

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

Financial Statements

June 30, 2024



Independent Auditors' Report

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

Opinion

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, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WSCCL as of June 30, 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of WSCCL and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WSCCL's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 WSCCL's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WSCCL's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited WSCCL's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 29, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

January 15, 2025

West Side Center for Community Life, Inc.

Statement of Financial Position
June 30, 2024
(with comparative amounts at June 30, 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 7,711,700	\$ 9,480,047
Restricted cash - lease deposit	320,149	320,085
Pledges receivable	250,000	977,320
Grants receivable	991,904	622,895
Prepaid expenses and other assets	26,858	66,497
Property and equipment, net	3,636,959	2,366,603
Right-of-use-assets - operating leases, net	<u>11,050,728</u>	<u>11,608,015</u>
	<u>\$ 23,988,298</u>	<u>\$ 25,441,462</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 1,004,061	\$ 1,214,520
Due to the Church	123,719	121,999
Deferred revenue	1,448,665	877,700
Operating lease liabilities	<u>12,128,854</u>	<u>12,515,719</u>
Total Liabilities	<u>14,705,299</u>	<u>14,729,938</u>
Net Assets		
Without Donor Restrictions		
Board designated	1,135,500	1,697,500
Undesignated	<u>7,071,848</u>	<u>4,702,785</u>
	8,207,348	6,400,285
With donor restrictions	<u>1,075,651</u>	<u>4,311,239</u>
Total Net Assets	<u>9,282,999</u>	<u>10,711,524</u>
	<u>\$ 23,988,298</u>	<u>\$ 25,441,462</u>

See notes to financial statements

West Side Center for Community Life, Inc.

Statement of Activities
Year Ended June 30, 2024
(with summarized totals for the year ended June 30, 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
SUPPORT AND REVENUE				
Foundation grants	\$ 1,071,553	\$ 455,000	\$ 1,526,553	\$ 2,599,825
Individual contributions	2,515,836	396,000	2,911,836	2,343,966
Government grants	831,740	250,000	1,081,740	1,701,593
Mobile food distribution	2,448,317	-	2,448,317	1,434,712
Religious and other institutions	34,877	-	34,877	3,684
Corporation grants	969,114	125,000	1,094,114	1,667,338
Donated space	60,000	-	60,000	60,000
Donated food	2,257,914	-	2,257,914	1,887,123
Donated professional services	635,866	-	635,866	249,987
Special events, net of costs with direct benefits to donors of \$80,227 and \$73,786	284,519	-	284,519	212,095
Interest income	319,556	-	319,556	169,926
	<u>11,429,292</u>	<u>1,226,000</u>	<u>12,655,292</u>	<u>12,330,249</u>
Net assets released from restrictions	4,461,588	(4,461,588)	-	-
Total Support and Revenue	<u>15,890,880</u>	<u>(3,235,588)</u>	<u>12,655,292</u>	<u>12,330,249</u>
EXPENSES				
Programs	11,353,836	-	11,353,836	9,625,267
General and administrative	1,227,477	-	1,227,477	536,220
Fundraising	1,322,427	-	1,322,427	945,232
Total Operating Expenses	<u>13,903,740</u>	<u>-</u>	<u>13,903,740</u>	<u>11,106,719</u>
Change in Net Assets Before Depreciation and Amortization	1,987,140	(3,235,588)	(1,248,448)	1,223,530
OTHER EXPENSES				
Depreciation and amortization	<u>180,077</u>	<u>-</u>	<u>180,077</u>	<u>68,353</u>
Change in Net Assets	1,807,063	(3,235,588)	(1,428,525)	1,155,177
NET ASSETS				
Beginning of year	<u>6,400,285</u>	<u>4,311,239</u>	<u>10,711,524</u>	<u>9,556,347</u>
End of year	<u>\$ 8,207,348</u>	<u>\$ 1,075,651</u>	<u>\$ 9,282,999</u>	<u>\$ 10,711,524</u>

See notes to financial statements

West Side Center for Community Life, Inc.

Statement of Functional Expenses
Year Ended June 30, 2024
 (with summarized totals for the year ended June 30, 2023)

	Programs			General and Administrative		Fundraising	2024 Total	2023 Total
	Food Access	Benefit Access	Other	Programs	Total			
Salaries	\$ 1,105,162	\$ 378,019	\$ -	\$ 1,483,181	\$ 196,392	\$ 636,342	\$ 2,315,915	\$ 2,047,056
Payroll taxes and benefits	414,973	141,941	-	556,914	73,742	238,937	869,593	801,736
Special events	-	-	-	-	-	80,227	80,227	73,786
Food	4,215,903	-	-	4,215,903	-	-	4,215,903	3,620,945
Donated - food	2,257,914	-	-	2,257,914	-	-	2,257,914	1,887,123
Space and infrastructure	957,667	62,990	-	1,020,657	28,287	96,892	1,145,836	1,161,615
Donated - space	60,000	-	-	60,000	-	-	60,000	60,000
Professional and technology services	401,679	79,566	-	481,245	228,103	99,142	808,490	664,173
Donated - professional services	40,437	-	-	40,437	595,429	-	635,866	249,987
Program operations	1,059,510	-	-	1,059,510	-	-	1,059,510	316,827
Miscellaneous	144,581	31,774	1,720	178,075	105,524	251,114	534,713	297,257
	10,657,826	694,290	1,720	11,353,836	1,227,477	1,402,654	13,983,967	11,180,505
Less costs with direct benefits to donors	-	-	-	-	-	(80,227)	(80,227)	(73,786)
Total Operating Expenses	10,657,826	694,290	1,720	11,353,836	1,227,477	1,322,427	13,903,740	11,106,719
Depreciation and amortization	127,878	426	22,333	150,637	29,440	-	180,077	68,353
Total Expenses	\$ 10,785,704	\$ 694,716	\$ 24,053	\$ 11,504,473	\$ 1,256,917	\$ 1,322,427	\$ 14,083,817	\$ 11,175,072

See notes to financial statements

West Side Center for Community Life, Inc.

Statement of Cash Flows
Year Ended June 30, 2024
(with comparative amounts for the year ended June 30, 2023)

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,428,525)	\$ 1,155,177
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	180,077	68,353
Amortization of right of use asset - operating lease	557,287	555,410
Change in operating assets and liabilities		
Pledges receivable	727,320	(259,153)
Grants receivable	(369,009)	(262,969)
Prepaid expenses and other assets	39,639	(4,909)
Accounts payable and accrued expenses	(210,459)	148,310
Deferred revenue	570,965	877,700
Operating lease liabilities	(386,865)	221,282
Due to the Church	<u>1,720</u>	<u>1,666</u>
Net Cash from Operating Activities	(317,850)	2,500,867
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	<u>(1,450,433)</u>	<u>(1,786,994)</u>
Net Change in Cash, Cash Equivalents and Restricted Cash	(1,768,283)	713,873
CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
Beginning of the year	<u>9,800,132</u>	<u>9,086,259</u>
End of the year	<u>\$ 8,031,849</u>	<u>\$ 9,800,132</u>

The following table reconciles beginning of year and end of year
balances of cash, cash equivalents and restricted cash for years shown:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 7,711,700	\$ 9,480,047
Restricted cash - lease deposit	<u>320,149</u>	<u>320,085</u>
	<u>\$ 8,031,849</u>	<u>\$ 9,800,132</u>

See notes to financial statements

West Side Center for Community Life, Inc.

Notes to Financial Statements

June 30, 2024

1. Organization and Tax Status

West Side Center for Community Life, Inc. ("WSCCL"), an independent not-for-profit corporation, consists of the operations of the West Side Campaign Against Hunger ("WSCAH") program and the activities associated with the ownership of a condominium unit within the Church of St. Paul and St. Andrew United Methodist (the "Church" or "SPSA") at 263 W 86th Street in New York, NY.

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 at 549 W 180th Street in New York City, and space utilized in a City Meals owned warehouse in the Bronx.

WSCCL's governance structure, established at the time of the transfer of WSCAH to WSCCL, includes a WSCCL board of directors with the oversight of the condominium activities as well as corporate affairs and a WSCAH board of directors who have authority and latitude in the conducting the governance and operations of the WSCAH program. During June 2024, the WSCCL and WSCAH board of directors voted to combine the two boards into one unified board of WSCCL, effective July 1, 2024, with a new committee structure to conduct its governance and business activities including a condominium committee with exclusive jurisdiction over the affairs of the condominium unit owned within the Church and a stipulation that WSCAH will be the only operating program within WSCCL.

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 (US GAAP), which require 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.

West Side Center for Community Life, Inc.

Notes to Financial Statements

June 30, 2024

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

WSCCL accounts for restricted cash in accordance with ASC 2016-18 "Statement of Cash Flows (ASC 230): Restricted Cash," which requires inclusion of restricted cash and restricted cash equivalents with cash and cash equivalents when reconciling the beginning of year and end of year total amounts shown on the statements of cash flows. WSCCL restricted cash includes funds on deposit in connection with WSCCL lease agreement (see note 9).

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.

Pledges or unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk adjustment interest rates applicable to the years in which the promises are expected to be received. Amortization of the discounts is included in contribution revenue.

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.

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 boxes to NYPH-referred program participants, funded community partners and select NYPH sites at an agreed upon price per box. WSCCL's primary performance obligation as stated in agreements with NYPH and other organizations is the ultimate delivery of the food boxes to the designated sites. WSCCL recognizes revenue from its mobile food distribution arrangement through the point in time when the food boxes are delivered. Monies received in advance of food delivery services being performed are initially recognized as deferred revenue.

West Side Center for Community Life, Inc.

Notes to Financial Statements

June 30, 2024

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. 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 and amortization 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

Net Asset Presentation

The accompanying financial statements report amounts separately by class of net assets based on the presence or absence of donor restrictions. Fiscal year end balances 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 the net change in each of those classes of net assets is displayed in the statement of activities.

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"). At June 30, 2024 and 2023, the Board has designated \$1,135,500 and \$1,697,500 of net assets without donor restrictions to be utilized for future real estate, finance and development transformation projects and for the purchase of food.

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, 2024 and 2023, 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.

West Side Center for Community Life, Inc.

Notes to Financial Statements

June 30, 2024

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

In-kind Contributions

In-kind contributions for donated goods and services are recorded at fair value at date of donation on what the cost would have been if WSCCL purchased them. In-kind contributions for donated food, professional services and space (rent) have been reflected as revenue and expenses in the statement of activities.

Advertising Costs

Advertising costs are recognized as incurred.

Allowance for Doubtful Accounts

An allowance for doubtful accounts is established for uncollectible amounts of grants and contributions. 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.

Leases

WSCCL has two leases for its business activities including WSCAH food and benefit access program operations and office space and determined that each arrangement is a lease at inception. The operating leases are included in operating right-of-use ("ROU") assets and liabilities in the accompanying statement of financial position.

The ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. WSCCL uses a risk-free rate to determine the present value of the lease payments. The operating lease ROU asset includes any lease payments made and excludes lease incentives.

The lease terms may include options to extend the lease and when it is reasonably certain that WSCCL will exercise that option, such amounts are included in ROU assets and liabilities. WSCCL's lease payments on the operating leases are recognized on a straight-line basis over the lease terms.

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, 2023, from which the summarized information was derived.

West Side Center for Community Life, Inc.

Notes to Financial Statements

June 30, 2024

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 tax years prior to fiscal 2021.

Adoption of New Accounting Policies

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments. The new standard removes the previous requirement that a credit loss be probable of occurring for it to be recognized and requires entities to use historical experience, current conditions and reasonable and supportive forecasts to estimate their future expected credit losses. WSCCL adopted ASU 2016-13 effective July 1, 2023. The adoption did not have a material impact on WSCCL's financial statements.

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 January 15, 2025.

3. Liquidity and Availability of Financial Resources

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:

	2024	2023
Cash and cash equivalents	\$ 7,711,700	\$ 9,480,047
Pledge receivable - current portion	250,000	750,000
Grants receivable	991,904	622,895
Total Financial Assets	8,953,604	10,852,942
Less amounts unavailable for general expenditures within one year		
Board designated net assets	(1,135,500)	(1,697,500)
Donor restricted net assets	(1,075,651)	(4,311,239)
Add donor restricted assets to be released within one year	1,075,651	4,311,239
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 7,818,104</u>	<u>\$ 9,155,442</u>

West Side Center for Community Life, Inc.

Notes to Financial Statements

June 30, 2024

3. Liquidity and Availability of Financial Resources *(continued)*

WSCCL structures its financial assets, consisting of cash, pledge receivable 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.

4. Grants Receivable

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

	2024	2023
DASNY	\$ 250,000	\$ -
New York Presbyterian Hospital	200,000	66,590
Department of Youth and Community Development	174,800	170,000
Nutrition Outreach and Education Program	131,996	82,000
Food Support Connections	73,077	78,684
New York Hunger Prevention and Nutrition Assistance Program	42,086	70,871
Montefiore GUSnip	43,050	-
EFS	24,080	-
Nourish	-	133,150
Others	52,815	21,600
	<u>\$ 991,904</u>	<u>\$ 622,895</u>

5. Pledges Receivable

The pledges receivable balance at June 30, 2024, which amounted to \$250,000, is due from one donor and is expected to be collected over the next year. This amount is deemed to be fully collectible by management and thus, no allowance has been provided for potential uncollectability.

West Side Center for Community Life, Inc.

Notes to Financial Statements

June 30, 2024

6. Property and Equipment

Property and equipment consist of the following at June 30:

	2024	2023
Furniture and equipment	\$ 912,218	\$ 364,799
Truck - Mobile food pantry	218,045	218,045
Building and improvements	670,000	670,000
Leasehold improvements	3,135,027	401,453
Construction in progress	-	1,830,560
	<u>4,935,290</u>	<u>3,484,857</u>
Accumulated depreciation and amortization	<u>(1,298,331)</u>	<u>(1,118,254)</u>
	<u>\$ 3,636,959</u>	<u>\$ 2,366,603</u>

7. Net Assets With Donor Restrictions

Net assets with donor restrictions of \$1,075,651 and \$4,311,239 are available for various organization initiatives including construction costs, technology, and other organization costs including food and staff services at June 30, 2024 and 2023. Net assets of \$4,461,588 and \$447,663 were released from donor restrictions by incurring expenses satisfying the underlying restricted purposes during the years ended June 30, 2024 and 2023.

8. Due to the Church

WSCCL received advances totaling \$958,000 from the Church, and through June 30, 2024, has repaid \$57,300. The advances are interest free and have no scheduled repayment date. Through June 30, 2024, 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, 2024.

During fiscal 2012, WSCCL obtained a loan from the Church which amounted to \$54,651, including accrued interest at June 30, 2024, 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, 2024 and 2023 amounted to \$1,720 and \$1,666.

West Side Center for Community Life, Inc.

Notes to Financial Statements

June 30, 2024

9. Operating Leases

WSCCL occupies part of its premises pursuant to an operating lease agreement with the Church, which expired December 31, 2021. During fiscal 2022, WSCCL and the Church entered into a new lease agreement, which expires January 31, 2027.

During March 2022, WSCCL entered into a new lease agreement for additional space located at 549 West 180th Street, New York, NY, which expires July 31, 2043. In accordance with the terms of the lease agreement, WSCCL was granted a fifteen-month rent abatement which ended July 30, 2023, during which time WSCCL performed renovations to the space prior to occupancy.

Further, WSCCL was required to make a deposit to the landlord of \$320,000 in the form of an irrevocable letter of credit as security for faithful performance by WSCCL to adhere to the terms of the lease agreement. This deposit has been reported as restricted cash in the accompanying statement of financial position. These leases are reported as operating leases. The operating leases are included in operating right-of-use ("ROU") asset and operating lease liabilities in the accompanying statement of financial position.

Right of use asset consists of the following at June 30, 2024:

	549 West 180th Street	The Church	Total
Right of use assets - operating lease	\$ 11,304,251	\$ 859,174	\$ 12,163,425
Less: accumulated amortization	(791,019)	(321,678)	(1,112,697)
	<u>\$ 10,513,232</u>	<u>\$ 537,496</u>	<u>\$ 11,050,728</u>

Weighted-average remaining lease term 18.41 years

Weighted-average discount rate 3.33%

Right of use asset consists of the following at June 30, 2023:

	549 West 180th Street	The Church	Total
Right of use assets - operating lease	\$ 11,304,251	\$ 859,174	\$ 12,163,425
Less: accumulated amortization	(397,063)	(158,347)	(555,410)
	<u>\$ 10,907,188</u>	<u>\$ 700,827</u>	<u>\$ 11,608,015</u>

Weighted-average remaining lease term 19.2 years

Weighted-average discount rate 3.33%

West Side Center for Community Life, Inc.

Notes to Financial Statements

June 30, 2024

9. Operating Leases (continued)

The following table summarizes the information on the WSCCL's operating leases as of June 30, 2024:

	549 West 180th Street	The Church	Total
2025	\$ 668,075	\$ 201,396	\$ 869,471
2026	681,437	207,434	888,871
2027	695,066	123,092	818,158
2028	708,967	-	708,967
2029	723,147	-	723,147
Thereafter	12,626,969	-	12,626,969
Total minimum lease payments	16,103,661	531,922	16,635,583
Present value discount	(4,487,829)	(18,900)	(4,506,729)
Present value of lease liability	<u>\$ 11,615,832</u>	<u>\$ 513,022</u>	<u>\$ 12,128,854</u>

Rental expense, excluding donated space, for the years ended June 30, 2024 and 2023, was \$977,331 and \$1,032,178. During the years ended June 30, 2024 and 2023, WSCCL made cash lease payments totaling \$796,111 and \$189,845.

10. In-Kind Contributions

In-kind contributions for the fiscal years 2024 and 2023 consisted of the following:

	2024	2023
Food	\$ 2,257,914	\$ 1,887,123
Legal Services	635,866	249,987
Space	60,000	60,000
	<u>\$ 2,953,780</u>	<u>\$ 2,197,110</u>

WSCCL recognized contributed nonfinancial assets, including food and legal services. Unless otherwise noted, all contributed nonfinancial assets did not have donor-imposed restrictions.

Donated food was used in WSCCL's Food Access programs. In valuing donated food, WSCCL estimated the fair value based on estimates of values that would be received for selling similar food products in the United States.

Contributed legal services recognized comprise legal services from attorneys advising WSCCL on various administrative legal matters. Contributed legal services are reported in the financial statements at the estimated value of similar legal services based on current rates.

West Side Center for Community Life, Inc.

Notes to Financial Statements
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10. In-Kind Contributions *(continued)*

Donated space consists of space located in the City Meals owned warehouse in the Bronx and certain space located in the Church. These spaces serve WSSCL Food Access programs. Donated space is valued based on the estimated value of rent that WSSCL would have been billed if it was party to lease agreements.

11. 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, and as a result, believes it is not exposed to any significant financial risk. Cash and cash equivalents and restricted cash in excess of federally insured limits at June 30, 2024 and 2023 totaled approximately \$7,525,000 and \$9,300,000.

Reimbursement for the services provided by WSCCL is received through various government agencies. WSCCL is economically dependent on these funds to continue operations. WSCAH deems all receivables under due from governmental agencies as of June 30, 2024 to be fully collectible.

12. 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, 2024 and 2023, WSCCL has not made any drawings against this facility.

13. Deferred Revenue

During fiscal 2024 and 2023 NYPH made deposits to WSCCL of \$2,854,410 and \$1,200,000, for food delivery services to be performed which was recognized as deferred revenue in the accompanying statements of financial position. As of June 30, 2024 and 2023, the balance of deferred revenue was \$1,448,665 and \$877,700.

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