

**COMMUNITY RESOURCES AND SERVICE CENTER, INC.
D/B/A PAWLING RESOURCE CENTER**

**FINANCIAL STATEMENTS AND
INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2023

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Community Resources and Service Center, Inc.
d/b/a Pawling Resource Center

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Independent Accountant's Review Report

To the Board of Directors of
Community Resources and Service Center, Inc.
d/b/a Pawling Resource Center

We have reviewed the accompanying financial statements of Community Resources and Service Center, Inc., d/b/a Pawling Resource Center (not-for-profit Organization) which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Community Resources and Service Center, Inc., d/b/a Pawling Resource Center, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Independent Accountant's Review Report - (Continued)

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Frank E. Malara, CPA, P.C.
Armonk, New York
November 7, 2024

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Community Resources and Service Center, Inc.
d/b/a Pawling Resource Center
Statement of Financial Position
December 31, 2023

Assets

Current Assets:

Cash and cash equivalents	\$ 235,284
Other receivable	23
Prepaid insurance	1,990
Investments	<u>104,356</u>

Total current assets	<u>341,653</u>
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Property and equipment, net of accumulated depreciation of \$19,515	<u>60,512</u>
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Total Assets	<u><u>\$ 402,165</u></u>
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Liabilities and Net Assets

Current Liabilities:

Accounts payable and accrued expenses	<u>\$ 10,176</u>
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Total current liabilities	<u>10,176</u>
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Net Assets:

Without donor restrictions	391,989
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With donor restrictions	<u>-</u>
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Total net assets	<u>391,989</u>
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Total Liabilities and Net Assets	<u><u>\$ 402,165</u></u>
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See Independent Accountant's Review Report and Notes to the Financial Statements.

Community Resources and Service Center, Inc.
d/b/a Pawling Resource Center
Statement of Activities
For the Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue:			
Contributions	\$ 142,344	\$ -	\$ 142,344
Grants	58,232	-	58,232
Special events	29,621	-	29,621
In-kind contributions	146,383	-	146,383
Investment income, net	13,016	-	13,016
Gain on sale of transportation equipment	6,200	-	6,200
Net assets released from restriction	<u>2,000</u>	<u>(2,000)</u>	<u>-</u>
 Total revenue	 <u>397,796</u>	 <u>(2,000)</u>	 <u>395,796</u>
Expenses:			
Programs	334,271	-	334,271
Management and general	36,022	-	36,022
Fundraising	<u>17,313</u>	<u>-</u>	<u>17,313</u>
 Total expenses	 <u>387,606</u>	 <u>-</u>	 <u>387,606</u>
 Change in net assets	 10,190	 (2,000)	 8,190
 Net assets - beginning of year	 <u>381,799</u>	 <u>2,000</u>	 <u>383,799</u>
 Net assets - end of year	 <u><u>\$ 391,989</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ 391,989</u></u>

See Independent Accountant's Review Report and Notes to the Financial Statements.

Community Resources and Service Center, Inc.
d/b/a Pawling Resource Center
Statement of Functional Expenses
For the Year Ended December 31, 2023

	<u>Programs</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and payroll taxes	\$ 118,021	\$ 6,557	\$ 6,557	\$ 131,135
Food pantry	126,928	-	-	126,928
Adopt-a-Family program	9,660	-	-	9,660
School supplies	8,160	-	-	8,160
Rent and occupancy	10,800	3,600	3,600	18,000
Utilities	3,156	175	175	3,506
Insurance	8,742	965	252	9,959
Repairs and maintenance	23,787	4,935	2,984	31,706
Automobile expenses	4,222	101	-	4,323
Equipment maintenance	2,258	-	398	2,656
Office expense	2,178	353	549	3,080
Computer expense	1,549	103	413	2,065
Telephone and internet	2,550	142	142	2,834
Printing, publications and postage	612	1,189	2,243	4,044
Accounting fees	-	10,100	-	10,100
Management consultant	1,143	-	-	1,143
Marketing and advertising	1,845	4,461	-	6,306
Payroll service fees	-	2,069	-	2,069
Professional dues	-	1,272	-	1,272
Depreciation	8,660	-	-	8,660
Total expenses	\$ 334,271	\$ 36,022	\$ 17,313	\$ 387,606

See Independent Accountant's Review Report and Notes to the Financial Statements.

Community Resources and Service Center, Inc.
d/b/a Pawling Resource Center
Statement of Cash Flows
For the Year Ended December 31, 2023

Cash flows from operating activities:

Change in net assets	\$ 8,190
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	8,660
Realized gain on sale of transportation equipment	(6,200)
Realized loss on sale of investments	1,209
Unrealized gain on investments	(11,024)
Changes in operating assets and liabilities	
Grant receivable	2,000
Prepaid insurance	(220)
Accounts payable and accrued expenses	8,224
	10,839
Net cash provided by operating activities	10,839

Cash flows from investing activities:

Capital expenditures	(58,008)
Purchase of investments	(7,180)
Proceeds from sale of investments	5,194
Proceeds from sale of transportation equipment	6,200
	(53,794)
Net cash used by investing activities	(53,794)

Net change in cash and cash equivalents (42,955)

Cash and cash equivalents - beginning of year 278,239

Cash and cash equivalents - end of year \$ 235,284

See Independent Accountant's Review Report and Notes to the Financial Statements.

Community Resources and Service Center, Inc.
d/b/a Pawling Resource Center
Notes to Financial Statements
December 31, 2023

Note 1 - Organization and Taxation

Community Resources and Service Center, Inc., d/b/a Pawling Resource Center (the “Organization”), located in Pawling, New York, was incorporated in the State of New York on March 26, 1976 as a not-for-profit organization. The mission of the Organization is to aid individuals and their families who are in need of financial assistance and to provide information, referrals and tangible services to the Pawling community. The Organization is a focal point for vital services which assist community residents to remain in their homes and experience a better quality of life. These services include transportation to medical appointments provided by volunteers at no charge, a food pantry which supplies a wide variety of options to numerous clients, and a medical loan closet which allows for the use of equipment to enhance mobility and personal hygiene. The Organization also has season of giving programs, including holiday food drives and an Adopt-a-Family program and provides ongoing information and referral services for the community as well as photocopying services available on request for other local not-for-profit organizations. The Organization receives its support from contributions, grants and special events.

Tax Exempt Status

The Organization has been granted tax-exempt status under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for federal and state income taxes has been recorded in the accompanying financial statements. The Organization has been classified as an organization that is not a private foundation under Section 509(a) and has been designated as a publicly supported organization under Section 170(b)(1)(A)(vi). Contributions to the Organization are tax-deductible within the limitations prescribed by the Internal Revenue Code. The Organization’s Form 990, *Return of Organization Exempt from Income Tax* for the years ended December 31, 2022, 2021 and 2020 are subject to examination by the IRS, generally for three years after they were filed. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization did not recognize any tax related interest and/or penalties in the accompanying financial statements but would record any such interest and/or penalties as a component of other expense.

Note 2 - Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

Community Resources and Service Center, Inc.
d/b/a Pawling Resource Center
Notes to Financial Statements
December 31, 2023

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

Basis of Presentation

The accompanying financial statements are presented on the accrual basis of accounting. Accordingly, revenue is recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation

Net assets are classified based on the presence or absence of donor-imposed restrictions. Resources for various purposes are classified for accounting and reporting purposes into net asset categories established according to nature and purpose as follows:

Net assets without donor restrictions - net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objective of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors.

Net assets with donor restrictions - net assets that are subject to stipulations imposed by the donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Contributions

The Organization reports gifts of cash and other assets as net assets with donor restrictions if they are received with donor stipulations that limit the use of donated assets. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions that are received and expended in the same year are classified as net assets without donor restrictions.

Unconditional pledges of contributions evidenced by verifiable documentation are recognized as support upon the receipt of the pledge. The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Community Resources and Service Center, Inc.
d/b/a Pawling Resource Center
Notes to Financial Statements
December 31, 2023

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

Cash and Cash Equivalents

Cash and cash equivalents include money market funds.

Investments

Investments in mutual funds and exchange-traded funds with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income (deficit) are reported as increases (decreases) in net assets without donor restrictions since its use is unrestricted.

Fair Value Measurements

“Fair Value Measurements and Disclosures” establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. “Fair Value Measurements and Disclosures” defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price” in an orderly transaction between market participants).

In determining fair value, the Organization uses various valuation approaches, including market, income and/or cost approaches. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) measurements, and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under “Fair Value Measurements and Disclosures” and the Associations’ related types are described below:

Level 1 inputs: Quoted prices of identical instruments in active markets.

Level 2 inputs: Quoted prices of similar instruments in active markets; quoted prices of identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 inputs: Significant inputs to the valuation model are unobservable.

The financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying assets and liabilities.

Community Resources and Service Center, Inc.
d/b/a Pawling Resource Center
Notes to Financial Statements
December 31, 2023

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

Property and Equipment

Property and equipment are recorded at cost if purchased or at the estimated fair values on the day of receipt if contributed and are depreciated using the straight-line method over the estimated useful lives of the respective assets (5-10 years). Expenditures for maintenance and repairs are charged to expense and renewals and betterments in excess of \$500 are capitalized. Upon sale or retirement, the cost of the asset and the related accumulated depreciation are removed from the accounts and the resulting gain or loss is included in the statement of activities.

Revenue Recognition

The Financial Accounting Standards Board (FASB) issued guidance that created Accounting Standards Codification Topic 606, (“ASC 606”) Revenue from Contracts with Customers. This topic requires the recognition of revenue when performance obligations under the terms of the contracts with customers are satisfied. Revenue is recognized in an amount that reflects the consideration to which an entity expects to be entitled to in exchange for those goods or services. The revenue recognition guidance does not apply to how contributions and promises to give are recognized, as they are specifically scoped out of the guidance.

The Organization recognizes revenue from exchange transactions related to fundraising events when the fundraising event has been held and collectability is assured. Revenue received for future events is deferred and recognized as revenue when the event is held.

Contributed Services

A number of volunteers donate a significant amount of their time to the operations and mission of the Organization. No amounts have been recognized in the financial statements for donated services as no objective basis is available to measure the value of such services.

Functional Allocation of Expenses

The Organization’s costs of providing the various program and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs not specifically charged to a program or support service category have been allocated in reasonable ratios as determined by management.

Community Resources and Service Center, Inc.
d/b/a Pawling Resource Center
Notes to Financial Statements
December 31, 2023

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

Liquidity and Availability of Resources

The Organization regularly monitors liquidity required to meet its annual operating needs and other contractual commitments. The following reflects the Organization’s financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of December 31, 2023:

Financial assets at year end:

Cash and cash equivalents	\$ 235,284
Investments	104,356
Other receivable	23
Total financial assets	339,663
Less amounts not available to be used within one year	-
Financial assets available to meet general expenditures over the next year	\$ 339,663

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs were \$6,306 for the year ended December 31, 2023.

Note 3 - Concentration of Credit Risk

The Organization maintains its cash and cash equivalents in various financial institutions. Certain balances are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000 per institution. At December 31, 2023, there were no uninsured balances.

Note 4 - Investments

Investments consisted of the following at December 31, 2023:

	Cost	Fair Value
Mutual funds	\$ 53,653	\$ 54,635
Exchange-traded funds	48,736	49,721
Total	\$ 102,389	\$ 104,356

Community Resources and Service Center, Inc.
d/b/a Pawling Resource Center
Notes to Financial Statements
December 31, 2023

Note 4 - Investments - (continued)

Investment loss consists of the following for the year ended December 31, 2023:

Interest and dividend income	\$ 4,489
Realized loss on sale of investments	(1,209)
Unrealized gain on investments	11,024
Investment management fees	(1,288)
	<u>\$ 13,016</u>

Note 5 - Fair Value Measurements

Fair value of assets measured on a recurring basis at December 31, 2023 consist of the following:

Fair Value Measurements Using:

	Fair Value	Quoted Market Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 54,635	\$ 54,635	\$ -	\$ -
Exchange-traded funds	49,721	49,721	-	-
Total	\$ 104,356	\$ 104,356	\$ -	\$ -

Fair value for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

Note 6 - Property and Equipment

A summary of property and equipment is as follows for the year ended December 31, 2023:

Transportation equipment	\$ 36,889
Office equipment	13,869
Food pantry equipment	29,269
	80,027
Less: accumulated depreciation	(19,515)
Property and equipment, net	\$ 60,512

Community Resources and Service Center, Inc.
d/b/a Pawling Resource Center
Notes to Financial Statements
December 31, 2023

Note 6 - Property and Equipment - (continued)

Depreciation expense for the year ended December 31, 2023 was \$8,660.

Note 7 - Net Assets With Donor Restrictions

Net assets with donor restrictions were available for the following purpose:

None	\$ -
Net assets released from restriction:	
Purchase of appliances	\$ 2,000

Note 8 - Commitments

The Organization conducts its Pawling, NY operations in approximately 2,300 square feet of office space rented from the Historical Society of Quaker Hill and Vicinity, Inc. under the terms of a lease agreement effective April 6, 1983 through April 6, 2033 which specifies annual rent of \$1. The original agreement was for a ten year term with an option to extend and renew the lease for eight additional terms of ten years each, of which four terms remain. All costs of internal upkeep, maintenance, heat and electric are paid by the Organization on the portion of the space occupied. Future minimum lease payments required under the operating lease are \$1 per year through the year ending December 31, 2033.

It was estimated by a consultant to the Organization that the rental fair market value is \$18,000 per year, since there are certain restrictions on the use of the facility. In-kind contributions in the amount of \$17,999 are recognized for the year ended December 31, 2023 based on the estimated rent less the \$1 paid by the Organization.

Note 9 - Special Events

The Organization hosts special events on an annual basis to raise monies in support of its mission. Special event expense include costs associated with hosting the events. During 2023, the special event was the annual Walkathon, which brought in revenue of \$29,621 and typically does not have any expenses paid by the Organization.

Community Resources and Service Center, Inc.
d/b/a Pawling Resource Center
Notes to Financial Statements
December 31, 2023

Note 10 - Donated Goods

The Organization receives food donations and credits, gifts for their Adopt-a-Family program, supplies, rent (as disclosed in Note 8) and various other items which are recognized in the financial statements at their fair market value which is offset with a corresponding expense. There is no effect on the change in net assets. During the year ended December 31, 2023, the Organization received \$146,383 in donated goods. This amount has been reported as in-kind contributions on the statement of activities and in their natural expense classification on the statement of functional expenses.

Note 11 - Subsequent Events

Management has evaluated subsequent events through November 7, 2024, the date which the financial statements were available to be issued. Management has determined that there are no subsequent events that require disclosure in these financial statements.

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