

SAINT JOSEPH PARENTING CENTER, INC.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

For the Years Ended December 31, 2021 and 2020

Saint Joseph Parenting Center, Inc.

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Independent Auditor's Report

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

Opinion

We have audited the financial statements of Saint Joseph Parenting Center, Inc., which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Saint Joseph Parenting Center, Inc. as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Saint Joseph Parenting Center, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

Independent Auditor's Report - (Continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Saint Joseph Parenting Center, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Saint Joseph Parenting Center, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Saint Joseph Parenting Center, Inc.'s ability to continue as a going concern for a reasonable period of time.

Independent Auditor's Report - (Continued)

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

Frank E. Malara, CPA

Frank E. Malara, CPA, P.C.
Armonk, New York
November 9, 2022

Saint Joseph Parenting Center, Inc.
 Statements of Financial Position
 December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets:		
Cash and cash equivalents	\$ 276,960	\$ 76,614
Accounts receivable, net of reserve for doubtful accounts - \$310 (2020)	-	14,890
Pledges receivable	4,576	6,400
Other assets	13,449	1,818
Total current assets	294,985	99,722
 Furniture and equipment, net of accumulated depreciation of \$44,282 (2021) and \$37,883 (2020)	 18,545	 17,739
 Total Assets	 \$ 313,530	 \$ 117,461
Liabilities and Net Assets		
Current liabilities - Accounts payable and accrued expenses	46,481	\$ 32,548
Commitments		
Net Assets:		
Without donor restrictions	243,865	84,913
With donor restrictions	23,184	-
Total net assets	267,049	84,913
Total Liabilities and Net Assets	\$ 313,530	\$ 117,461

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, 2021 and 2020

	Without Donor	With Donor	Totals	
	<u>Restrictions</u>	<u>Restrictions</u>	<u>2021</u>	<u>2020</u>
Revenue:				
Service revenue	\$ -	\$ -	\$ -	\$ 14,649
Contributions	153,421	40,000	193,421	185,228
Grants	755,967	-	755,967	187,805
Special events, net of expenses \$50,802 (2021) and \$38,318 (2020)	242,025	-	242,025	247,802
Donated services	132,860	-	132,860	150,795
Donated goods and equipment	71,645	-	71,645	55,389
Interest income	6	-	6	10
Gain on PPP loan forgiveness	113,520	-	113,520	114,007
Net assets released from restrictions	16,816	(16,816)	-	-
Total revenue	<u>1,486,260</u>	<u>23,184</u>	<u>1,509,444</u>	<u>955,685</u>
Expenses:				
Programs	1,019,994	-	1,019,994	793,603
Management and general	43,553	-	43,553	34,584
Fundraising	263,761	-	263,761	189,541
Total expenses	<u>1,327,308</u>	<u>-</u>	<u>1,327,308</u>	<u>1,017,728</u>
Change in net assets	158,952	23,184	182,136	(62,043)
Net assets - beginning of year	<u>84,913</u>	<u>-</u>	<u>84,913</u>	<u>146,956</u>
Net assets - end of year	<u>\$ 243,865</u>	<u>\$ 23,184</u>	<u>\$ 267,049</u>	<u>\$ 84,913</u>

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, 2021 and 2020

	<u>Programs</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Totals</u>	
				<u>2021</u>	<u>2020</u>
Personnel:					
Donated services	\$ 132,860	\$ -	\$ -	\$ 132,860	\$ 150,795
Salaries	493,859	12,962	168,547	675,368	507,646
Payroll taxes and benefits	76,564	2,010	26,130	104,704	72,865
	<u>703,283</u>	<u>14,972</u>	<u>194,677</u>	<u>912,932</u>	<u>731,306</u>
Expenses:					
Donated goods	47,380	-	24,265	71,645	55,389
Curriculum and incentives	17,115	-	-	17,115	8,436
Depreciation	5,119	576	704	6,399	5,526
Insurance	6,769	761	931	8,461	7,429
Marketing and advertising	1,354	-	5,415	6,769	2,053
Meetings and conferences	174	20	24	218	475
Office expenses	8,159	4,254	692	13,105	9,447
Professional fees	175,601	18,583	12,426	206,610	149,252
Rent and occupancy	30,303	1,683	1,683	33,669	28,708
Staff development	5,361	737	603	6,701	3,380
Telecommunications	19,376	1,967	22,341	43,684	16,327
	<u>\$1,019,994</u>	<u>\$ 43,553</u>	<u>\$ 263,761</u>	<u>\$1,327,308</u>	<u>\$1,017,728</u>

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, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 182,136	\$ (62,043)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	6,399	5,526
Changes in operating assets and liabilities		
Accounts receivable	14,890	(10,736)
Pledge receivable	1,824	(2,107)
Other assets	(11,631)	304
Accounts payable and accrued expenses	13,933	20,149
Net cash provided (used) by operating activities	207,551	(48,907)
Cash flows from investing activities:		
Acquisition of furniture and equipment	(7,205)	(9,675)
Net change in cash and cash equivalents	200,346	(58,582)
Cash and cash equivalents - beginning of year	76,614	135,196
Cash and cash equivalents - end of year	\$ 276,960	\$ 76,614
 Supplemental disclosure of cash flow information:		
Non-cash financing activity - PPP loan forgiveness	\$ 113,520	\$ 114,007

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

Saint Joseph Parenting Center, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

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, 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, 2021, there were 186 registered clients, 262 parenting classes and 898 children who benefited from the program. During the year ended December 31, 2021, SJPC opened another location in Danbury, CT.

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, 2020, 2019 and 2018 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, 2021 and 2020

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, 2021 and 2020

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 2021, the 12th year of operation, volunteer professionals taught 262 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 1,022 hours in 2021 and 1,704 hours in 2020.

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, 2021 and 2020

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, 2021 and 2020, 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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 276,960	\$ 76,614
Accounts receivable, net	-	14,890
Pledges receivable	4,576	6,400
Total financial assets	<u>281,536</u>	<u>97,904</u>
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>\$ 281,536</u>	<u>\$ 97,904</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 \$6,800 and \$2,000 for the years ended December 31, 2021 and 2020, 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, 2021, there were no uninsured balances.

Saint Joseph Parenting Center, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Note 4 - Furniture and Equipment

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

	2021	2020
Furniture and equipment	\$ 62,827	\$ 55,622
Less: accumulated depreciation	(44,282)	(37,883)
Furniture and equipment, net	\$ 18,545	\$ 17,739

Depreciation expense for the years ended December 31, 2021 and 2020 was \$6,399 and \$5,526, respectively.

Note 5 - Net Assets With Donor Restrictions

Net assets with donor restrictions were available for the following purpose:

	2021	2020
Program Support, Danbury, CT location	\$ 23,184	\$ -

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.

	2021	2020
Purpose restriction accomplished:		
Program Support, Danbury, CT location	\$ 16,816	\$ -
Total restrictions released	\$ 16,816	\$ -

Note 7 - Commitments

SJPC conducts its Stamford, CT operations from leased office space under a non-cancelable operating lease which expired on November 1, 2022. The lease agreement was payable in monthly installments of \$2,261.50. The lease was renewed through November 1, 2025 and monthly installments are \$3,014.25. Effective November 1, 2021, SJPC entered into another non-cancelable operating lease for its new Danbury, CT location which expires on December 31, 2023. The lease agreement is payable in monthly installments of \$500.

Saint Joseph Parenting Center, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Note 7 - Commitments - (continued)

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

2022	\$ 34,644
2023	42,171
2024	36,171
2025	<u>30,143</u>
	<u>\$ 143,129</u>

Rent expense for the years ended December 31, 2021 and 2020 was \$28,138 and \$27,138, respectively.

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 per year for a 5 year period. 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 years ended December 31, 2021 and 2020, \$593,892 and \$66,627 of grant funds were received and expended, respectively.

Note 9 - PPP Forgiveness

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. On January 23, 2021, SJPC was granted a second loan in the amount of \$113,520 and was notified of that loan forgiveness on June 25, 2021. 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, \$113,520 and \$114,007 is included on the statements of activities for the years ended December 31, 2021 and 2020, respectively.

Saint Joseph Parenting Center, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Note 10 - 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.

Subsequent to December 31, 2021, SJPC was awarded a \$250,000 grant from the State of Connecticut to invest in its parenting education and community support programs, effective July 1, 2022. As of November 9, 2022, the date which the financial statements were available to be issued, SJPC received the \$250,000.

Management has evaluated subsequent events through November 9, 2022, 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.