

**West Side Campaign Against Hunger**  
(A Program of the Church of St. Paul and St. Andrew)

Financial Statements

June 30, 2009 and 2008



O'Connor Davies Munns & Dobbins, llp  
ACCOUNTANTS AND CONSULTANTS

## Independent Auditors' Report

### **The Board of Trustees West Side Campaign Against Hunger**

We have audited the accompanying statements of financial position of West Side Campaign Against Hunger ("WSCAH") as of June 30, 2009 and 2008, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of WSCAH's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WSCAH's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of West Side Campaign Against Hunger as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*O'Connor Davies Munns & Dobbins, LLP*

New York, New York  
September 14, 2009

## West Side Campaign Against Hunger

### Statements of Financial Position

June 30,

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 721,633	\$ 621,999
Grants receivable	172,733	101,218
Investments	44,194	42,526
Due from the Church of St. Paul and St. Andrew	1,248	2,457
Property and equipment, net	103,708	114,059
Other assets	<u>1,288</u>	<u>666</u>
	<u>\$ 1,044,804</u>	<u>\$ 882,925</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 12,000	\$ 19,558
Deferred revenue	<u>4,200</u>	<u>17,674</u>
Total Liabilities	<u>16,200</u>	<u>37,232</u>
Net Assets		
Unrestricted	837,718	672,174
Temporarily restricted	<u>190,886</u>	<u>173,519</u>
Total Net Assets	<u>1,028,604</u>	<u>845,693</u>
	<u>\$ 1,044,804</u>	<u>\$ 882,925</u>

See notes to financial statements

## West Side Campaign Against Hunger

### Statements of Activities

For the Years Ended June 30,

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND SUPPORT</b>						
Program services	\$ 504,737	\$ -	\$ 504,737	\$ 464,722	\$ -	\$ 464,722
Foundation grants	269,755	523,000	792,755	139,250	555,000	694,250
Corporation grants	22,478	-	22,478	25,964	-	25,964
Religious and other institutions	75,502	-	75,502	38,076	-	38,076
Individual contributions	190,342	-	190,342	159,429	-	159,429
Legislative grants	22,000	-	22,000	44,000	-	44,000
Donated food	511,500	-	511,500	385,048	-	385,048
Donated space	23,608	-	23,608	24,795	-	24,795
Interest income	6,791	-	6,791	14,885	-	14,885
Other	1,243	-	1,243	2,087	-	2,087
	<u>1,627,956</u>	<u>523,000</u>	<u>2,150,956</u>	<u>1,298,256</u>	<u>555,000</u>	<u>1,853,256</u>
Net assets released from restrictions	<u>505,633</u>	<u>(505,633)</u>	<u>-</u>	<u>544,526</u>	<u>(544,526)</u>	<u>-</u>
Total Revenue and Support	<u>2,133,589</u>	<u>17,367</u>	<u>2,150,956</u>	<u>1,842,782</u>	<u>10,474</u>	<u>1,853,256</u>
<b>EXPENSES</b>						
Programs	1,714,806	-	1,714,806	1,471,152	-	1,471,152
General and administrative	134,664	-	134,664	88,326	-	88,326
Fundraising	118,575	-	118,575	91,875	-	91,875
Total Expenses	<u>1,968,045</u>	<u>-</u>	<u>1,968,045</u>	<u>1,651,353</u>	<u>-</u>	<u>1,651,353</u>
Change in Net Assets	165,544	17,367	182,911	191,429	10,474	201,903
<b>NET ASSETS</b>						
Beginning of year	<u>672,174</u>	<u>173,519</u>	<u>845,693</u>	<u>480,745</u>	<u>163,045</u>	<u>643,790</u>
End of year	<u>\$ 837,718</u>	<u>\$ 190,886</u>	<u>\$ 1,028,604</u>	<u>\$ 672,174</u>	<u>\$ 173,519</u>	<u>\$ 845,693</u>

See notes to financial statements

## West Side Campaign Against Hunger

### Statements of Functional Expenses

For the Years Ended June 30,

	2009				2008			
	Programs	General and Administrative	Fundraising	Total	Programs	General and Administrative	Fundraising	Total
Salaries	\$ 467,605	\$ 79,520	\$ 82,542	\$ 629,667	\$ 455,670	\$ 28,107	\$ 64,523	\$ 548,300
Payroll taxes and benefits	136,995	23,298	24,183	184,476	120,950	7,460	17,127	145,537
Purchase of services	18,520	2,500	-	21,020	15,680	30,000	-	45,680
Audit	-	17,200	-	17,200	-	12,300	-	12,300
Occupancy	55,216	1,453	1,453	58,122	50,692	1,334	1,334	53,360
Donated space	22,428	590	590	23,608	19,000	500	500	20,000
Equipment	7,027	205	222	7,454	4,681	69	88	4,838
Renovation	-	-	-	-	537	1,361	1,261	3,159
Volunteer incentives	26,586	-	-	26,586	26,731	-	-	26,731
Transportation	828	475	321	1,624	704	404	273	1,381
Printing and supplies (Includes \$40,000 of in-kind annual report design)	55,923	-	-	55,923	22,318	-	-	22,318
Food	385,143	-	-	385,143	342,114	-	-	342,114
Donated food	511,499	-	-	511,499	385,048	-	-	385,048
Communications	10,865	5,553	6,651	23,069	5,913	3,041	3,949	12,903
Computer services	1,085	1,897	112	3,094	518	1,597	54	2,169
Miscellaneous	6,081	1,559	1,569	9,209	9,153	1,801	1,974	12,928
Depreciation	9,005	414	932	10,351	11,443	352	792	12,587
<b>Total</b>	<b><u>\$ 1,714,806</u></b>	<b><u>\$ 134,664</u></b>	<b><u>\$ 118,575</u></b>	<b><u>\$ 1,968,045</u></b>	<b><u>\$ 1,471,152</u></b>	<b><u>\$ 88,326</u></b>	<b><u>\$ 91,875</u></b>	<b><u>\$ 1,651,353</u></b>

See notes to financial statements

## West Side Campaign Against Hunger

### Statements of Cash Flows

For the Years Ended June 30,

	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 182,911	\$ 201,903
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	10,351	12,587
Change in operating assets and liabilities		
Grants receivable	(71,515)	(5,807)
Due from the Church of St. Paul and St. Andrew	1,209	9,716
Other assets	(622)	1,353
Accounts payable and accrued expenses	(7,558)	6,163
Deferred revenue	<u>(13,474)</u>	<u>(22,057)</u>
Net Cash from Operating Activities	<u>101,302</u>	<u>203,858</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(1,668)	(1,751)
Purchases of equipment	<u>-</u>	<u>(52,335)</u>
Net Cash from Investing Activities	<u>(1,668)</u>	<u>(54,086)</u>
Net Change in Cash and Cash Equivalents	99,634	149,772
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of the year	<u>621,999</u>	<u>472,227</u>
End of the year	<u>\$ 721,633</u>	<u>\$ 621,999</u>

See notes to financial statements

# West Side Campaign Against Hunger

## Notes to Financial Statements

### 1. Organization and Tax Status

West Side Campaign Against Hunger (“WSCAH”) is a program of the Church of St. Paul and St. Andrew (the “Church”). The mission is to eliminate hunger. WSCAH changes public perception of hungry people by working in partnership with them, providing food with dignity and empowering customers to find solutions.

WSCAH provides food, social service counseling and wellness programs. Organized as a supermarket, the Food Pantry provides low income households with food for nine meals each month. Social service counselors assess each household's need, and refer clients to social service agencies for additional support services. A daily Wellness Program encourages customers to adopt a healthy lifestyle providing nutrition education, cooking demonstrations and exercise classes.

WSCAH is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code.

#### *Government Funded programs include:*

- New York State Hunger Prevention & Nutrition Assistance Program (HPNAP):  
HPNAP, in partnership with emergency food relief organizations, is dedicated to improving the health and nutrition status of people in need of food assistance in New York State.
- New York City Department of Youth and Community Development (DYCD):  
DYCD administers the Community Service Block Grant. Funds are awarded to Community-Based Organizations to assist low-income persons overcome barriers to meaningful participation in society.
- New York City Department of Health Managed Care Consumer Assistance Program (MCCAP):  
MCCAP is administered by Community Service Society of New York. Funds are for counseling low-income people in enrollment in health insurance and their effective navigation of health services.
- New York City Human Resource Administration Emergency Food Assistance Program (EFAP):  
EFAP aids emergency food relief organizations by providing food and administrative funds to not for profit food pantries and soup kitchens certified by New York City.
- Emergency Food and Shelter Program (EFSP):  
EFSP was created in 1983 to supplement the work of local social service agencies assisting people in need of emergency food and shelter.

Funding is also provided by foundations, corporations, religious institutions and individual contributions.

# West Side Campaign Against Hunger

## Notes to Financial Statements

### 2. Summary of Significant Accounting Policies

#### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires WSCAH's management to make certain estimates and assumptions relating to the reporting of assets and liabilities and the 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.

#### *Basis of Presentation*

The financial statements report amounts separately by class of net assets based on the presence or absence of donor restrictions. Unrestricted net assets are those currently available at the discretion of the Board for use in WSCAH's operations. Temporarily restricted net assets are stipulated by donors or agreements for specific operating purposes. All contributions are considered available for unrestricted use, unless specifically restricted by the donor or subject to other legal restrictions.

#### *Cash and Cash Equivalents*

Cash and cash equivalents include all highly liquid investments with maturities of three months or less when purchased and consist principally of funds maintained in checking and time deposit accounts.

#### *Government Grants*

Federal, state and other grant awards received for specific purposes are recognized as support and revenue to the extent related expenses are incurred in compliance with the specific grant terms. The unexpended funds are considered refundable advances and reported as advances payable.

#### *Fair Value of Financial Instruments*

WSCAH adopted FASB Statement No. 157 Fair Value Measurements, ("SFAS 157") as of January 1, 2008, which, among other things, defines fair value, establishes a hierarchical framework for measuring fair value and expands disclosure about fair value measurements. SFAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy is organized into three levels based upon the assumptions (referred to as "inputs") used in pricing the asset or liability. SFAS 157 states that "observable inputs" reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from independent sources and "unobservable inputs" reflect an entity's own assumptions about the assumptions market participants would use in pricing the asset or liability.

## West Side Campaign Against Hunger

### Notes to Financial Statements

#### 2. Summary of Significant Accounting Policies (continued)

##### *Fair Value of Financial Instruments (continued)*

The fair value hierarchy prioritizes the inputs used in valuation techniques and creates the following three broad levels, with Level 1 being the highest priority:

##### *Level 1 Inputs*

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

##### *Level 2 Inputs*

Level 2 inputs are inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly with fair value being determined through the use of models or other valuation methodologies.

##### *Level 3 Inputs*

Level 3 inputs are unobservable inputs for the asset or liability and are used to the extent that observable inputs do not exist. Level 3 inputs require significant management judgment and estimation. The types of investments which would generally be included in this category include equity and/or debt securities issued by private entities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

As at June 30, 2009 all of WSCAH's investments, bought, sold and held were Level 2 investments. Changes in the fair value of investments are reported in the statement of activities as interest income.

##### *Property and Equipment*

Property and equipment are stated at cost. Costs incurred for repairs and maintenance are charged to expense as incurred. Depreciation is recognized on a straight line basis over the useful lives of such assets as follows:

Furniture and equipment	3 -10 years
Leasehold improvements	Life of lease or useful life if shorter

## West Side Campaign Against Hunger

### Notes to Financial Statements

#### 2. Summary of Significant Accounting Policies (continued)

##### *Donated Goods and Services*

WSCAH receives donated goods and services from various sources. These goods and services would have to be purchased if they had not been donated. The goods and services are recorded at the fair value based on what the cost would have been if WSCAH purchased them. These amounts have been reflected as revenue and expenses in the statement of activities. Donated services rendered by volunteers are not recorded as revenue and expenses because they do not meet the criteria for recognition in the financial statements.

##### *Allocation of Expenses*

The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. Such allocations are determined by management in accordance with grant provisions or by another equitable basis.

##### *Accounting for Uncertainty in Income Taxes*

WSCAH's current accounting policy is to provide liabilities for uncertain tax positions when a liability is probable and estimable. Management of WSCAH is not aware of any violation of its tax status as an organization exempt from income taxes, nor of any exposure to unrelated business income tax.

##### *Subsequent Events Evaluation by Management*

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is September 14, 2009.

## West Side Campaign Against Hunger

### Notes to Financial Statements

#### 3. Grants Receivable

Grants receivable are deemed to be fully collectible by management and consist of the following at June 30:

	<u>2009</u>	<u>2008</u>
Hunger Prevention and Nutrition Assistance Program	\$13,414	\$48,520
Department of Youth and Community Development	1,169	26,476
Community Service Society of New York	25,806	21,979
Emergency Food Assistance Program Others	12,344	3,000
Department For The Aging	10,000	184
Mazon	10,000	-
Robin Hood Foundation	100,000	-
Others	<u>-</u>	<u>1,059</u>
	<u>\$ 172,733</u>	<u>\$ 101,218</u>

#### 4. Property and Equipment

Property and equipment consist of the following at June 30:

	<u>2009</u>	<u>2008</u>
Furniture and equipment	\$ 91,129	\$ 91,129
Leasehold improvements	<u>81,516</u>	<u>81,516</u>
	172,645	172,645
Accumulated depreciation	<u>(68,937)</u>	<u>(58,586)</u>
	<u>\$ 103,708</u>	<u>\$ 114,059</u>

#### 5. Investments and Investment Return

Investments at June 30, 2009 and 2008 consist of a \$44,194 and \$42,526 unsecured promissory note due January 4, 2013. Investment return for the year ended June 30, 2009 and 2008 consists of interest income of approximately \$1,670 and \$1,750.

#### 6. Deferred Revenue

WSCAH received grant awards from federal, state and other sources in accordance with grant agreements. The unexpended portion of these funds is considered deferred revenue.

## West Side Campaign Against Hunger

### Notes to Financial Statements

#### **7. Temporarily Restricted Net Assets**

Temporarily restricted net assets of \$190,886 and \$173,519 are available for food and staff services at June 30, 2009 and 2008.

Net assets of \$505,633 and \$544,526 were released from donor restrictions by incurring expenses satisfying the food and staff services restricted purposes during the years ended June 30, 2009 and 2008.

#### **8. Concentration of Credit Risk**

WSCAH maintains cash in bank accounts which at times may exceed federally insured limits. This potentially subjects WSCAH to a concentration of credit risk. WSCAH has not experienced any losses in such accounts.

Reimbursement for the services provided by WSCAH is received through various governmental agencies. WSCAH is economically dependent on these funds to continue operations.

#### **9. Lease Commitments**

WSCAH occupies its premises from the Church pursuant to an operating lease agreement that is renewed annually. Rent expense for the years ended June 30, 2009 and 2008 was \$55,000 and \$49,565.