

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

FINANCIAL STATEMENTS

December 31, 2018

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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, 2018 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, 2018, 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, 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 1, 2018. As discussed in Note 10, Hispanic Resource Center of Larchmont/Mamaroneck, Inc. D/B/A Community Resource Center has adopted Financial Accounting Standards Update No. 2016-14 and has adjusted the presentation of these statements accordingly. Our opinion is not modified with respect to this matter.



Mount Kisco, New York
June 4, 2019

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

STATEMENT OF FINANCIAL POSITION

December 31, 2018

(With Summarized Comparative Information as of December 31, 2017)

	<u>ASSETS</u>	
	<u>2018</u>	<u>2017</u>
Current Assets:		
Cash and cash equivalents	\$ 429,057	\$ 268,206
Grants and other receivables	113,426	30,915
Prepaid expenses	<u>8,327</u>	<u>9,534</u>
Total Current Assets	<u>550,810</u>	<u>308,655</u>
Fixed Assets:		
Building and land	787,202	762,441
Equipment and furniture	36,440	36,440
Less: Accumulated depreciation	<u>(106,141)</u>	<u>(82,567)</u>
Net Fixed Assets	<u>717,501</u>	<u>716,314</u>
Security deposit	<u>1,000</u>	<u>1,000</u>
Total Assets	\$ <u>1,269,311</u>	\$ <u>1,025,969</u>
	<u>LIABILITIES AND NET ASSETS</u>	
Current Liabilities:		
Accounts payable and accrued expenses	\$ 49,351	\$ 44,606
Current portion of mortgage loan payable	<u>21,413</u>	<u>20,575</u>
Total Current Liabilities	70,764	65,181
Long term liability:		
Mortgage loan payable	<u>283,402</u>	<u>304,883</u>
Total Liabilities	<u>354,166</u>	<u>370,064</u>
Net Assets:		
Without donor restrictions	813,401	556,113
With donor restrictions	<u>101,744</u>	<u>99,792</u>
Total Net Assets	<u>915,145</u>	<u>655,905</u>
Total Liabilities and Net Assets	\$ <u>1,269,311</u>	\$ <u>1,025,969</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, 2018

(With Summarized Comparative Information for the Year Ended December 31, 2017)

	<u>2018</u>			<u>2017</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	
Revenues:				
Contributions (includes in-kind of \$71,513 in 2018 and \$67,400 in 2017)	\$ 594,529	\$ 254,500	\$ 849,029	\$ 649,913
Government grants		55,000	55,000	17,375
Program revenue		6,377	6,377	18,483
Rental income	40,406		40,406	40,406
Fundraising event (includes in-kind of \$19,300 in 2018)	196,637		196,637	181,130
Investment income		67	67	18
Other income	25		25	-
Net Assets released from restrictions:				
Satisfaction of program restrictions	<u>313,992</u>	<u>(313,992)</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>1,145,589</u>	<u>1,952</u>	<u>1,147,541</u>	<u>907,325</u>
Expenses:				
Program expenses	679,072		679,072	664,943
Administrative expenses	128,920		128,920	119,599
Fundraising expenses	<u>80,309</u>		<u>80,309</u>	<u>59,786</u>
Total Expenses	<u>888,301</u>		<u>888,301</u>	<u>844,328</u>
Increase (decrease) in Net Assets	257,288	1,952	259,240	62,997
Net Assets, beginning of year	<u>556,113</u>	<u>99,792</u>	<u>655,905</u>	<u>592,908</u>
Net Assets, end of year	\$ <u>813,401</u>	\$ <u>101,744</u>	\$ <u>915,145</u>	\$ <u>655,905</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, 2018

(With Summarized Comparative Information for the Year Ended December 31, 2017)

	<u>2018</u>			<u>Total Expenses</u>	<u>2017</u>
	<u>Program Expenses</u>	<u>Administrative Expenses</u>	<u>Fundraising Expenses</u>		
Expenses:					
Personnel expenses:					
Salaries	\$ 295,492	\$ 50,200	\$ 25,000	\$ 370,692	\$ 392,363
Payroll taxes and employee benefits	65,197	10,464	4,829	80,490	74,185
Professional fees and consultants (includes in-kind of \$71,513 in 2018 and \$67,400 in 2017)	150,135	37,534		187,669	151,316
Fundraising events (includes in-kind of \$19,300 in 2018)			47,998	47,998	27,755
Scholarship expense	34,625			34,625	37,665
Supplies	28,092			28,092	24,223
Office expenses	17,268	9,298		26,566	21,400
Utilities	19,856	2,482	2,482	24,820	25,804
Repairs and maintenance	17,367			17,367	12,003
Interest expense	10,114	2,529		12,643	14,607
Insurance - general	9,017	2,254		11,271	14,267
Training, conferences and travel	8,979	998		9,977	9,914
Telephone and cable	5,498	1,374		6,872	7,599
Emergency assistance	3,947			3,947	6,194
Dues and subscriptions	1,698			1,698	2,581
Depreciation	<u>11,787</u>	<u>11,787</u>		<u>23,574</u>	<u>22,452</u>
 Total Expenses	 \$ <u>679,072</u>	 \$ <u>128,920</u>	 \$ <u>80,309</u>	 \$ <u>888,301</u>	 \$ <u>844,328</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, 2018
(With Summarized Comparative Information for the Year Ended December 31, 2017)
(Increase (Decrease) in Cash and Cash Equivalents)**

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Increase (decrease) in Net Assets	\$ 259,240	\$ 62,997
Adjustments to reconcile increase (decrease) in Net Assets to net cash provided (used) by operating activities:		
Depreciation	23,574	22,452
(Increase) decrease in grants and other receivables	(82,511)	(5,788)
(Increase) decrease in prepaid expenses	1,207	(4,082)
Increase (decrease) in accounts payable and accrued expenses	<u>4,745</u>	<u>(2,762)</u>
Net cash provided (used) by operating activities	<u>206,255</u>	<u>72,817</u>
Cash flows from investing activities:		
Purchased for fixed assets	<u>(24,761)</u>	<u>-</u>
Cash flow from financing activities:		
Repayment of mortgage loan payable	<u>(20,643)</u>	<u>(21,453)</u>
Net increase (decrease) in cash and cash equivalents	160,851	51,364
Cash and cash equivalents, beginning of year	<u>268,206</u>	<u>216,842</u>
Cash and cash equivalents, end of year	\$ <u>429,057</u>	\$ <u>268,206</u>

Supplemental disclosure of cash flow information:

Cash paid during the year for:

Interest	\$ 12,643	\$ 14,607
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, 2018

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. Under the accrual basis of accounting revenues are recognized when earned and expenses are recognized when incurred. Contributions recognized when received.
- 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, 2018

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, 2018, the Organization received in-kind teachers’ time of 1705 hours and other professional services valued at \$71,513. This donated professional time has been recorded as contributions revenue and as professional fees expenses in the accompanying financial statements**
- 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 2016.**
- i. Subsequent events have been evaluated through June 4, 2019 which is the date the financial statements were available to be issued.**

Note 3 – 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.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

Note 3 – Liquidity and Availability (continued):

The following represents the financial assets as of December 31, 2018, 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	\$ 542,483
Less amounts not available to be used within one year:	
Restricted by donor with purpose restrictions	<u>101,744</u>
Financial assets available to meet general expenditures within one year	\$ <u>440,739</u>

Note 4 – 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 5 – 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.

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, 2019	\$ 8,465
December 31, 2020	<u>3,616</u>
Total lease commitments	\$ <u>12,081</u>

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

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. Monthly payments are calculated based on a 15 year amortization schedule, and are as follows:

For the year ended:

December 31, 2019	\$ 21,413
December 31, 2020	<u>283,402</u>
Total	\$ <u>304,815</u>

Note 7 – 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 2018, the Organization made matching contributions of \$6,673.

Note 8 – Net Assets:

The Organization's net assets with donor restrictions for the year ended December 31, 2018 were as follows:

Subject to purpose restrictions:	
Scholarships	\$ 49,854
Capital improvements	35,070
Youth programs	<u>16,820</u>
Total net assets with donor restrictions	\$ <u>101,744</u>

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

Note 9 – 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 5 year lease agreement which commenced on June 1, 2015.

Note 10–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, 2017, from which the summarized information was derived.

As of December 31, 2018, the Organization has adopted Financial Accounting Standards Update No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. The Organization has adjusted the presentation of prior year summarized comparative information accordingly.