

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

**FINANCIAL STATEMENTS**

**December 31, 2020**

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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, 2020 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, 2020, 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, 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 26, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink, appearing to read "Christina A. [unclear], CPA PC".

Mount Kisco, New York  
October 28, 2021

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

**STATEMENT OF FINANCIAL POSITION**

**December 31, 2020**

**(With Summarized Comparative Information as of December 31, 2019)**

	<u>2020</u>	<u>2019</u>
<b><u>ASSETS</u></b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 1,611,731	\$ 824,252
Grants and other receivables	80,500	111,740
Prepaid expenses	<u>19,005</u>	<u>12,609</u>
<b>Total Current Assets</b>	<b><u>1,711,236</u></b>	<b><u>948,601</u></b>
<b>Fixed Assets:</b>		
Building and land	787,202	787,202
Equipment and furniture	36,440	36,440
Less: Accumulated depreciation	<u>(151,090)</u>	<u>(128,624)</u>
<b>Net Fixed Assets</b>	<b><u>672,552</u></b>	<b><u>695,018</u></b>
Security deposit	<u>1,000</u>	<u>1,000</u>
<b>Total Assets</b>	<b><u>\$ 2,384,788</u></b>	<b><u>\$ 1,644,619</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 68,547	\$ 27,663
Current portion of mortgage loan payable	260,971	283,330
Deferred revenue	<u>75,000</u>	<u>-</u>
<b>Total Current Liabilities</b>	<b><u>404,518</u></b>	<b><u>310,993</u></b>
<b>Net Assets:</b>		
Without donor restrictions	1,692,614	1,223,332
With donor restrictions	<u>287,656</u>	<u>110,294</u>
<b>Total Net Assets</b>	<b><u>1,980,270</u></b>	<b><u>1,333,626</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 2,384,788</u></b>	<b><u>\$ 1,644,619</u></b>

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, 2020

(With Summarized Comparative Information for the Year Ended December 31, 2019)

	<u>2020</u>			<u>2019</u>
	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>	
<b>Revenues:</b>				
Contributions (includes in-kind of \$44,640 in 2020 and \$118,039 in 2019)	\$ 816,209	\$ 957,322	\$ 1,773,531	\$ 1,160,952
Government grants		182,024	182,024	55,800
Program revenue		18,827	18,827	23,156
Rental income	40,986		40,986	40,744
Fundraising event (includes in-kind of \$0 in 2020 and \$27,068 in 2019)	201,139		201,139	228,098
Investment income		137	137	151
Other income	433		433	1,593
<b>Net Assets released from restrictions:</b>				
Satisfaction of program restrictions	<u>980,948</u>	<u>(980,948)</u>	<u>-</u>	<u>-</u>
<b>Total Revenues</b>	<b><u>2,039,715</u></b>	<b><u>177,362</u></b>	<b><u>2,217,077</u></b>	<b><u>1,510,494</u></b>
<b>Expenses:</b>				
Program expenses	1,264,796		1,264,796	832,109
Administrative expenses	198,746		198,746	166,491
Fundraising expenses	<u>106,891</u>		<u>106,891</u>	<u>93,413</u>
<b>Total Expenses</b>	<b><u>1,570,433</u></b>		<b><u>1,570,433</u></b>	<b><u>1,092,013</u></b>
<b>Increase (decrease) in Net Assets</b>	<b>469,282</b>	<b>177,362</b>	<b>646,644</b>	<b>418,481</b>
<b>Net Assets, beginning of year</b>	<b><u>1,223,332</u></b>	<b><u>110,294</u></b>	<b><u>1,333,626</u></b>	<b><u>915,145</u></b>
<b>Net Assets, end of year</b>	<b><u>\$ 1,692,614</u></b>	<b><u>\$ 287,656</u></b>	<b><u>\$ 1,980,270</u></b>	<b><u>\$ 1,333,626</u></b>

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, 2020

(With Summarized Comparative Information for the Year Ended December 31, 2019)

	<u>2020</u>			<u>Total</u>	<u>2019</u>
	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>		
Expenses:	<u>Expenses</u>	<u>Expenses</u>	<u>Expenses</u>	<u>Expenses</u>	
Personnel expenses:					
Salaries	\$ 403,341	\$ 71,478	\$ 35,739	\$ 510,558	\$ 429,403
Payroll taxes and employee benefits	83,114	14,729	7,364	105,207	92,471
Professional fees and consultants (includes in-kind of \$44,640 in 2020 and \$94,426 in 2019)	244,225	70,145	26,563	340,933	268,614
Emergency assistance	295,502			295,502	6,437
Grant expense	81,000			81,000	-
Office expenses	33,095	17,821		50,916	43,582
Scholarship expense	45,893			45,893	50,585
Fundraising events (includes in-kind of \$0 in 2020 and \$27,068 in 2019)			35,370	35,370	54,439
Utilities	14,841	1,855	1,855	18,551	24,433
Insurance - general	9,544	2,386		11,930	12,329
Telephone and cable	9,149	2,287		11,436	6,030
Interest expense	8,801	2,200		11,001	10,851
Training, conferences and travel	8,486	943		9,429	12,551
Lease expense	3,670	3,669		7,339	7,339
Program supplies & expenses (includes in-kind of \$0 in 2020 and \$23,613 in 2019)	5,789			5,789	34,621
Repairs and maintenance	3,756			3,756	13,978
Dues and subscriptions	3,357			3,357	1,867
Depreciation	<u>11,233</u>	<u>11,233</u>		<u>22,466</u>	<u>22,483</u>
<b>Total Expenses</b>	<b>\$ <u>1,264,796</u></b>	<b>\$ <u>198,746</u></b>	<b>\$ <u>106,891</u></b>	<b>\$ <u>1,570,433</u></b>	<b>\$ <u>1,092,013</u></b>

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, 2020**

**(With Summarized Comparative Information for the Year Ended December 31, 2019)**

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities:</b>		
Increase (decrease) in Net Assets	\$ 646,644	\$ 418,481
Adjustments to reconcile increase (decrease) in Net Assets to net cash provided (used) by operating activities:		
Depreciation	22,466	22,483
(Increase) decrease in grants and other receivables	31,240	1,686
(Increase) decrease in prepaid expenses	(6,396)	(4,282)
Increase (decrease) in accounts payable and accrued expenses	40,884	(21,688)
Increase (decrease) in deferred revenue	<u>75,000</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>809,838</u>	<u>416,680</u>
<b>Cash flow from financing activities:</b>		
Repayment of mortgage loan payable	<u>(22,359)</u>	<u>(21,485)</u>
Net increase (decrease) in cash and cash equivalents	787,479	395,195
Cash and cash equivalents, beginning of year	<u>824,252</u>	<u>429,057</u>
Cash and cash equivalents, end of year	\$ <u>1,611,731</u>	\$ <u>824,252</u>

**Supplemental disclosure of cash flow information:**

**Cash paid during the year for:**

Interest	\$ 11,001	\$ 10,851
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, 2020

**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  
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D/B/A COMMUNITY RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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. 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, 2020, the Organization received in-kind teachers' time of 1432 hours and other professional services valued at \$44,640. This donated professional time has been recorded as contributions revenue and as professional fees expenses in the accompanying financial statements.

- h. Income from unconditional contributions is recognized when received or pledged. Contract and grant revenue is recognized when the conditions are fulfilled and when the contract and grant expenses are incurred. Program income is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services. Grants and other receivables are stated at the amount that management expects to collect, therefore no allowance for doubtful accounts has been deemed necessary.
- i. 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.

- j. Subsequent events have been evaluated through xxxxxxxx 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.

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

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2020

**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, 2020, 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	\$ 1,692,231
Less amounts not available to be used within one year:	
Restricted by donor with purpose restrictions	<u>(287,656)</u>
Financial assets available to meet general expenditures within one year	\$ <u>1,404,575</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.
- 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:

2021	\$ 7,632
2022	7,632
2023	<u>4,442</u>
Total	\$ <u>19,706</u>

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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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. In June 2021, the Organization made a final mortgage payoff in the amount of \$253,161.

Note 7 – Government Grants:

On April 22, 2020, the Organization received a Paycheck Protection Program loan (“loan”) from Webster Bank in the amount of \$125,000, 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 in 2020. In as much as the Organization met all the requirements of the loan agreement, the Organization recorded the forgiveness of the loan as grant income as of December 31, 2020. The Organization received forgiveness of the loan from the Small Business Administration on March 19, 2021.

During 2020, the Organization received a grant in the amount of \$42,024 from Westchester County. The Organization also received a grant in the amount of \$15,000 from the Town of Mamaroneck.

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 2020, the Organization made matching contributions of \$7,935.

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.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**Note 9 – Net Assets (continued):**

The Organization's net assets with donor restrictions for the year ended December 31, 2020 were as follows:

Subject to purpose restrictions:	
Scholarships	\$ 58,733
Youth programs	193,852
Capital improvements	<u>35,071</u>
 Total net assets with donor restrictions	 \$ <u>287,656</u>

**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. The Organization currently leases approximately 2,500 square feet to Westchester Community Opportunity Program, Inc. under a five-year lease agreement which commenced on June 1, 2015. The Organization renewed the lease in June 2020 for an additional five years with the option to extend for additional five years.

**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, 2019, from which the summarized information was derived.

**Note 12 – COVID-19 Pandemic:**

The accompanying December 31, 2020 financial statements of the Organization do not include any adjustments related to the COVID-19 pandemic. 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.

HISPANIC RESOURCE CENTER OF  
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D/B/A COMMUNITY RESOURCE CENTER

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

**Note 13 – Subsequent Events:**

On February 18, 2021, the Organization received a second Paycheck Protection Program loan from the Small Business Administration in the amount of \$115,840. The intent of the loan funds is to be used for payroll, employee benefits and other qualified expenses. The Organization is obligated to repay any amount deemed unforgiven. The loan has a 5-year repayment requirement, carries a fixed interest rate of 1% and requires no collateral.

On September 2, 2021, the Organization's community center and administration office were significantly damaged as a result of a recent storm. The Organization has begun remediation of the space which they hope to have completed by February 2022. The final cost of this remediation work to the Organization, after insurance, is undetermined at this time. Currently, the Organization is operating at another leased location.