIOLENCE APPELLATE PROJECT
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Change in Accounting Principle – Adoption of CECL

Effective January 1, 2025, the Organization adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, and related amendments (“CECL”). The standard replaces the incurred loss model with an expected credit loss model, which requires recognition of an allowance for lifetime expected losses on financial assets measured at amortized cost.

Adoption and Practical Expedients

In adopting CECL, the Organization implemented its Credit Loss Policy consistent with ASC 326 and applicable nonprofit guidance. The Organization elected the following practical expedients and accounting policy elections:

1. Practical Expedient for Short-Term Receivables – The Organization assumes that economic conditions at the balance sheet date will remain unchanged for the short remaining life of its receivables, thereby eliminating the need to forecast future macroeconomic variables (ASC 326-20-30-10C and 30-10D).
2. Accounting Policy Election for Post-Balance-Sheet Collections – The Organization considers actual cash collections received between the balance sheet date and the date the financial statements are available to be issued (or another selected cut-off date). Receivables collected during this period are excluded from the allowance for credit losses (ASC 326-20-30-10E through 30-10H).
3. Pooling and Qualitative Approach – For uncollected receivables remaining after the cut-off date, the Organization evaluates expected credit losses collectively using historical experience adjusted for current conditions and known specific risks when applicable.

Effect of Adoption

The adoption of CECL did not result in a cumulative-effect adjustment to beginning net assets and did not have a material impact on the Organization’s financial position or results of operations. The Organization has disclosed its election of both the practical expedient and post-balance-sheet collection accounting policy election in accordance with ASC 326-20-50-12A and 50-12B.

Functional Allocation of Expenses

The costs of program activities and supporting services have been summarized on a functional basis in the statements of functional expenses. The statement presents the natural classification of detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Indirect costs such as general and administrative expenses include costs that are not directly identifiable with any specific program, but which provide the overall support and direction of the Organization. Such expenses which are common to multiple functions have been allocated among the various functions benefited based on employee time spent in the functional area and management’s estimates.

FAMILY VIOLENCE APPELLATE PROJECT
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE C – CONCENTRATIONS

From time to time, the Organization may hold funds on deposit at financial institutions that exceed the insured limits. At December 31, 2025, the Organization has \$742,114 in funds on account in excess of insured limits.

In-kind services and goods represent 53% of the annual revenue. The Organization received approximately 73% of its annual revenue, not including in-kind revenue, and 35% including in-kind, from one funder. The loss of that funding could have an impact on the future operations of the Organization.

Concentrations exist in accounts receivable as 82% as of December 31, 2025 is due from two funders (68% and 14%).

NOTE D – INVESTMENTS

The composition and fair value of cash and investments held in investment accounts at December 31, 2025 is as follows:

Fidelity government MMF – Level 1	\$ 573,822
Investments, end of year	<u>\$ 573,822</u>

Investment activity for the year ended December 31, 2025 is as follows:

Investments, beginning of year	\$ 651,698
Additions	310
Withdrawals	(100,000)
Unrealized gain	3
Interest and realized earnings	21,811
Investments, end of year	<u>\$ 573,822</u>

NOTE E – EMPLOYEE BENEFITS

The Organization's employees are entitled to paid time off based upon length of service and other factors. As of December 31, 2025, the respective accrued vacation liability was \$133,195. This amount is reflected as accrued expenses in the statement of financial position.

The Organization offers employees the opportunity to participate in a salary reduction retirement plan (with a discretionary employer match) qualified under Internal Revenue Code Section 401(k). The Plan covers all eligible participants and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Employer contributions for matching is \$41,101 for the year ended December 31, 2025.

FAMILY VIOLENCE APPELLATE PROJECT
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE F – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 992,114
Investments	573,822
Receivables	<u>73,298</u>
Total Financial Assets	1,639,234
Less amounts not available to be used within one year:	
Net assets with purpose restrictions to be met in one year	<u>(110,731)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 1,528,503</u></u>

The Organization has \$1,528,503 in financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE G – LEASE

The Organization adopted FASB Accounting Standards Update (ASU) No. 2016-02, ASC 842, *Leases*, which requires the recognition of a right-of-use asset and a lease liability based on the present value of the remaining lease payments. The Organization elected the ‘package of practical expedients’, which permitted the Organization not to reassess under the new standard its prior conclusions about lease identification, lease classification and initial direct costs; and all of the new standard’s available transition practical expedients. In addition, the Organization adopted the practical expedients of using the risk-free interest rate and the short-term lease definition.

The Organization leased office space under a non-cancellable operating lease through May 2025 at a rate of approximately \$5,700 per month. In April 2025, the Organization entered into a new lease for office space under a lease which runs through March 2026 at a rate of approximately \$900 per month. Finally, the Organization leased office space on a month-to-month basis in Washington from January to March 2025 at a rate of approximately \$70 per month.

FAMILY VIOLENCE APPELLATE PROJECT
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE G – LEASE (Continued)

Lease expenses consist of the following as of December 31, 2025:

Operating lease expenses	\$ 22,562
Short term leases	10,033
Total lease expense	<u>\$ 32,595</u>

The total cash amount paid for operating leases was \$22,893, and the noncash portion of operating lease assets was (\$331), for the fiscal year ended December 31, 2025.

Minimum lease payments for short term leases are shown as follows as of December 31:

2026	\$ 2,739
------	----------

NOTE H – NET ASSETS WITH DONOR RESTRICTIONS

For the year ended December 31, 2025, net assets with donor restriction activity consisted of the following:

Nature of Restriction	Beginning Balance	Income and Contributions	Released from Restriction	Ending Balance
Time restricted	\$ 78,395	\$ 147,870	(\$ 120,432)	\$ 105,833
Purpose/Program:				
Other purpose	6,102	3,450	(4,654)	4,898
Total	<u>\$84,497</u>	<u>\$151,320</u>	<u>(\$125,086)</u>	<u>\$ 110,731</u>

NOTE I – IN-KIND CONTRIBUTIONS

During the year ended December 31, 2025, the Organization was the recipient of substantial amounts of in-kind contributions of services. The Organization uses an average cost per hour in determining the value of donated services unless otherwise stated by the donor. The values of these contributions, as reflected in the accompanying financial statements, are as follows:

<u>Contribution and Allocation</u>	<u>Basis for Valuation</u>	<u>Total</u>
<u>Program Services</u>		
Pro-bono attorney services	Based on 920 hours x \$300/hour	\$ 2,706,000
Legal services	Based on 1,451 hours x \$50/hour	72,563
<u>Fundraising Services</u>		
Professional services	FMV of services stated by donor	13,000
Total		<u>\$ 2,791,563</u>

FAMILY VIOLENCE APPELLATE PROJECT
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE J – LOBBYING

The Organization incurred lobbying expenses of \$6,601 during the year ended December 31, 2025 as reflected in the accompanying statement of functional expenses.

NOTE K – SUBSEQUENT EVENTS

In March 2026, the Organization entered into a new lease for office space in Oakland at a rate of approximately \$1,000 per month. The lease runs from April 2026 through March 2027 and is not reflected in the accompanying financial statements.

Management has evaluated subsequent events for recognition and disclosure through May 4, 2026, the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2025, that required recognition or disclosure in the financial statements.