

**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, 2023 and 2022

**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, 2023 AND 2022

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of West Side Federation for Senior and Supportive Housing, Inc. and Affiliates (collectively, the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Change in Accounting Principle

As discussed in Note 2N to the financial statements, the Organization changed its terminology used in disclosing leases as a result of the adoption of Accounting Standards Codification ("ASC") Topic 842, *Leases*, effective July 1, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

Mayer Hoffman McCann CPAs

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An Independent CPA Firm

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In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating information as of and for the year ended June 30, 2023 (shown on pages 28 to 32) is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and the change in net assets 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 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Mayer, Roffman, McCann, CPAs

New York, NY
December 1, 2023

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

| | 2023 | 2022 |
|--|-----------------------|-----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents (Notes 2C and 14) | \$ 34,286,311 | \$ 32,975,936 |
| Resident funds (Note 2H) | 1,251,764 | 1,077,610 |
| Grants and government contracts receivable (Notes 2I and 4A) | 8,862,124 | 7,037,981 |
| Lease receivable, net (Notes 2K and 4B) | 1,387,119 | 1,188,155 |
| Reimbursements receivable for residents, net (Notes 2K and 4C) | 35,214 | 159,252 |
| Other receivables | 1,224,998 | 414,493 |
| Loan receivable, current portion (Note 4D) | 50,000 | 50,000 |
| Prepaid expenses | 2,241,054 | 2,137,787 |
| Total current assets | 49,338,584 | 45,041,214 |
| Property and equipment, net (Notes 2D and 5) | 420,889,896 | 423,763,587 |
| Other assets: | | |
| Social service and operating reserves (Notes 2C and 6) | 11,002,915 | 9,326,977 |
| Other reserves (Notes 2C and 6) | 17,903,794 | 20,640,721 |
| Loan receivable, net of current portion (Note 4D) | 362,500 | 412,500 |
| Tenant security deposits held | 912,211 | 939,906 |
| Other security deposits | 179,220 | 199,050 |
| Deferred development costs (Notes 2F and 8) | 338,292 | 974,183 |
| Deferred leasing costs, net (Note 2E) | 940,515 | 938,725 |
| Total other assets | 31,639,447 | 33,432,062 |
| TOTAL ASSETS | \$ 501,867,927 | \$ 502,236,863 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | \$ 4,813,826 | \$ 4,326,853 |
| Construction costs payable (Note 7) | 3,210,805 | 5,756,286 |
| Due to residents (Note 2H) | 1,251,764 | 1,077,610 |
| Lease payments received in advance (Note 2J) | 749,892 | 337,739 |
| Funds received in advance (Note 2I) | 3,269,751 | 2,473,529 |
| Long-term debt payable - current portion (Note 10) | 45,789,334 | 1,972,985 |
| Total current liabilities | 59,085,372 | 15,945,002 |
| Long-term debt: | | |
| Accrued interest payable | 21,386,477 | 18,429,344 |
| Long-term debt payable, net (Note 10) | 294,745,181 | 358,185,338 |
| Total long-term debt | 316,131,658 | 376,614,682 |
| Other liabilities: | | |
| Tenants' security deposits held | 912,211 | 939,906 |
| Developer fee payable (Note 9) | - | 135,415 |
| Total other liabilities | 912,211 | 1,075,321 |
| TOTAL LIABILITIES | 376,129,241 | 393,635,005 |
| COMMITMENTS AND CONTINGENCIES (Note 12) | | |
| NET ASSETS (Notes 2G and 13) | | |
| Without donor restrictions: | | |
| Controlling interest | 10,009,860 | 19,480,678 |
| Noncontrolling interest | 114,442,966 | 87,941,025 |
| Total without donor restrictions | 124,452,826 | 107,421,703 |
| With donor restrictions | 1,285,860 | 1,180,155 |
| TOTAL NET ASSETS | 125,738,686 | 108,601,858 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 501,867,927 | \$ 502,236,863 |

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 ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

| | Without Donor Restrictions | With Donor Restrictions | Total 2023 | Without Donor Restrictions | With Donor Restrictions | Total 2022 |
|--|-------------------------------|----------------------------|-----------------------|-------------------------------|----------------------------|-----------------------|
| Public support and revenue: | | | | | | |
| Cash contributions and grants (Notes 2I and 13) | \$ 411,279 | \$ 192,612 | \$ 603,891 | \$ 320,460 | \$ 717,080 | \$ 1,037,540 |
| Forgiveness of Paycheck Protection Program loan (Note 10) | - | - | - | 3,250,832 | - | 3,250,832 |
| Forgiveness of debt (Note 10) | - | - | - | 924,056 | - | 924,056 |
| Government contracts (Notes 2I and 12A) | 18,405,555 | - | 18,405,555 | 15,883,196 | - | 15,883,196 |
| Lease income - resident, net (Note 2J) | 40,309,233 | - | 40,309,233 | 37,617,755 | - | 37,617,755 |
| Lease income - commercial (Note 2J) | 1,784,412 | - | 1,784,412 | 1,476,318 | - | 1,476,318 |
| Lease income - parking (Note 2J) | 99,725 | - | 99,725 | 117,000 | - | 117,000 |
| Developer fee income | 160,000 | - | 160,000 | - | - | - |
| Interest and other income | <u>1,801,322</u> | <u>-</u> | <u>1,801,322</u> | <u>1,091,305</u> | <u>-</u> | <u>1,091,305</u> |
| Total public support and revenue before net assets released from restrictions | 62,971,526 | 192,612 | 63,164,138 | 60,680,922 | 717,080 | 61,398,002 |
| Net assets released from restrictions (Note 13) | <u>86,907</u> | <u>(86,907)</u> | <u>-</u> | <u>454,441</u> | <u>(454,441)</u> | <u>-</u> |
| Total revenue | <u>63,058,433</u> | <u>105,705</u> | <u>63,164,138</u> | <u>61,135,363</u> | <u>262,639</u> | <u>61,398,002</u> |
| Expenses (Note 2L): | | | | | | |
| Program services: | | | | | | |
| Social and supportive services | 11,565,637 | - | 11,565,637 | 9,718,233 | - | 9,718,233 |
| Housing operations | <u>32,164,189</u> | <u>-</u> | <u>32,164,189</u> | <u>33,126,418</u> | <u>-</u> | <u>33,126,418</u> |
| Total program services | <u>43,729,826</u> | <u>-</u> | <u>43,729,826</u> | <u>42,844,651</u> | <u>-</u> | <u>42,844,651</u> |
| Supporting services: | | | | | | |
| Management and general | 8,176,140 | - | 8,176,140 | 5,771,374 | - | 5,771,374 |
| Fundraising | <u>69,538</u> | <u>-</u> | <u>69,538</u> | <u>66,475</u> | <u>-</u> | <u>66,475</u> |
| Total supporting services | <u>8,245,678</u> | <u>-</u> | <u>8,245,678</u> | <u>5,837,849</u> | <u>-</u> | <u>5,837,849</u> |
| Interest: | <u>51,975,504</u> | <u>-</u> | <u>51,975,504</u> | <u>48,682,500</u> | <u>-</u> | <u>48,682,500</u> |
| Interest and debt service fees | 6,623,339 | - | 6,623,339 | 6,190,261 | - | 6,190,261 |
| Accrued interest expense | <u>3,406,632</u> | <u>-</u> | <u>3,406,632</u> | <u>2,996,377</u> | <u>-</u> | <u>2,996,377</u> |
| Total interest | <u>10,029,971</u> | <u>-</u> | <u>10,029,971</u> | <u>9,186,638</u> | <u>-</u> | <u>9,186,638</u> |
| Total expenses before depreciation and amortization | <u>62,005,475</u> | <u>-</u> | <u>62,005,475</u> | <u>57,869,138</u> | <u>-</u> | <u>57,869,138</u> |
| Change in net assets before depreciation and amortization | 1,052,958 | 105,705 | 1,158,663 | 3,266,225 | 262,639 | 3,528,864 |
| Depreciation and amortization (Notes 2D and 5) | <u>(12,523,389)</u> | <u>-</u> | <u>(12,523,389)</u> | <u>(12,859,764)</u> | <u>-</u> | <u>(12,859,764)</u> |
| Change in net assets | (11,470,431) | 105,705 | (11,364,726) | (9,593,539) | 262,639 | (9,330,900) |
| Change in net assets attributable to noncontrolling interest | <u>(1,999,613)</u> | <u>-</u> | <u>(1,999,613)</u> | <u>(5,455,670)</u> | <u>-</u> | <u>(5,455,670)</u> |
| Change in net assets attributable to WSFSSH interests and controlling interest | <u>\$ (9,470,818)</u> | <u>\$ 105,705</u> | <u>\$ (9,365,113)</u> | <u>\$ (4,137,869)</u> | <u>\$ 262,639</u> | <u>\$ (3,875,230)</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, 2023 AND 2022

| | <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, 2021 | \$ 23,618,547 | \$ 93,242,919 | \$ 116,861,466 | \$ 917,516 | \$ 117,778,982 |
| Capital contributions from investors | - | 1,726,202 | 1,726,202 | - | 1,726,202 |
| Distributions to investors | - | (1,572,426) | (1,572,426) | - | (1,572,426) |
| Change in net assets | <u>(4,137,869)</u> | <u>(5,455,670)</u> | <u>(9,593,539)</u> | <u>262,639</u> | <u>(9,330,900)</u> |
| ENDING BALANCE, JUNE 30, 2022 | 19,480,678 | 87,941,025 | 107,421,703 | 1,180,155 | 108,601,858 |
| Capital contributions from investors | - | 29,819,973 | 29,819,973 | - | 29,819,973 |
| Distributions to investors | - | (1,318,419) | (1,318,419) | - | (1,318,419) |
| Change in net assets | <u>(9,470,818)</u> | <u>(1,999,613)</u> | <u>(11,470,431)</u> | <u>105,705</u> | <u>(11,364,726)</u> |
| ENDING BALANCE, JUNE 30, 2023 | <u>\$ 10,009,860</u> | <u>\$ 114,442,966</u> | <u>\$ 124,452,826</u> | <u>\$ 1,285,860</u> | <u>\$ 125,738,686</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, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

| | Program Services | | | Supporting Services | | Total Supporting Services | Total 2023 | Total 2022 |
|--|--------------------------------|----------------------|------------------------|------------------------|------------------|---------------------------|----------------------|----------------------|
| | Social and Supportive Services | Housing Operations | Total Program Services | Management and General | Fundraising | | | |
| Salaries and related expenses: | | | | | | | | |
| Salaries | \$ 7,455,637 | \$ 10,922,280 | \$ 18,377,917 | \$ 5,035,037 | \$ 53,763 | \$ 5,088,800 | \$ 23,466,717 | \$ 22,910,971 |
| Fringe benefits and payroll taxes (Note 15) | <u>2,007,298</u> | <u>3,174,493</u> | <u>5,181,791</u> | <u>1,157,743</u> | <u>14,280</u> | <u>1,172,023</u> | <u>6,353,814</u> | <u>6,378,676</u> |
| Total salaries and related expenses | 9,462,935 | 14,096,773 | 23,559,708 | 6,192,780 | 68,043 | 6,260,823 | 29,820,531 | 29,289,647 |
| Professional fees | 412,124 | 1,252,069 | 1,664,193 | 620,233 | - | 620,233 | 2,284,426 | 2,132,269 |
| Telephone and internet | 76,241 | 375,736 | 451,977 | 216,033 | - | 216,033 | 668,010 | 629,465 |
| Administrative expenses | 104,625 | 1,235,033 | 1,339,658 | 530,725 | 598 | 531,323 | 1,870,981 | 1,274,387 |
| Management fees | - | 150,403 | 150,403 | - | - | - | 150,403 | 145,229 |
| Insurance | 212,933 | 1,973,214 | 2,186,147 | 43,396 | - | 43,396 | 2,229,543 | 2,013,625 |
| Lease expense | 83,375 | 45,987 | 129,362 | 161,773 | - | 161,773 | 291,135 | 61,179 |
| Real estate taxes | - | 2,396,214 | 2,396,214 | - | - | - | 2,396,214 | 2,195,709 |
| Food | 221,525 | 910,209 | 1,131,734 | 2,065 | - | 2,065 | 1,133,799 | 1,109,770 |
| Utilities | 350,588 | 3,485,007 | 3,835,595 | 126,261 | - | 126,261 | 3,961,856 | 3,714,048 |
| Supplies | 127,107 | 538,349 | 665,456 | 163,708 | 897 | 164,605 | 830,061 | 911,870 |
| Equipment, maintenance and repair | 147,870 | 4,314,348 | 4,462,218 | 100,199 | - | 100,199 | 4,562,417 | 4,267,979 |
| Social and recreation expense | 365,964 | 352,767 | 718,731 | 1,183 | - | 1,183 | 719,914 | 430,513 |
| Housing project support to affiliates | 350 | 112,424 | 112,774 | - | - | - | 112,774 | - |
| Bad debt expense | - | 925,656 | 925,656 | 17,784 | - | 17,784 | 943,440 | 506,810 |
| Total expenses before interest, depreciation and amortization | 11,565,637 | 32,164,189 | 43,729,826 | 8,176,140 | 69,538 | 8,245,678 | 51,975,504 | 48,682,500 |
| Interest and finance charges | 231 | 6,603,521 | 6,603,752 | 19,587 | - | 19,587 | 6,623,339 | 6,190,261 |
| Interest expense - accrued | - | 3,406,632 | 3,406,632 | - | - | - | 3,406,632 | 2,996,377 |
| Depreciation and amortization | - | 12,501,807 | 12,501,807 | 21,582 | - | 21,582 | 12,523,389 | 12,859,764 |
| Total interest, depreciation and amortization expenses | 231 | 22,511,960 | 22,512,191 | 41,169 | - | 41,169 | 22,553,360 | 22,046,402 |
| Total expenses | \$ 11,565,868 | \$ 54,676,149 | \$ 66,242,017 | \$ 8,217,309 | \$ 69,538 | \$ 8,286,847 | \$ 74,528,864 | \$ 70,728,902 |

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

| | <u>Program Services</u> | | | <u>Supporting Services</u> | | | <u>Total 2022</u> |
|---|---|-------------------------------|---------------------------------------|-----------------------------------|--------------------|--|-----------------------|
| | <u>Social and Supportive Services</u> | <u>Housing Operations</u> | <u>Total Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total Supporting Services</u> | |
| Salaries and related expenses: | | | | | | | |
| Salaries | \$ 6,404,151 | \$ 12,559,306 | \$ 18,963,457 | \$ 3,895,670 | \$ 51,844 | \$ 3,947,514 | \$ 22,910,971 |
| Fringe benefits and payroll taxes (Note 15) | <u>1,729,871</u> | <u>3,726,984</u> | <u>5,456,855</u> | <u>907,761</u> | <u>14,060</u> | <u>921,821</u> | <u>6,378,676</u> |
| Total salaries and related expenses | 8,134,022 | 16,286,290 | 24,420,312 | 4,803,431 | 65,904 | 4,869,335 | 29,289,647 |
| Professional fees | 417,189 | 1,313,345 | 1,730,534 | 401,735 | - | 401,735 | 2,132,269 |
| Telephone and internet | 63,198 | 355,955 | 419,153 | 210,312 | - | 210,312 | 629,465 |
| Administrative expenses | 79,742 | 1,016,865 | 1,096,607 | 177,209 | 571 | 177,780 | 1,274,387 |
| Management fees | - | 145,229 | 145,229 | - | - | - | 145,229 |
| Insurance | 93,470 | 1,905,787 | 1,999,257 | 14,368 | - | 14,368 | 2,013,625 |
| Lease expense | 14,036 | 47,143 | 61,179 | - | - | - | 61,179 |
| Real estate taxes | - | 2,195,709 | 2,195,709 | - | - | - | 2,195,709 |
| Food | 168,449 | 941,321 | 1,109,770 | - | - | - | 1,109,770 |
| Utilities | 243,920 | 3,470,128 | 3,714,048 | - | - | - | 3,714,048 |
| Supplies | 133,399 | 627,908 | 761,307 | 150,563 | - | 150,563 | 911,870 |
| Equipment, maintenance and repair | 114,167 | 4,153,252 | 4,267,419 | 560 | - | 560 | 4,267,979 |
| Social and recreation expense | 256,641 | 172,763 | 429,404 | 1,109 | - | 1,109 | 430,513 |
| Bad debt expense | - | 494,723 | 494,723 | 12,087 | - | 12,087 | 506,810 |
| | <u>9,718,233</u> | <u>33,126,418</u> | <u>42,844,651</u> | <u>5,771,374</u> | <u>66,475</u> | <u>5,837,849</u> | <u>48,682,500</u> |
| Total expenses before interest, depreciation and amortization | | | | | | | |
| Interest and finance charges | 259 | 6,173,710 | 6,173,969 | 16,292 | - | 16,292 | 6,190,261 |
| Interest expense - accrued | - | 2,996,377 | 2,996,377 | - | - | - | 2,996,377 |
| Depreciation and amortization | - | 12,837,179 | 12,837,179 | 22,585 | - | 22,585 | 12,859,764 |
| | <u>259</u> | <u>22,007,266</u> | <u>22,007,525</u> | <u>38,877</u> | <u>-</u> | <u>38,877</u> | <u>22,046,402</u> |
| Total interest, depreciation and amortization expenses | | | | | | | |
| Total expenses | \$ 9,718,492 | \$ 55,133,684 | \$ 64,852,176 | \$ 5,810,251 | \$ 66,475 | \$ 5,876,726 | \$ 70,728,902 |

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, 2023 AND 2022

| | 2023 | 2022 |
|---|----------------------|----------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ (11,364,726) | \$ (9,330,900) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation and amortization | 12,253,578 | 12,790,260 |
| Forgiveness of debt | - | (924,056) |
| Amortization of loan issuance costs and deferred costs | 419,189 | 317,115 |
| Bad debt expense | 943,440 | 506,810 |
| Forgiveness of Paycheck Protection Program loan | - | (3,250,832) |
| Noncash loss on insurance proceeds | - | 162,277 |
| Loss on deferred leasing costs write-off | - | 41,966 |
| Subtotal | 2,251,481 | 312,640 |
| Changes in operating assets and liabilities: | | |
| (Increase) decrease in assets: | | |
| Grants and government contracts receivable | (1,824,143) | 299,632 |
| Leases receivable, net | (1,142,404) | (637,712) |
| Reimbursements receivable for residents, net | 124,038 | (63,990) |
| Other receivables | (810,505) | 190,843 |
| Prepaid expenses | (103,267) | (382,937) |
| Other security deposits | 19,830 | (38,563) |
| Deferred development costs | 635,891 | (211,085) |
| Deferred leasing costs, net | (271,601) | 134,128 |
| Increase (decrease) in liabilities: | | |
| Accounts payable and accrued expenses | 486,973 | (911,892) |
| Lease payments received in advance | 412,153 | 125,548 |
| Funds received in advance | 796,222 | 519,832 |
| Accrued interest payable | 2,957,133 | 5,698,667 |
| Developer fee payable | (135,415) | - |
| Net Cash Provided by Operating Activities | 3,396,386 | 5,035,111 |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | (10,876,015) | (15,715,353) |
| Repayment of note receivable | 50,000 | 37,500 |
| Net Cash Used in Investing Activities | (10,826,015) | (15,677,853) |
| Cash flows from financing activities: | | |
| Proceeds from long-term debt | 8,736,289 | 16,533,397 |
| Principal payments of long-term debt | (29,261,165) | (1,755,246) |
| Payment of debt issuance costs | (297,663) | (13,041) |
| Capital contributions received from investors | 29,819,973 | 1,726,202 |
| Distributions to investors | (1,318,419) | (1,572,426) |
| Net Cash Provided by Financing Activities | 7,679,015 | 14,918,886 |
| Increase in cash, cash equivalents and restricted cash equivalents | 249,386 | 4,276,144 |
| Cash, cash equivalents and restricted cash equivalents - beginning of year | 62,943,634 | 58,667,490 |
| Cash, cash equivalents and restricted cash equivalents- end of year | \$ 63,193,020 | \$ 62,943,634 |
| Supplemental disclosures of cash flow information: | | |
| Cash paid during the year for interest | \$ (7,072,838) | \$ (3,487,971) |
| Supplemental Disclosure of non-cash investing and financing activities: | | |
| Construction costs payable | \$ (2,545,481) | \$ (4,258,141) |
| Forgiveness of loan | \$ - | \$ 924,056 |
| Forgiveness of Paycheck Protection Program loan | \$ - | \$ 3,250,832 |

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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. |
| Fischer Senior Apartments L.P. | Fischer Senior Apartments | Fischer Park GP, Inc. |

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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, Inc. ("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, 2023 AND 2022

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 on West 108th Street as part of a larger mixed-used development. The relocation period commenced in April 2018 and was completed 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 Housing Development Fund Company, 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 was completed in December 2021. A temporary certificate of occupancy was received for a portion of the building which includes the 199 permanent residential units in September 2021. Residents began moving into the permanent residential units in November 2021. A temporary certificate of occupancy for the transitional shelter space was received in December 2021. Residents moved into the shelter space in March 2022. 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 Housing Development Fund Company, Inc. (“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 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.

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 owns the transitional condo (“Transitional Condo”), which is 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.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1—ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

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, 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, one commercial unit and 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.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1—ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

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, the 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 15, 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.

PSS/WSF Housing Company LP (“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, the 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. On May 17, 2023, WSFSSH acquired the 1.525% interest of a partner in MWA LP at a cost of \$685,000, bringing their total interest in the limited partnership to 2.525%.

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 2, 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.

Fischer Senior Apartments Housing Development Fund Company, Inc. (“FSA HDFC”) is a not-for-profit housing development corporation, exempt under Section 501(c)(4), formed in the State of New York on January 22, 2021, whose board of directors is appointed by the board of directors of WSFSSH. FSA HDFC was formed to participate in the ownership of a new construction project known as “Fischer Senior Apartments,” comprised of 105 permanent residential units, which began construction in July of 2023 and has a projected construction completion date of August 2025. On June 20th, 2023, FSA HDFC entered into a nominee agreement with Fischer Senior Apartments L.P. (“Fischer Park”), designating FSA HDFC as the legal and record owner and the L.P. as the borrower and beneficial owner of the project. On June 28, 2023, Fischer HDFC acquired the property located at 97 West 169th Street, Bronx NY 10452, for \$1 from the City of New York. Fischer Park entered into an enforcement mortgage with NYC HPD for \$3,699,999 to ensure that the property is developed in accordance with the Regulatory Agreement between NYC HPD and Fischer Park. The Enforcement amount is not recognized in the consolidated financial statements because the project is being developed according to the Regulatory Agreements. The General Partner of Fischer Park is Fischer Senior Apartments GP, Inc., which owns .01% ownership interest in Fischer Park, and whose sole shareholder is FSA HDFC. The Limited Partner of Fischer Park is the National Equity Fund Assignment Corporation, a passive investor limited partner owning a 99.99% interest in Fischer Park.

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.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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. Social service, operating reserves and other reserves are further disclosed in Note 6. The following table provides a reconciliation of cash, cash equivalents and restricted reserves as reported on the June 30, 2023 and 2022 consolidated statements of financial position to the corresponding amounts within the consolidated statements of cash flows:

| | <u>2023</u> | <u>2022</u> |
|---------------------------------------|----------------------|----------------------|
| Cash and cash equivalents | \$ 34,286,311 | \$ 32,975,936 |
| Social service and operating reserves | 11,002,915 | 9,326,977 |
| Other reserves | <u>17,903,794</u> | <u>20,640,721</u> |
| | <u>\$ 63,193,020</u> | <u>\$ 62,943,634</u> |

D. **Property and Equipment** – 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 or amortization. The Organization capitalizes property and equipment 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, 2023 and 2022, 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. Amortization of deferred leasing costs was \$269,811 and \$69,504 for the years ended June 30, 2023 and 2022, respectively.

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 \$183,568 and \$250,502 for the years ended June 30, 2023 and 2022, respectively.

F. **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.

G. **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.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- G. **Net Assets (Continued)** - 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.
- H. **Due to Residents** - represents cash held by the Organization which is used to pay living expenses for residents.
- I. **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 with donor restrictions 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 \$2,862,279 and \$233,233 that have not been recognized at June 30, 2023 and 2022, respectively, because qualifying expenditures have not yet been incurred, with funds received in advance of \$3,269,751 and \$2,473,529 recognized in the consolidated statements of financial position as of June 30, 2023 and 2022, respectively. Revenue from government contracts is recognized when costs are incurred, or other services are performed.
- J. **Revenue Recognition** – Reimbursements for tenants and lease 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 lease payments received in advance is deferred until the following year.
- K. **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, 2023 and 2022, the Organization determined that an allowance of \$2,220,297 and \$1,472,786, respectively, was necessary for leases and reimbursements receivable.
- L. **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 statements 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 and/or units.
- M. **Noncontrolling Limited Partner's Interests** - Capital contributions from noncontrolling limited partners in the consolidated statements of changes in net assets represent the capital contributions of the Limited Partnerships allocated to limited partners for that period. Noncontrolling 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.
- N. **Recent Accounting Pronouncements** – Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2016-02, *Leases* ("Topic 842"), which supersedes existing guidance for accounting for leases under Topic 840, *Leases*, was adopted during the year ended June 30, 2023. The most significant change in the new leasing guidance is the requirement to recognize right-of-use ("ROU") assets and lease liabilities for operating leases within the supplementary information. In addition to new terminology used in disclosures for lessors. The adoption of the standard required new terminology to be used in the description of the Organizations leases in the consolidated financial statements for the year ended June 30, 2023. However, the adoption of the standard did not have an impact on the consolidated net assets as of June 30, 2023.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- O. **Reclassifications** – Certain items in the June 30, 2022 consolidated financial statements have been reclassified to conform with the June 30, 2023 presentation. These reclassifications had no impact on the change in net assets for the year ended June 30, 2022.

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>2023</u> | <u>2022</u> |
|---|----------------------|----------------------|
| Cash and cash equivalents (excluding restricted cash) | \$ 34,286,311 | \$ 32,975,936 |
| Grants and government contracts receivable | 8,862,124 | 7,037,981 |
| Leases receivable, net | 1,387,119 | 1,188,155 |
| Reimbursements receivable for residents, net | 35,214 | 159,252 |
| Loan receivable, current portion | 50,000 | 50,000 |
| Other receivables | <u>1,224,998</u> | <u>414,493</u> |
| Total financial assets available within one year | 45,845,766 | 41,825,817 |
| Less: | | |
| Amounts unavailable for general expenditures within one year, due to: | | |
| Restrictions by donors for programs | <u>(1,285,860)</u> | <u>(1,180,155)</u> |
| | <u>\$ 44,559,906</u> | <u>\$ 40,645,662</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 it could draw upon if needed.

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>2023</u> | <u>2022</u> |
|----------------|---------------------|---------------------|
| Federal | \$ 757,967 | \$ 524,042 |
| New York State | 2,427,985 | 556,027 |
| New York City | 5,494,782 | 5,851,090 |
| Other | <u>181,390</u> | <u>106,822</u> |
| | <u>\$ 8,862,124</u> | <u>\$ 7,037,981</u> |

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

- B. Leases receivable at June 30, 2023 and 2022, of approximately \$3,544,000 and \$2,554,000, respectively, consist 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 \$2,157,000 and \$1,365,000 have been reserved for an allowance for uncollectible accounts as of June 30, 2023 and 2022, respectively.
- C. Reimbursements receivable for residents at June 30, 2023 and 2022, of approximately \$98,000 and \$266,000, respectively consist of balances due to the Organization for costs incurred for residents, which are not related to lease payments. All amounts are due within one year. Based on management's past experience, amounts of approximately \$63,000 and \$107,000 have been reserved for an allowance for uncollectible accounts as of June 30, 2023 and 2022, respectively.

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NOTE 4—RECEIVABLES (Continued)

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. Loan receivable from the tenant at June 30, 2023 and 2022 amounted to approximately \$413,000 and \$463,000, respectively.

Total future minimum lease payments to be collected are as follows as of June 30, 2023:

| | |
|------------|---------------------|
| 2024 | \$ 200,771 |
| 2025 | 204,786 |
| 2026 | 208,882 |
| 2027 | 213,060 |
| 2028 | 217,321 |
| Thereafter | <u>3,314,945</u> |
| | <u>\$ 4,359,765</u> |

For both years ended June 30, 2023 and 2022, lease income amounted to approximately \$200,000.

NOTE 5—PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of the following at June 30:

| | <u>2023</u> | <u>2022</u> |
|---|-----------------------|-----------------------|
| Land | \$ 45,309,047 | \$ 45,570,988 |
| Building and leasehold improvements | 479,739,204 | 473,242,727 |
| Equipment | 6,307,887 | 5,755,915 |
| Furniture | 3,135,423 | 3,101,113 |
| Construction in progress | <u>2,559,069</u> | <u>-</u> |
| | 537,050,630 | 527,670,743 |
| Less: accumulated depreciation and amortization | <u>(116,160,734)</u> | <u>(103,907,156)</u> |
| | <u>\$ 420,889,896</u> | <u>\$ 423,763,587</u> |

Depreciation and amortization related to property and equipment amounted to \$12,253,578 and \$12,790,260 for the years ended June 30, 2023 and 2022, respectively.

As of June 30, 2023, construction in progress primarily consisted of:

- **Fischer Senior Apartments Project** - The expected completion date is August 2025 with an expected cost to complete of approximately \$63.8 million.
- **Fleming House Elevator Modernization Project** - The expected completion date is December 2023 with an expected cost to complete of approximately \$189,000.

During the year ended June 30, 2022, the Organization received insurance proceeds of approximately \$521,000 for damaged property and disposed of buildings and leasehold improvements with a cost of \$288,471 and accumulated depreciation of \$126,194. The Organization recognized a net gain of approximately \$356,000, after a noncash loss of \$162,277 from the disposal of the assets.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
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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 \$55,660 and \$188,609 for One Forty-Nine Housing Company and \$2,758,110 and \$2,698,463 for Manhattan West Associates LP, as of June 30, 2023 and 2022, respectively, the use of the reserve funds requires prior approval from the applicable regulatory agency.

As of June 30, 2023, 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 | \$ - | \$ - | \$ - | \$ 916,998 | \$ - | \$ - | \$ 916,998 |
| 459 West 147th Street | 38,418 | - | - | - | - | 2,846 | 41,264 |
| Revella | 298,892 | 107,203 | - | - | - | - | 406,095 |
| West Side Special Projects | 1,095,147 | - | - | - | - | - | 1,095,147 |
| Claremont Park | - | 571,798 | 1,143,614 | - | - | - | 1,715,412 |
| Other Projects | 93,028 | - | - | - | - | 7,594 | 100,622 |
| WSFSSH Inc. Total | <u>1,525,485</u> | <u>679,001</u> | <u>1,143,614</u> | <u>916,998</u> | <u>-</u> | <u>10,440</u> | <u>4,275,538</u> |
| IH Associates LLC | 48,744 | - | 128,455 | 52,504 | 940,947 | 343,298 | 1,513,948 |
| Marseilles LLC | 256,164 | - | - | 470,464 | - | 177,056 | 903,684 |
| One Forty-Nine Housing Company | 177,651 | - | - | 55,660 | - | - | 233,311 |
| Two Hundred Six Associates L.P. | 147,495 | - | - | - | - | - | 147,495 |
| K&L HDFC | 316,346 | - | - | - | - | - | 316,346 |
| The Westbourne HDFC | 467,943 | - | 986,838 | - | - | - | 1,454,781 |
| West Side Special HDFC | 441,292 | 65,386 | - | - | - | - | 506,678 |
| Three Arts Club HDFC | - | - | - | - | 1,074,685 | - | 1,074,685 |
| Valley Lodge Shelter HDFC | - | - | - | 327,421 | - | 271,161 | 598,582 |
| Euclid Hall HDFC | 2,983,119 | - | 2,048,624 | - | - | - | 5,031,743 |
| Subtotal | <u>6,364,239</u> | <u>744,387</u> | <u>4,307,531</u> | <u>1,823,047</u> | <u>2,015,632</u> | <u>801,955</u> | <u>16,056,791</u> |
| Housing entities: | | | | | | | |
| Borinquen Court Associates LP | 347,372 | - | 923,980 | 490,463 | - | 262,815 | 2,024,630 |
| Claremont Park Associates LP | 161,226 | - | 272,088 | - | - | - | 433,314 |
| Fischer Senior Apartments LP | - | - | - | - | 55,585 | - | 55,585 |
| One-Hundred Forty Associates LP | 91,535 | - | 83,838 | - | - | 125,855 | 301,228 |
| PSS/WSF Housing Company LP | 151,904 | - | 678 | - | - | 68,416 | 220,998 |
| Mill Brook Terrace LP | 105,268 | 517,500 | 164,799 | 545,005 | 2,553 | 145,333 | 1,480,458 |
| Manhattan West Associates LP | 352,319 | - | - | 2,758,110 | - | 345,989 | 3,456,418 |
| Tres Puentes LP | 195,536 | 851,399 | 1,417,183 | - | - | 193,371 | 2,657,489 |
| West 108th Street LP | 34,825 | - | 1,323,832 | - | - | 194,085 | 1,552,742 |
| West Eighties Associates LP | 271,356 | 232,805 | 162,895 | - | - | - | 667,056 |
| Subtotal | <u>1,711,341</u> | <u>1,601,704</u> | <u>4,349,293</u> | <u>3,793,578</u> | <u>58,138</u> | <u>1,335,864</u> | <u>12,849,918</u> |
| Total reserves and escrow | <u>\$ 8,075,580</u> | <u>\$ 2,346,091</u> | <u>\$ 8,656,824</u> | <u>\$ 5,616,625</u> | <u>\$ 2,073,770</u> | <u>\$ 2,137,819</u> | <u>\$ 28,906,709</u> |

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
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NOTE 6—RESERVES AND ESCROW ACCOUNTS (Continued)

As of June 30, 2022, 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 | \$ - | \$ - | \$ - | \$ 1,056,595 | \$ - | \$ - | \$ 1,056,595 |
| 459 West 147th Street | 36,008 | - | - | - | - | 1,969 | 37,977 |
| Revella | 277,600 | 107,182 | - | - | - | - | 384,782 |
| West Side Special Projects | 573,193 | - | - | - | - | - | 573,193 |
| Claremont Park | - | 571,741 | 1,143,500 | - | - | - | 1,715,241 |
| Other Projects | 93,010 | - | - | - | - | 7,515 | 100,525 |
| WSFSSH Inc. Total | 979,811 | 678,923 | 1,143,500 | 1,056,595 | - | 9,484 | 3,868,313 |
| IH Associates LLC | 167,609 | - | 128,455 | 50,993 | 3,295,265 | 297,784 | 3,940,106 |
| Marseilles LLC | 251,578 | - | - | 456,822 | - | 293,856 | 1,002,256 |
| One Forty-Nine Housing Company | 151,579 | - | - | 188,609 | - | - | 340,188 |
| Two Hundred Six Associates L.P. | 147,466 | - | - | - | - | - | 147,466 |
| K&L HDFC | 227,399 | - | - | 1,398 | - | - | 228,797 |
| The Westbourne HDFC | 458,331 | - | 1,008,778 | - | - | - | 1,467,109 |
| West Side Special HDFC | 426,442 | 65,373 | - | - | - | - | 491,815 |
| Three Arts Club HDFC | - | - | - | - | 1,074,685 | - | 1,074,685 |
| Valley Lodge Shelter HDFC | - | - | - | 327,355 | - | 271,161 | 598,516 |
| Euclid Hall HDFC | 2,830,275 | - | 2,004,153 | - | - | - | 4,834,428 |
| Subtotal | 5,640,490 | 744,296 | 4,284,886 | 2,081,772 | 4,369,950 | 872,285 | 17,993,679 |
| Housing entities: | | | | | | | |
| Borinquen Court Associates LP | 301,213 | - | 612,306 | 486,856 | - | 608,583 | 2,008,958 |
| Claremont Park Associates LP | 119,207 | - | 272,060 | - | - | - | 391,267 |
| One-Hundred Forty Associates LP | 80,079 | - | 83,807 | - | - | 76,384 | 240,270 |
| PSS/WSF Housing Company LP | 114,877 | - | 678 | - | - | 71,093 | 186,648 |
| Mill Brook Terrace LP | 63,076 | 517,500 | 160,057 | 545,005 | 2,531 | 149,989 | 1,438,158 |
| Manhattan West Associates LP | 313,328 | - | - | 2,698,463 | - | 309,369 | 3,321,160 |
| Tres Puentes LP | 145,925 | 851,231 | 1,416,903 | - | - | 930,130 | 3,344,189 |
| West 108th Street LP | - | - | - | - | 400,144 | - | 400,144 |
| West Eighties Associates LP | 259,972 | 225,482 | 157,771 | - | - | - | 643,225 |
| Subtotal | 1,397,677 | 1,594,213 | 2,703,582 | 3,730,324 | 402,675 | 2,145,548 | 11,974,019 |
| Total reserves and escrow | \$ 7,038,167 | \$ 2,338,509 | \$ 6,988,468 | \$ 5,812,096 | \$ 4,772,625 | \$ 3,017,833 | \$ 29,967,698 |

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, 2023 and 2022, the work has been completed and \$1,046,426 and \$3,564,146 remains as construction costs payable, respectively.

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 June 30, 2023 and 2022, the work has been completed and \$99,992 and \$816,655 remains as construction costs payable, respectively.

IH Associates LLC entered into a construction contract with FG PH Corp. and A.A.D. Construction Corp, unrelated companies, in the original amounts of \$7,932,303 and \$2,797,949, respectively. As of June 30, 2023 and 2022, \$1,823,045 and \$1,295,399 remains in construction costs payable, respectively.

Other miscellaneous construction costs payable amounted to \$241,342 and \$80,086 as of June 30, 2023 and 2022, respectively.

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NOTE 8—DEFERRED DEVELOPMENT COSTS

As of June 30, 2023 and 2022, the total deferred development costs are approximately \$338,000 and \$974,000, 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, 2022, the outstanding balance to pay to NYCHA HDFC was \$135,415, which was paid during the year ended June 30, 2023.

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 | 2023 | 2022 |
|-----------------------------------|--|---------------------|---------------------------------------|-----------------------|-----------------------|
| A WSFSSH | Deutsche Bank Americas Foundation | 11/30/2024 | Non-interest bearing | \$ 120,000 | \$ 120,000 |
| B Marselles LLC | NYC Department of Housing Development Corporation | 3/1/2051 | 3.96% | 16,290,417 | 16,606,877 |
| C IH Associate LLC | NYC Department of Housing Development Corporation | 10/26/2137 | 1.00% | 25,000,000 | 25,000,000 |
| C IH Associate LLC | NYC Department of Housing Development Corporation | 10/26/2057 | 4.41% | 6,839,911 | 6,922,681 |
| C IH Associate LLC | NYC Department of Housing Development Corporation | 10/26/2057 | 2.50% | 8,273,137 | 8,273,137 |
| C IH Associate LLC | NYC Department of Housing Development Corporation | 1/31/2058 | Non-interest bearing | 250,000 | - |
| D West Side Special HDFC | NYC Department of Community Preservation Corporation | 3/1/2032 | 6.27% | 113,024 | 123,917 |
| D West Side Special HDFC | NYC Department of Community Preservation Corporation | 3/1/2037 | 1.00% | 238,510 | 242,005 |
| E West Side Special HDFC | NYC Department of Housing Development Corporation | 6/3/2033 | 1.00% | 1,712,585 | 1,712,585 |
| E West Side Special HDFC | NYC Department of Housing Development Corporation | 5/2/2032 | 1.00% | 1,405,991 | 1,405,991 |
| F West Side Special HDFC | United States Department of Housing and Urban Development | 9/29/2036 | Non-interest bearing | 6,186,955 | 6,186,955 |
| G One Forty-Nine Housing Company | NYC Department of Housing Preservation Development | 4/30/2034 | Non-interest bearing | 2,441,330 | 2,441,330 |
| H Euclid Hall HDFC | NYC Department of Housing Preservation Development | 12/1/2042 | 0.50% | 22,102,652 | 22,102,652 |
| I Westbourne HDFC | NYC Department of Housing Development Corporation | 11/10/2024 | Non-interest bearing | 4,665,028 | 4,665,028 |
| J Three Arts Club HDFC | NYC Department of Housing Development Corporation | 6/30/2024 | 2.75% | 43,501,769 | 43,501,769 |
| K K&L HDFC, Inc. | U.S. Department of Housing and Urban Development | 4/1/2029 | Non-interest bearing | 5,682,800 | 5,682,800 |
| L Valley Lodge Shelter HDFC | UMB Bank N.A. | 3/15/2052 | 4.00% | 18,384,459 | 18,719,662 |
| M Two Hundred Six Associates LP | NYS Office of Temporary and Disability Assistance Homeless Housing Program | 8/8/2025 | 1.00% | 1,150,000 | 1,150,000 |
| N Claremont Associates LP | NYC Department of Housing Preservation Development | 12/4/2060 | 1.00% | 16,100,000 | 16,100,000 |
| O Claremont Associates LP | NYS Office of Temporary and Disability Assistance Homeless Housing Program | 11/4/2049 | Non-interest bearing | 4,296,293 | 4,296,293 |
| P West Eighties Associates LP | NYC Department of Housing Development Corporation | 7/29/2040 | 1.00% | 1,007,400 | 1,007,400 |
| Q West Eighties Associates LP | NYC Department of Housing Development Corporation | 7/30/2040 | 1.00% | 1,900,000 | 1,900,000 |
| R Borinquen Court Associates LP | NYC Department of Housing Development Corporation | 2/26/2045 | 5.35% | 5,027,712 | 5,148,441 |
| S Borinquen Court Associates LP | NYC Department of Housing Development Corporation | 2/26/2045 | 1.00% | 3,053,029 | 3,053,029 |
| T West 108th Street L.P | NYC Department of Housing Development Corporation | 2/28/2057 | 5.75% | 18,277,126 | 39,965,532 |
| U West 108th Street L.P | NYC Department of Housing Development Corporation | 2/28/2057 | 3.26% | 12,007,415 | 10,017,291 |
| V West 108th Street L.P | NYC Department of Housing Development Corporation | 2/28/2077 | 3.26% | 9,216,536 | 8,355,860 |
| W West 108th Street L.P | NYS Office of Temporary and Disability Assistance Homeless Housing Program | 11/7/2077 | Non-interest bearing | 8,925,000 | 8,925,000 |
| X One Hundred Forty Associates LP | NYC Department of Housing Development Corporation | 7/1/2037 | 5.35% | 1,337,541 | 1,401,038 |
| Y PSS/WSF Housing Company, LP | New York State Housing Authority | 7/21/2045 | 2.00% | 1,540,114 | 1,540,114 |
| Y PSS/WSF Housing Company, LP | NYC Department of Community Preservation Corporation | 8/1/2035 | 7.07% | 528,209 | 554,962 |
| Y PSS/WSF Housing Company, LP | State of New York Housing Trust Fund Corporation | 7/21/2035 | 1.00% | 1,950,000 | 1,950,000 |
| Y PSS/WSF Housing Company, LP | Presbyterian Senior Service | 7/21/2035 | Non-interest bearing | 648,052 | 648,052 |
| Y PSS/WSF Housing Company, LP | Presbyterian Senior Service | 8/28/2043 | 4.63% | 160,000 | 160,000 |
| Z Tres Puentes LP | NYC Department of Housing Preservation Development | 10/8/2049 | 2.20% | 16,400,000 | 16,400,000 |
| Z Tres Puentes LP | New York State Housing Finance Agency | 10/8/2049 | 4.25% | 23,558,639 | 24,072,722 |
| Z Tres Puentes LP | New York State Housing Finance Agency | 7/1/2049 | 1.00% | 7,780,342 | 7,780,342 |
| AA Mill Brook Terrace LP | NYC Department of Housing Development Corporation | 9/30/2060 | 5.73% | 20,320,532 | 20,473,101 |
| AB Mill Brook Terrace LP | NYC Department of Housing Development Corporation | 9/30/2060 | 2.65% | 8,744,999 | 8,744,999 |
| AB Mill Brook Terrace LP | NYC Department of Housing Development Corporation | 9/30/2060 | 2.65% | 12,173,000 | 12,173,000 |
| AB Mill Brook Terrace LP | NYC Department of Housing Development Corporation | 9/30/2060 | 2.65% | 200,000 | 200,000 |
| CC Mill Brook Terrace LP | NYS Office of Temporary and Disability Assistance Homeless Housing Program | 9/30/2060 | Non-interest bearing | 3,120,000 | 3,120,000 |
| DD Manhattan West Associates LP | Berkadia Commercial Mortgage LLC | 5/1/2034 | 2.78% | 4,369,221 | 4,707,145 |
| | | | Total Long-term debt | 346,999,728 | 367,551,710 |
| | | | Less: Long-term debt current portion | (45,789,334) | (1,972,985) |
| | | | | 301,210,394 | 365,578,725 |
| | | | Less: Unamortized debt-issuance costs | (6,465,213) | (7,393,387) |
| | | | Total Long-term debt, net | \$ 294,745,181 | \$ 358,185,338 |

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NOTE 10—LONG-TERM DEBT (Continued)

- 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. On October 26, 2022, Deutsche Bank provided an additional loan of \$120,000 where \$40,000 is disbursed to the Organization in each of the three years ending June 30, 2025, 2024 and 2023. The Organization is required to repay the loan in three installments of \$40,000 per year beginning November 30, 2025. The loans bear no interest, and the proceeds are required to be used for the charitable purposes of the Organization as identified in Note 1.
- B. 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.
- C. 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, 2057. The property is required to be used for 40 years from the date of the mortgage for the purpose of providing affordable housing. In 2023, IH LLC received a \$250,000 note bearing no interest, with the principal amount due upon maturity on January 31, 2058.
- D. 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 was extinguished by the CPC during the year ended June 30, 2022, and the Organization recorded a forgiveness of debt of \$302,500 in the Organization’s consolidated statement of activities for the year ended June 30, 2022.
- E. 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. Both 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.
- F. 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.
- G. 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.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 10—LONG-TERM DEBT (Continued)

- H. 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.
- I. 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.
- J. 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. On December 16th, 2022, Three Arts Club HDFC had received an extension on the mortgage for a maturity date of June 30, 2024.
- K. 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.
- L. In December 2018, Valley Lodge Shelter HDFC entered into a building loan and project loan agreement totaling \$14,621,328, with J.P. Morgan Chase N.A, which is being used to finance the acquisition of property located at 137-159 West 108th Street. Through a note purchase agreement, the note was acquired by UMB Bank N.A on January 27, 2022. The contract-backed secured note totals \$18,845,315 and requires monthly principal and interest payments totaling \$89,970 until the maturity date of the loan, March 15, 2052. As of June 30, 2023 and 2022, \$18,384,459 and \$18,719,662 remains outstanding on the loan.
- M. 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 Two Hundred Six Associates 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.
- N. 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.
- O. 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.
- P. 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.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 10—LONG-TERM DEBT (Continued)

- Q. 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 30, 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.
- R. 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.
- S. 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.
- T. 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 occurred on November 7, 2022. Following the date of release, the loan bears interest at a rate of 5.75% on the entire principal balance. The loan also contains a mandatory prepayment requirement which was to be made no earlier than February 1, 2022 and no later than March 1, 2023. On the release date, the mandatory prepayment was paid in the amount of \$27,080,000 and was predominately funded through the West 108th Street LP investor. The note required monthly interest-only payments until the release date of November 7, 2022. Following the release date, the loan requires monthly principal and interest payments. The loan is secured by property located at 137-159 West 108th Street.
- U. 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, 2023 and 2022, total borrowings were \$12,007,415 and \$10,017,291, respectively. The loans bear interest at a fixed rate of 3.26%, with monthly interest-only payments of \$4,905 commencing after the release date, which occurred on November 7, 2022, and continuing through maturity. The loan is secured by property located at 137-159 West 108th Street.
- V. 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 on November 7, 2022, interest accrued at a rate of 3.385% and is payable monthly on advanced funds. Following 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. On the release date, West 108th Street LP received approval to draw an additional \$860,676 on the loan.
- W. 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. The loan was converted on November 7, 2022.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 10—LONG-TERM DEBT (Continued)

- X. 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.
- Y. 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, 2023 and 2022 was \$528,209 and \$554,962, 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 non-interest bearing, unsecured loan to the partnership due on July 1, 2035. As of both June 30, 2023 and 2022, the outstanding balance was \$648,052.
- Z. 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 have commenced 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. On October 8, 2019, Tres Puentes LP was extended another mortgage loan from HPD of \$350,000. Of this balance, \$16,400,000 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.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 10—LONG-TERM DEBT (Continued)

- AA. On June 29, 2017, Mill Brook Terrace LP entered into a 40-year mortgage loan note with the New York City Department of Housing 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 have commenced until loan maturity on September 30, 2060.
- BB. 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 HDC 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 HDC for a maximum amount of \$200,000. The loan bears interest of .25% until LC expiration date, after that loan is non-interest bearing throughout the maturity date on September 30, 2060. The principal balance shall be paid in accordance with certain funding and disbursement agreement.
- CC. 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 non-interest bearing. The balance shall be due and payable on the 40th anniversary of written approval of the project for occupancy and operation.
- DD. 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, 2023 and thereafter, are as follows:

| | | |
|------------|----|--------------------|
| 2024 | \$ | 45,789,334 |
| 2025 | | 6,989,530 |
| 2026 | | 3,535,136 |
| 2027 | | 2,490,441 |
| 2028 | | 2,602,751 |
| Thereafter | | <u>285,592,536</u> |
| | \$ | <u>346,999,728</u> |

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 10—LONG-TERM DEBT (Continued)

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 the year ended June 30, 2022, \$621,556 was recognized as a reduction of the loan principal.

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. The Organization has applied for and received forgiveness in August 2021 and recorded a forgiveness in the Organization’s consolidated statement of activities for the year ended June 30, 2022.

NOTE 11—LINE-OF-CREDIT

In May 2020, the Organization obtained an original bank line-of-credit with a bank in the amount of \$5,000,000 bearing an interest rate of 3.00% plus London Interbank Offered Rate (“LIBOR”), which then expired in May 2021. The line-of-credit was renewed with the same terms on July 14, 2021 and expired on July 15, 2022. The \$5,000,000 bank line-of-credit was subsequently renewed bearing an interest rate of 3.00% plus adjusted Secured Overnight Financing Rate (“SOFR”) and expired on August 8, 2023. The organization obtained a further renewal of the line-of-credit with the same terms on September 13, 2023, expiring on September 13, 2024. The line is secured by the assets of the Organization. There were no amounts drawn from the line-of-credit during the years ended June 30, 2023 and 2022.

NOTE 12—COMMITMENTS AND CONTINGENCIES

- A. Government-funded activities are subject to audit by the applicable granting agencies. At June 30, 2023, 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, 2023, WSFSSH has not recognized a liability under the guarantees.
- C. The Organization is subject to the provisions of 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 Accounting Standards Codification (“ASC”) Topic 740 has not had, and is not expected to have, a material impact on the Organization’s consolidated financial statements.
- D. The Organization is a defendant with respect to various claims involving accidents and other issues arising in the normal conduct of its business. Management and legal counsels believe the ultimate resolution of these claims will not have a material impact on the financial position and changes in net assets of the Organization.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 13—NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2023 and 2022, net assets of \$1,285,860 and \$1,180,155 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, 2023 and 2022, net assets in the amounts of \$86,907 and \$454,441, 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, 2023 and 2022, cash held in four and five banks, respectively, exceeded the Federal Deposit Insurance Corporation limits by \$32,773,906 and \$30,853,779, respectively.

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. Employer contribution expenses for the years ended June 30, 2023 and 2022 were \$401,432 and \$399,125, respectively.

NOTE 16—SUBSEQUENT EVENTS

The Organization evaluated subsequent events through December 1, 2023, the date on which the consolidated financial statements were available to be issued.

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
SUMMARIZED CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

| | 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 | \$ 25,415,571 | \$ 8,870,740 | \$ 34,286,311 | \$ - | \$ 34,286,311 |
| Restricted cash (Resident Funds) | 1,251,764 | - | 1,251,764 | - | 1,251,764 |
| Grants and government contracts receivable | 8,862,124 | - | 8,862,124 | - | 8,862,124 |
| Receivable from affiliates - current portion | 3,396,042 | 109,023 | 3,505,065 | (3,505,065) | - |
| Leases receivable, net | 714,640 | 784,809 | 1,499,449 | (112,330) | 1,387,119 |
| Reimbursements receivable for residents, net | 35,045 | 169 | 35,214 | - | 35,214 |
| Other receivables | 1,109,165 | 115,833 | 1,224,998 | - | 1,224,998 |
| Loan receivable, current portion | 50,000 | - | 50,000 | - | 50,000 |
| Prepaid expenses | 435,072 | 1,805,982 | 2,241,054 | - | 2,241,054 |
| Total current assets | 41,269,423 | 11,686,556 | 52,955,979 | (3,617,395) | 49,338,584 |
| Property and equipment, net | <u>157,574,383</u> | <u>303,165,109</u> | <u>460,739,492</u> | <u>(39,849,596)</u> | <u>420,889,896</u> |
| Other assets: | | | | | |
| Social service and operating reserves | 5,051,918 | 5,950,997 | 11,002,915 | - | 11,002,915 |
| Other reserves | 11,004,873 | 6,898,921 | 17,903,794 | - | 17,903,794 |
| Loan receivable, net of current portion | 362,500 | - | 362,500 | - | 362,500 |
| Notes and loan receivable from affiliates | 16,317,829 | - | 16,317,829 | (16,317,829) | - |
| Receivable from affiliates - accrued interest | 3,885,329 | - | 3,885,329 | (3,885,329) | - |
| Receivable from affiliates - developer fees | 11,815,859 | - | 11,815,859 | (11,815,859) | - |
| Tenant security deposits held | 629,863 | 282,348 | 912,211 | - | 912,211 |
| Other security deposits | 37,717 | 141,503 | 179,220 | - | 179,220 |
| Investment in partnerships | 8,681,318 | - | 8,681,318 | (8,681,318) | - |
| Right-of-use asset | 8,869,746 | - | 8,869,746 | (8,869,746) | - |
| Deferred development costs | 338,292 | - | 338,292 | - | 338,292 |
| Deferred leasing costs, net | 7,344 | 933,171 | 940,515 | - | 940,515 |
| Total other assets | 67,002,588 | 14,206,940 | 81,209,528 | (49,570,081) | 31,639,447 |
| TOTAL ASSETS | \$ 265,846,394 | \$ 329,058,605 | \$ 594,904,999 | \$ (93,037,072) | \$ 501,867,927 |
| LIABILITIES: | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable and accrued expenses | \$ 3,090,201 | \$ 1,723,625 | \$ 4,813,826 | \$ - | \$ 4,813,826 |
| Construction costs payable | 2,221,006 | 989,799 | 3,210,805 | - | 3,210,805 |
| Due to residents | 1,251,764 | - | 1,251,764 | - | 1,251,764 |
| Payable to affiliate - current other | - | 3,503,482 | 3,503,482 | (3,503,482) | - |
| Lease payments received in advance | 361,924 | 387,968 | 749,892 | - | 749,892 |
| Funds received in advance | 3,269,751 | - | 3,269,751 | - | 3,269,751 |
| Lease liability - current portion | 382,586 | - | 382,586 | (382,586) | - |
| Long-term debt payable - current portion | 44,321,736 | 1,467,598 | 45,789,334 | - | 45,789,334 |
| Total current liabilities | 54,898,968 | 8,072,472 | 62,971,440 | (3,886,068) | 59,085,372 |
| Long-term debt: | | | | | |
| Accrued interest payable | 11,533,852 | 9,852,625 | 21,386,477 | - | 21,386,477 |
| Payable to affiliate - accrued interest | 33,398 | 3,851,931 | 3,885,329 | (3,885,329) | - |
| Lease liability | 8,601,601 | - | 8,601,601 | (8,601,601) | - |
| Long-term debt payable, net | 119,646,772 | 175,098,409 | 294,745,181 | - | 294,745,181 |
| Total long-term debt | 139,815,623 | 188,802,965 | 328,618,588 | (12,486,930) | 316,131,658 |
| Other liabilities: | | | | | |
| Tenants' security deposits held | 629,863 | 282,348 | 912,211 | - | 912,211 |
| Notes and loan payable to affiliates | 1,059,158 | 15,258,675 | 16,317,833 | (16,317,833) | - |
| Developer fee payable | - | 11,815,860 | 11,815,860 | (11,815,860) | - |
| Total other liabilities | 1,689,021 | 27,356,883 | 29,045,904 | (28,133,693) | 912,211 |
| TOTAL LIABILITIES | 196,403,612 | 224,232,320 | 420,635,932 | (44,506,691) | 376,129,241 |
| NET ASSETS: | | | | | |
| Without donor restrictions: | | | | | |
| Controlling interest | 68,156,922 | 1,507,340 | 69,664,262 | (59,654,402) | 10,009,859 |
| Noncontrolling interest | - | 103,318,945 | 103,318,945 | 11,124,021 | 114,442,966 |
| With donor restrictions | 1,285,860 | - | 1,285,860 | - | 1,285,860 |
| TOTAL NET ASSETS | 69,442,782 | 104,826,285 | 174,269,067 | (48,530,381) | 125,738,686 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 265,846,394 | \$ 329,058,605 | \$ 594,904,999 | \$ (93,037,072) | \$ 501,867,927 |

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - NOT-FOR-PROFIT ENTITIES AND ITS WHOLLY OWNED SUBSIDIARIES
JUNE 30, 2023

| NOT-FOR-PROFIT AND WHOLLY-OWNED SUBSIDIARIES | | | | | | | | | | | | | | | | | | | | | | |
|---|----------------------|------------------------------|---------------------|------------------------|--------------------|----------------------|---|------------------------------|---------------------|---------------------------|----------------------|---------------------|---------------------|---------------------|----------------------|---------------------|----------------------|------------------------|---------------------------|------------------------|-----------------------|-------------|
| | WFSSSH Inc. | Other Housing Companies (GP) | FHSS Inc. | Independence House LLC | WFSSSH PA LLC | Marselles LLC | Kowal House LP (One Forty-Nine Housing Company) | Michaeli (206 Associates) LP | K&L HDFC | Valley Lodge Shelter HDFC | West 108 Street HDFC | Westbourne HDFC | WSA HDFC | WSS HDFC | Three Arts Club | East 138th HDFC | Euclid Hall HDFC | Total Housing Entities | Total Before Eliminations | Eliminations | Consolidated Total | |
| ASSETS: | | | | | | | | | | | | | | | | | | | | | | |
| Current assets: | | | | | | | | | | | | | | | | | | | | | | |
| Cash and cash equivalents | \$ 20,238,497 | \$ 1 | \$ 147,772 | \$ 1,080,855 | \$ 53,550 | \$ 1,099,588 | \$ 58,856 | \$ 34,064 | \$ 55,420 | \$ 1,064,874 | \$ 90,831 | \$ 50,000 | \$ 216,376 | \$ 7,916 | \$ 23,387 | \$ 248,823 | \$ 944,961 | \$ 8,870,740 | \$ 34,286,311 | \$ - | \$ 34,286,311 | |
| Resident funds | 1,251,784 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,251,784 | - | - | 1,251,784 | |
| Grants and government contracts receivable | 8,783,727 | - | - | - | - | 52,916 | - | - | - | - | - | - | - | - | - | 25,481 | - | 8,862,124 | - | - | 8,862,124 | |
| Receivable from affiliates - current portion | (10,880,373) | (31,536) | (192,303) | (1,945,705) | (801,781) | 21,449,943 | (953,464) | (1,086,900) | (532,590) | (95,985) | (34,512) | (779,109) | 141,444 | (713,802) | (638,615) | 1,140,699 | (669,369) | 109,023 | 3,505,065 | (3,505,065) | - | |
| Leases receivable, net | 200,126 | - | - | 65,218 | - | 20,120 | 14,884 | 20,616 | 653 | - | 19,393 | 222,952 | - | - | - | - | - | 115,405 | 1,499,449 | - | 1,387,119 | |
| Reimbursements receivable for residents, net | 35,045 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 169 | 35,214 | - | 35,214 | |
| Other receivables | 593,205 | - | - | 56,825 | 393,132 | 14,290 | (48,565) | 445 | 335 | 1,557 | - | 21,517 | - | - | - | 23,146 | 53,278 | 115,833 | 1,224,998 | - | 1,224,998 | |
| Loan receivable, current portion | - | - | - | - | - | 50,000 | - | - | - | - | - | - | - | - | - | - | - | - | 50,000 | - | 50,000 | |
| Prepaid expenses | 190,491 | 135 | 135 | 62,379 | 135 | 138,504 | 2,773 | 2,854 | 3,588 | - | - | 10,562 | - | - | 134 | 2,533 | 129 | 20,720 | 1,805,982 | - | 2,241,054 | |
| Total current assets | 20,412,482 | (31,400) | (44,396) | (690,428) | (354,964) | 22,825,361 | (925,516) | (1,008,921) | (472,594) | 970,446 | 75,512 | (474,078) | 357,820 | (705,752) | (577,422) | 1,438,278 | 260,925 | 11,686,556 | 52,955,979 | (3,617,395) | 49,338,584 | |
| Property and equipment, net | 1,993,618 | - | - | 43,701,140 | - | 15,387,564 | 849,228 | 1,928,674 | 3,110,268 | 16,522,095 | - | 6,411,803 | - | 4,067,193 | 39,161,883 | 522,642 | 23,918,275 | 303,165,109 | 460,739,492 | (39,849,596) | 420,889,896 | |
| Other assets: | | | | | | | | | | | | | | | | | | | | | | |
| Social service and operating reserves | 1,822,615 | - | - | 128,455 | - | - | - | - | - | - | - | 986,838 | - | 65,386 | - | - | 2,048,624 | 5,950,997 | 11,002,915 | - | 11,002,915 | |
| Other reserves | 2,452,923 | - | - | 1,385,493 | - | 903,685 | 233,311 | 147,495 | 316,345 | 598,582 | - | 467,943 | - | 441,292 | 1,074,685 | - | 2,983,119 | 6,898,921 | 17,903,794 | - | 17,903,794 | |
| Loan receivable, net of current portion | - | - | - | - | - | 362,500 | - | - | - | - | - | - | - | - | - | - | - | - | 362,500 | - | 362,500 | |
| Notes and loan receivable from affiliates | 15,095,829 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 16,317,829 | (16,317,829) | - | - | |
| Receivable from affiliates - accrued interest | 2,742,658 | - | - | - | - | - | - | - | - | - | - | - | 1,222,000 | - | - | - | - | - | 3,885,329 | - | (3,885,329) | |
| Receivable from affiliates - developer fees | 11,815,859 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 11,815,859 | - | (11,815,859) | |
| Tenant security deposits held | 14,810 | - | - | 40,263 | - | 430,230 | 9,072 | 40 | 14,075 | - | 38,785 | 9,677 | - | 1,187 | 54,183 | 17,541 | 282,348 | 912,211 | - | - | 912,211 | |
| Other security deposits | 11,080 | - | - | 3,152 | - | 5,470 | - | 2,550 | - | 8,300 | - | - | - | 7,165 | - | - | 141,503 | 175,220 | - | - | 175,220 | |
| Investment in partnerships | 6,862,639 | 1,546,603 | (364,407) | - | - | - | - | - | - | - | - | - | - | 636,483 | - | - | - | - | 8,681,318 | - | (8,681,318) | |
| Right-of-use asset | 1,742,237 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 8,869,746 | - | (8,869,746) | |
| Deferred development cost | - | - | - | - | 338,292 | - | - | - | - | - | 6,328,814 | - | - | - | - | - | - | - | 338,292 | - | 338,292 | |
| Deferred leasing costs, net | - | - | - | - | 7,344 | - | - | - | - | - | - | - | - | - | - | - | - | 933,171 | 940,515 | - | 940,515 | |
| Total other assets | 42,560,650 | 1,546,603 | (364,407) | 1,557,363 | 338,292 | 1,709,229 | 244,933 | 147,535 | 330,420 | 606,882 | 6,367,599 | 1,464,458 | 2,384,671 | 1,143,161 | 1,083,037 | 852,678 | 5,049,284 | 14,206,940 | 81,209,528 | (49,570,081) | 31,639,447 | |
| TOTAL ASSETS | \$ 64,966,750 | \$ 1,515,203 | \$ (408,803) | \$ 44,578,075 | \$ (16,672) | \$ 39,922,154 | \$ 168,645 | \$ 1,067,288 | \$ 2,968,094 | \$ 18,099,423 | \$ 6,443,111 | \$ 7,402,183 | \$ 2,722,491 | \$ 4,504,602 | \$ 39,667,498 | \$ 2,813,798 | \$ 29,432,554 | \$ 329,058,605 | \$ 594,904,999 | \$ (93,037,072) | \$ 501,867,927 | |
| LIABILITIES: | | | | | | | | | | | | | | | | | | | | | | |
| Current liabilities: | | | | | | | | | | | | | | | | | | | | | | |
| Accounts payable and accrued expenses | \$ 1,854,472 | \$ 1 | \$ 4,201 | \$ 571,983 | \$ 7,695 | \$ 191,777 | \$ 50,373 | \$ 31,879 | \$ 24,326 | \$ - | \$ - | \$ 39,783 | \$ - | \$ - | \$ 24,764 | \$ 13,531 | \$ 275,416 | \$ 1,723,625 | \$ 4,813,826 | \$ - | \$ 4,813,826 | |
| Construction costs payable | - | - | - | 1,823,045 | - | - | - | - | - | 156,619 | - | 170,694 | - | - | 70,648 | - | - | 989,799 | 3,210,805 | - | 3,210,805 | |
| Due to residents | 1,250,245 | - | - | 19 | - | 904 | - | - | - | - | - | - | - | - | - | - | 596 | - | 1,251,784 | - | 1,251,784 | |
| Payable to affiliate - current other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 3,503,482 | - | (3,503,482) | |
| Lease payments received in advance | 34,570 | - | - | 14,208 | - | 46,159 | 7,406 | 459 | 10,675 | - | - | 68,082 | - | - | 4 | 180,361 | - | - | 749,892 | - | 749,892 | |
| Funds received in advance | 3,269,751 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 3,269,751 | - | 3,269,751 | |
| Lease liability - current portion | 257,596 | - | - | - | - | - | - | - | - | - | 7,224 | - | - | - | - | - | - | 362,586 | - | - | 362,586 | |
| Long-term debt payable - current portion | 40,000 | - | - | 86,809 | - | 329,222 | - | - | - | 348,859 | - | - | - | 15,077 | 43,501,769 | 117,854 | - | 1,467,598 | 45,789,334 | - | 45,789,334 | |
| Total current liabilities | 6,706,546 | 1 | 4,201 | 2,496,064 | 7,695 | 568,062 | 57,779 | 32,338 | 35,001 | 505,478 | 7,224 | 278,559 | - | 15,077 | 43,597,181 | 131,389 | 456,373 | 8,072,472 | 62,971,440 | (3,866,068) | 59,085,372 | |
| Long-term debt: | | | | | | | | | | | | | | | | | | | | | | |
| Accrued interest payable | - | - | - | 2,722,894 | - | - | - | 363,452 | - | - | - | - | - | - | 7,324,666 | - | 1,122,840 | 9,852,625 | 21,386,477 | - | 21,386,477 | |
| Payable to affiliate - accrued interest | - | - | - | - | - | - | - | - | 33,398 | - | - | - | - | - | - | - | - | 3,851,931 | 3,885,329 | - | (3,885,329) | |
| Lease liability | 1,488,496 | - | - | - | - | - | - | - | - | - | 6,414,360 | - | - | - | - | 698,745 | - | - | 8,001,601 | - | (8,001,601) | |
| Long-term debt payable | 80,000 | - | - | 40,175,352 | - | 15,810,923 | 2,441,330 | 1,150,000 | 5,682,800 | 17,896,698 | - | 4,665,028 | - | 9,641,989 | - | - | - | 22,102,652 | 175,098,409 | 294,745,181 | - | 294,745,181 |
| Total long-term debt | 1,568,496 | - | - | 42,898,246 | - | 15,810,923 | 2,441,330 | 1,513,452 | 5,716,198 | 17,896,698 | 6,414,360 | 4,665,028 | - | 9,641,989 | 7,324,666 | 698,745 | 23,225,492 | 188,802,965 | 328,618,588 | (12,486,930) | 316,131,658 | |
| Other liabilities: | | | | | | | | | | | | | | | | | | | | | | |
| Tenants' security deposits held | 14,810 | - | - | 40,263 | - | 430,230 | 9,072 | 40 | 14,075 | - | 38,785 | 9,677 | - | 1,187 | 54,183 | 17,541 | 282,348 | 912,211 | - | - | 912,211 | |
| Notes and loan payable to affiliates | - | - | - | - | - | - | - | - | 259,159 | - | - | - | - | 799,999 | - | - | - | 15,258,675 | 16,317,833 | - | (16,317,833) | |
| Developer fee payable | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 11,815,860 | 11,815,860 | - | (11,815,860) | |
| Total other liabilities | 14,810 | - | - | 40,263 | - | 430,230 | 9,072 | 40 | 273,234 | - | 38,785 | 9,677 | - | 801,186 | 54,183 | 17,541 | 27,356,883 | 29,045,904 | (28,133,693) | - | 912,211 | |
| TOTAL LIABILITIES | 8,289,852 | 1 | 4,201 | 45,434,573 | 7,695 | 16,809,215 | 2,508,181 | 1,545,830 | 6,024,433 | 18,402,176 | 6,460,369 | 4,953,264 | - | 9,657,066 | 51,723,033 | 884,317 | 23,699,406 | 224,232,320 | 420,635,932 | (44,506,691) | 376,129,241 | |
| NET ASSETS (DEFICIT): | | | | | | | | | | | | | | | | | | | | | | |
| Without donor restrictions: | | | | | | | | | | | | | | | | | | | | | | |
| Controlling interest | 55,391,038 | 1,515,202 | (413,004) | (856,498) | (24,367) | 23,112,939 | (2,339,536) | (478,542) | (3,056,339) | (302,753) | (17,258) | 2,448,919 | 2,722,491 | (5,152,464) | (12,055,535) | 1,929,481 | 5,733,148 | 1,507,340 | 69,664,262 | (59,654,402) | 10,009,859 | |
| Noncontrolling interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 103,318,945 | 103,318,945 | 11,124,021 | 114,442,966 | |
| With donor restrictions | 1,285,860 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,285,860 | - | 1,285,860 | |
| Total net assets (deficit) | 56,676,898 | 1,515,202 | (413,004) | (856,498) | (24,367) | 23,112,939 | (2,339,536) | (478,542) | (3,056,339) | (302,753) | (17,258) | 2,448,919 | 2,722,491 | (5,152,464) | (12,055,535) | 1,929,481 | 5,733,148 | 104,826,285 | 174,269,067 | (48,530,381) | 125,738,686 | |
| TOTAL LIABILITIES AND NET ASSETS (DEFICIT) | \$ 64,966,750 | \$ 1,515,203 | \$ (408,803) | \$ 44,578,075 | \$ (16,672) | \$ 39,922,154 | \$ 168,645 | \$ 1,067,288 | \$ 2,968,094 | \$ 18,099,423 | \$ 6,443,111 | \$ 7,402,183 | \$ 2,722,491 | \$ 4,504,602 | \$ 39,667,498 | \$ 2,813,798 | \$ 29,432,554 | \$ 329,058,605 | \$ 594,904,999 | \$ (93,037,072) | \$ 501,867,927 | |

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - HOUSING ENTITIES
JUNE 30, 2023

| | 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 | Fischer Senior Apartment LP | Total Housing Entities |
| ASSETS: | | | | | | | | | | | |
| Current Assets: | | | | | | | | | | | |
| Cash and cash equivalents | \$ 2,220,758 | \$ 166,502 | \$ 88,626 | \$ 75,523 | \$ 1,287,115 | \$ 2,285,588 | \$ 1,216,063 | \$ 1,326,463 | \$ 183,409 | \$ 20,693 | \$ 8,870,740 |
| Receivable from affiliates - current portion | - | - | 9,753 | - | 13,881 | - | - | 85,389 | - | - | 109,023 |
| Rents receivable, net | 12,434 | 32,660 | 2,924 | 7,970 | 13,727 | 468,919 | 90,421 | 143,032 | 12,722 | - | 784,809 |
| Reimbursements receivable for residents, net | 2 | - | 167 | - | - | - | - | - | - | - | 169 |
| Other receivables | 11,384 | 12,498 | 1,728 | 110 | 12,288 | 20,196 | 9,618 | 47,421 | 590 | - | 115,833 |
| Prepaid expenses | 219,604 | 10,917 | 11,836 | 6,686 | 101,626 | 817,620 | 118,542 | 118,475 | 6,436 | 394,240 | 1,805,982 |
| Total current assets | 2,464,182 | 222,577 | 115,034 | 90,289 | 1,428,637 | 3,592,323 | 1,434,644 | 1,720,780 | 203,157 | 414,933 | 11,686,556 |
| Property and equipment, net | 18,095,257 | 18,778,110 | 2,908,571 | 4,302,436 | 73,941,709 | 1,688,117 | 97,849,521 | 77,798,092 | 4,669,138 | 3,134,158 | 303,165,109 |
| Other assets: | | | | | | | | | | | |
| Social service and operating reserves | 923,980 | 272,088 | 83,838 | 678 | 682,299 | - | 2,268,582 | 1,323,832 | 395,700 | - | 5,950,997 |
| Other reserves | 1,100,650 | 161,226 | 217,390 | 220,319 | 798,160 | 3,456,418 | 388,907 | 228,910 | 271,356 | 55,585 | 6,898,921 |
| Tenant security deposits held | 38,728 | 15,281 | 4,525 | 18,131 | 26,124 | 63,092 | 38,957 | 70,301 | 7,209 | - | 282,348 |
| Other security deposits | 430 | 240 | 170.00 | 240 | 59,400 | 1,540 | 59,808 | 18,760 | 915 | - | 141,503 |
| Deferred leasing costs, net | 44,629 | 25,352 | - | - | 347,314 | - | - | 515,876 | - | - | 933,171 |
| Total other assets | 2,108,417 | 474,187 | 305,923 | 239,368 | 1,913,297 | 3,521,050 | 2,756,254 | 2,157,679 | 675,180 | 55,585 | 14,206,940 |
| TOTAL ASSETS | \$ 22,667,856 | \$ 19,474,874 | \$ 3,329,528 | \$ 4,632,093 | \$ 77,283,643 | \$ 8,801,490 | \$ 102,040,419 | \$ 81,676,551 | \$ 5,547,475 | \$ 3,604,676 | \$ 329,058,605 |
| LIABILITIES: | | | | | | | | | | | |
| Current Liabilities: | | | | | | | | | | | |
| Accounts payable and accrued expenses | \$ 623,253 | \$ 79,836 | \$ 146,694 | \$ 67,175 | \$ 197,300 | \$ 325,755 | \$ 100,856 | \$ 97,300 | \$ 85,456 | \$ - | \$ 1,723,625 |
| Construction costs payable | - | - | - | - | - | - | 99,992 | 889,807 | - | - | 989,799 |
| Payable to affiliate (current portion) | 21,056 | 142,851 | - | 1,162,775 | - | 262,732 | 177,146 | - | 2,150 | 1,734,772 | 3,503,482 |
| Rents received in advance | 11,735 | 70,423 | 8,611 | 8,702 | 120,402 | 100,364 | 6,090 | 46,745 | 14,896 | - | 387,968 |
| Long-term debt payable - current portion | 127,346 | - | 66,979 | 95,686 | 161,537 | 337,923 | 505,076 | 173,051 | - | - | 1,467,598 |
| Total current liabilities | 783,390 | 293,110 | 222,284 | 1,334,338 | 479,239 | 1,026,774 | 889,160 | 1,206,903 | 102,502 | 1,734,772 | 8,072,472 |
| Long-term debt: | | | | | | | | | | | |
| Accrued interest payable | - | 2,101,739 | - | 1,146,667 | 2,278,218 | 11,288 | 2,280,340 | 1,595,055 | 439,318 | - | 9,852,625 |
| Payable to affiliate - accrued interest expense | 1,077,444 | - | 1,142,671 | 670,532 | - | - | 961,284 | - | - | - | 3,851,931 |
| Long-term debt payable | 7,717,376 | 20,392,737 | 1,249,567 | 4,730,688 | 41,278,615 | 3,986,837 | 46,032,572 | 46,813,093 | 2,896,924 | - | 175,098,409 |
| Total long term debt | 8,794,820 | 22,494,476 | 2,392,238 | 6,547,887 | 43,556,833 | 3,998,125 | 49,274,196 | 48,408,148 | 3,336,242 | - | 188,802,965 |
| Other liabilities: | | | | | | | | | | | |
| Tenants' security deposits held | 38,728 | 15,281 | 4,525 | 18,131 | 26,124 | 63,092 | 38,957 | 70,301 | 7,209 | - | 282,348 |
| Notes and loans payable to affiliates | 4,442,105 | 176,467 | 1,222,000 | 1,297,962 | 3,171,505 | - | 4,793,636 | 155,000 | - | - | 15,258,675 |
| Developer fee payable | - | - | - | - | 2,369,823 | - | 1,187,974 | 8,258,063 | - | - | 11,815,860 |
| Total other liabilities | 4,480,833 | 191,748 | 1,226,525 | 1,316,093 | 5,567,452 | 63,092 | 6,020,567 | 8,483,364 | 7,209 | - | 27,356,883 |
| TOTAL LIABILITIES | 14,059,043 | 22,979,334 | 3,841,047 | 9,198,318 | 49,603,524 | 5,087,991 | 56,183,923 | 58,098,415 | 3,445,953 | 1,734,772 | 224,232,320 |
| NET ASSETS (DEFICIT): | | | | | | | | | | | |
| Without donor restrictions: | | | | | | | | | | | |
| Controlling interest | 1,551,819 | (1,169) | (89) | (1,018) | (646) | (40,217) | (564) | (536) | (240) | - | 1,507,340 |
| Noncontrolling interest | 7,056,994 | (3,503,291) | (511,430) | (4,565,207) | 27,680,765 | 3,753,716 | 45,857,060 | 23,578,672 | 2,101,762 | 1,869,904 | 103,318,945 |
| TOTAL NET ASSETS (DEFICIT) | 8,608,813 | (3,504,460) | (511,519) | (4,566,225) | 27,680,119 | 3,713,499 | 45,856,496 | 23,578,136 | 2,101,522 | 1,869,904 | 104,826,285 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 22,667,856 | \$ 19,474,874 | \$ 3,329,528 | \$ 4,632,093 | \$ 77,283,643 | \$ 8,801,490 | \$ 102,040,419 | \$ 81,676,551 | \$ 5,547,475 | \$ 3,604,676 | \$ 329,058,605 |

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES - NOT-FOR-PROFIT ENTITIES AND ITS WHOLLY OWNED SUBSIDIARIES
FOR THE YEAR ENDED JUNE 30, 2023

| | | NOT-FOR-PROFIT AND WHOLLY-OWNED SUBSIDIARIES | | | | | | | | | | | | | | | | | Total Housing Entities | Total Before Eliminations | Eliminations | Consolidated Total | | | | | | | | |
|---|-------------------|--|------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|---|-------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------|--------------------|-------------------|
| | | WSFSSH Inc. | Other Housing Companies (GP) | Housing Companies (FHSS) | Independence House LLC | WSFSSA PA LLC | Marseilles LLC | Kowal House LP (One Forty-Nine Housing Company) | Michalski (206 Associates) LP | K&L HDFC | Valley Lodge Shelter HDFC | West 108 Street HDFC | Westbourne HDFC | WSA HDFC | WSS HDFC | 3Arts HDFC | East 138th HDFC | Euclid Hall HDFC | | | | | | | | | | | | |
| Without Donor Restrictions | With Restrictions | Total | Without Donor Restrictions | Without Donor Restrictions | Without Donor Restrictions | Without Donor Restrictions | Without Donor Restrictions | Without Donor Restrictions | Without Donor Restrictions | Without Donor Restrictions | Without Donor Restrictions | Without Donor Restrictions | Without Donor Restrictions | Without Donor Restrictions | Without Donor Restrictions | Without Donor Restrictions | Without Donor Restrictions | Without Donor Restrictions | Without Donor Restrictions | Without Donor Restrictions | Without Donor Restrictions | Without Donor Restrictions | Without Donor Restrictions | Without Donor Restrictions | Without Donor Restrictions | Without Donor Restrictions | Without Donor Restrictions | | | |
| Public support and revenue: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash contributions and grants | \$ 372,709 | \$ 192,612 | \$ 565,321 | \$ - | \$ - | \$ - | \$ - | \$ 2,330 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 36,240 | \$ - | \$ 603,891 | \$ - | \$ 603,891 |
| Forgiveness of Paycheck Protection Program loan | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Forgiveness of debt | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Contribution from affiliates | 550,000 | - | 550,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 550,000 | (550,000) | - | |
| Government contracts | 17,752,856 | - | 17,752,856 | - | - | - | - | 202,306 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 98,109 | 352,284 | 18,405,555 | - | 18,405,555 | |
| Total public support and revenue before net assets released from restrictions | 18,675,565 | 192,612 | 18,868,177 | - | - | - | - | 204,636 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 98,109 | 362,284 | 19,559,446 | (550,000) | 19,009,446 | |
| Net assets released from restrictions | 86,907 | (86,907) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Gross rental income - resident | 3,325,051 | - | 3,325,051 | - | - | 1,759,208 | - | 4,913,456 | 895,032 | 339,019 | 1,040,831 | 1,084,645 | - | 1,293,582 | - | - | 11,316 | - | - | - | - | - | - | - | - | 3,650,525 | 26,352,506 | 44,665,171 | - | 44,665,171 |
| Less: vacancy loss | (2,127,129) | - | (2,127,129) | - | - | (138,303) | - | (36,412) | (138,303) | 582 | (6,930) | - | - | (23,110) | - | - | (2,658) | - | - | - | - | - | - | - | - | (2,658) | (2,000,885) | - | - | (200,885) |
| Net rental income - resident | 1,197,922 | - | 1,197,922 | - | - | 1,620,905 | - | 4,877,044 | 762,458 | 339,601 | 1,033,901 | 1,084,645 | - | 1,181,324 | - | - | 11,316 | - | - | - | - | - | - | - | - | (685,985) | (1,116,929) | (4,355,938) | - | (4,355,938) |
| Gross potential income - commercial | 182,326 | - | 182,326 | - | - | 186,321 | - | 624,962 | - | - | - | - | 238,806 | 119,113 | - | - | 591,540 | - | - | - | - | - | - | - | - | 16,812 | 755,373 | 2,715,253 | (729,956) | 1,985,297 |
| Less: vacancy loss | - | - | - | - | - | (192,029) | - | - | - | - | - | - | (23,110) | (9,452) | - | - | - | - | - | - | - | - | - | - | - | (3,626) | (2,000,885) | - | - | (200,885) |
| Net rental income - commercial | 182,326 | - | 182,326 | - | - | 186,321 | - | 624,962 | - | - | - | - | 215,696 | 109,661 | - | - | 591,540 | - | - | - | - | - | - | - | - | 13,186 | 752,705 | 2,514,368 | (729,956) | 1,784,412 |
| Rental income - parking | - | - | - | - | - | 99,725 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 99,725 | - | 99,725 | |
| Total rental income | 1,380,248 | - | 1,380,248 | - | - | 1,744,922 | - | 5,502,006 | 762,458 | 339,601 | 1,033,901 | 1,084,645 | 215,696 | 1,290,985 | - | - | 11,316 | - | - | - | - | - | - | - | 591,540 | 2,977,726 | 25,988,282 | 42,923,326 | (729,956) | 42,193,370 |
| Management and other fees | 2,518,708 | - | 2,518,708 | - | 5,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,523,708 | (2,523,708) | - | - |
| Overhead income | 12,848 | - | 12,848 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 12,848 | (12,848) | - | - |
| Development fee income | 1,068,219 | - | 1,068,219 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,068,219 | (908,219) | 160,000 | - |
| Partnership fee income | 1,263,698 | - | 1,263,698 | (904) | 948,155 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,230,949 | (2,230,949) | - | - |
| Interest and other income | 1,326,877 | - | 1,326,877 | 104,782 | - | 43,833 | - | 37,084 | 5,382 | 29 | 1,456 | 66 | 3 | 27,370 | 123,442 | 63 | 1 | 5,261 | - | - | - | - | - | - | - | 132,277 | 604,380 | 2,412,306 | (610,984) | 1,801,322 |
| Total income | 26,266,163 | 192,612 | 26,458,775 | 103,878 | 953,155 | 1,788,755 | - | 5,743,726 | 767,840 | 339,630 | 1,035,357 | 1,084,711 | 215,699 | 1,318,355 | 123,442 | 63 | 11,317 | 694,910 | - | - | - | - | - | - | 694,910 | 3,146,243 | 26,944,946 | 70,730,802 | (7,566,664) | 63,184,138 |
| Expenses | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Salaries and temporary employees | 17,196,544 | - | 17,196,544 | - | - | 467,520 | - | 651,016 | 370,011 | 73,616 | 316,019 | - | - | 386,034 | - | - | 30,100 | 94,888 | 1,002,501 | 2,878,468 | 23,466,717 | - | - | - | - | - | 2,878,468 | 23,466,717 | - | 23,466,717 |
| Payroll taxes and employee benefits | 4,372,724 | - | 4,372,724 | - | - | 178,201 | - | 193,283 | 132,368 | 19,493 | 102,830 | - | - | 85,409 | - | - | 8,535 | 25,203 | 404,045 | 831,723 | 6,353,814 | - | - | - | - | - | 831,723 | 6,353,814 | - | 6,353,814 |
| Professional fees | 1,539,003 | - | 1,539,003 | 1,464 | 18,532 | 46,632 | - | 56,961 | 26,213 | 10,633 | 17,412 | 1,066 | 732 | 65,797 | 2,500 | 2,251 | 15,649 | 5,500 | 76,711 | 397,170 | 2,284,426 | - | - | - | - | 397,170 | 2,284,426 | - | 2,284,426 | |
| Telephone and internet | 408,526 | - | 408,526 | - | - | 11,494 | - | 16,926 | 13,387 | 8,603 | 12,211 | - | - | 11,116 | - | - | - | - | 26,261 | 159,486 | 668,010 | - | - | - | - | - | 668,010 | - | 668,010 | |
| Administrative expenses | 1,056,052 | - | 1,056,052 | 4,878 | 319,619 | 34,503 | 32 | 26,435 | 12,439 | 8,919 | 27,594 | - | - | 70,954 | 250 | 28 | 1,109 | 1,668 | 1,697,547 | 2,674,111 | 1,870,981 | - | - | - | - | 1,697,547 | 2,674,111 | - | 1,870,981 | |
| Management and other fees | - | - | - | - | 90,000 | 98,984 | - | 276,958 | 63,740 | 40,316 | 85,457 | - | - | 89,974 | - | - | - | - | 231,135 | 1,697,547 | 2,674,111 | (2,523,708) | - | - | - | 231,135 | 12,848 | (2,523,708) | 150,403 | |
| Overhead expenses | (38,538) | - | (38,538) | - | - | - | - | 25,547 | - | - | - | - | - | - | - | - | - | - | 12,993 | 12,849 | 12,848 | - | - | - | - | 12,849 | (12,848) | - | - | |
| Insurance | 494,969 | - | 494,969 | 612 | 7,304 | 122,371 | 7,547 | 151,539 | 43,967 | 19,228 | 60,587 | 6,935 | 243 | 95,862 | 6,934 | 7,301 | 25,578 | 7,303 | 144,662 | 1,026,601 | 2,229,543 | - | - | - | - | 1,026,601 | 2,229,543 | - | 2,229,543 | |
| Lease expenses | 555,631 | - | 555,631 | - | - | - | - | - | - | - | 271,985 | - | - | - | - | - | - | - | 154,511 | 38,964 | 1,021,091 | (729,956) | - | - | - | - | 1,021,091 | (729,956) | 291,135 | |
| Real estate taxes | - | - | - | - | - | 229,158 | - | 74,208 | - | - | 199,796 | - | - | - | - | - | - | - | - | 1,893,052 | 2,396,214 | - | - | - | - | - | 1,893,052 | 2,396,214 | - | 2,396,214 |
| Food | 818,531 | - | 818,531 | - | - | 77 | - | 9,256 | 28,195 | - | (80) | - | - | 31,555 | - | - | - | - | 112,469 | 133,796 | 1,133,799 | - | - | - | - | - | 133,796 | 1,133,799 | - | 1,133,799 |
| Utilities | 962,626 | - | 962,626 | - | - | 282,108 | - | 223,036 | 104,216 | 53,043 | 89,862 | - | - | 99,936 | - | - | - | - | 244,067 | 1,902,942 | 3,961,856 | - | - | - | - | - | 3,961,856 | - | 3,961,856 | |
| Supplies | 523,844 | - | 523,844 | - | - | 12,902 | - | 22,364 | 9,207 | 4,759 | 11,392 | - | - | 40,313 | - | - | - | 221 | 42,101 | 162,958 | 830,061 | - | - | - | - | - | 162,958 | 830,061 | - | 830,061 |
| Equipment, maintenance and repair | 736,692 | - | 736,692 | - | - | 211,699 | - | 426,078 | 133,295 | 70,660 | 118,160 | - | - | 32,937 | - | - | - | - | 352,939 | 2,190,957 | 4,562,417 | - | - | - | - | - | 4,562,417 | - | 4,562,417 | |
| Social and recreation expense | 535,459 | - | 535,459 | - | - | 8,052 | - | 6,958 | 1,395 | - | 6,382 | - | - | 127,433 | - | - | - | - | - | 29,690 | 719,914 | - | - | - | - | - | 719,914 | - | 719,914 | |
| Donation to affiliates | - | - | - | - | 550,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 550,000 | - | - | - | - | - | - | 550,000 | (550,000) | - | - |
| Housing project expenses | 112,774 | - | 112,774 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 112,774 |
| Bad debt expenses | 244,185 | - | 244,185 | - | - | 206,583 | - | 15,499 | 25,084 | 8,890 | 18,634 | - | - | 72,453 | - | - | - | - | 8,891 | 185,483 | 157,738 | 943,440 | - | - | - | - | 157,738 | 943,440 | - | 943,440 |
| Total expenses before finance and depreciation | 29,519,022 | - | 29,519,022 | 6,954 | 985,455 | 1,910,284 | 7,579 | 2,176,064 | 963,517 | 318,360 | 1,051,561 | 8,001 | 272,960 | 1,455,413 | 9,684 | 9,580 | 89,862 | 302,284 | 2,936,837 | 13,768,599 | 55,792,016 | (3,816,512) | - | - | - | 13,768,599 | 55,792,016 | (3,816,512) | 51,975,504 | |
| Change in net assets before finance and depreciation expenses | (3,165,952) | 105,705 | (3,060,247) | 96,924 | (32,300) | (121,529) | (7,579) | 3,567,662 | (195,677) | 21,270 | (16,204) | 1,076,710 | (57,281) | (137,058) | 113,758 | (9 | | | | | | | | | | | | | | |

WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES - HOUSING ENTITIES
FOR THE YEAR ENDED JUNE 30, 2023

| | 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 | Fisher Senior Apartment LP | Total Housing Entities |
|---|--|---------------------------------------|---|----------------------------------|--------------------------|---------------------------------------|--------------------|-------------------------|--------------------------------------|-------------------------------------|---------------------------|
| Income: | | | | | | | | | | | |
| Government contracts | \$ - | \$ - | \$ - | \$ 352,284 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 352,284 |
| Gross potential rental income - resident | 4,063,463 | 1,640,706 | 766,492 | 237,740 | 3,900,200 | 8,509,980 | 4,121,413 | 2,815,085 | 297,427 | - | 26,352,506 |
| Less: vacancy loss | <u>(211,425)</u> | <u>(54,744)</u> | <u>(68,101)</u> | <u>(13,576)</u> | <u>(499,611)</u> | <u>50,914</u> | <u>(244,295)</u> | <u>(49,625)</u> | <u>(26,466)</u> | <u>-</u> | <u>(1,116,929)</u> |
| Net rental income - resident | 3,852,038 | 1,585,962 | 698,391 | 224,164 | 3,400,589 | 8,560,894 | 3,877,118 | 2,765,460 | 270,961 | - | 25,235,577 |
| Gross potential income - commercial | - | - | - | 93,277 | - | 148,618 | 154,511 | 274,654 | 84,313 | - | 755,373 |
| Less: vacancy loss | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(2,668)</u> | <u>-</u> | <u>-</u> | <u>(2,668)</u> |
| Net rental income - commercial | - | - | - | 93,277 | - | 148,618 | 154,511 | 271,986 | 84,313 | - | 752,705 |
| Total rental income | <u>3,852,038</u> | <u>1,585,962</u> | <u>698,391</u> | <u>317,441</u> | <u>3,400,589</u> | <u>8,709,512</u> | <u>4,031,629</u> | <u>3,037,446</u> | <u>355,274</u> | <u>-</u> | <u>25,988,282</u> |
| Interest and other income | <u>33,787</u> | <u>17,562</u> | <u>2,903</u> | <u>6,679</u> | <u>18,983</u> | <u>110,020</u> | <u>355,022</u> | <u>37,479</u> | <u>21,945</u> | <u>-</u> | <u>604,380</u> |
| Total income | <u>3,885,825</u> | <u>1,603,524</u> | <u>701,294</u> | <u>676,404</u> | <u>3,419,572</u> | <u>8,819,532</u> | <u>4,386,651</u> | <u>3,074,925</u> | <u>377,219</u> | <u>-</u> | <u>26,944,946</u> |
| Expenses | | | | | | | | | | | |
| Salaries and temporary employees | 484,843 | 512,030 | 127,603 | 207,754 | 336,101 | 544,648 | 308,180 | 300,462 | 56,847 | - | 2,878,468 |
| Payroll taxes and employee benefits | 153,579 | 139,899 | 35,973 | 64,770 | 87,787 | 180,692 | 71,942 | 81,802 | 15,279 | - | 831,723 |
| Professional fees | 30,368 | 41,078 | 20,860 | 25,315 | 46,932 | 76,288 | 46,780 | 87,288 | 22,261 | - | 397,170 |
| Telephone and internet | 24,200 | 21,788 | 6,415 | 10,896 | 38,169 | 1,191 | 22,005 | 28,824 | 5,998 | - | 159,486 |
| Administrative expenses | 47,856 | 30,072 | 4,934 | 17,160 | 45,266 | 74,167 | 25,907 | 42,304 | 5,956 | - | 293,622 |
| Management and other fees | 192,698 | 170,842 | 39,888 | 64,625 | 215,657 | 436,670 | 243,394 | 241,705 | 92,068 | - | 1,697,547 |
| Overhead expenses | - | 12,849 | - | - | - | - | - | - | - | - | 12,849 |
| Insurance | 137,034 | 40,584 | 20,449 | 64,376 | 185,113 | 207,981 | 191,084 | 155,168 | 24,812 | - | 1,026,601 |
| Real estate taxes | 324,937 | - | 105,159 | - | - | 1,456,553 | 6,403 | - | - | - | 1,893,052 |
| Food | 1,536 | 130,206 | - | 39.00 | 156 | - | 1,859 | - | - | - | 133,796 |
| Utilities | 287,261 | 60,736 | 62,223 | 158,357 | 259,066 | 522,964 | 304,746 | 178,584 | 69,005 | - | 1,902,942 |
| Supplies | 18,448 | 44,227 | 4,236 | 4,899 | 22,259 | 114 | 20,195 | 43,955 | 4,625 | - | 162,958 |
| Equipment, maintenance and repair | 206,559 | 150,218 | 116,383 | 105,593 | 116,426 | 1,045,180 | 172,147 | 174,310 | 104,141 | - | 2,190,957 |
| Social and recreation expense | 5,697 | 4,519 | 991 | 2,740 | 8,011 | 43 | 7,139 | - | 550 | - | 29,690 |
| Bad debt expenses | <u>9,691</u> | <u>48,236</u> | <u>155</u> | <u>2,026</u> | <u>12,334</u> | <u>-</u> | <u>19,113</u> | <u>41,973</u> | <u>24,210</u> | <u>-</u> | <u>157,738</u> |
| Total expenses before finance and depreciation expenses | <u>1,924,707</u> | <u>1,407,284</u> | <u>545,269</u> | <u>728,550</u> | <u>1,373,277</u> | <u>4,546,491</u> | <u>1,440,894</u> | <u>1,376,375</u> | <u>425,752</u> | <u>-</u> | <u>13,768,599</u> |
| Change in net assets before finance and depreciation expenses | <u>1,961,118</u> | <u>196,240</u> | <u>156,025</u> | <u>(52,146)</u> | <u>2,046,295</u> | <u>4,273,041</u> | <u>2,945,757</u> | <u>1,698,550</u> | <u>(48,533)</u> | <u>-</u> | <u>13,176,347</u> |
| Finance and depreciation expenses | | | | | | | | | | | |
| Interest and finance charges | 323,923 | 5,736 | 97,334 | 39,080 | 1,321,747 | 153,567 | 1,252,371 | 1,651,110 | 3,227 | - | 4,848,095 |
| Interest accruals | 160,953 | 179,328 | 123,442 | 81,284 | 493,385 | - | 737,658 | 390,392 | 29,074 | - | 2,195,516 |
| Depreciation and amortization | <u>594,302</u> | <u>707,518</u> | <u>98,611</u> | <u>427,895</u> | <u>2,160,236</u> | <u>189,747</u> | <u>2,793,426</u> | <u>1,542,059</u> | <u>246,139</u> | <u>-</u> | <u>8,759,933</u> |
| Total finance and depreciation expenses | <u>1,079,178</u> | <u>892,582</u> | <u>319,387</u> | <u>548,259</u> | <u>3,975,368</u> | <u>343,314</u> | <u>4,783,455</u> | <u>3,583,561</u> | <u>278,440</u> | <u>-</u> | <u>15,803,544</u> |
| Change in net assets | 881,940 | (696,342) | (163,362) | (600,405) | (1,929,073) | 3,929,727 | (1,837,698) | (1,885,011) | (326,973) | - | (2,627,197) |
| Change in net assets attributable to noncontrolling interests | <u>881,768</u> | <u>(696,274)</u> | <u>(163,346)</u> | <u>(600,347)</u> | <u>(1,928,880)</u> | <u>2,112,547</u> | <u>(1,837,517)</u> | <u>(1,884,825)</u> | <u>(326,940)</u> | <u>-</u> | <u>(4,443,814)</u> |
| Change in net assets attributable to WSFSSH | <u>\$ 172</u> | <u>\$ (68)</u> | <u>\$ (16)</u> | <u>\$ (58)</u> | <u>\$ (193)</u> | <u>\$ 1,817,180</u> | <u>\$ (181)</u> | <u>\$ (186)</u> | <u>\$ (33)</u> | <u>\$ -</u> | <u>\$ 1,816,617</u> |