

**West Side Federation for Senior and
Supportive Housing, Inc. and Affiliates**



**Consolidated Financial Statements
with Supplementary Information
(Together with Independent Auditors' Report)**

Years Ended June 30, 2021 and 2020

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

**WEST SIDE FEDERATION FOR SENIOR AND
SUPPORTIVE HOUSING, INC. AND AFFILIATES**

**CONSOLIDATED FINANCIAL STATEMENTS
with Supplementary Information
(Together with Independent Auditors' Report)**

YEARS ENDED JUNE 30, 2021 AND 2020

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report.....	1-2
Consolidated Financial Statements:	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Changes in Net Assets	5
Consolidated Statements of Functional Expenses.....	6-7
Consolidated Statements of Cash Flows.....	8
Notes to Consolidated Financial Statements	9-26
Supplementary Information:	
Summarized Consolidating Statements of Financial Position	27
Consolidating Statements of Financial Position.....	28-29
Consolidating Statements of Activities.....	30-31

INDEPENDENT AUDITORS' REPORT

The Board of Directors of
West Side Federation for Senior and Supportive Housing, Inc. and Affiliates:

We have audited the accompanying consolidated financial statements of West Side Federation for Senior and Supportive Housing, Inc. and Affiliates (collectively, the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, changes in net assets, functional expenses and cash flows for the year then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of West Side Federation for Senior and Supportive Housing, Inc. as of June 30, 2021, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Consolidated Financial Statements

The consolidated financial statements of West Side Federation for Senior and Supportive Housing, Inc. and Affiliates as of and for the year ended June 30, 2020, were audited by other auditors whose report dated May 14, 2021, expressed an unmodified opinion on those statements and included an emphasis of a matter describing a correction of a misstatement.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information (shown on pages 27-31) is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets and cash flows of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Marks Paneth LLP

New York, NY
November 18, 2021

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
Current assets:		
Cash and cash equivalents (Notes 2C and 14)	\$ 27,732,177	\$ 24,913,210
Restricted cash (Notes 2C and 2G)	1,052,721	1,144,400
Grants and government contracts receivable (Notes 2H and 4A)	7,337,613	7,450,080
Rents receivable, net (Notes 2I and 4B)	1,057,253	1,016,228
Advances receivable from residents, net (Note 4C)	95,262	93,549
Other receivables	605,336	701,828
Loan receivable, current portion (Note 4D)	39,537	-
Prepaid expenses	1,754,850	1,482,516
Total current assets	39,674,749	36,801,811
Property and equipment, net (Notes 2D and 5)	425,258,912	400,610,690
Other assets:		
Social service and operating reserves (Notes 2C and 6)	9,344,218	8,913,380
Other reserves (Note 6)	21,591,095	24,848,418
Loan receivable, net of current portion (Note 4D)	460,463	-
Tenant security deposits held (Note 2C)	864,831	672,453
Other security deposits	160,487	177,491
Deferred development costs (Notes 2E and 8)	763,098	449,076
Deferred leasing costs, net (Note 2E)	1,045,315	723,757
Total other assets	34,229,507	35,784,575
TOTAL ASSETS	\$ 499,163,168	\$ 473,197,076
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	\$ 5,099,738	\$ 4,550,120
Construction costs payable (Note 7)	10,014,427	11,121,342
Due to residents (Note 2G)	1,052,721	1,144,400
Rents received in advance (Note 2I)	212,192	332,456
Funds received in advance (Note 2H)	1,953,697	111,088
Long-term debt payable - current portion (Note 10)	47,851,965	44,517,679
Total current liabilities	66,184,740	61,777,085
Long-term debt:		
Accrued interest payable	12,730,677	9,913,733
Long-term debt payable, net (Note 10)	301,468,524	299,492,042
Total long-term debt	314,199,201	309,405,775
Other liabilities:		
Tenants' security deposits held	864,831	672,453
Developer fee payable (Note 9)	135,415	1,797,544
Total other liabilities	1,000,246	2,469,997
TOTAL LIABILITIES	381,384,187	373,652,857
COMMITMENTS AND CONTINGENCIES (Note 12)		
NET ASSETS (Notes 2F and 13)		
Without donor restrictions:		
Controlling interest	23,618,546	31,345,484
Noncontrolling interest	93,242,919	67,055,265
	116,861,465	98,400,749
With donor restrictions	917,516	1,143,470
TOTAL NET ASSETS	117,778,981	99,544,219
TOTAL LIABILITIES AND NET ASSETS	\$ 499,163,168	\$ 473,197,076

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2021</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2020</u>
Public support and revenue:						
Contributions and grants (Notes 2H and 13)	\$ 256,350	\$ 241,648	\$ 497,998	\$ 576,771	\$ 1,961,825	\$ 2,538,596
In-kind contributions (Note 10F)	621,556	-	621,556	621,556	-	621,556
Government contracts (Notes 2H and 12A)	13,888,136	-	13,888,136	15,043,004	-	15,043,004
Rental income - resident, net (Note 2I)	36,749,348	-	36,749,348	34,057,188	-	34,057,188
Rental income - commercial (Note 2I)	1,792,410	-	1,792,410	1,617,799	-	1,617,799
Rental income - parking (Note 2I)	117,000	-	117,000	118,650	-	118,650
Developer fee income	80,000	-	80,000	-	-	-
Interest and other income	422,094	-	422,094	1,554,787	-	1,554,787
	<u>53,926,894</u>	<u>241,648</u>	<u>54,168,542</u>	<u>53,589,755</u>	<u>1,961,825</u>	<u>55,551,580</u>
Total public support and revenue before net assets released from restrictions						
Net assets released from restrictions (Note 13)	<u>467,602</u>	<u>(467,602)</u>	<u>-</u>	<u>4,589,714</u>	<u>(4,589,714)</u>	<u>-</u>
	<u>54,394,496</u>	<u>(225,954)</u>	<u>54,168,542</u>	<u>58,179,469</u>	<u>(2,627,889)</u>	<u>55,551,580</u>
Total revenue						
Expenses (Note 2K):						
Program services:						
Social and supportive services	9,454,451	-	9,454,451	9,694,934	-	9,694,934
Housing operations	30,629,010	-	30,629,010	28,189,504	-	28,189,504
	<u>40,083,461</u>	<u>-</u>	<u>40,083,461</u>	<u>37,884,438</u>	<u>-</u>	<u>37,884,438</u>
Total program services						
Supporting services:						
Management and general	5,326,744	-	5,326,744	4,551,944	-	4,551,944
Fundraising	66,689	-	66,689	86,497	-	86,497
	<u>5,393,433</u>	<u>-</u>	<u>5,393,433</u>	<u>4,638,441</u>	<u>-</u>	<u>4,638,441</u>
Total supporting services						
	<u>45,476,894</u>	<u>-</u>	<u>45,476,894</u>	<u>42,522,879</u>	<u>-</u>	<u>42,522,879</u>
Interest:						
Interest and debt service fees	4,035,580	-	4,035,580	4,654,053	-	4,654,053
Accrued interest expense	2,817,320	-	2,817,320	2,681,810	-	2,681,810
	<u>6,852,900</u>	<u>-</u>	<u>6,852,900</u>	<u>7,335,863</u>	<u>-</u>	<u>7,335,863</u>
Total interest						
	<u>52,329,794</u>	<u>-</u>	<u>52,329,794</u>	<u>49,858,742</u>	<u>-</u>	<u>49,858,742</u>
Total expenses before depreciation and amortization						
Change in net assets before depreciation and amortization	2,064,702	(225,954)	1,838,748	8,320,727	(2,627,889)	5,692,838
Depreciation and amortization (Notes 2D and 5)	<u>(10,602,469)</u>	<u>-</u>	<u>(10,602,469)</u>	<u>(12,519,665)</u>	<u>-</u>	<u>(12,519,665)</u>
Change in net assets	<u>(8,537,767)</u>	<u>(225,954)</u>	<u>(8,763,721)</u>	<u>(4,198,938)</u>	<u>(2,627,889)</u>	<u>(6,826,827)</u>
Change in net assets attributable to noncontrolling interest	<u>(810,829)</u>	<u>-</u>	<u>(810,829)</u>	<u>(5,564,416)</u>	<u>-</u>	<u>(5,564,416)</u>
Change in net assets attributable to WSFSSH interests and controlling interest	<u>\$ (7,726,938)</u>	<u>\$ (225,954)</u>	<u>\$ (7,952,892)</u>	<u>\$ 1,365,478</u>	<u>\$ (2,627,889)</u>	<u>\$ (1,262,411)</u>

The accompanying notes are an integral part of these consolidated financial statements.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>Controlling Interest</u>	<u>Noncontrolling Interest</u>	<u>Total</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Beginning balance, July 1, 2019	\$ 32,231,982	\$ 28,587,480	\$ 60,819,462	\$ 3,771,359	\$ 64,590,821
Capital Contributions from investors	-	45,496,316	45,496,316	-	45,496,316
Distributions to investors	(2,251,976)	(1,464,115)	(3,716,091)	-	(3,716,091)
Change in net assets	<u>1,365,478</u>	<u>(5,564,416)</u>	<u>(4,198,938)</u>	<u>(2,627,889)</u>	<u>(6,826,827)</u>
Ending balance, June 30, 2020	31,345,484	67,055,265	98,400,749	1,143,470	99,544,219
Capital Contributions from investors	-	28,325,762	28,325,762	-	28,325,762
Distributions to investors	-	(1,327,279)	(1,327,279)	-	(1,327,279)
Change in net assets	<u>(7,726,938)</u>	<u>(810,829)</u>	<u>(8,537,767)</u>	<u>(225,954)</u>	<u>(8,763,721)</u>
Ending balance, June 30, 2021	<u>\$ 23,618,546</u>	<u>\$ 93,242,919</u>	<u>\$ 116,861,465</u>	<u>\$ 917,516</u>	<u>\$ 117,778,981</u>

The accompanying notes are an integral part of these consolidated financial statements.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	Program Services			Supporting Services		Total Supporting Services	Total 2021	Total 2020
	Social and Supportive Services	Housing Operations	Total Program Services	Management and General	Fundraising			
Salaries and related expenses:								
Salaries	\$ 5,986,613	\$ 11,236,038	\$ 17,222,651	\$ 3,556,811	\$ 52,062	\$ 3,608,873	\$ 20,831,524	\$ 20,200,431
Fringe benefits and payroll taxes (Note 15)	1,578,494	3,425,745	5,004,239	840,178	13,427	853,605	5,857,844	5,771,956
Total salaries and related expenses	7,565,107	14,661,783	22,226,890	4,396,989	65,489	4,462,478	26,689,368	25,972,387
Professional fees	439,397	1,572,681	2,012,078	359,647	-	359,647	2,371,725	2,333,601
Telephone and internet	83,359	317,667	401,026	149,723	-	149,723	550,749	474,759
Office expenses	588,808	879,943	1,468,751	232,419	600	233,019	1,701,770	1,220,114
Management fees	-	146,507	146,507	-	-	-	146,507	137,556
Insurance	88,161	1,598,783	1,686,944	23,032	-	23,032	1,709,976	1,366,046
Lease expense	77,822	295,969	373,791	-	-	-	373,791	360,613
Real estate taxes	-	2,241,654	2,241,654	-	-	-	2,241,654	2,048,225
Food	30,410	901,179	931,589	-	-	-	931,589	971,324
Utilities	197,144	3,073,032	3,270,176	-	-	-	3,270,176	3,059,787
Supplies	220,253	613,671	833,924	131,947	600	132,547	966,471	873,979
Equipment, maintenance and repair	86,104	3,618,255	3,704,359	-	-	-	3,704,359	3,129,861
Social and recreation expense	77,886	116,519	194,405	-	-	-	194,405	241,723
Bad debt expense	-	591,367	591,367	32,987	-	32,987	624,354	332,904
Total expenses before interest, depreciation and amortization	9,454,451	30,629,010	40,083,461	5,326,744	66,689	5,393,433	45,476,894	42,522,879
Interest and finance charges	878	4,017,565	4,018,443	17,137	-	17,137	4,035,580	4,654,053
Interest accrued-expense	-	2,817,320	2,817,320	-	-	-	2,817,320	2,681,810
Depreciation and amortization	-	10,574,902	10,574,902	27,567	-	27,567	10,602,469	12,519,665
Total interest, depreciation and amortization expenses	878	17,409,787	17,410,665	44,704	-	44,704	17,455,369	19,855,528
Total expenses	\$ 9,455,329	\$ 48,038,797	\$ 57,494,126	\$ 5,371,448	\$ 66,689	\$ 5,438,137	\$ 62,932,263	\$ 62,378,407

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services			Supporting Services			Total 2020
	Social and Supportive Services	Housing Operations	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and related expenses:							
Salaries and temporary employees	\$ 6,272,939	\$ 10,998,402	\$ 17,271,341	\$ 2,861,873	\$ 67,217	\$ 2,929,090	\$ 20,200,431
Payroll taxes and employee benefits (Note 15)	<u>1,590,700</u>	<u>3,431,063</u>	<u>5,021,763</u>	<u>732,286</u>	<u>17,907</u>	<u>750,193</u>	<u>5,771,956</u>
Total salaries and related expenses	7,863,639	14,429,465	22,293,104	3,594,159	85,124	3,679,283	25,972,387
Professional fees	768,016	1,171,285	1,939,301	394,300	-	394,300	2,333,601
Telephone and internet	77,979	290,597	368,576	106,183	-	106,183	474,759
Office expenses	73,916	901,894	975,810	243,531	773	244,304	1,220,114
Management fees	-	137,556	137,556	-	-	-	137,556
Insurance	79,049	1,282,210	1,361,259	4,787	-	4,787	1,366,046
Lease expense	77,822	282,791	360,613	-	-	-	360,613
Real estate taxes	-	2,048,225	2,048,225	-	-	-	2,048,225
Food	131,457	839,867	971,324	-	-	-	971,324
Utilities	205,664	2,854,123	3,059,787	-	-	-	3,059,787
Supplies	161,169	553,291	714,460	158,919	600	159,519	873,979
Equipment, maintenance and repair	92,373	3,021,362	3,113,735	16,126	-	16,126	3,129,861
Social and recreation expense	163,850	77,873	241,723	-	-	-	241,723
Bad debt expense	<u>-</u>	<u>298,965</u>	<u>298,965</u>	<u>33,939</u>	<u>-</u>	<u>33,939</u>	<u>332,904</u>
Total expenses before interest, depreciation and amortization	<u>9,694,934</u>	<u>28,189,504</u>	<u>37,884,438</u>	<u>4,551,944</u>	<u>86,497</u>	<u>4,638,441</u>	<u>42,522,879</u>
Interest and finance charges	864	4,642,693	4,643,557	10,496	-	10,496	4,654,053
Interest accrued-expense	-	2,681,810	2,681,810	-	-	-	2,681,810
Depreciation and amortization	<u>-</u>	<u>12,494,271</u>	<u>12,494,271</u>	<u>25,394</u>	<u>-</u>	<u>25,394</u>	<u>12,519,665</u>
Total interest, depreciation and amortization expenses	<u>864</u>	<u>19,818,774</u>	<u>19,819,638</u>	<u>35,890</u>	<u>-</u>	<u>35,890</u>	<u>19,855,528</u>
Total expenses	<u>\$ 9,695,798</u>	<u>\$ 48,008,278</u>	<u>\$ 57,704,076</u>	<u>\$ 4,587,834</u>	<u>\$ 86,497</u>	<u>\$ 4,674,331</u>	<u>\$ 62,378,407</u>

The accompanying notes are an integral part of these consolidated financial statements.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ (8,763,721)	\$ (6,826,827)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	10,526,612	12,519,665
In-kind contributions - loan decrements	(621,556)	(621,556)
Amortization of loan issuance costs and deferred costs	545,039	637,850
Bad debt expense	624,354	332,903
Subtotal	2,310,728	6,042,035
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Grants and government contracts receivable	(511,887)	(3,252,297)
Rents receivable, net	(41,025)	(699,767)
Advances receivable from residents, net	(1,713)	(10,091)
Other receivables	96,492	(270,142)
Prepaid expenses	(272,334)	(150,833)
Other security deposits	17,004	(346)
Deferred development costs	(314,022)	(239,664)
Deferred leasing costs, net	(397,415)	(46,316)
Accounts payable and accrued expenses	557,815	3,822,735
Due to residents	91,679	88,648
Rents received in advance	(120,264)	127,562
Funds received in advance	1,842,609	(293,781)
Accrued interest payable	2,816,944	2,500,740
Developer fee payable	(1,662,129)	1,797,544
Tenants' security deposits held	-	(25,154)
Net Cash Provided by Operating Activities	4,412,482	9,390,873
Cash flows from investing activities:		
Purchases of property and equipment	(36,280,926)	(48,589,080)
Issuance of note receivable	(500,000)	-
Changes in reserve and escrow accounts	3,257,323	(1,045,612)
Net Cash Used in Investing Activities	(33,523,603)	(49,634,692)
Cash flows from financing activities:		
Proceeds from long-term debt	34,336,472	39,880,469
Payment of debt issuance costs	(3,688,320)	-
Capital contributions received from investors	28,325,762	45,496,316
Distributions to investors	(1,327,279)	(3,716,091)
Principal payments for long-term debt	(25,185,010)	(33,509,323)
Net Cash Provided by Financing Activities	32,461,625	48,151,371
Increase in cash, cash equivalents, and restricted cash	3,350,504	7,907,552
Cash, cash equivalents and restricted cash - beginning of year	35,643,443	27,735,891
Cash, cash equivalents and restricted cash - end of year	\$ 38,993,947	\$ 35,643,443
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	\$ (1,218,636)	\$ (2,153,313)
Supplemental Disclosure of non-cash investing and financing activities:		
Construction costs payable	\$ (1,106,915)	\$ 11,121,342
In-kind	\$ 621,556	\$ 621,556

The accompanying notes are an integral part of these consolidated financial statements.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1—ORGANIZATION AND NATURE OF ACTIVITIES

West Side Federation for Senior and Supportive Housing, Inc. (“WSFSSH”) is a not-for-profit housing development corporation committed to developing and managing housing and providing supportive services for low-income, elderly, disabled, and homeless persons. WSFSSH, incorporated in 1977 in the State of New York, is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (the “Code”) and from state and local taxes under comparable laws.

WSFSSH is affiliated with, and has transactions with, a number of entities which are wholly owned and controlled by WSFSSH (collectively referred to as “Not-For-Profit Entities and Its Wholly Owned Subsidiaries”) and a number of limited partnerships where WSFSSH exercises significant influence as the general partner (collectively referred to as “Housing Entities”). The financial position, changes in net assets, and cash flows of these controlled entities are required to be consolidated with those of WSFSSH in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Accordingly, the consolidated financial statements include the financial statements of WSFSSH and its affiliated entities (together, the “Organization”).

The following not-for profit entities and wholly owned subsidiaries of WSFSSH are included in the consolidated financial statements:

- West Side Special Housing Development Fund Corporation, Inc.
- WSA Housing Development Fund, Inc.
- Euclid Hall Housing Development Fund Company, Inc.
- The Westbourne Housing Development Fund Company, Inc.
- East One Thirty Eighth Housing Development Fund Company, Inc.
- Three Arts Club Housing Development Fund Company Inc.
- West 108th Housing Development Fund Company, Inc.
- Valley Lodge Shelter Housing Development Fund Company, Inc.
- K&L Housing Development Fund Company, Inc.
- IH Associates LLC
- WSFSSH PA LLC
- Marseilles LLC
- One Forty-Nine Housing Company
- Two Hundred Six Associates L.P.
- Federation Housing Support Service Inc.
- Ben Michalski Housing Development Fund Company, Inc.
- Other General Partners in the Housing Entities

The following for-profit housing entities are consolidated as the housing entities of the Organization. WSFSSH holds a 1% general partner interest in Manhattan West Associates LP and 0.01% general partner interest in all other housing entities.

<u>Entities Name</u>	<u>Project Name</u>	<u>General Partner (GP)</u>
Borinquen Court Associates LP	Borinquen Court	Borinquen Court Housing Company, Inc.
Claremont Park Associates LP	Claremont Park	Claremont Park Housing Company, Inc.
One Hundred Forty Associates LP	Fania Gersham Residence	One Hundred Forty Housing Company, Inc.
PSS/WSF Housing Company LP	GrandParent Family Apartments	PSS/WSF Housing Development Fund Corporation
Mill Brook Terrace LP	Mill Brook Terrace	Mill Brook Housing Company, Inc.
Manhattan West Associates LP	Red Oak Apartments	Federation Housing Support Service, Inc.
Tres Puentes LP	Tres Puentes	Tres Puentes Housing Company, Inc.
West 108 th Street LP	West 108 th Street	West 108 th Street Housing Company, Inc.
West Eighties Associates LP	West Eighties	West Eighties Housing Company, Inc.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1—ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

The following entities have no financial activities and therefore there is no impact on the Organization's consolidated financial statements.

- Mill Brook Housing Development Fund Company, Inc.
- Frederic Fleming Housing Development Fund Corporation
- Independence House Corporation I
- Marseilles Housing Development Fund Corporation, Inc.

The following paragraphs summarize the entities consolidated in the Organization's consolidated financial statements:

West Side Special Housing Development Fund Corporation ("West Side Special") is a not-for-profit housing development corporation, exempt under Section 501(c)(2), whose board of directors consists of common members of WSFSSH's board of directors. In addition, WSFSSH has use-agreements with West Side Special for several real estate properties owned by West Side Special, including West 74th Street Residence, 129th Street Residence, Valley Lodge Transitional Shelter, Revella, One Twenties Cluster and 459 West 147th Street. WSFSSH uses these properties for its low-income housing programs.

West Side Special has 99% limited-partnership interests in One Forty-Nine Housing Company ("Kowal House LP") and in Two Hundred Six Associates L.P. ("Ben Michalski LP"). The 99% limited-partnership interest in Kowal House, previously owned by National Equity Fund 1987 Partnership ("NEF I"), was transferred to West Side Special at no cost under an agreement dated September 20, 2003. The general partner of Kowal House is Federation Housing Support Services, Inc. ("FHSS"), which is a not-for-profit corporation, wholly controlled by WSFSSH. Kowal House LP operates one building containing 73 residential units located at 149 Manhattan Avenue, New York, New York.

The 99% limited-partnership interest in Ben Michalski L.P., previously owned by National Equity Fund 1994 Partnership ("NEF II"), was transferred to West Side Special at no cost under an agreement dated December 31, 2015. The general partner of Ben Michalski L.P. is Ben Michalski Housing Development Fund Company, Inc. ("Ben Michalski HDFC"), which is a not-for-profit housing company, and is wholly controlled by WSFSSH. Ben Michalski L.P. operates one building containing 18 residential units located at 206 West 84th Street, New York, New York.

WSA Housing Development Fund, Inc. ("WSA") is a not-for-profit housing development corporation, exempt under Section 501(c)(3), whose board of directors is appointed by the board of directors of WSFSSH. WSA developed and operated a housing project for elderly and handicapped persons of low income, consisting of one building containing 29 residential units located at 140 West 105th Street, New York, New York, which opened in 1988. On June 29, 2006, WSA sold the property to One Hundred Forty Associates, LP, and ("Fania Gersham Residence") which continues to operate the project for elderly and handicapped persons of low income.

Euclid Hall Housing Development Fund Company, Inc. ("Euclid Hall") is a not-for-profit housing development corporation, exempt under Section 501(c)(3), whose board of directors is appointed by the board of directors of WSFSSH. Euclid Hall HDFC owns and operates property located at 2345 Broadway, New York, New York.

The Westbourne Housing Development Fund Company, Inc. ("Westbourne") is a not-for-profit housing development corporation, exempt under Section 501(c)(3), whose board of directors is appointed by the board of directors of WSFSSH. Westbourne owns and operates property located at 930 West End Avenue, New York, New York, consisting of one building containing 128 residential units and three commercial units.

East One Thirty Eighth Housing Development Fund Company, Inc. ("East 138 HDFC") is a not-for-profit housing development corporation, exempt under Section 501(c)(3), whose board of directors is appointed by the board of directors of WSFSSH. East 138 HDFC provides social and other supportive services to Borinquen Court Associates LP ("Borinquen Court") that owns and operates a property for elderly and handicapped persons of low income located at 285 East 138th Street, Bronx, New York, consisting of one building containing 145 residential units.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1—ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

Borinquen Court Housing Company, Inc. (“BC HSG”) is a for-profit housing development corporation formed in the State of New York on August 5, 2010. WSFSSH owns 100% of the BC HSG stock. BC HSG is a general partner with a 0.01% interest in the partnership of Borinquen Court.

Three Arts Club Housing Development Fund Company Inc. (“Three Arts Club”) is a not-for-profit housing development corporation, exempt under Section 501(c)(3), whose single member is WSFSSH. On May 9, 2017, Three Arts Club purchased the property located at 340 West 85th Street from an unrelated third party for approximately \$42 million. Three Arts Club plans to initially utilize the location for temporary use (two to three years) by WSFSSH’s Valley Lodge Transitional Shelter, while Valley Lodge’s existing facility is demolished and rebuilt new on West 108th Street as part of a larger mixed-used development. The relocation period commenced in April 2018 and is expected to end in the 1st quarter of 2022. Three Arts Club plans to rehabilitate the location for use as permanent senior supportive housing with onsite social services after the relocation period has ended.

West 108th HDFC, Inc. (“W108 HDFC”) is a not-for-profit housing development corporation, exempt under Section 501(c)(4), formed in the State of New York on January 19, 2017, whose board of directors is appointed by the board of directors of WSFSSH. W108 HDFC was formed to participate in the ownership of a new construction project known as “WSFSSH at West 108”, comprised of both permanent residential housing (199 residential units) and a transitional shelter (110 beds), which started construction on January 2019 and has a projected construction completion date of December 2021. A temporary certificate of occupancy was received for a portion of the building which includes the 199 permanent residential units. Residents began moving into the permanent residential units in November 2021. A temporary certificate of occupancy for the transitional shelter space is expected to be received by the end of 2021. The Project is a single building with two condominium units. W108 HDFC is expected to serve as the fee owner of the permanent housing condominium unit (“Permanent Condo”). The Valley Lodge Shelter HDFC (“VL HDFC”) is expected to serve as the fee owner of the transitional housing condominium unit (“Transitional Condo”). On August 1, 2018, W108 HDFC acquired two garages located at 137 and 159 West 108th Street, New York (Block 1863, Lots 5 and 13) from an unrelated third party, NYC HPD for a total price of \$2. On the same date, W108 HDFC entered into an enforcement mortgage with NYC HPD in the amount of \$54,599,998, which is the difference between the assessment value of the two garages and the purchase price. The enforcement is to ensure that the “WSFSSH at West 108” Project is developed in accordance with the Regulatory Agreements between NYC HPD and W108 HDFC. The enforcement amount is not recognized in the consolidated financial statements because the Project is being developed according to the Regulatory Agreements.

On December 27, 2018, W108 HDFC acquired the existing Valley Lodge Building located at 149 West 108th Street, New York, (Block 1863, Lot 10) from West Side Special for \$1. On the same date, W108 HDFC entered into a nominee agreement with West 108th St, L.P. (“W108 LP”), a partnership that was formed on March 28, 2018 and amended and restated on December 27, 2018, giving all beneficial ownership of the Project to the W108 LP. The general partner of W108 LP is West 108th Street Housing Company, Inc., (“W108HSG”) a for-profit housing company of which 100% of the stock is owned by WSFSSH, with a .01% ownership interest. The limited partner is NEF New York Regional Fund LP, with a 99.99% ownership interest. Concurrently, W108 LP entered into an Interim Lease with VL HDFC, giving VL HDFC the right and obligation to construct and fund the transitional shelter component of the Project.

VL HDFC is a not-for-profit housing development corporation, exempt under Section 501(c)(4), formed in the State of New York on March 30, 2018 and whose board of directors is appointed by the board of directors of WSFSSH. Within the WSFSSH at West 108 Project described above, VL HDFC will own the transitional condo (“Transitional Condo”), which will be operated by WSFSSH pursuant to a contract with New York City Department of Homeless Services (“DHS”). On May 8, 2018, WSFSSH entered into a contract with DHS to construct and operate the shelter facility in the Transitional Condo unit.

Mill Brook Housing Development Fund Company, Inc. (“MBHDFC”) is a not-for-profit housing development corporation, exempt under Section 501(c)(3), whose single member is WSFSSH. On June 29, 2017, MBHDFC entered into a 99-year lease of land located at 570 East 137th Street, Bronx, New York 10454 with the New York City Housing Authority (“NYCHA”). MBHDFC is the nominee owner of the land lease and the 159-unit rental building for seniors to be constructed upon it. Mill Brook Terrace, L.P., (“Mill Brook Terrace”) is a partnership, which was formed on March 13,

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1—ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

2017, and which is the beneficial owner of the land lease and the building constructed upon it. Mill Brook Housing Company, Inc. (“MBHSG”) is a for-profit housing company formed in the State of New York on March 13, 2017. WSFSSH owns 100% of the MBHSG stock. MBHSG is a general partner with a 0.01% interest in Mill Brook Terrace.

Marseilles LLC (“Marseilles”) is organized as a limited liability company that owns the beneficial interest in, and operates, the property located at 230 West 103rd Street, New York, New York. Marseilles Housing Development Fund Corporation, Inc. (“Marseilles HDFC”), a not-for-profit housing development fund corporation, whose board of directors is appointed by the board of directors of WSFSSH, holds the fee simple title of the property. WSFSSH is the sole member of Marseilles LLC and Marseilles HDFC.

IH Associates LLC (“IH LLC”) is organized as a limited liability company that owns the beneficial interest in, and operates, the property located at 176 West 94th Street, New York, New York. The building contains 121 apartments, two commercial units and one parking garage. Independence House Corporation I (“IH”), a not-for-profit housing corporation under Article II of the Private Housing Finance Law of the State of New York, holds the fee simple title of the property. WSFSSH is the sole member of both IH LLC and IH. On October 26, 2017, IH LLC purchased a building, which is a Mitchell Lama Program Building, from an unrelated third party at a price of approximately \$28,000,000 which was below the prevailing real estate market price and resulted in an in-kind contribution of \$7,700,000. IH LLC funded the purchase and is funding a renovation program with subsidized mortgages from HDC and HPD which totaled approximately \$40,533,000. On November 1, 2017, IH LLC was able to secure a 20-year Project-Based Voucher Housing Assistance Payment (HAP) Contract with NYC Department of Housing Preservation and Development. The contract provides the tenant-based rental assistance for up to 80 units at the building.

WSFSSH PA LLC (“WSFSSH PA”), a limited liability company, is organized to conduct predevelopment activities of WSFSSH. WSFSSH is the sole member of WSFSSH PA. WSFSSH PA prepays the development cost for new projects at development stage and receives reimbursements once the new projects become operational or fully funded by permanent financing sources.

K&L Housing Development Fund Company, Inc. (“K&L HDFC”) is a not-for-profit housing development corporation, exempt under Section 501(c)(3), whose board of directors is appointed by the board of directors of WSFSSH. K&L HDFC owns and operates property located at 11 West 102nd Street, New York, New York, consisting of one building containing 55 residential units for low-income elderly persons.

Frederic Fleming Housing Development Fund Corporation (“Fleming HDFC”) is a not-for-profit housing development corporation, exempt under Section 501(c)(3), whose board of directors is appointed by the board of directors of WSFSSH. WSFSSH has a use-agreement with Fleming HDFC to operate the property owned by Fleming HDFC. The property is located at 443-445 West 22nd Street, New York, New York, consisting of one building containing 47 residential units.

Tres Puentes LP (“Tres Puentes”) is a limited partnership that was formed under the laws of the State of New York on October 4, 2013 to acquire, construct and/or rehabilitate low-income housing that is decent, safe, and sanitary. Tres Puentes owns and operates two buildings in the Bronx, New York. One building includes 56 residential units and one community facility unit and is located at 295 East 138th Street. The second building has 119 residential units and one commercial unit, one community facility unit, and is located at 2550 Third Avenue. Tres Puentes Housing Company, Inc. (“TP HSG”) is a for-profit housing company, formed in the State of New York on October 4, 2013. WSFSSH owns 100% of the TP HSG stock. TP HSG is a general partner with a 0.01% interest in the partnership of Tres Puentes.

Claremont Park Associates LP (“Claremont Park”) is a limited partnership that was formed under the laws of the State of New York on May 12, 2006 to acquire, construct and/or rehabilitate low-income housing that is decent, safe, and sanitary. Claremont Park owns and operates one building containing 115 multi-family residential apartments intended for rental to low-income households located at 1421 College Avenue, Bronx, New York. Claremont Park Housing Company, Inc. (“CP HSG”) is a for-profit housing company, formed in the State of New York on May 15th, 2006. WSFSSH owns 100% of the CP HSG stock. CP HSG is general partner with a 0.01% interest in the partnership of Claremont Park.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1—ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

PSS/WSF Housing Company (“PSS/WSF LP”) is a limited partnership that was formed under the laws of the State of New York on July 18, 1993, to acquire, construct and/or rehabilitate low-income housing that is decent, safe, and sanitary. PSS/WSF LP owns and operates one building containing 51 residential units and one commercial unit located at 951 Prospect Avenue, Bronx, New York. PSS/WSF Housing Development Fund Company, Inc. (“PSS/WSF HDFC”) is a non-profit housing company, formed in the State of New York on July 21, 2003. The 50% of PSS/WSF HDFC’s board of directors is appointed by the board of directors of WSFSSH. PSS/WSF HDFC is a general partner with a 0.01% interest in the partnership of PSS/WSF.

Manhattan West Associates LP (“MWA LP”) is a limited partnership that was formed under the laws of the State of New York on June 30, 1980 to acquire, construct and/or rehabilitate low-income housing that is decent, safe, and sanitary. MWA LP owns and operates one building containing 231 residential apartments located at 135 106th street, New York. FHSS which is a not-for-profit corporation, wholly controlled by WSFSSH, is a general partner with a 1% interest in the partnership of MWA LP.

West Eighties Associates, LP (“W80s LP”) is a limited partnership that was formed under the laws of the State of New York on July 2, 2007 to acquire, construct and/or rehabilitate low-income housing that is decent, safe, and sanitary. W80s LP owns and operates two buildings in New York, New York - seven residential units and one commercial unit located at 44 West 87th Street, and 20 residential units located at 208 West 84th Street. West Eighties Housing Company, Inc. (“W80s HSG”) is a for-profit housing company, formed in the State of New York on July 2nd, 2007. WSFSSH owns 100% of the W80s HSG stock. W80s HSG is a general partner with a 0.01% interest in the partnership of W80s LP.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. **Basis of Accounting and Basis of Consolidation** - The consolidated financial statements of the Organization have been prepared using the accrual basis of accounting and conform to U.S. GAAP as applicable to not-for-profit organizations. All material intercompany transactions and accounts between the entities have been eliminated in consolidation.
- B. **Use of Estimates** - The preparation of consolidated financial statements in conformity with U.S. GAAP requires the Organization’s management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues, and expenses, as well as disclosure of contingent assets and liabilities. Actual results could differ from those estimates.
- C. **Cash, Cash Equivalents, Restricted Cash and Restricted Cash Equivalents** - For financial-reporting purposes, the Organization considers all highly liquid investments, purchased with the original maturity of three months or less to be cash equivalents. Restricted cash represents cash held by the Organization which is used to pay living expenses on behalf of certain residents. Social service and operating reserves are further disclosed in Note 6. The following table provides a reconciliation of cash and cash equivalents as reported on the June 30, 2021 and 2020 consolidated statements of financial position to the corresponding amounts within the consolidated statements of cash flows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 27,732,177	\$ 24,913,210
Restricted cash	1,052,721	1,144,400
Tenant security deposits	864,831	672,453
Social service and operating reserves	<u>9,344,218</u>	<u>8,913,380</u>
	<u>\$ 38,993,947</u>	<u>\$ 35,643,443</u>

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- D. **Property and Equipment** - are reported at their original costs or if contributed, at their fair value at the date of contribution, net of accumulated depreciation. The Organization capitalizes fixed assets with costs greater than \$5,000, whereas minor costs of repairs and maintenance are expensed as incurred.

Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets, which range from 5 to 40 years. Building and leasehold improvements are capitalized and amortized using the straight-line method over the remaining lease term or the useful lives of the improvement, whichever is shorter. Land is not depreciated.

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of June 30, 2021 and 2020, and in the opinion of management, there were no impairments. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

- E. **Deferred Costs** - Costs incurred in connection with a commercial lease are capitalized and amortized using the straight-line method over the life of the lease and are reported as deferred leasing costs on the consolidated statements of financial position.

Costs incurred in connection with debt financing are deferred and amortized over the term of the related debt using the straight-line method, which approximates the effective-interest method. These costs are reported in the consolidated statements of financial position as a direct reduction of the related debt. The amortization of deferred debt-issuance costs is reported as a component of interest expense in the consolidated statements of activities. Interest expense relating to the amortization of deferred debt-issuance costs was \$469,182 and \$750,000 for the years ended June 30, 2021 and 2020.

- F. **Net Assets** - The Organization's net assets and changes therein are classified and reported as follows:

Without donor restrictions - represents those resources of the Organization that are not subject to donor restrictions as to their use and are available for current operation. Net assets without donor restrictions also represent the aggregate of the limited partnership interests in the housing entities that are in the consolidated financial statements.

With donor restrictions - represent those resources that have been restricted by donors or grantors for specific purposes and/or the passage of time. When a donor restriction expires, that is, when a purpose restriction is accomplished, or when a stipulated time restriction ends, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Contributions and grants with donor restrictions, and the requirements of which are met in the year of donation, are reported as without donor restrictions.

- G. **Due to Residents** - represents cash held by the Organization which is used to pay living expenses on their behalf.
- H. **Contributions, Grants, and Government Contracts** – Contributions are recognized as income upon the receipt of cash or other assets, or when unconditional promises to give are received. Contributions are reported as restricted support if they are received with donor stipulations that limit the use of donated assets or if they are designated as support for future periods. Conditional contributions, that is those with a measurable performance or other barrier and a right of return, are recorded when the conditions have been met, and, if received in advance, are recognized in the consolidated statements of financial position as funds received in advance. A portion of the Organization's revenue is derived from cost-reimbursable federal, state or city contracts, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. The Organization received cost-reimbursable grants of \$1,489,563 and \$0 that have not been recognized at June 30, 2021 and 2020, respectively because qualifying expenditures have not yet been incurred, with funds received in advance of \$1,953,697 and \$111,088 recognized in the consolidated statements of financial position as of June 30, 2021 and 2020, respectively. Revenue from government contracts is recognized when costs are incurred, or other services are performed.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- I. **Revenue Recognition** – Fees and rental revenue are recognized based upon services rendered in accordance with contractual provisions and are recognized in the period the revenue pertains to. The recognition of revenue related to rents received in advance is deferred until the following year.
- J. **Allowance for Doubtful Accounts** – Management determines whether an allowance for uncollectible accounts receivable should be provided. Such estimates are based on management’s assessment of the aged basis of the receivables, current economic conditions, creditworthiness of the sources and historical experience. As of June 30, 2021 and 2020, the Organization determined that an allowance of \$986,769 and \$886,342, respectively was necessary.
- K. **Functional Allocation of Expense** - The costs of providing the Organization’s various programs and supporting services have been summarized on a functional basis in the consolidated statements of activities. The consolidated statement of functional expenses present expenses by natural classification and function. Accordingly, direct costs have been functionalized within the program and supporting services, based on the nature of the expense. Indirect costs have been allocated on the basis of time.
- L. **Non-controlling Limited Partner’s Interests** – Capital contributions from non-controlling limited partners in the consolidated statements of activities represent the capital contributions of the Limited Partnerships allocated to limited partners for that period. Non-controlling limited partners’ interests in the consolidated statements of financial position represent the cumulative capital contributions and the limited partners’ interest in profits or losses of the Limited Partnerships.
- M. **Change in Accounting Principle** – The Organization has adopted Accounting Standards Update (“ASU”) 2014-09 – *Revenue from Contracts with Customers* (Topic 606), as amended. Analysis of the various provisions of the standards resulted in no significant changes in the way the Organization recognized revenue, and therefore no changes to previously issued consolidated financial statements were required on a retrospective basis. The Organization adopted the standard using the modified retrospective approach. The disclosures related to revenue recognition have been enhanced in accordance with the new standard but no changes to amounts previously reported were made.

NOTE 3—LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization’s financial assets as of the consolidated statements of financial position date, reduced by amounts not available for general use within one year of June 30 because of contractual or donor-imposed restrictions:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents (excluding restricted cash)	\$ 27,732,177	\$ 24,913,210
Grants and government contracts receivable	7,337,613	7,450,080
Rents receivable, net	1,057,253	1,016,228
Advances receivable from residents, net	95,262	93,549
Loan receivable, current portion	39,537	
Other receivables	<u>605,336</u>	<u>701,828</u>
 Total financial assets available within one year	 36,867,178	 34,174,895
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restrictions by donors for programs	<u>(917,516)</u>	<u>(1,143,470)</u>
	 <u>\$ 35,949,662</u>	 <u>\$ 33,031,425</u>

The Organization’s liquidity policy is to structure its financial assets to maintain a sufficient level of operating cash to be available as its general expenditures, liabilities, and other obligations come due. As disclosed in Note 11, the Organization holds an available line of credit of \$5,000,000 which they could draw upon if needed.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 4—RECEIVABLES

- A. Grants and Government Contracts Receivable due within one year to the Organization from governmental agencies, net of advances, in support of client services and under the terms of agreements signed with various federal, state and city agencies, were as follows at June 30:

	<u>2021</u>	<u>2020</u>
Federal	\$ 912,687	\$ 2,413,768
New York State	227,194	166,760
New York City	<u>6,197,732</u>	<u>4,869,552</u>
	<u>\$ 7,337,613</u>	<u>\$ 7,450,080</u>

Based on prior history, management considers these receivables to be fully collectible; accordingly, no allowance for doubtful amounts has been established.

- B. Rents Receivable at June 30, 2021 and 2020, of approximately \$1,949,000 and \$1,841,000, consists of balances due to the Organization from tenants and government subsidies. All amounts are due within one year. Based on management's past experience, amounts of approximately \$784,000 and \$825,000 have been reserved for an allowance for uncollectible accounts as of June 30, 2021 and 2020, respectively.
- C. Advances receivable from residents at June 30, 2021 and 2020 of approximately \$191,000 and \$155,000, respectively consisted of balances due to the Organization from residents. All amounts are due within one year. Based on management's past experience, amounts of approximately \$96,000, and \$61,000 have been reserved for an allowance for uncollectible accounts as of June 30, 2021 and 2020, respectively.
- D. On February 28, 2020, the Organization entered into an agreement leasing a portion of a building located at 2699 Broadway, New York, NY to a tenant for a period of 20 years. As part of this agreement, the Organization agreed to provide a loan of \$500,000 to the tenant for improvements made to the space. The funds were provided only after the tenant spent \$800,000 of their own funds for improvements. The loan bears interest at a rate of 5% and matures 10 years from the date of lease commencement, as defined in the lease agreement. Payments are due monthly from the tenant in equal monthly installments of \$5,303.

NOTE 5—PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following at June 30:

	<u>2021</u>	<u>2020</u>
Land	\$ 45,552,537	\$ 70,279,795
Building and leasehold improvements	462,849,524	403,640,922
Equipment	5,457,958	5,185,146
Furniture	<u>2,641,983</u>	<u>2,221,305</u>
	516,502,002	481,327,169
Less: accumulated depreciation and amortization	<u>(91,243,090)</u>	<u>(80,716,479)</u>
	<u>\$ 425,258,912</u>	<u>\$ 400,610,690</u>

Depreciation amounted to \$10,526,612 and \$12,519,665 for the years ended June 30, 2021 and 2020, respectively.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 6—RESERVES AND ESCROW ACCOUNTS

In accordance with the provisions of the Organization's regulatory agreements, reserves and escrow accounts are used for the replacement of property and equipment. With the exception of the owner reserves of \$152,575 and \$116,548 for One Forty-Nine Housing Company and \$2,565,416 and \$2,635,249 for Manhattan West Associates LP, as of June 30, 2021 and 2020 respectively, the use of the reserve funds requires prior approval from the applicable regulatory agency.

As of June 30, 2021, reserves and escrow accounts consisted of the following:

	Replacement Reserve	Social Service Reserve	Operating Reserve	Other Reserves	Loan and Equity Escrow	Other Escrow	Total
Not-for-profit entities and its wholly-owned subsidiaries							
WSFSSH Inc.:							
WSFSSH Development Fund Reserve	\$ -	\$ -	\$ -	\$ 1,079,917	\$ -	\$ -	\$ 1,079,917
459 West 147th Street	33,659	-	-	-	-	7,308	40,967
Revilla	256,311	107,161	-	-	-	-	363,472
West Side Special Projects	570,507	-	-	-	-	-	570,507
Claremont Park	-	571,683	1,143,385	-	-	-	1,715,068
Other Projects	92,991	-	-	-	-	7,516	100,507
WSFSSH Inc. Total	953,468	678,844	1,143,385	1,079,917	-	14,824	3,870,438
IH Associates LLC	137,042	-	128,280	647,434	3,214,889	317,130	4,444,775
Marseilles LLC	326,942	-	-	545,374	-	210,136	1,082,452
One Forty-Nine Housing Company	126,617	-	-	152,575	-	-	279,192
Two Hundred Six Associates L.P.	147,437	-	-	-	-	-	147,437
K&L HDFC	221,870	-	-	1,397	-	-	223,267
The Westbourne HDFC	411,956	-	1,001,696	-	-	-	1,413,652
West Side Special HDFC	411,595	65,359	-	-	-	-	476,954
Three Arts Club HDFC	-	-	-	-	1,074,685	-	1,074,685
Euclid Hall HDFC	3,043,173	-	1,992,737	-	-	-	5,035,910
Subtotal	5,780,100	744,203	4,266,098	2,426,697	4,289,574	542,090	18,048,762
Housing entities:							
Borinquen Court Associates LP	260,142	-	613,192	486,194	-	582,868	1,942,396
Claremont Park Associates LP	78,636	-	272,033	-	-	-	350,669
One-Hundred Forty Associates LP	88,128	-	83,789	-	-	109,798	281,715
PSS/WSF Housing Company LP	154,380	-	37,140	-	-	79,417	270,937
Mill Brook Terrace LP	23,196	517,500	159,844	745,005	2,529	914,484	2,362,558
Manhattan West Associates LP	299,553	-	-	2,565,416	-	237,155	3,102,124
Tres Puentes LP	102,144	850,967	1,416,464	-	107,578	1,067,073	3,544,226
West 108th Street LP	-	-	-	-	400,144	-	400,144
West Eighties Associates LP	248,794	225,326	157,662	-	-	-	631,782
Subtotal	1,254,973	1,593,793	2,740,124	3,796,615	510,251	2,990,795	12,886,551
Total reserves and escrow	\$ 7,035,073	\$ 2,337,996	\$ 7,006,222	\$ 6,223,312	\$ 4,799,825	\$ 3,532,885	\$ 30,935,313

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 6—RESERVES AND ESCROW ACCOUNTS (Continued)

As of June 30, 2020, reserves and escrow accounts consisted of the following:

	Replacement Reserve	Social Service Reserve	Operating Reserve	Other Reserves	Loan and Equity Escrow	Other Escrow	Total
Not-for-profit entities and its wholly-owned subsidiaries							
WSFSSH Inc.:							
WSFSSH Development Fund Reserve	\$ -	\$ -	\$ -	\$ 1,071,655	\$ -	\$ -	\$ 1,071,655
459 West 147th Street	30,680	-	-	-	-	6,916	37,596
Revella	235,027	107,140	-	-	-	-	342,167
West Side Special Projects	1,026,322	-	-	-	-	-	1,026,322
Claremont Park	-	571,627	1,143,271	-	-	-	1,714,898
Other Projects	92,973	-	-	-	-	516,417	609,390
WSFSSH Inc. Total	1,385,002	678,767	1,143,271	1,071,655	-	523,333	4,802,028
IH Associates LLC	107,916	-	120,000	2,030,021	3,173,946	350,018	5,781,901
Marseilles LLC	291,569	-	-	538,508	-	189,397	1,019,474
One Forty-Nine Housing Company	101,659	-	-	116,548	-	-	218,207
Two Hundred Six Associates L.P.	147,408	-	-	-	-	-	147,408
K&L HDFC	171,721	-	-	1,397	-	-	173,118
The Westbourne HDFC	370,312	-	993,956	-	-	-	1,364,268
West Side Special HDFC	396,754	65,347	-	-	-	-	462,101
Three Arts Club HDFC	-	-	-	-	1,074,685	-	1,074,685
Euclid Hall HDFC	2,941,352	-	1,786,922	-	-	-	4,728,274
Subtotal	5,913,693	744,114	4,044,149	3,758,129	4,248,631	1,062,748	19,771,464
Housing entities:							
Borinquen Court Associates LP	214,992	-	787,364	454,629	-	590,692	2,047,677
Claremont Park Associates LP	39,389	-	552,984	-	-	-	592,373
One-Hundred Forty Associates LP	93,234	-	83,751	-	-	87,872	264,857
PSS/WSF Housing Company LP	157,007	-	51,782	-	-	75,876	284,665
Mill Brook Terrace LP	-	-	-	-	3,061,603	-	3,061,603
Manhattan West Associates LP	356,195	-	-	2,635,249	-	191,794	3,183,238
Tres Puentes LP	58,343	850,545	1,415,761	-	107,547	1,103,162	3,535,358
West 108th Street LP	-	-	-	-	400,144	-	400,144
West Eighties Associates LP	237,489	225,291	157,639	-	-	-	620,419
Subtotal	1,156,649	1,075,836	3,049,281	3,089,878	3,569,294	2,049,396	13,990,334
Total reserves and escrow	\$ 7,070,342	\$ 1,819,950	\$ 7,093,430	\$ 6,848,007	\$ 7,817,925	\$ 3,112,144	\$ 33,761,798

NOTE 7—CONSTRUCTION COSTS PAYABLE

VL Shelter and W108 LP entered into construction contracts with Procida Construction Corp., an unrelated company, in the original amounts of \$9,940,384 and \$52,817,616, respectively (exclusive of change orders) for the construction of the condo and shelter units. As of June 30, 2021 and 2020, the work has been completed and \$6,702,097 and \$4,946,276 remains as construction payable.

Millbrook entered into construction contracts with Procida Construction Corp., an unrelated company, in the original amounts of \$54,591,262 (exclusive of change orders) for the Millbrook construction unit. As of June 30, 2021 and 2020, the work is completed and \$1,018,865 and \$3,965,173 remains as construction payable.

Tres Puentes entered into construction contracts with Procida Construction Corp., an unrelated company, in the original amounts of \$26,347,068 for Tres Puentes East and \$54,408,968 for Tres Puentes West, respectively, (exclusive of change orders) for the Tres Puentes construction unit. As of both June 30, 2021 and 2020, the work has been completed and \$816,655 remains as construction payable for each such years.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 7—CONSTRUCTION COSTS PAYABLE (Continued)

IH Associates LLC entered into construction contracts with FG PH Corp. and PTS General Construction LLC, an unrelated company, in the original amounts of \$54,591,262 (exclusive of change orders) for the Millbrook construction unit. As of both June 30, 2021 and 2020, the work has been completed and \$1,295,399 remains as construction payable for each such years.

Other miscellaneous construction costs payable amount to \$181,411 and \$97,839 as of June 30, 2021 and 2020, respectively.

NOTE 8—DEFERRED DEVELOPMENT COSTS

The Organization prepays the development costs for new projects at development stage and receives reimbursements once the new projects become operational or fully funded by permanent financing sources. As of June 30, 2021 and 2020 the total deferred development costs are approximately \$763,000 and \$449,000, respectively.

NOTE 9—DEVELOPER FEE PAYABLE

In June 2018, WSFSSH entered into a development fee agreement with Mill Brook Terrace, LP. with respect to the construction of a 159-unit residential building located at 570 East 137th Street, Bronx, New York 10454. Under the agreement, WSFSSH provided certain development services, including preparing a business plan for the development and operation of the project, procuring all required construction and rehabilitation financing, performing selection and supervision of the architect and engineer for the project, and assisting the project to be built in accordance with an approved construction schedule. The agreement called for a total development fee of \$9,902,029, of which \$5,416,693 is to be paid out from the Project's Equity and \$4,485,336 is subject to be paid out from the Project's cash flow. Subsequently, WSFSSH entered into a subcontract with NYCHA HDFC at a subcontract price of \$2,097,544 for certain development services. The developer fee payable to WSFSSH is eliminated as an intercompany transaction, however, the subcontractor developer fee payable to NYCHA HDFC is recognized and reported as developer fee payable of the Organization. As of June 30, 2021 and 2020, the outstanding balance to pay to NYCHA HDFC is \$135,415 and \$1,797,544.

NOTE 10—LONG-TERM DEBT

The various debt obligations outstanding as presented in the accompanying consolidated statements of financial position as of June 30 consisted of the following:

Entity	Lender	Final Maturity Date	Interest Rate	2021	2020
A WSFSSH	Deutsche Bank Americas Foundation	11/30/2024	Non- interest bearing	\$ 120,000	\$ 120,000
B WSFSSH	J.P Morgan Chase N.A/ S.B.A.	4/7/2022	Non- interest bearing	3,250,832	3,250,832
C Marseilles LLC	NYC Department of Housing Development Corporation	3/1/2051	3.96%	16,911,070	17,203,471
D IH Associate LLC	NYC Department of Housing Development Corporation	10/26/2137	1.00%	25,000,000	25,000,000
D IH Associate LLC	NYC Department of Housing Development Corporation	10/26/2047	4.41%	7,002,182	7,078,263
D IH Associate LLC	NYC Department of Housing Development Corporation	10/26/2047	2.50%	8,273,137	8,273,137
E West Side Special HDFC	NYC Department of Community Preservation Corporation	3/1/2032	6.27%	133,298	146,738
E West Side Special HDFC	NYC Department of Community Preservation Corporation	3/1/2037	1.00%	246,360	246,360
E West Side Special HDFC	NYC Department of Community Preservation Corporation	3/1/2022	Non- interest bearing	302,500	302,500
F West Side Special HDFC	NYC Department of Housing Development Corporation	6/3/2033	1.00%	1,712,585	1,712,585
F West Side Special HDFC	NYC Department of Housing Development Corporation	1/1/2022	1.00%	621,556	1,243,111
F West Side Special HDFC	NYC Department of Housing Development Corporation	5/2/2032	1.00%	1,405,991	1,405,991
G West Side Special HDFC	United States Department of Housing and Urban Development	9/29/2036	Non- interest bearing	6,186,955	6,186,955
H One Forty Nine Housing Company	NYC Department of Community Preservation Corporation	4/30/2034	Non- interest bearing	2,441,330	2,441,330
I Euclid Hall HDFC	NYC Department of Housing Preservation Development	12/1/2042	0.50%	22,102,652	22,102,652
J Westbourne HDFC	NYC Department of Housing Development Corporation	11/10/2024	Non- interest bearing	4,665,028	4,665,028
K Three Arts Club HDFC	NYC Department of Housing Development Corporation	11/9/2021	2.75%	43,501,769	43,501,769
L K&L HDFC, Inc.	U.S. Department of Housing and Urban Development	4/1/2039	Non- interest bearing	5,682,800	5,682,800
M Valley Lodge Shelter HDFC	J.P Morgan Chase N.A	Conversion date	2.25%	10,689,670	5,759,443
N Two Hundred Six Associate LP	NYS Office of Temporary and Disability Assistance Homeless Housing Program	8/8/2025	1.00%	1,150,000	1,150,000
O Claremont Associate LP	NYC Department of Housing Development Corporation	12/4/2060	1.00%	16,100,000	16,100,000
P Claremont Associate LP	NYS Office of Temporary and Disability Assistance Homeless Housing Program	11/4/2049	Non- interest bearing	4,296,293	4,296,293
Q West Eighties Associate LP	NYC Department of Housing Development Corporation	7/29/2040	1.00%	1,900,000	1,900,000
R West Eighties Associate LP	NYS Office of Temporary and Disability Assistance Homeless Housing Program	7/29/2040	1.00%	1,007,400	1,007,400
S Borinquen Associates LP	NYC Department of Housing Development Corporation	2/26/2045	2.54%	3,053,029	3,053,029
T Borinquen Associates LP	NYC Department of Housing Development Corporation	2/26/2045	5.35%	5,296,277	5,404,782
U West 108th Street L.P	NYC Department of Housing Development Corporation	2/28/2057	5.35%	33,549,726	16,654,165
V West 108th Street L.P	NYC Department of Housing Development Corporation	2/28/2057	3.26%	8,383,850	7,507,974
W West 108th Street L.P	NYC Department of Housing Development Corporation	2/28/2077	3.26%	8,355,860	1,573,122
X West 108th Street L.P	NYS Office of Temporary and Disability Assistance Homeless Housing Program	Conversion date	Non- interest bearing	8,580,544	6,447,313
Y One Hundred Forty Associate LP	NYC Department of Housing Development Corporation	7/1/2037	5.35%	1,469,818	1,526,885
				Subtotal: <u>\$253,392,512</u>	<u>\$222,943,928</u>

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 10—LONG-TERM DEBT (Continued)

Entity	Lender	Final Maturity Date	Interest Rate	2021	2020
			Balance forward from previous page:	\$253,392,512	\$222,943,928
Z PSS/WSF Housing Company, LP	New York State Housing Authority	7/21/2045	2.00%	1,540,114	1,540,114
Z PSS/WSF Housing Company, LP	NYC Department of Community Preservation Corporation	8/1/2035	7.07%	579,894	603,129
Z PSS/WSF Housing Company, LP	State of New York Housing Trust Fund Corporation	7/21/2035	1.00%	1,950,000	1,950,000
Z PSS/WSF Housing Company, LP	Presbyterian Senior Service	7/21/2035	Non-interest bearing	648,052	648,052
Z PSS/WSF Housing Company, LP	Presbyterian Senior Service	8/28/2043	4.63%	160,000	160,000
AA Tres Puentes LP	NYC Department of Housing Development Corporation	10/8/2049	2.20%	16,400,000	16,400,000
AA Tres Puentes LP	New York State Housing Finance Agency	10/8/2049	4.25%	24,536,710	24,981,425
AA Tres Puentes LP	New York State Housing Finance Agency	7/1/2049	1.00%	7,780,342	7,780,342
BB Mill Brook Terrace, LP	NYC Department of Housing Development Corporation	9/30/2060	5.73%	20,689,900	42,651,290
CC Mill Brook Terrace, LP	NYC Department of Housing Development Corporation	9/30/2060	2.65%	8,744,999	8,546,666
CC Mill Brook Terrace, LP	NYC Department of Housing Development Corporation	9/30/2060	2.65%	12,173,000	11,925,000
CC Mill Brook Terrace, LP	NYC Department of Housing Development Corporation	9/30/2060	2.65%	200,000	200,000
DD Mill Brook Terrace, LP	NYS Office of Temporary and Disability Assistance Homeless Housing Program	9/30/2060	Non-interest bearing	3,120,000	2,736,003
EE Manhattan West Associate LP	Berkadia Commercial Mortgage LLC	5/1/2034	2.78%	5,035,814	5,355,482
			Total Long-term debt	356,951,337	348,421,431
			Less: Long-term debt current portion	(47,851,965)	(44,517,679)
				309,099,372	303,903,752
			Less: Unamortized debt-issuance costs	(7,630,848)	(4,411,710)
			Total Long-term debt, net	\$301,468,524	\$299,492,042

- A. On November 14, 2019, Deutsche Bank Americas Foundation (“Deutsche Bank”) provided a \$120,000 loan where \$40,000 is disbursed to the Organization in each of the three years ending June 30, 2021, 2020 and 2019. The Organization is required to repay the loan in three installments of \$40,000 per year beginning November 30, 2022, and each of the two years thereafter with the maturity date being November 30, 2024. The loan bears no interest, and the proceeds are required to be used for the charitable purposes of the Organization as identified in Note 1.
- B. On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The Paycheck Protection Program (“PPP”) established by the CARES Act, implemented by the U.S. Small Business Administration (“SBA”), provides businesses, including certain not-for-profit organizations, with funds to pay payroll and other costs during the coronavirus (“COVID-19”) outbreak. On April 7, 2020, the Organization received \$3,250,832 in funds from the PPP which is reported as a PPP loan payable in long-term debt on the consolidated statements of financial positions as of both June 30, 2021 and 2020. Neither principal nor interest is due earlier than 10 months after the deferral period which is through September 2021. This loan may be forgiven subject to bank approval in accordance with SBA guidelines. Any outstanding principal of the loan that is not forgiven under the PPP loan program at the end of the 10-month deferral period will convert to a term loan with an interest rate of 0.98% payable in equal installments of principal and interest over the next 24 months, beginning in October 2021. The Organization has applied for and received forgiveness in August 2021 and will be reflected as loan forgiveness in the Organization’s consolidated financial statements for the year ended June 30, 2022.
- C. Mortgage loan payable provided by New York City Housing Development Corporation (“HDC”) secured by a lien on the property located at 230 West 103rd Street.
- D. In October 2017, IH LLC entered into an agreement to purchase property located at 179 West 94th Street from an unrelated third party for approximately \$28 million. In conjunction with the purchase and renovation to the property, IH LLC entered into three mortgage agreements with HPD and HDC aggregating \$40,493,885. The excess mortgage proceeds over the purchase price were used for renovations of the property noted previously. The HDC mortgage loan bearing interest at 4.41% requires monthly principal and interest payments totaling \$32,196 until the maturity date of the mortgage, October 26, 2047. The property is required to be used for 40 years from the date of the mortgage for the purpose of providing affordable housing.
- E. In February 2007, West Side Special HDFC entered into three mortgage consolidation agreements with the New York City Department of Community Preservation Corporation (“CPC”). The mortgages are secured by property located at 459 West 147th Street. Two of the three mortgages require monthly payments of principal and interest totaling \$2,043 per month. The third mortgage does not require monthly payments of principal and is noninterest bearing. The third mortgage requires full payment of \$302,500 on the date of maturity, March 1, 2037.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 10—LONG-TERM DEBT (Continued)

- F. In January 1992, West Side Special HDFC entered into a mortgage agreement with HDC borrowing \$3,107,778. In April 2002, West Side Special HDFC entered into a mortgage agreement with HDC borrowing \$1,405,991. In June 2003, West Side Special HDFC entered into an additional mortgage agreement with HDC for maximum borrowing of up to \$1,818,250, of which they borrowed \$1,712,585. All three of the mortgages mature 30 years from the date of issuance and are secured by property held at 109 West 129th Street. Interest on these HPD loans will accrue at the maturity of these loans, and the principal, together with interest, will be due on maturity. However, if the properties are still owned by a not-for-profit organization on the 25th anniversary of the loans, the unpaid principal balance, together with the accrued interest thereon, will be reduced and deemed paid in five annual decrements of 20% of the respective balances. For each of the years ended June 30, 2021 and 2020, \$621,556 was recognized as a reduction of the loan principal.
- G. In September 2006, West Side Special HDFC entered into a mortgage agreement with the United States Department of Housing and Urban Development (“HUD”) in the amount of \$6,186,955. The loan requires no monthly payments of principal and does not bear interest. The mortgage matures 30 years from the date of issuance and will be cancelled provided the Organization maintains the property for the purpose of providing affordable housing.
- H. In April 2004, One Forty-Nine Housing Company, entered into two mortgage agreements with HPD totaling \$2,441,330, secured by property located at 149 Manhattan Avenue. The mortgages bear no interest and mature 30 years from the date of issuance. They require no payments until the maturity date of April 30, 2034. However, if the properties are still owned by a not-for-profit organization on the 25th anniversary of the loans, the unpaid principal balance, together with the accrued interest thereon, will be reduced and deemed paid in five annual decrements of 20% of the respective balances.
- I. In May 2013, Euclid Hall HDFC assumed the partnership interest of National Equity Fund 1992 Limited Partnership. As a result of that transaction, Euclid Hall HDFC assumed a mortgage agreement with HPD totaling \$22,102,652. The mortgage agreement is secured by property located at 2345 Broadway. No monthly payments of principal and interest are due for this mortgage; the total amount is due and payable upon maturity on December 1, 2042.
- J. In a mortgage dated April 1992, Westbourne HDFC incurred a mortgage payable of \$4,965,028. In December 2009, \$300,000 was deemed satisfied pursuant to the terms of the mortgage with HPD. The mortgage is secured by property located at 930 West End Avenue, and the balance of the mortgage is due on the maturity date of November 10, 2024.
- K. In February 2017, Three Arts Club HDFC entered into an agreement to purchase property located at 340 West 85th Street from an unrelated third party for approximately \$42 million. In conjunction with the purchase and renovation to the property, Three Arts Club HDFC entered into two mortgage agreements with HPD aggregating \$43,501,769. The excess proceeds over the purchase price are restricted by HPD for renovations and improvements to the property.
- L. K&L HDFC holds a mortgage payable to HUD which is non-interest bearing and secured by property and improvements for the K&L HDFC project. The restriction period on the project expires in 2039.
- M. In December 2018, Valley Lodge Shelter HDFC entered into a building loan and project loan agreement totaling \$14,621,328 which is being used to finance the acquisition of property located at 137-159 West 108th Street. As of June 30, 2021, \$10,689,670 has been drawn down on the loans. Upon satisfaction of the terms of the building and project loan agreement, a permanent loan will be provided with a maturity of 30 years.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 10—LONG-TERM DEBT (Continued)

- N. In August 1995, 206 Associates L.P., entered into a \$1,150,000 mortgage agreement with the New York State Homeless Housing and Assistance Corporation ("HHAC"). The mortgage agreement requires that 206 Association L.P. comply with the HHAC's assistance program contract and be maintained as a homeless assistance project for a period of 30 years. The mortgage is secured by the property located at 206 West 84th Street.
- O. Claremont Park Associates, LP., also has a \$16,100,000 mortgage loan payable to HPD, which bears interest at 1% compounded annually. The entire loan amount and accrued interest are due and payable on December 4, 2060. The loan is secured by the rental property and an assignment of rents.
- P. In November 2009, Claremont Park Associates, LP, executed a noninterest-bearing 30-year mortgage loan commitment in an amount of \$4,423,620 with the New York State Homeless Housing and Assistance Corporation ("HHAC"). The loan is due and payable 30 years from the date of the commencement of the Project's operational phase, which was October 18, 2012, as approved by the HHAC. The loan is noninterest bearing. The loan is secured by the rental property.
- Q. On July 30, 2008, West Eighties Associates, LP, entered into a 30-year mortgage loan note for the 44 West 87th Street building with HHAC in an original amount of \$1,007,400. The project operational phase commencement date is March 1, 2010. The loan bears an interest rate of 1% per annum. The loan is secured by a shared first mortgage on the land and improvements of the property.
- R. On July 30, 2008, West Eighties Associates, LP entered into a 30-year mortgage loan note with HPD in an original amount of \$1,900,000. Of this total loan balance, \$495,446 is for 44 West 87th Street and \$1,404,554 is for 208 West 84th Street. The loan bears an interest rate of 1% per annum and has a 0.25% servicing fee per year. The entire loan amount, including interest accrued thereon, is due and payable on July 29, 2040. The loan is secured by a shared first mortgage on the land and improvements of 44 West 87th Street and a first mortgage on 208 West 84th Street. On September 26, 2016, the loan was modified. Retroactive to October 14, 2014, the servicing fee of 0.25% was no longer required to be accrued.
- S. On February 26, 2015, Borinquen Court Associates LP, received permanent financing from an HDC loan in the amount of \$5,895,000. The interest rate on the loan, including servicing and mortgage insurance fees, is 5.35% with a 30-year term with monthly principal and interest payments of \$32,918 due beginning April 1, 2015. The mortgage is insured by the State of New York Mortgage Agency. The HDC loan was secured by a first mortgage on the Project.
- T. On February 26, 2015, Borinquen Court Associates LP received permanent financing from HPD in the amount of \$3,053,029 with a term of 30 years and monthly interest-only payments of \$2,544. The loan bears interest at 1% and is secured by a second mortgage on the Project.
- U. On December 28, 2018, West 108th Street LP entered into a 30-year mortgage loan with HDC for \$45,440,000. The loan bears interest at 3.00% for the first 59.59% of the outstanding principal amount, and then at a rate of 5.05% for the remaining 40.41% of the balance until the date of release which is anticipated to be not later than February 28, 2022. After the date of release, the loan will bear interest at a rate of 5.75% on the entire principal balance. The loan also contains a mandatory prepayment requirement which is to be made no earlier than February 1, 2022 and no later than March 1, 2023. The note requires monthly interest-only payments until the release date. After the release date the loan requires monthly principal and interest payments. The loan is secured by property located at 137-159 West 108th Street.
- V. On December 28, 2018, West 108th Street LP entered into two 35-year mortgage loan agreements with HPD allowing for total combined borrowings of \$11,935,000. As of June 30, 2021 and 2020, total borrowings were \$8,383,850 and \$7,507,974. The loans bear interest at a fixed rate of 3.26%, with monthly interest-only payments of \$4,905 commencing after the release date and continuing through maturity. The loan is secured by property located at 137-159 West 108th Street.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 10—LONG-TERM DEBT (Continued)

- W. On December 28, 2018, West 108th Street LP entered into a 55-year mortgage loan agreement with HPD in the amount of \$8,355,860. Until the release date, interest accrues at a rate of 3.385% and is payable monthly on advanced funds. After the release date, the mortgage bears interest at a rate of 3.26% and no payments are made until the maturity date of February 28, 2077. The loan is secured by property located at 137-159 West 108th Street.
- X. On December 28, 2018, West 108th Street LP entered into a building loan mortgage with HHAC. The building loan mortgage requires that West 108th Street LP maintain the property located at 137-159 West 108th Street as a homeless project as defined in Section 42 of the Social Services Law of the State of New York for a period of no less than 55 years from the receipt of written approval for project occupancy and operation. The loan bears no interest and is due and payable on the 55th anniversary of the conversion date (which has not been determined as of the date of these consolidated financial statements). The project is not in operation.
- Y. On June 29, 2006, One Hundred Forty Associates, LP entered into a first mortgage loan agreement with the New York City Housing Development Corporation ("NYCHDC") for a loan in the amount of \$2,500,000. This loan consisted of a \$2,154,477 project loan and a \$345,523 building loan and was subject to a mandatory prepayment of \$450,000 at permanent conversion. The permanent conversion took place on May 9, 2007 at which time the mandatory \$450,000 was repaid. The remaining mortgage payable of \$2,050,000 has a 30-year term with an interest rate of 5.35% from the date of permanent conversion. The mortgage loan is subject to monthly principal and interest payments totaling \$11,447. The mortgage loan is secured by the property located at 140 West 105th Street.
- Z. PSS/WSF Housing Company, LP holds several mortgages and loans payable all of which are secured by the property located at 951 Prospect Avenue, Bronx, New York. The first mortgage note was issued by Community Preservation Corporation and bears interest at the rate of 7.07%. Principal and interest are payable in monthly installments of \$5,428 through maturity on September 1, 2035. The balance as of June 30, 2021 and 2020 was \$579,894 and \$603,129, respectively. The Housing Trust Fund Corporation mortgage loan totaling \$1,950,000, bears interest at 1% and is due on July 21, 2035. Interest is deferred if the Project has insufficient excess income, as defined in the loan agreement. The New York City Housing Authority mortgage loan totaling \$1,540,114, bears interest at rate of 2%, with principal and interest payments deferred until the loan's maturity date of July 21, 2045. The Presbyterian Senior Services ("PSS") mortgage loan totaling \$160,000, bears interest at 4.63%, with principal and interest payments deferred until the loan's maturity date of August 28, 2043. The PSS has extended a noninterest-bearing, unsecured loan to the Partnership due on July 1, 2035. As of both June 30, 2021 and 2020, the outstanding balance was \$648,052.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 10—LONG-TERM DEBT (Continued)

- AA. Tres Puentes, LP obtained a permanent financing loan from the New York State Housing Finance Agency ("HFA") which had an original principal amount of \$25,580,000 and an interest rate of 4.25% per annum. Monthly interest-only payments were due beginning on June 1, 2016 and continued until March 1, 2019, upon which monthly principal and interest payments will commence until loan maturity on July 1, 2049. All remaining outstanding principal and accrued interest is due at maturity. In addition to monthly interest payments, the loan has a monthly servicing fee of 0.25% per annum of the outstanding principal amount of the loan, payable monthly. On May 19, 2016, Tres Puentes, LP entered into a loan agreement with HFA for a maximum amount of \$7,600,000 ("Subsidy Loan"). The loan bears interest at a rate of 1% per annum throughout the construction period, accruing only to the extent that funds have been disbursed. After the construction period, the amount of accrued interest during the construction period shall be added to the principal amount of the Subsidy Loan. The principal amount will accrue interest at a rate of 1%, per annum, compounding annually, through the maturity date on July 1, 2049. Tres Puentes, LP will be required to make payments of 50% of annual surplus income, as defined, annually beginning the first full year of operations after the earlier of the end of the 15th tax credit year or the last payment of the deferred development fee. On May 19, 2016, Tres Puentes, LP was extended a mortgage loan from the New York City Department of Housing Preservation and Development ("HPD") in an original amount of \$16,650,000. Of this balance, \$16,050,000 is to finance the construction contract costs ("SHLP Loan") and \$600,000 is to finance the remediation contract costs ("OER Loan"). The loan bears interest at 1% per annum, compounded monthly, from origination through the earlier to occur of the LOC expiration or conversion. Interest payments are required monthly at the rate of 0.125% per annum. If conversion occurs first, the interest rate will accrue at 2.22% per annum from conversion until maturity. If the LOC expiration occurs first, the loan will accrue interest at a rate of 0.125% per annum.
- BB. On June 29, 2017, Mill Brook Terrace LP entered into a 40-year mortgage loan note with the New York City Department of Housing and Development Corporation ("HDC") in an original amount of \$44,500,000. The loan consists of funds for construction financing and permanent financing. The construction loan had a principal amount of \$23,780,000 and an interest rate of 2.35% per annum. Monthly interest-only payments were due beginning July 1, 2017 and the outstanding construction loan amount, including any accrued interest thereon, was due and payable prior to maturity on March 29, 2020. A 9-month extension was granted through December 28, 2020. On December 2, 2020, the outstanding principal balance of the construction loan was paid off. The permanent financing loan has an original principal amount of \$20,720,000 and an interest rate of 5.73% per annum. Monthly interest-only payments were due beginning on July 1, 2017 and shall continue until March 1, 2020, upon which monthly principal and interest payments will commence until loan maturity on September 30, 2060.
- CC. On June 29, 2017, Mill Brook Terrace, LP entered into an additional loan from HDC in an original amount of \$8,745,000. The loan bears interest at a rate of 2.65% per annum which shall be fully deferred and shall accrue and be compounded monthly throughout the maturity date on September 30, 2060. On June 29, 2017, Mill Brook Terrace, LP entered into a second loan agreement with the HPD for a maximum amount of \$11,925,000. The loan bears interest at a rate of 2.65% per annum which shall be fully deferred and shall accrue and be compounded monthly throughout the maturity date on September 30, 2020. On June 29, 2017, Mill Brook Terrace, LP entered into another loan agreement with the HPD for a maximum amount of \$200,000. The loan bears interest of .25% until LC expiration date, after that loan is noninterest bearing throughout the maturity date on September 30, 2060. The principal balance shall be paid in accordance with certain funding and disbursement agreement.
- DD. On June 29, 2017, Mill Brook Terrace, LP entered into a mortgage loan with HHAC in an original amount of \$3,120,000. The loan is noninterest bearing. The balance shall be due and payable on the 40th anniversary of written approval of the project for occupancy and operation.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 10—LONG-TERM DEBT (Continued)

EE. On December 12, 2012, the Manhattan West Associates, LP refinanced its existing mortgage by obtaining a new mortgage in the amount of \$7,468,000 (“Mortgage Loan”) with Berkadia Commercial Mortgage, LLC. The Mortgage Loan is fully insured by HUD under section 223(a)(7). The interest rate of the Mortgage Loan is 2.78% per annum. The Partnership began paying monthly principal and interest installments of \$38,708 on February 1, 2013. The Mortgage Loan will mature on May 1, 2034. The liability of the Manhattan West Associates, LP under the Mortgage Loan is limited to the underlying value of the real estate collateral plus other amounts deposited with the lender.

The required principal payments by the Organization on the above obligations, in each of the five fiscal years subsequent to June 30, 2021 and thereafter, are as follows:

2022	\$ 47,851,965
2023	1,147,290
2024	5,862,464
2025	1,209,729
2026	1,264,627
Thereafter	<u>299,615,262</u>
	<u>\$ 356,951,337</u>

NOTE 11—LINE-OF-CREDIT

In May 2020, the Organization obtained a bank line-of-credit with a bank in the amount of \$5,000,000 bearing an interest rate of 3.000% plus LIBOR, which then expired in May 2021. The line-of-credit was renewed with the same terms on July 14, 2021 and expires on July 15, 2022. The line is secured by the assets of the Organization. There were no amounts drawn from the line-of-credit during the year.

NOTE 12—COMMITMENTS AND CONTINGENCIES

- A. Government-funded activities are subject to audit by the applicable granting agencies. At June 30, 2021, there were no material obligations outstanding as a result of such audits, and management believes that no material obligations will result from any future audits of such activities.
- B. In conjunction with developing and managing housing facilities for the low-income, elderly, disabled and homeless persons, WSFSSH has entered into various agreements with affiliated entities guaranteeing operating deficits and tax-credit compliance. WSFSSH has not been called upon to make payments under these guarantees through the date of the consolidated financial statements, and the conditions requiring guarantee payments are considered unlikely by WSFSSH. Such guarantee payments are not anticipated in the future, and as of June 30, 2021, WSFSSH has not recognized a liability under the guarantees.
- C. The extent of the impact of the Coronavirus (“COVID-19”) outbreak on the operational and financial performance of the Organization will depend on the continued future developments, including the duration and spread of the outbreak and related travel advisories and restrictions and the impact of COVID-19 on overall demand for the Organization’s services, all of which are uncertain and cannot be predicted. If demand for the Organization’s services is impacted for an extended period, results of operations may be materially adversely affected.
- D. The Organization is subject to the provisions of the U.S GAAP, as it relates to accounting and reporting for uncertainty in income taxes. For the Organization, these provisions could be applicable to the incurrence of unrelated business income tax (“UBIT”) attributable to income received from parking garages. Because of the Organization’s general tax-exempt status, management believes ASC Topic 740 has not had, and is not expected to have, a material impact on the Organization’s consolidated financial statements.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 13—NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2021 and 2020, net assets of \$917,516 and \$1,143,470 with donor restrictions for housing and construction, includes contributions from the Local Initiative Support Corporation (“LISC”) and the Affordable Housing Program (“AHP”). The LISC contribution was restricted for construction costs related to the community facility and commercial space located in the Bronx, New York. The AHP contribution was restricted for construction costs related to the community facility space located in the Bronx, New York. During the years ended June 30, 2021 and 2020, net assets in the amounts of \$467,602 and \$4,589,714, respectively, were released in satisfaction of these restrictions.

NOTE 14—CONCENTRATIONS

The Organization maintains its cash in both interest-bearing and non-interest-bearing accounts which, at times, may exceed federally insured limits. Management believes that the Organization is not exposed to any significant risk of loss due to the possible failure of the financial institutions. As of June 30, 2021, cash held in five banks exceeded the Federal Deposit Insurance Corporation limits by \$26,175,195.

NOTE 15—EMPLOYEE BENEFIT PLAN

The Organization maintains a defined-contribution pension plan (the “Plan”), operating under Section 403(b) of the Code for the benefit of all eligible employees. Plan expenses for the year ended June 30, 2021 and 2020 were \$439,459 and \$422,213, respectively.

NOTE 16—SUBSEQUENT EVENTS

The Organization evaluated subsequent events through November 18, 2021, the date on which the consolidated financial statements were available to be issued. As mentioned in Note 10B, the Organization received full forgiveness of its Paycheck Protection Program Loan in the amount of \$3,250,832.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
SUMMARIZED CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2021

	Not-for-Profit Entities and Its Wholly-Owned Subsidiaries	Total Housing Entities	Total Before Eliminations	Eliminations	Consolidated Total
ASSETS:					
Current assets:					
Cash and cash equivalents	\$ 19,708,138	\$ 8,024,039	\$ 27,732,177	\$ -	\$ 27,732,177
Restricted cash (Resident Funds)	1,052,721	-	1,052,721	-	1,052,721
Grants and government contracts receivable	7,337,613	-	7,337,613	-	7,337,613
Receivable from affiliates - current portion	2,166,140	-	2,166,140	(2,166,140)	-
Rents receivable, net	752,597	304,656	1,057,253	-	1,057,253
Advances receivable from residents, net	95,262	-	95,262	-	95,262
Other receivables	521,505	83,831	605,336	-	605,336
Loan receivable, current portion	39,537	-	39,537	-	39,537
Prepaid expenses	801,200	953,650	1,754,850	-	1,754,850
	<u>32,474,713</u>	<u>9,366,176</u>	<u>41,840,889</u>	<u>(2,166,140)</u>	<u>39,674,749</u>
Total current assets					
Property and equipment, net	<u>154,879,819</u>	<u>297,181,088</u>	<u>452,060,907</u>	<u>(26,801,995)</u>	<u>425,258,912</u>
Other assets:					
Reserves and escrow	18,048,762	12,886,551	30,935,313	-	30,935,313
Loan receivable, net of current portion	460,463	-	460,463	-	460,463
Notes and loan receivable from affiliates	15,387,830	-	15,387,830	(15,387,830)	-
Receivable from affiliates - accrued interest	3,059,327	-	3,059,327	(3,059,327)	-
Receivable from affiliates - developer fees	9,413,522	-	9,413,522	(9,413,522)	-
Tenant security deposits held	656,466	208,365	864,831	-	864,831
Other security deposits	24,890	135,597	160,487	-	160,487
Investment in partnerships	7,740,017	-	7,740,017	(7,740,017)	-
Deferred development cost	763,098	-	763,098	-	763,098
Deferred fees, net of accumulated amortization	26,882	1,018,433	1,045,315	-	1,045,315
	<u>55,581,257</u>	<u>14,248,946</u>	<u>69,830,203</u>	<u>(35,600,696)</u>	<u>34,229,507</u>
Total other assets					
TOTAL ASSETS	<u>\$ 242,935,789</u>	<u>\$ 320,796,210</u>	<u>563,731,999</u>	<u>(64,568,831)</u>	<u>499,163,168</u>
LIABILITIES:					
Current Liabilities:					
Accounts payable and accrued expenses	\$ 3,811,989	\$ 1,287,749	\$ 5,099,738	\$ -	\$ 5,099,738
Construction costs payable	2,550,709	7,463,718	10,014,427	-	10,014,427
Due to residents	1,052,721	-	1,052,721	-	1,052,721
Payable to affiliate -current other	-	2,166,133	2,166,133	(2,166,133)	-
Rents received in advance	89,693	122,499	212,192	-	212,192
Funds received in advance	1,600,651	353,046	1,953,697	-	1,953,697
Long-term debt payable - current portion	47,190,033	661,932	47,851,965	-	47,851,965
	<u>56,295,796</u>	<u>12,055,077</u>	<u>68,350,873</u>	<u>(2,166,133)</u>	<u>66,184,740</u>
Total current liabilities					
Long-term debt:					
Accrued interest expense	7,906,764	4,823,913	12,730,677	-	12,730,677
Payable to affiliate - accrued interest	30,806	3,028,520	3,059,326	(3,059,326)	-
Long-term debt payable	113,784,242	187,684,282	301,468,524	-	301,468,524
	<u>121,721,812</u>	<u>195,536,715</u>	<u>317,258,527</u>	<u>(3,059,326)</u>	<u>314,199,201</u>
Total long-term debt					
Other liabilities:					
Tenants' security deposits held	656,466	208,365	864,831	-	864,831
Notes and loan payable to affiliates	259,159	15,128,675	15,387,834	(15,387,834)	-
Developer fee payable	-	9,548,937	9,548,937	(9,413,522)	135,415
	<u>915,625</u>	<u>24,885,977</u>	<u>25,801,602</u>	<u>(24,801,356)</u>	<u>1,000,246</u>
Total other liabilities					
TOTAL LIABILITIES	<u>178,933,233</u>	<u>232,477,769</u>	<u>411,411,002</u>	<u>(30,026,815)</u>	<u>381,384,187</u>
NET ASSETS (DEFICIT):					
Without donor restrictions:					
Controlling interest	63,085,040	2,165,918	65,250,958	(41,632,412)	23,618,546
Noncontrolling interest	-	86,152,523	86,152,523	7,090,396	93,242,919
	<u>917,516</u>	<u>-</u>	<u>917,516</u>	<u>-</u>	<u>917,516</u>
With donor restrictions					
Total net assets (deficit)	<u>64,002,556</u>	<u>88,318,441</u>	<u>152,320,997</u>	<u>(34,542,016)</u>	<u>117,778,981</u>
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	<u>\$ 242,935,789</u>	<u>\$ 320,796,210</u>	<u>\$ 563,731,999</u>	<u>\$ (64,568,831)</u>	<u>\$ 499,163,168</u>

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2021

NOT-FOR-PROFIT AND WHOLLY-OWNED SUBSIDIARIES																					
	Other Housing Companies (GP)	FHSS Inc.	Independence House LLC	WFSH PA LLC	Marselles LLC	Kowal House LP	Michalski (206) Associates) LP	K&L HDFC	Valley Lodge Shelter HDFC	West 108 Street HDFC	Westbourne HDFC	WSA HDFC	WSS HDFC	Three Arts Club HDFC	East 138th HDFC	Euclid Hall HDFC	Total Housing Entities	Total Before Eliminations	Eliminations	Consolidated Total	
ASSETS:																					
Current assets:																					
Cash and cash equivalents	\$ 14,414,120	\$ -	\$ 25,631	\$ 908,917	\$ 49,659	\$ 1,794,433	\$ 39,268	\$ 42,578	\$ 24,019	\$ 91,127	\$ 164,234	\$ 182,353	\$ 36,764	\$ 3,316	\$ 95,773	\$ 100,696	\$ 1,735,250	\$ 8,024,039	\$ 27,732,177	\$ -	\$ 27,732,177
Restricted cash (Resident Funds)	1,052,721	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,052,721
Grants and government contracts receivable	6,744,028	-	-	-	-	544,480	-	-	-	-	-	-	-	-	49,107	-	-	-	-	-	7,337,613
Receivable from affiliates - current portion	(8,064,813)	271,901	(388)	(1,027,220)	(626,492)	15,687,944	(452,548)	(1,057,790)	(402,998)	(100,803)	(164,234)	(159,872)	260,410	(636,571)	(389,319)	436,004	(1,207,071)	-	2,166,140	(2,166,140)	-
Rents receivable, net	279,820	-	-	99,244	-	1,368	33,495	6,042	60,437	-	-	109,318	-	-	13,003	104,799	304,656	-	1,057,253	-	1,057,253
Advances receivable from residents, net	95,262	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	95,262	-	95,262	-	95,262
Other receivables	272,254	-	-	169,297	-	24,924	567	439	2,707	-	-	-	-	-	1,480	11,022	34,344	83,831	605,336	-	605,336
Loan receivable, current portion	-	-	-	-	-	39,537	-	-	-	-	-	-	-	-	-	-	-	-	39,537	-	39,537
Prepaid expenses	668,332	135	135	8,348	(255)	14,509	4,790	2,194	59,011	-	-	-	-	-	135	4,982	-	953,650	-	-	1,754,850
Total current assets	15,457,722	272,036	25,378	158,586	(777,088)	18,107,195	(374,428)	(1,006,537)	(256,824)	(9,676)	151,144	297,174	(633,120)	(274,081)	646,035	691,197	9,366,176	41,840,889	(2,166,140)	39,674,749	
Property and equipment, net	2,346,998	-	-	42,483,528	-	16,680,135	730,948	2,077,935	3,448,009	11,656,008	-	5,906,757	-	4,777,961	40,053,743	566,367	24,151,430	297,181,088	452,060,907	(26,801,995)	425,259,912
Other assets:																					
Reserves and escrow	3,870,438	-	-	4,444,775	-	1,082,452	279,192	147,437	223,267	-	1,413,652	-	476,954	1,074,685	-	5,035,910	12,886,551	30,935,313	-	30,935,313	
Loan receivable, net of current portion	-	-	-	-	-	460,463	-	-	-	-	-	-	-	-	-	-	-	460,463	-	-	460,463
Notes and loan receivable from affiliates	14,165,830	-	-	-	-	-	-	-	-	-	-	1,222,000	-	-	-	-	-	15,387,830	(15,387,830)	-	-
Receivable from affiliates - accrued interest	2,082,454	-	-	-	-	-	-	2,591	-	-	-	974,282	-	-	-	-	-	3,059,327	(3,059,327)	-	-
Receivable from affiliates - developer fees	9,413,522	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,413,522	(9,413,522)	-	-
Tenant security deposits held	113,566	-	29,099	-	383,761	8,178	40	11,734	-	19,393	10,694	-	-	7,370	53,400	19,231	208,365	864,831	-	864,831	
Other security deposits	5,430	-	3,995	-	-	-	-	-	-	8,300	-	-	-	7,165	-	135,597	160,487	-	-	-	160,487
Investment in partnerships	5,940,195	1,548,733	(385,394)	-	-	-	-	-	-	-	-	-	636,483	-	-	-	-	7,740,017	(7,740,017)	-	-
Deferred development cost	-	-	-	-	763,098	-	-	-	-	-	-	-	-	-	-	-	-	763,098	-	-	763,098
Deferred fees, net of accumulated amortization	-	-	-	-	26,882	-	-	-	-	-	-	-	-	-	-	-	1,018,433	1,045,315	-	-	1,045,315
Total other assets	35,591,435	1,548,733	(385,394)	4,477,869	763,098	1,953,558	297,370	147,477	237,592	8,300	19,393	1,424,346	2,196,282	1,113,437	1,089,220	53,400	5,055,141	14,248,946	69,830,203	(35,600,696)	34,229,507
TOTAL ASSETS	\$ 53,396,155	\$ 1,820,769	\$ (360,016)	\$ 47,119,983	\$ (13,990)	\$ 36,740,888	\$ 643,890	\$ 1,218,875	\$ 3,428,777	\$ 11,654,632	\$ 19,393	\$ 7,482,247	\$ 2,493,456	\$ 5,258,278	\$ 40,868,882	\$ 1,265,802	\$ 29,897,768	\$ 320,796,210	\$ 563,731,999	\$ (64,568,831)	\$ 499,163,168
LIABILITIES:																					
Current liabilities:																					
Accounts payable and accrued expenses	\$ 1,847,697	\$ 295,089	\$ 4,140	\$ 1,031,852	\$ -	\$ 216,815	\$ 43,997	\$ 3,875	\$ 87,344	\$ 37,327	\$ -	\$ 51,517	\$ -	\$ -	\$ 82,120	\$ (545)	\$ 110,761	\$ 1,287,749	\$ 5,099,738	\$ -	\$ 5,099,738
Construction costs payable	-	-	-	1,295,399	-	-	-	-	-	1,073,899	-	-	-	-	-	181,411	7,463,718	10,014,427	-	-	10,014,427
Due to residents	1,052,721	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,052,721	-	-	1,052,721
Payable to affiliate - current other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,166,133	-	-	(2,166,133)	-
Rents received in advance	27,570	-	-	10,897	-	13,817	5,238	259	2,519	-	-	8,464	-	-	887	20,042	122,499	212,192	-	-	212,192
Funds received in advance	1,600,651	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	353,046	1,953,697	-	-	1,953,697
Long-term debt payable - current portion	3,290,832	-	-	79,501	-	394,192	-	-	-	-	-	-	-	13,739	43,501,769	-	661,932	47,851,965	-	-	47,851,965
Total current liabilities	7,819,471	295,089	4,140	2,417,649	-	534,824	49,235	4,134	89,863	1,111,226	-	59,981	-	13,739	43,584,776	(545)	312,214	12,055,077	68,350,873	(2,166,133)	66,184,740
Long-term debt:																					
Accrued interest expense	-	-	-	1,734,596	-	-	-	333,704	-	-	-	-	-	-	4,936,650	-	901,814	4,823,913	12,730,677	-	12,730,677
Payable to affiliate - accrued interest	-	-	-	-	-	-	-	30,806	-	-	-	-	-	-	-	-	3,028,520	3,059,326	(3,059,326)	-	-
Long-term debt payable	80,000	-	-	40,089,405	-	16,434,065	2,441,330	1,150,000	5,682,800	10,543,456	-	4,665,028	-	10,595,506	-	22,102,652	187,684,282	301,468,524	-	-	301,468,524
Total long-term debt	80,000	-	-	41,824,001	-	16,434,065	2,441,330	1,483,704	5,713,606	10,543,456	-	4,665,028	-	10,595,506	-	23,004,466	195,536,715	317,258,527	(3,059,326)	-	314,199,201
Other liabilities:																					
Tenants' security deposits held	113,566	-	-	29,099	-	383,761	8,178	40	11,734	-	19,393	10,694	-	7,370	53,400	19,231	208,365	864,831	-	-	864,831
Notes and loan payable to affiliates	-	-	-	-	-	-	-	-	259,159	-	-	-	-	-	-	-	15,128,675	15,387,834	(15,387,834)	-	-
Developer fee payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,548,937	9,548,937	(9,413,522)	-	135,415
Total other liabilities	113,566	-	-	29,099	-	383,761	8,178	40	270,893	-	19,393	10,694	-	7,370	53,400	19,231	24,885,977	25,801,602	(24,801,356)	-	1,000,246
TOTAL LIABILITIES	8,013,037	295,089	4,140	44,270,748	-	17,352,650	2,498,743	1,487,878	6,074,362	11,654,682	19,393	4,735,703	-	10,609,245	48,528,796	52,555	23,335,911	232,477,769	411,411,002	(30,026,815)	381,384,187
NET ASSETS (DEFICIT):																					
Without donor restrictions:																					
Controlling interest	44,465,602	1,525,680	(364,156)	2,849,234	(13,990)	19,388,238	(1,854,853)	(269,003)	(2,645,585)	(50)	-	2,746,544	2,493,456	(5,350,967)	(7,659,914)	1,212,947	6,561,857	2,165,918	65,250,958	(41,632,412)	23,618,546
Noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	86,152,523	86,152,523	7,090,396	93,242,919
With donor restrictions	917,516	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	917,516	-	917,516
Total net assets (deficit)	45,383,118	1,525,680	(364,156)	2,849,234	(13,990)	19,388,238	(1,854,853)	(269,003)	(2,645,585)	(50)	-	2,746,544	2,493,456	(5,350,967)	(7,659,914)	1,212,947	6,561,857	88,318,441	152,320,997	(34,542,016)	117,778,981
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	\$ 53,396,155	\$ 1,820,769	\$ (360,016)	\$ 47,119,983	\$ (13,990)	\$ 36,740,888	\$ 643,890	\$ 1,218,875	\$ 3,428,777	\$ 11,654,632	\$ 19,393	\$ 7,482,247	\$ 2,493,456	\$ 5,258,278	\$ 40,868,882	\$ 1,265,802	\$ 29,897,768	\$ 320,796,210	\$ 563,731,999	\$ (64,568,831)	\$ 499,163,168

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2021

	HOUSING ENTITIES									
	Borinquen Court Associates LP	Claremont Park Associates LP	One Hundred Forty Associates LP	PSS/WSF Housing Company LP	Mill Brook Terrace LP	Manhattan West Associates LP	Tres Puentes LP	West 108th Street LP	West Eighties Associates LP	Total Housing Entities
ASSETS:										
Current Assets:										
Cash and cash equivalents	\$ 1,203,987	\$ 294,916	\$ 164,787	\$ 78,902	\$ 1,436,012	\$ 2,294,912	\$ 2,241,999	\$ 40,301	\$ 268,223	\$ 8,024,039
Rents receivable, net	8,520	20,680	1,382	11,978	6,214	115,536	113,425	-	26,921	304,656
Other receivables	3,081	11,180	-	139	23,040	13,919	29,978	-	2,494	83,831
Prepaid expenses	14,808	13,113	1,730	11,765	22,669	719,836	164,601	-	5,128	953,650
Total current assets	1,230,396	339,889	167,899	102,784	1,487,935	3,144,203	2,550,003	40,301	302,766	9,366,176
Property and equipment, net	18,684,279	20,185,492	3,102,066	4,758,975	77,125,379	2,083,655	103,421,374	62,662,968	5,156,900	297,181,088
Other assets:										
Reserves and escrow	1,942,396	350,669	281,715	270,937	2,362,558	3,102,124	3,544,226	400,144	631,782	12,886,551
Tenant security deposits held	37,418	16,754	5,633	16,785	25,910	59,955	37,203	-	8,707	208,365
Other security deposits	430	240	-	240	59,810	390	60,722	12,850	915	135,597
Deferred fees, net of accumulated amortiz	53,547	30,596	9,900	-	400,528	-	-	523,862	-	1,018,433
Total other assets	2,033,791	398,259	297,248	287,962	2,848,806	3,162,469	3,642,151	936,856	641,404	14,248,946
TOTAL ASSETS	\$ 21,948,466	\$ 20,923,640	\$ 3,567,213	\$ 5,149,721	\$ 81,462,120	\$ 8,390,327	\$ 109,613,528	\$ 63,640,125	\$ 6,101,070	\$ 320,796,210
LIABILITIES:										
Current Liabilities:										
Accounts payable and accrued expenses	\$ 206,380	\$ 61,273	\$ 56,640	\$ 56,476	\$ 331,569	\$ 225,670	\$ 287,026	\$ 36,304	\$ 26,411	\$ 1,287,749
Construct costs payable	-	-	-	-	1,018,865	-	816,655	5,628,198	-	7,463,718
Payable to affiliate (current portion)	111,648	445,602	49,280	842,667	368,837	21,239	88,785	133,353	104,722	2,166,133
Rents received in advance	3,531	30,065	7,212	2,095	30,924	37,126	10,828	-	718	122,499
Deferred contract revenue	353,046	-	-	-	-	-	-	-	-	353,046
Long-term debt payable - current portion	114,454	-	60,196	24,932	-	-	462,350	-	-	661,932
Total current liabilities	789,059	536,940	173,328	926,170	1,750,195	284,035	1,665,644	5,797,855	131,851	12,055,077
Long-term debt:										
Accrued interest expense	-	1,743,092	-	1,079,826	272,081	12,038	1,335,706	-	381,170	4,823,913
Payable to affiliate - accrued interest expen	1,055,199	-	974,282	571,569	-	-	427,470	-	-	3,028,520
Long-term debt payable	7,936,503	20,389,844	1,385,066	4,853,128	41,645,902	4,983,785	46,926,821	56,667,576	2,895,657	187,684,282
Total long term debt	8,991,702	22,132,936	2,359,348	6,504,523	41,917,983	4,995,823	48,689,997	56,667,576	3,276,827	195,536,715
Other liabilities:										
Tenants' security deposits held	37,418	16,754	5,633	16,785	25,910	59,955	37,203	-	8,707	208,365
Notes and loans payable to affiliates	4,442,105	176,467	1,222,000	1,297,962	3,171,505	-	4,793,636	25,000	-	15,128,675
Developer fee payable	-	-	-	-	4,756,266	-	4,792,671	-	-	9,548,937
Total other liabilities	4,479,523	193,221	1,227,633	1,314,747	7,953,681	59,955	9,623,510	25,000	8,707	24,885,977
TOTAL LIABILITIES	14,260,284	22,863,097	3,760,309	8,745,440	51,621,859	5,339,813	59,979,151	62,490,431	3,417,385	232,477,769
NET ASSETS (DEFICIT):										
Without donor restrictions:										
Controlling interest	1,551,674	(1,013)	(58)	(918)	(257)	616,816	(143)	-	(183)	2,165,918
Noncontrolling interest	6,136,508	(1,938,444)	(193,038)	(3,594,801)	29,840,518	2,433,698	49,634,520	1,149,694	2,683,868	86,152,523
Total net assets (deficit)	7,688,182	(1,939,457)	(193,096)	(3,595,719)	29,840,261	3,050,514	49,634,377	1,149,694	2,683,685	88,318,441
TOTAL LIABILITIES AND NET ASSETS	\$ 21,948,466	\$ 20,923,640	\$ 3,567,213	\$ 5,149,721	\$ 81,462,120	\$ 8,390,327	\$ 109,613,528	\$ 63,640,125	\$ 6,101,070	\$ 320,796,210

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
CONSOLIDATING SCHEDULE OF ACTIVITIES - HOUSING ENTITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Borinquen Court Associates LP	Claremont Park Associates LP	One Hundred Forty Associates LP	PSS/WSF Housing Company LP	Mill Brook Terrace LP	Manhattan West Associates LP	Tres Puentes LP	West 108th Street LP	West Eighties Associates LP	Total Housing Entities
Income:										
Government contracts	\$ -	\$ -	\$ -	\$ 253,104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 253,104
Gross potential rental income - resident	3,482,602	1,504,573	743,593	223,976	4,614,544	8,376,111	3,592,327	-	313,685	22,851,411
Less: vacancy loss	(587,522)	(7,736)	(37,645)	(43,620)	(1,349,457)	(182,759)	(181,467)	-	(2,461)	(2,392,667)
Net rental income - resident	2,895,080	1,496,837	705,948	180,356	3,265,087	8,193,352	3,410,860	-	311,224	20,458,744
Gross potential income - commercial	-	-	-	93,277	-	73,022	120,802	-	84,313	371,414
Less: vacancy loss	-	-	-	-	-	-	5,250	-	-	5,250
Net rental income - commercial	-	-	-	93,277	-	73,022	126,052	-	84,313	376,664
Total rental income	2,895,080	1,496,837	705,948	273,633	3,265,087	8,266,374	3,536,912	-	395,537	20,835,408
Interest and other income	45,745	9,738	2,544	11,402	134,087	14,815	14,807	-	1,549	234,687
Total income	2,940,825	1,506,575	708,492	538,139	3,399,174	8,281,189	3,551,719	-	397,086	21,323,199
Expenses										
Salaries & temporary employees	453,276	533,593	117,786	217,033	224,013	476,879	232,189	-	45,585	2,300,354
Payroll taxes & employee benefits	151,786	142,194	49,555	68,582	74,459	220,147	92,656	-	12,072	811,451
Professional fees	34,596	57,514	15,967	24,959	213,799	73,675	43,946	-	23,910	488,366
Telephone and internet	14,529	12,954	7,498	11,257	4,539	3,237	16,316	-	5,878	76,208
Administrative expenses	34,178	30,135	8,678	17,191	57,353	67,265	23,953	-	5,549	244,302
Management and other fees	146,117	165,886	44,213	60,001	207,652	428,424	217,361	-	89,922	1,359,576
Overhead expenses	-	14,549	-	-	-	-	-	-	-	14,549
Insurance	126,254	32,450	19,368	53,190	162,318	167,838	186,873	-	23,943	772,234
Lease expenses	-	-	-	-	-	-	-	-	-	-
Real estate taxes	211,982	-	105,954	-	-	1,462,588	6,498	-	-	1,787,022
Food	1,338	99,505	9	-	9,529	-	3,007	-	-	113,388
Utilities	272,527	52,228	46,023	150,478	211,835	320,048	285,026	-	69,115	1,407,280
Supplies	30,016	39,764	2,499	5,934	21,200	1,677	11,272	-	284	112,646
Equipment, maintenance, & repair	246,487	112,723	41,241	178,267	84,263	798,695	129,923	-	72,312	1,663,911
Social and recreation expense	6,563	2,067	726	1,050	41,856	41	4,187	-	-	56,490
Bad debt expenses	(4,191)	12,104	709	14,957	1,390	18,402	7,566	-	7,177	58,114
Total expenses before finance and depreciation exper	1,725,458	1,307,666	460,226	802,899	1,314,206	4,038,916	1,260,773	-	355,747	11,265,891
Change in net assets before finance and depreciation	1,215,367	198,909	248,266	(264,760)	2,084,968	4,242,273	2,290,946	-	41,339	10,057,308
Finance and depreciation expenses										
Interest and finance charges	332,468	4,418	103,026	42,130	1,116,000	173,659	1,185,061	-	2,462	2,959,224
Interest accruals	156,043	176,664	177,702	153,469	272,081	-	827,813	-	29,074	1,792,846
Depreciation and amortization	417,255	714,133	107,942	430,763	2,170,318	108,320	2,792,236	-	245,054	6,986,021
Total finance and depreciation expenses	905,766	895,215	388,670	626,362	3,558,399	281,979	4,805,110	-	276,590	11,738,091
Change in net assets	309,601	(696,306)	(140,404)	(891,122)	(1,473,431)	3,960,294	(2,514,164)	-	(235,251)	(1,680,783)
Change in net assets attributable to noncontrolling interes	309,571	(696,238)	(140,389)	(891,035)	(1,473,284)	2,128,979	(2,513,914)	-	(235,228)	(3,511,538)
Change in net assets attributable to WSFSSH	\$ 30	\$ (68)	\$ (15)	\$ (87)	\$ (147)	\$ 1,831,315	\$ (250)	\$ -	\$ (23)	\$ 1,830,755

See Independent Auditor's Report