

**West Side Center for Community  
Life, Inc.**

Financial Statements

June 30, 2021



## **Independent Auditors' Report**

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

We have audited the accompanying financial statements of West Side Center for Community Life, Inc. ("WSCCL"), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit 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.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of West Side Center for Community Life, Inc. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Report on Summarized Comparative Information***

We have previously audited West Side Center for Community Life, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 18, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*PKF O'Connor Davies, LLP*

December 21, 2021

**West Side Center for Community Life, Inc.**

Statement of Financial Position  
 June 30, 2021  
 (with comparative amounts at June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 7,872,030	\$ 3,624,248
Grants receivable	492,581	288,631
Prepaid expenses and other assets	58,967	2,563
Property and equipment, net	<u>690,821</u>	<u>726,508</u>
	<u>\$ 9,114,399</u>	<u>\$ 4,641,950</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 652,742	\$ 364,355
Due to the Church	118,719	117,156
Paycheck Protection Program Loan	<u>378,587</u>	<u>378,587</u>
Total Liabilities	<u>1,150,048</u>	<u>860,098</u>
Net Assets		
Without Donor Restrictions		
Board designated	1,250,000	-
Undesignated	4,198,904	3,270,104
With donor restrictions	<u>2,515,447</u>	<u>511,748</u>
Total Net Assets	<u>7,964,351</u>	<u>3,781,852</u>
	<u>\$ 9,114,399</u>	<u>\$ 4,641,950</u>

See notes to financial statements

## West Side Center for Community Life, Inc.

### Statement of Activities Year Ended June 30, 2021 (with summarized totals for the year ended June 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
<b>SUPPORT AND REVENUE</b>				
Foundation grants	\$ 1,655,729	\$ 2,491,950	\$ 4,147,679	\$ 2,316,520
Individual contributions	2,672,688	-	2,672,688	1,839,511
Mobile food distribution	1,610,822	-	1,610,822	-
Religious and other institutions	146,148	-	146,148	261,708
Legislative grants	947,670	-	947,670	54,300
Corporation grants	289,399	-	289,399	235,980
Donated space	105,371	-	105,371	105,371
Donated food	3,627,702	-	3,627,702	2,386,580
Donated professional services	174,397	-	174,397	25,667
Special events, net of costs with direct benefits to donors of \$50,665 and \$43,195	375,575	-	375,575	430,296
Government grants	590,438	-	590,438	515,291
Interest income	10,021	-	10,021	8,010
Other	4,550	-	4,550	4,690
	<u>12,210,510</u>	<u>2,491,950</u>	<u>14,702,460</u>	<u>8,183,924</u>
Net assets released from restrictions	488,251	(488,251)	-	-
Total Support and Revenue	<u>12,698,761</u>	<u>2,003,699</u>	<u>14,702,460</u>	<u>8,183,924</u>
<b>EXPENSES</b>				
Programs	9,288,610	-	9,288,610	5,601,325
General and administrative	495,276	-	495,276	179,446
Fundraising	736,075	-	736,075	372,848
Total Expenses	<u>10,519,961</u>	<u>-</u>	<u>10,519,961</u>	<u>6,153,619</u>
Change in Net Assets	2,178,800	2,003,699	4,182,499	2,030,305
<b>NET ASSETS</b>				
Beginning of year	<u>3,270,104</u>	<u>511,748</u>	<u>3,781,852</u>	<u>1,751,547</u>
End of year	<u>\$ 5,448,904</u>	<u>\$ 2,515,447</u>	<u>\$ 7,964,351</u>	<u>\$ 3,781,852</u>

See notes to financial statements

**West Side Center for Community Life, Inc.**

**Statement of Functional Expenses**  
**Year Ended June 30, 2021**  
 (with summarized totals for the year ended June 30, 2020)

	Programs				Other	Total Programs	General and Administrative		Fundraising	2021 Total	2020 Total
	Food Pantry	Mobile Food Pantry	Social Service				Administrative				
Salaries	\$ 622,372	\$ 378,386	\$ 450,078	\$ -	-	\$ 1,450,836	\$ 113,654	\$ 374,061	\$ 1,938,551	\$ 1,627,176	
Payroll taxes and benefits	210,886	188,668	192,028	-	-	591,582	34,216	111,489	737,287	592,330	
Special events	-	-	-	-	-	-	-	50,665	50,665	43,195	
Food	1,069,306	1,367,001	-	-	-	2,436,307	-	-	2,436,307	609,508	
Donated food	3,423,131	204,571	-	-	-	3,627,702	-	-	3,627,702	2,386,580	
Space and infrastructure	165,884	70,625	44,846	-	-	281,355	6,899	27,981	316,235	217,217	
Donated space	33,371	72,000	-	-	-	105,371	-	-	105,371	105,371	
Professional and technology services	202,541	42,925	40,019	-	-	285,485	89,337	163,742	538,564	180,410	
Donated professional fees	-	-	-	-	-	-	174,397	-	174,397	25,667	
Program operations and equipment	82,610	293,084	2,935	-	-	378,629	-	-	378,629	202,822	
Miscellaneous	8,301	3,520	5,085	1,563	-	18,469	48,154	58,802	125,425	107,038	
Depreciation	15,950	55,492	19,099	22,333	-	112,874	28,619	-	141,493	99,500	
	5,834,352	2,676,272	754,090	23,896	-	9,288,610	495,276	786,740	10,570,626	6,196,814	
Less costs with direct benefits to donors	-	-	-	-	-	-	-	(50,665)	(50,665)	(43,195)	
<b>Total Expenses</b>	<b>\$ 5,834,352</b>	<b>\$ 2,676,272</b>	<b>\$ 754,090</b>	<b>\$ 23,896</b>	<b>\$ -</b>	<b>\$ 9,288,610</b>	<b>\$ 495,276</b>	<b>\$ 736,075</b>	<b>\$ 10,519,961</b>	<b>\$ 6,153,619</b>	

See notes to financial statements

**West Side Center for Community Life, Inc.**

Statement of Cash Flows  
Year Ended June 30, 2021  
(with comparative amounts for the year ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 4,182,499	\$ 2,030,305
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	141,493	99,500
Change in operating assets and liabilities		
Grants receivable	(203,950)	119,883
Prepaid expenses and other assets	(56,404)	801
Accounts payable and accrued expenses	288,387	163,920
Due to the Church	<u>1,563</u>	<u>1,514</u>
Net Cash From Operating Activities	4,353,588	2,415,923
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(105,806)	(17,403)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Paycheck Protection Program loan	<u>-</u>	<u>378,587</u>
 Net Change in Cash and Cash Equivalents	4,247,782	2,777,107
 <b>CASH AND CASH EQUIVALENTS</b>		
Beginning of the year	<u>3,624,248</u>	<u>847,141</u>
 End of the year	<u>\$ 7,872,030</u>	<u>\$ 3,624,248</u>

See notes to financial statements

## **West Side Center for Community Life, Inc.**

Notes to Financial Statements  
June 30, 2021

### **1. Organization and Tax Status**

West Side Center for Community Life, Inc. (“WSCCL”), an independent not-for-profit corporation, is an umbrella agency for social service and community outreach programs originally founded by the Church of St. Paul and St. Andrew United Methodist (the “Church” or “SPSA”).

The financial statements reflect all activities of WSCCL, including the West Side Campaign Against Hunger program (“WSCAH”), which is funded by a combination of government and private sources. The operations of WSCAH were formally transferred by the Church to WSCCL on August 18, 2011. WSCCL operates its activities, including WSCAH, independently from SPSA in a condominium unit owned by WSCCL, space leased from the Church and space leased from the City Meals owned warehouse in the Bronx.

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

### **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.

#### ***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 net realizable value. 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, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement 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. The unexpended funds are considered refundable advances and reported as advances payable.



**West Side Center for Community Life, Inc.**

Notes to Financial Statements  
June 30, 2021

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

***Mobile Food Distribution***

WSCCL's mobile food distribution revenue is primarily sourced from an agreement with New York Presbyterian Hospital ("NYPH") for WSCCL to provide and deliver food boxed to NYPH funded community partners and selected NYPH clinic sites at an agreed upon price per box. WSCCL's primary performance obligation as stated in the agreement is the ultimate delivery of the food boxed to the NYPH designated sites. WSCCL recognizes revenue from its mobile food distribution arrangement through the point in time when the food boxes are delivered.

***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 WSCCL 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:

Building and improvements	10-30 years
Furniture and equipment	3 -10 years
Truck – Mobile food pantry	10 years
Leasehold improvements	Life of lease or useful life if shorter

***Donated Goods and Services***

WSCCL receives donated goods and services from various sources which would have been purchased if they had not been donated. These goods and services are recorded at the fair value at date of donation based on what the cost would have been if WSCCL purchased them. These amounts have been reflected as revenue and expenses in the statement of activities. Donated services rendered by certain 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 WSCCL and amounted to \$174,397 and \$25,667 for the years ended June 30, 2021 and 2020.

***Net Asset Presentation***

The accompanying financial statements report amounts separately by class of net assets based on the presence or absence of donor restrictions. Amounts for each of the two classes of net assets, without donor restrictions and with donor restrictions, are displayed in the statement of financial position and amounts of change in each of those classes of net assets are displayed in the statement of activities.

## **West Side Center for Community Life, Inc.**

Notes to Financial Statements  
June 30, 2021

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

#### ***Net Asset Presentation (continued)***

The classes of net assets are defined as follows:

*Without donor restrictions* - Net assets that are not subject to donor-imposed restrictions as to use or purpose and are those currently available for use at the discretion of WSCCL in its programs and operations. These net assets may be used at the discretion of WSCCL's management and Board of Directors (the "Board"). The Board has designated \$1,250,000 of net assets without donor restrictions to be utilized for future real estate, finance and development transformation projects.

*With donor restrictions* – Net assets that represent amounts restricted by donors for specific activities of WSCCL or to be used at some future date. WSCCL records contributions as with donor restrictions if they are received with donor stipulations that limit their use either through purpose or time restrictions. Net assets with donor restrictions that are perpetual in nature are subject to donor-imposed restrictions requiring that they be maintained permanently by WSCCL. At June 30, 2021 and 2020, there were no net assets with donor restrictions that were perpetual in nature.

#### ***Functional 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 programs and supporting services benefited. Direct program costs such as donated food and program operations and equipment are allocated directly to the programs. Direct professional fees that are strictly administrative in nature are allocated directly to general and administrative expenses. All other costs that are not charged directly to a program are allocated by percentage of overall salary allocation.

#### ***Allowance for Doubtful Accounts***

An allowance for doubtful accounts is established for uncollectible amounts. The determination of this allowance is an estimate based on WSCCL's historical experience, review of account balances and expectations relative to collections. All receivables are deemed to be fully collectible by management and therefore, no allowance has been provided for potential uncollectibility.

#### ***Prior Year Summarized Comparative Information***

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with WSCCL's financial statements as of and for the year ended June 30, 2020, from which the summarized information was derived.

**West Side Center for Community Life, Inc.**

Notes to Financial Statements  
June 30, 2021

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

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

WSCCL recognizes the effect of income tax positions only when they 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 periods prior to fiscal 2018.

***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 December 21, 2021.

**3. Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30:

	2021	2020
Financial Assets		
Cash and cash equivalents	\$7,872,030	\$3,624,248
Grants receivable	492,581	288,631
Total Financial Assets	8,364,611	3,912,879
Less amounts unavailable for general expenditures within one year due to:		
Board designated net assets	1,250,000	-
Net assets with donor restrictions that will not be met within one year	-	25,792
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$7,114,611	\$3,887,087

WSCCL structures its financial assets, consisting of cash and grants receivable, to be available as its general expenditures and liabilities come due within one year. In addition, WSCCL generates cash flows from contributions made by donors through its fundraising efforts. WSCCL also has available an \$85,000 line-of-credit in the event additional cash flows are needed to fund general expenditures.

## West Side Center for Community Life, Inc.

### Notes to Financial Statements June 30, 2021

#### 4. Grants Receivable

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

	2021	2020
New York Presbyterian Hospital	\$ 60,000	\$ 99,012
Montefiore Hospital	47,600	-
Department of Youth and Community Development	118,020	60,433
Nutrition Outreach and Education Program	48,763	35,009
New York Hunger Prevention and Nutrition Assistance Program	38,075	20,992
Nourish	95,147	-
Food Support Connections	47,730	-
Food Bank	11,051	-
Department for the Aging	-	3,500
Children's Aid	-	25,000
Others	26,195	44,685
	\$ 492,581	\$ 288,631

#### 5. Property and Equipment

Property and equipment consist of the following at June 30:

	2021	2020
Furniture and equipment	\$ 329,237	\$ 223,431
Truck - Mobile food pantry	218,045	218,045
Building and improvements	670,000	670,000
Leasehold improvements	401,453	401,453
	1,618,735	1,512,929
Accumulated depreciation	(927,914)	(786,421)
	\$ 690,821	\$ 726,508

#### 6. Net Assets With Donor Restrictions

Net assets with donor restrictions of \$2,515,447 and \$511,748 are available for food and staff services at June 30, 2021 and 2020. Net assets of \$488,251 and \$89,195 were released from donor restrictions by incurring expenses satisfying the food and staff services restricted purposes during the years ended June 30, 2021 and 2020.

**West Side Center for Community Life, Inc.**

Notes to Financial Statements  
June 30, 2021

**7. Due to the Church**

WSCCL received advances totaling \$958,000 from the Church, and through June 30, 2021, has repaid \$57,300. The advances are interest free and have no scheduled repayment date. Through June 30, 2021, WSCCL paid \$1,251,630 for construction costs on behalf of the Church of which \$831,632 was in excess of the amount of rent due to the Church per the lease agreement. The excess amount was netted against total advances outstanding from the Church of \$900,700, resulting in an amount due to the Church of \$69,068 at June 30, 2021.

During fiscal 2012, WSCCL obtained a loan from the Church which amounted to \$49,651, including accrued interest at June 30, 2021, in connection with the sale of a condominium unit. The loan bears interest at 3.25% per annum and is due on demand. Interest expense incurred during the years ended June 30, 2021 and 2020 amounted to \$1,563 and \$1,514.

**8. Rent Expense and Commitment**

WSCCL occupies part of its premises pursuant to an operating lease agreement with the Church which expires on December 31, 2021. Rental expense, excluding donated space, for the years ended June 30, 2020 and 2019, was \$221,874 and \$142,822.

**9. Concentration of Credit Risk**

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

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

**10. Line-of-Credit**

On October 11, 2018, WSCCL 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 WSCCL and the Bank mutually agree to terminate the agreement. Any amounts drawn down on the line-of-credit will be payable upon demand to the Bank and will require monthly payments of interest based on the Prime Rate as shown in The Wall Street Journal. At June 30, 2021 and 2020, WSCCL has not made any drawings against this facility.

**West Side Center for Community Life, Inc.**

Notes to Financial Statements  
June 30, 2021

**11. Paycheck Protection Program Loan**

On April 20, 2020, WSCCL received loan proceeds in the amount of \$378,587 under the Paycheck Protection Program (“PPP Loan”). The PPP Loan, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan and accrued interest is forgivable after eight or twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. On July 22, 2021, full forgiveness of WSCCL’s PPP Loan was approved by the Small Business Administration.

**12. Risks and Uncertainties**

The recent coronavirus (“COVID-19”) outbreak, which has spread globally, is expected to continue to adversely affect economic conditions throughout the world. Although the operations of WSCCL have not been negatively affected since the outbreak began in early 2020, it still may potentially experience a decline in public support in the future.

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