

**The Single Parent Resource Center, Inc.**

Financial Statements

June 30, 2013

## **Independent Auditors' Report**

### **Board of Directors The Single Parent Resource Center, Inc.**

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, 2013, 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. 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.

O'CONNOR DAVIES, LLP

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## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center as of June 30, 2013, 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 2012 financial statements, and our report dated January 16, 2014, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*O'Connor Davies, LLP*

March 31, 2014

**The Single Parent Resource Center, Inc.**

Statement of Financial Position  
June 30, 2013  
(With Comparative Amounts at June 30, 2012)

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 3,830
Investments	219,968	303,596
Accounts receivable	123,573	99,887
Grants receivable	19,461	-
Security deposit	43,846	43,846
Furniture, fixtures and equipment, net	<u>-</u>	<u>-</u>
	<u>\$ 406,848</u>	<u>\$ 451,159</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 47,608</u>	<u>\$ 25,383</u>
Net Assets		
Unrestricted		
Board designated	219,968	204,231
Undesignated	<u>139,272</u>	<u>221,545</u>
Total Net Assets	<u>359,240</u>	<u>425,776</u>
	<u>\$ 406,848</u>	<u>\$ 451,159</u>

See notes to financial statements

**The Single Parent Resource Center, Inc.**

Statement of Activities  
Year Ended June 30, 2013  
(With Summarized Totals for the Year Ended June 30, 2012)

	<u>2013</u>	<u>2012</u>
<b>REVENUE AND SUPPORT</b>		
Government grants	\$ 581,047	\$ 561,561
ATR revenue	12,250	25,520
United Way income	1,801	1,183
Special events revenue	340	7,920
Contributions	41,115	122,313
Net investment income	15,929	7,466
Other revenue	<u>1,617</u>	<u>1,752</u>
Total Revenue and Support	<u>654,099</u>	<u>727,715</u>
 <b>EXPENSES</b>		
Program services	584,192	571,766
Management and general	80,968	84,554
Fundraising	<u>55,475</u>	<u>55,510</u>
Total Expenses	<u>720,635</u>	<u>711,830</u>
Change in Net Assets	(66,536)	15,885
 <b>NET DEFICIT</b>		
Beginning of year	<u>425,776</u>	<u>409,891</u>
 End of year	<u>\$ 359,240</u>	<u>\$ 425,776</u>

See notes to financial statements

**The Single Parent Resource Center, Inc.**

Statement of Functional Expenses  
 Year Ended June 30, 2013  
 (With Summarized Totals for the Year Ended June 30, 2012)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2013</u>	<u>Total 2012</u>
Salaries	\$ 360,351	\$ 45,044	\$ 45,044	\$ 450,439	\$ 448,407
Payroll taxes and fringe benefits	46,301	5,788	5,788	57,877	57,344
Professional fees	550	21,225	-	21,775	28,314
Rent	109,697	-	-	109,697	107,236
Food	9,551	-	-	9,551	5,831
Telephone and utilities	4,924	615	615	6,154	14,824
Maintenance services	16,158	2,020	2,020	20,198	8,588
Insurance	3,506	438	438	4,382	8,935
Supplies	9,664	1,208	1,208	12,080	14,029
Transportation	6,213	-	-	6,213	6,187
Equipment rental	8,279	-	-	8,279	4,664
Printing	472	59	59	590	354
Postage and mailing	6,107	-	-	6,107	714
Depreciation	-	-	-	-	342
Bank and payroll processing fees	-	4,268	-	4,268	3,444
Miscellaneous	2,419	303	303	3,025	2,617
	<u>\$ 584,192</u>	<u>\$ 80,968</u>	<u>\$ 55,475</u>	<u>\$ 720,635</u>	<u>\$ 711,830</u>

See notes to financial statements

**The Single Parent Resource Center, Inc.**

Statement of Cash Flows  
Year Ended June 30, 2013  
(With Summarized Totals for the Year Ended June 30, 2012)

	<u>2013</u>	<u>2012</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (66,536)	\$ 15,885
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	-	342
Unrealized loss (gain) on investments	6,135	(309)
Changes in operating assets and liabilities		
Accounts receivable	(23,686)	(99,887)
Grants receivable	(19,461)	-
Prepaid expenses and other assets	-	7,103
Accounts payable and accrued expenses	<u>22,225</u>	<u>8,830</u>
Net Cash used in Operating Activities	<u>(81,323)</u>	<u>(68,036)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(24,227)	(92,131)
Proceeds from sale of investments	<u>101,720</u>	<u>141,973</u>
Net Cash from Investing Activities	<u>77,493</u>	<u>49,842</u>
Net Change in Cash and Cash Equivalents	(3,830)	(18,194)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>3,830</u>	<u>22,024</u>
End of year	<u>\$ -</u>	<u>\$ 3,830</u>

See notes to financial statements

## **The Single Parent Resource Center, Inc.**

Notes to Financial Statements

June 30, 2013

### **1. Organization and Tax Status**

The Single Parent Resource Center, Inc. (the "Center") is a New York non-profit corporation organized 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 City Department of Health and Mental Hygiene and New York State's Office of Alcoholism and Substance Abuse Services.

The Center is exempt from tax under Section 501(c)(3) of the Internal Revenue Code and is a publicly supported organization as described in Section 509(a).

### **2. Summary of Significant Accounting Policies**

#### ***Use of Estimates***

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which requires management to make estimates and assumptions that affect the reported amounts of assets 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 reporting period. Accordingly actual results could differ from those estimates.

#### ***Cash and Cash Equivalents***

For financial statement reporting purposes, cash equivalents include money market funds and other similar investments with a maturity of three months or less at the time of purchase.

#### ***Allowance for Doubtful Accounts***

An estimated allowance for doubtful accounts is provided based upon prior experience and management's assessment of the collectability of specific accounts. Management determined that no allowance was necessary as of June 30, 2013.

#### ***Fair Value Measurements***

The Center follows Financial Accounting Standards Board (FASB) guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.



## **The Single Parent Resource Center, Inc.**

Notes to Financial Statements

June 30, 2013

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

#### ***Investments and Investment Income Recognition***

Investments are stated at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

#### ***Furniture, Fixtures, Equipment and Depreciation***

Furniture, fixtures and equipment ("assets") are stated at cost and depreciated using the straight-line method over their useful lives, estimated to be one to three years. Purchases of assets that exceed \$500 are capitalized. However, assets purchased through government contracts that remain the property of the funding source or where it is probable that the item will revert back to the grantor are treated as expenses in the year of purchase.

#### ***Net Assets Presentation***

Unrestricted net assets (deficit) include funds having no restriction as to use or purpose imposed by donors. Temporarily restricted net assets are those whose use is limited by donors to a specific time period or purpose. Permanently restricted net assets are limited by donors in perpetuity. The Center has no temporarily or permanently restricted net assets.

#### ***Third-Party Reimbursement and Revenue Recognition***

The terms of each government grant are reviewed to determine if they contain traits more closely associated with contributions or exchange transactions. Management has determined that all existing government grants are exchange transactions because of their conditional and reciprocal nature. As such, government grant receipts are recorded as advances (liabilities) until they have been earned. Once the conditions have been satisfied, the advances are recorded as income. Grant receivables have been established to reflect amounts due relating to services performed that are earned under terms of the government contract.

#### ***Contributions and Promises to Give***

All contributions, including unconditional promises to give, are considered available for unrestricted use, unless specifically restricted by the donor or subject to other legal restrictions. When a donor 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 are reported in the statement of activities as net assets released from restrictions.

## **The Single Parent Resource Center, Inc.**

Notes to Financial Statements

June 30, 2013

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

#### ***Contributed Services***

Contributed services are reported as contributions at their fair value if such services create or enhance non-financial assets, or would have been provided by donation, require specialized skills, and are provided by individuals possessing such specialized skills.

#### ***Functional Expenses***

The Center allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support services are charged directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated to each such function.

#### ***Summarized 2012 Financial Data***

The statements of activities and functional expenses include certain prior year summarized comparative information in total, which 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 Center's financial statements for the year ended June 30, 2012, from which the summarized information was derived.

#### ***Accounting for Uncertainty in Income Taxes***

The Center recognizes the effect of income tax positions only when they are more likely than not of being sustained. Management has determined that the Center had no uncertain tax positions that would require financial statement recognition or disclosure. The Center is no longer subject to audits by the applicable taxing jurisdiction for fiscal periods prior to June 30, 2010.

#### ***Reclassifications***

Certain reclassifications have been made to the 2012 financial statements to conform to the 2013 presentation.

#### ***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is March 31, 2014.

## The Single Parent Resource Center, Inc.

Notes to Financial Statements  
June 30, 2013

### 3. Concentration of Credit Risk

Financial instruments which potentially subject the Center to concentrations of credit risk consist primarily of cash and cash equivalents and grants and accounts receivable. The Center maintains its cash in bank deposit accounts which, at times, may exceed federal insured limits. The Center has not experienced any losses in such accounts.

### 4. Economic Dependency

The Center has several programs with funding from the New York City Department of Health and Mental Hygiene (NYCDHMH). These and other government grants are subject to audits by the funders. Management does not anticipate disallowed costs to be material and no estimated liability has been recorded in the books for this purpose. Funding from NYCDHMH amounted to approximately 89% of total revenue and support in 2013. The Center is economically dependent on these funds to continue operations.

### 5. Investments and Investment Income

Investments at June 30, 2013 consist of the following:

Measured at fair value (level 1):

Money market funds	\$ 13,895
Mutual funds	76,505
Fixed income securities	<u>129,568</u>
	<u>\$ 219,968</u>

Net investment income consists of the following for 2013:

Interest and dividends	\$ 9,794
Unrealized gain on investments	<u>6,135</u>
	<u>\$ 15,929</u>

### 6. Office Furnishings and Equipment

Furniture, fixtures and equipment consist of the following at June 30, 2013:

Office furnishings and equipment	\$ 29,068
Accumulated depreciation	<u>(29,068)</u>
	<u>\$ -</u>

**The Single Parent Resource Center, Inc.**

Notes to Financial Statements  
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**7. Board Designated Funds**

During fiscal year 2011, 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. Through June 30, 2013, the Center has received \$348,173 from the Estate and an additional installment of \$91,188 in November 2013.

**8. Commitments and Contingencies**

The Center has a lease agreement for its office space in New York City that expires on January 31, 2016. Future minimum lease payments under this agreement are as follows:

Year Ending June 30:	
2014	\$ 110,696
2015	114,016
2016	<u>68,025</u>
	<u>\$ 292,737</u>

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