

FRANCISCAN COMMUNITY CENTER

FINANCIAL STATEMENTS

DECEMBER 31, 2013

FRANCISCAN COMMUNITY CENTER

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Franciscan Community Center

We have audited the accompanying financial statements of the Franciscan Community Center (a nonprofit organization), which is comprised of the statement of financial position as of December 31, 2013, and the related statements of activities 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 controls 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 of 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 the Franciscan Community Center as of December 31, 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.


CALABRESE & ASSOCIATES CPA, P.C.

Franklin Square, New York
June 12, 2014

FRANCISCAN COMMUNITY CENTER
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013

ASSETS

<u>Current Assets:</u>	
Cash and cash equivalents	\$ 369,289
Supplies inventory	<u>2,000</u>
<u>Total Current Assets</u>	371,289
Fixed assets, net	<u>161,660</u>
<u>Total Assets</u>	<u>\$ 532,949</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities:</u>	
Accrued expenses	\$ <u>6,693</u>
<u>Total Current Liabilities</u>	<u>6,693</u>
<u>Net Assets:</u>	
Unrestricted	
Undesignated	50,344
Designated for operations	50,000
Designated for capital expenditures	<u>50,000</u>
	150,344
Temporarily restricted	<u>375,912</u>
<u>Total Net Assets</u>	<u>526,256</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 532,949</u>

See accompanying notes to financial statements

FRANCISCAN COMMUNITY CENTER

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Changes in unrestricted net assets:</u>	
Revenues, gains and other support:	
Grants	\$ 155,000
Fundraising and donations	82,376
Building rental	16,948
Thrift store income	450,499
Counseling	11,963
Return on investments	65
Youth services	10,787
Senior center	8,804
Arts program	10,366
	<u>746,808</u>
 Net assets released from restrictions	 <u>210,642</u>
 Total Unrestricted Revenues, Gains and Other Support	 <u>957,450</u>
 Expenses:	
Staff salaries and payroll taxes	165,292
Depreciation	49,952
Senior center	83,758
Counseling	77,061
Center operating expenses	83,830
Facility support	93,421
Thrift store	124,949
Youth services	133,581
Arts program	49,337
Food services	20,901
	<u>882,082</u>
 Total Expenses	 <u>882,082</u>
 <u>Increase in unrestricted net assets</u>	 <u>75,368</u>
 <u>Changes in temporarily restricted net assets:</u>	
Grants - programs	210,000
Net assets released from restrictions	<u>(210,642)</u>
 <u>Decrease in temporarily restricted net assets</u>	 <u>(642)</u>
 <u>Increase in net assets</u>	 <u>74,726</u>
 <u>Net assets at beginning of year</u>	 <u>451,530</u>
 <u>Net assets at end of year</u>	 <u>\$ 526,256</u>

See accompanying notes to financial statements

FRANCISCAN COMMUNITY CENTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

Cash flows from operating activities:

Increase in net assets	\$ 74,726
Depreciation	49,952
Changes in assets and liabilities:	
Deferred income	(65,000)
Accrued expenses	<u>6,693</u>
<u>Net cash provided by operating activities</u>	<u>66,371</u>

Cash flows from investing activities:

Purchase of fixed assets	<u>(3,755)</u>
Net cash used by investing activities	<u>(3,755)</u>

<u>Net increase in cash and cash equivalents</u>	<u>62,616</u>
<u>Cash and cash equivalents at beginning of year</u>	<u>306,673</u>
<u>Cash and cash equivalents at end of year</u>	<u>\$ 369,289</u>

See accompanying notes to financial statements

FRANCISCAN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

Note 1: Nature of Operations and Summary of Significant Accounting Policies

(a) Description of the Center

The Franciscan Community Center (The Center) was organized to meet the wide-ranging needs of the Upper Westside community. Various programs specifically designed with the multi-cultural representation of their members in mind come together to form a safe, healthy and welcoming environment providing an opportunity for self-development and an improved quality of life. Its programs are opened to all, regardless of religious denomination, since its inception. It has since become an independent, not-for-profit corporation, located on the grounds of Holy Name Parish. The Center is governed by the Board of Trustees comprised of: the Pastor of Holy Name Parish as the Board's President, all other trustees are independently elected. Their mission is to assist in improving the quality of life among their membership.

The significant accounting policies followed by the Center are described below to enhance the usefulness of the financial statements to the reader.

(b) Accrual Basis

The financial statements of the Center have been prepared on the accrual basis of accounting.

(c) Basis of Presentation

Under the provisions of ASC No. 958, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. The expiration of a donor-imposed restriction is recognized in the period in which the restriction expires and at that time the related resources are reclassified to unrestricted net assets. A restriction expires when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Center follows the policy of reporting donor-imposed restrictions that are met in the same period received as unrestricted support. Accordingly, net assets at December 31, 2013 and activities and cash flows for the year then ended are classified and reported as follows:

Unrestricted Net Assets

This category includes all assets that are not subject to donor imposed restrictions including the carrying

FRANCISCAN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

Note 1: Nature of Operations and Summary of Significant Accounting Policies (cont'd)

Unrestricted Net Assets (cont'd)

value of all physical properties (land, building and equipment). Items that affect (i.e. increase or decrease) this net asset category include: grants and related expenses associated with the core activities of the Center; unrestricted gifts, including those designated by the Board to function as long-term investments; restricted gifts whose donor imposed restrictions were met during the fiscal year; and realized gains and losses on long-term investments.

Temporarily Restricted Net Assets

This category includes all assets subject to donor imposed restrictions that may or will be met either by actions of the Center or the passage of time. Items that affect this net asset category are gifts for which restrictions have not been met. Net assets of this nature that existed at December 31, 2013 were \$375,912.

Permanently Restricted Net Assets

This category includes all assets subject to donor imposed restrictions that are to be maintained permanently by the Center. Items that affect this net asset category include gifts wherein donors stipulate that the corpus be held in perpetuity (primarily gifts for endowment) and only the income be made available for program operations. No assets of this nature existed during the year ended December 31, 2013.

(d) Income Taxes

The Center is organized as a not-for-profit organization under the laws of New York State. Under the Internal Revenue Code, the Center is exempt from Federal income taxes as a 501(c)(3) organization.

The Center follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and guidance on measurement, classification, interest and penalties, and disclosure. As of December 31, 2013, the Center does not believe that there are any uncertain tax positions within its financial statements. The Center has processes presently in place to ensure the maintenance of its tax-

FRANCISCAN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

Note 1: Nature of Operations and Summary of Significant Accounting Policies (cont'd)

Income Taxes (cont'd)

exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The tax years ended 2010, 2011, 2012 and 2013 are still open to audit for both federal and state purposes.

(e) Fixed Assets

All property is recorded at cost. Furniture and fixtures, other than land, are depreciated over their estimated useful lives utilizing the straight-line method. Estimated useful lives utilized to calculate depreciation are as follows:

Building Improvements	15 years
Furniture and fixtures	3 years

(f) Long-Lived Assets

The Center's long-lived assets include property and equipment. The Center periodically reviews its property and equipment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable through the estimated undiscounted future cash flows from the use of these assets, or if their depreciation periods should be accelerated. When any such impairment exists, the related assets will be written down to fair value. No impairments were identified as of December 31, 2013.

(g) Revenue Recognition

Cash contributions are recorded in the period received as unrestricted, temporarily restricted or permanently restricted revenue depending upon the existence or absence of donor-imposed stipulations. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statement of activities as net assets released from restriction.

Revenues from the thrift store are recognized at the point of sale.

FRANCISCAN COMMUNITY CENTER

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

Note 1: Nature of Operations and Summary of Significant Accounting Policies (cont'd)

(h) Cash and Cash Equivalents

For financial statement purposes, the Center considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Cash and cash equivalents consist principally of demand deposits and money market accounts.

(i) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Actual results could differ from those estimates.

Note 2: Allocated Expenses

The Center's expenses have been summarized on a functional basis in accordance with generally accepted accounting standards. Most expenses may be directly identified to their related program and are recorded accordingly. Indirect expenses have been allocated as follows:

Staff salaries and payroll taxes:

Administration	\$ 29,178
Fundraising	14,236
Senior center	8,429
Counseling	10,077
Thrift store	37,775
Youth services	38,897
Food services	24,292
Arts program	<u>2,408</u>
Total	<u>\$ 165,292</u>

FRANCISCAN COMMUNITY CENTER

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

Note 2: Allocated Expenses (cont'd)

Depreciation:

Administration	\$ 3,723
Youth services	24,997
Counseling	<u>21,232</u>
Total	<u>\$ 49,952</u>

Note 3: Unrestricted and Temporarily Restricted Net Assets

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donor as follows:

<u>Youth Services</u>	<u>Counseling</u>	<u>Total</u>
\$ <u>133,581</u>	<u>77,061</u>	<u>\$210,642</u>

Unrestricted net assets of \$100,000 were designated by the Board of Directors for future operations and capital expenditure purposes at December 31, 2006.

Temporarily restricted net assets at December 31, 2013 were available for the following purposes:

Youth Services	\$ 295,989
Counseling	<u>77,061</u>
	<u>\$ 375,912</u>

Note 4: Fixed Assets

Fixed assets and related accumulated depreciation as of December 31, 2013 are summarized as follows:

Building Improvements	\$ 741,221
Furniture, Fixtures & Equipment	114,366
Less accumulated depreciation	<u>(693,927)</u>
	<u>\$ 161,660</u>

Note 5: Line of Credit

The Center has a \$30,000 line of credit facility with Citibank. This facility is secured by the assets of the Center, such as fixed assets and cash. This facility is perpetual and renews yearly and bears an interest rate of 6.25%.

At December 31, 2013 there was no outstanding balance on the line of credit facility.

FRANCISCAN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

Note 6: Subsequent Events

The Center evaluated its December 31, 2013 financial statements for subsequent events through June 12, 2014, the date the financial statements were available to be issued. The Center is not aware of any subsequent events which would require recognition or disclosure in the financial statements.