

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

Financial Statements

June 30, 2018 and 2017

Independent Auditors' Report

Board of Directors West Side Center for Community Life, Inc.

We have audited the accompanying financial statements of West Side Campaign Against Hunger (“WSCAH”), a Program of West Side Center for Community Life, Inc., which comprise the statements of financial position as of June 30, 2018 and 2017, 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 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, 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 West Side Campaign Against Hunger, a Program of West Side Center for Community Life, Inc., as of June 30, 2018 and 2017, 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.

PKF O'Connor Davies, LLP

October 29, 2018

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

Statements of Financial Position

	June 30	
	2018	2017
ASSETS		
Cash and cash equivalents	\$ 842,553	\$ 1,087,631
Grants receivable	478,143	465,095
Prepaid expenses and other assets	4,924	4,024
Property and equipment, net	392,264	178,473
	\$ 1,717,884	\$ 1,735,223
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 121,447	\$ 50,698
Net Assets		
Unrestricted	1,591,850	1,489,474
Temporarily restricted	4,587	195,051
Total Net Assets	1,596,437	1,684,525
	\$ 1,717,884	\$ 1,735,223

See notes to financial statements

West Side Campaign Against Hunger
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Statements of Activities

	Year Ended June 30, 2018			Year Ended June 30, 2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE						
Foundation grants	\$ 493,999	\$ 427,000	\$ 920,999	\$ 367,600	\$ 634,500	\$ 1,002,100
Individual contributions	386,931	-	386,931	430,288	-	430,288
Grants from religious and other institutions	122,401	-	122,401	128,734	-	128,734
Legislative grants	3,500	-	3,500	3,500	-	3,500
Corporation grants	47,902	-	47,902	20,075	-	20,075
Donated food	1,419,876	-	1,419,876	1,128,110	-	1,128,110
Donated space	85,782	-	85,782	34,439	-	34,439
Donated professional services	88,389	-	88,389	155,011	-	155,011
Special events, net of direct costs of \$24,148 and \$16,847	389,763	-	389,763	338,939	-	338,939
Government grants	721,438	-	721,438	489,047	-	489,047
Interest income	2,805	-	2,805	3,267	-	3,267
Other	3,528	-	3,528	2,816	-	2,816
	<u>3,766,314</u>	<u>427,000</u>	<u>4,193,314</u>	<u>3,101,826</u>	<u>634,500</u>	<u>3,736,326</u>
Net assets released from restrictions	617,464	(617,464)	-	604,122	(604,122)	-
Total Support and Revenue	<u>4,383,778</u>	<u>(190,464)</u>	<u>4,193,314</u>	<u>3,705,948</u>	<u>30,378</u>	<u>3,736,326</u>
EXPENSES						
Programs	3,796,692	-	3,796,692	3,125,109	-	3,125,109
General and administrative	194,317	-	194,317	195,851	-	195,851
Fundraising	290,393	-	290,393	281,032	-	281,032
Total Expenses	<u>4,281,402</u>	<u>-</u>	<u>4,281,402</u>	<u>3,601,992</u>	<u>-</u>	<u>3,601,992</u>
Change in Net Assets	102,376	(190,464)	(88,088)	103,956	30,378	134,334
NET ASSETS						
Beginning of year	<u>1,489,474</u>	<u>195,051</u>	<u>1,684,525</u>	<u>1,385,518</u>	<u>164,673</u>	<u>1,550,191</u>
End of year	<u>\$ 1,591,850</u>	<u>\$ 4,587</u>	<u>\$ 1,596,437</u>	<u>\$ 1,489,474</u>	<u>\$ 195,051</u>	<u>\$ 1,684,525</u>

See notes to financial statements

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

Statement of Functional Expenses
For the Year Ended June 30, 2018

	Programs				Total Programs	General and Administrative	Fundraising	Total
	Food Pantry	Social Service Counseling	CHEF	Mobile Food Pantry				
Salaries	\$ 242,297	\$ 443,021	\$ 117,927	\$ 239,208	\$ 1,042,453	\$ 92,182	\$ 184,153	\$ 1,318,788
Payroll taxes and benefits	81,975	159,706	34,305	64,323	340,309	38,594	49,842	428,745
Professional fees	4,901	27,781	11,063	27,869	71,614	17,027	11,910	100,551
Donated professional fees	-	-	-	88,389	88,389	-	-	88,389
Food	359,256	-	11,832	62,467	433,555	-	24	433,579
Donated food	1,177,997	-	-	240,279	1,418,276	-	-	1,418,276
Occupancy	31,867	51,162	12,334	21,485	116,848	12,142	16,189	145,179
Donated space	6,039	11,759	2,543	58,767	79,108	2,860	3,814	85,782
Equipment	2,830	673	1,096	20,418	25,017	-	-	25,017
Volunteer incentives	13,348	-	1,910	-	15,258	-	-	15,258
Transportation	893	-	48	1,721	2,662	3,687	-	6,349
Printing and supplies	12,711	378	7,110	6,526	26,725	-	-	26,725
Communications	4,609	6,081	2,373	3,419	16,482	1,265	1,687	19,434
Audit	3,401	6,623	1,432	2,685	14,141	1,611	2,148	17,900
Computer services	9,039	17,603	3,806	7,136	37,584	4,282	5,709	47,575
Miscellaneous	3,698	8,923	2,409	3,859	18,889	15,041	7,416	41,346
Depreciation	11,877	23,128	5,001	9,376	49,382	5,626	7,501	62,509
Total	<u>\$ 1,966,738</u>	<u>\$ 756,838</u>	<u>\$ 215,189</u>	<u>\$ 857,927</u>	<u>\$ 3,796,692</u>	<u>\$ 194,317</u>	<u>\$ 290,393</u>	<u>\$ 4,281,402</u>

See notes to financial statements

West Side Campaign Against Hunger
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Statement of Functional Expenses
For the Year Ended June 30, 2017

	Programs					General and Administrative	Fundraising	Total
	Food Pantry	Social Service Counseling	CHEF	Mobile Food Pantry	Total Programs			
Salaries	\$ 277,138	\$ 356,907	\$ 87,686	\$ 89,549	\$ 811,280	\$ 71,763	\$ 159,355	\$ 1,042,398
Payroll taxes and benefits	86,320	110,154	27,063	27,638	251,175	22,148	49,183	322,506
Professional fees	19,464	17,855	3,099	28,701	69,119	43,782	6,197	119,098
Donated professional fees	37,517	47,842	11,754	12,004	109,117	24,115	21,779	155,011
Food	457,499	-	-	-	457,499	-	-	457,499
Donated food	1,128,110	-	-	-	1,128,110	-	-	1,128,110
Occupancy	37,166	46,213	12,281	11,595	107,255	9,008	10,160	126,423
Donated space	9,917	12,646	3,107	3,173	28,843	2,583	3,013	34,439
Equipment	4,451	-	4,451	-	8,902	-	-	8,902
Volunteer incentives	18,344	-	10,905	-	29,249	-	750	29,999
Transportation	853	1,087	267	273	2,480	636	64	3,180
Printing and supplies	11,046	-	2,993	-	14,039	1,232	1,437	16,708
Communications	5,408	8,089	1,987	2,029	17,513	3,928	12,010	33,451
Audit	6,411	3,848	1,283	1,283	12,825	1,140	285	14,250
Computer services	8,165	10,413	2,558	2,613	23,749	2,127	2,481	28,357
Miscellaneous	2,176	6,642	1,007	1,028	10,853	9,529	9,815	30,197
Depreciation	14,819	18,898	4,643	4,741	43,101	3,860	4,503	51,464
Total	<u>\$ 2,124,804</u>	<u>\$ 640,594</u>	<u>\$ 175,084</u>	<u>\$ 184,627</u>	<u>\$ 3,125,109</u>	<u>\$ 195,851</u>	<u>\$ 281,032</u>	<u>\$ 3,601,992</u>

See notes to financial statements

West Side Campaign Against Hunger
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Statements of Cash Flows

	Year Ended June 30	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (88,088)	\$ 134,334
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	62,509	51,464
Change in operating assets and liabilities		
Grants receivable	(13,048)	(254,084)
Prepaid expenses and other assets	(900)	(1,600)
Accounts payable and accrued expenses	70,749	4,420
Net Cash from Operating Activities	31,222	(65,466)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(276,300)	(7,219)
 Net Change in Cash and Cash Equivalents	(245,078)	(72,685)
 CASH AND CASH EQUIVALENTS		
Beginning of the year	1,087,631	1,160,316
End of the year	\$ 842,553	\$ 1,087,631

See notes to financial statements

West Side Campaign Against Hunger
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Notes to Financial Statements
June 30, 2018 and 2017

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. WSCCL operates WSCAH on the premises of the Church of St. Paul and St. Andrew United Methodist (the “Church”), partially in a condominium unit owned by WSSCL, in space leased from the Church in Manhattan and from the City Meals owned warehouse space in the Bronx.

WSCAH provides food, social service counseling, wellness and mobile food pantry 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 and cooking demonstrations. The Mobile Food Pantry Program, which was initiated during the year ended June 30, 2017 and fully operational during fiscal 2018, partners with other community based non-profits, health centers, senior centers and Churches to bring the customer choice model to their clients and reach more people in need. The program targets specific areas of need within the South Bronx and North Manhattan to bring customers more fresh produce and healthy plates. Through its supermarket-style food pantry and now a mobile food pantry, WSCAH alleviates hunger and creates a culture that promotes self-reliance and works for change.

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

Government Funded Programs Include:

- New York State Hunger Prevention and 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, 2018 and 2017

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 (U.S. GAAP), 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 Asset Presentation

Unrestricted net assets include funds having no restriction imposed by donors as to use or purpose. 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, 2018 and 2017, 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.

Contributions

Contributions received, including unconditional promises to give, are recognized as income in the period received at their fair values. Contributions are recorded as restricted income if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

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. Any unexpended funds are considered refundable advances and are 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 above \$1,000 that WSCAH retains title to and which benefit future periods are capitalized at cost, or if donated, at the estimated fair 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
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Notes to Financial Statements
June 30, 2018 and 2017

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 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 statements 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. Donated services recognized in the accompanying financial statements represent pro-bono legal services provided to WSCAH and amounted to \$88,389 and \$155,011 for the years ended June 30, 2018 and 2017.

Allocation of Expenses

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

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

WSCCL recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that WSCCL had no uncertain tax positions that would require financial statement recognition or disclosure. WSCCL is no longer subject to examinations by the applicable taxing jurisdictions for tax years prior to fiscal 2015.

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 October 29, 2018.

West Side Campaign Against Hunger
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Notes to Financial Statements
June 30, 2018 and 2017

3. Grants Receivable

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

	<u>2018</u>	<u>2017</u>
Helmsley Charitable Trust	\$ -	\$ 150,000
Robin Hood	125,000	150,000
Single Stop USA	150,000	52,500
New York Hunger Prevention and Nutrition Assistance Program	52,851	21,610
Department of Youth and Community Development	115,190	35,985
Emergency Food and Shelter Program	-	23,000
Department for the Aging	3,500	3,500
Others	<u>31,602</u>	<u>28,500</u>
	<u>\$ 478,143</u>	<u>\$ 465,095</u>

4. Property and Equipment

Property and equipment consist of the following at June 30:

	<u>2018</u>	<u>2017</u>
Furniture and equipment	\$ 206,028	\$ 157,859
Truck - Mobile Food Pantry	218,045	-
Leasehold improvements	<u>401,453</u>	<u>391,367</u>
	825,526	549,226
Accumulated depreciation	<u>(433,262)</u>	<u>(370,753)</u>
	<u>\$ 392,264</u>	<u>\$ 178,473</u>

During fiscal 2017, WSCAH disposed of \$5,524 of fully depreciated assets.

5. Temporarily Restricted Net Assets

Temporarily restricted net assets of \$4,587 and \$195,051 are available for food and staff services at June 30, 2018 and 2017. Net assets of \$617,464 and \$604,122 were released from donor restrictions by incurring expenses satisfying the food and staff services restricted purposes during the years ended June 30, 2018 and 2017.

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Notes to Financial Statements
June 30, 2018 and 2017

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.

7. Related Party Transactions

WSCAH occupies part of its premises pursuant to an operating lease agreement between WSCCL and the Church that is renewed annually in January. Rental expense, excluding donated space, for the years ended June 30, 2018 and 2017 was \$113,400 and \$104,498.

8. Subsequent Event

On October 11, 2018, WSCAH entered into an \$85,000 line-of-credit agreement with TD Bank (the "Bank"). The line-of-credit agreement shall continue in full effect until such time both WSCAH and the Bank mutually agree to terminate the agreement. Any amounts drawn down on the line-of-credit will be payable upon demand from the Bank and will require monthly payments of interest based on the Prime Rate as shown in The Wall Street Journal. Through October 29, 2018, WSCAH has not made any drawings against this facility.

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