



SCHALL Certified Public Accountants, LLC
& ASHENFARB

IRA L. SCHALL, CPA
DAVID C. ASHENFARB, CPA
MICHAEL L. SCHALL, CPA

**THE SINGLE PARENT
RESOURCE CENTER, INC.**

Audited Financial Statements

June 30, 2015

307 Fifth Avenue, 15th Floor
New York, New York 10016
Tel: (212) 268-2800 Fax: (212) 268-2805
www.schallandashenfARB.com



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Single Parent Resource Center, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of The Single Parent Resource Center, Inc. (the "Center"), which comprise the statement of financial position as of June 30, 2015, 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.

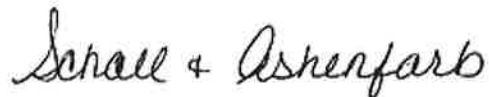
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Single Parent Resource Center, Inc. as of June 30, 2015, 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 Center's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 5, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Schall & Ashenfarb
Certified Public Accountants, LLC

February 17, 2016

THE SINGLE PARENT RESOURCE CENTER, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2015

(With comparative totals as of June 30, 2014)

	<u>6/30/15</u>	<u>6/30/14</u>
Assets		
Cash and cash equivalents	\$9,985	\$36,284
Investments (Note 3)	267,737	267,083
Government grants receivable	26,814	0
Pledges receivable	35,000	50,000
Prepaid expenses and other assets	6,246	1,283
Fixed assets, at cost (net of accumulated depreciation, \$1,264)	6,322	0
Security deposits	46,037	44,499
	<u> </u>	<u> </u>
Total assets	<u>\$398,141</u>	<u>\$399,149</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	<u>\$15,763</u>	<u>\$14,767</u>
Total liabilities	<u>15,763</u>	<u>14,767</u>
Net assets:		
Unrestricted	36,222	23,226
Board designated	<u>311,156</u>	<u>311,156</u>
Total unrestricted net assets	347,378	334,382
Temporarily restricted (Note 4)	<u>35,000</u>	<u>50,000</u>
Total net assets	<u>382,378</u>	<u>384,382</u>
	<u> </u>	<u> </u>
Total liabilities and net assets	<u>\$398,141</u>	<u>\$399,149</u>

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

THE SINGLE PARENT RESOURCE CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015
(With comparative totals for the year ended June 30, 2014)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 6/30/15</u>	<u>Total 6/30/14</u>
Public support and revenue:				
Government grants	\$571,266		\$571,266	\$552,862
Contributions	20,712		20,712	95,845
Problem Gambling Prevention program revenue	18,000		18,000	9,000
Access to Recovery program revenue	250		250	2,725
Special events, net of direct expenses	41,399	\$10,000	51,399	19,551
United Way	501		501	1,391
Interest and dividends	13,320		13,320	13,183
Miscellaneous	1,150		1,150	203
Net assets released from restrictions	25,000	(25,000)	0	0
Total public support and revenue	<u>691,598</u>	<u>(15,000)</u>	<u>676,598</u>	<u>694,760</u>
Expenses:				
Program services	<u>576,895</u>		<u>576,895</u>	<u>604,698</u>
Supporting services:				
Management and general	52,161		52,161	54,619
Fundraising	<u>37,908</u>		<u>37,908</u>	<u>24,463</u>
Total supporting services	<u>90,069</u>	<u>0</u>	<u>90,069</u>	<u>79,082</u>
Total expenses	<u>666,964</u>	<u>0</u>	<u>666,964</u>	<u>683,780</u>
Change in net assets from operations	24,634	(15,000)	9,634	10,980
Non-operating activities:				
Unrealized (losses)/gains on investments	<u>(11,638)</u>		<u>(11,638)</u>	<u>14,162</u>
Change in net assets	12,996	(15,000)	(2,004)	25,142
Net assets - beginning of year	<u>334,382</u>	<u>50,000</u>	<u>384,382</u>	<u>359,240</u>
Net assets - end of year	<u>\$347,378</u>	<u>\$35,000</u>	<u>\$382,378</u>	<u>\$384,382</u>

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

THE SINGLE PARENT RESOURCE CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015
(With comparative totals for the year ended June 30, 2014)

	<u>Supporting Services</u>			<u>Total Supporting Services</u>	<u>Total Expenses 6/30/15</u>	<u>Total Expenses 6/30/14</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>			
Salaries	\$349,298	\$22,341	\$18,403	\$40,744	\$390,042	\$409,878
Payroll taxes and benefits	41,891	2,680	2,208	4,888	46,779	46,310
Professional fees		10,707		10,707	10,707	10,500
Occupancy	130,673			0	130,673	119,605
Printing	3,883	485	485	970	4,853	6,340
Telephone	4,438	554	554	1,108	5,546	5,830
Repairs and maintenance	8,190	1,024	1,024	2,048	10,238	9,786
Office supplies	11,220	1,877		1,877	13,097	9,427
Equipment rental	3,859	482	482	964	4,823	3,641
Postage and mailing	915			0	915	1,158
Food	12,219			0	12,219	10,113
Transportation	6,635			0	6,635	5,374
Insurance	3,674	1,569	460	2,029	5,703	5,594
Indirect special event expenses			14,118	14,118	14,118	7,133
Bad debt expense				0	0	21,363
Depreciation		1,264		1,264	1,264	0
Miscellaneous		9,178	174	9,352	9,352	11,728
Total expenses	<u>\$576,895</u>	<u>\$52,161</u>	<u>\$37,908</u>	<u>\$90,069</u>	<u>\$666,964</u>	<u>\$683,780</u>

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

THE SINGLE PARENT RESOURCE CENTER, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015
(With comparative totals for the year ended June 30, 2014)

	6/30/15	6/30/14
Cash flows from operating activities:		
Change in net assets	(\$2,004)	\$25,142
Adjustments to reconcile change in net assets to net cash (used for)/provided by operating activities:		
Depreciation	1,264	0
Unrealized losses/(gains) on investments	11,638	(14,162)
Changes in assets and liabilities:		
Government grants receivable	(26,814)	19,461
Pledges receivable	15,000	73,573
Prepaid expenses and other assets	(4,963)	(1,283)
Security deposits	(1,538)	(653)
Accounts payable and accrued expenses	996	(32,841)
Total adjustments	(4,417)	44,095
Net cash (used for)/ provided by operating activities	(6,421)	69,237
Cash flows from investing activities:		
Purchases of fixed assets	(7,586)	0
Sale of investments	15,000	15,185
Purchase of investments	(27,292)	(48,138)
Net cash used for investing activities	(19,878)	(32,953)
Net (decrease)/increase in cash and cash equivalents	(26,299)	36,284
Cash and cash equivalents - beginning of year	36,284	0
Cash and cash equivalents - end of year	\$9,985	\$36,284
Interest and income taxes paid	\$0	\$0

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

THE SINGLE PARENT RESOURCE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1 - Organization and Purpose

The Single Parent Resource Center, Inc. (the "Center") is a New York State not-for-profit corporation whose purpose is to develop and offer responsive programs for New York City's single parent families. The Center also advocates for improvements in social practices, policies and regulations which impact single parent families. Most of the Center's support is derived from the New York State Office of Alcoholism and Substance Abuse Services and the New York City Department of Health and Mental Hygiene.

The Center is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and has been designated as an organization, which is not a private foundation.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

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

b. Basis of Presentation

As a not-for-profit organization, the Center reports information regarding its financial position and activities according to the following classes of net assets:

- *Unrestricted* – represents all activity without donor imposed restrictions. The Board of Directors voted that contributions received from the Estate of Victoria J. Mastrobuono (the "Estate") would be designated for Board approved emergency needs and budget deficits. Consequently, net assets arising from such contributions have been classified as Board designated.
- *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* – accounts for activity restricted by donors that must remain intact in perpetuity. There were no permanently restricted net assets for the year ended June 30, 2015.

c. Revenue Recognition

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 amount recognized as government grant income that exceeds the cash received is recorded as government grants receivable.

The Center's policy is to report contributions of cash and other assets as increases to the unrestricted class of net assets unless they are received with donor stipulations that restrict their use. Contributions that contain restrictions are recorded as increases to the temporarily or permanently restricted class of net assets, depending on the nature of the restriction. When a donor restriction expires, that is, when a stipulated time restriction ends or program restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "net assets released from restrictions." However, restricted contributions that are satisfied within the same year are recorded as unrestricted.

d. Cash and Cash Equivalents

The Center considers all highly liquid investments (except for cash held in the investment account) with an initial maturity of less than one year to be cash and cash equivalents.

e. Concentration of Credit Risks

Financial instruments which potentially subject the Center to concentration of credit risk consist of cash accounts and investments, which have been placed with financial institutions that management deems to be creditworthy. Investments are subject to market fluctuation and principal is not guaranteed. At times, balances may exceed federally insured limits. At year-end, there were no uninsured balances.

f. Investments

Securities are reflected at fair value which is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction, between market participants, at the measurement date. Realized and unrealized gains and losses are reflected in the statement of activities.

g. Fixed Assets

Furniture and equipment that exceed certain predetermined levels are carried at cost or, if donated, at fair value on the date of donation. All fixed assets have been fully depreciated in prior years.

h. Expense Allocation

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 the Center.

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. Accounting for Uncertainty of Income Taxes

The Center does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending June 30, 2012 and later are subject to examination by applicable taxing authorities.

k. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through February 17, 2016, 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.

Note 3 - Investments

Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Center has the ability to access.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Investments consist of the following:

	<u>June 30, 2015</u>		
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Money funds	\$47,683	\$47,683	\$0
Equities – mutual funds	90,410	90,410	0
Government (municipal) securities	80,392	0	80,392
Corporate bonds	21,262	0	21,262
Fixed income securities	<u>27,990</u>	<u>27,990</u>	<u>0</u>
Total	<u>\$267,737</u>	<u>\$166,083</u>	<u>\$101,654</u>
	<u>June 30, 2014</u>		
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Money funds	\$25,551	\$25,551	\$0
Equities – mutual funds	95,264	95,264	0
Government (municipal) securities	96,110	0	96,110
Corporate bonds	21,858	0	21,858
Fixed income securities	<u>28,300</u>	<u>28,300</u>	<u>0</u>
Total	<u>\$267,083</u>	<u>\$149,115</u>	<u>\$117,968</u>

Level 1 securities are valued at the closing price reported on the active market that they are traded on. Level 2 securities are valued using observable market inputs for securities that are similar to those owned. This method produces a fair market value calculation that may not be indicative of net realizable value or reflective of future values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements.

Note 4 - Temporarily Restricted Net Assets

Temporarily restricted net assets released during the year and remaining at year-end are time restricted.

Note 5 - Commitments

- a. The Center leases its premises under an operating lease, which expires on January 31, 2016. The minimum rental due for the year ending June 30, 2016 is \$68,025 under terms of the lease.
- b. In January, 2016, subsequent to year-end, the Center renewed its operating lease for an additional five years, with the lease expiring on January 31, 2021. The lease provides for the following annual minimum rental payments:

Year ending:	June 30, 2016	\$50,894
	June 30, 2017	123,673
	June 30, 2018	127,383
	June 30, 2019	132,683
	June 30, 2020	138,732
	Thereafter	<u>82,326</u>
	Total	<u>\$655,691</u>

- c. Government contracts are subject to audit by the grantor. Management does not believe that any audits, if they were to occur, would result in material disallowed costs, and has not established any reserves. Any disallowed costs would be recorded in the period notified.

Note 6 - Significant Concentrations

The Center receives funding from the New York State Office of Alcoholism and Substance Abuse Services and the New York City Department of Health and Mental Hygiene to operate its major programs. Total funding from these agencies amounted to 84% and 77% of total revenue for the years ended June 30, 2015 and 2014, respectively.

Note 7 - Special Events

The following summarizes the special event activity:

	<u>6/30/15</u>	<u>6/30/14</u>
Gala revenue	\$63,330	\$30,062
Less: direct benefits to donors	<u>(11,931)</u>	<u>(10,511)</u>
	51,399	19,551
Less: other special event expenses	<u>(14,118)</u>	<u>(7,133)</u>
Total	<u>\$37,281</u>	<u>\$12,418</u>