

West Side Campaign Against Hunger
(A Program of West Side Center for
Community Life, Inc.)

Financial Statements

June 30, 2013 and 2012

Independent Auditors' Report**Board of Directors
West Side Campaign Against Hunger**

We have audited the accompanying financial statements of the West Side Campaign Against Hunger ("WSCAH"), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the 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 WSCAH'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 WSCAH's internal control. Accordingly, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the West Side Campaign Against Hunger as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

O'Connor Davies, LLP

February 19, 2014

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West Side Campaign Against Hunger

Statements of Financial Position

	June 30	
	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and cash equivalents	\$ 822,766	\$ 731,464
Grants receivable	258,334	154,811
Note receivable	-	49,042
Due from the Church of St. Paul and St. Andrew	-	5,300
Prepaid expenses and other assets	831	440
Property and equipment, net	<u>359,363</u>	<u>328,216</u>
	<u>\$ 1,441,294</u>	<u>\$ 1,269,273</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 40,306	\$ 22,145
Deferred revenue	-	20,500
Total Liabilities	<u>40,306</u>	<u>42,645</u>
Net Assets		
Unrestricted	1,165,155	940,803
Temporarily restricted	<u>235,833</u>	<u>285,825</u>
Total Net Assets	<u>1,400,988</u>	<u>1,226,628</u>
	<u>\$ 1,441,294</u>	<u>\$ 1,269,273</u>

See notes to financial statements

West Side Campaign Against Hunger

Statements of Activities

	Year Ended June 30, 2013			Year Ended June 30, 2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT						
Program services	\$ 462,246	\$ -	\$ 462,246	\$ 455,233	\$ -	\$ 455,233
Foundation grants	297,705	676,975	974,680	254,587	691,455	946,042
Corporation grants	28,735	-	28,735	28,924	-	28,924
Religious and other institutions	126,246	-	126,246	98,672	-	98,672
Individual contributions	340,288	-	340,288	261,339	-	261,339
Legislative grants	16,000	-	16,000	11,000	-	11,000
Donated food	932,985	-	932,985	578,444	-	578,444
Donated space	22,513	-	22,513	21,027	-	21,027
Donated property and equipment	-	-	-	11,800	-	11,800
Donated professional services	584	-	584	35,890	-	35,890
Interest income	3,243	-	3,243	3,752	-	3,752
Special events, net of direct costs of \$3,574 and \$3,119	199,195	-	199,195	182,754	-	182,754
Other	295	-	295	191	-	191
	<u>2,430,035</u>	<u>676,975</u>	<u>3,107,010</u>	<u>1,943,613</u>	<u>691,455</u>	<u>2,635,068</u>
Net assets released from restrictions	<u>726,967</u>	<u>(726,967)</u>	<u>-</u>	<u>609,712</u>	<u>(609,712)</u>	<u>-</u>
Total Revenue and Support	<u>3,157,002</u>	<u>(49,992)</u>	<u>3,107,010</u>	<u>2,553,325</u>	<u>81,743</u>	<u>2,635,068</u>
EXPENSES						
Programs	2,650,842	-	2,650,842	2,297,616	-	2,297,616
General and administrative	119,975	-	119,975	141,532	-	141,532
Fundraising	161,833	-	161,833	165,464	-	165,464
Total Expenses	<u>2,932,650</u>	<u>-</u>	<u>2,932,650</u>	<u>2,604,612</u>	<u>-</u>	<u>2,604,612</u>
Change in Net Assets	224,352	(49,992)	174,360	(51,287)	81,743	30,456
NET ASSETS						
Beginning of year	<u>940,803</u>	<u>285,825</u>	<u>1,226,628</u>	<u>992,090</u>	<u>204,082</u>	<u>1,196,172</u>
End of year	<u>\$ 1,165,155</u>	<u>\$ 235,833</u>	<u>\$ 1,400,988</u>	<u>\$ 940,803</u>	<u>\$ 285,825</u>	<u>\$ 1,226,628</u>

See notes to financial statements

West Side Campaign Against Hunger

Statements of Functional Expenses For the Year Ended June 30, 2013

	Programs			Total Programs	General and Administrative		Fundraising	Total
	Food Pantry	Counseling	Wellness		Administrative	Fundraising		
Salaries	\$ 167,069	\$ 424,498	\$ 95,460	\$ 687,027	\$ 65,738	\$ 108,234	\$ 860,999	
Payroll taxes and benefits	54,781	139,190	31,301	225,272	21,555	35,489	282,316	
Professional fees	612	4,704	17,894	23,210	7,361	2,828	33,399	
Food	479,006	-	-	479,006	-	-	479,006	
Donated food	932,985	-	-	932,985	-	-	932,985	
Occupancy	29,957	67,512	13,784	111,253	8,639	1,031	120,923	
Donated space	13,904	6,952	869	21,725	563	225	22,513	
Equipment	4,236	1,688	2,290	8,214	458	-	8,672	
Volunteer incentives	16,475	-	15,045	31,520	-	-	31,520	
Transportation	697	436	112	1,245	319	32	1,596	
Printing and supplies	9,486	-	7,623	17,109	-	-	17,109	
Communications	4,315	11,145	2,517	17,977	3,209	9,223	30,409	
Audit	4,959	12,811	2,893	20,663	674	413	21,750	
Computer services	3,138	8,012	1,927	13,077	3,150	275	16,502	
Miscellaneous	2,258	5,006	1,129	8,393	1,472	3,058	12,923	
Bad debt	3,500	-	-	3,500	5,300	-	8,800	
Depreciation	11,680	30,173	6,813	48,666	1,537	1,025	51,228	
Total	<u>\$ 1,739,058</u>	<u>\$ 712,127</u>	<u>\$ 199,657</u>	<u>\$ 2,650,842</u>	<u>\$ 119,975</u>	<u>\$ 161,833</u>	<u>\$ 2,932,650</u>	

See notes to financial statements

West Side Campaign Against Hunger

Statements of Functional Expenses For the Year Ended June 30, 2012

	Programs			Total Programs	General and Administrative		Fundraising	Total
	Food Pantry	Counseling	Wellness		Administrative	Fundraising		
Salaries	\$ 150,761	\$ 408,898	\$ 102,504	\$ 662,163	\$ 57,613	\$ 112,535	\$ 832,311	
Payroll taxes and benefits	46,434	125,937	31,570	203,941	17,745	34,660	256,346	
Professional fees	367	1,981	16,531	18,879	37,807	4,043	60,729	
Audit	4,703	12,679	3,067	20,449	646	431	21,526	
Occupancy	37,943	34,635	7,871	80,449	2,103	801	83,353	
Donated space	12,986	6,493	812	20,291	526	210	21,027	
Equipment	3,508	55	1,135	4,698	-	-	4,698	
Volunteer incentives	17,736	-	13,847	31,583	-	-	31,583	
Transportation	840	525	135	1,500	384	38	1,922	
Printing and supplies	10,982	-	3,425	14,407	-	-	14,407	
Food	588,383	-	-	588,383	-	-	588,383	
Donated food	578,444	-	-	578,444	-	-	578,444	
Communications	3,297	14,589	686	18,572	3,425	9,811	31,808	
Computer services	1,700	8,999	476	11,175	2,928	235	14,338	
Bad debt	-	-	-	-	16,275	-	16,275	
Miscellaneous	1,448	3,395	724	5,567	908	1,919	8,394	
Depreciation	8,537	23,011	5,567	37,115	1,172	781	39,068	
Total	<u>\$ 1,468,069</u>	<u>\$ 641,197</u>	<u>\$ 188,350</u>	<u>\$ 2,297,616</u>	<u>\$ 141,532</u>	<u>\$ 165,464</u>	<u>\$ 2,604,612</u>	

See notes to financial statements

West Side Campaign Against Hunger

Statements of Cash Flows

	Year Ended June 30,	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 174,360	\$ 30,456
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	51,228	39,068
Bad debts	8,800	16,275
Change in operating assets and liabilities		
Grants receivable	(107,023)	(7,387)
Other assets	(391)	1,898
Accounts payable and accrued expenses	18,161	(1,323)
Deferred revenue	(20,500)	1,375
Net Cash from Operating Activities	<u>124,635</u>	<u>80,362</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	-	(1,673)
Proceeds from sale of investments	49,042	-
Purchases of property and equipment	<u>(82,375)</u>	<u>(56,333)</u>
Net Cash from Investing Activities	<u>(33,333)</u>	<u>(58,006)</u>
Net Change in Cash and Cash Equivalents	91,302	22,356
CASH AND CASH EQUIVALENTS		
Beginning of the year	<u>731,464</u>	<u>709,108</u>
End of the year	<u>\$ 822,766</u>	<u>\$ 731,464</u>

See notes to financial statements

West Side Campaign Against Hunger

Notes to Financial Statements
June 30, 2013 and 2012

1. Organization and Tax Status

West Side Campaign Against Hunger (“WSCAH”) is a program of West Side Center for Community Life, Inc. (“WSCCL”). WSCAH is funded by a combination of government and private sources. Funding is also provided by foundations, corporations, religious institutions and individual contributions. WSCAH was a program of the Church of St. Paul and St. Andrew United Methodist (the “Church”) through June 30, 2010. WSCCL operates WSCAH on the premises of the Church partially in a condominium unit owned by WSSCL, and partially in space leased from the Church.

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. Through a supermarket-style food pantry, WSCAH alleviates hunger and creates a culture that promotes self reliance and works for change.

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 Community Service Block Grants. Funds are awarded to community-based organizations to assist low-income persons overcome barriers to meaningful participation in society.
- 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 supplements the work of local social service agencies assisting people in need of emergency food and shelter.

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Notes to Financial Statements
June 30, 2013 and 2012

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Accordingly actual results could differ from those estimates.

Net Assets Presentation

Unrestricted net assets include funds having no restriction as to use or purpose imposed by donors. Temporarily restricted net assets are those whose use is limited by donors to a specific time period or purpose. Permanently restricted net assets are limited by donors for investment in perpetuity. At June 30, 2013, there were no permanently restricted net assets.

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.

Property and Equipment

Property and equipment are stated at cost. Costs incurred for repairs and maintenance are charged to expense as incurred. Purchases that cost above \$500 that WSCAH retains title to and which benefit future periods are capitalized at cost, or if donated, at the estimated fair market value at the time of donation. 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
June 30, 2013 and 2012

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

Donated Goods and Services

WSCAH receives donated goods and services from various sources for use in its programs and activities. The goods and services are stated at the fair value when acquired 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.

Deferred Revenue

Revenues from fundraising events are reported in the fiscal year in which the events are held. Payments received in advance of these events are reported as deferred revenue until the event occurs.

Allowance for Doubtful Accounts

An allowance for doubtful accounts is established for uncollectible amounts. The determination of this allowance is an estimate based on WSCAH's historical experience, review of account balances and expectations relative to collections.

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 February 19, 2014.

West Side Campaign Against Hunger

Notes to Financial Statements
June 30, 2013 and 2012

3. Grants Receivable

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

	<u>2013</u>	<u>2012</u>
Hunger Prevention and Nutrition Assistance Program	\$ 59,254	\$ 47,347
Department of Youth and Community Development	3,500	2,824
Department for the Aging	7,500	7,500
Single Stop USA	166,000	83,000
New York State Assembly	5,000	-
City Council	-	3,500
Others	17,080	10,640
	<u>\$ 258,334</u>	<u>\$ 154,811</u>

4. Property and Equipment

Property and equipment consist of the following at June 30:

	<u>2013</u>	<u>2012</u>
Furniture and equipment	\$ 154,205	\$ 125,287
Leasehold improvements	<u>396,655</u>	<u>343,198</u>
	550,860	468,485
Accumulated depreciation	<u>(191,497)</u>	<u>(140,269)</u>
	<u>\$ 359,363</u>	<u>\$ 328,216</u>

5. Temporarily Restricted Net Assets

Temporarily restricted net assets of \$235,833 and \$285,825 are available for food and staff services at June 30, 2013 and 2012. Net assets of \$726,967 and \$609,712 were released from donor restrictions by incurring expenses satisfying the food and staff services restricted purposes during the years ended June 30, 2013 and 2012.

6. 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
June 30, 2013 and 2012

7. Related Party Transaction

WSCAH occupies part of its premises pursuant to an operating lease agreement between WSCCL and the Church that is renewed annually in January. Occupancy expense for the years ended June 30, 2013 and 2012 was \$93,380 and \$71,655.

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