

SAINT JOSEPH PARENTING CENTER, INC.

**FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

For the Years Ended December 31, 2020 and 2019

Saint Joseph Parenting Center, Inc.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
Saint Joseph Parenting Center, Inc.

Report on the Financial Statements

We have audited the accompanying statements of financial position of Saint Joseph Parenting Center, Inc. as of December 31, 2020 and 2019 and the related statements of activities, functional expenses and cash flows for the years then ended, and 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 audits. We conducted our audits 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Saint Joseph Parenting Center, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Frank E. Malara, CPA

Frank E. Malara, CPA, P.C.
Armonk, New York
October 29, 2021

Saint Joseph Parenting Center, Inc.
 Statements of Financial Position
 December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 76,614	\$ 135,196
Accounts receivable, net of reserve for doubtful accounts - \$310 (2020 and 2019)	14,890	4,154
Pledges receivable	6,400	4,293
Other assets	1,818	2,122
Total current assets	<u>99,722</u>	<u>145,765</u>
 Furniture and equipment, net of accumulated depreciation of \$37,883 (2020) and \$32,357 (2019)	 <u>17,739</u>	 <u>13,590</u>
 Total Assets	 <u><u>\$ 117,461</u></u>	 <u><u>\$ 159,355</u></u>
 Liabilities and Net Assets		
Current liabilities - Accounts payable and accrued expenses	<u>\$ 32,548</u>	<u>\$ 12,399</u>
 Commitments		
 Net Assets:		
Without donor restrictions	84,913	146,956
With donor restrictions	<u>-</u>	<u>-</u>
Total net assets	<u>84,913</u>	<u>146,956</u>
 Total Liabilities and Net Assets	 <u><u>\$ 117,461</u></u>	 <u><u>\$ 159,355</u></u>

The notes to the financial statements are an integral part of these statements.

Saint Joseph Parenting Center, Inc.
 Statements of Activities
 For the Years Ended December 31, 2020 and 2019

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2020	2019
Revenue:				
Service revenue	\$ 14,649	\$ -	\$ 14,649	\$ 18,414
Contributions	185,228	-	185,228	80,955
Grants	187,805	-	187,805	71,149
Special events, net of expenses \$38,318 (2020) and \$77,602 (2019)	247,802	-	247,802	301,020
Donated services	150,795	-	150,795	272,727
Donated goods and equipment	55,389	-	55,389	86,226
Interest income	10	-	10	269
Gain on PPP loan forgiveness	114,007	-	114,007	-
Total revenue	955,685	-	955,685	830,760
Expenses:				
Programs	793,603	-	793,603	845,527
Management and general	34,584	-	34,584	57,117
Fundraising	189,541	-	189,541	119,571
Total expenses	1,017,728	-	1,017,728	1,022,215
Change in net assets	(62,043)	-	(62,043)	(191,455)
Net assets - beginning of year	146,956	-	146,956	338,411
Net assets - end of year	\$ 84,913	\$ -	\$ 84,913	\$ 146,956

The notes to the financial statements are an integral part of these statements.

Saint Joseph Parenting Center, Inc.
 Statements of Functional Expenses
 For the Years Ended December 31, 2020 and 2019

	Programs	Management and General	Fundraising	Totals	
				2020	2019
Personnel:					
Donated services	\$ 141,495	\$ -	\$ 9,300	\$ 150,795	\$ 272,727
Salaries	387,577	5,643	114,426	507,646	478,754
Payroll taxes and benefits	55,631	810	16,424	72,865	59,413
Total personnel costs	584,703	6,453	140,150	731,306	810,894
Expenses:					
Donated goods	25,707	-	29,682	55,389	86,226
Curriculum and incentives	8,436	-	-	8,436	14,318
Bad debt expense	-	-	-	-	310
Depreciation	4,421	497	608	5,526	4,559
Insurance	5,943	669	817	7,429	8,024
Marketing and advertising	411	-	1,642	2,053	4,739
Meetings and conferences	380	43	52	475	1,782
Office expenses	1,693	7,532	222	9,447	7,643
Professional fees	123,459	16,164	9,629	149,252	33,997
Rent and occupancy	25,838	1,435	1,435	28,708	30,548
Staff development	2,704	676	-	3,380	7,555
Telecommunications	9,908	1,115	5,304	16,327	11,620
Total expenses	\$ 793,603	\$ 34,584	\$ 189,541	\$1,017,728	\$1,022,215

The notes to the financial statements are an integral part of these statements.

Saint Joseph Parenting Center, Inc.
 Statements of Cash Flows
 For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	<u>\$ (62,043)</u>	<u>\$ (191,455)</u>
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	5,526	4,559
Bad debt expense	-	310
Changes in operating assets and liabilities		
Accounts receivable	(10,736)	1,363
Pledge receivable	(2,107)	29,474
Other assets	304	8,976
Accounts payable and accrued expenses	<u>20,149</u>	<u>7,252</u>
Net cash used in operating activities	(48,907)	(139,521)
Cash flows from investing activities:		
Acquisition of furniture and equipment	<u>(9,675)</u>	<u>(1,919)</u>
Net change in cash and cash equivalents	(58,582)	(141,440)
Cash and cash equivalents - beginning of year	<u>135,196</u>	<u>276,636</u>
Cash and cash equivalents - end of year	<u><u>\$ 76,614</u></u>	<u><u>\$ 135,196</u></u>
Supplemental disclosure of cash flow information:		
Non-cash financing activity - PPP loan forgiveness	<u><u>\$ 114,007</u></u>	<u><u>\$ -</u></u>

The notes to the financial statements are an integral part of these statements.

Saint Joseph Parenting Center, Inc.
Notes to Financial Statements
December 31, 2020 and 2019

Note 1 - Organization and Taxation

Saint Joseph Parenting Center, Inc. ("SJPC"), located in Stamford, CT, was incorporated in the State of Connecticut on June 30, 2009 as a nonsectarian not-for-profit organization. The mission of SJPC is to strengthen families that are at risk of child abuse and neglect by providing education and support in an effort to break the cycle of child abuse. SJPC provides free parenting education to help parents create safe, healthy and positive home environments for their children through age 12. Parents referred from the Department of Children and Families or other organizations are enrolled in a 28 class program offered in English or Spanish. Weekly parenting education classes are taught by trained volunteer professionals. Half of the classes in the program are specific to children's development and behavioral needs, and the other half equips the clients with the tools to handle the stresses in their lives and to become more productive people in their communities. In 2013, SJPC redefined and expanded their parenting education classes for dads, that originated in 2010, by adding the National Fatherhood Initiative's 24/7 Dad™ program. The addition of the 24/7 Dad™ program was prompted by a request from the CT Department of Children & Families. This is a 12 week program exclusively for dads with the purpose of increasing positive involvement and interaction between fathers and their children. In 2016, SJPC partnered with Inspirica, an organization whose mission is to end the cycle of homelessness. SJPC provides an abbreviated version of our curriculum (23 classes) at Inspirica's homeless shelter. This is part of Inspirica's Early Childhood Parenting Program (ECP). SJPC and Inspirica concluded their partnership in June 2018. Clients at SJPC are offered a hot meal during class and receive a free bag of groceries after each class. After completion of 10 classes, clients are eligible for an incentive gift for the benefit of their child or children, such as age appropriate series of books. Clients who successfully complete 20 classes are eligible for a larger incentive gift, such as a toddler bed, crib, stroller or a computer desk. For the year ended December 31, 2020, there were 145 registered clients, 229 parenting classes and 795 children who benefited from the program.

Tax Exempt Status

SJPC has been granted tax-exempt status under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for federal and state income taxes has been recorded in the accompanying financial statements. SJPC has been classified as an organization that is not a private foundation under Section 509(a) and has been designated as a publicly supported organization under Section 170(b)(1)(A)(vi). Contributions to SJPC are tax-deductible within the limitations prescribed by the Internal Revenue Code. SJPC's Form 990, *Return of Organization Exempt from Income Tax* for the years ended December 31, 2019, 2018 and 2017 are subject to examination by the IRS, generally for three years after they were filed. SJPC believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. SJPC did not recognize any tax related interest and/or penalties in the accompanying financial statements but would record any such interest and/or penalties as a component of other expense.

Saint Joseph Parenting Center, Inc.
Notes to Financial Statements
December 31, 2020 and 2019

Note 2 - Summary of Significant Accounting Policies

Use of 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 the reported amounts and disclosures. Actual results could differ from those estimates.

Basis of Presentation

The accompanying financial statements are presented on the accrual basis of accounting. Accordingly, revenue is recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation

Net assets are classified based on the presence or absence of donor-imposed restrictions. Resources for various purposes are classified for accounting and reporting purposes into net asset categories established according to nature and purpose as follows:

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

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

The Board of Directors and management review its statement of financial position monthly and evaluate anticipated cash expenditures to manage its liquid resources available to meet cash needs for general expenditures within one year of the balance sheet date.

Contributions

SJPC reports gifts of cash and other assets as net assets with donor restrictions if they are received with donor stipulations that limit the use of donated assets. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a donor 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 and reported in the statements of activities as net assets released from restrictions. Donor restricted contributions that are received and expended in the same year are classified as net assets without donor restrictions.

Saint Joseph Parenting Center, Inc.
Notes to Financial Statements
December 31, 2020 and 2019

Note 2 - Summary of Significant Accounting Policies - (continued)

Contributions - (continued)

Unconditional pledges of contributions evidenced by verifiable documentation are recognized as support upon the receipt of the pledge. SJPC uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promised made.

Cash and Cash Equivalents

Cash and cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

Furniture and Equipment

Furniture and equipment are recorded at cost and are depreciated using the straight-line method over the estimated useful lives of the respective assets. Estimated useful lives range from five to seven years. It is SJPC's policy to capitalize all furniture and equipment expenditures.

Donated Services, Facility and Goods

SJPC receives substantial donated services from trained volunteer professionals who teach SJPC's weekly parenting classes which are held twice weekly for two hours. During 2020, the eleventh year of operation, volunteer professionals taught 229 parenting classes. Volunteer instructors are degreed professionals in their respective fields and include counselors, nurses, teachers and safety officers. SJPC also received donated legal, administrative and management services from volunteer professionals possessing those specialized skills. Amounts have been recorded for donated facilities for rent reduction and donated groceries, meals and supplies to the program. SJPC relies on these donations to provide for their mission and other program activities. Amounts for donated services, facility and goods in the accompanying financial statements have been included in both revenue and expenses at their estimated fair market value. Volunteer professionals donated 1,704 hours in 2020 and 4,659 hours in 2019.

Revenue Recognition

The Financial Accounting Standards Board (FASB) issued guidance that created Accounting Standards Codification Topic 606, ("ASC 606") Revenue from Contracts with Customers. This topic requires the recognition of revenue when performance obligations under the terms of the contracts with customers are satisfied. Revenue is recognized in an amount that reflects the consideration to which an entity expects to be entitled to in exchange for those goods or services.

Saint Joseph Parenting Center, Inc.
Notes to Financial Statements
December 31, 2020 and 2019

Note 2 - Summary of Significant Accounting Policies - (continued)

Revenue Recognition - (continued)

The revenue recognition guidance does not apply to how contributions and promises to give are recognized, as they are specifically scoped out of the guidance. Therefore, at December 31, 2020 and 2019, there were no variable consideration considered to be constrained and excluded from revenue.

Liquidity and Availability of Resources

The following reflects SJPC's financial assets as of the statements of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 76,614	\$ 135,196
Accounts receivable, net	14,890	4,154
Pledges receivable	<u>6,400</u>	<u>4,293</u>
Total financial assets	97,904	143,643
Less amounts not available to be used within one year	<u>-</u>	<u>-</u>
Financial assets available to meet general expenditures over the next year	<u>\$ 97,904</u>	<u>\$ 143,643</u>

Functional Allocation of Expenses

SJPC's costs of providing the various program and supporting services have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs not specifically charged to a program or support service category have been allocated in reasonable ratios as determined by management.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs approximated \$2,000 and \$4,700 for the years ended December 31, 2020 and 2019, respectively.

Note 3 - Concentration of Credit Risk

SJPC maintains its cash and cash equivalents in two financial institutions. Certain balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per institution. At December 31, 2020, there were no uninsured balances.

Saint Joseph Parenting Center, Inc.
Notes to Financial Statements
December 31, 2020 and 2019

Note 4 - Furniture and Equipment

A summary of furniture and equipment are as follows for the years ended December, 31:

	2020	2019
Furniture and equipment	\$ 55,622	\$ 45,947
Less: accumulated depreciation	(37,883)	(32,357)
Furniture and equipment, net	\$ 17,739	\$ 13,590

Depreciation expense for the years ended December 31, 2020 and 2019 was \$5,526 and \$4,559, respectively.

Note 5 - Net Assets With Donor Restrictions

At December 31, 2020 and 2019, there were no net assets with donor restrictions.

Note 6 - Net Assets Released from Restriction

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donor.

	2020	2019
Purpose restriction accomplished:		
Program Support, SJPC Leasership & Succession	\$ -	\$ 50,000
Program Support, Staff to attend Father's Conference	-	100
Total restrictions released	\$ -	\$ 50,100

Note 7 - Commitments

SJPC conducts its operations from leased office space under a non-cancelable operating lease which expires on November 1, 2022. The lease agreement is payable in monthly installments of \$2,261.50.

Future minimum rental payments under the lease are as follows for the years ending December 31:

2021	\$ 27,138
2022	22,615
	\$ 49,753

Rent expense for the years ended December 31, 2020 and 2019 was \$27,138.

Saint Joseph Parenting Center, Inc.
Notes to Financial Statements
December 31, 2020 and 2019

Note 8 - Grant - Fatherhood FIRE Grant

On September 28, 2020, the Department of Health and Human Services Administration for Children and Families approved the “Focused, Interconnected, Resilient and Essential (Fatherhood FIRE)” grant from The Office of Family Assistance in the amount of \$666,273. The grant was awarded to fund the Fatherhood Empowerment and Education program, which includes the General Parenting Program, 24/7 Dad Program, employment readiness workshops and locally developed Intimate Partner Violence (IPV) Program. The project period is from September 30, 2020 through September 29, 2025.

During the year ended December 31, 2020, \$66,627 of grant funds were received and expended.

Note 9 - Subsequent Events

As of the date these financial statements were issued, SJPC cannot predict the impact the Covid-19 virus will cause to its future activities, the collection of revenue, results of operations and financial position.

On April 28, 2020, SJPC was granted a loan (the “loan”) from People’s United Bank, N.A. in the aggregate amount of \$114,007, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The PPP loan and forgiveness are accounted for under Accounting Standards Codifications (“ASCs”): ASC 470 related to debt and ASC 405-20 extinguishment of liabilities. SJPC was notified of the loan forgiveness on December 17, 2020. When the debt is extinguished, ASC 405-20 indicates the amount that is forgiven is reported in the statement of activities as a gain on debt forgiveness. Accordingly, \$114,007 is included on the statement of activities for the year ended December 31, 2020.

Management has evaluated subsequent events through October 29, 2021, the date which the financial statements were available to be issued. Management has determined that there are no other subsequent events that require disclosure in these financial statements.