

**EISNERAMPER**

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

**CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2019 and 2018**



## INDEPENDENT AUDITORS' REPORT

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

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of West Side Federation for Senior and Supportive Housing, Inc. and Certain Affiliates (the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Consolidated Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of West Side Federation for Senior and Supportive Housing, Inc. and Certain Affiliates as of June 30, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.



EISNERAMPER LLP  
New York, New York  
February 20, 2020



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

**Consolidated Statements of Financial Position**

|   | June 30,              |                       |
|---|-----------------------|-----------------------|
|   | <u>2019</u>           | <u>2018</u>           |
| <b>ASSETS</b>                                     |                       |                       |
| Current assets:                                   |                       |                       |
| Cash, cash equivalents and restricted cash        | \$ 13,813,250         | \$ 8,427,727          |
| Grants and government contracts receivable, net   | 3,951,195             | 4,779,754             |
| Receivable from affiliates - current portion, net | 10,529,468            | 1,923,320             |
| Rents receivable, net                             | 566,429               | 632,889               |
| Advances receivable from residents, net           | 83,496                | 79,392                |
| Tenants' security deposits held                   | 508,490               | 488,274               |
| Other receivables                                 | 247,935               | 236,113               |
| Prepaid expenses                                  | <u>501,117</u>        | <u>422,461</u>        |
| Total current assets                              | 30,201,380            | 16,989,930            |
| Reserves and escrow accounts                      | 19,063,710            | 26,273,740            |
| Receivables from affiliates, net                  | 10,370,682            | 1,415,655             |
| Notes and loan receivable from affiliates         | 5,996,226             | 5,996,226             |
| Security deposits                                 | 41,910                | 40,185                |
| Investment in partnerships                        | 5,527,098             | 5,649,849             |
| Deferred development cost                         | 209,407               | 2,244,955             |
| Property and equipment, net                       | 144,343,742           | 139,536,882           |
| Deferred leasing costs, net                       | <u>61,447</u>         | <u>81,820</u>         |
|   | <u>\$ 215,815,602</u> | <u>\$ 198,229,242</u> |
| <b>LIABILITIES AND NET ASSETS</b>                 |                       |                       |
| Current liabilities:                              |                       |                       |
| Accounts payable and accrued expenses             | \$ 3,580,791          | \$ 2,485,081          |
| Accrued interest expense                          | 4,317,697             | 2,535,382             |
| Due to residents                                  | 1,055,752             | 1,181,186             |
| Tenants' security deposits held                   | 508,490               | 488,274               |
| Rents received in advance                         | 158,829               | 64,499                |
| Deferred government contracts                     | 404,869               | 223,777               |
| Long-term debt - current portion                  | <u>406,159</u>        | <u>1,285,929</u>      |
| Total current liabilities                         | 10,432,587            | 8,264,128             |
| Long-term debt                                    | <u>145,709,071</u>    | 143,845,850           |
| Total liabilities                                 | <u>156,141,658</u>    | 152,109,978           |
| Commitments and contingencies (See Note Q)        |                       |                       |
| Net assets:                                       |                       |                       |
| Without donor restrictions:                       |                       |                       |
| Undesignated and available for general activities | <u>55,902,585</u>     | 42,052,683            |
| With donor restrictions:                          |                       |                       |
| Purpose restricted                                | <u>3,771,359</u>      | 4,066,581             |
| Total net assets                                  | <u>59,673,944</u>     | 46,119,264            |
|   | <u>\$ 215,815,602</u> | <u>\$ 198,229,242</u> |

See notes to consolidated financial statements.

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

**Consolidated Statements of Activities**

|   | Year Ended June 30,           |                            |               | Year Ended June 30,           |                            |               |
|---|-------------------------------|----------------------------|---------------|-------------------------------|----------------------------|---------------|
|   | 2019                          |                            |               | 2018                          |                            |               |
|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total         | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total         |
| <b>Public support and revenue:</b>  |                               |                            |               |                               |                            |               |
| Contributions and grants  | \$ 1,000,995                  | \$ 136,201                 | \$ 1,137,196  | \$ 1,116,221                  | \$ 115,741                 | \$ 1,231,962  |
| In-kind contributions   | 621,556                       |                            | 621,556       | 8,321,556                     |                            | 8,321,556     |
| Government contracts  | 12,487,952                    |                            | 12,487,952    | 11,761,450                    |                            | 11,761,450    |
| Rental income, net of vacancy losses of \$1,185,045 and<br>\$890,077 in 2019 and 2018, respectively | 16,569,314                    |                            | 16,569,314    | 15,555,173                    |                            | 15,555,173    |
| Management and other fees   | 1,064,644                     |                            | 1,064,644     | 929,264                       |                            | 929,264       |
| Overhead income   | 13,675                        |                            | 13,675        | 12,280                        |                            | 12,280        |
| Development fee income  | 15,234,893                    |                            | 15,234,893    | 300,000                       |                            | 300,000       |
| Income from partnerships  | 1,234,505                     |                            | 1,234,505     | 1,213,433                     |                            | 1,213,433     |
| Interest and other income   | 826,309                       |                            | 826,309       | 526,729                       |                            | 526,729       |
|   |                               |                            |               |                               |                            |               |
| Total public support and revenue before net assets<br>released from restrictions                    | 49,053,843                    | 136,201                    | 49,190,044    | 39,736,106                    | 115,741                    | 39,851,847    |
| Net assets released from restrictions   | 431,423                       | (431,423)                  | 0             | 566,563                       | (566,563)                  | 0             |
|   |                               |                            |               |                               |                            |               |
| Total public support and revenue  | 49,485,266                    | (295,222)                  | 49,190,044    | 40,302,669                    | (450,822)                  | 39,851,847    |
| <b>Expenses:</b>  |                               |                            |               |                               |                            |               |
| Program services:   |                               |                            |               |                               |                            |               |
| Social services and residential care  | 11,400,654                    |                            | 11,400,654    | 10,082,759                    |                            | 10,082,759    |
| Housing   | 16,551,926                    |                            | 16,551,926    | 16,330,837                    |                            | 16,330,837    |
|   |                               |                            |               |                               |                            |               |
| Total program services  | 27,952,580                    |                            | 27,952,580    | 26,413,596                    |                            | 26,413,596    |
| Supporting services:  |                               |                            |               |                               |                            |               |
| Management and general  | 3,571,032                     |                            | 3,571,032     | 3,200,549                     |                            | 3,200,549     |
| Fund-raising  | 57,060                        |                            | 57,060        | 55,830                        |                            | 55,830        |
|   |                               |                            |               |                               |                            |               |
| Total supporting services   | 3,628,092                     |                            | 3,628,092     | 3,256,379                     |                            | 3,256,379     |
|   |                               |                            |               |                               |                            |               |
| Total expenses before depreciation and amortization   | 31,580,672                    |                            | 31,580,672    | 29,669,975                    |                            | 29,669,975    |
| Change in net assets before depreciation and amortization   | 17,904,594                    | (295,222)                  | 17,609,372    | 10,632,694                    | (450,822)                  | 10,181,872    |
| Depreciation and amortization   | (4,054,692)                   |                            | (4,054,692)   | (3,696,020)                   |                            | (3,696,020)   |
|   |                               |                            |               |                               |                            |               |
| <b>Change in net assets</b>   | 13,849,902                    | (295,222)                  | 13,554,680    | 6,936,674                     | (450,822)                  | 6,485,852     |
| Net assets, beginning of year   | 42,052,683                    | 4,066,581                  | 46,119,264    | 35,116,009                    | 4,517,403                  | 39,633,412    |
|   |                               |                            |               |                               |                            |               |
| <b>Net assets, end of year</b>  | \$ 55,902,585                 | \$ 3,771,359               | \$ 59,673,944 | \$ 42,052,683                 | \$ 4,066,581               | \$ 46,119,264 |

See notes to consolidated financial statements.

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

**Consolidated Statement of Functional Expenses**

**Year Ended June 30, 2019**

(with summarized financial information for June 30, 2018)

|   | Program Services                        |                             |                              | Supporting Services          |                         |                                 | Total Expenses              |                             |
|---|---|-----------------------------|------------------------------|------------------------------|-------------------------|---------------------------------|-----------------------------|-----------------------------|
|   | Social<br>and<br>Supportive<br>Services | Housing                     | Total<br>Program<br>Services | Management<br>and<br>General | Fund-<br>Raising        | Total<br>Supporting<br>Services | 2019                        | 2018                        |
|   |   |                             |                              |                              |                         |                                 |                             |                             |
| Salaries and temporary employees                    | \$ 6,994,106                            | \$ 5,812,671                | \$ 12,806,777                | \$ 2,089,559                 | \$ 39,996               | \$ 2,129,555                    | \$ 14,936,332               | \$ 13,891,539               |
| Payroll taxes and employee benefits                 | <u>1,982,456</u>                        | <u>1,869,827</u>            | <u>3,852,283</u>             | <u>561,923</u>               | <u>11,211</u>           | <u>573,134</u>                  | <u>4,425,417</u>            | <u>4,194,714</u>            |
| Total salaries and related expenses                 | <b>8,976,562</b>                        | <b>7,682,498</b>            | <b>16,659,060</b>            | <b>2,651,482</b>             | <b>51,207</b>           | <b>2,702,689</b>                | <b>19,361,749</b>           | <b>18,087,253</b>           |
| Professional fees and contract service payments     | 429,913                                 | 872,405                     | 1,302,318                    | 174,012                      |                         | 174,012                         | 1,476,330                   | 1,258,408                   |
| Telephone and telecommunications                    | 81,051                                  | 123,630                     | 204,681                      | 64,600                       | 1,359                   | 65,959                          | 270,640                     | 241,710                     |
| Insurance   | 132,967                                 | 483,271                     | 616,238                      | 19,696                       | 314                     | 20,010                          | 636,248                     | 652,208                     |
| Lease expenses                                      | 77,822                                  | 169,916                     | 247,738                      |                              |                         |                                 | 247,738                     | 247,738                     |
| Real estate taxes                                   |   | 249,069                     | 249,069                      |                              |                         |                                 | 249,069                     | 168,528                     |
| Interest and finance charges                        | 101                                     | 1,058,908                   | 1,059,009                    | 5,136                        |                         | 5,136                           | 1,064,145                   | 954,827                     |
| Interest expense - accrued                          |   | 1,782,316                   | 1,782,316                    |                              |                         |                                 | 1,782,316                   | 1,630,172                   |
| Food  | 292,747                                 | 527,437                     | 820,184                      |                              |                         |                                 | 820,184                     | 830,158                     |
| Utilities   | 369,823                                 | 1,339,418                   | 1,709,241                    |                              |                         |                                 | 1,709,241                   | 1,757,234                   |
| Supplies  | 152,932                                 | 262,607                     | 415,539                      | 98,382                       | 1,951                   | 100,333                         | 515,872                     | 555,310                     |
| Equipment, maintenance and repairs                  | 555,643                                 | 1,495,930                   | 2,051,573                    | 15,552                       |                         | 15,552                          | 2,067,125                   | 2,298,585                   |
| Social and recreation expenses                      | 206,802                                 | 40,026                      | 246,828                      |                              |                         |                                 | 246,828                     | 240,078                     |
| Other expenses                                      | 124,291                                 | 464,495                     | 588,786                      | 194,434                      | 2,229                   | 196,663                         | 785,449                     | 573,793                     |
| Bad debt expenses                                   |   |                             |                              | <u>347,738</u>               |                         | <u>347,738</u>                  | <u>347,738</u>              | <u>173,973</u>              |
| Total expenses before depreciation and amortization | <b>11,400,654</b>                       | <b>16,551,926</b>           | <b>27,952,580</b>            | <b>3,571,032</b>             | <b>57,060</b>           | <b>3,628,092</b>                | <b>31,580,672</b>           | <b>29,669,975</b>           |
| Depreciation and amortization                       | <u>1,025</u>                            | <u>4,023,480</u>            | <u>4,024,505</u>             | <u>30,187</u>                |                         | <u>30,187</u>                   | <u>4,054,692</u>            | <u>3,696,020</u>            |
|   | <b><u>\$ 11,401,679</u></b>             | <b><u>\$ 20,575,406</u></b> | <b><u>\$ 31,977,085</u></b>  | <b><u>\$ 3,601,219</u></b>   | <b><u>\$ 57,060</u></b> | <b><u>\$ 3,658,279</u></b>      | <b><u>\$ 35,635,364</u></b> | <b><u>\$ 33,365,995</u></b> |

See notes to consolidated financial statements.

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

**Consolidated Statement of Functional Expenses  
Year Ended June 30, 2018**

|   | Program Services               |                      |                        | Supporting Services    |                  |                           | Total Expenses       |
|---|--------------------------------|----------------------|------------------------|------------------------|------------------|---------------------------|----------------------|
|   | Social and Supportive Services | Housing              | Total Program Services | Management and General | Fund-Raising     | Total Supporting Services |                      |
| Salaries and temporary employees                    | \$ 5,845,278                   | \$ 6,002,217         | \$ 11,847,495          | \$ 2,005,180           | \$ 38,864        | \$ 2,044,044              | \$ 13,891,539        |
| Payroll taxes and employee benefits                 | <u>1,699,329</u>               | <u>1,920,590</u>     | <u>3,619,919</u>       | <u>564,193</u>         | <u>11,602</u>    | <u>575,795</u>            | <u>4,195,714</u>     |
| Total salaries and related expenses                 | 7,544,607                      | 7,922,807            | 15,467,414             | 2,569,373              | 50,466           | 2,619,839                 | 18,087,253           |
| Professional fees and contract service payments     | 381,725                        | 710,807              | 1,092,532              | 165,876                |                  | 165,876                   | 1,258,408            |
| Telephone and telecommunications                    | 82,128                         | 97,912               | 180,040                | 60,482                 | 1,188            | 61,670                    | 241,710              |
| Insurance   | 119,907                        | 506,162              | 626,069                | 25,661                 | 478              | 26,139                    | 652,208              |
| Lease expenses                                      | 77,822                         | 169,916              | 247,738                |                        |                  |                           | 247,738              |
| Real estate taxes                                   |                                | 168,528              | 168,528                |                        |                  |                           | 168,528              |
| Interest and finance charges                        |                                | 949,741              | 949,741                | 5,086                  |                  | 5,086                     | 954,827              |
| Interest expense - accrued                          |                                | 1,630,172            | 1,630,172              |                        |                  |                           | 1,630,172            |
| Food  | 340,811                        | 489,347              | 830,158                |                        |                  |                           | 830,158              |
| Utilities   | 282,977                        | 1,474,257            | 1,757,234              |                        |                  |                           | 1,757,234            |
| Supplies  | 204,044                        | 279,660              | 483,704                | 70,226                 | 1,380            | 71,606                    | 555,310              |
| Equipment, maintenance and repairs                  | 730,192                        | 1,561,486            | 2,291,678              | 6,907                  |                  | 6,907                     | 2,298,585            |
| Social and recreation expenses                      | 195,356                        | 44,722               | 240,078                |                        |                  |                           | 240,078              |
| Other expenses                                      | 123,190                        | 325,320              | 448,510                | 122,965                | 2,318            | 125,283                   | 573,793              |
| Bad debt expense                                    |                                |                      |                        | <u>173,973</u>         |                  | <u>173,973</u>            | <u>173,973</u>       |
| Total expenses before depreciation and amortization | 10,082,759                     | 16,330,837           | 26,413,596             | 3,200,549              | 55,830           | 3,256,379                 | 29,669,975           |
| Depreciation and amortization                       |                                | <u>3,677,250</u>     | <u>3,677,250</u>       | <u>18,770</u>          |                  | <u>18,770</u>             | <u>3,696,020</u>     |
|   | <u>\$ 10,082,759</u>           | <u>\$ 20,008,087</u> | <u>\$ 30,090,846</u>   | <u>\$ 3,219,319</u>    | <u>\$ 55,830</u> | <u>\$ 3,275,149</u>       | <u>\$ 33,365,995</u> |

See notes to consolidated financial statements.

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

**Consolidated Statements of Cash Flows**

|   | <u>Year Ended June 30,</u>  |                            |
|---|-----------------------------|----------------------------|
|   | <u>2019</u>                 | <u>2018</u>                |
| <b>Cash flows from operating activities:</b>  |                             |                            |
| Change in net assets  | \$ 13,554,680               | \$ 6,485,852               |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                             |                            |
| In-kind contribution of property  | (621,556)                   | (8,321,556)                |
| Depreciation and amortization   | 4,054,692                   | 3,696,020                  |
| Amortization of loan issuance cost  | 10,429                      | 8,972                      |
| Bad debts expense   | 347,738                     | 173,973                    |
| Changes in:   |                             |                            |
| Reserve for bad debt  | (237,538)                   | 4,200                      |
| Grants and government contracts receivable, net   | 828,559                     | (2,314,766)                |
| Receivable from affiliates, net   | (17,561,175)                | 156,251                    |
| Rents receivable  | (43,740)                    | (429,469)                  |
| Advances receivable from residents  | (4,104)                     | 3,057                      |
| Other receivables   | (11,822)                    | (123,233)                  |
| Prepaid expenses  | (78,656)                    | 253,771                    |
| Accounts payable and accrued expenses   | 1,095,710                   | 980,759                    |
| Accrued interest expense  | 1,782,315                   | 1,630,172                  |
| Due to residents  | (125,434)                   | 23,367                     |
| Payable to affiliates   |                             | (62,149)                   |
| Rents received in advance   | 94,330                      | 3,292                      |
| Tenants security deposit held   | (20,216)                    | (84,953)                   |
| Deferred government contracts   | 181,092                     | 135,299                    |
| Deferred development cost   | 2,035,548                   | (724,073)                  |
| Net cash provided by operating activities   | <u>5,280,852</u>            | <u>1,494,784</u>           |
| <b>Cash flows from investing activities:</b>  |                             |                            |
| Purchases of property and equipment   | (8,841,179)                 | (33,709,878)               |
| Investments in partnership and housing company  | 122,751                     | (17,351)                   |
| Changes in reserves and escrow accounts   | 7,210,030                   | (9,505,136)                |
| Security deposits paid  | (1,725)                     | (35,855)                   |
| Tenants security deposit held   | 20,216                      | 84,953                     |
| Net cash used in investing activities   | <u>(1,489,907)</u>          | <u>(43,183,267)</u>        |
| <b>Cash flows from financing activities:</b>  |                             |                            |
| Proceeds from issuance of notes payable   | 40,000                      | 40,000                     |
| Proceeds from issuance of mortgage payable  | 3,300,783                   | 40,933,137                 |
| Proceeds from line of credit  |                             | 333,183                    |
| Principal payments on notes payable   |                             | (25,000)                   |
| Principal payments on mortgage loan payable   | (699,992)                   | (310,422)                  |
| Principal payments on line of credit  | (900,000)                   |                            |
| Deferred financing costs  | (146,213)                   | (116,638)                  |
| Net cash provided by financing activities   | <u>1,594,578</u>            | <u>40,854,260</u>          |
| <b>Net change in cash, cash equivalents and restricted cash</b>                             | <b>5,385,523</b>            | <b>(834,223)</b>           |
| Cash, cash equivalents and restricted cash, beginning of year                               | <u>8,427,727</u>            | <u>9,261,950</u>           |
| <b>Cash, cash equivalents and restricted cash, end of year</b>                              | <b>\$ <u>13,813,250</u></b> | <b>\$ <u>8,427,727</u></b> |
| <b>Supplemental disclosures of cash flow information:</b>                                   |                             |                            |
| Cash paid for interest  | <u>\$ 1,027,415</u>         | <u>\$ 939,474</u>          |
| In-kind contributions - Loan decrements   | <u>\$ 621,556</u>           | <u>\$ 621,556</u>          |
| In-kind contributions - Building  |                             | <u>\$ 7,700,000</u>        |

See notes to consolidated financial statements.

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

## Notes to Consolidated Financial Statements June 30, 2019 and 2018

### NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### [1] Organization:

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. As described in the notes, WSFSSH is affiliated with, and has transactions with, a number of entities. The financial position, changes in net assets, and cash flows of certain of those 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"), while others are not. Accordingly, the consolidated financial statements include the financial statements of WSFSSH and the following entities (together, the "Organization"):

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 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.

West Side Special Housing Development Fund Corporation ("West Side Special") is a not-for-profit housing development corporation, exempt under Section 501(c)(2), whose board of directors consists of common members of WSFSSH's boards 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 housing programs.

West Side Special has 99% limited-partnership interests in One Forty Nine Housing Company ("149 Housing") and in Two Hundred Six Associates L.P. The 99% limited-partnership interest in 149 Housing, 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 149 Housing is Federation Housing Support Services, Inc. ("FHSS"), an affiliated entity. The 99% limited-partnership interest in Two Hundred Six Associates L.P., previously owned by National Equity Fund 1994 Limited Partnership ("NEF II"), was transferred to West Side Special at no cost under an agreement dated December 31, 2015. The general partner of Two Hundred Six Associates L.P. ("206 Associates LP") is Ben Michalski Housing Development Fund Company, Inc. ("Ben Michalski").

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. WSFSSH provides building management and social services to Westbourne.

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 LP") 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. Borinquen LP is an affiliate of WSFSSH.



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

### **Notes to Consolidated Financial Statements June 30, 2019 and 2018**

#### **NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **[1] Organization: (continued)**

Borinquen Court Housing Company, Inc. ("BCHC") is a for-profit housing development corporation formed in the State of New York on August 5, 2010. WSFSSH owns 100% of the BCHC stock. BCHC is a general partner with a 0.01% interest in the partnership of Borinquen LP. Although WSFSSH has the ability to exercise influence over Borinquen LP through BCHC, as general partner, Borinquen LP is not consolidated since the limited partners of Borinquen LP have substantive participating rights.

149 Housing is a limited partnership that was formed under the laws of the State of New York on October 15, 1985 to acquire, construct, rehabilitate, operate and manage low-income housing properties. 149 Housing operates one building containing 73 residential units located at 149 Manhattan Avenue, New York, New York. The general partner of 149 Housing, FHSS, Inc., a not-for-profit corporation whose board of directors is appointed by the board of WSFSSH, has a 1% ownership interest, and the limited partner, West Side Special, has a 99% ownership interest. WSFSSH provides building management and social services to 149 Housing.

Euclid Hall Housing Development Fund Company, Inc. ("Euclid Hall 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. Euclid Hall HDFC owns and operates property located at 2345 Broadway, New York, New York. WSFSSH provides building management and social services to Euclid Hall HDFC.

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, which continues to operate the project for elderly and handicapped persons of low income. One Hundred Forty Associates, LP is an affiliate of WSFSSH.

206 Associates LP is a limited partnership that was formed under the laws of the State of New York on June 9, 1995 to acquire, construct and/or rehabilitate low-income housing that is decent, safe and sanitary. 206 Associates LP owns and operates one building containing 18 residential units located at 206 West 84th Street, New York, New York. On December 31, 2015, the limited partner, NEF II, transferred its 99% partnership interest to West Side Special. WSFSSH provides building management and social services to 206 Associates LP. The 1% general partner, Ben Michalski, is a not-for-profit housing development corporation, whose board of directors is appointed by the board of directors of WSFSSH.

Three Arts Club Housing Development Fund Company Inc. ("Three Arts Club") is a not-for-profit housing development corporation, exempt under Section 501(c)(3), whose single member is WSFSSH. On May 9, 2017, Three Arts Club purchased the property located at 340 West 85th Street from an unrelated third party for approximately \$42 million. Three Arts Club plans to initially utilize the location for temporary use (two to three years) by WSFSSH's Valley Lodge Transitional Shelter, while Valley Lodge's existing facility is demolished and rebuilt new on West 108th Street as part of a larger mixed-used development. The relocation period commenced in April 2018 and is expected to end December 2020. 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. WSFSSH provides building management and social services to Three Arts Club.

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

### **Notes to Consolidated Financial Statements June 30, 2019 and 2018**

#### **NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **[1] Organization: (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 of the 159-unit rental building for seniors to be constructed upon it. Mill Brook Terrace, L.P., 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. ("MBHC") is a for-profit housing company formed in the State of New York on March 13, 2017. WSFSSH owns 100% of the MBHC stock. MBHC is a general partner with a 0.01% interest in Mill Brook Terrace, L.P. WSFSSH provides building management and social services to Mill Brook Terrace, L.P. MBHDFC had no financial activities that were consolidated during the year.

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 provides building management and social services to IH LLC.

West 108th HDFC, Inc. ("W108 HDFC") is a not-for-profit housing development corporation, exempt under Section 501(c)(4), formed in the State of New York on January 19, 2017, whose board of directors is appointed by the board of directors of WSFSSH. W108 HDFC was formed to participate in the ownership of a new construction project known as "WSFSSH at West 108", comprised of both permanent residential housing (199 residential units) and a transitional shelter (110 beds), which started construction on January 2019 and have an expected construction completion date of February 2021 ("Project"). The Project will be 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"). A separate WSFSSH affiliate, Valley Lodge Shelter HDFC ("VL HDFC") is expected to serve as the fee owner of the transitional housing condominium unit ("Transitional Condo"). W108 HDFC had no financial activities that were consolidated during the year.

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 statements because the Project is being developed according to the Regulatory Agreements.

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

## Notes to Consolidated Financial Statements June 30, 2019 and 2018

### NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [1] Organization: (continued)

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 HDFC, a WSFSSH affiliate, for \$1. On the same date, W108 HDFC entered into a nominee agreement with West 108th St, L.P. ("W108 LP"), a partnership that was formed on March 28, 2018 and amended and restated on December 27, 2018, giving all beneficial ownership of the Project to the W108 LP. The general partner of W108 LP is West 108th Street Housing Company, Inc., a for-profit housing company of which 100% of the stock is owned by WSFSSH, with a .01% ownership interest. The limited partner is NEF New York Regional Fund LP, with a 99.99% ownership interest. Concurrently, W108 LP entered into an Interim Lease with VL HDFC, giving VL HDFC the right and obligation to construct and fund the transitional shelter component of the Project. Subsequently, in connection with development services for the Project, WSFSSH entered into developer fee agreements with W108 LP and VL HDFC in the amount of \$11,508,804 and \$2,275,000, respectively.

Valley Lodge Shelter HDFC ("VL HDFC") is a not-for-profit housing development corporation, exempt under Section 501(c)(4), formed in the State of New York on March 30, 2018 and whose board of directors is appointed by the board of directors of WSFSSH. Within the WSFSSH at West 108 Project described above, VL HDFC will own the transitional condo, which will be operated by WSFSSH pursuant to a contract with New York City Department of Homeless Services ("DHS"). On May 8, 2018, WSFSSH entered into a contract with DHS to construct and operate the shelter facility in the transitional condo unit. VL HDFC entered into construction contract with Procida Construction Corp, an unrelated company, in the original amounts of \$9,940,384 (exclusive of change orders) for the construction of shelter facility in the condo unit. As of June 30, 2019, the total contract costs were \$1,297,161 inclusive of change orders.. As of June 30, 2019, \$333,177 remains payable and is included in accounts payable and accrued expenses.

#### [2] Basis of accounting:

The consolidated financial statements of the Organization have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") as applicable to not-for-profit organizations.

#### [3] Use of estimates:

The preparation of 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.

#### [4] Cash, cash equivalents and restricted cash:

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. Cash also includes amounts, which are held by the Organization as custodian for its tenants, which is considered restricted cash. Restricted cash reported in the consolidated statements of financial position at June 30, 2019 and 2018 was \$1,055,752 and \$1,181,186, respectively, with a corresponding liability reported in due to residents.

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

## Notes to Consolidated Financial Statements June 30, 2019 and 2018

### NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [5] Property and equipment:

Property and equipment are reported at their original costs or if contributed, at their value at the dates of contribution, net of accumulated depreciation. The Organization capitalizes fixed assets with costs greater than \$5,000, whereas minor costs of repairs and maintenance are expense 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, 2019 and 2018, respectively, 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.

#### [6] Deferred leasing costs:

Costs incurred in connection with a commercial lease are capitalized and amortized using the straight-line method over the life of the lease. (See Note L).

#### [7] Deferred debt-issuance costs:

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 of amortization. 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 interest expense in the consolidated statements of activities. Interest expense relating to the amortization of deferred debt-issuance costs was \$10,429 and \$8,972 during fiscal-years 2019 and 2018, respectively. (See Note M).

#### [8] Accrued vacation:

Based on their tenure and an annual carryover provision, the Organization's employees are entitled to be paid for unused vacation time if they leave the Organization's employ. Accordingly, at each year-end, the Organization must recognize a liability for the amount that would be incurred if employees with such unused vacation were to leave. At June 30, 2019 and 2018, this accrued vacation was \$156,877 and \$169,617, respectively, and was reported as part of accounts payable and accrued expenses in the consolidated statements of financial position.

#### [9] Net assets:

The Organization's net assets and changes therein are classified and reported as follows:

##### (i) *Net Assets Without Donor Restrictions:*

Net assets 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.

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

## Notes to Consolidated Financial Statements June 30, 2019 and 2018

### NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [9] Net assets: (continued)

##### *(ii) Net Assets With Donor Restrictions:*

Net assets 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 statements of activities as net assets released from restrictions are subject to donor-imposed stipulations that will be met by the actions of the Organization or by the passage of time. Contributions and grants with donor restrictions, the requirements of which are met in the year of donation, are reported as without donor restrictions.

#### [10] Revenue recognition:

Revenue from government contracts is recognized when costs are incurred or other services are performed. Contracts received in advance are recorded as advances from governmental agencies, and revenue is deferred until the related expenses are incurred. Fees and rental revenue are recognized based upon services rendered in accordance with contractual provisions. Rental income relating to the current year is recognized as revenue in the current year. The recognition of revenue related to rents received in advance is deferred until the following year. Management fees are recognized based upon services rendered, in accordance with relative contractual provisions.

Contributions and grants are recognized as income upon the receipt of (i) cash or other assets or (ii) unconditional pledges. Contributions are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or when the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as "net assets released from restrictions."

As disclosed in Note A[1], in October 2017, the Organization purchased property for approximately \$28,000,000 which had an estimated fair-value of approximately \$35,700,000 from which the Organization has recognized an in-kind contribution of \$7,700,000 between the differential of purchase price to fair-value within the consolidated statement of activities. The property has been recorded at its fair-value at the date of purchase.

#### [11] Due to residents:

Due to residents represent cash held by the Organization which is used to pay living expenses on their behalf.

#### [12] Functional allocation of expenses:

The costs of providing Organization program and supporting services are reported on a functional basis in the consolidated statements of functional expenses. Accordingly, costs that are directly attributable to a specific functional area of the Organization are reported as an expense to the appropriate program or supporting service. Natural expenses attributable to more than one functional expense category have been allocated among the program and supporting services based on the full-time employee equivalent method, percent of time spent by employees, or square footage, as applicable. The expenses that have been allocated include salaries and benefits, occupancy and insurance.

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

## Notes to Consolidated Financial Statements June 30, 2019 and 2018

### NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [13] Income taxes:

The Organization is subject to the provisions of the Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*, as it relates to accounting and reporting for uncertainty in income taxes. For the Organization, these provisions could be applicable to the incurrence of unrelated business income tax ("UBIT") attributable to income received from parking garages. Because of the Organization's general tax-exempt status, management believes ASC Topic 740 has not had, and is not expected to have, a material impact on the Organization's consolidated financial statements.

Subsequent to year-end, the provision in the tax code requiring the Organization to remit UBIT attributable to transportation fringe benefits was repealed retroactively to December 31, 2017, therefore eliminating the Organization's obligation for this tax. The Organization will file a claim to refund for any taxes paid subsequent to December 31, 2017 relating to transportation fringe benefits.

#### [14] Adoption of accounting pronouncement:

In August 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 amends financial-statement presentations and disclosures. ASU 2016-14 includes qualitative and quantitative requirements in the following areas: (i) net asset classifications, (ii) investment returns, (iii) expense categorizations, and (iv) liquidity and availability of resources. ASU 2016-14 was effective for annual reporting periods beginning after December 15, 2017. Accordingly, the Organization was required to adopt ASU 2016-14 for its year-ended June 30, 2019, which under U.S. GAAP was a change in accounting principle requiring retroactive application in the consolidated financial statements of certain areas whereas other areas were adopted on a prospective basis. Although the Organization's adoption of ASU 2016-14 had no effect on the Organization's total net assets or its changes in net assets for 2019 and 2018, certain reclassifications were required. Accordingly, the Organization changed its presentation of its net asset classes and added certain footnote disclosures.

#### [15] Upcoming accounting pronouncements:

##### (i) *Revenue from Contracts with Customers:*

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. This guidance requires an entity to recognize revenue when a customer obtains control of promised goods or services in an amount that reflects the consideration to which the entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. It is effective for fiscal-years beginning after December 15, 2018. Accordingly, the Organization will adopt this pronouncement for fiscal-year 2020. The Organization is in the process of assessing the impact of this ASU on the consolidated financial statements.

##### (ii) *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made:*

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit-Entities: Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This guidance provides a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. The guidance also helps determine whether a contribution is conditional and better distinguishes a donor-imposed condition from a donor-imposed restriction. It is effective for fiscal-years beginning after December 15, 2018. Accordingly, the Organization will adopt this pronouncement for fiscal-year 2020. The Organization is in the process of assessing the impact of this ASU on the consolidated financial statements.

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

## Notes to Consolidated Financial Statements June 30, 2019 and 2018

### NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### [16] Reclassification:

Certain information included in the prior-year's financial statements has been reclassified to conform to the current year's presentation.

#### [17] Subsequent events:

The Organization evaluated subsequent events through February 20, 2020, the date on which the consolidated financial statements were available to be issued.

### NOTE B - GRANTS AND GOVERNMENT CONTRACTS RECEIVABLE

At each fiscal year-end, amounts 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:

|                | <u>June 30,</u>     |                     |
|----------------|---------------------|---------------------|
|                | <u>2019</u>         | <u>2018</u>         |
| Federal        | \$ 1,368,184        | \$ 373,984          |
| New York State | 118,916             | 103,535             |
| New York City  | <u>2,464,095</u>    | <u>4,302,235</u>    |
|                | <u>\$ 3,951,195</u> | <u>\$ 4,779,754</u> |

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

### NOTE C - RELATED PARTY TRANSACTIONS

#### [1] Property management:

The following not-for-profit corporations share common members of their respective boards of directors with the Organization. The Organization provides centralized accounting, property management and/or social services functions to these corporations, although the criteria for consolidation of their respective financial statements under U.S. GAAP are not present or would have a de-minimis impact on the Organization's consolidated financial statements:

- K & L Housing Development Fund Company, Inc.
- Frederic Fleming Housing Development Fund Corporation
- Mill Brook Housing Development Fund Company, Inc.
- West 108th Housing Development Fund Company, Inc.

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

## Notes to Consolidated Financial Statements June 30, 2019 and 2018

### NOTE C - RELATED PARTY TRANSACTIONS (CONTINUED)

#### [1] Property management: (continued)

In addition, the following organizations, which are affiliated with the Organization, serve as general partners in certain limited partnerships related to buildings sponsored by the Organization. The Organization performs centralized accounting, property management and/or social services functions for these limited partnerships, for which the criteria for consolidation are either not present or would have a de-minimis impact on WSFSSH's financial statements:

- PSS/WSF Housing Development Fund Company, Inc., general partner for:  
PSS/WSF Housing Company, LP
- Federation Housing Support Services, Inc., general partner for:  
Manhattan West Associates, LP
- One Hundred Forty Housing Company, Inc., general partner for:  
One Hundred Forty Associates, LP
- Claremont Park Housing Company, Inc., general partner for:  
Claremont Park Associates, LP
- West Eighties Housing Company, Inc., general partner for:  
West Eighties Associates, LP
- Tres Puentes Housing Company, Inc., general partner for:  
Tres Puentes, L.P.
- Mill Brook Housing Company, Inc., general partner for:  
Mill Book Terrace L.P.
- West 108th Housing Company, Inc., general partner for:  
West 108th L.P.

Management and social-service and consulting fees for each of the fiscal-years 2019 and 2018 were \$1,064,644 and \$929,264, respectively.

#### [2] Development fee agreements:

##### **Borinquen LP:**

In June 2012, the Organization entered into a development fee agreement with Borinquen LP with respect to the rehabilitation of a 145-unit residential property located at 285 East 138th Street, Bronx, New York. 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 rehabilitated in accordance with an approved construction schedule. The agreement called for a total development fee of \$2,430,465, which was fully earned prior to the fiscal year 2018. The outstanding balance of \$200,000 at June 30, 2018 was collected during fiscal year 2019. (See Note D).



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

**Notes to Consolidated Financial Statements  
June 30, 2019 and 2018**

**NOTE C - RELATED PARTY TRANSACTIONS (CONTINUED)**

**[2] Development fee agreements: (continued)**

**Tres Puentes, LP:**

In May 2016, the Organization entered into a development fee agreement with Tres Puentes, LP with respect to the construction of a 175-unit development containing two new buildings located at 275 East 138th Street, Bronx, New York and 2550 3rd Avenue, Bronx, New York. 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, assisting the project to be built in accordance with an approved construction schedule. The agreement called for a total development fee of \$14,626,465. The Organization recognized and received \$600,000 prior to fiscal year 2018. In fiscal year 2019, the Organization recognized the remaining development fee of \$14,026,465 which was reported as receivables from affiliates at June 30, 2019 (See Note D).

Subsequent to year end, the Organization received \$9,233,794 of the Tres Puentes, LP development fee receivable. The Organization converted approximately \$2.2 million of the Tres Puentes, LP development fee receivable into a mortgage loan receivable, bearing interest at 5%, compounding and accruing annually and subordinate to various Tres Puentes, LP's mortgages and other debt. Tres Puentes, LP used the loan funds to set-up operating and social service reserves.

**Mill Brook Terrace, L.P.:**

In June 2018, the Organization entered into a development fee agreement with Mill Brook Terrace, L.P. 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 the Organization entered into a subcontract with NYCHA HDFC at a subcontract price of \$2,097,594 for certain development services. During fiscal year June 30, 2018, the developer fee of \$600,000 was received and earned from the Project and the subcontractor developer fee of \$300,000 was paid to NYCHA HDFC. During fiscal year June 30, 2019, there is no developer fee earned from the project.

**West 108th, LP:**

Residential: In December 2018, the Organization entered into a development fee agreement with West 108th Street, LP with respect to the construction of a 199-unit development that will be one of two condominium units located at 145 West 108th Street, New York, NY. 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 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 \$11,508,804, of which \$748,072 has been earned and received during fiscal year June 30, 2019.

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

**Notes to Consolidated Financial Statements  
June 30, 2019 and 2018**

**NOTE C - RELATED PARTY TRANSACTIONS (CONTINUED)**

**[2] Development fee agreements: (continued)**

**West 108th, LP: (continued)**

Transitional shelter: In December 2018, the Organization entered into a developer fee agreement with Valley Lodge HDFC with respect to the construction of a 110-bed transitional shelter that will be one of the two condominium units located at 145 West 108th Street, New York, New York. 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 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 \$2,275,000, of which \$200,000 has been earned and received during fiscal year June 30, 2019.

**Deferred Development Costs:**

The Organization 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. As of June 30, 2019 and 2018, respectively, the total deferred development costs are \$209,407 and \$2,244,955.

**NOTE D - AFFILIATE RECEIVABLES**

As described in Note A[1], the Organization is affiliated with various entities some of which are not consolidated with the Organization. The financial statements of these entities noted below have not been consolidated with those of the Organization, and, amounts due from these affiliates were as follows:

| <u>Receivables</u>                                    | <u>June 30,</u>             |                            |
|---|-----------------------------|----------------------------|
|   | <u>2019</u>                 | <u>2018</u>                |
| <b>Receivable from affiliates short term portion:</b> |                             |                            |
| Borinquen Court Associates, LP                        | \$ 35,455                   | \$ 161,205                 |
| Mill Brook Terrace, LP                                | 285,617                     | 260,086                    |
| One Hundred Forty Associates, LP                      | 10,439                      | 12,553                     |
| Tres Puentes LP                                       | 416,605                     | 627,327                    |
| Tres Puentes LP, Developer fees                       | 7,761,600                   |                            |
| Claremont Park Associates, LP                         | 770,599                     | 298,874                    |
| PSS/WSF Housing Company, LP                           | 743,659                     | 397,025                    |
| K & L HDFC, Inc.                                      | 234,137                     | 144,286                    |
| West Eighties Associates, LP                          | 57,504                      | 21,974                     |
| West 108 Street LP                                    | 211,766                     |                            |
| Manhattan West Associates, LP                         | <u>2,087</u>                |                            |
|   | <b>10,529,468</b>           | 1,923,330                  |
| <b>Receivable from affiliates long-term portion:</b>  |                             |                            |
| One Hundred Forty Associates, LP                      | 815,114                     | 750,752                    |
| Borinquen Court Associates, LP                        | 761,932                     | 664,903                    |
| Tres Puentes LP, Developer fees                       | 6,264,854                   |                            |
| Tres Puentes LP                                       | <u>2,528,782</u>            |                            |
|   | <b><u>10,370,682</u></b>    | <u>1,415,655</u>           |
| Total receivable from affiliates                      | <b><u>\$ 20,900,150</u></b> | <b><u>\$ 3,338,985</u></b> |

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

**Notes to Consolidated Financial Statements  
June 30, 2019 and 2018**

**NOTE E - NOTES AND LOAN RECEIVABLE FROM AFFILIATES**

At each fiscal year-end, notes and loan receivable from affiliates consisted of the following:

|                                      | <u>June 30,</u>           |                    |
|--------------------------------------|---------------------------|--------------------|
|                                      | <u>2019</u>               | <u>2018</u>        |
| K & L HDFC, Inc. (a)                 | <b>\$ 259,159</b>         | \$ 259,159         |
| PSS/WSF Housing Company, LP (b)      | <b>72,962</b>             | 72,962             |
| Borinquen Court Associates, LP (c)   | <b>4,442,105</b>          | 4,442,105          |
| One Hundred Forty Associates, LP (d) | <b><u>1,222,000</u></b>   | <u>1,222,000</u>   |
|                                      | <b><u>\$5,996,226</u></b> | <u>\$5,996,226</u> |

- (a) Residual receipts note receivable, bearing interest at 1% per annum, due and payable on December 31, 2052. Prepayment of principal and interest on this note may be made from surplus cash with prior approval of Housing Urban Development ("HUD").
- (b) Loan receivable, bearing interest of 4.63% per annum due and payable on August 28, 2043.
- (c) Purchase money note receivable bearing interest at the rate of 2.89% per annum, compounded quarterly. Interest payments of \$128,377 are due and payable commencing January 1, 2014 and are payable from available cash flow. To the extent that cash flow is not sufficient to cover the quarterly payments, any shortfall will be deferred and accrued. All remaining principal and accrued interest is due and payable on January 1, 2044. At June 30, 2019 and 2018, the fair value of the note receivable approximates the present value of the projected future cash flows, discounted at a rate of 2.89%. The interest accrued on the note receivable is \$761,932 and \$664,903 as of June 30, 2019 and 2018, respectively. Interest payments received during fiscal- year 2019 and 2018 was \$223,922 and \$172,866, respectively.
- (d) Purchase money note receivable bearing interest at the rate of 5.32% (compounded quarterly). The term is 30 years from the date of June 29, 2006. Payment of interest and principal of \$81,612 is due and payable commencing on June 29, 2007 and on each anniversary of the date, cash flow permitting. The interest accrued on the purchase money note receivable is \$815,114 and \$750,752 as of June 30, 2019 and 2018, respectively. The loan receivable, bearing interest of 4.63% per annum, is due and payable on August 28, 2043. Interest payments received during the fiscal-year 2019 was \$42,962. No payments were received in fiscal-year 2018.

**NOTE F - RENTS RECEIVABLE**

At June 30, 2019 and 2018, gross rent receivable of approximately \$1,538,000 and \$1,326,000, respectively, consisted 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 \$971,000 and \$693,000 have been reserved for an allowance for uncollectible accounts for fiscal-years 2019 and 2018, respectively.

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

## Notes to Consolidated Financial Statements June 30, 2019 and 2018

### NOTE G - ADVANCES RECEIVABLE FROM RESIDENTS

At June 30, 2019 and 2018, advances receivable from residents of approximately \$111,000 and \$99,000 consisted of balances due to the Organization from residents. All amounts are due within one year. Based on management's past experience, amounts of approximately \$28,000 and \$19,000 have been reserved for an allowance for uncollectible accounts in fiscal-years 2019 and 2018, respectively.

### NOTE H - INVESTMENTS IN PARTNERSHIPS

In 2002, WSFSSH acquired a 45% limited-partnership interest in Manhattan West Associates LP, a New York limited partnership. The investment in the partnership is accounted for using the equity method of accounting. As of June 30, 2019 and 2018, the investment in this partnership was reported at \$3,975,973 and \$4,098,682, respectively. In fiscal-years 2019 and 2018, WSFSSH recognized \$1,234,505 and \$1,213,433, respectively, of partnership income, net of an amortization charge for the excess of cost over the underlying equity. WSFSSH received a distribution of \$1,340,291 and \$1,145,184 from the partnership in fiscal-years 2019 and 2018, respectively.

On June 13, 2012, BCHC made an investment in Borinquen Court Associates, LP in exchange for a .01% general partnership. The investment in the partnership is accounted for using the equity method of accounting because of WSFSSH's ability to exercise influence over the partnership through BCHC, as general partner, but the investment in the partnership is not consolidated since the limited partners have substantive participating rights. At June 30, 2019 and 2018, the investment in this partnership was reported at \$1,551,125 and \$1,151,167, respectively.

### NOTE I - FAIR-VALUE MEASUREMENTS

FASB's ASC Topic 820, *Fair Value Measurements*, establishes a three-level valuation hierarchy of fair-value designations. These valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value hierarchy:

- Level 1 - Valuations are based on observable inputs that reflect quoted market prices in active markets for identical investments at the reporting date.
- Level 2 - Valuations are based on (i) quoted prices for similar investments in active markets; or (ii) quoted prices for identical investments or similar investments in markets that are not active; or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date.
- Level 3 - Valuations are based on pricing inputs that are unobservable and include situations where (i) there is little, if any, market activity for the investments; or (ii) the underlying investments can be independently valued.

The purchase money notes receivable as described in Note E, which is reported at its estimated fair value using discounted cash flow, is determined to be Level 3. The classification of assets in the fair-value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of each of the assets.

**WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC.  
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**NOTE I - FAIR-VALUE MEASUREMENTS (CONTINUED)**

The following table summarizes the fair values of the Organization's purchase money notes receivable at each fiscal year-end, in accordance with the ASC Topic 820 valuation levels:

|   | <u>June 30, 2019</u> |                     |
|---|----------------------|---------------------|
|   | <u>Level 3</u>       | <u>Total</u>        |
| Purchase money note receivable - Borinquen Court Associates, LP   | \$ 4,442,105         | \$ 4,442,105        |
| Purchase money note receivable - One Hundred Forty Associates, LP | <u>1,222,000</u>     | <u>1,222,000</u>    |
|   | <u>\$ 5,664,105</u>  | <u>\$ 5,664,105</u> |
|   | <u>June 30, 2018</u> |                     |
|   | <u>Level 3</u>       | <u>Total</u>        |
| Purchase money note receivable - Borinquen Court Associates, LP   | \$ 4,442,105         | \$ 4,442,105        |
| Purchase money note receivable - One Hundred Forty Associates, LP | <u>1,222,000</u>     | <u>1,222,000</u>    |
|   | <u>\$ 5,664,105</u>  | <u>\$ 5,664,105</u> |

No changes were reported in the fair value of the Organization's Level 3 assets. There were no transfers among the fair-value hierarchy levels.

The following table represents the Organization's Level 3 purchase money note receivables, the valuation techniques used to measure the fair value of those receivable as of June 30, 2019 and 2018, and the significant unobservable inputs and the ranges of values for those inputs.

| <u>Receivable</u>  | <u>Fair Value</u> | <u>Principal Valuation Technique</u> | <u>Unobservable Inputs</u> | <u>Range of Inputs</u> |
|--|-------------------|--------------------------------------|----------------------------|------------------------|
| Purchase money note receivable<br>Borinquen Court Associates, LP   | \$ 4,442,105      | Discounted cash flows                | Discount rate              | 2.89%                  |
| Purchase money note receivable<br>One Hundred Forty Associates, LP | \$ 1,222,000      | Discounted cash flows                | Discount rate              | 4.63%                  |

**WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC.  
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**Notes to Consolidated Financial Statements  
June 30, 2019 and 2018**

**NOTE J - 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 One Forty Nine Housing - Owner Reserve, the use of these funds requires prior approval from the applicable regulatory agency.

At each fiscal year-end, reserves and escrow consisted of the following:

|  | <b>June 30,</b>            |                            |
|--|----------------------------|----------------------------|
|  | <b>2019</b>                | <b>2018</b>                |
| WSFSSH - Reserve for Fania Gersham Apartments          | \$ 92,936                  | \$ 92,890                  |
| 459 W. 147th Street - Water and Sewer Escrow           | 6,974                      | 7,100                      |
| 459 W. 147th Street - Replacement Reserve              | 28,439                     | 35,560                     |
| Revella - Replacement Reserve                          | 217,369                    | 199,582                    |
| Revella - Social Service Reserve                       | 107,069                    | 106,991                    |
| Marseilles - Water & Sewer                             | 479                        | (646)                      |
| Marseilles - Insurance Deposit                         | 58,678                     | 59,965                     |
| Marseilles - Real Estate Tax Escrow                    | 52,401                     | 46,806                     |
| Marseilles - Replacement Reserve                       | 250,312                    | 216,563                    |
| Marseilles - Capital Reserve                           | 638,787                    | 970,495                    |
| Marseilles - Other Reserve                             | 177,600                    | 77,200                     |
| One Forty Nine Housing - Replacement Reserve           | 76,728                     | 302,924                    |
| One Forty Nine Housing - Owner Reserve                 | 80,499                     | 152,798                    |
| The Westbourne - Operating Reserve                     | 981,541                    | 968,814                    |
| The Westbourne - Replacement Reserve                   | 323,824                    | 274,955                    |
| Euclid - Operating Reserve                             | 1,765,176                  | 1,742,177                  |
| Euclid - Replacement Reserve                           | 2,824,916                  | 2,695,684                  |
| WSFSSH - Development Fund Reserve                      | 1,069,694                  | 1,393,940                  |
| WSFSSH - Operating Reserve for Claremont               | 1,143,042                  | 1,142,391                  |
| WSFSSH - Social Service Reserve for Claremont          | 571,512                    | 571,187                    |
| WSFSSH- Capital Grant Escrow (See Note O)              | 432,214                    | 3,000,000                  |
| One Twenties Clusters - Replacement Reserve            | 381,806                    | 366,722                    |
| One Twenties Clusters - Social Service Reserve         | 65,320                     | 65,288                     |
| 206 Associates LP - Replacement Reserve                | 9,300                      | 9,143                      |
| 206 Associates LP- Operating Reserve                   | 147,311                    | 147,193                    |
| Independence House - Water and Sewer Escrow            | 66,913                     | 27,093                     |
| Independence House - Insurance Deposit                 | 29,993                     | 37,574                     |
| Independence House - Loan and Equity Escrow            | 3,894,305                  | 8,222,394                  |
| Independence House - Building Reserve (See Note M (d)) | 1,439,490                  | 1,091,516                  |
| Independence House - Replacement Reserve               | 855,569                    | 150,562                    |
| Independence House - Real Estate Tax Escrow            | 78,828                     | 66,883                     |
| Independence House - Operating Reserve                 | 120,000                    | 957,311                    |
| Three Arts Club- fund deposits (See Note M (c))        | 1,074,685                  | 1,074,685                  |
|  | <b><u>\$19,063,710</u></b> | <b><u>\$26,273,740</u></b> |

**WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC.  
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**Notes to Consolidated Financial Statements  
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**NOTE K - PROPERTY AND EQUIPMENT**

At each fiscal year-end, property and equipment consisted of the following:

|                                      | <b>June 30,</b>             |                      |
|--------------------------------------|-----------------------------|----------------------|
|                                      | <b>2019</b>                 | <b>2018</b>          |
| Land                                 | <b>\$ 35,800,641</b>        | \$ 34,789,520        |
| Buildings and leasehold improvements | <b>137,868,832</b>          | 130,740,909          |
| Equipment                            | <b>3,856,323</b>            | 3,229,296            |
| Furniture                            | <b><u>1,339,488</u></b>     | <u>1,264,380</u>     |
|                                      | <b>178,865,284</b>          | 170,024,105          |
| Less: accumulated depreciation       | <b><u>(34,521,542)</u></b>  | <u>(30,487,223)</u>  |
|                                      | <b><u>\$144,343,742</u></b> | <u>\$139,536,882</u> |

**NOTE L - DEFERRED LEASING COSTS**

At each fiscal year-end, capitalized leasing costs related to Marseilles consisted of the following:

|                               | <b>June 30,</b>         |                  |
|-------------------------------|-------------------------|------------------|
|                               | <b>2019</b>             | <b>2018</b>      |
| Deferred leasing costs        | <b>\$ 360,459</b>       | \$ 360,459       |
| Less accumulated amortization | <b><u>(299,012)</u></b> | <u>(278,639)</u> |
|                               | <b><u>\$ 61,447</u></b> | <u>\$ 81,820</u> |

Amortization expense was \$20,373 and \$26,135 for fiscal-years 2019 and 2018, respectively.

**WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC.  
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**Notes to Consolidated Financial Statements  
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**NOTE M - LONG-TERM DEBT**

|  | <u>June 30,</u>    |                    |
|--|--------------------|--------------------|
|  | <u>2019</u>        | <u>2018</u>        |
| Mortgage loan payable, bearing interest at 1%, secured by a general assignment of leases and rents to Housing Preservation and Development ("HPD") on the building located at 300 Amsterdam Avenue, New York City due in December 2021. The loan payable was reduced by 20% of the unpaid balance. In accordance with the loan agreement, commencing on the 26th year of the initial occupancy, for both fiscal year 2019 and 2018, the amount of the principal decrements was \$621,556, and has been reflected as in-kind contributions on the consolidated statement of activities (a). | \$ 1,864,666       | \$ 2,486,222       |
| Mortgage loan payable, bearing interest at 1%, secured by a mortgage encumbering the property located at 109 West 129th Street, New York City, due in April 2032 (a).  | 1,405,992          | 1,405,992          |
| Mortgage loan payable, bearing interest at 1%, secured by a mortgage encumbering the property and improvements located at 307 West 116th Street, New York City, due in June 2033 (a).  | 1,712,585          | 1,712,585          |
| Mortgage loan payable, bearing no interest, secured by a mortgage encumbering the property and improvements located at 930 West End Avenue, New York City, due in November 2024.   | 4,665,028          | 4,665,028          |
| Mortgage loan payable, bearing no interest, secured by a mortgage encumbering the property and improvements located at 149 Manhattan Avenue, New York City, due in April 2034.   | 2,441,330          | 2,441,330          |
| Mortgage loan payable, bearing interest at .50% per annum, secured by a mortgage encumbering the property and improvements located at 2345 Broadway, New York City, due in December 1, 2042.   | 22,102,652         | 22,102,652         |
| Mortgage loan payable, bearing interest at 2.75% per annum, secured by mortgages encumbering the property and improvements located at 340 West 85th Street, New York City, due in May 2021 (c).  | 43,501,769         | 43,335,192         |
| Mortgage loan payable, bearing interest at 1.00% per annum, secured by a mortgage encumbering the property and improvements located at 176 West 94th Street, New York City, due in October 2137(d).  | 25,000,000         | 25,000,000         |
| Mortgage loan payable, bearing interest at 3.96% per annum, secured by a mortgage encumbering the property and improvements located at 230 West 103rd Street New York City, due in March 2051(b).  | <u>17,484,616</u>  | <u>17,754,787</u>  |
| Total mortgage loans payable to HPD  | <u>120,178,638</u> | <u>120,903,788</u> |



**WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC.  
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**Notes to Consolidated Financial Statements  
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**NOTE M - LONG-TERM DEBT (CONTINUED)**

|   | <u>June 30,</u>              |                              |
|---|------------------------------|------------------------------|
|   | <u>2019</u>                  | <u>2018</u>                  |
| Balance brought forward   | <b>\$ 120,178,638</b>        | \$ 120,903,788               |
| Loan payable, unsecured, non-interest bearing, to Deutsche Bank Americas Foundation, \$40,000 and \$40,000 due November 30, 2019 and November 30, 2020, respectively.   | <b>120,000</b>               | 80,000                       |
| Mortgage loan payable to HUD, non-interest bearing and secured by a mortgage encumbering the property and improvements for the One Twenties Cluster project, due in 2036.   | <b>6,186,955</b>             | 6,186,955                    |
| Three mortgage loans payable to Community Preservation Corporation and HPD, secured by liens on the property located at 459 West 147th Street, New York.<br>1) At June 30, 2019, loans in the amount of \$162,450 interest of 6.27%, to be amortized over 25 years; 2) \$243,194 loan bearing interest of 1%, to be amortized over 30 years (with a step-up in years 26-30); and 3) \$302,500 home loan, bearing no interest. 1) At June 30, 2018, loans in the amount of \$162,450 over 25 years; 2) \$243,194 loan bearing interest of 1%, to be amortized over 30 years (with a step-up in years 26-30); and 3) \$302,500 home loan bearing no interest. | <b>708,144</b>               | 720,151                      |
| Mortgage loan payable to New York State Homeless Housing and Assistance Corporation ("NYS-HHAC"), bearing interest of 1%, secured by a mortgage encumbering the property and improvements located at 206 West 84th Street, New York due August 8, 2025.   | <b>1,150,000</b>             | 1,150,000                    |
| Mortgage loan payable to New York City Housing Development Corporation, bearing interest of 4.41%, secured by a mortgage encumbering the property and improvements located at 176 West 94th Street, New York City due October 2057 (d).   | <b>7,151,071</b>             | 7,220,748                    |
| Mortgage loan payable to New York City Housing Development Corporation, bearing interest of 2.50%, secured by a mortgage encumbering the property and improvements located at 176 West 94th Street, New York City due October 2057 (d).   | <b>8,273,137</b>             | 8,273,137                    |
| Mortgage loan payable to JPMorgan Chase, bearing of 2.25% and adjusted for LIBOR Secured by a leasehold loan mortgage encumbering the property and improvements located at 145 West 108 <sup>th</sup> Street, New York City with a maturity date of 12/28/2021 by which date the loan will be converted to a permanent loan.  | <b>2,786,069</b>             |                              |
| Line of credit payable to Chase Bank bearing interest at 7.84%, which expired on May 11, 2019 (e).  |                              | 400,000                      |
| Line of credit payable to Capital One Bank bearing interest of 1%, which expired on April 1, 2019 (f).  |                              | 500,000                      |
|   | <b>146,554,014</b>           | 145,434,779                  |
| Less: current portion   | <b>406,159</b>               | 1,285,929                    |
|   | <b>146,147,855</b>           | 144,148,850                  |
| Unamortized deferred debt-issuance cost   | <b>(438,784)</b>             | (303,000)                    |
|   | <b><u>\$ 145,709,071</u></b> | <b><u>\$ 143,845,850</u></b> |

**WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC.  
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**Notes to Consolidated Financial Statements  
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**NOTE M - LONG-TERM DEBT (CONTINUED)**

- (a) 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.
- (b) On February 29, 2016, the mortgage loan payable to Citibank, secured by a lien on the property located at 230 West 103rd Street (the "Property"), New York City, HDC bonds and related interest-rate swap obligations were fully paid off through refinancing with an HPD mortgage loan secured by a lien on the Property, bearing interest at 3.96% per annum, in the amount of \$18,325,000.
- (c) In February 2017, Three Arts Club 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 entered into two mortgage agreements with HPD aggregating \$43,501,769. The excess mortgage proceeds over the purchase price are restricted by HPD for renovations and improvements to the property. At both June 30, 2019 and 2018, approximately \$1,074,000 of funds remain restricted by HPD (See Note J).
- (d) In October 2017, IH LLC entered into an agreement to purchase property located at 179 West 94th Street from an unrelated third party for approximately \$28 million. In conjunction with the purchase and renovation to the property, IH LLC entered into three mortgage agreements with HPD and HDC aggregating \$40,493,885. The excess mortgage proceeds over the purchase price are restricted by HPD and HDC for renovations and improvements to the property. At June 30, 2019 and 2018, approximately \$5,334,000 and \$9,314,000 of funds remain restricted by HPD and HDC (See Note J).
- (e) During fiscal year 2018, the Organization obtained a \$3,500,000 line of credit with JP Morgan Chase Bank bearing an interest rate of 5.507 percentage points over the LIBOR rate, which expired in May 2019. The outstanding balance of \$400,000 was paid in full during the year. In May 2019, the Organization renewed the line of credit in the amount of \$5,000,000 bearing an interest rate of 5.343 percentage over the LIBOR rate, expiring in May 2020. There were no amounts drawn from the line of credit during the year.
- (f) The Organization obtained a \$500,000 line of credit with Capital One, National Association for development expenses related to rebuilding the Valley Lodge Transitional Shelter. The interest on the line of credit is at 1% per annum, expired on April 1, 2019. During the year, the Organization drew down \$500,000 which was paid back in full.

The required principal payments by the Organization on the above obligations, in each of the five fiscal years subsequent to June 30, 2019, are as follows:

| <u>Year Ending<br/>June 30,</u> | <u>Amount</u> |
|---------------------------------|---------------|
| 2020                            | \$ 406,159    |
| 2021                            | 3,207,400     |
| 2022                            | 437,142       |
| 2023                            | 413,619       |
| 2024                            | 430,791       |

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

## **Notes to Consolidated Financial Statements June 30, 2019 and 2018**

### **NOTE N - NET ASSETS WITH DONOR RESTRICTIONS**

At June 30, 2019 and 2018, net assets of \$3,771,359 and \$4,066,581 with donor restrictions for housing and construction, respectively, includes contributions from Quip and the Local Initiative Support Corporation (LISC). The LISC contribution was restricted for construction cost related to the community facility and commercial space located in Bronx, New York (See Note J). During fiscal-years 2019 and 2018, net assets in the amounts of \$431,423 and \$566,563 were released in satisfaction of these restrictions, respectively.

### **NOTE O - CONCENTRATION OF CREDIT RISK**

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.

### **NOTE P - EMPLOYEE BENEFIT PLAN**

The Organization maintains a defined-contribution pension plan (the "Plan"), operating under Section 403(b) of the Code for the benefit of all eligible employees. Plan expenses for fiscal-years 2019 and 2018 were approximately \$310,000 and \$277,000, respectively.

### **NOTE Q - COMMITMENTS AND CONTINGENCIES**

#### **[1] Governmental audits:**

Government-funded activities are subject to audit by the applicable granting agencies. At June 30, 2019 and 2018, 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.

#### **[2] Contracts:**

The Organization has entered into various contacts and agreements in the normal course of business operations.

#### **[3] Guarantees:**

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, 2019 and 2018, WSFSSH has not recognized a liability under the guarantees.

**WEST SIDE FEDERATION FOR SENIOR AND SUPPORTIVE HOUSING, INC.  
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**Notes to Consolidated Financial Statements  
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**NOTE R - FINANCIAL INFORMATION FOR THE FOLLOWING AFFILIATED ENTITIES ARE AS FOLLOWS**

**[1] Marseilles LLC:**

The assets, liabilities and net assets for this affiliate as of June 30, 2019 and 2018, and the results of operations for the fiscal years then ended, all of which are consolidated herein, are as follows:

|                                       | <u>June 30,</u>      |                      |
|---------------------------------------|----------------------|----------------------|
|                                       | <u>2019</u>          | <u>2018</u>          |
| <b>ASSETS</b>                         |                      |                      |
| Current assets:                       |                      |                      |
| Cash and cash equivalents             | \$ 1,808,532         | \$ 420,986           |
| Tenant security deposits held         | 180,443              | 176,354              |
| Receivable from affiliates            | 12,641,104           | 11,796,347           |
| Rents receivable, net                 | 9,215                | 14,490               |
| Other receivables                     | 4,680                | 4,586                |
| Prepaid expenses                      | <u>49,207</u>        | <u>52,806</u>        |
| Total current assets                  | 14,693,181           | 12,465,569           |
| Reserves and escrow accounts          | 1,077,857            | 1,370,382            |
| Property and equipment                | 17,498,463           | 17,759,150           |
| Deferred leasing costs, net           | <u>241,775</u>       | <u>269,661</u>       |
|                                       | <u>\$ 33,511,276</u> | <u>\$ 31,864,762</u> |
| <b>LIABILITIES AND NET ASSETS</b>     |                      |                      |
| Current liabilities:                  |                      |                      |
| Accounts payable and accrued expenses | \$ 125,138           | \$ 268,064           |
| Tenants' security deposits held       | 180,443              | 176,354              |
| Rents received in advance             | 5,087                | 4,991                |
| Long-term debt - current portion      | <u>281,067</u>       | <u>270,172</u>       |
| Total current liabilities             | 591,735              | 719,581              |
| Long-term debt                        | <u>17,203,549</u>    | <u>17,484,616</u>    |
| Total liabilities                     | 17,795,284           | 18,204,197           |
| Net assets without donor restrictions | <u>15,715,992</u>    | <u>13,660,565</u>    |
|                                       | <u>\$ 33,511,276</u> | <u>\$ 31,864,762</u> |

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

**Notes to Consolidated Financial Statements  
June 30, 2019 and 2018**

**NOTE R - FINANCIAL INFORMATION FOR THE FOLLOWING AFFILIATED ENTITIES ARE AS FOLLOWS (CONTINUED)**

**[1] Marseilles LLC: (continued)**

|   | <u>Year Ended June 30,</u>  |                             |
|---|-----------------------------|-----------------------------|
|   | <u>2019</u>                 | <u>2018</u>                 |
| <b>Income:</b>  |                             |                             |
| Gross potential rent - tenant                                 | \$ 4,518,546                | \$ 4,460,332                |
| Less: vacancy loss  | <u>(12,939)</u>             | <u>(63,641)</u>             |
| Net residential rent  | <u>4,505,607</u>            | <u>4,396,691</u>            |
| Gross potential rent - commercial                             | 792,208                     | 777,763                     |
| Less: rent concessions  | <u>(331,942)</u>            | <u>(326,664)</u>            |
| Net commercial rent   | <u>460,266</u>              | <u>451,099</u>              |
| Total rental income   | 4,965,873                   | 4,847,790                   |
| Interest and other income                                     | <u>20,873</u>               | <u>1,444</u>                |
| Total income  | <u>4,986,746</u>            | <u>4,849,234</u>            |
| <b>Expenses:</b>  |                             |                             |
| Salaries  | 431,925                     | 414,755                     |
| Payroll taxes and employment benefits                         | 143,674                     | 139,665                     |
| Professional fees   | 32,117                      | 49,672                      |
| Management fees   | 247,366                     | 243,717                     |
| Administrative expenses                                       | 19,435                      | 20,799                      |
| Real estate taxes   | 66,661                      | 65,844                      |
| Insurance   | 87,416                      | 87,444                      |
| Utilities   | 195,325                     | 200,284                     |
| Supplies  | 12,174                      | 12,095                      |
| Equipment, maintenance and repair                             | 195,614                     | 189,998                     |
| Social and recreation expenses                                | 16,568                      | 4,365                       |
| Bad debt expenses   | <u>6,121</u>                | <u>13,537</u>               |
| Total expenses before finance and depreciation                | <u>1,454,396</u>            | <u>1,442,175</u>            |
| Change in net assets before finance and depreciation expenses | <u>3,532,350</u>            | <u>3,407,059</u>            |
| <b>Finance and depreciation expenses:</b>                     |                             |                             |
| Interest and finance charges                                  | 699,815                     | 710,420                     |
| Depreciation and amortization                                 | <u>777,108</u>              | <u>737,928</u>              |
| Total finance and depreciation expenses                       | <u>1,476,923</u>            | <u>1,448,348</u>            |
| <b>Increase in net assets without donor restrictions</b>      | <b>2,055,427</b>            | <b>1,958,711</b>            |
| Net assets without donor restrictions, beginning of year      | <u>13,660,565</u>           | <u>11,701,854</u>           |
| <b>Net assets without donor restrictions, end of year</b>     | <b><u>\$ 15,715,992</u></b> | <b><u>\$ 13,660,565</u></b> |

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

**Notes to Consolidated Financial Statements  
June 30, 2019 and 2018**

**NOTE R - FINANCIAL INFORMATION FOR THE FOLLOWING AFFILIATED ENTITIES ARE AS FOLLOWS (CONTINUED)**

**[2] The Westbourne Housing Development Fund Company, Inc.:**

The assets, liabilities and net assets for this affiliate as of June 30, 2019 and 2018, and the results of operations for the fiscal years then ended, all of which are consolidated herein, are as follows:

|                                       | <b>June 30,</b>     |                     |
|---------------------------------------|---------------------|---------------------|
|                                       | <b>2019</b>         | <b>2018</b>         |
| <b>ASSETS</b>                         |                     |                     |
| Current assets:                       |                     |                     |
| Cash and cash equivalents             | \$ 113,362          | \$ 168,459          |
| Rents receivable, net                 | 44,709              | 110,491             |
| Tenant security deposits held         | 19,659              | 20,747              |
| Other receivables                     | 5,155               | 4,245               |
| Prepaid expenses                      | <u>14,286</u>       | <u>13,835</u>       |
| Total current assets                  | 197,171             | 317,777             |
| Reserves and escrow accounts          | 1,305,365           | 1,243,769           |
| Property and equipment                | <u>6,197,835</u>    | <u>6,266,197</u>    |
|                                       | <u>\$ 7,700,371</u> | <u>\$ 7,827,743</u> |
| <b>LIABILITIES AND NET ASSETS</b>     |                     |                     |
| Current liabilities:                  |                     |                     |
| Accounts payable and accrued expenses | \$ 49,320           | \$ 58,865           |
| Due to residents                      | 169,641             | 569                 |
| Tenant security deposits held         | 19,659              | 20,747              |
| Payable to affiliate                  | 1,828               | 223,136             |
| Rents received in advance             | <u>7,028</u>        | <u>6,160</u>        |
| Total current liabilities             | 247,476             | 309,477             |
| Long-term debt                        | <u>4,665,028</u>    | <u>4,665,028</u>    |
| Total liabilities                     | 4,912,504           | 4,974,505           |
| Net assets without donor restrictions | <u>2,787,867</u>    | <u>2,853,238</u>    |
|                                       | <u>\$ 7,700,371</u> | <u>\$ 7,827,743</u> |

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

**Notes to Consolidated Financial Statements  
June 30, 2019 and 2018**

**NOTE R - FINANCIAL INFORMATION FOR THE FOLLOWING AFFILIATED ENTITIES ARE AS FOLLOWS (CONTINUED)**

**[2] The Westbourne Housing Development Fund Company, Inc.: (continued)**

|   | <b>Year Ended June 30,</b> |                             |
|---|----------------------------|-----------------------------|
|   | <b>2019</b>                | <b>2018</b>                 |
| <b>Income:</b>  |                            |                             |
| Gross potential rent - tenant                                 | \$ 1,173,674               | \$ 1,181,652                |
| Less: vacancy loss  | <u>(50,928)</u>            | <u>(31,199)</u>             |
| Net residential rent  | 1,122,746                  | 1,150,453                   |
| Rent - commercial   | 147,103                    | 133,061                     |
| Less: vacancy loss  | <u>(31,680)</u>            | <u>                    </u> |
| Net commercial rent   | <u>115,423</u>             | <u>133,061</u>              |
| Total rental income   | 1,238,169                  | 1,283,514                   |
| Grant income  |                            | 125,000                     |
| Interest and other income                                     | <u>27,280</u>              | <u>15,547</u>               |
| Total income  | <u>1,265,449</u>           | <u>1,424,061</u>            |
| <b>Expenses:</b>  |                            |                             |
| Salaries  | 399,093                    | 391,581                     |
| Payroll taxes and employment benefits                         | 113,002                    | 112,811                     |
| Professional fees   | 75,139                     | 92,506                      |
| Management fees   | 98,902                     | 97,566                      |
| Administrative expenses                                       | 51,897                     | 54,575                      |
| Insurance   | 57,070                     | 57,626                      |
| Utilities   | 133,822                    | 134,299                     |
| Supplies  | 26,159                     | 20,662                      |
| Equipment, maintenance and repair                             | 104,607                    | 144,860                     |
| Social and recreation expenses                                | 21,461                     | 26,152                      |
| Real estate taxes   | 2,360                      | 1,092                       |
| Bad debt expenses   | <u>68,221</u>              | <u>1,675</u>                |
| Total expenses  | <u>1,151,733</u>           | <u>1,135,405</u>            |
| Change in net income before finance and depreciation expenses | <u>113,716</u>             | <u>288,656</u>              |
| <b>Finance and depreciation expenses:</b>                     |                            |                             |
| Interest and finance charges                                  | 5,389                      | 3,600                       |
| Depreciation and amortization                                 | <u>173,698</u>             | <u>193,249</u>              |
| Total finance and depreciation expenses                       | <u>179,087</u>             | <u>196,849</u>              |
| <b>Change in net assets without donor restrictions</b>        | <b>(65,371)</b>            | <b>91,807</b>               |
| Net assets without donor restrictions, beginning of year      | <u>2,853,238</u>           | <u>2,761,431</u>            |
| <b>Net assets without donor restrictions, end of year</b>     | <b><u>\$ 2,787,867</u></b> | <b><u>\$ 2,853,238</u></b>  |

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

**Notes to Consolidated Financial Statements  
June 30, 2019 and 2018**

**NOTE R - FINANCIAL INFORMATION FOR THE FOLLOWING AFFILIATED ENTITIES ARE AS FOLLOWS (CONTINUED)**

**[3] East 138 HDFC, Inc.:**

The assets, liabilities and net assets for this affiliate as of June 30, 2019 and 2018, and the results of operations for the fiscal years then ended, all of which are consolidated herein, are as follows:

|                                       | <b>June 30,</b>          |                          |
|---------------------------------------|--------------------------|--------------------------|
|                                       | <b>2019</b>              | <b>2018</b>              |
| <b>ASSETS</b>                         |                          |                          |
| Current assets:                       |                          |                          |
| Cash and cash equivalents             | \$ 346,067               | \$ 23,320                |
| Tenant security deposits held         | 53,400                   | 41,413                   |
| Government contract receivables       | 57,155                   | 135,318                  |
| Prepaid and other receivables         | <u>11,279</u>            | <u>212</u>               |
| Total current assets                  | 467,901                  | 200,263                  |
| Property and equipment, net           | <u>55,322</u>            | <u>          </u>        |
|                                       | <b><u>\$ 523,223</u></b> | <b><u>\$ 200,263</u></b> |
| <b>LIABILITIES AND NET ASSETS</b>     |                          |                          |
| Current liabilities:                  |                          |                          |
| Accounts payable and accrued expenses | \$                       | \$ 258                   |
| Tenant security deposits held         | 53,400                   | 41,413                   |
| Rent received in advance              | 54,158                   |                          |
| Payable to affiliate                  | <u>328,473</u>           | <u>167,955</u>           |
| Total current liabilities             | 436,031                  | 209,626                  |
| Net assets without donor restrictions | <u>87,192</u>            | <u>(9,363)</u>           |
|                                       | <b><u>\$ 523,223</u></b> | <b><u>\$ 200,263</u></b> |



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

**Notes to Consolidated Financial Statements  
June 30, 2019 and 2018**

**NOTE R - FINANCIAL INFORMATION FOR THE FOLLOWING AFFILIATED ENTITIES ARE AS FOLLOWS (CONTINUED)**

**[3] East 138 HDFC, Inc.: (continued)**

|   | <u>June 30,</u>         |                          |
|---|-------------------------|--------------------------|
|   | <u>2019</u>             | <u>2018</u>              |
| <b>Revenue:</b>   |                         |                          |
| Contributions   | \$ 8,000                | \$ 8,000                 |
| Grant income  | <u>162,374</u>          | <u>87,714</u>            |
| Total contribution  | <u>170,374</u>          | <u>95,714</u>            |
| Commercial rental income  | <u>47,926</u>           | <u>          </u>        |
| Total revenue   | <u>218,300</u>          | <u>95,714</u>            |
| <b>Expenses:</b>  |                         |                          |
| Salaries  | 79,936                  | 67,583                   |
| Payroll taxes and employment benefits                                 | 22,408                  | 19,365                   |
| Professional fees   | 9,244                   | 24,664                   |
| Administrative expenses   | 5,996                   | 1,989                    |
| Supplies  | 556                     | <u>          </u>        |
| Insurance   | <u>2,580</u>            | <u>5,000</u>             |
| Total expenses  | <u>120,720</u>          | <u>118,601</u>           |
| Change in net income before<br>depreciation and amortization expenses | <u>97,580</u>           | <u>118,601</u>           |
| Depreciation and amortization expenses                                | <u>1,025</u>            | <u>          </u>        |
| <b>Change in net assets without donor restrictions</b>                | <b>96,555</b>           | <b>(22,887)</b>          |
| Net assets without donor restrictions, beginning of year              | <u>(9,363)</u>          | <u>13,524</u>            |
| <b>Net assets without donor restrictions, end of year</b>             | <b>\$ <u>87,192</u></b> | <b>\$ <u>(9,363)</u></b> |

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

**Notes to Consolidated Financial Statements  
June 30, 2019 and 2018**

**NOTE R - FINANCIAL INFORMATION FOR THE FOLLOWING AFFILIATED ENTITIES ARE AS FOLLOWS (CONTINUED)**

**[4] One Forty Nine Housing Company:**

The assets, liabilities and partner's deficit for this affiliate as of June 30, 2019 and 2018, and the results of operations for the fiscal years then ended, all of which are consolidated herein, are as follows:

|                                       | <b>June 30,</b>            |                            |
|---------------------------------------|----------------------------|----------------------------|
|                                       | <b>2019</b>                | <b>2018</b>                |
| <b>ASSETS</b>                         |                            |                            |
| Current assets:                       |                            |                            |
| Cash and cash equivalents             | \$ 44,560                  | \$ 32,983                  |
| Tenant security deposits held         | 9,528                      | 9,156                      |
| Rents receivable, net                 | 18,787                     | 493                        |
| Prepaid expenses and other receivable | <u>2,461</u>               | <u>3,611</u>               |
| Total current assets                  | <b>75,336</b>              | 46,243                     |
| Reserves and escrow accounts          | <b>157,227</b>             | 455,722                    |
| Property and equipment                | <u>834,934</u>             | <u>707,080</u>             |
|                                       | <b><u>\$ 1,067,497</u></b> | <b><u>\$ 1,209,045</u></b> |
| <b>LIABILITIES AND NET ASSETS</b>     |                            |                            |
| Current liabilities:                  |                            |                            |
| Accounts payable and accrued expenses | \$ 57,113                  | \$ 104,228                 |
| Tenant security deposits held         | 9,528                      | 9,156                      |
| Payable to affiliate                  | 292,592                    | 200,739                    |
| Due to residents                      |                            | 674                        |
| Rents received in advance             | <u>2,304</u>               | <u>1,988</u>               |
| Total current liabilities             | <b>361,537</b>             | 316,785                    |
| Long-term debt                        | <u>2,441,330</u>           | <u>2,441,330</u>           |
| Total liabilities                     | <b>2,802,867</b>           | 2,758,115                  |
| Partner's deficit                     | <u>(1,735,370)</u>         | <u>(1,549,070)</u>         |
|                                       | <b><u>\$ 1,067,497</u></b> | <b><u>\$ 1,209,045</u></b> |

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

**Notes to Consolidated Financial Statements  
June 30, 2019 and 2018**

**NOTE R - FINANCIAL INFORMATION FOR THE FOLLOWING AFFILIATED ENTITIES ARE AS FOLLOWS (CONTINUED)**

**[4] One Forty Nine Housing Company: (continued)**

|   | <b>Year Ended June 30,</b>   |                              |
|---|------------------------------|------------------------------|
|   | <b>2019</b>                  | <b>2018</b>                  |
| <b>Income:</b>  |                              |                              |
| Gross potential rent - tenant   | \$ 810,738                   | \$ 800,080                   |
| Less: vacancy loss  | <u>(46,124)</u>              | <u>(29,153)</u>              |
| Total rental income   | 764,614                      | 770,927                      |
| Interest and other income   | <u>4,852</u>                 | <u>5,771</u>                 |
| Total income  | <u>769,466</u>               | <u>776,698</u>               |
| <b>Expenses:</b>  |                              |                              |
| Salaries  | 305,060                      | 290,916                      |
| Payroll taxes and employment benefits                                 | 98,120                       | 94,767                       |
| Professional fees   | 22,865                       | 33,570                       |
| Management fees   | 63,641                       | 76,746                       |
| Administrative expenses   | 18,341                       | 12,547                       |
| Insurance   | 29,245                       | 28,023                       |
| Utilities   | 83,405                       | 80,764                       |
| Supplies  | 8,689                        | 6,159                        |
| Telephone and internet  | 12,207                       | 10,887                       |
| Equipment, maintenance and repair                                     | 218,494                      | 85,553                       |
| Overhead expenses   | 12,757                       | 12,743                       |
| Food  | 25,051                       | 22,290                       |
| Bad debt expenses   | 2,559                        | (1,359)                      |
| Social and recreation expenses  | <u>142</u>                   | <u>2,170</u>                 |
| Total expenses  | <u>900,576</u>               | <u>755,776</u>               |
| Net (loss) income before<br>and depreciation and amortization expense | <u>(131,110)</u>             | <u>20,922</u>                |
| Depreciation expense  | <u>55,190</u>                | <u>46,862</u>                |
| <b>Net loss</b>   | <b>(186,300)</b>             | <b>(25,940)</b>              |
| Net deficit, beginning of year  | <u>(1,549,070)</u>           | <u>(1,523,130)</u>           |
| <b>Net deficit, end of year</b>                                       | <b><u>\$ (1,735,370)</u></b> | <b><u>\$ (1,549,070)</u></b> |

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

**Notes to Consolidated Financial Statements  
June 30, 2019 and 2018**

**NOTE R - FINANCIAL INFORMATION FOR THE FOLLOWING AFFILIATED ENTITIES ARE AS FOLLOWS (CONTINUED)**

**[5] Borinquen Court Housing Company, Inc.:**

The assets, liabilities and capital for this affiliate as of June 30, 2019 and 2018, and the results of operations for the fiscal years then ended, all of which are consolidated herein, are as follows:

|  | <b>June 30,</b>            |                            |
|--|----------------------------|----------------------------|
|  | <b>2019</b>                | <b>2018</b>                |
| <b>ASSETS</b>                              |                            |                            |
| Investments in partnership                 | \$ 1,551,125               | \$ 1,551,167               |
| Prepaid and other                          | <u>135</u>                 | <u>135</u>                 |
|  | <b><u>\$ 1,551,260</u></b> | <b><u>\$ 1,551,302</u></b> |
| <b>LIABILITIES AND NET ASSETS</b>          |                            |                            |
| Current liabilities - payable to affiliate | \$ 19,076                  | \$ 17,047                  |
| Capital                                    | <u>1,532,184</u>           | <u>1,534,255</u>           |
|  | <b><u>\$ 1,551,260</u></b> | <b><u>\$ 1,551,302</u></b> |
|  |                            |                            |
|  | <b>Year Ended June 30,</b> |                            |
|  | <b>2019</b>                | <b>2018</b>                |
| <b>Expenses:</b>                           |                            |                            |
| Administrative expenses                    | <u>\$ 2,071</u>            | <u>\$ 3,405</u>            |
| <b>Net loss</b>                            | <b>(2,071)</b>             | <b>(3,405)</b>             |
| Capital, beginning of year                 | <u>1,534,255</u>           | <u>1,537,660</u>           |
| <b>Capital, end of year</b>                | <b><u>\$ 1,532,184</u></b> | <b><u>\$ 1,534,255</u></b> |

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

**Notes to Consolidated Financial Statements  
June 30, 2019 and 2018**

**NOTE R - FINANCIAL INFORMATION FOR THE FOLLOWING AFFILIATED ENTITIES ARE AS FOLLOWS (CONTINUED)**

**[6] Euclid Hall HDFC:**

The assets, liabilities and net assets for this affiliate as of June 30, 2019 and 2018, and the results of operations for the fiscal years then ended, all of which are consolidated herein, are as follows:

|                                       | <u>June 30,</u>      |                      |
|---------------------------------------|----------------------|----------------------|
|                                       | <u>2019</u>          | <u>2018</u>          |
| <b>ASSETS</b>                         |                      |                      |
| Current assets:                       |                      |                      |
| Cash and cash equivalents             | \$ 1,887,713         | \$ 1,344,344         |
| Due from affiliate                    |                      | 18,261               |
| Tenant security deposits held         | 24,596               | 26,086               |
| Rents receivable, net                 | 88,252               | 81,611               |
| Other receivable                      | 35,098               | 31,881               |
| Prepaid expenses                      | <u>14,825</u>        | <u>18,125</u>        |
| Total current assets                  | 2,050,484            | 1,520,308            |
| Reserves and escrow accounts          | 4,590,092            | 4,437,861            |
| Property and equipment                | <u>12,745,567</u>    | <u>24,078,915</u>    |
|                                       | <u>\$ 30,386,143</u> | <u>\$ 30,037,084</u> |
| <b>LIABILITIES AND NET ASSETS</b>     |                      |                      |
| Current liabilities:                  |                      |                      |
| Accounts payable and accrued expenses | \$ 186,276           | \$ 111,972           |
| Accrued interest payable              | 680,787              | 570,274              |
| Due to residents                      | 837                  | 636                  |
| Tenant security deposits held         | 24,596               | 26,086               |
| Due to affiliates                     | 144,515              |                      |
| Rents received in advance             | <u>37,265</u>        | <u>6,294</u>         |
| Total current liabilities             | 1,074,276            | 715,262              |
| Long-term debt                        | <u>22,102,652</u>    | <u>22,102,652</u>    |
| Total liabilities                     | 23,176,928           | 22,817,914           |
| Net assets without donor restrictions | <u>7,209,215</u>     | <u>7,219,170</u>     |
|                                       | <u>\$ 30,386,143</u> | <u>\$ 30,037,084</u> |

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

**Notes to Consolidated Financial Statements  
June 30, 2019 and 2018**

**NOTE R - FINANCIAL INFORMATION FOR THE FOLLOWING AFFILIATED ENTITIES ARE AS FOLLOWS (CONTINUED)**

**[6] Euclid Hall HDFC: (continued)**

|  | <b>Year Ended June 30,</b> |                            |
|--|----------------------------|----------------------------|
|  | <b>2019</b>                | <b>2018</b>                |
| <b>Income:</b>   |                            |                            |
| Gross potential rent - tenant                                | \$ 3,196,345               | \$ 2,978,861               |
| Less: vacancy (loss) gains                                   | <u>(99,355)</u>            | <u>23,568</u>              |
| Net residential income                                       | <u>3,096,990</u>           | <u>3,002,429</u>           |
| Gross potential rent - commercial                            | <u>69,324</u>              | <u>64,104</u>              |
| Total rental income  | 3,166,314                  | 3,066,533                  |
| Other contract income  | 6,189                      | 1,362                      |
| Interest and other income                                    | <u>122,233</u>             | <u>87,270</u>              |
| Total income   | <u>3,294,736</u>           | <u>3,155,165</u>           |
| <b>Expenses:</b>   |                            |                            |
| Salaries   | 921,406                    | 855,915                    |
| Payroll taxes and employment benefits                        | 384,610                    | 374,570                    |
| Professional fees  | 147,554                    | 145,096                    |
| Management fees  | 253,531                    | 237,533                    |
| Telephone and internet                                       | 10,552                     | 5,707                      |
| Administrative expenses                                      | 79,951                     | 59,027                     |
| Insurance  | 125,099                    | 123,887                    |
| Rent   | 38,964                     | 38,964                     |
| Utilities  | 340,700                    | 340,015                    |
| Supplies   | 29,957                     | 35,931                     |
| Equipment, maintenance and repair                            | 317,932                    | 234,617                    |
| Overhead expenses  | 50,776                     | 52,023                     |
| Bad debt expenses  | <u>14,329</u>              | <u>36,735</u>              |
| Total expenses   | <u>2,715,361</u>           | <u>2,540,020</u>           |
| Change in net asset before finance and depreciation expenses | <u>579,375</u>             | <u>615,145</u>             |
| <b>Finance and depreciation expenses:</b>                    |                            |                            |
| Interest and finance charges                                 | 17,519                     | 8,138                      |
| Interest expenses accrued                                    | 110,513                    | 110,513                    |
| Depreciation and amortization                                | <u>461,298</u>             | <u>454,898</u>             |
| Total finance and depreciation expenses                      | <u>589,330</u>             | <u>573,549</u>             |
| <b>Change in net assets without donor restrictions</b>       | <b>(9,955)</b>             | <b>41,596</b>              |
| Net assets without donor restrictions, beginning of year     | <u>7,219,170</u>           | <u>7,177,574</u>           |
| <b>Net assets without donor restrictions, end of year</b>    | <b>\$ <u>7,209,215</u></b> | <b>\$ <u>7,219,170</u></b> |

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

**Notes to Consolidated Financial Statements  
June 30, 2019 and 2018**

**NOTE R - FINANCIAL INFORMATION FOR THE FOLLOWING AFFILIATED ENTITIES ARE AS FOLLOWS (CONTINUED)**

**[7] Two Hundred and Six Associates:**

The assets, liabilities and partner's (deficit) capital for this affiliate as of June 30, 2019 and 2018, and the results of operations for the fiscal years then ended, all of which are consolidated herein, are as follows:

|                                       | <u>June 30,</u>     |                     |
|---------------------------------------|---------------------|---------------------|
|                                       | <u>2019</u>         | <u>2018</u>         |
| <b>ASSETS</b>                         |                     |                     |
| Current assets:                       |                     |                     |
| Cash and cash equivalents             | \$ 32,113           | \$ 29,588           |
| Rent receivable, net                  | 2,268               |                     |
| Other receivable                      | 100                 | 100                 |
| Prepaid expenses                      | <u>2,859</u>        | <u>627</u>          |
| Total current assets                  | 37,340              | 30,315              |
| Reserves and escrow account           | 156,610             | 156,337             |
| Property and equipment                | <u>2,243,340</u>    | <u>2,304,479</u>    |
|                                       | <u>\$ 2,437,290</u> | <u>\$ 2,491,131</u> |
| <b>LIABILITIES AND NET ASSETS</b>     |                     |                     |
| Current liabilities:                  |                     |                     |
| Accounts payable and accrued expenses | \$ 17,773           | \$ 16,631           |
| Accrued interest payable              | 304,398             | 289,998             |
| Rent received in advance              | 2,151               |                     |
| Due to affiliates                     | <u>1,024,452</u>    | <u>911,741</u>      |
| Total current liabilities             | 1,348,774           | 1,218,370           |
| Long-term debt                        | <u>1,150,000</u>    | <u>1,150,000</u>    |
| Total liabilities                     | 2,498,774           | 2,368,370           |
| Partner's (deficit) capital           | <u>(61,484)</u>     | <u>122,761</u>      |
|                                       | <u>\$ 2,437,290</u> | <u>\$ 2,491,131</u> |

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

**Notes to Consolidated Financial Statements  
June 30, 2019 and 2018**

**NOTE R - FINANCIAL INFORMATION FOR THE FOLLOWING AFFILIATED ENTITIES ARE AS FOLLOWS (CONTINUED)**

**[7] Two Hundred and Six Associates: (continued)**

|  | <b>Year Ended June 30,</b> |                          |
|--|----------------------------|--------------------------|
|  | <b>2019</b>                | <b>2018</b>              |
| <b>Income:</b>                                       |                            |                          |
| Gross potential rent - tenant                        | \$ 220,770                 |                          |
| Less: vacancy loss                                   | <u>(55,173)</u>            |                          |
| Total rental income                                  | 165,597                    |                          |
| Interest and other income                            | <u>273</u>                 | \$ 188                   |
| Total income   | <u>165,870</u>             | <u>188</u>               |
| <b>Expenses:</b>                                     |                            |                          |
| Salaries   | 67,734                     | 43,520                   |
| Payroll taxes and employment benefits                | 25,949                     | 12,686                   |
| Professional fees                                    | 25,248                     | 13,178                   |
| Management fees                                      | 27,905                     | 12,635                   |
| Administrative expenses                              | 7,372                      | 5,406                    |
| Insurance  | 9,516                      | 9,526                    |
| Utilities  | 46,044                     | 27,546                   |
| Supplies   | 2,341                      | 2,750                    |
| Bad debt expenses                                    | 2,832                      |                          |
| Social and recreation                                | 107                        |                          |
| Equipment, maintenance and repair                    | <u>40,223</u>              | <u>115,792</u>           |
| Total expenses                                       | <u>255,271</u>             | <u>243,039</u>           |
| Net loss before finance and depreciation expenses    | <u>(89,401)</u>            | <u>(242,851)</u>         |
| <b>Finance and depreciation expenses:</b>            |                            |                          |
| Interest and finance charges                         | 14,871                     | 14,899                   |
| Depreciation and amortization                        | <u>79,973</u>              | <u>75,082</u>            |
| Total finance and depreciation amortization expenses | <u>94,844</u>              | <u>89,981</u>            |
| <b>Net loss</b>                                      | <b>(184,245)</b>           | <b>(332,832)</b>         |
| Partner's equity, beginning of year                  | <u>122,761</u>             | <u>455,593</u>           |
| <b>Partner's deficit, end of year</b>                | <b>\$ <u>(61,484)</u></b>  | <b>\$ <u>122,761</u></b> |



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

**Notes to Consolidated Financial Statements  
June 30, 2019 and 2018**

**NOTE R - FINANCIAL INFORMATION FOR THE FOLLOWING AFFILIATED ENTITIES ARE AS FOLLOWS (CONTINUED)**

**[8] Three Arts Club:**

The assets, liabilities and net assets for this affiliate as of June 30, 2019 and 2018, and the results of operations for the fiscal years then ended, all of which are consolidated herein, are as follows:

|   | <b>June 30,</b>             |                      |
|---|-----------------------------|----------------------|
|   | <b>2019</b>                 | <b>2018</b>          |
| <b>ASSETS</b>                                 |                             |                      |
| Current assets:                               |                             |                      |
| Cash and cash equivalents                     | \$ 148,241                  | \$ 40,504            |
| Rents receivable, net                         | 13,450                      | 14,737               |
| Tenant security deposits held                 | 8,832                       | 10,437               |
| Other receivable                              |                             | 23,289               |
| Prepaid expenses                              | <u>1,138</u>                | <u>8,431</u>         |
| Total current assets                          | <b>171,661</b>              | 97,398               |
| Reserves and escrow account                   | <b>1,074,685</b>            | 1,074,685            |
| Security deposits                             | <b>7,165</b>                | 7,165                |
| Property and equipment, net                   | <u><b>41,763,994</b></u>    | <u>42,357,790</u>    |
|   | <u><b>\$ 43,017,505</b></u> | <u>\$ 43,537,038</u> |
| <b>LIABILITIES AND NET ASSETS</b>             |                             |                      |
| Current liabilities:                          |                             |                      |
| Accounts payable and accrued expenses         | \$ 145,473                  | \$ 296,873           |
| Accrued interest payable                      | 2,553,214                   | 1,361,497            |
| Rents received in advance                     | 2,354                       | 1,768                |
| Tenant security deposits held                 | 8,832                       | 10,437               |
| Due to affiliates                             | <u>332,378</u>              | <u>432,699</u>       |
| Total current liabilities                     | <b>3,043,748</b>            | 2,103,274            |
| Long-term debt                                | <u><b>43,501,769</b></u>    | <u>43,335,192</u>    |
| Total liabilities                             | <b>46,544,021</b>           | 45,438,466           |
| Net assets deficit without donor restrictions | <u><b>(3,526,515)</b></u>   | <u>(1,901,428)</u>   |
|   | <u><b>\$ 43,017,505</b></u> | <u>\$ 43,537,038</u> |

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

**Notes to Consolidated Financial Statements  
June 30, 2019 and 2018**

**NOTE R - FINANCIAL INFORMATION FOR THE FOLLOWING AFFILIATED ENTITIES ARE AS FOLLOWS (CONTINUED)**

**[8] Three Arts Club: (continued)**

|   | <b>Year Ended June 30,</b> |                |
|---|----------------------------|----------------|
|   | <b>2019</b>                | <b>2018</b>    |
| <b>Income:</b>  |                            |                |
| Gross potential rent - tenant                                     | <b>\$ 112,639</b>          | \$ 132,695     |
| Contribution  | <b>20,000</b>              | 20,000         |
| Other income  | <b>451,668</b>             | 785,078        |
| Total income  | <b>584,307</b>             | 937,773        |
| <b>Expenses:</b>  |                            |                |
| Salaries  |                            | 79,711         |
| Payroll taxes and employment benefits                             |                            | 23,805         |
| Professional fees   | <b>88,306</b>              | 53,688         |
| Telephone and internet  | <b>1,404</b>               | 4,910          |
| Administrative expenses   | <b>21,753</b>              | 11,912         |
| Insurance   | <b>1,902</b>               | 29,954         |
| Utilities   |                            | 108,259        |
| Supplies  | <b>131</b>                 | 31,412         |
| Social and recreation expenses                                    |                            | 540            |
| Food  |                            | 2,357          |
| Bad debt expenses   | <b>523</b>                 |                |
| Equipment, maintenance and repair                                 | <b>21,018</b>              | 214,599        |
| Total expenses  | <b>135,037</b>             | 561,147        |
| Net income before finance and depreciation expenses               | <b>449,270</b>             | 376,626        |
| <b>Finance and depreciation expenses:</b>                         |                            |                |
| Interest and finance charges                                      | <b>1,192,873</b>           | 1,192,255      |
| Depreciation and amortization                                     | <b>881,484</b>             | 862,687        |
| Total finance and depreciation expenses                           | <b>2,074,357</b>           | 2,054,942      |
| <b>Decrease in net assets without donor restrictions</b>          | <b>(1,625,087)</b>         | (1,678,316)    |
| Net assets deficit without donor restrictions, beginning of year  | <b>(1,901,428)</b>         | (223,112)      |
| <b>Net assets deficit without donor restrictions, end of year</b> | <b>\$ (3,526,515)</b>      | \$ (1,901,428) |

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

**Notes to Consolidated Financial Statements  
June 30, 2019 and 2018**

**NOTE R - FINANCIAL INFORMATION FOR THE FOLLOWING AFFILIATED ENTITIES ARE AS FOLLOWS (CONTINUED)**

**[9] IH Associates:**

The assets, liabilities and net assets for this affiliate as of June 30, 2019 and 2018, and the results of operations for the fiscal year ended June 30, 2019 and for the period from October 26, 2017 through June 30, 2018, all of which are consolidated herein, are as follows:

|                                       | <u>June 30,</u>      |                      |
|---------------------------------------|----------------------|----------------------|
|                                       | <u>2019</u>          | <u>2018</u>          |
| <b>ASSETS</b>                         |                      |                      |
| Current assets:                       |                      |                      |
| Cash and cash equivalents             | \$ 1,108,528         | \$ 174,387           |
| Rents receivable, net                 | 171,401              | 223,535              |
| Tenant security deposits held         | 54,504               | 45,194               |
| Other receivable                      | 2,526                | 7,568                |
| Prepaid expenses                      | <u>41,649</u>        | <u>7,447</u>         |
| Total current assets                  | 1,378,608            | 458,131              |
| Reserves and escrow account           | 6,485,098            | 10,553,332           |
| Security deposits                     | 30,415               | 28,690               |
| Property and equipment, net           | <u>41,490,419</u>    | <u>37,693,734</u>    |
|                                       | <u>\$ 49,384,540</u> | <u>\$ 48,733,887</u> |
| <b>LIABILITIES AND NET ASSETS</b>     |                      |                      |
| Current liabilities:                  |                      |                      |
| Accounts payable and accrued expenses | \$ 1,262,758         | \$ 400,391           |
| Tenant security deposits held         | 54,504               | 45,194               |
| Due to residents                      | 6,287                | 4,573                |
| Advance rent                          | 24,244               | 11,944               |
| Due to affiliates                     | 1,309,880            | 513,003              |
| Long-term debt current portion        | <u>75,542</u>        | <u>63,572</u>        |
| Total current liabilities             | 2,733,215            | 1,038,677            |
| Accrued interest payable              | 779,298              | 313,613              |
| Long-term debt                        | <u>40,239,422</u>    | <u>40,315,154</u>    |
| Total liabilities                     | 43,751,935           | 41,667,444           |
| Net assets without donor restrictions | <u>5,632,605</u>     | <u>7,066,443</u>     |
|                                       | <u>\$ 49,384,540</u> | <u>\$ 48,733,887</u> |

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

**Notes to Consolidated Financial Statements  
June 30, 2019 and 2018**

**NOTE R - FINANCIAL INFORMATION FOR THE FOLLOWING AFFILIATED ENTITIES ARE AS FOLLOWS (CONTINUED)**

**[9] IH Associates: (continued)**

|   | <u>Year Ended<br/>June 30, 2019</u> | <u>Period from<br/>October 26,<br/>2017 through<br/>June 30, 2018</u> |
|---|-------------------------------------|---|
| <b>Income:</b>  |                                     |   |
| Gross potential rent - tenant                             | \$ 1,327,974                        | \$ 874,064  |
| Less: vacancy loss  | <u>(134,423)</u>                    | <u>(130,816)</u>  |
| Net residential income                                    | <u>1,193,551</u>                    | <u>743,248</u>  |
| Gross potential rent - commercial                         | 209,008                             | 147,577   |
| Gross potential rent - parking                            | 136,100                             | 66,850  |
| Less: vacancy loss  | <u>(37,918)</u>                     | <u></u>   |
| Total rental income                                       | <u>1,500,741</u>                    | <u>957,675</u>  |
| In-kind contribution                                      |                                     | 7,700,000   |
| Interest and other income                                 | <u>192,617</u>                      | <u>138,404</u>  |
| Total income  | <u>1,693,358</u>                    | <u>8,796,079</u>  |
| <b>Expenses:</b>  |                                     |   |
| Salaries  | 388,248                             | 221,335   |
| Payroll taxes and employment benefits                     | 161,958                             | 93,889  |
| Professional fees   | 77,431                              | 51,271  |
| Management fee  | 81,001                              | 41,531  |
| Telephone and internet                                    | 11,027                              | 2,871   |
| Administrative expenses                                   | 19,397                              | 7,169   |
| Insurance   | 53,681                              | 51,045  |
| Real estate taxes   | 180,049                             | 101,593   |
| Utilities   | 269,056                             | 258,300   |
| Supplies  | 8,353                               | 9,415   |
| Social and recreation expenses                            | 2,133                               | 1,110   |
| Food  |                                     | 106   |
| Bad debt expenses   | 178,398                             | 61,868  |
| Equipment, maintenance and repair                         | <u>69,241</u>                       | <u>35,988</u>   |
| Total expenses  | <u>1,499,973</u>                    | <u>937,491</u>  |
| Net income before finance and depreciation expenses       | <u>193,385</u>                      | <u>7,858,588</u>  |
| <b>Finance and depreciation expenses:</b>                 |                                     |   |
| Accrued interest expense                                  | 465,685                             | 313,613   |
| Interest and finance charges                              | 319,355                             | 219,570   |
| Depreciation and amortization                             | <u>839,183</u>                      | <u>519,318</u>  |
| Total finance and depreciation expenses                   | <u>1,624,223</u>                    | <u>1,052,501</u>  |
| <b>Change in net assets without donor restrictions</b>    | <b>(1,430,838)</b>                  | <b>6,806,087</b>  |
| Net assets without donor restrictions, beginning of year  | <u>7,066,443</u>                    | <u>260,356</u>  |
| <b>Net assets without donor restrictions, end of year</b> | <b><u>\$ 5,635,605</u></b>          | <b><u>\$ 7,066,443</u></b>  |

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

**Notes to Consolidated Financial Statements  
June 30, 2019 and 2018**

**NOTE S - LIQUIDITY AND AVAILABILITY OF RESOURCES**

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of June 30, 2019 because of contractual or donor-imposed restrictions.

The Organization's financial assets available for general use within one year of the statements of financial position date for general expenditure are as follows:

|   |                                 |
|---|---------------------------------|
| Cash and cash equivalents (excluding restricted cash)   | <b>\$ 12,020,162</b>            |
| Grants and government contracts receivable, net   | <b>3,951,195</b>                |
| Receivable from affiliates - current portion, net   | <b>10,529,468</b>               |
| Other receivables   | <b>247,935</b>                  |
| Rents receivable, net   | <b><u>566,429</u></b>           |
| <br>Total financial assets available within one year  | <br><b><u>27,315,189</u></b>    |
| <br>Less:   |                                 |
| Amounts unavailable for general expenditures within one year, due to:                               |                                 |
| Restrictions by donors for programs   | <b><u>(3,771,359)</u></b>       |
| <br>Total financial assets available to meet cash needs for<br>general expenditures within one year | <br><b><u>\$ 23,543,830</u></b> |

**Liquidity policy:**

The Organization's 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.