

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

Financial Statements

June 30, 2008 and 2007



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, 2008 and 2007, 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, 2008 and 2007, 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
November 6, 2008

West Side Campaign Against Hunger

Statements of Financial Position

June 30,

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and cash equivalents	\$ 621,999	\$ 472,227
Grants receivable	101,218	95,411
Investments	42,526	40,775
Due from the Church of St. Paul and St. Andrew	2,457	12,173
Property and equipment, net	114,059	74,311
Other assets	666	2,019
	<u>\$ 882,925</u>	<u>\$ 696,916</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 19,558	\$ 13,395
Advances payable	17,674	39,731
Total Liabilities	<u>37,232</u>	<u>53,126</u>
Net Assets		
Unrestricted	672,174	480,745
Temporarily restricted	173,519	163,045
Total Net Assets	<u>845,693</u>	<u>643,790</u>
	<u>\$ 882,925</u>	<u>\$ 696,916</u>

See notes to financial statements

West Side Campaign Against Hunger

Statements of Activities

For the Years Ended June 30,

	2008			2007		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT						
Program services	\$ 464,722	\$ -	\$ 464,722	\$ 409,140	\$ -	\$ 409,140
Foundation grants	139,250	555,000	694,250	84,200	521,500	605,700
Corporation grants	25,964	-	25,964	2,355	-	2,355
Religious and other institutions	38,076	-	38,076	52,495	-	52,495
Individual contributions	159,429	-	159,429	113,777	-	113,777
Legislative grants	44,000	-	44,000	20,000	-	20,000
Donated food	385,048	-	385,048	431,829	-	431,829
Donated space	24,795	-	24,795	20,000	-	20,000
Interest income	14,885	-	14,885	15,142	-	15,142
Other	2,087	-	2,087	1,731	-	1,731
	<u>1,298,256</u>	<u>555,000</u>	<u>1,853,256</u>	<u>1,150,669</u>	<u>521,500</u>	<u>1,672,169</u>
Net assets released from restrictions	544,526	(544,526)	-	474,455	(474,455)	-
Total Revenue and Support	<u>1,842,782</u>	<u>10,474</u>	<u>1,853,256</u>	<u>1,625,124</u>	<u>47,045</u>	<u>1,672,169</u>
EXPENSES						
Programs	1,471,152	-	1,471,152	1,428,685	-	1,428,685
General and administrative	88,326	-	88,326	81,842	-	81,842
Fundraising	91,875	-	91,875	34,315	-	34,315
Total Expenses	<u>1,651,353</u>	<u>-</u>	<u>1,651,353</u>	<u>1,544,842</u>	<u>-</u>	<u>1,544,842</u>
Change in Net Assets	191,429	10,474	201,903	80,282	47,045	127,327
NET ASSETS						
Beginning of year	480,745	163,045	643,790	400,463	116,000	516,463
End 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>

See notes to financial statements

West Side Campaign Against Hunger

Statements of Functional Expenses

For the Years Ended June 30,

	2008			2007				
	Programs	General and Administrative	Fundraising	Total	Programs	General and Administrative	Fundraising	Total
Salaries	\$ 455,670	\$ 28,107	\$ 64,523	\$ 548,300	\$ 417,297	\$ 28,730	\$ 22,545	\$ 468,572
Payroll taxes and benefits	120,950	7,460	17,127	145,537	99,916	6,879	5,398	112,193
Purchase of services	15,680	30,000	-	45,680	3,770	26,730	-	30,500
Audit	-	12,300	-	12,300	-	10,750	-	10,750
Occupancy	50,692	1,334	1,334	53,360	47,474	1,249	1,249	49,972
Equipment	4,681	69	88	4,838	2,084	68	56	2,208
Renovation	537	1,361	1,261	3,159	-	-	-	-
Volunteer incentives	26,731	-	-	26,731	25,667	-	-	25,667
Transportation	704	404	273	1,381	771	407	276	1,454
Program supplies	22,318	-	-	22,318	16,198	-	-	16,198
Food	342,114	-	-	342,114	334,111	-	-	334,111
Communications	5,913	3,041	3,949	12,903	6,344	3,035	3,221	12,600
Computer services	518	1,597	54	2,169	1,180	1,954	38	3,172
Donated food	385,048	-	-	385,048	431,829	-	-	431,829
Donated space	19,000	500	500	20,000	19,000	500	500	20,000
Miscellaneous	9,153	1,801	1,974	12,928	16,090	1,241	808	18,139
Depreciation	11,443	352	792	12,587	6,954	299	224	7,477
Total	\$ 1,471,152	\$ 88,326	\$ 91,875	\$ 1,651,353	\$ 1,428,685	\$ 81,842	\$ 34,315	\$ 1,544,842

See notes to financial statements

West Side Campaign Against Hunger

Statements of Cash Flows

For the Years Ended June 30,

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 201,903	\$ 127,327
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	12,587	7,477
Change in operating assets and liabilities		
Grants receivable	(5,807)	(19,540)
Due from the Church of St. Paul and St. Andrew	9,716	(5,863)
Other assets	1,353	(1,519)
Accounts payable and accrued expenses	6,163	6,918
Advances payable	<u>(22,057)</u>	<u>(12,114)</u>
Net Cash Provided by Operating Activities	<u>203,858</u>	<u>102,686</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(1,751)	(1,679)
Purchases of equipment	<u>(52,335)</u>	<u>(50,113)</u>
Net Cash Used by Investing Activities	<u>(54,086)</u>	<u>(51,792)</u>
Net Change in Cash and Cash Equivalents	149,772	50,894
CASH AND CASH EQUIVALENTS		
Beginning of the year	<u>472,227</u>	<u>421,333</u>
End of the year	<u>\$ 621,999</u>	<u>\$ 472,227</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 counsellors 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.
- USDA, 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.

Investments

WSCAH reports its investments at fair value. Changes in the fair value of investments are reported in the statement of activities as realized or unrealized gains or losses.

West Side Campaign Against Hunger

Notes to Financial Statements

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

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

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.

3. Grants Receivable

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

	<u>2008</u>	<u>2007</u>
Hunger Prevention and Nutrition Assistance Program	\$48,520	\$47,096
Department of Youth and Community Development	26,476	1,472
Community Service Society of New York	21,979	43,036
Emergency Food Assistance Program Others	3,000	2,000
Others	<u>1,243</u>	<u>1,807</u>
	<u>\$ 101,218</u>	<u>\$ 95,411</u>

West Side Campaign Against Hunger

Notes to Financial Statements

4. Property and Equipment

Property and equipment consist of the following at June 30:

	<u>2008</u>	<u>2007</u>
Furniture and equipment	\$ 91,129	\$ 76,412
Leasehold improvements	81,516	10,463
Construction in progress	<u>-</u>	<u>33,435</u>
	172,645	120,310
Accumulated depreciation	<u>(58,586)</u>	<u>(45,999)</u>
	<u>\$ 114,059</u>	<u>\$ 74,311</u>

5. Investments and Investment Return

Investments at June 30, 2008 and 2007 consist of a \$42,526 and \$40,775 note. Investment return for the year ended June 30, 2008 and 2007 consists of interest income of approximately \$1,750 and \$1,700.

6. Advances Payable

WSCAH received grant awards from federal, state and other sources in accordance with grant agreements. The unexpended portion of these grants, are considered advances payable.

7. Temporarily Restricted Net Assets

Temporarily restricted net assets of \$173,519 and \$163,045 are available for food and staff services at June 30, 2008 and 2007.

Net assets of \$544,526 and \$474,455 were released from donor restrictions by incurring expenses satisfying the food and staff services restricted purposes during the years ended June 30, 2008 and 2007.

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.

West Side Campaign Against Hunger

Notes to Financial Statements

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, 2008 and 2007 was \$49,565 and \$48,000.