

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

Financial Statements

June 30, 2022

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, 2022, 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, 2022, 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 these 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 the financial statements are available to be issued.

Auditors' Responsibility 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 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 21, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

January 3, 2023

West Side Center for Community Life, Inc.

Statement of Financial Position
June 30, 2022
(with comparative amounts at June 30, 2021)

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 8,766,238	\$ 7,872,030
Restricted cash - lease deposit	320,021	-
Pledge receivable	718,167	-
Grants receivable	359,926	492,581
Prepaid expenses and other assets	61,588	58,967
Property and equipment, net	<u>647,964</u>	<u>690,821</u>
	<u>\$ 10,873,904</u>	<u>\$ 9,114,399</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 1,066,210	\$ 652,742
Due to the Church	120,333	118,719
Deferred lease liability	131,014	-
Paycheck Protection Program Loan	<u>-</u>	<u>378,587</u>
Total Liabilities	<u>1,317,557</u>	<u>1,150,048</u>
Net Assets		
Without donor restrictions		
Board designated	1,215,000	1,250,000
Undesignated	<u>5,222,445</u>	<u>4,198,904</u>
	6,437,445	5,448,904
With donor restrictions	<u>3,118,902</u>	<u>2,515,447</u>
Total Net Assets	<u>9,556,347</u>	<u>7,964,351</u>
	<u>\$ 10,873,904</u>	<u>\$ 9,114,399</u>

See notes to financial statements

West Side Center for Community Life, Inc.

Statement of Activities
Year Ended June 30, 2022
(with summarized totals for the year ended June 30, 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
SUPPORT AND REVENUE				
Foundation grants	\$ 2,715,836	\$ 1,868,167	\$ 4,584,003	\$ 4,147,679
Individual contributions	1,696,948	-	1,696,948	2,672,688
Government grants	1,130,228	-	1,130,228	590,438
Mobile food distribution	1,594,593	-	1,594,593	1,610,822
Religious and other institutions	150,861	-	150,861	146,148
Legislative grants	688,446	-	688,446	947,670
Corporation grants	147,114	-	147,114	289,399
Donated space	105,371	-	105,371	105,371
Donated food	2,181,276	-	2,181,276	3,627,702
Donated professional services	358,900	-	358,900	174,397
Special events, net of costs with direct benefits to donors of \$50,665	-	-	-	375,575
Interest income	4,491	-	4,491	10,021
Other	1,250	-	1,250	4,550
	<u>10,775,314</u>	<u>1,868,167</u>	<u>12,643,481</u>	<u>14,702,460</u>
Net assets released from restrictions	1,264,712	(1,264,712)	-	-
Total Support and Revenue	<u>12,040,026</u>	<u>603,455</u>	<u>12,643,481</u>	<u>14,702,460</u>
EXPENSES				
Programs	9,573,935	-	9,573,935	9,288,610
General and administrative	658,630	-	658,630	495,276
Fundraising	818,920	-	818,920	736,075
Total Expenses	<u>11,051,485</u>	<u>-</u>	<u>11,051,485</u>	<u>10,519,961</u>
Change in Net Assets	988,541	603,455	1,591,996	4,182,499
NET ASSETS				
Beginning of year	<u>5,448,904</u>	<u>2,515,447</u>	<u>7,964,351</u>	<u>3,781,852</u>
End of year	<u>\$ 6,437,445</u>	<u>\$ 3,118,902</u>	<u>\$ 9,556,347</u>	<u>\$ 7,964,351</u>

See notes to financial statements

West Side Center for Community Life, Inc.

Statement of Functional Expenses
Year Ended June 30, 2022
(with summarized totals for the year ended June 30, 2021)

	Programs			Total Programs	General and Administrative	Fundraising	2022 Total	2021 Total
	Food Access	Social Service	Other					
Salaries	\$ 1,032,227	\$ 385,331	\$ -	\$ 1,417,558	\$ 167,152	\$ 335,362	\$ 1,920,072	\$ 1,938,551
Payroll taxes and benefits	378,718	141,376	-	520,094	61,328	123,043	704,465	737,287
Special events	-	-	-	-	-	-	-	50,665
Food	3,648,946	-	-	3,648,946	-	-	3,648,946	2,436,307
Donated - food	2,181,278	-	-	2,181,278	-	-	2,181,278	3,627,702
Space and infrastructure	239,908	126,480	-	366,388	14,053	87,443	467,884	316,235
Donated - space	87,326	10,011	-	97,337	1,112	6,921	105,370	105,371
Professional and technology services	528,815	34,459	-	563,274	188,588	181,152	933,014	538,564
Donated - professional services	170,141	39,990	-	210,131	148,769	-	358,900	174,397
Program operations and equipment	428,002	-	-	428,002	-	-	428,002	378,629
Miscellaneous	13,526	8,872	1,614	24,012	72,558	84,999	181,569	125,425
Depreciation and amortization	86,904	7,677	22,334	116,915	5,070	-	121,985	141,493
	<u>8,795,791</u>	<u>754,196</u>	<u>23,948</u>	<u>9,573,935</u>	<u>658,630</u>	<u>818,920</u>	<u>11,051,485</u>	<u>10,570,626</u>
Less costs with direct benefits to donors	-	-	-	-	-	-	-	(50,665)
Total Expenses	<u>\$ 8,795,791</u>	<u>\$ 754,196</u>	<u>\$ 23,948</u>	<u>\$ 9,573,935</u>	<u>\$ 658,630</u>	<u>\$ 818,920</u>	<u>\$ 11,051,485</u>	<u>\$ 10,519,961</u>

See notes to financial statements

West Side Center for Community Life, Inc.

Statement of Cash Flows
Year Ended June 30, 2022
(with comparative amounts for the year ended June 30, 2021)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,591,996	\$ 4,182,499
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	121,985	141,493
Paycheck Protection Program Loan Forgiveness	(378,587)	-
Deferred lease liability	131,014	-
Change in operating assets and liabilities		
Pledge receivable	(718,167)	-
Grants receivable	132,655	(203,950)
Prepaid expenses and other assets	(2,621)	(56,404)
Accounts payable and accrued expenses	413,468	288,387
Due to the Church	1,614	1,563
Net Cash from Operating Activities	1,293,357	4,353,588
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(79,128)	(105,806)
 Net Change in Cash, Cash Equivalents and Restricted Cash	1,214,229	4,247,782
 CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
Beginning of the year	7,872,030	3,624,248
End of the year	\$ 9,086,259	\$ 7,872,030

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

	2022	2021
Cash and cash equivalents	\$ 8,766,238	\$ 7,872,030
Restricted cash - lease deposit	320,021	-
	\$ 9,086,259	\$ 7,872,030

See notes to financial statements

West Side Center for Community Life, Inc.

Notes to Financial Statements

June 30, 2022

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 (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.

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).

West Side Center for Community Life, Inc.

Notes to Financial Statements
June 30, 2022

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

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 boxed to selected clinic 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 boxed to the 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 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

West Side Center for Community Life, Inc.

Notes to Financial Statements
June 30, 2022

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

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 statements of financial position and the net change in each of those classes of net assets is displayed in the statements 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, 2022 and 2021, the Board has designated \$1,215,000 and \$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, 2022 and 2021, 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 statements 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.

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.

West Side Center for Community Life, Inc.

Notes to Financial Statements
June 30, 2022

2. Summary of Significant Accounting Policies (continued)

Advertising Costs

Advertising costs are recognized on an accrued basis and are expensed as incurred.

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, 2021, from which the summarized information was derived.

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 2019.

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 3, 2023.

West Side Center for Community Life, Inc.

Notes to Financial Statements
June 30, 2022

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:

	2022	2021
Cash and cash equivalents	\$ 8,766,238	\$ 7,872,030
Pledge receivable - current portion	250,000	-
Grants receivable	359,926	492,581
Total Financial Assets	9,376,164	8,364,611
Less amounts unavailable for general expenditures within one year		
Board designated net assets	(1,215,000)	(1,250,000)
Donor restricted net assets	(3,118,902)	(2,515,447)
Add donor restricted assets to be released within one year	3,118,902	1,264,712
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$ 8,161,164	\$ 5,863,876

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:

	2022	2021
New York Presbyterian Hospital	\$ 30,123	\$ 60,000
Montefiore Hospital	-	47,600
Department of Youth and Community Development	95,500	118,020
Nutrition Outreach and Education Program	63,729	48,763
New York Hunger Prevention and Nutrition Assistance Program	17,120	38,075
Nourish	-	95,147
Food Support Connections	71,098	47,730
Food Bank	-	11,051
Others	82,356	26,195
	\$ 359,926	\$ 492,581

West Side Center for Community Life, Inc.

Notes to Financial Statements
June 30, 2022

5. Pledge Receivable

The pledge receivable balance at June 30, 2022, which amounted to \$718,167, is due from one donor and is expected to be collected over the next three years (amounts to be collected during fiscal years 2024 and 2025 have been discounted to present value). This amount is deemed to be fully collectible by management and thus, no allowance has been provided for potential uncollectability.

The following is a summary of the pledge receivable by due date net of discounts for the year ended:

June 30, 2023	\$ 250,000
2024	250,000
2025	<u>250,000</u>
	750,000
Less discount for net present values	<u>(31,833)</u>
	<u>\$ 718,167</u>

The discount rate applied to the pledge receivable in excess of one year was 4.5%.

6. Property and Equipment

Property and equipment consist of the following at June 30:

	<u>2022</u>	<u>2021</u>
Furniture and equipment	\$ 349,140	\$ 329,237
Truck - Mobile food pantry	218,045	218,045
Building and improvements	670,000	670,000
Leasehold improvements	<u>460,678</u>	<u>401,453</u>
	1,697,863	1,618,735
Accumulated depreciation and amortization	<u>(1,049,899)</u>	<u>(927,914)</u>
	<u>\$ 647,964</u>	<u>\$ 690,821</u>

7. Net Assets With Donor Restrictions

Net assets with donor restrictions of \$3,118,902 and \$2,515,447 are available for food and staff services at June 30, 2022 and 2021. Net assets of \$1,264,712 and \$488,251 were released from donor restrictions by incurring expenses satisfying the food and staff services restricted purposes during the years ended June 30, 2022 and 2021.

West Side Center for Community Life, Inc.

Notes to Financial Statements June 30, 2022

8. 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, 2022, 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, 2022.

During fiscal 2012, WSCCL obtained a loan from the Church which amounted to \$51,265, including accrued interest at June 30, 2022, 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, 2022 and 2021 amounted to \$1,614 and \$1,563.

9. Rent Expense and Commitments

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 December 31, 2026.

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 ends July 30, 2023, during which time WSCCL will perform renovations to the space prior to occupancy. WSCCL utilizes the straight-line method to recognize the annual rent expense for this lease. At June 30, 2022, the balance of deferred rent expense totaled \$131,014 and is reported as a deferred lease liability in the accompanying statement of financial position. 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 statements of financial position.

Annual minimum rental payments for the aforementioned lease agreements are payable as follows for the years ending June 30:

	549 West 180th Street	The Church	Total
2023	\$ -	\$ 189,845	\$ 189,845
2024	600,576	195,536	796,112
2025	668,076	201,396	869,472
2026	681,437	207,434	888,871
2027	695,066	123,091	818,157
Thereafter	14,059,083	-	14,059,083
	<u>\$ 16,704,238</u>	<u>\$ 917,302</u>	<u>\$ 17,621,540</u>

Rental expense, excluding donated space, for the years ended June 30, 2022 and 2021, was \$358,599 and \$221,874.

West Side Center for Community Life, Inc.

Notes to Financial Statements
June 30, 2022

10. In-Kind Contributions

In-kind contributions for the fiscal years 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Food	\$ 2,181,276	\$ 3,627,702
Legal Services	358,900	174,397
Space	<u>105,371</u>	<u>105,370</u>
	<u>\$ 2,645,547</u>	<u>\$ 3,907,469</u>

WSCCL recognized contributed nonfinancial assets within, 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 on the basis of estimates of values that would be received for selling similar food products in the United States.

Contributed legal services recognized comprise of 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.

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 has not exposed to any significant financial risk. Cash and cash equivalents and restricted cash in excess of federally insured limits at June 30, 2022 and 2021 totaled \$8,584,196 and \$6,838,104.

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, 2022 to be fully collectible.

West Side Center for Community Life, Inc.

Notes to Financial Statements

June 30, 2022

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, 2022 and 2021, WSCCL has not made any drawings against this facility.

13. 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 in 2019 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. The revenue from the forgiveness of the PPP loan is included in government grants in the accompanying statement of activities.

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**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.

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>
ASSETS		
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>
LIABILITIES AND NET ASSETS		
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 <u>Restrictions</u>	With Donor <u>Restrictions</u>	2021 <u>Total</u>	2020 <u>Total</u>
SUPPORT AND REVENUE				
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>
EXPENSES				
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
NET ASSETS				
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				Total Programs	General and Fundraising		2021 Total	2020 Total
	Food Pantry	Mobile Food Pantry	Social Service	Other		Administrative	Fundraising		
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
	<u>5,834,352</u>	<u>2,676,272</u>	<u>754,090</u>	<u>23,896</u>	<u>9,288,610</u>	<u>495,276</u>	<u>786,740</u>	<u>10,570,626</u>	<u>6,196,814</u>
Less costs with direct benefits to donors	-	-	-	-	-	-	(50,665)	(50,665)	(43,195)
Total Expenses	<u>\$ 5,834,352</u>	<u>\$ 2,676,272</u>	<u>\$ 754,090</u>	<u>\$ 23,896</u>	<u>\$ 9,288,610</u>	<u>\$ 495,276</u>	<u>\$ 736,075</u>	<u>\$ 10,519,961</u>	<u>\$ 6,153,619</u>

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>
CASH FLOWS FROM OPERATING ACTIVITIES		
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
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(105,806)	(17,403)
CASH FLOWS FROM FINANCING ACTIVITIES		
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
CASH AND CASH EQUIVALENTS		
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:

	<u>2021</u>	<u>2020</u>
Financial Assets		
Cash and cash equivalents	\$7,872,030	\$3,624,248
Grants receivable	<u>492,581</u>	<u>288,631</u>
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	<u>-</u>	<u>25,792</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$7,114,611</u>	<u>\$3,887,087</u>

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:

	<u>2021</u>	<u>2020</u>
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
	<u>\$ 492,581</u>	<u>\$ 288,631</u>

5. Property and Equipment

Property and equipment consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
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)
	<u>\$ 690,821</u>	<u>\$ 726,508</u>

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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