

**HISPANIC RESOURCE CENTER OF
LARCHMONT/MAMARONECK, INC.
D/B/A COMMUNITY RESOURCE CENTER**

FINANCIAL STATEMENTS

December 31, 2016

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Independent Auditor's Report

Board of Directors
Hispanic Resource Center of Larchmont/Mamaroneck, Inc.
D/B/A Community Resource Center

Report on Financial Statements

We have audited the accompanying financial statements of Hispanic Resource Center of Larchmont/Mamaroneck, Inc. D/B/A Community Resource Center (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2016 and the related statements of activities and changes in net assets, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hispanic Resource Center of Larchmont/Mamaroneck, Inc. D/B/A Community Resource Center as of December 31, 2016, 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 Hispanic Resource Center of Larchmont/Mamaroneck, Inc. D/B/A Community Resource Center's December 31, 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 5, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Mount Kisco, New York
June 30, 2017

**HISPANIC RESOURCE CENTER OF
LARCHMONT/MAMARONECK, INC.
D/B/A COMMUNITY RESOURCE CENTER**

STATEMENT OF FINANCIAL POSITION

December 31, 2016

(With Summarized Comparative Information as of December 31, 2015)

<u>ASSETS</u>	<u>2016</u>	<u>2015</u>
Current Assets:		
Cash and cash equivalents	\$ 125,147	\$ 97,728
Cash and cash equivalents – temporarily restricted	91,695	113,665
Grants and other receivables	25,127	63,050
Prepaid expenses	<u>5,452</u>	<u>6,963</u>
Total Current Assets	<u>247,421</u>	<u>281,406</u>
Fixed Assets:		
Building and land	762,441	762,441
Equipment and furniture	36,440	36,440
Less: Accumulated depreciation	<u>(60,115)</u>	<u>(36,845)</u>
Net Fixed Assets	<u>738,766</u>	<u>762,036</u>
Security deposit	<u>1,000</u>	<u>1,000</u>
Total Assets	\$ <u>987,187</u>	\$ <u>1,044,442</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 47,368	\$ 33,102
Deferred revenue	-	20,000
Current portion of mortgage loan payable	<u>19,769</u>	<u>18,995</u>
Total Current Liabilities	67,137	72,097
Long term liability:		
Mortgage loan payable	<u>327,142</u>	<u>346,911</u>
Total Liabilities	<u>394,279</u>	<u>419,008</u>
Net Assets:		
Unrestricted	501,213	511,769
Temporarily Restricted	<u>91,695</u>	<u>113,665</u>
Total Net Assets	<u>592,908</u>	<u>625,434</u>
Total Liabilities and Net Assets	\$ <u>987,187</u>	\$ <u>1,044,442</u>

The accompanying notes and independent auditor's report are an integral part of the financial statements.

**HISPANIC RESOURCE CENTER OF
LARCHMONT/MAMARONECK, INC.
D/B/A COMMUNITY RESOURCE CENTER**

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended December 31, 2016

(With Summarized Comparative Information for the Year Ended December 31, 2015)

	2016			<u>2015</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	
Revenues:				
Contributions from individuals, foundations, corporations and community organizations (includes in-kind of \$64,800) (Note 2e)	\$ 324,898	\$ 132,444	\$ 457,342	\$ 866,995
Government grants		51,259	51,259	120,649
Program revenue	10,555		10,555	1,723
Rental income	40,346		40,346	23,494
Fundraising event	194,789		194,789	156,181
Investment income		26	26	42
Other income	144		144	5,200
Net Assets released from restrictions:				
Satisfaction of program restrictions	<u>205,699</u>	<u>(205,699)</u>	-	-
Total Revenues	<u>776,431</u>	<u>(21,970)</u>	<u>754,461</u>	<u>1,174,284</u>
Expenses:				
Program expenses	597,552		597,552	641,651
Administrative expenses	134,308		134,308	118,586
Fundraising expenses	<u>55,127</u>		<u>55,127</u>	<u>50,314</u>
Total Expenses	<u>786,987</u>		<u>786,987</u>	<u>810,551</u>
Increase (decrease) in Net Assets	<u>(10,556)</u>	<u>(21,970)</u>	<u>(32,526)</u>	<u>363,733</u>
Net Assets, beginning of year	<u>511,769</u>	<u>113,665</u>	<u>625,434</u>	<u>261,701</u>
Net Assets, end of year	<u>\$ 501,213</u>	<u>\$ 91,695</u>	<u>\$ 592,908</u>	<u>\$ 625,434</u>

The accompanying notes and independent auditor's report are an integral part of the financial statements.

HISPANIC RESOURCE CENTER OF
LARCHMONT/MAMARONECK, INC.
D/B/A COMMUNITY RESOURCE CENTER

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2016

(With Summarized Comparative Information for the Year Ended December 31, 2015)

	2016			Total Expenses	2015
	Program Expenses	Administrative Expenses	Fundraising Expenses		
Expenses:					
Salaries	\$ 274,547	\$ 50,200	\$ 25,000	\$ 349,747	\$ 377,096
Professional fees and consultants (includes in-kind of \$64,800) (Note 2e)	140,659	35,165		175,824	132,235
Payroll taxes and employee benefits	51,980	9,504	4,733	66,217	79,946
Scholarship expense	29,172			29,172	25,407
Utilities	18,663	2,333	2,333	23,329	13,947
Fundraising events			23,061	23,061	18,627
Supplies	20,878			20,878	21,331
Insurance - general		16,309		16,309	10,550
Interest expense	11,433	2,858		14,291	7,549
Office expenses	8,284	4,458		12,742	17,990
Repairs and maintenance	12,439			12,439	36,579
Emergency assistance	7,238			7,238	13,364
Telephone and cable	5,071	1,268		6,339	5,781
Training, conferences and travel	5,201	578		5,779	5,561
Dues and subscriptions	352			352	1,987
Rent				-	23,650
Moving expenses				-	4,566
Depreciation	<u>11,635</u>	<u>11,635</u>	<u> </u>	<u>23,270</u>	<u>14,385</u>
Total Expenses	\$ <u>597,552</u>	\$ <u>134,308</u>	\$ <u>55,127</u>	\$ <u>786,987</u>	\$ <u>810,551</u>

The accompanying notes and independent auditor's report are an integral part of the financial statements.

**HISPANIC RESOURCE CENTER OF
LARCHMONT/MAMARONECK, INC.
D/B/A COMMUNITY RESOURCE CENTER**

STATEMENT OF CASH FLOWS

**For the Year Ended December 31, 2016
(With Summarized Comparative Information for the Year Ended December 31, 2015)
(Increase (Decrease) in Cash and Cash Equivalents)**

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Increase (decrease) in Net Assets	\$ (32,526)	\$ 363,733
Adjustments to reconcile increase (decrease) in Net Assets to net cash provided (used) by operating activities:		
Depreciation	23,270	14,385
(Increase) decrease in grants and other receivables	40,697	28,640
(Increase) decrease in other receivable	(2,774)	
(Increase) decrease in prepaid expenses	1,511	(5,058)
Increase (decrease) in security deposit	-	(85)
Increase (decrease) in accounts payable and accrued expenses	14,267	21,676
Increase (decrease) in deferred revenue	<u>(20,000)</u>	<u>20,000</u>
 Net cash provided (used) by operating activities	 <u>24,445</u>	 <u>443,291</u>
 Cash flows from investing activities:		
Purchases of fixed assets	<u>-</u>	<u>(762,441)</u>
 Cash flow from financing activities:		
Proceeds from mortgage	-	375,000
Repayment of mortgage loan payable	<u>(18,996)</u>	<u>(9,094)</u>
 Net cash provided (used) by financing activities	 <u>(18,996)</u>	 <u>365,906</u>
 Net increase (decrease) in cash and cash equivalents	 5,449	 46,756
 Cash and cash equivalents, beginning of year	 <u>211,393</u>	 <u>164,637</u>
 Cash and cash equivalents, end of year	 \$ <u>216,842</u>	 \$ <u>211,393</u>

Supplemental disclosure of cash flow information:

Cash paid during the year for:

Interest	\$ 14,291	\$ 7,549
Income tax	\$ -0-	\$ -0-

The accompanying notes and independent auditor's report are an integral part of the financial statements.

HISPANIC RESOURCE CENTER OF
LARCHMONT/MAMARONECK, INC.
D/B/A COMMUNITY RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

Note 1 – The Organization:

Hispanic Resource Center of Larchmont/Mamaroneck, Inc. D/B/A Community Resource Center (the “Organization”) is a not-for-profit organization incorporated in the State of New York. The Organization provides social, economic and professional integration services in support of the local immigrant population.

Note 2 – Significant Accounting Policies:

- a. These financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting revenues are recognized when earned and expenses are recognized when incurred.
- b. The Organization considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.
- c. The accompanying financial statements present information regarding the financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. Unrestricted net assets are not subject to donor stipulations restricting their use but may be designated for specific purposes by management. Temporarily restricted net assets are subject to donor stipulations that expire by the passage of time or can be fulfilled or removed by actions pursuant to stipulations. Permanently restricted net assets are subject to donor stipulations requiring they be maintained permanently.
- d. The breakdown of functional expenses into program, administrative and fundraising expenses is as provided by management using their best estimates as to the appropriate allocation.
- e. A substantial number of volunteers made significant contributions of their time to the Organization’s programs. The value of this contributed time is not reflected in these statements since it is not susceptible to objective measurement or valuation.

During the year ended December 31, 2016, the Organization received in-kind teachers’ time of 2160 hours which has been valued at \$64,800. This donated professional time has been recorded as contributions revenue and as professional fees expenses in the accompanying financial statements.

- f. Certain reclassifications may have been made to some prior year account balances in order to conform to current year presentation.

HISPANIC RESOURCE CENTER OF
LARCHMONT/MAMARONECK, INC.
D/B/A COMMUNITY RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

Note 2 – Significant Accounting Policies (continued):

- g. The preparation of financial statements in conformity with generally accepted accounting principles 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.
- h. The Organization is a not-for-profit organization, that is exempt from income tax under Section 501(c)(3) of the United States Internal Revenue Code.

The Organization adopted the provision pertaining to uncertain tax positions and has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. The Organization is generally no longer subject to income tax examination by the applicable taxing jurisdiction for periods prior to 2014.

- i. Subsequent events have been evaluated through June 30, 2017 which is the date the financial statements were available to be issued.

Note 3 – Fixed Assets:

Depreciation is recorded using the straight-line method based on the useful lives of the assets, which is estimated to be 5-10 years for equipment and furniture and 30 years for building. Building, equipment, and furniture are carried at cost, net of accumulated depreciation. These amounts do not purport to represent replacement of realizable values.

Note 4 – Commitment and Contingencies:

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalent accounts in financial institutions, which from time to time may exceed the Federal depository insurance coverage limits.

Pursuant to the Organization's contractual relationships with certain funding sources, outside agencies have the right to examine the books and records of the Organization involving transactions relating to these contracts. The accompanying financial statements make no provisions for possible disallowances. Although such possible disallowances could be substantial in amount, in the opinion of Management, any actual disallowances would be immaterial.

HISPANIC RESOURCE CENTER OF
LARCHMONT/MAMARONECK, INC.
D/B/A COMMUNITY RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

Note 4 – Commitment and Contingencies: (continued)

The Organization is obligated under a lease agreement for office equipment. Future minimum amounts payable under these leases is as follows:

For the year ended:

December 31, 2017	\$	4,512
December 31, 2018		4,512
December 31, 2019		4,512
December 31, 2020		<u>2,632</u>
Total lease commitments	\$	<u>16,180</u>

Note 5 – Mortgage Payable

The Organization purchased property located at 134 Center Avenue, Mamaroneck, NY in May 2015 for \$750,000. The purchase price was partially financed by a \$375,000 mortgage from the seller over 5 years, with an option for a second 5 year period, at a 4% annual interest rate. Monthly payments are calculated based on a 15 year amortization schedule, and are as follows:

For the year ended:

December 31, 2017	\$	19,769
December 31, 2018		20,575
December 31, 2019		21,413
December 21, 2020		<u>285,154</u>
Total	\$	<u>346,911</u>

Note 6 – Simple IRA Plan:

The Organization has adopted a Simple IRA Plan for all employees who meet certain eligibility requirements. The Organization matches employee contributions up to a maximum of 3% of annual salary. During 2016, the Organization made matching contributions of \$3,575.

HISPANIC RESOURCE CENTER OF
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NOTES TO FINANCIAL STATEMENTS

December 31, 2016

Note 7 – Restricted Funds:

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets released from restrictions.

As of December 31, 2016, net assets are temporarily restricted for the following purposes:

Scholarships	\$ 38,130
Capital Improvements	36,307
Youth programs	10,000
Flood mitigation equipment	<u>7,258</u>
Total temporarily restricted net assets	\$ <u>91,695</u>

Note 8 – Related Party Transaction:

The Organization purchased property at 134 Center Avenue, Mamaroneck, NY in May 2015 from Westchester Community Opportunity Program, Inc. which has provided a seller mortgage in the amount of \$375,000 which is described in Note 5. The Organization currently leases approximately 2,500 square feet to Westchester Community Opportunity Program, Inc. under a 5 year lease agreement which commenced on June 1, 2015.

Note 9 – Summarized Comparative Totals:

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with general accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2015, from which the summarized information was derived.