SCHALL & ASHENFARB Certified Public Accountants, LLC

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SINGLE PARENT RESOURCE CENTER, INC.

Audited Financial Statements

June 30, 2017

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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, 2017, 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 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.

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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, 2017, 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 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 23, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Schall & Ashenfarb

Schall & Ashenfarb
Certified Public Accountants, LLC

May 8, 2018

SINGLE PARENT RESOURCE CENTER, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2017
(With comparative totals as of June 30, 2016)

	6/30/17	6/30/16
Assets		
Cash and cash equivalents	$71,141	$36,913
Investments (Note 3)	272,880	267,676
Government grants receivable	38,401	38,608
Pledges receivable	9,266	5,150
Prepaid expenses and other assets	17,151	3,089
Fixed assets (net of accumulated depreciation of $35,233)	1,264	3,793
Security deposits	46,408	46,408
Total assets	$456,511	$401,637
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$30,085	$25,194
Deferred rent	7,465	3,747
Total liabilities	37,550	28,941
Net assets:		
Unrestricted	72,805	56,540
Board designated	311,156	311,156
Total unrestricted net assets	383,961	367,696
Temporarily restricted (Note 4)	35,000	5,000
Total net assets	418,961	372,696
Total liabilities and net assets	$456,511	$401,637

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, 2017
(With comparative totals for the year ended June 30, 2016)

	Unrestricted	Temporarily Restricted	Total 6/30/17	Total 6/30/16
Public support and revenue:				
Government grants	$587,482		$587,482	$614,506
Contributions	89,453	$35,000	124,453	19,448
Problem Gambling Prevention program revenue	15,000		15,000	15,000
Special events, net expenses				
with a direct benefit to donor(Note 7)	28,865		28,865	40,370
Interest and dividends	10,840		10,840	14,494
Miscellaneous	1,452		1,452	5,722
Net assets released from restrictions	5,000	(5000)	0	0
Total public support and revenue	738,092	30,000	768,092	709,540
Expenses:				
Program services	646,719		646,719	637,610
Supporting services:				
Management and general	46,159		46,159	44,162
Fundraising	23,655		23,655	23,703
Total supporting services	69,814	0	69,814	67,865
Total expenses	716,533	0	716,533	705,475
Change in net assets from operations	21,559	30,000	51,559	4,065
Non-operating activitites:				
Realized/unrealized loss on investments	(5,294)		(5,294)	(13,747)
Change in net assets	16,265	30,000	46,265	(9,682)
Net assets - beginning of year	367,696	5,000	372,696	382,378
Net assets - end of year	$383,961	$35,000	$418,961	$372,696

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, 2017
(With comparative totals for the year ended June 30, 2016)

		Supporting Services				
	Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses 6/30/17	Total Expenses 6/30/16
Salaries	$371,473	$18,247	$9,423	$27,670	$399,143	$420,631
Payroll taxes and benefits	77,909	2,910	1,864	4,774	82,683	51,828
Professional fees	3,938	20,404	40	20,444	24,382	11,914
Occupancy	137,624	2,650	1,417	4,067	141,691	133,483
Printing	3,365	40	25	65	3,430	1,314
Telephone	9,881	145	77	222	10,103	6,617
Repairs and maintenance	9,017	174	93	267	9,284	9,437
Office supplies	5,944			0	5,944	9,346
Equipment rental	2,162	42	23	65	2,227	4,063
Postage and mailing	690	13	147	160	850	1,103
Food	5,674	1,089	10	1,099	6,773	13,172
Transportation	3,693	50	189	239	3,932	5,188
Insurance	5,711	110	59	169	5,880	3,592
Indirect event expenses			8,991	8,991	8,991	16,926
Depreciation	2,457	47	25	72	2,529	2,529
Miscellaneous	7,181	238	1,272	1,510	8,691	14,332
Total expenses	$646,719	$46,159	$23,655	$69,814	$716,533	$705,475

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, 2017
(With comparative totals for the year ended June 30, 2016)

	6/30/17	6/30/16
Cash flows from operating activities:		
Change in net assets	$46,265	($9,682)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,529	2,529
Realized/unrealized loss on investments	5,294	13,747
Changes in assets and liabilities:		
Government grants receivable	207	(11,794)
Pledges receivable	(4,116)	29,850
Prepaid expenses and other assets	(14,062)	3,157
Security deposits	0	(371)
Accounts payable and accrued expenses	4,891	9,431
Deferred rent	3,718	3,747
Total adjustments	(1,539)	50,296
Net cash provided by operating activities	44,726	40,614
Cash flows from investing activities:		
Sale of investments	15,096	0
Purchase of investments	(25,594)	(13,686)
Net cash used for investing activities	(10,498)	(13,686)
Net increase in cash and cash equivalents	34,228	26,928
Cash and cash equivalents - beginning of year	36,913	9,985
Cash and cash equivalents - end of year	$71,141	$36,913
Interest and income taxes paid	$0	$0

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

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 taxes under Section 501(c)3 of the Internal Revenue Code ("Code") and has not been determined to be a private foundation as defined under Section 509(a)(1) of the Code.

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.

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* – 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.

- *Temporarily restricted* – accounts for activity based on specific donor restrictions that are expected to be satisfied by the 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, 2017.

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.

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 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. 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. 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.

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, 2014 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 May 8, 2018, 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
On August 18, 2016, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU, which becomes effective for the June 30, 2019 fiscal year, with early implementation permitted, focuses on improving the current net asset classification requirements and information presented in the financial statements and notes that is useful in assessing a not-for-profit's liquidity, financial performance and cash flows.

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, 2021 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 has not yet evaluated 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, 2017		
	Level 1	Level 2	Total
Money funds	$74,938	$0	$74,938
Equities – mutual funds	83,676	0	83,676
Government (municipal) securities	0	80,889	80,889
Corporate bonds	0	20,547	20,547
Fixed income securities	12,830	0	12,830
Total	$171,444	$101,436	$272,880

	June 30, 2016		
	Level 1	Level 2	Total
Money funds	$54,037	$0	$54,037
Equities – mutual funds	80,966	0	80,966
Government (municipal) securities	0	81,381	81,381
Corporate bonds	0	21,123	21,123
Fixed income securities	30,169	0	30,169
Total	$165,172	$102,504	$267,676

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 - Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 2017 are for BHIT software. Time restricted temporarily restricted net assets at June 30, 2016 were released from restriction during 2017.

Note 5 - Commitments

a. The Center renewed its operating lease for an additional five years and expires on January 31, 2021.

   The lease provides for the following annual minimum rental payments:

Year ending:	June 30, 2018	$127,383
	June 30, 2019	132,683
	June 30, 2020	138,732
	June 30, 2021	82,326
Total		$481,124

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 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 78% and 80% of total revenue for the years ended June 30, 2017 and 2016, respectively.

Note 7 - Special Events

The following summarizes the special event activity:

	6/30/17	6/30/16
Gala revenue	$42,215	$56,918
Less: expenses with a direct benefit to donor	(13,350)	(16,548)
	28,865	40,370
Less: other event expenses	(8,991)	(16,926)
Total	$19,874	$23,444