

Report of Independent Auditor  
and Financial Statements for  
Pronto of Long Island Inc  
December 31, 2019 and 2018

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PRONTO OF LONG ISLAND, INC.  
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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, 2019 and 2018 and the related statements of activities, functional expenses and cash flows for the years then ended and the notes to the financial statements.

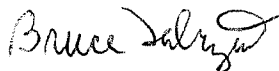
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United State of America: these include the design, implementation, and maintenance of internal control relevant to the preparation and fair 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 materjal 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, 2019 and 2018 and the related results of its activities for the years ended December 31, 2019 and 2018 and cash flows for the years ended December 31, 2019 and 2018 in conformity with generally accepted accounting principles in the United States of America.



Bruce Fabrizio  
Certified Public Accountant  
November 8, 2020

**PRONTO OF LONG ISLAND, INC.  
STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2019 AND 2018**

ASSETS:	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Current assets:		
Cash and cash equivalents	\$ 135,530	\$ 123,550
Grants receivable	16,211	8,250
Inventory	27,650	25,136
Employee advances	-	455
Gift cards	575	374
Total current assets	<u>179,966</u>	<u>157,765</u>
Property, Plant and Equipment (net)	<u>780,113</u>	<u>813,671</u>
 TOTAL ASSETS	 <u>\$ 960,079</u>	 <u>\$ 971,436</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 6,915	\$ 14,711
Payroll Liabilities payable	427	1,136
Note payable (current portion)	22,406	22,720
Total current liabilities	<u>29,748</u>	<u>38,567</u>
Long Term Liabilities:		
Note Payable (Long Term Portion)	<u>328,180</u>	<u>350,277</u>
TOTAL LIABILITIES	<u>357,928</u>	<u>388,844</u>
 <b>NET ASSETS:</b>		
Without donor restrictions	602,151	582,592
With Donor restrictions	<u>-</u>	<u>-</u>
Total net assets	<u>602,151</u>	<u>582,592</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 960,079</u>	<u>\$ 971,436</u>

See independent auditor's report and noted 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				
<b>REVENUES AND OTHER SUPPORT</b>				
Contributions	\$ 99,696	\$ -	\$ 99,696	6.24%
Grants	53,538		53,538	3.35%
In-kind donations	1,313,749	-	1,313,749	82.25%
Fundraising	75,052	-	75,052	4.70%
Other Incr	55,324	-	55,324	3.46%
Total revenues and other support	1,597,359	-	1,597,359	100.00%
 <b>EXPENSES:</b>				
Program expenses	1,475,151	-	1,474,469	93.49%
Support services:				
Management and General	99,666	-	100,258	6.32%
Fundraising	2,983	-	3,073	0.19%
Total expenses	1,577,800	-	1,577,800	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	582,592	-	582,592	
Net assets, end of year	\$ 602,151	\$ -	\$ 602,151	

See independent auditor's report and notes 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				
<b>REVENUES AND OTHER SUPPORT</b>				
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%
 <b>EXPENSES:</b>				
	-	-	-	
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.**  
**STATEMENTS OF CASH FLOWS**  
**AS OF DECEMBER 31, 2019 AND 2018**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase(decrease)in Net Assets	\$ 19,559	\$ 24,278
Change in assets		
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation and Amortization	33,558	33,558
Changes in assets increase (decrease)		
Grants receivable	(7,961)	9,350
Inventories	(2,514)	(2,696)
Other current assets	249	(319)
Changes in liabilities increase (decrease)		
Accounts payable	(8,505)	3,430
Net cash provided (used) by operating activities	<u>34,386</u>	<u>67,601</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	<u>-</u>	<u>(8,703)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of notes	<u>(22,406)</u>	<u>(21,279)</u>
Net cash (used) provided by financing activities	<u>(22,406)</u>	<u>(21,279)</u>
NET INCREASE (DECREASE) IN CASH	11,980	37,619
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>123,550</u>	<u>85,931</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 135,530</u>	<u>\$ 123,550</u>
Supplemental Disclosures of Cash Flow Information::		
Cash Paid for interest	<u>\$ 18,760</u>	<u>\$ 19,886</u>
Cash paid for taxes	<u>\$ 125</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, 2019**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
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
<b>TOTAL ADMINSTRATIVE EXPENSE:</b>	<b><u>\$ 1,475,151</u></b>	<b><u>\$ 99,666</u></b>	<b><u>\$ 2,983</u></b>	<b><u>\$ 1,577,800</u></b>

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



**PRONTO OF LONG ISLAND, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS 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.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2019**

**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 resources, 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 maturity of three months or less of 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, 2019**

**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, 2019, Pronto of Long Island, Inc's Grants Receivable consisted of promises of \$16,211 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, 2019**

**Note 2 - Summary of Significant Accounting Policies (continued)**

**In-kind donations**

Pronto of Long Island Inc received donated food from various sources of \$1,217,565 for the year the ended December 31, 2019. The Thrift Center inventory is measured at the estimated value of what the Organization believes it can receive in donations for such inventory for. 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, 2019**

**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. A balloon payment of \$326,680 (estimated) will be due on March 7, 2021).

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

2020	23,906
2021	302,774
 Total	<u>\$ 326,680</u>

**Note 5- Property, Plant and Equipment**

As of December 31, 2019 and 2018 Property, Plant and Equipment consists of the following:

	<u>December 31, 2019</u>	<u>December 31, 2018</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>713,383</u>	<u>679,825</u>
Property, Plant and Equipment (net)	<u>\$ 780,113</u>	<u>\$ 813,671</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 \$33,558 and \$33,558 for the years ended December 31, 2019 and 2018, 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, 2019 and 2018:

Financial assets at year end:	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 135,530	\$ 123,550
Grants receivable	<u>27,650</u>	<u>8,250</u>
Total financial assets	163,180	131,800
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>\$ 163,180</u>	<u>\$ 131,800</u>

Pronto of Long Island Inc's goal is generally to maintain financial assets to meet 30 days of operating expenses (approximately \$28, 620)

**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>2019</u>	<u>2018</u>
	\$ -	\$ -
Total	<u>\$ -</u>	<u>\$ -</u>

Net assets without donor restrictions for the years ended December 31, 2019 and 2018 were as follows:

Undesignated	<u>2019</u>	<u>2018</u>
	<u>\$ 602,151</u>	<u>\$ 582,592</u>

**Note 8 - Subsequent Events**

Management has evaluated subsequent events through November 8, 2020, 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.

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