

Report of Independent Auditor
and Financial Statements for
Pronto of Long Island Inc
December 31, 2020 and 2019

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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, 2020 and 2019 and the related statements of activities, functional expenses and cash flows for the years then ended and the notes to the financial statements.

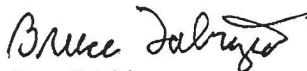
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United State of America: these include the design, implementation, and maintenance of internal control relevant to the preparation and fair 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, 2020 and 2019 and the related results of its activities for the years ended December 31, 2020 and 2019 and cash flows for the years ended December 31, 2020 and 2019 in conformity with generally accepted accounting principles in the United States of America.



Bruce Fabrizio
Certified Public Accountant
May 27, 2021

PRONTO OF LONG ISLAND, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020 AND 2019

ASSETS:	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current assets:		
Cash and cash equivalents	\$ 516,104	\$ 135,530
Grants receivable	30,400	16,211
Inventory	45,000	27,650
Prepaid Expenses	2,500	-
Gift cards	691	575
Total current assets	<u>594,695</u>	<u>179,966</u>
Property, Plant and Equipment (net)	<u>746,513</u>	<u>780,113</u>
TOTAL ASSETS	<u><u>\$ 1,341,208</u></u>	<u><u>\$ 960,079</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 7,207	\$ 6,915
Payroll Liabilities payable	1,475	427
Deferred Revenue	152,500	-
Deferred Employee Benefit	250	-
Note payable (current portion)	23,422	22,406
Total current liabilities	<u>184,854</u>	<u>29,748</u>
Long Term Liabilities:		
Loan Payable - PPP Loan (see note 8)	30,146	-
Note Payable- Mortgage (Long Term Portion)	309,598	328,180
Loan Payable - SBA EIDL (see note 9)	150,000	-
Total Long Term Liabilities	<u>489,744 -</u>	<u>328,180</u>
TOTAL LIABILITIES	<u>674,598</u>	<u>357,928</u>
NET ASSETS:		
Without donor restrictions	666,610	602,151
With Donor restrictions	<u> </u>	<u> </u>
Total net assets	<u>666,610</u>	<u>602,151</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 1,341,208</u></u>	<u><u>\$ 960,079</u></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, 2020

	Without Donor Restrictions	With Donor Restrictions	Total	
Operations				
REVENUES AND OTHER SUPPORT				
Contributions	\$ 233,317	\$ -	\$ 233,317	12.28%
Grants	165,696	-	165,696	8.72%
In-kind donations	1,465,000	-	1,465,000	77.12%
Fundraising	3,826	-	3,826	0.20%
Other Income	31,678	-	31,678	1.67%
Total revenues and other support	<u>1,899,517</u>	<u>-</u>	<u>1,899,517</u>	100.00%
EXPENSES:				
Program expenses	1,732,068	-	1,732,068	94.39%
Support services:				
Management and General	99,572	-	99,572	5.43%
Fundraising	<u>3,418</u>	<u>-</u>	<u>3,418</u>	0.19%
Total expenses	<u>1,835,058</u>	<u>-</u>	<u>1,835,058</u>	100.00%
Change in net assets from operations	64,459	-	64,459	
Nonoperating activities				
Investment return, net	-	-	-	
Total nonoperating activities	-	-	-	
Change in net assets	64,459	-	64,459	
Net assets, beginning of year	<u>602,151</u>	<u>-</u>	<u>602,151</u>	
Net assets, end of year	<u>\$ 666,610</u>	<u>\$ -</u>	<u>\$ 666,610</u>	

See independent auditor's report and notes to financial statements

PRONTO OF LONG ISLAND INC
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total	
Operations				
REVENUES AND OTHER SUPPORT				
Contributions	R \$ 99,696	\$ -	\$ 99,696	6.24%
Grants	53,538 P	-	53,538	3.35%
In-kind donations	1,313,749 P	-	1,313,749	82.25%
Fundraising	R 75,052	-	75,052	4.70%
Other Income	55,324 P	-	55,324	3.46%
Total revenues and other support	<u>1,597,359</u>	<u>-</u>	<u>1,597,359</u>	100.00%
EXPENSES:				
Program expenses	1,475,151	-	1,474,469	93.49%
Support services:				
Management and General	99,666	-	100,258	6.32%
Fundraising	<u>2,983</u>	<u>-</u>	<u>3,073</u>	0.19%
Total expenses	<u>1,577,800</u>	<u>-</u>	<u>1,577,800</u>	100.00%
Change in net assets from operations	19,559	-	19,559	
Nonoperating activities				
Investment return, net	-	-	-	
Total nonoperating activities	-	-	-	
Change in net assets	19,559	-	19,559	
Net assets, beginning of year	<u>582,592</u>	<u>-</u>	<u>582,592</u>	
Net assets, end of year	<u>\$ 602,151</u>	<u>\$ -</u>	<u>\$ 602,151</u>	

See independent auditor's report and notes to financial statements

PRONTO OF LONG ISLAND, INC.
STATEMENTS OF CASH FLOWS
AS OF DECEMBER 31, 2020 AND 2019

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase(decrease)in Net Assets	\$ 64,459	\$ 19,559
Change in assets		
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation and Amortization	33,600	33,558
Changes in assets increase (decrease)		
Grants receivable	(14,189)	(7,961)
Inventories	(17,350)	(2,514)
Other current assets	(2,616)	249
Changes in liabilities increase (decrease)		
Accounts payable	1,340	(8,505)
Deferred revenue	152,500	-
Other current liabilities	250	-
Net cash provided (used) by operating activities	<u>217,994</u>	<u>34,386</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Acquired debt	180,146	-
Payment of notes	<u>(17,566)</u>	<u>(22,406)</u>
Net cash (used) provided by financing activities	<u>162,580</u>	<u>(22,406)</u>
NET INCREASE (DECREASE) IN CASH	380,574	11,980
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>135,530</u>	<u>123,550</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 516,104</u>	<u>\$ 135,530</u>
Supplemental Disclosures of Cash Flow Information::		
Cash Paid for interest	<u>\$ 13,308</u>	<u>\$ 18,760</u>
Cash paid for taxes	<u>\$ 175</u>	<u>\$ 125</u>

See independent auditor's report and notes to financial statements

PRONTO OF LONG ISLAND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2020

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 101,570	\$ 48,753	\$ 632	\$ 150,955
Payroll Taxes and employee benefits	14,442	7,898	226	22,566
Auto and Truck	5,927	-	-	5,927
Bank Charges	-	1,378	-	1,378
Bookkeeping	-	9,600	-	9,600
Community Events	2,274	-	-	2,274
Depreciation	28,896	4,032	672	33,600
Dues and Subscriptions	-	226	-	226
Filing Fees	-	175	-	175
Insurance	18,862	2,632	439	21,933
Interest	11,445	1,597	266	13,308
Office Expense	15,089	2,105	351	17,545
Outside Services	64,388	-	-	64,388
Postage	-	1,226	-	1,226
Professional Fees	-	6,200	-	6,200
Programs	1,433,378	-	-	1,433,378
Sanitation	-	8,755	-	8,755
Repairs	17,363	2,423	403	20,189
Utilities	18,434	2,572	429	21,435
	<u>\$ 1,732,068</u>	<u>\$ 99,572</u>	<u>\$ 3,418</u>	<u>\$ 1,835,058</u>

See independent auditor's report and notes to financial statements

PRONTO OF LONG ISLAND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2019

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 78,370	\$ 46,075	\$ -	\$ 124,445
Payroll Taxes and employee benefits	18,921	11,113	-	30,034
Auto and Truck	8,962	-	-	8,962
Bank Charges	-	674	-	674
Bookkeeping	-	8,800	-	8,800
Community Events	1,740	-	-	1,740
Depreciation	28,860	4,027	671	33,558
Filing Fees	-	125	-	125
Insurance	16,720	2,333	398	19,451
Interest	16,134	2,251	375	18,760
Office Expense	7,658	1,069	178	8,905
Outside Services	20,966	2,925	488	24,379
Postage	-	550	-	550
Professional Fees	-	6,000	-	6,000
Programs- food & Thrift distribution	1,239,305	-	-	1,239,305
Sanitation	-	8,490	-	8,490
Repairs	15,453	2,156	359	17,968
Utilities	22,062	3,078	514	25,654
TOTAL ADMINISTRATIVE EXPENSE:	\$ 1,475,151	\$ 99,666	\$ 2,983	\$ 1,577,800

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

PRONTO OF LONG ISLAND, INC.
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2020

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 counseling 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.

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 maturity of three months or less from the date of purchase, except for those amounts that are held in investment portfolio which are invested for long term purposes.

PRONTO OF LONG ISLAND, INC.
NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2020

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, 2020, Pronto of Long Island, Inc's Grants Receivable consisted of promises of \$30,400 expected to be collected within one year.

Advertising Costs

The Organization uses advertising to promote 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 restricted 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, 2020

Note 2 - Summary of Significant Accounting Policies (continued)

In-kind donations

Pronto of Long Island Inc received donated food from various sources of \$1,465,000 for the year the ended December 31, 2020. The Thrift Center inventory is measured at the estimated value of what the Organization believes it can receive in donations for such inventory. Thrift Center 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, 2020

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.

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.

Note 5- Property, Plant and Equipment

As of December 31, 2020 and 2019 Property, Plant and Equipment consists of the following:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Land	\$ 72,580	\$ 72,580
Building and Building Improvements	1,084,617	1,084,617
Furniture and Equipment	272,478	272,478
Vehicles	63,821	63,821
Property, Plant and equipment at cost	<u>1,493,496</u>	<u>1,493,496</u>
Less: Accumulated Depreciation	<u>746,983</u>	<u>713,383</u>
Property, Plant and Equipment (net)	<u>\$ 746,513</u>	<u>\$ 780,113</u>

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 \$33,600 and \$33,558 for the years ended December 31, 2020 and 2019, respectively.

PRONTO OF LONG ISLAND INC
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2020

Note 6 - Availability and Liquidity

The following represents Pronto of Long Island's financial assets at December 31, 2019 and 2018:

Financial assets at year end:	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 516,104	\$ 135,530
Grants receivable	<u>30,400</u>	<u>27,650</u>
Total financial assets	546,504	163,180
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>\$ 546,504</u>	<u>\$ 163,180</u>

Pronto of Long Island Inc's goal is generally to maintain financial assets to meet 30 days of operating expenses (approximately \$33,286)

Note 7 -Net assets with donor restrictions

Net assets with donor restrictions were as follows for the years ended December 31, 2020 and 2019

Specific purpose	<u>2020</u>	<u>2019</u>
	\$ -	\$ -
Total	<u>\$ -</u>	<u>\$ -</u>

Net assets without donor restrictions for the years ended December 31, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Undesignated	<u>\$ 666,610</u>	<u>\$ 602,151</u>

Note 8 - PPP Loan

In May 2020 Pronto received a loan from the Payroll Protection Program for \$30,146. The loan was forgiven on January 15, 2021. At that time the loan was closed out and treated as a Government Grant.

Note 9 - EIDL LOAN

On July 15, 2020 Pronto received from the SBA a Economic Relief Disaster Loan for covid purposes. The loan was for \$150,000.

PRONTO OF LONG ISLAND INC.
NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2020

Note 10 - Subsequent Events

Management has evaluated subsequent events through May 27, 2021 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.

In 2020 and 2021 there was a worldwide pandemic. It will have an effect of the entity but will not stop the operation on the entity.

On February 26, 2021 the agency refinanced the principal portion of their mortgage in the amount of \$329,075.56. The note has a 15 year amortization with an interest rate of 3.32%.