

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

FINANCIAL STATEMENTS

December 31, 2021

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Independent Auditor's Report

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

Opinion

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, 2021, 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.

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, 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Hispanic Resource Center of Larchmont/Mamaroneck, Inc. D/B/A Community Resource Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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.

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 Hispanic Resource Center of Larchmont/Mamaroneck, Inc. D/B/A Community Resource Center's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 the Organization'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 the Organization's ability to continue as a going concern for a reasonable period of time.**

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.

Report on Summarized Comparative Information

We have previously audited Hispanic Resource Center of Larchmont/Mamaroneck, Inc. D/B/A Community Resource Center's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 28, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Handwritten signature in cursive script, appearing to read "Chief of Conf, can pc".

Mount Kisco, New York
September 13, 2022

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

STATEMENT OF FINANCIAL POSITION

December 31, 2021

(With Summarized Comparative Information as of December 31, 2020)

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 2,582,396	\$ 1,611,731
Grants and other receivables	37,830	80,500
Prepaid expenses	<u>10,955</u>	<u>19,005</u>
Total Current Assets	<u>2,631,181</u>	<u>1,711,236</u>
Fixed Assets:		
Building and land	834,701	787,202
Equipment and furniture	-	36,440
Less: Accumulated depreciation	<u>(141,000)</u>	<u>(151,090)</u>
Net Fixed Assets	<u>693,701</u>	<u>672,552</u>
Security deposit	<u>1,000</u>	<u>1,000</u>
Total Assets	<u>\$ 3,325,882</u>	<u>\$ 2,384,788</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 85,237	\$ 68,547
Current portion of mortgage loan payable	-	260,971
Deferred revenue	<u>-</u>	<u>75,000</u>
Total Current Liabilities	<u>85,237</u>	<u>404,518</u>
Net Assets:		
Without donor restrictions	2,125,831	1,692,614
With donor restrictions	<u>1,114,814</u>	<u>287,656</u>
Total Net Assets	<u>3,240,645</u>	<u>1,980,270</u>
Total Liabilities and Net Assets	<u>\$ 3,325,882</u>	<u>\$ 2,384,788</u>

The accompanying notes 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, 2021

(With Summarized Comparative Information for the Year Ended December 31, 2020)

	<u>2021</u>			<u>2020</u>
	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>	
	<u>Restrictions</u>	<u>Restrictions</u>	<u>Total</u>	<u>2020</u>
Revenues:				
Contributions (includes in-kind of \$101,960 in 2021 and \$44,640 in 2020)	\$ 1,193,866	\$ 1,733,869	\$ 2,927,735	\$ 1,773,531
Government grants		202,500	202,500	182,024
Program revenue	10,527		10,527	18,827
Rental income	29,249		29,249	40,986
Fundraising event	21,083		21,083	201,139
Investment return	(1,122)		(1,122)	137
Other income	1,613		1,613	433
Net Assets released from restrictions:				
Satisfaction of program restrictions	<u>1,109,211</u>	<u>(1,109,211)</u>	-	-
Total Revenues	<u>2,364,427</u>	<u>827,158</u>	<u>3,191,585</u>	<u>2,217,077</u>
Expenses:				
Program expenses	1,561,559		1,561,559	1,264,796
Administrative expenses	277,259		277,259	198,746
Fundraising expenses	<u>92,392</u>		<u>92,392</u>	<u>106,891</u>
Total Expenses	<u>1,931,210</u>		<u>1,931,210</u>	<u>1,570,433</u>
Increase (decrease) in Net Assets	433,217	827,158	1,260,375	646,644
Net Assets, beginning of year	<u>1,692,614</u>	<u>287,656</u>	<u>1,980,270</u>	<u>1,333,626</u>
Net Assets, end of year	<u>\$ 2,125,831</u>	<u>\$ 1,114,814</u>	<u>\$ 3,240,645</u>	<u>\$ 1,980,270</u>

The accompanying notes 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, 2021

(With Summarized Comparative Information for the Year Ended December 31, 2020)

	2021				<u>2020</u>
	<u>Program Expenses</u>	<u>Administrative Expenses</u>	<u>Fundraising Expenses</u>	<u>Total Expenses</u>	
Expenses:					
Personnel expenses:					
Salaries	\$ 503,961	\$ 68,287	\$ 26,209	\$ 598,457	\$ 510,558
Payroll taxes and employee benefits	103,574	14,034	5,387	122,995	105,207
Professional fees and consultants (includes in-kind of \$101,960 in 2021 and \$44,640 in 2020)	303,008	97,923	52,268	453,199	340,933
Emergency assistance	361,436			361,436	295,502
Subcontractor expense	116,985			116,985	81,000
Office expenses	36,838	68,881		105,719	50,916
Scholarship expense	38,351			38,351	45,893
Occupancy	20,157	2,520	2,519	25,196	18,551
Insurance	17,899	4,475		22,374	11,930
Program supplies & expenses	12,446			12,446	5,789
Telephone and cable	11,817	2,955		14,772	11,436
Repairs and maintenance	8,594			8,594	3,756
Lease expense	3,705	3,704		7,409	7,339
Fundraising events			6,009	6,009	35,370
Training, conferences and travel	3,943	438		4,381	9,429
Interest expense	3,470	867		4,337	11,001
Dues and subscriptions	2,200			2,200	3,357
Depreciation	<u>13,175</u>	<u>13,175</u>		<u>26,350</u>	<u>22,466</u>
Total Expenses	\$ <u>1,561,559</u>	\$ <u>277,259</u>	\$ <u>92,392</u>	\$ <u>1,931,210</u>	\$ <u>1,570,433</u>

The accompanying notes 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, 2021

(With Summarized Comparative Information for the Year Ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Increase (decrease) in Net Assets	\$ 1,260,375	\$ 646,644
Adjustments to reconcile increase (decrease) in Net Assets to net cash provided (used) by operating activities:		
Depreciation	26,350	22,466
(Increase) decrease in grants and other receivables	42,670	31,240
(Increase) decrease in prepaid expenses	8,050	(6,396)
Increase (decrease) in accounts payable and accrued expenses	16,690	40,884
Increase (decrease) in deferred revenue	<u>(75,000)</u>	<u>75,000</u>
Net cash provided (used) by operating activities	<u>1,279,135</u>	<u>809,838</u>
Cash flow from investing activities:		
Purchase of fixed assets	<u>(47,499)</u>	<u>-</u>
Cash flow from financing activities:		
Repayment of mortgage loan payable	<u>(260,971)</u>	<u>(22,359)</u>
Net increase (decrease) in cash and cash equivalents	970,665	787,479
Cash and cash equivalents, beginning of year	<u>1,611,731</u>	<u>824,252</u>
Cash and cash equivalents, end of year	<u>\$ 2,582,396</u>	<u>\$ 1,611,731</u>

Supplemental disclosure of cash flow information:

Cash paid during the year for:

Interest	\$ 4,337	\$ 11,001
Income tax	\$ -0-	\$ -0-

The accompanying notes 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, 2021

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. The accompanying financial statements are prepared in accordance with U.S. generally accepted accounting principles on the accrual basis of accounting.
- 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 two classes of net assets: without donor restrictions and with donor restrictions. Net assets without donor restrictions may be expended for any purpose in performing the primary objectives of the Organization and may be used at the discretion of management and the board of directors. Net assets with donor restrictions are subject to stipulations imposed by donors or grantors. Some restrictions are temporary in nature; those restrictions that will be met by the passage of time or accomplishing the purpose restriction. Other restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.
- d. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, which are allocated on the basis of time and effort; office and occupancy which are allocated on a square-footage basis and depreciation is allocated equally between program and administrative.
- e. 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.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

Note 2 – Significant Accounting Policies (continued):

- f. Certain reclassifications may have been made to some prior year account balances in order to conform to current year presentation.
- g. Board members and other volunteers made significant contributions of their time to the Organization. The value of this contributed time is not reflected in these statements since it is not susceptible to objective measurement or valuation.
- h. During the year ended December 31, 2021, the Organization received in-kind teachers' time of 2,044 hours and other professional services valued at \$101,960. This donated professional time has been recorded as contributions revenue and as professional fees expenses in the accompanying financial statements.
- i. Income from unconditional contributions is recognized when received or pledged. Contract and grant revenue is recognized in accordance with FASB ASC 958-605, *Not-for-Profit Entities: Revenue Recognition* when the conditions are fulfilled and when the contract and grant expenses are incurred. Contracts and grants receivable are stated at the amount that management expects to collect, therefore no allowance for doubtful accounts has been deemed necessary.

Program revenue is recognized in accordance with Accounting Standards Update ("ASU") 2014-09 *Revenue from Contracts with Customers* (Topic 606) at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services.

- j. The Organization is exempt from Federal and state 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 2018.

- k. Subsequent events have been evaluated through September 13, 2022 which is the date the financial statements were available to be issued.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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 15-30 years for building and improvements. Furniture and equipment were written off as they were damaged by a flood. Building and improvements are carried at cost, net of accumulated depreciation. These amounts do not purport to represent replacement of realizable values.

Note 4 – Liquidity and Availability:

The Organization is substantially supported by contributions and grants and must maintain sufficient resources to meet those responsibilities to its donors. As part of the liquidity plan, the Organization has a policy to structure its financial assets to be available for its general expenditures, liabilities, and other obligations that come due.

The following represents the financial assets as of December 31, 2021, that are available to meet general expenditures within one year, reduced by amounts for donor-imposed restrictions or board designations:

Financial Assets, at year end	\$ 2,620,226
Less amounts not available to be used within one year:	
Restricted by donor with purpose restrictions	(1,114,814)
Financial assets available to meet general expenditures within one year	\$ <u>1,505,412</u>

Note 5 – Commitment and Contingencies:

- a. 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.
- b. 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, 2021

Note 5 – Commitment and Contingencies (continued):

- c. 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:

2022	\$ 7,632
2023	<u>4,442</u>
Total	\$ <u>12,074</u>

- d. On September 2, 2021 the Organization’s community resource center and administrative offices were significantly damaged during Tropical Storm Ida which brought a destructive storm surge, high winds and heavy rainfall to the region. The Organization has relocated its operations at another location on a month-to-month lease and has begun remediation of the building which is estimated to be \$1,600,000. The Organization plans on funding these costs through insurance, a fundraising campaign and a loan. See Note 13.

Note 6 – 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. On June 1, 2021, the Organization made a final mortgage payoff in the amount of \$253,161.

Note 7 – Government Grants:

On February 18, 2021, the Organization received a second Paycheck Protection Program loan (“loan”) from Webster Bank in the amount of \$115,840, which was guaranteed by the Small Business Administration under the CARES Act. The loan funds were used for payroll, employee benefits, and other qualified expenses during the covered period. The Organization received forgiveness of the loan from the Small Business Administration on December 6, 2021.

During 2021, the Organization received grants in the amount of \$67,660 from Westchester County, \$15,000 from the Town of Mamaroneck and \$4,000 from other government agencies.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

Note 8 – Simple IRA Plan:

The Organization adopted a Flexible 401K Profit Sharing Plan for all employees who meet certain eligibility requirements. The Organization matches employee contributions up to a maximum of 3% of annual salary. During 2021, the Organization made matching contributions of \$10,177.

Note 9 – Net Assets:

Restricted support is recorded as an increase in net assets with donor restrictions. When the restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are classified to net assets without donor restrictions and reported on the *statement of activities* as net assets released from restrictions.

The Organization's net assets with donor restrictions for the year ended December 31, 2021 were as follows:

Subject to purpose restrictions:	
Scholarships	\$ 71,841
Youth programs	178,155
Renovations	264,446
Emergency flood recovery	<u>600,372</u>
Total net assets with donor restrictions	\$ <u>1,114,814</u>

The Organization has raised funds specifically for Tropical Storm Ida flood recovery relief. Certain donors have restricted their donations specifically for the renovations of the community resource center and other donors towards emergency flood recovery for victims of the flood. The board of directors has designated 15% of the amounts raised for flood recovery relief towards the renovations of the community resource center building.

Note 10 – 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 as described in Note 6. Prior to Tropical Storm Ida in September 2021, the Organization was leasing approximately 2,500 square feet to Westchester Community Opportunity Program, Inc.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

Note 11 – 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, 2020, from which the summarized information was derived.

Note 12 – COVID-19 Pandemic:

The COVID-19 pandemic, and the ensuing economic crisis, contributed to the increase in the Organization's operating and economic activity in the current and preceding years. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on future developments, all of which are highly uncertain and cannot be predicted at this time.

Note 13 – Subsequent Events:

The Organization has submitted an application for a thirty (30) year Economic Injury Disaster Loan from the Small Business Administration, in the amount of \$366,700. The loan payments will begin 24 months from the date of the promissory note. The loan will be collateralized by the assets of the Organization.