

Report of Independent Auditor
and Financial Statements for
Pronto of Long Island Inc
December 31, 2018 and 2017

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PRONTO OF LONG ISLAND, INC.
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*2018 NYS 6th Assembly District
Businessman of the Year*

To the Board of Directors
Pronto of Long Island, Inc.
128 Pine Aire Drive
Bay Shore, NY 11706

To The Directors:

I have audited the accompanying statements of financial position of Pronto of Long Island, Inc, a not-for-profit corporation, "the Organization", as of December 31, 2018 and 2017 and the related statements of activities, functional expenses and cash flows for the years then ended and the notes to the financial statements.

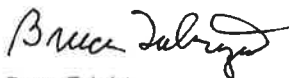
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United State of America: these include the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. These Standards require that I 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 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2018 and 2017 and the related results of its activities for the years ended December 31, 2018 and 2017 and cash flows for the years ended December 31, 2018 and 2017 in conformity with generally accepted accounting principles in the United States of America.



Bruce Fabrizio
Certified Public Accountant
October 8, 2019

PRONTO OF LONG ISLAND, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018 AND 2017

ASSETS:	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Current assets:		
Cash and cash equivalents	\$ 123,550	\$ 85,931
Grants receivable	8,250	17,600
Inventory	25,136	22,440
Employee advances	455	-
Gift cards	374	510
Total current assets	<u>157,765</u>	<u>126,481</u>
Property, Plant and Equipment (net)	<u>813,671</u>	<u>838,526</u>
TOTAL ASSETS	<u>\$ 971,436</u>	<u>\$ 965,007</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 14,711	\$ 12,417
Payroll Liabilities payable	1,136	-
Note payable (current portion)	22,720	21,593
Total current liabilities	<u>38,567</u>	<u>34,010</u>
Long Term Liabilities:		
Note Payable (Long Term Portion)	<u>350,277</u>	<u>372,683</u>
TOTAL LIABILITIES	<u>388,844</u>	<u>406,693</u>
NET ASSETS:		
Without donor restrictions	582,592	558,314
With Donor restrictions	-	-
Total net assets	<u>582,592</u>	<u>558,314</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 971,436</u>	<u>\$ 965,007</u>

See independent auditor's report and noted to financial statements

PRONTO OF LONG ISLAND, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDING DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total	
Operations				
REVENUES AND OTHER SUPPORT				
Contributions	\$ 133,244	\$ -	\$ 133,244	10.96%
Grants	46,816	-	46,816	3.85%
In-kind donations	939,332	-	939,332	77.28%
Fundraising	56,749	-	56,749	4.67%
Other Income	39,350	-	39,350	3.24%
	-	-	-	
Total revenues and other support	1,215,491	-	1,215,491	100.00%
 EXPENSES:				
Program expenses	1,101,307	-	1,101,307	92.45%
Support services:				
Management and General	87,411	-	87,411	7.34%
Fundraising	2,495	-	2,495	0.21%
	-	-	-	
Total expenses	1,191,213	-	1,191,213	100.00%
 Change in net assets from operations	24,278	-	24,278	
Nonoperating activities				
Investment return, net	-	-	-	
Total nonoperating activities	-	-	-	
Change in net assets	24,278	-	24,278	
Net assets, beginning of year	558,314	-	558,314	
Net assets, end of year	\$ 582,592	\$ -	\$ 582,592	

See independent auditor's report and notes to financial statements

PRONTO OF LONG ISLAND INC
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Without Donor Restrictions	With Donor Restrictions	Total	
Operations				
REVENUES AND OTHER SUPPORT				
Contributions	\$ 139,986	\$ -	\$ 139,986	8.92%
Grants	315,562	-	315,562	20.12%
In-kind donations	986,308	-	986,308	62.87%
Fundraising	66,921	-	66,921	4.27%
Other Inci	<u>59,929</u>	<u>-</u>	<u>59,929</u>	3.82%
 Total revenues and other support	 <u>1,568,706</u>	 <u>-</u>	 <u>1,568,706</u>	 100.00%
 EXPENSES:				
 Program expenses	 1,147,411	 -	 1,147,411	 93.86%
Support services:				
Management and General	72,502	-	72,502	5.93%
Fundraising	<u>2,528</u>	<u>-</u>	<u>2,528</u>	0.21%
 Total expenses	 <u>1,222,441</u>	 <u>-</u>	 <u>1,222,441</u>	 100.00%
 Change in net assets from operatic	 346,265	 -	 346,265	
Nonoperating activities				
Investment return, net	-	-	-	
 Total nonoperating activities	 -	 -	 -	
 Change in net assets	 346,265	 -	 346,265	
 Net assets, beginning of year	 <u>212,049</u>	 <u>-</u>	 <u>212,049</u>	
 Net assets, end of year	 <u>\$ 558,314</u>	 <u>\$ -</u>	 <u>\$ 558,314</u>	

See independant auditor's report and noues to financial statements

PRONTO OF LONG ISLAND, INC.
STATEMENTS OF CASH FLOWS
AS OF DECEMBER 31, 2018 AND 2017

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase(decrease)in Net Assets	\$ 24,278	\$ 346,265
Change in assets		
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation and Amortization	33,558	27,364
Changes in assets increase (decrease)		
Grants receivable	9,350	2,708
Inventories	(2,696)	(13,172)
Other current assets	(319)	(15)
Changes in liabilities increase (decrease)		
Accounts payable	3,430	4,835
Deferred Revenue	-	-
Net cash provided (used) by operating activities	<u>67,601</u>	<u>367,985</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	<u>(8,703)</u>	<u>(292,347)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Acquisition of debt	-	-
Payment of notes	<u>(21,279)</u>	<u>(20,206)</u>
Net cash (used) provided by financing activities	<u>(21,279)</u>	<u>(20,206)</u>
NET INCREASE (DECREASE) IN CASH	37,619	55,432
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>85,931</u>	<u>30,499</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 123,550</u>	<u>\$ 85,931</u>
Supplemental Disclosures of Cash Flow Information::		
Cash Paid for interest	<u>\$ 19,886</u>	<u>\$ 21,445</u>
Cash paid for taxes	<u>\$ 125</u>	<u>\$ 75</u>

See independent auditor's report and notes to financial statements

PRONTO OF LONG ISLAND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 85,755	\$ 34,340	\$ -	\$ 120,095
Payroll Taxes and employee benefits	28,452	11,417	-	39,869
Auto and Truck	4,746	-	-	4,746
Bank Charges	-	411	-	411
Bookkeeping	-	10,200	-	10,200
Community Events	951	-	-	951
Depreciation	28,860	4,027	671	33,558
Dues and Subscriptions	-	289	-	289
Filing Fees	-	125	-	125
Insurance	16,720	2,333	389	19,442
Interest	17,102	2,386	398	19,886
Office Expense	8,543	1,192	199	9,934
Outside Services	17,966	-	-	17,966
Postage	-	1,014	-	1,014
Professional Fees	-	6,000	-	6,000
Programs	856,110	-	-	856,110
Sanitation	-	8,639	-	8,639
Repairs	13,616	1,900	316	15,832
Utilities	22,486	3,138	522	26,146
	<u>\$ 1,101,307</u>	<u>\$ 87,411</u>	<u>\$ 2,495</u>	<u>\$ 1,191,213</u>

See independent auditor's report and notes to financial statements

**PRONTO OF LONG ISLAND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 88,234	\$ 44,371	\$ -	\$ 132,605
Payroll Taxes and employee benefits	9,314	4,587	-	13,901
Auto and Truck	7,443	-	-	7,443
Bank Charges	-	646	-	646
Community Events	3,895	-	-	3,895
Depreciation	23,533	3,284	547	27,364
Filing Fees	-	75	-	75
Insurance	16,024	2,236	373	18,633
Interest	18,443	2,573	429	21,445
Office Expense	7,556	1,054	176	8,786
Outside Services	21,734	-	-	21,734
Postage	-	1,291	-	1,291
Professional Fees	-	6,000	-	6,000
Programs- food & Thrift distribution	908,046	-	-	908,046
Repairs	10,234	1,428	238	11,900
Utilities	32,955	4,588	765	38,308
Miscellaneous	-	369	-	369
	-	-	-	-
TOTAL ADMINSTRATIVE EXPENSE:	\$ 1,147,411	\$ 72,502	\$ 2,528	\$ 1,222,441

See independent's auditor's report and notes to financial statements

PRONTO OF LONG ISLAND, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2018

Note 1 - Description of Organization

The Organization was incorporated under section 402 of the Not-For-Profit Corporation Law of the State of New York on December 11, 1972. The Organization is a not-for-profit human services organization, made up of a community of volunteers committed to serving the poor by providing emergency food, clothing, furniture and advocacy with government agencies, English as a second language, referral and consoling services to over 30,000 children, adults and the elderly. The Organization services a predominantly Hispanic population in the Brentwood and Bay Shore areas located in the Town of Islip, County of Suffolk and State of New York. Qualifying contributions to the Organization are tax deductible.

Administrative Services Agreement

To support its activities the organization entered into an administrative services agreement on Feb, 3 , 2016 with Family Residences & Essential Enterprises, Inc. ("FREE"), a non-profit corporation whose primary purpose is to support persons in need of physical, mental, emotional and social services. FREE will provide the organization with professional and technical assistance it needs to accomplish its mission. These include executive consulting, financial management, human recourses, information technology, accounting and legal services, and compliance and similar services.

Note 2 - Summary of Significant Accounting Policies

Basis of presentation - The financial statements of Pronto of Long Island, Inc have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require Pronto of Long Island Inc to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Pronto of Long Island Inc's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulation imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Pronto of Long Island Inc or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities

Measure of operations - The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to Pronto of Long Island Inc's program services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Cash and cash equivalents - Pronto of Long Island Inc's cash consists of cash on deposit with banks, Cash equivalents represent money market funds or short term investments with original maturitird of three months or less of from the date of purchase, except for those amounts that are held in investment portfoloi which are invested for long term purposes.

PRONTO OF LONG ISLAND, INC.
NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2018

Note 2 - Summary of Significant Accounting Policies (continued)

Grants Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realized value.

As of December 31, 2018, Pronto of Long Island, Inc's Grants Receivable consisted of promises of \$8,250 expected to be collected within one year.

Advertising Costs

The Organization uses advertising to promote among its programs among the audience it serves. The production costs of advertising are expensed as incurred.

Functional Allocation of Expenses

The cost of providing the program and other activities have been summarized basis in the statements of activities. Accordingly, certain costs have been allocated among program and supporting services benefited. Such allocations are determined by management on an equitable basis.

Use of estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are classified without donor and are reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with Donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net restrictions assets with donor restrictions; otherwise, the contributions are recorded as net assets without restrictions.

PRONTO OF LONG ISLAND, INC
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2018

Note 2 - Summary of Significant Accounting Policies (continued)

In-kind donations

Pronto of Long Island Inc received donated food from various sources of \$919,332 for the year the ended December 31, 2018. The Thrift shop inventory is measured at the estimated value of what the Organization believes it can sell such inventory for. Thrift shop inventory consists of clothing, furniture and toys. The organization records food inventory by the weight multiplied by a bulk figure estimated by the industry. Food inventory consists of donated items distributed free of charge.

Several Volunteers have made significant contributions of their time in furtherance of Pronto of Long Island Inc's mission. These services were not reflected in the accompanying statements of activities because they do not meet the necessary criteria for recognition under US GAAP.

Concentration of credit risk

Financial instruments that potentially subject Pronto of Long Island Inc to concentrations of credit risk consists principally of cash and cash equivalents. Pronto of Long Island Inc maintains its cash and cash equivalents in various bank accounts. Pronto of Long Island Inc's cash and cash equivalents account have been placed with high credit quality financial institutions. Pronto of Long Island Inc has not experienced, nor does it anticipate, any losses with respect to such accounts.

Income taxes

Pronto of Long Island Inc is exempt from income tax under IRC section 501 (c) (3), though it is subject to tax or income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. Pronto of Long Island Inc has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

New Accounting Pronouncement

On August 16, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (topic 958)- Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net assets classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Pronto of Long Island Inc has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

PRONTO OF LONG ISLAND, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2018

Note 4 - Mortgage Payable

During April 2006, the organization entered into a 15 year mortgage agreement with a bank. The Original amount of the mortgage was \$550,000. The mortgage provides for monthly payments of \$3, 856 for principal and interest on the outstanding balance at 6.81% per annum. The mortgage is secured by the underlying facility. The Mortgage matures in March 2021, at which time a balloon payment of \$334,129 is due.

On March 27, 2015 the Organization refinanced the mortgage with Capital One. As of March 18, 2015 the interest rate will be reduced to 5.1%. The monthly payment will now be \$3,430.50 a month for principal and interest. A balloon payment of \$326,371 (estimated) will be due on March 7, 2021).

The mortgage principal is scheduled to be repaid as follows during the years ending December 31,

2019	22,720
2020	23,906
2021	326,371
 Total	 \$ 372,997

Note 5- Property, Plant and Equipment

As of December 31, 2018 and 2017 Property, Plant and Equipment consists of the following:

	December 31, 2018	December 31, 2017
Land	\$ 72,580	\$ 72,580
Building and Building Improvements	1,084,617	1,075,914
Furniture and Equipment	272,478	272,478
Vehicles	63,821	63,821
Property, Plant and equipment at cost	1,493,496	1,484,793
Less: Accumulated Depreciation	679,825	646,267
Property, Plant and Equipment (net)	\$ 813,671	\$ 838,526

Fixed assets are recorded at cost or, if contributed, at fair value at the date of contribution and were depreciated using the straight line method over the estimated useful lives. Depreciation expense amounted to \$33,558 and \$27,364 for the years ended December 31, 2018 and 2017, respectively.

PRONTO OF LONG ISLAND INC
 NOTES TO FINANCIAL STATEMENTS
 AS OF DECEMBER 31, 2018

Note 6 - Availability and Liquidity

The following represents Pronto of Long Island's financial assets at December 31, 2018 and 2017:

Financial assets at year end:	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 123,550	\$ 85,931
Grants receivable	<u>8,250</u>	<u>17,600</u>
Total financial assets	131,800	103,531
Less amounts not available to be used within one year:		
Net assets with donor restrictions	-	-
Less net assets with purpose restrictions to be met in less than a year	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 131,800</u>	<u>\$ 103,531</u>

Pronto of Long Island Inc's goal is generally to maintain financial assets to meet 30 days of operating expenses (approximately \$25,129). Pronto of Long Island Inc has assets to meet its cash flow needs.

Note 7 -Net assets with donor restrictions

Net assets with donor restrictions were as follows for the years ended December 31, 2018 and 2017

Specific purpose	<u>2018</u>	<u>2017</u>
	\$ -	\$ -
Total	<u>\$ -</u>	<u>\$ -</u>

Net assets without donor restrictions for the years ended December 31, 2018 and 2017 were as follows:

	<u>2018</u>	<u>2017</u>
Undesignated	<u>\$ 582,592</u>	<u>\$ -</u>

Note 8 - Subsequent Events

Management has evaluated subsequent events through October 8, 2018 which is the date the financial statements were available to be issued. The company notes that it is not aware of any material subsequent events.