

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

**FINANCIAL STATEMENTS**

**December 31, 2017**

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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, 2017 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, 2017, 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, 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 30, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Mount Kisco, New York  
June 1, 2018

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

**STATEMENT OF FINANCIAL POSITION**

**December 31, 2017**

**(With Summarized Comparative Information as of December 31, 2016)**

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 168,414	\$ 125,147
Cash and cash equivalents – temporarily restricted	99,792	91,695
Grants and other receivables	30,915	25,127
Prepaid expenses	<u>9,534</u>	<u>5,452</u>
<b>Total Current Assets</b>	<b><u>308,655</u></b>	<b><u>247,421</u></b>
<b>Fixed Assets:</b>		
Building and land	762,441	762,441
Equipment and furniture	36,440	36,440
Less: Accumulated depreciation	<u>(82,567)</u>	<u>(60,115)</u>
<b>Net Fixed Assets</b>	<b><u>716,314</u></b>	<b><u>738,766</u></b>
Security deposit	<u>1,000</u>	<u>1,000</u>
<b>Total Assets</b>	<b><u>\$ 1,025,969</u></b>	<b><u>\$ 987,187</u></b>
	<b><u>LIABILITIES AND NET ASSETS</u></b>	
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 44,606	\$ 47,368
Current portion of mortgage loan payable	<u>20,575</u>	<u>19,769</u>
<b>Total Current Liabilities</b>	<b>65,181</b>	<b>67,137</b>
<b>Long term liability:</b>		
Mortgage loan payable	<u>304,883</u>	<u>327,142</u>
<b>Total Liabilities</b>	<b><u>370,064</u></b>	<b><u>394,279</u></b>
<b>Net Assets:</b>		
Unrestricted	556,113	501,213
Temporarily Restricted	<u>99,792</u>	<u>91,695</u>
<b>Total Net Assets</b>	<b><u>655,905</u></b>	<b><u>592,908</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 1,025,969</u></b>	<b><u>\$ 987,187</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, 2017**

**(With Summarized Comparative Information for the Year Ended December 31, 2016)**

	2017			<u>2016</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	
<b>Revenues:</b>				
Contributions (includes in-kind of \$67,400 in 2017 and \$64,800 in 2016)	\$ 519,142	\$ 130,771	\$ 649,913	\$ 457,342
Government grants		17,375	17,375	51,259
Program revenue	18,483		18,483	10,555
Rental income	40,406		40,406	40,346
Fundraising event	181,130		181,130	194,789
Investment income		18	18	26
Other income			-	144
<b>Net Assets released from restrictions:</b>				
Satisfaction of program restrictions	<u>140,067</u>	<u>(140,067)</u>	<u>-</u>	<u>-</u>
<b>Total Revenues</b>	<b><u>899,228</u></b>	<b><u>8,097</u></b>	<b><u>907,325</u></b>	<b><u>754,461</u></b>
<b>Expenses:</b>				
Program expenses	664,943		664,943	597,552
Administrative expenses	119,599		119,599	134,308
Fundraising expenses	<u>59,786</u>		<u>59,786</u>	<u>55,127</u>
<b>Total Expenses</b>	<b><u>844,328</u></b>		<b><u>844,328</u></b>	<b><u>786,987</u></b>
<b>Increase (decrease) in Net Assets</b>	<b>54,900</b>	<b>8,097</b>	<b>62,997</b>	<b>(32,526)</b>
<b>Net Assets, beginning of year</b>	<b><u>501,213</u></b>	<b><u>91,695</u></b>	<b><u>592,908</u></b>	<b><u>625,434</u></b>
<b>Net Assets, end of year</b>	<b>\$ <u>556,113</u></b>	<b>\$ <u>99,792</u></b>	<b>\$ <u>655,905</u></b>	<b>\$ <u>592,908</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, 2017**

**(With Summarized Comparative Information for the Year Ended December 31, 2016)**

	<u>2017</u>				<u>2016</u>
	<u>Program Expenses</u>	<u>Administrative Expenses</u>	<u>Fundraising Expenses</u>	<u>Total Expenses</u>	
<b>Expenses:</b>					
<b>Personnel expenses:</b>					
Salaries	\$ 317,163	\$ 50,200	\$ 25,000	\$ 392,363	\$ 349,747
Payroll taxes and employee benefits	60,090	9,644	4,451	74,185	66,217
<b>Professional fees and consultants (includes in-kind of \$67,400 in 2017 and \$64,800 in 2016)</b>	121,053	30,263		151,316	167,564
Scholarship expense	37,665			37,665	29,172
Fundraising events			27,755	27,755	23,061
Utilities	20,644	2,580	2,580	25,804	23,329
Supplies	24,223			24,223	20,878
Office expenses	13,910	7,490		21,400	21,002
Interest expense	11,686	2,921		14,607	14,291
Insurance - general	11,503	2,764		14,267	16,309
Repairs and maintenance	12,003			12,003	12,439
Training, conferences and travel	8,923	991		9,914	5,779
Telephone and cable	6,079	1,520		7,599	6,339
Emergency assistance	6,194			6,194	7,238
Dues and subscriptions	2,581			2,581	352
Depreciation	<u>11,226</u>	<u>11,226</u>		<u>22,452</u>	<u>23,270</u>
<b>Total Expenses</b>	<b>\$ <u>664,943</u></b>	<b>\$ <u>119,599</u></b>	<b>\$ <u>59,786</u></b>	<b>\$ <u>844,328</u></b>	<b>\$ <u>786,987</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, 2017  
(With Summarized Comparative Information for the Year Ended December 31, 2016)  
(Increase (Decrease) in Cash and Cash Equivalents)**

	<u>2017</u>	<u>2016</u>
<b>Cash flows from operating activities:</b>		
Increase (decrease) in Net Assets	\$ 62,997	\$ (32,526)
Adjustments to reconcile increase (decrease) in Net Assets to net cash provided (used) by operating activities:		
Depreciation	22,452	23,270
(Increase) decrease in grants and other receivables	(5,788)	37,923
(Increase) decrease in prepaid expenses	(4,082)	1,511
Increase (decrease) in accounts payable and accrued expenses	(2,762)	14,267
Increase (decrease) in deferred revenue	<u>-</u>	<u>(20,000)</u>
Net cash provided (used) by operating activities	<u>72,817</u>	<u>24,445</u>
<b>Cash flow from financing activities:</b>		
Repayment of mortgage loan payable	<u>(21,453)</u>	<u>(18,996)</u>
Net cash provided (used) by financing activities	<u>(21,453)</u>	<u>(18,996)</u>
Net increase (decrease) in cash and cash equivalents	51,364	5,449
Cash and cash equivalents, beginning of year	<u>216,842</u>	<u>211,393</u>
Cash and cash equivalents, end of year	\$ <u>268,206</u>	\$ <u>216,842</u>

**Supplemental disclosure of cash flow information:**

**Cash paid during the year for:**

Interest	\$ 14,607	\$ 14,291
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, 2017

**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, 2017, the Organization received in-kind teachers’ time of 2176 hours which has been valued at \$67,400. 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, 2017

**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 2015.

- i. Subsequent events have been evaluated through June 1, 2018 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, 2017

**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, 2018	\$ 8,465
December 31, 2019	8,465
December 31, 2020	<u>3,616</u>
Total lease commitments	\$ <u>20,546</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, 2018	\$ 20,575
December 31, 2019	21,413
December 31, 2020	<u>283,470</u>
Total	\$ <u>325,458</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 2017, the Organization made matching contributions of \$8,473.

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

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2017

**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, 2017, net assets are temporarily restricted for the following purposes:

Scholarships	\$ 43,470
Capital improvements	35,070
Flood mitigation equipment	11,252
Youth programs	<u>10,000</u>
<b>Total</b>	<b>\$ <u>99,792</u></b>

**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, 2016, from which the summarized information was derived.