SCHALL & ASHENFARB Certified Public Accountants, LLC

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

SINGLE PARENT RESOURCE CENTER, INC.

Audited Financial Statements

and

Single Audit Reports

June 30, 2019

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

SINGLE PARENT RESOURCE CENTER, INC.

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Single Parent Resource Center, Inc. (the "Center"), which comprise the statement of financial position as of June 30, 2019, 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.

Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. 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 auditor's 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 entity'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 entity'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 Single Parent Resource Center, Inc. as of June 30, 2019, 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.

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Emphasis of Matter

As discussed in Note 2 to the financial statements, the Center adopted Accounting Standards Update ("ASU") No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.* Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the Center's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 22, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2020 on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

Schall & Ashenfarb

Schall & Ashenfarb
Certified Public Accountants, LLC

March 18, 2020

SINGLE PARENT RESOURCE CENTER, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2019
(With comparative totals as of June 30, 2018)

	6/30/19	6/30/18
Assets		
Cash and cash equivalents	$161,127	$101,210
Investments (Note 3)	290,922	280,520
Government grants receivable	118,068	174,913
Pledges receivable	1,427	0
Prepaid expenses and other assets	9,794	7,020
Security deposits	46,408	46,408
Total assets	$627,746	$610,071
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$29,138	$34,215
Deferred rent	13,422	14,967
Total liabilities	42,560	49,182
Net assets without donor restrictions:		
Operating	274,030	249,733
Board designated	311,156	311,156
Total net assets	585,186	560,889
Total liabilities and net assets	$627,746	$610,071

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

SINGLE PARENT RESOURCE CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019
(With comparative totals for the year ended June 30, 2018)

	Total 6/30/19	Total 6/30/18
Without donor restrictions:		
Government grants	$843,496	$848,781
Contributions	88,733	183,026
Problem Gambling Prevention program revenue	15,000	15,000
Special events, net (Note 7)	0	36,405
Interest and dividends	20,944	13,015
Miscellaneous	192	0
Total public support and revenue	968,365	1,096,227
Expenses:		
Program services	855,662	848,799
Supporting services:		
Management and general	61,291	69,408
Fundraising	17,650	31,400
Total supporting services	78,941	100,808
Total expenses	934,603	949,607
Change in net assets from operations	33,762	146,620
Non-operating activitites:		
Realized/unrealized loss on investments	(9,465)	(4,692)
Change in net assets	24,297	141,928
Net assets - beginning of year	560,889	418,961
Net assets - end of year	$585,186	$560,889

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

SINGLE PARENT RESOURCE CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019
(With comparative totals for the year ended June 30, 2018)

		Supporting Services				
	Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses 6/30/19	Total Expenses 6/30/18*
Salaries	$491,347	$11,183	$4,351	$15,534	$506,881	$520,315
Payroll taxes and benefits	87,594	1,994	776	2,770	90,364	75,476
Professional fees	14,360	36,997		36,997	51,357	50,248
Occupancy	144,726	3,294	1,282	4,576	149,302	151,188
Printing	6,650	151	59	210	6,860	5,746
Telephone	14,825	207	81	288	15,113	12,012
Repairs and maintenance	5,800	132	51	183	5,983	11,281
Supplies	23,268			0	23,268	26,540
Food	25,235			0	25,235	25,999
Transportation	20,014	98	38	136	20,150	11,154
Insurance	7,633	173	68	241	7,874	7,640
Advertising		4,550		4,550	4,550	6,408
Dues and subsciption	798	390		390	1,188	390
Event expenses			10,482	10,482	10,482	33,777
Depreciation				0	0	1,264
Other expenses	13,412	2,122	462	2,584	15,996	21,039
Total expenses before cost of direct benefit netted with revenue	855,662	61,291	17,650	78,941	934,603	960,477
Cost of direct benefit to donor netted with revenue				0	0	(10,870)
Total expenses reported by function on the Statement of Activities	$855,662	$61,291	$17,650	$78,941	$934,603	$949,607

*Reclassified for comparative purposes

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

SINGLE PARENT RESOURCE CENTER, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019
(With comparative totals for the year ended June 30, 2018)

	6/30/19	6/30/18
Cash flows from operating activities:		
Change in net assets	$24,297	$141,928
Adjustments to reconcile change in net assets to		
net cash provided by operating activities:		
Depreciation	0	1,264
Realized/unrealized loss on investments	9,465	4,692
Changes in assets and liabilities:		
Government grants receivable	56,845	(136,512)
Pledges receivable	(1,427)	9,266
Prepaid expenses and other assets	(2,774)	10,131
Accounts payable and accrued expenses	(5,077)	4,130
Deferred rent	(1,545)	7,502
Total adjustments	55,487	(99,527)
Net cash provided by operating activities	79,784	42,401
Cash flows from investing activities:		
Sale of investments	174	22,581
Purchase of investments	(20,041)	(34,913)
Net cash used for investing activities	(19,867)	(12,332)
Net increase in cash and cash equivalents	59,917	30,069
Cash and cash equivalents - beginning of year	101,210	71,141
Cash and cash equivalents - end of year	$161,127	$101,210
Supplemental information:		
Interest and income taxes paid	$0	$0

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

SINGLE PARENT RESOURCE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note 1 - Organization and Purpose

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 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.

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 received or paid.

Effective, July 1, 2018, the Center adopted the requirements of the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") No. 2016-14 – Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016- 14). This standard addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added (Note 8).

Implementation of ASU 2016-14 did not require any reclassification or restatement of opening balances related to the periods presented.

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:

- *Net Assets Without Donor Restrictions* – accounts for 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 to cover operating deficits. Consequently, net assets arising from such contributions have been classified as board designated.

- *Net Assets With Donor Restrictions* – represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact in perpetuity.

c. Revenue Recognition

All government grants have been recognized as income when earned, either based on performance of certain milestones or by incurring expenses that can be reimbursed under the terms of the grant agreement. The difference between cash received and revenue recognized is reflected as government grants receivable or government advances.

Contributions are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in the net asset classes referred to 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 were received, they are classified as without donor restrictions. Contributions expected to be received within one year are recorded at net realizable value. Conditional contributions received are recognized as income when the conditions have been substantially met.

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 Risk

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

Investments 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. 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.

The following cost are allocated by time and effort reporting:

- Salaries
- Payroll taxes and benefits
- Occupancy
- Printing
- Telephone
- Repairs and maintenance
- Transportation
- Insurance

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. Deferred Rent

Rent expense is recognized evenly over the life of the lease using the straight-line method. In the earlier years of the lease, as rent expense exceeds amounts paid, a deferred rent liability is created. In later years of the lease, as payments exceed the amount of expense recognized, deferred rent will be reduced until it is zero at the end of the lease.

j. 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 the Organization's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

k. 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, 2016 and later are subject to examination by applicable taxing authorities.

l. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through March 18, 2020, 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.

m. New Accounting Pronouncement

FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU which becomes effective for the June 30, 2020 year, with early implementation permitted, provides guidance on whether a receipt from a third-party resource provider should be accounted for as a contribution (nonreciprocal transaction) within the scope of Topic 958, *Not-for-Profit Entities*, or as an exchange (reciprocal) transaction.

FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*. The ASU, which becomes effective for the June 30, 2020 year, focuses on a principle-based model. It highlights the identification of performance obligations of the contract, determining the price and allocating that price to the performance obligation so that revenue is recognized as each performance obligation is satisfied.

In addition, FASB issued ASU No. 2016-02, *Leases*. The ASU, which becomes effective for the June 30, 2022 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding "right to use asset" on the statement of financial position.

The Center is in the process of evaluating the impact these standards will have on future 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:

	June 30, 2019		
	Level 1	Level 2	Total
Money funds	$128,808	$0	$128,808
Equities – mutual funds	92,756	0	92,756
Government (municipal) securities	0	69,358	69,358
Total	$221,564	$69358	$290,922

	June 30, 2018		
	Level 1	Level 2	Total
Money funds	$103,073	$0	$103,073
Equities – mutual funds	87,854	0	87,854
Government (municipal) securities	0	79,521	79,521
Fixed income securities	0	10,072	10,072
Total	$190,927	$89,593	$280,520

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 or certain financial instruments could result in different fair value measurements.

Note 4 - Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following:

	June 30, 2018			
	Net Assets 7/1/17	Contributions	Released from Restrictions	Net Assets 9/30/18
BHIT software	$35,000	$45,000	($80,000)	$0

Note 5 - Commitments

a. The Center has an operating lease that expires on January 31, 2021.

The lease provides for the following annual minimum rental payments:

Year ending:	June 30, 2020	$138,732
	June 30, 2021	82,326
Total		$221,058

b. 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 Addiction Services and Supports (formerly the 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 87% and 55% of total revenue for each of the years ended June 30, 2019 and 2018, respectively.

Note 7 - Special Events

The following summarizes the special event activity:

	6/30/18
Gala revenue	$47,275
Less: expenses with a direct benefit to donor	(10,870)
	36,405
Less: other event expenses	(22,907)
Total	$13,498

Note 8 - Availability and Liquidity

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

Cash and cash equivalents	$161,127	
Investments	290,922	
Government grants receivable	118,068	
Pledges receivable	1,427	
Total financial assets		$571,544
Less amounts not available for general expenditures:		
Board designated reserve fund	(311,156)	
Total unavailable for general expenditures		(311,156)
Financial assets available to meet cash needs for general expenditures within one year		$260,388

As part of its liquidity management plan, the Center operates its programs within a board approved budget and relies on government grants and contributions to fund its operations and program activities. Additionally, the Center maintains a board designated operating reserve fund intended to fund future operations.

SINGLE PARENT RESOURCE CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Grantor	Pass-through Number	CFDA#	Federal Expenditures **	
U.S. Department of Health & Human Services:				
Block Grants for Prevention and Treatment of Substance Abuse - passed through NYC Department of Health & Mental Hygiene	17SA004601R0X00	93.959	$522,281	*
Opioid STR - passed through the Research Foundation for Mental Hygiene, Inc.	1H79TI080223	93.788	228,415	
Total U.S. Department of Health & Human Services			**750,696**	
Total Federal Expenditures			**$750,696**	

*Indicates a major program.
**No subrecipients were used on any grant awards

SINGLE PARENT RESOURCE CENTER, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2019

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Center under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Center, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Center.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule of Federal Awards are presented on the accrual basis of accounting. For grants received that were made prior to December 26, 2014, expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations.* For grants made after December 26, 2014, expenditures are recognized following the cost principals contained in OMB's *Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)*.* Under federal cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. No sub-recipients were used.

Note 3 - Indirect Cost Rate

The Center has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

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IRA L. SCHALL, CPA
DAVID C. ASHENFARB, CPA
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Single Parent Resource Center, Inc. (the "Center"), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated March 18, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Schall & Ashenfarb

Schall & Ashenfarb
Certified Public Accountants, LLC

March 18, 2020

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

Report on Compliance for Each Major Federal Program

We have audited Single Parent Resource Center, Inc.'s (the "Center") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs for the year ended June 30, 2019. The Center's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Center's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Center's compliance.

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Opinion on Major Federal Program

In our opinion, the Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of the Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Schall & Ashenfarb

Schall & Ashenfarb
Certified Public Accountants, LLC

March 18, 2020

SINGLE PARENT RESOURCE CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: UNMODIFIED

Internal control over financial reporting:

Material weakness(es) identified? ____ yes __X__ no

Significant deficiencies identified
Not considered to be material weaknesses? ____ yes __X__ no

Noncompliance material to financial statements noted? ____ yes __X__ no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ____ yes __X__ no

Significant deficiencies identified
Not considered to be material weaknesses? ____ yes __X__ no

Type of auditor's report issued on compliance for major programs: UNMODIFIED

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, Section 516(a)? ____ yes __X__ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
93.959	Block Grants for Prevention and Treatment of Substance Abuse

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee? ____ yes __X__ no

SINGLE PARENT RESOURCE CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

Section II – Financial Statement Findings

Current Year:

None

Prior Year Follow-Up:

None

Section III – Federal Award Findings and Questioned Costs

Current Year:

None.

Prior Year Follow-Up:

None