

**Selfhelp Community Services, Inc.
and Affiliates**

Consolidated Financial Statements

June 30, 2023 and 2022

Independent Auditors' Report

Board of Directors Selfhelp Community Services, Inc. and Affiliates

Opinion

We have audited the accompanying consolidated financial statements of Selfhelp Community Services, Inc. and Affiliates which comprise the consolidated statements of financial position as of June 30, 2023 and 2022 and the related consolidated statements of operations and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Selfhelp Community Services, Inc. and Affiliates as of June 30, 2023 and 2022, and the consolidated 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.

Basis for Opinion

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

Change in Accounting Policy

As discussed in Note 2 to the consolidated financial statements, Selfhelp Community Services, Inc. and Affiliates adopted Financial Accounting Standards Board ("FASB") Topic 842, Leases, using the effective date method with July 1, 2022, as the date of initial adoption, with certain practical expedients available. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 41 and 42 is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

PKF O'Connor Davies, LLP

New York, New York
March 25, 2024

Selfhelp Community Services, Inc. and Affiliates

Consolidated Statements of Financial Position

	June 30	
	2023	2022
ASSETS		
Current Assets		
Cash	\$ 7,703,134	\$ 9,540,622
Investments	24,162,505	21,874,681
Accounts receivable, net	16,536,103	19,060,326
Due from related party	-	640,351
Other current assets	1,418,604	1,768,950
Tenant deposits held in trust	831,905	769,960
Guardianship assets held in trust	<u>28,005,645</u>	<u>28,203,483</u>
Total Current Assets	<u>78,657,896</u>	<u>81,858,373</u>
Restricted assets and funded reserves - cash	<u>12,892,695</u>	<u>11,339,503</u>
Assets held for deferred compensation	2,777,697	2,649,235
Deferred development fee receivable	73,084	71,076
Right of use asset	8,304,904	-
Property and equipment, net	<u>149,124,072</u>	<u>147,999,741</u>
	<u>160,279,757</u>	<u>150,720,052</u>
 Total Assets	 <u>\$ 251,830,348</u>	 <u>\$ 243,917,928</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 15,780,778	\$ 11,561,774
Accrued salaries and related benefits	4,315,967	5,067,322
Other current liabilities	-	317,980
Accrued interest payable	3,224,133	2,603,046
Estimated amounts claimed by third-party payors	14,773	1,930,122
Advances payable	2,751,124	2,690,963
Tenant deposits	831,905	769,960
Due to related party	4,039,198	2,000,000
Line of credit	4,500,000	3,500,000
Operating lease liability	2,317,801	-
Mortgages payable	942,225	902,971
Guardianship assets held in trust	<u>28,005,645</u>	<u>28,203,483</u>
Total Current Liabilities	<u>66,723,549</u>	<u>59,547,621</u>
Deferred compensation payable	3,229,791	3,256,656
Deferred rent	1,330,237	2,235,573
Refundable subsidies	187,636	187,636
Developer fee payable	2,004,136	628,383
Notes payable	1,278,632	1,139,425
Loan payable, net	22,002	22,002
Capital advance	14,403,600	14,403,600
Construction loan, net	11,959,093	11,650,842
Operating lease liability, net	6,812,930	-
Mortgages payable, net	<u>66,436,049</u>	<u>66,918,029</u>
	<u>107,664,106</u>	<u>100,442,146</u>
 Total Liabilities	 <u>174,387,655</u>	 <u>159,989,767</u>
Net Assets (See Notes 14 and 15)		
Without donor restrictions	70,027,087	77,194,065
With donor restrictions	<u>7,415,606</u>	<u>6,734,096</u>
Total Net Assets	<u>77,442,693</u>	<u>83,928,161</u>
 Total Liabilities and Net Assets	 <u>\$ 251,830,348</u>	 <u>\$ 243,917,928</u>

See notes to consolidated financial statements

Selfhelp Community Services, Inc. and Affiliates

Consolidated Statement of Operations and Changes in Net Assets Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE			
Home care revenue	\$ 45,123,308	\$ -	\$ 45,123,308
Government revenue	20,757,369	-	20,757,369
Contributions and program grants	33,110,927	-	33,110,927
Rental revenue	16,033,980	-	16,033,980
Program revenue	2,130,761	-	2,130,761
Real estate development fees	-	-	-
Miscellaneous revenue	2,977,680	-	2,977,680
Investment return	1,978,773	681,510	2,660,283
Total Operating Revenue	122,123,031	681,510	122,804,541
OPERATING EXPENSES			
Home care programs	47,289,029	-	47,289,029
Community programs	18,127,268	-	18,127,268
Residential programs	16,002,719	-	16,002,719
Holocaust survivor programs	26,282,094	-	26,282,094
Management and general	19,710,775	-	19,710,775
Total Operating Expenses	127,411,885	-	127,411,885
(Deficiency) Excess of Operating Revenue Over Operating Expenses Before Other Changes	(5,288,854)	681,510	(4,607,344)
OTHER CHANGES			
Depreciation and amortization	(6,112,232)	-	(6,112,232)
Equity contributions	2,774,418	-	2,774,418
Other adjustments	1,459,690	-	1,459,690
Total Other Changes	(1,878,124)	-	(1,878,124)
Change in Net Assets	(7,166,978)	681,510	(6,485,468)
NET ASSETS (See Notes 15 and 16)			
Beginning of year	77,194,065	6,734,096	83,928,161
End of year	\$ 70,027,087	\$ 7,415,606	\$ 77,442,693

See notes to consolidated financial statements

Selfhelp Community Services, Inc. and Affiliates

Consolidated Statement of Operations and Changes in Net Assets Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE			
Home care revenue	\$ 44,465,995	\$ -	\$ 44,465,995
Government revenue	19,452,188	-	19,452,188
Contributions and program grants	22,094,842	-	22,094,842
Rental revenue	15,974,116	-	15,974,116
Program revenue	2,684,819	-	2,684,819
Real estate development fees	961,065	-	961,065
Other tenant charges	6,960	-	6,960
Miscellaneous revenue	721,079	-	721,079
Investment return	(2,726,207)	(567,892)	(3,294,099)
Net assets released from restrictions	270,149	(270,149)	-
Total Operating Revenue	103,905,006	(838,041)	103,066,965
OPERATING EXPENSES			
Home care programs	46,375,800	-	46,375,800
Community programs	18,060,799	-	18,060,799
Residential programs	12,598,432	-	12,598,432
Holocaust survivor programs	16,919,162	-	16,919,162
Management and general	17,597,054	-	17,597,054
Total Operating Expenses	111,551,247	-	111,551,247
(Deficiency) of Operating Revenue Over Operating Expenses Before Other Changes	(7,646,241)	(838,041)	(8,484,282)
OTHER CHANGES			
Depreciation and amortization	(5,248,765)	-	(5,248,765)
Equity contributions	3,842,309	-	3,842,309
Equity distributions	(6,866,151)	-	(6,866,151)
Total Other Changes	(8,272,607)	-	(8,272,607)
Change in Net Assets	(15,918,848)	(838,041)	(16,756,889)
NET ASSETS (See Notes 15 and 16)			
Beginning of year	93,112,913	7,572,137	100,685,050
End of year	\$ 77,194,065	\$ 6,734,096	\$ 83,928,161

See notes to consolidated financial statements

Selfhelp Community Services, Inc. and Affiliates

Consolidated Statement of Functional Expenses Year Ended June 30, 2023

	Program Services				Supporting Services		
	Home Care Programs	Community Programs	Residential Programs	Holocaust Survivor Programs	Total	Management and General	Total
Salaries	\$ 34,169,104	\$ 10,245,942	\$ 2,765,507	\$ 4,719,202	\$ 51,899,755	\$ 7,237,871	\$ 59,137,626
Fringe benefits	9,724,203	3,988,111	807,063	1,770,386	16,289,763	2,115,077	18,404,840
	43,893,307	14,234,053	3,572,570	6,489,588	68,189,518	9,352,948	77,542,466
Management fee	-	-	-	-	-	780,700	780,700
Real estate tax	-	-	623,259	-	623,259	-	623,259
Utilities	-	-	2,353,246	-	2,353,246	-	2,353,246
Repairs and maintenance	-	-	1,408,678	-	1,408,678	-	1,408,678
Security	-	-	674,464	-	674,464	-	674,464
Computer expense	287,947	84,098	22,024	64,889	458,958	892,988	1,351,946
Meetings and conferences	354	3,449	200	3,098	7,101	36,975	44,076
Dues and subscriptions	27,920	17,524	-	416	45,860	149,238	195,098
Postage	12,569	10,610	1,370	12,048	36,597	46,639	83,236
Telephone	133,503	156,716	63,265	98,336	451,820	86,382	538,202
Travel expenses	15,854	52,314	78	31,901	100,147	73,417	173,565
Participant travel	42,605	569,883	-	48,449	660,937	-	660,937
Provider carfare	51,651	-	-	-	51,651	-	51,651
Advertising	291,271	13,533	-	6,662	311,466	173,581	485,047
Temporary services	293,330	328,944	187,876	-	810,150	135,762	945,912
Insurance expense	23,209	128,979	603,702	39,596	795,486	1,846,670	2,642,156
Professional and consulting	330,211	470,724	196,449	97,148	1,094,532	2,380,448	3,474,980
Accounting and legal fees	250	333,027	1,000	24,174	358,451	368,509	726,960
Training and supplies	300,406	8,009	194,127	1,275	503,817	56,713	560,529
Physicals and uniforms	247,983	-	-	-	247,983	-	247,983
Rent and occupancy	850,123	307,224	138,949	621,349	1,917,645	1,710,854	3,628,499
Printing and office supplies	30,340	148,644	28,215	7,037	214,236	124,527	338,763
Office maintenance and cleaning	62,469	188,374	376,801	82,286	709,930	337,659	1,047,589
Cash assessment program	100,409	-	-	-	100,409	-	100,409
Bank charges	4,652	1,139	1,685	3,464	10,940	296,572	307,512
Food, kitchen repairs and supplies	6,757	904,851	25,107	13,321	950,036	74,582	1,024,618
Emergency assistance	-	54,026	-	1,714,331	1,768,357	-	1,768,357
Criminal background fees	48,252	11,971	337	2,623	63,183	11,663	74,846
Client wellness	-	38,328	148,971	16,857,701	17,045,000	-	17,045,000
Grant Expense	-	-	-	-	-	233,694	233,694
Bad debt expense	67,275	-	174	-	67,449	443,195	510,644
Group activity rentals expenses	2,350	55,536	-	57,991	115,877	-	115,877
Interest	-	-	4,855,719	-	4,855,719	11,300	4,867,019
Debt issuance amortization interest	-	-	280,805	-	280,805	-	280,805
Miscellaneous expenses	164,032	5,312	243,648	4,411	417,403	85,757	503,160
Total Expenses before Depreciation and Amortization	47,289,029	18,127,268	16,002,719	26,282,094	107,701,110	19,710,775	127,411,885
Depreciation and amortization	52,264	108,927	5,720,673	229,734	6,111,598	634	6,112,232
Total Expenses	\$ 47,341,293	\$ 18,236,195	\$ 21,723,392	\$ 26,511,828	\$ 113,812,708	\$ 19,711,409	\$ 133,524,117

See notes to consolidated financial statements

Selfhelp Community Services, Inc. and Affiliates

Consolidated Statement of Functional Expenses Year Ended June 30, 2022

	Program Services				Supporting Services		
	Home Care Programs	Community Programs	Residential Programs	Holocaust Survivor Programs	Total	Management and General	Total
Salaries	\$ 33,663,870	\$ 10,785,279	\$ 2,642,849	\$ 4,289,525	\$ 51,381,523	\$ 6,395,790	\$ 57,777,313
Fringe benefits	9,576,050	4,075,666	720,881	1,606,990	15,979,587	1,825,574	17,805,161
	43,239,920	14,860,945	3,363,730	5,896,515	67,361,110	8,221,364	75,582,474
Management fee	-	-	-	-	-	42,771	42,771
Real estate tax	-	-	655,802	-	655,802	-	655,802
Utilities	-	-	2,275,854	-	2,275,854	-	2,275,854
Repairs and maintenance	-	-	1,401,910	-	1,401,910	-	1,401,910
Security	-	-	640,407	-	640,407	-	640,407
Computer expense	328,993	127,561	25,723	83,704	565,981	769,917	1,335,898
Meetings and conferences	8,250	750	110	25,816	34,926	39,299	74,225
Dues and subscriptions	22,166	19,866	129	5,841	48,002	116,497	164,499
Postage	15,806	15,830	73	12,532	44,241	60,751	104,992
Telephone	133,102	133,962	36,016	56,291	359,371	112,666	472,037
Travel expenses	18,644	55,789	166	8,409	83,008	33,794	116,802
Participant travel	17,245	324,680	-	6,693	348,618	-	348,618
Provider carfare	47,324	-	-	-	47,324	-	47,324
Advertising	72,639	1,421	905	3,847	78,812	65,829	144,641
Temporary services	8,312	198,586	60,803	11,940	279,641	64,388	344,029
Insurance expense	305,719	120,982	643,975	35,643	1,106,319	1,764,698	2,871,017
Professional and consulting	760,368	283,564	292,081	123,025	1,459,038	3,175,617	4,634,655
Accounting and legal fees	27,045	308,683	-	31,589	367,317	356,492	723,809
Training and supplies	41,304	11,223	398,357	1,845	452,729	199,173	651,902
Physicals and uniforms	178,068	-	-	-	178,068	-	178,068
Rent and occupancy	833,054	352,716	119,658	619,620	1,925,048	1,498,022	3,423,070
Printing and office supplies	18,282	150,215	7,987	11,706	188,190	127,167	315,357
Office maintenance and cleaning	69,778	320,157	364,945	80,818	835,698	356,375	1,192,073
Cash assessment program	101,373	750	-	-	102,123	-	102,123
Bank charges	6,737	371	2,315	211	9,634	271,381	281,015
Food, kitchen repairs and supplies	1,287	560,658	7,764	9,982	579,691	22,508	602,199
Emergency assistance	-	63,194	-	1,963,738	2,026,932	-	2,026,932
Criminal background fees	31,799	11,998	1,004	3,502	48,303	13,252	61,555
Client wellness	-	101,501	117,935	7,909,281	8,128,717	4,247	8,132,964
Bad debt expense	-	-	-	-	-	80,675	80,675
Group activity rentals expenses	-	32,678	-	12,338	45,016	-	45,016
Interest	-	-	1,906,184	-	1,906,184	-	1,906,184
Debt issuance amortization interest	-	-	144,121	-	144,121	-	144,121
Miscellaneous expenses	88,585	2,719	130,478	4,276	226,058	200,171	426,229
Total Expenses before Depreciation and Amortization	46,375,800	18,060,799	12,598,432	16,919,162	93,954,193	17,597,054	111,551,247
Depreciation and amortization	60,730	130,889	4,794,508	231,571	5,217,698	31,067	5,248,765
Total Expenses	<u>\$ 46,436,530</u>	<u>\$ 18,191,688</u>	<u>\$ 17,392,940</u>	<u>\$ 17,150,733</u>	<u>\$ 99,171,891</u>	<u>\$ 17,628,121</u>	<u>\$ 116,800,012</u>

See notes to consolidated financial statements

Selfhelp Community Services, Inc. and Affiliates

Consolidated Statements of Cash Flows

	Year Ended June 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (6,485,468)	\$ (16,756,889)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Realized and unrealized losses (gains) on investments	(2,108,951)	3,986,946
Depreciation	6,112,232	5,248,765
Deferred rent	(905,336)	(29,227)
Bad debt expense	510,644	80,675
Debt issuance amortization	280,805	144,121
Debt issuance write off	-	29,802
Equity contributions	(2,774,418)	(3,842,309)
Equity distributions	-	6,866,151
Non-cash lease expense	825,827	-
Changes in operating assets and liabilities:		
Accounts receivable	2,013,579	(1,802,514)
Other current assets	350,346	315,251
Due from related party	640,351	(640,351)
Deferred developer fee receivable	(2,008)	(1,953)
Accounts payable and accrued expenses	4,219,004	2,222,117
Accrued salaries and related benefits	(751,355)	459,487
Other current liabilities	(317,980)	778
Accrued interest payable	621,087	159,592
Estimated amounts claimed by third-party payors	(1,915,349)	(95,072)
Advances payable	60,161	(1,628,512)
Deferred compensation payable	(26,865)	(64,155)
Refundable subsidies	-	(28,195)
Due to related party	2,039,198	1,807,871
Developer fee payable	1,375,753	(124,449)
Net Cash from Operating Activities	3,761,257	(3,692,070)
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in assets held for deferred compensation	(128,462)	712,065
Proceeds from sale of investments	7,176,665	769,804
Purchase of investments	(7,355,538)	(4,047,244)
Purchase of property and equipment	(7,236,563)	(8,702,458)
Net Cash from Investing Activities	(7,543,898)	(11,267,833)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on line of credit	1,000,000	1,000,000
Proceeds from note payable	139,207	360,000
Payments on notes payable	-	(147,213)
Borrowings on mortgage	-	22,400,000
Principal payments on mortgage	(723,531)	(4,930,662)
Debt issuance costs payments	-	(676,966)
Borrowings on construction loan	308,251	2,655,828
Equity contributions	2,774,418	3,842,309
Equity distributions	-	(6,866,151)
Net Cash from Financing Activities	3,498,345	17,637,145
Change in Cash and Restricted Cash	(284,296)	2,677,242
CASH AND RESTRICTED CASH		
Beginning of year	20,880,125	18,202,883
End of year	\$ 20,595,829	\$ 20,880,125
CASH AND RESTRICTED CASH		
Cash	\$ 7,703,134	\$ 9,540,622
Restricted cash	12,892,695	11,339,503
	\$ 20,595,829	\$ 20,880,125
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 4,245,933	\$ 1,746,593

See notes to consolidated financial statements

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

1. Description of Organization and Tax Status

Selfhelp Community Services, Inc. ("Selfhelp") is a not-for-profit organization incorporated under the laws of the State of New York. Selfhelp provides social services, home care and other community-based services for the elderly and families and children at risk in New York City and Nassau and Suffolk counties. Selfhelp is primarily funded by home care revenue, government revenue, contributions and program grants and is exempt from income tax under Section 501 (c)(3) of the Internal Revenue Code.

To achieve its goals and strengthen its mission, Selfhelp has investments in various low-income housing entities through general partner interests in limited partnerships, managing member interests in limited liability companies, and control of other affordable housing organizations.

These consolidated financial statements include Selfhelp Community Services, Inc. and the affiliated organizations listed below. In preparing the consolidated financial statements, all material intercompany balances and transactions have been eliminated.

Selfhelp is affiliated through ownership and/or common board control (collectively referred to as the "Organization") as follows:

- Selfhelp is the sole member of Kimmel Housing Development Foundation, Inc., ("Kimmel"). Kimmel's purpose is to create affordable housing for individuals, families and for people with special needs in Long Island, New York. The existing affordable housing projects are known as Apex I and Apex II. Kimmel is not required to file corporate tax returns.
- Selfhelp Realty Group, Inc. ("Realty Group") serves as a holding company to facilitate the structuring and overseeing of Selfhelp Community Services, Inc.'s future housing development projects. The Realty Group is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. Bergen Place, LLC; Bergen Place, GP, Inc.; and Selfhelp Bergen Housing Development Fund Company, Inc., affiliates of the Selfhelp Realty Group, Inc., are included with Selfhelp Realty Group, Inc. in consolidation.
- Apex Community Housing Development Organization, Inc. was formed as a corporation under the laws of the State of New York on December 8, 2006. The sole member of the corporation is Kimmel Housing Development Foundation, Inc. and serves as the general partner to Apex Senior Citizen Housing Limited Partnership, Inc. Apex Community Housing Development Organization, Inc. is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.
- Apex Senior Citizen Housing Limited Partnership was formed as a Limited Partnership under the laws of the State of New York on October 27, 2000, for the purpose of acquiring, constructing, owning, operating and leasing a 38-unit, low-income housing project for elderly and disabled individuals in New Cassel, New York. The limited partnership is treated as a partnership for tax purposes.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

1. Description of Organization and Tax Status *(continued)*

- 333 Lenox Associates, LLC was formed as a limited liability company under the laws of the State of New York, on December 17, 2012, for the purpose of acquiring, owning, developing and rehabilitating certain real property consisting of 58 rental units, located in Brooklyn, New York. The property was placed in service on August 1, 2018. The entity is a limited partnership for tax purposes.
- 6469 Broadway Selfhelp, LLC was formed as a limited liability company under the laws of the State of Delaware on August 7, 2012, for the purpose of acquiring, owning, developing and rehabilitating certain real property consisting of 85 rental units, and approximately 4,574 square feet of commercial space and parking spaces located in Bronx, New York. The land was acquired on June 27, 2013 and placed in service April 20, 2016. The entity is treated as a partnership for tax purposes.
- Selfhelp Family Home Care, Inc. (“CHHA”) was organized as a not-for-profit corporation in New York State on September 14, 1994 as a licensed special needs certified home health agency and began operations on May 1, 1995. On October 2, 2013, CHHA filed a certificate to do business as Selfhelp Family Home Care, Inc. when CHHA received its approval to become a generic certified home health agency. CHHA is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.
- Selfhelp (KI-KII) Associates, LLC (“Selfhelp KI-KII”) was formed as an investor membership entity under the laws of the State of New York on May 13, 2009, for the purpose of acquiring, owning, developing, rehabilitating and leasing certain real property. The property consists of 424 rental units spread over two buildings, approximately 21,215 square feet of commercial space and parking spaces located in Flushing, New York. Selfhelp KI-KII acquired the property on October 29, 2009, in a transaction accounted for as a business combination. Selfhelp KI-KII is under a development services agreement with Selfhelp, an affiliate of the managing member. The entity is treated as a partnership for tax purposes.
- Selfhelp Associates (KIII), LP was formed as a limited partnership under the laws of the State of New York on March 1, 2006, for the purpose of acquiring, developing, rehabilitating, and owning certain real property regulated by the United States Department of Housing and Urban Development (“HUD”) under Section 8 of the National Housing Act. The property consists of 150 multi-family rental units, approximately 12,000 square feet of commercial space and parking spaces located in Bayside, New York. The limited partnership pays a monthly social service fee to Selfhelp, an affiliate of the general partner. The entity is treated as a partnership for tax purposes.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

1. Description of Organization and Tax Status *(continued)*

- Selfhelp (KIV) Associates, LP was formed as a limited partnership under the laws of the State of New York on January 26, 2007, for the purpose of acquiring, developing, rehabilitating and owning certain real property. The property was acquired on April 26, 2007. It consists of 159 rental units and approximately 5,809 square feet of commercial space and parking spaces located in Queens, New York. The limited partnership pays a monthly social service fee to Selfhelp, an affiliate of the general partner. Selfhelp KIV Associates, LP is treated as a partnership for tax purposes.
- Sponsored by Selfhelp, United Help/Selfhelp Housing for the Elderly Housing Development Fund Company, Inc. ("KV"), was organized as a not-for-profit corporation under the laws of the State of New York, to operate a housing project for elderly or disabled persons of very low income, including the provision of housing facilities and services specially designed to meet their physical, social and psychological needs and to promote their health, security, happiness and usefulness in longer living. The entity is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.
- Sponsored by Selfhelp and United Help, Inc., Selfhelp United Help Kissena Apts. HDFC, Inc. ("KVI") was organized in 1998 under the provisions of the New York Not-for-Profit Law for the purpose of developing, constructing and operating housing and related facilities for the elderly and handicapped. The entity is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.
- Selfhelp KVII Associates, LLC was formed as a limited liability company under the laws of the State of New York on September 20, 2010 for the purpose of acquiring, owning, developing, constructing and leasing certain real property, consisting of 92 rental units, approximately 12,212 square feet of commercial space and 18 parking spaces located in Queens, New York. The entity is considered a partnership for tax purposes.
- Selfhelp Community Services, Inc. is the sole member of Selfhelp Housing Development Fund Corporation, United Help/Selfhelp Sheltered Extension, Inc. and 45th Avenue and Fellowship Fund for the Aged Housing. These entities are exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

2. Summary of Significant Accounting Policies

Change in Accounting Principle

Leases

The Organization adopted Financial Accounting Standards Board (“FASB”) Topic 842, Leases, using the effective date method with July 1, 2022 as the date of initial adoption, with certain practical expedients available. The Organization elected the available practical expedients to account for its existing operating leases as operating leases under the new guidance without reassessing where the contracts contain leases under the new standard, whether the classification of finance leases or operating leases would be different in accordance with the new guidance, or whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance on July 1, 2022, the Organization recognized a lease liability and right of use asset in the amount of \$9,950,383 which represents the present value of the remaining operating lease payments discounted with risk free rates. The total amount of operating lease payments amounted to \$10,865,123 and were discounted at a rate of 3.98% for approximately 5 years.

The standard had a material impact on the Organization’s consolidated statement of financial position at June 30, 2023, but did not have an impact on its consolidated statements of operations and changes in net assets, functional expenses and cash flows for the year then ended. The most significant impact was the recognition of right of use assets and lease liabilities in fiscal 2023, for operating leases.

Basis of Accounting and Use of Estimates

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Non-Controlling Interest in For-Profit Affiliates

The portion of the limited partnerships not owned by Selfhelp Community Services, Inc. and affiliated entities are presented in the consolidated financial statements as non-controlling ownership interests, in an aggregate amount. (See note 14)

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

2. Summary of Significant Accounting Policies

Net Assets

Net Assets Without Donor Restrictions - are available for use at the discretion of the Board of Directors (the "Board") and/or management for general operating purposes. From time to time, the Board may designate a portion of these net assets for specific purposes which makes them unavailable for general operations at management's discretion. At June 30, 2023 and 2022, the Organization had no Board designated funds.

Net Assets With Donor Restrictions - consist of assets whose use is limited by donor imposed time and/or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions.

From time to time, the Organization may receive gifts of net assets with donor restrictions that contain a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy. At June 30, 2023 and 2022, the Organization had no assets maintained permanently.

Fair Value Measurement

The Organization follows U.S. GAAP guidance on fair value measurements, which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices that are observable, either directly or indirectly, with fair value being determined through the use of models or other valuation methodologies. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The classification of investments in the fair value hierarchy is not necessarily an indication of the risks or liquidity of each investment or the underlying assets and liabilities of such investments.

Pursuant to U.S. GAAP guidance, alternative investments where fair value is measured using the Net Asset Value ("NAV") per share as a practical expedient are not recognized within the fair value hierarchy.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Investment Asset Valuation

Investments are carried at fair value.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Conditional promises to give are not included as support until the conditions are substantially met.

The Organization provides an allowance for doubtful accounts based upon prior experience and management's assessment of the collectability of specific accounts. At June 30, 2023 and 2022, the allowance for doubtful accounts related to contributions amounted to \$1,687,006 and \$1,768,680. At June 30, 2023 and 2022, the allowance for doubtful accounts related to rental revenue amounted to \$269,232 and \$311,290.

Guardianship Assets Held in Trust

Guardianship assets held in trust include cash, investments and real estate held by the Organization in its capacity as guardian by appointment of the Supreme Court of the State of New York, and as representative payee with power of attorney for numerous elderly and needy persons ("Guardianship clients"). Disbursements are made by court mandate requiring the Organization to pay expenditures on behalf of the Guardianship clients. These assets are maintained in separate accounts and, accordingly, a corresponding liability is reflected in the consolidated statements of financial position. The Organization has no equity interest in these assets.

Insurance Claims and Related Recoveries

The Organization discloses insurance claims and related recoveries on a gross basis and any estimated insurance recovery is reflected as a receivable on the same basis as the liabilities, subject to the need for a valuation allowance for uncollectible accounts. Professional and workers' compensation liability claims are covered through commercial insurance. At June 30, 2023 and 2022, the liability and related asset of approximately \$2,286,000 and \$228,000 related to these claims are not presented in the consolidated statements of financial position.

Property and Equipment

Items in excess of \$5,000 are capitalized as part of property and equipment, and are stated at cost or fair value if contributed. Routine maintenance and repairs are expensed, while those that extend the life of existing properties are capitalized. Depreciation is provided over the estimated useful lives of each class of depreciable asset and is computed utilizing the straight-line method over 5 to 39 years. Leasehold improvements are amortized over the lesser of the term of the lease or the estimated useful life of the equipment.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

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

Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Organization records impairment losses on long-lived assets used in operations when the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. There were no impairment charges required to be recognized for the years ended June 30, 2023 and 2022.

Estimated Amounts Claimed by Third-Party Payors

Estimated amounts claimed by third-party payors include accruals by the Organization of estimates of retroactive revenue adjustments.

Advances Payable

Payments from government agencies in excess of expenses qualifying under the terms of the contract are reflected on the consolidated statements of financial position as advances payable.

Debt Issuance Costs

Debt issuance costs are reported on the consolidated statements of financial position as a direct deduction from the face amount of the debt. The debt issuance costs are being amortized over the term of the debt on a method that approximates the effective interest method.

Operating Measure

The consolidated statements of operations and changes in net assets include excess (deficiency) of operating revenue over operating expenses before other changes. Peripheral or incidental transactions such as equity contributions, equity distributions, and depreciation are reported as other changes and are excluded from the operating measure.

Leases

At July 1, 2022, the Organization leases real property and equipment and determines if an arrangement is a lease at inception. Operating leases are included in right-of-use assets ("ROU assets") operating lease and operating lease liabilities on the accompanying consolidated statement of financial position.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

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

Leases (continued)

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The leases do not provide an implicit borrowing rate. The Organization uses their risk free rate based on the information available at the commencement date in determining the present value of lease payments.

The operating lease ROU asset includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease and when it is reasonably certain that the Organization will exercise that option, such amounts are included in ROU assets and lease liabilities. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Organization has lease agreements with lease and non-lease components, which are generally accounted for separately.

Revenue Recognition – Home Care Revenue

Home care revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing home care. The table below summarizes the sources of revenue for home care services for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Medicaid, MLTC, Managed Care	\$ 17,320,215	\$ 15,737,181
Private Pay	15,887,207	19,593,975
Provider Contracts	934,902	936,111
Other Contracts	7,532,450	4,821,911
Homemaking	3,448,534	3,376,817
	<u>\$ 45,123,308</u>	<u>\$ 44,465,995</u>

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

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

Revenue Recognition – Home Care Revenue (continued)

The Organization bills third-party payors, such as Medicaid and Medicare, at the beginning and end of an episode. Managed care contracts are billed shortly after services have been performed. Revenues are recognized as performance obligations are satisfied. The Organization determines performance obligations based on the nature of the services provided. The Organization recognizes revenues for performance obligations satisfied at a point in time based on actual charges incurred in relation to total expected charges. The Organization recognizes revenue at a point in time when services are performed and when visits are completed.

The Organization determines the transaction price associated with services provided to patients who have third-party payor coverage on the basis of contractual or formula-driven rates for the services rendered. The estimates for contractual allowances are based on contractual agreements and historical experience. Implicit price concessions included in the estimation of the transaction price are based on the Organization's historical collection experience for applicable portfolios.

Subsequent changes to the estimate of the transaction price (determined on a portfolio basis when applicable) are generally recorded as adjustments to home care revenue in the period of change. For the years ended June 30, 2023 and 2022, changes in the estimates of implicit price contractual adjustments and other reductions to expected payments for performance obligations satisfied in prior years were not significant. Portfolio collection estimates are updated based on collection trends. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay (determined on a portfolio basis, when applicable) are recorded as bad debt expense.

Accounts receivable and home care revenue result from health care services provided by the Organization and are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing home care. These amounts are due from third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of ongoing and future audits, reviews, and investigations.

The Organization uses a portfolio approach as a practical expedient to account for categories of home care contracts as collective groups, rather than recognizing revenue on an individual contract basis. The portfolio consists of major payor classes for home health aide, housekeeping, skilled nursing, and therapy visits. The consolidated financial statement effects of using this practical expedient are not materially different from an individual contract approach.

The Organization has elected the practical expedient and does not adjust the promised amount of consideration from third-party payors for the effects of a significant financing component due to the Organization's expectation that the period between the time the home care service is provided to a patient and the time that the third-party payor pays for that service will be one year or less.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

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

Revenue Recognition – Home Care Revenue (continued)

As substantially all of its performance obligations relate to contracts with a duration of less than one year, the Organization has elected to apply the optional exemption and therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

Government Revenue

Government revenue is recognized when reimbursable expenses are incurred under the terms of the grants and contracts and all barriers to performance have been overcome without any right of return.

Contributions and Program Grants

Unconditional contributions and program grants, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are recorded as with donor restrictions if they are received with donor restrictions that are temporary or permanent in nature. When donor restrictions expire, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions.

Rental Revenue

Rental revenue is recognized as it accrues. Advance receipts of rental income are deferred and classified as liabilities until earned or recouped. All leases between the Organization and the tenants of the properties are short-term operating leases.

Program Revenue

Program revenue consists of reimbursements related to insurance, social and management services and other revenues. The revenues are earned as services are provided or reimbursements are billed for expenses incurred.

Gain on Sale of Property and Equipment

The gain on the sale of property is recorded as the proceeds from the sale less the related book value of the properties and equipment sold. The gain on the sale of the property and equipment is included in the miscellaneous revenue in the consolidated statements of operations and changes in net assets.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

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

Investment Income Recognition

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Functional Allocation of Expenses

The costs of providing the Organization's services have been summarized on a functional basis. Common costs incurred for the administration of the various programs such as salaries, fringe benefits, real estate tax, rent and occupancy and insurance are allocated directly to respective programs as incurred and/or utilizing predetermined allocation rates established by management. Such allocation rates may be based on square footage for shared office space and census or expense ratios for program management costs.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2023 and 2022 was \$193,776 and \$79,409.

Accounting for Uncertainty in Income Taxes

The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure. The Organization is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to June 30, 2020.

Certain affiliates of the Organization are treated as partnerships and corporations for federal, state and local income tax purposes. Taxable partnership income or loss passes through to, and is reportable by, the partners, individually. The corporations either have had zero taxable income or have been carrying losses that are available for future netting against taxable income. Net operating losses from 2019 and prior periods expire in various years through 2039. Losses carried forward should be computed as deferred tax assets using the applicable tax rate and reported on the consolidated statements of financial position, subject to valuation allowance. In the case of the corporations, it is more likely than not that the respective asset will never be realized as the possibility of net income or gain is unlikely. Therefore, no asset has been recognized in these consolidated financial statements, as the valuation allowance would equal 100% of the deferred tax asset value.

Reclassifications

Certain amounts reported for 2022 have been reclassified to conform to the 2023 presentation.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

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

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued, which is March 25, 2024.

3. Investments

Major categories of investments categorized by the fair value hierarchy are as follows at June 30:

	2023		2022	
	Quoted Price in Active Markets for Identical Assets (Level 1)	Total	Quoted Price in Active Markets for Identical Assets (Level 1)	Total
Money market funds	\$ 3,583,376	\$ 3,583,376	\$ 3,428,468	\$ 3,428,468
Agency securities	1,611,644	1,611,644	1,419,311	1,419,311
Corporate bonds	3,273,122	3,273,122	119,488	119,488
Mutual funds	13,110,836	13,110,836	14,511,305	14,511,305
UJA - Federation of New York, Inc. ("UJA") pooled investment account *	-	2,583,526	-	2,396,109
	\$ 21,578,979	\$ 24,162,505	\$ 19,478,572	\$ 21,874,681

* As discussed in Note 2, investments valued at NAV are excluded from the fair value hierarchy. Amounts presented in the total columns are shown to permit reconciliation to the amounts reported on the consolidated statements of financial position.

Total investment return earned on investments is comprised of the following for the years ended June 30:

	2023	2022
Realized and unrealized gains (losses) on investments	\$ 2,108,951	\$ (3,986,946)
Interest and dividends	551,332	692,847
	\$ 2,660,283	\$ (3,294,099)

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

3. Investments *(continued)*

There were no transfers in or out of Levels 1, 2 or 3 of the fair value hierarchy during the years ended June 30, 2023 and 2022. Information regarding investments valued at NAV using the practical expedient is as follows at June 30:

	2023			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
UJA pooled investment account	\$ 2,583,526	None	Unlimited	30 days
	2022			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
UJA pooled investment account	\$ 2,396,109	None	Unlimited	30 days

UJA pooled investment account - a share in the pooled investments of UJA to benefit from the various diversified strategies that UJA invests in, including cash and bonds, multi-strategy hedge funds, long equity, private equity and real estate. The purpose is to generate appreciation while managing risk through diversification.

4. Accounts Receivable

Accounts receivable are comprised of the following at June 30:

	2023	2022
Home care	\$ 4,027,919	\$ 3,547,175
Tenant receivables	1,114,500	957,538
Contributions receivable	80,258	375,883
Other programs	13,269,664	16,259,700
Total Accounts Receivable	18,492,341	21,140,296
Less allowance for doubtful accounts	(1,956,238)	(2,079,970)
Accounts Receivable, Net	\$ 16,536,103	\$ 19,060,326

Contributions receivable included in accounts receivable are all current and are expected to be collected within one year. At July 1, 2021, contract assets and contract liabilities amounted to \$4,589,341 and \$0, respectively.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements June 30, 2023 and 2022

5. Guardianship Assets Held in Trust

Guardianship assets held in trust are as follows at June 30:

	2023		2022	
	Quoted Price in Active Markets for Identical Assets (Level 1)	Total	Quoted Price in Active Markets for Identical Assets (Level 1)	Total
Equity securities and mutual funds	\$ 3,270,817	\$ 3,270,817	\$ 3,141,230	\$ 3,141,230
Cash and other assets, at cost		24,734,828		25,062,253
		\$ 28,005,645		\$ 28,203,483

6. Restricted Assets and Funded Reserves

Replacement Reserve

Pursuant to the terms indicated in the operating agreements for certain entities included in these consolidated financial statements, replacement reserves have been established to be used to fund major repairs, capital expenditures and replacement of capital items.

Operating Reserve

Certain entities have established operating reserves that should be used to fund operating deficits after the later of stabilization, loan conversion, or consent of the investor member and shall be maintained so long as the investor member remains a member.

Escrow

Certain entities have established escrow accounts to fund insurance, water and sewer expenses.

7. Assets Held for Deferred Compensation

Assets held for deferred compensation are as follows at June 30:

	2023		2022	
	Quoted Price in Active Markets for Identical Assets (Level 1)	Total	Quoted Price in Active Markets for Identical Assets (Level 1)	Total
Money market funds	\$ 373,756	\$ 373,756	\$ 28,014	\$ 28,014
Corporate bonds	-	-	25,035	25,035
Mutual funds	2,176,258	2,176,258	2,332,946	2,332,946
Electronic traded products	227,683	227,683	263,240	263,240
Total Assets Held for Deferred Compensation	\$ 2,777,697	\$ 2,777,697	\$ 2,649,235	\$ 2,649,235

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

8. Property and Equipment

Property and equipment consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Land and building	\$ 176,985,007	\$ 174,934,895
Telephone equipment	689,740	651,967
Computer equipment	4,222,714	4,086,777
Leasehold improvements	31,470,791	8,077,467
Office furniture and equipment	8,359,949	7,720,518
Construction in progress	296,613	19,317,056
	<u>222,024,814</u>	<u>214,788,680</u>
Accumulated depreciation and amortization	<u>(72,900,742)</u>	<u>(66,788,939)</u>
	<u>\$ 149,124,072</u>	<u>\$ 147,999,741</u>

9. Notes Payable

- a) Selfhelp Associates (KIII), LP entered into a purchase money note with the New York City Department of Housing Preservation and Development (“HPD”) in the original commitment amount of \$171,456 on June 27, 2011, which is secured by the project. The note accrues and compounds interest at 1% per annum. All outstanding principal and accrued interest is due in full on July 1, 2026. The note payable was paid in full during the year ended June 30, 2022. For the years ended June 30, 2023 and 2022, interest expense was \$0 and \$23,022. Accrued interest at June 30, 2022 was \$- and \$1,612. The amount was fully paid in fiscal year 2023.
- b) Selfhelp (KIV) Associates, LLP entered into a note payable agreement with the New York City Department of Housing Preservation and Development (“HPD”), in the original commitment amount of \$333,485 on June 27, 2011. The note accrues interest at 1% per annum and is secured by a mortgage loan note. All outstanding principal and interest is due at maturity on June 1, 2026. As of June 30, 2023 and 2022, the outstanding principal was \$259,425. For the years ended June 30, 2023 and 2022, interest expense was \$2,594. Accrued interest at June 30, 2023 and 2022 was \$14,221 and \$16,181. For the years ended June 30, 2023 and 2022 interest paid amounted to \$4,554 and \$3,891.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

9. Notes Payable (continued)

- c) Selfhelp Community Services, Inc. (the "Sponsor") received an Affordable Housing Program ("AHP") subsidy from a bank through the Federal Home Loan Bank Program in the amount of \$520,000 with a term of 15 years from August 23, 2018. The Sponsor will loan the funds to the 333 Lenox Associates, LLC, which were used as a source of construction financing. The construction loan is secured by 333 Lenox Associates, LLC's investment in real estate. As of June 30, 2023 and 2022 outstanding principal amounted to \$520,000.
- d) On May 21, 2020, Bergen Place, LLC, entered into an agreement with the County of Nassau's Office of Community Development (the "County") to provide funding for the Home Investment Partnership Program ("HOME"). The funds have been provided to Bergen, Place LLC pursuant to a non-recourse mortgage note payable to the County dated May 21, 2020, in the amount of \$700,000. The note matures May 21, 2040, bears interest at the rate of 1.0% per annum. As of June 30, 2023 and 2022 \$499,207 and \$360,000 has been drawn against the note.

10. Line of Credit

Selfhelp has a line of credit ("LOC") up to \$7,000,000 with JP Morgan Chase Bank maturing April 1, 2024. Interest is charged at the adjusted SOFR rate on any outstanding balance. At June 30, 2023 and 2022, the interest rate is 9.22% and 4.29%. The collateral for the LOC is Selfhelp's eligible accounts receivable subject to a borrowing base computation, as established by the bank. The LOC balance as of June 30, 2023 and 2022 was \$4,500,000 and \$3,500,000. Related interest expense on the line of credit amounted to \$167,484 and \$88,513 for the years ended June 30, 2023 and 2022.

11. Construction Loan

On May 20, 2020, Bergen Place, LLC obtained a construction to permanent loan from Capital One, N.A. (the "Bank") to provide financing totaling \$11,651,950. The loan is collateralized by a mortgage on the rental property. Prior to maturity, accrued and unpaid interest shall be due and payable in arrears on the first day of each month commencing on June 1, 2020. The entire principal balance of the note then unpaid, together with all accrued and unpaid interest, shall become due at the maturity date of July 21, 2022, which was subsequently extended to August 18, 2023. On August 18, 2023, the construction loan converted to permanent financing. Monthly interest only payments are required at the annual rate of 3.75%.

	<u>2023</u>	<u>2022</u>
	\$ 10,615,613	\$ 10,044,738

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements June 30, 2023 and 2022

11. Construction Loan (*continued*)

	2023	2022
<p>On May 20, 2020, Bergen Place, LLC entered into a second loan agreement with the Bank in the original amount of \$2,011,658. The loan is collateralized by a mortgage on the rental property. Prior to maturity, accrued and unpaid interest shall be due and payable in arrears on the first day of each month commencing on June 1, 2020. The entire principal balance of the note then unpaid, together with all accrued and unpaid interest, shall become due at the maturity date of July 21, 2022, which was subsequently extended to August 18, 2023. On August 18, 2023, the second loan was converted to permanent financing. Monthly interest only payments are required at the annual rate of 3.75%.</p>	<p>\$ 1,905,493</p> <p>12,521,106</p>	<p>\$ 1,606,104</p> <p>11,650,842</p>
<p>Unamortized debt issuance costs</p> <p style="padding-left: 20px;">Total Construction Loans</p>	<p style="border-top: 1px solid black;">(562,013)</p> <p style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 11,959,093</p>	<p style="border-top: 1px solid black;">-</p> <p style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 11,650,842</p>

During the year ended June 30, 2023 and 2022, the Organization recorded debt issuance costs of \$567,809 and \$0 and related amortization expense of \$5,796 and \$0.

12. Mortgages Payable

	2023	2022
<p>a) The affiliate 6469 Broadway Selfhelp, LLC obtained a construction to permanent loan from New York State Housing Finance Agency ("HFA") to provide financing totaling \$13,200,000 from proceeds of exempt bonds. The loan is collateralized by a mortgage on the rental property. The terms of the financing are as follows: A \$13,200,000 note was issued, of which \$9,440,000 (the "Short Term Loan") bore interest at 2.00% per annum through and including the last day for the construction term (the "Conversion Date"), and \$3,760,000 (the "Long Term Loan") bears interest at 5% per annum through maturity, November 1, 2046, plus an additional 0.25% for servicing fees. The repayment of principal of \$9,222,976 was made with proceeds from capital contributions as of December 31, 2016. Principal and interest payments on the Long Term Loan are due in monthly installments of \$20,185 through maturity. The Long Term Loan is secured by a Mortgage Agency (SONYMA) beginning on the Conversion Date, April 3, 2017. An annual SONYMA premium of .5% of the outstanding loan balance shall be due.</p>	<p>\$ 3,313,468</p>	<p>\$ 3,387,992</p>
<p>b) The affiliate 6469 Broadway Selfhelp, LLC has entered into a second note agreement ("HCR Subsidy Loan") with HFA in the original amount of \$8,850,000. The note bore interest at 6% per annum through the Conversion Date, at which point interest reduced to 1% per annum. Commencing on the earlier of the first day for the first month following the end of 6469 Broadway Selfhelp, LLC's 15th tax credit year, or the first day of the month following the last payment of the deferred development fee and reserve note, the entity shall make payments on the outstanding principal and accrued interest equal to 50% of its annual Surplus Income, as defined. The entire outstanding principal and interest due are to be paid in full November 1, 2046. The HCR Subsidy Loan is secured by a mortgage on the building.</p>	<p>8,850,000</p>	<p>8,850,000</p>
<p>c) The affiliate 6469 Broadway Selfhelp, LLC has entered into a note payable agreement with New York City Department of Housing Preservation and Development, ("HPD"), in the amount of \$500,000. The note accrues interest at 1% per annum and is secured by a mortgage on the building. All outstanding principal and interest are due on the maturity date, November 1, 2046.</p>	<p>500,000</p>	<p>500,000</p>

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements June 30, 2023 and 2022

12. Mortgages Payable *(continued)*

<p>d) The affiliate Selfhelp KI-KII Associates, LLC entered into a loan agreement on October 29, 2009, with the NYSHFA in the amount of \$8,260,000. The note bears interest at 5.4% per annum through and including the last day of the construction term (as defined in the "note agreement"), plus an additional .75% for servicing and insurance fees. Commencing on the conversion date and thereafter (as defined in the "note agreement"), the note shall bear interest at a rate of 5.4%. Selfhelp KI-KII shall pay an annual mortgage insurance premium at 0.5% of the principal balance. The note will be amortized over the term of the bond and will mature on December 1, 2040, at which point all outstanding principal and interest will be due and payable. Monthly principal and interest payments are scheduled to be \$46,382.</p>	\$	6,292,506	\$	6,503,090
<p>e) The affiliate Selfhelp (KI-KII) Associates, LLC has entered into an additional loan with the NYSHFA (the "TCAP Loan") on October 29, 2009, which is secured by a subordinate interest in the property. The note is noninterest-bearing through and including the last day of the construction term (as defined in the notes) and bears interest at 1% per annum commencing on January 1, 2013. The loan is to be repaid from 25% of the surplus cash after the payment of the operating deficit contribution. All principal and interest is due on the loan maturity date of December 1, 2040. As of June 30, 2023 and 2022 no repayments of the loan have been made.</p>		5,820,000		5,820,000
<p>f) The affiliate Selfhelp Associates, L.P. has entered into a senior project loan mortgage and senior building mortgage with New York City Housing Development Corporation ("HDC") totaling \$9,100,000 in the original amounts of \$5,794,801 and \$3,305,199, respectively, from proceeds of tax-exempt bonds and collateralized by a lien on the rental property and a letter of credit. The mortgages bear interest at 5.15% and 5.5%, respectively, per annum through and including the last day of the construction term. Prior to the first permanent term, a mandatory prepayment of principal in the amount of \$3,120,355 was paid. Commencing on the conversion date and thereafter (as defined in the mortgage) the two mortgages have been combined into a single mortgage with a blended interest rate of 5.35%, which requires monthly principal and interest payments of \$33,505 and matures on January 31, 2038. On March 18, 2022, the property was refinanced with a bridge loan in the amount of \$22,400,000. The funds were used to pay all existing debts and provide funding for renovation and repairs to the property. The initial interest rate is 3.79% adjustable monthly based on the Secured Overnight Financing Rate (SOFR) plus the applicable margin or alternate rate, as described in the loan documents. Interest incurred during 2023 and 2022 was \$129,788 and \$187,058. Subsequent to year end Selfhelp Associates, L.P. converted the bridge loan to permanent financing which occurred November 9, 2023 in the amount of \$20,600,000 and bears interest at 6.21% per annum</p>		22,400,000		22,400,000

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements June 30, 2023 and 2022

12. Mortgages Payable *(continued)*

<p>g) A \$3,420,000 note was issued by the New York City Housing Development Corporation ("HDC") to Selfhelp KIV Associates, LP that bore interest at 5.10% per annum through and including the last day of the construction term (as defined in the note), plus an additional 0.80% for servicing fees. Commencing on the conversion date and thereafter (as defined in the note), the note bore interest at a rate of 5.1%, plus an additional 0.20% for servicing and insurance fees. The note was amortized over a period of nine years with monthly principal and interest payments of \$39,886. In addition, a \$3,480,000 note was issued that bore interest at 5.10% per annum through and including the last day of the construction term (as defined in the notes), plus an additional 0.80% for servicing fees. On November 1, 2016, Selfhelp KIV Associates, LP entered into an agreement with HDC to consolidate the notes. In doing so, the new principal balance became \$3,618,946. The modified note bears interest at a rate of 5.66% per annum and is amortized over a period of 22 years. Monthly principal and interest payments of \$23,907 are due until maturity on December 1, 2038. The mortgage is secured by the partnership's investment in real estate.</p>	\$	2,956,237	\$	3,072,216
<p>h) The affiliate, Selfhelp KVII Associates, LP has entered into a \$5,475,000 note payable with HDC bearing interest at 5.15% per annum commencing on the conversion date and thereafter (as defined in the note) which is secured by a first mortgage on the property. Principal and interest payments are due in monthly installments of \$29,895 through the maturity date of September 30, 2043.</p>		4,567,713		4,687,838
<p>i) The affiliate Selfhelp KVII Associates, LLC has entered into a second note agreement with HDC in the original amount of \$5,980,000 on December 22, 2010 which is secured by a second mortgage on the property. The note bears interest at 1% per annum. Monthly payments of interest only are due through the maturity date of September 30, 2043, at which point all outstanding principal and interest is due.</p>		5,980,000		5,980,000
<p>j) The affiliate Selfhelp KVII Associates, LLC has entered into a note agreement with the New York City Department of Housing, Preservation and Development ("HPD") in the original amount of \$2,360,083 on December 22, 2010, which is secured by a third mortgage on the property. The note bears interest at 1% per annum plus an additional .25% for a servicing fee. All principal and interest are due on the loan maturity date of September 30, 2043.</p>		2,360,083		2,360,083

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements June 30, 2023 and 2022

12. Mortgage Payable (continued)

k) The affiliate Selfhelp KVII Associates, LLC has entered into a note agreement with HPD in the original amount of \$1,587,905 on December 22, 2010, which is secured by a fourth mortgage on the property. The note bears interest at 1% per annum plus an additional .25% for a servicing fee. All principal and interest are due on the loan maturity date of September 30, 2043.	\$ 1,587,905	\$ 1,587,905
l) The affiliate, Selfhelp KVII Associates, LLC has entered into a note agreement with HPD in the original amount of \$400,000 on December 22, 2010, which is secured by a fifth mortgage on the property. The note is interest free and due on the loan maturity date of September 30, 2043.	400,000	400,000
m) Under the terms of the nonrecourse promissory mortgage note with New York Housing Trust Fund ("HTF") dated September 30, 2003, HTF provided a 30-year, \$1,173,321 loan to the Apex Senior Citizen Housing, Limited Partnership. The loan is secured by a first mortgage on the property and subject to a Regulatory Agreement. Interest only is payable at 1% uncompounded, until maturity. Interest is payable annually on April 30 from excess income prior to the distribution of return on equity in accordance with the Regulatory Agreement. Any interest unpaid will not bear interest but will be due and payable on the next payment date. There has not been excess income available to pay the interest accrued since 2017. Pursuant to this agreement, the property is subject to certain use restrictions for the purpose of providing housing to low-income elderly and disabled individuals for 30 years, and limitations on return of equity. All principal and unpaid interest will be due and payable September 30, 2033. The principal and interest of this note may not be prepaid in whole or part at any time unless agreed to in writing by HTF.	1,173,321	1,173,321
n) 333 Lennox Associates, LLC entered into a mortgage in the maximum amount of \$10,838,734 that is held by Bank of America, N.A. During the construction financing period interest only payments were due monthly, which bore interest at a fluctuating rate of interest per annum equal to the London Inter-bank Offered Rate ("LIBOR") daily floating rate for that day plus 225 basis points, through and including the last day of the construction term (the "Conversion Date"), and \$3,750,000 (the "Long Term Loan") bore interest at 5.25% per annum, plus an additional 0.25% for servicing fees. Upon conversion to permanent financing, which occurred on July 17, 2019, the mortgage was paid in full and the interest is now 5.57% with monthly principal and interest payments of \$19,730 until the maturity date of August 1, 2049.	3,643,961	3,673,999
	69,845,194	70,396,444
Less unamortized debt issuance costs	(2,466,920)	(2,575,444)
Total Mortgages Payable	<u>\$ 67,378,274</u>	<u>\$ 67,821,000</u>

During the year ended June 30, 2022, Selfhelp Associates (KIII), L.P. entered into a bridge loan and incurred additional debt issuance costs in the amount of \$676,966. Debt issuance costs related to the previous loan in the amount of \$29,802 were written off.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

12. Mortgage Payable (continued)

Total interest expense on the mortgages for the years ended June 30, 2023 and 2022 amounted to \$4,238,801 and \$1,803,102. Accrued interest on the mortgages amounted to \$3,209,912 and \$2,585,253.

Principal payments for the next five years and thereafter are as follows:

2024	\$	942,225
2025		973,072
2026		1,004,634
2027		1,038,861
2028		1,074,952
Thereafter		<u>64,811,450</u>
		69,845,194
Unamortized debt issuance costs		<u>(2,466,920)</u>
	\$	<u><u>67,378,274</u></u>

Debt issuance costs will be amortized as follows over the next five years and thereafter:

2024	\$	111,293
2025		111,293
2026		111,293
2027		111,293
2028		111,293
Thereafter		<u>1,910,455</u>
	\$	<u><u>2,466,920</u></u>

13. Capital Advance

Financing for Selfhelp United Help Kissena Apts. HDFC, Inc. and for United Help/Selfhelp Housing for the Elderly Housing Development Fund Company was provided by HUD under the terms of a Firm Commitment for Capital Advance Financing. Total capital advances of \$7,984,600 and \$6,419,000 have been made to fund the entities, respectively, at June 30, 2023 and 2022. The capital advances will become re-payable with interest at a rate of 6.25%, only if the entities do not remain available for very low-income eligible individuals as approved by HUD for no less than 40 years which period lapses in 2036 and 2041. It is the intention of the entities to keep these properties occupied by very low-income eligible individuals.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

14. Changes in Consolidated Net Assets without Donor Restrictions

	Total	Without Donor Restrictions	Non- Controlling Interest
Balance, June 30, 2021	\$ 93,112,913	\$ 64,136,220	\$ 28,976,693
Change in net assets	<u>(15,918,848)</u>	<u>(12,248,855)</u>	<u>(3,669,993)</u>
Balance, June 30, 2022	77,194,065	51,887,365	25,306,700
Change in net assets	<u>(7,523,417)</u>	<u>(3,117,834)</u>	<u>(4,405,583)</u>
Balance, June 30, 2023	<u>\$ 69,670,648</u>	<u>\$ 48,769,531</u>	<u>\$ 20,901,117</u>

15. Net Assets with Donor Restrictions

Net assets with donor restrictions activity consisted of the following for the years ended June 30:

	2023			
	Net Assets July 1, 2022	Additions and Other Changes	Net Assets Released	Net Assets June 30, 2023
Holocaust Survivor Program and Project Legacy	\$ 5,691,185	\$ 651,280	\$ -	\$ 6,342,465
Alzheimer Fund	453,343	40,589	-	493,932
Other	<u>589,568</u>	<u>(10,359)</u>	-	<u>579,209</u>
	<u>\$ 6,734,096</u>	<u>\$ 681,510</u>	<u>\$ -</u>	<u>\$ 7,415,606</u>
	2022			
	Net Assets July 1, 2021	Additions and Other Changes	Net Assets Released	Net Assets June 30, 2022
Holocaust Survivor Program and Project Legacy	\$ 6,276,538	\$ (585,353)	\$ -	\$ 5,691,185
Alzheimer Fund	580,352	(127,009)	-	453,343
Time restricted	270,000	-	(270,000)	-
Other	<u>445,247</u>	<u>144,470</u>	<u>(149)</u>	<u>589,568</u>
	<u>\$ 7,572,137</u>	<u>\$ (567,892)</u>	<u>\$ (270,149)</u>	<u>\$ 6,734,096</u>

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

16. Operating Leases

Right of use assets consist of the following at June 30, 2023:

Right of use assets- operating leases	\$ 9,950,383
Accumulated amortization- operating leases	(1,645,479)
	<u>\$ 8,304,904</u>

The Organization leases office space under various lease agreements with expiration dates between fiscal 2024 and 2031. Future minimum least costs are:

2024	\$ 2,515,777
2025	2,573,821
2026	915,425
2027	568,467
2028	604,699
Thereafter	<u>2,699,197</u>
	9,877,386
Less amounts representing interest	<u>(746,655)</u>
	<u>\$ 9,130,731</u>

Certain of these future minimum annual rental payments are subject to escalations based upon increases in real estate taxes, electricity, and other operating expenses.

The lease cost and other required information as of and for the year ended June 30, 2023 is:

Lease cost	
Operating lease cost	\$ 2,408,397
Other information	
Weighted-average remaining lease term	
Operating lease	5.33
Weighted-average discount rate	
Operating lease	3.98%
Cash paid for operating leases	\$ 2,673,204

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

17. Pension Plans

Selfhelp contributes to the following pension plans for its employees: the UJA Federation of New York Plan (the “Nonunion Pension Plan”), the Union Pension Plan and the Deferred Compensation Plans, and Multi-Employer Union Pension Plans.

a. *Nonunion Pension Plan*

Selfhelp is a participating member of the UJA-Federation multiemployer defined benefit pension plan. Participation in the Nonunion Pension Plan is limited to eligible non-union employees meeting the age (21) and one year of service requirements of the plan. An employer’s risks of participating in a multiemployer plan are different from a single employer plan in that the assets contributed to a multiemployer plan may be used to provide benefits to employees of other participating employers; and if a participating employer stops contributing to the plan, unfunded obligations, if any, of the plan may be borne by the remaining participating employers. If an employer chooses to stop participating in some of its multiemployer plans, the employer may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The actuarial present value of accumulated plan benefits and net assets available for benefits relating to Selfhelp’s employees is not available because such information is not accumulated for each participating organization. Selfhelp’s employees are all non-union. The Nonunion Pension Plan is filed under the Employer Identification Number 51-0172429 and the three-digit Pension Plan Number 333. The Nonunion Pension Plan is not required to file an annual zone certification under the Pension Protection Act of 2006 (PPA) and disclosures concerning a financial improvement plan or a rehabilitation plan are not applicable. The Nonunion Pension Plan is at least 80 percent funded using the most recent financial information as of October 1, 2020, the beginning of the plan year. Selfhelp’s contributions to the Nonunion Pension Plan were \$1,486,000 and \$1,355,000 and were not more than 5% of total contributions to the Nonunion Pension Plan.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

17. Pension Plans (continued)

b. Union Pension Plan

The Organization contributes to the Union Pension Plan (the “Plan”) pursuant to a collective bargaining agreement that covers its union-represented employees. All union employees of the Organization are covered by a multiemployer contributory pension plan administered by the union. The risks of participating in a multiemployer plan are different from a single-employer plan in the following aspects:

- a.) Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- b.) If a participating employer stops contributing to the multi-employer plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- c.) If an employer chooses to stop participating in a multi-employer plan, the employer may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Organization’s participation in the Plan for the years ended June 30, 2023 and 2022 is outlined in the table below. The most recent Pension Protection Act (“PPA”) zone status available in 2023 is for the Plan’s year-end at January 1, 2023. The zone status is based on information that the Organization received from the Plan and is certified by the actuaries of the Plan. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The “FIP/RP Status Pending/Implemented” column indicates plans for which a financial improvement plan (“FIP”) or a rehabilitation plan (“RP”) is pending or has been implemented. The last column lists the expiration dates of the collective bargaining agreement to which the Plan is subject. The Organization’s contributions to the Plan were not more than 5% of total contributions to the Plan.

Pension Fund	EIN Number	Plan Number	Pension Protection Act Zone Status	
			2023	2022
DC 1707 Local Home Care & Professional Employees Pension Fund	13-3698650	001	Green as of 1/1/23	Green as of 1/1/22
FIP / RP Status	Contributions		Surcharge Imposed	Expiration Date of Collective- Bargaining Agreement
Pending/Implemented	2023	2022		
Yes	\$ 318,898	\$ 352,401	No	December 2020- See Note 18

Form 5500 was not yet available for the Plan’s year ended in 2023.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

17. Pension Plans (*continued*)

c. *Deferred Compensation Plans*

Selfhelp provides three deferred compensation plans to certain of its employees. Liability and annual expense are based on actuarial assumptions. The two 457(f) plans are to give the tax-exempt employer an opportunity to supplement the retirement income of its select management group by contributing to a plan that will be paid to executives at retirement.

The 457(b) plan is to provide non-elective tax deferred compensation benefits payable at retirement, severance from employment, death, or in the event of financial hardship due to unforeseeable emergencies. Selfhelp has set aside \$2,777,697 and \$2,649,235 as assets held for deferred compensation as of June 30, 2023 and 2022. The expense for each fiscal year 2023 and 2022 was \$200,000. The liability at June 30, 2023 and 2022 is \$3,229,791 and \$3,256,656 is recorded as deferred compensation payable on the consolidated statements of financial position.

d. *Multi-Employer Union Pension Plan*

Selfhelp United Help Kissena Apts. HDFC, Inc. and United Help/Selfhelp Housing for the Elderly Housing Development Fund Company, Inc. participate in the Building Service 32BJ Pension Fund (the "the multi-employer plan").

The above referenced entities' participation in the multi-employer plan for 2023 and 2022 is outlined in the table below. The "EIN Number" column provides the Employer Identification Number ("EIN"). The most recent Pension Protection Act ("PPA") zone status available is for the multi-employer plan year-end at June 30, 2022. The zone status is based on information that the entities received from the multi-employer plan and is certified by the actuaries of the multi-employer plan. Among other factors, pension plans in the "red zone" are generally less than 65% funded, pension plans in the "yellow zone" are less than 80% funded, and pension plans in the "green zone" are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates pension plans for which a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is pending or has been implemented.

The last column lists the expiration date of the collective bargaining agreement to which the plan is subject. The above referenced entities' contributions to the plan for the years ended June 30, 2023 and 2022 did not exceed 5% of the total employer contributions.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

17. Pension Plans *(continued)*

d. *Multi-Employer Union Pension Plan (continued)*

Pension Fund	EIN Plan Number	Pension Protection Act		FIP/RP Status Pending/ Implemented	Contribution by the Entity		Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
		Zone Status			2023	2022		
		2023	2022					
Building Service 32BJ Pension Fund	13-1879376 001	Yellow as of 7/1/22	Red as of 7/1/21	Yes	\$ 12,588	\$ 12,558	No	April 20, 2026

Form 5500 is not available for the plan year ended June 30, 2023.

On October 28, 2022, the multi-employer plan's actuaries certified that, for the multi-employer plan year beginning July 1, 2022, the multi-employer plan is in "critical" status, as defined in the PPA. As required by the PPA, the multi-employer plan has notified all affected parties, including multi-employer plan participants that the multi-employer plan is in critical status. In an effort to improve the multi-employer plan's funding situation, the trustees adopted a Rehabilitation Plan on September 28, 2010 based on a rehabilitation period of 10 plan years beginning July 1, 2013. The Rehabilitation Plan describes the actions to be taken by the multi-employer plan's Trustees, and the benefit and contribution changes to be bargained by the bargaining parties to achieve a timely emergence from critical status. On July 17, 2013, the multi-employer plan's Board of Trustees adopted an update to the multi-employer plan's RP and an amendment to the plan's withdrawal liability rules.

18. Commitments and Contingencies

Commitments

The Organization has provided certain pledges, guarantees, and indemnifications to third parties in connection with various real estate development projects. No amounts have been recorded as of June 30, 2023 and 2022 as management believes it will not be required to perform on these agreements at this time.

Collective Bargaining Agreement

The labor contract with the DC 1707 Local Home Care & Professional Employees expired December 31, 2020. The agreement covers predominantly non-management employees of Selfhelp and has continued as negotiations proceed. Management has not calculated the effect of the ongoing union negotiations, but believes the effect will not have a material effect on the consolidated financial statements or future operations. Subsequent to June 30, 2023, there was an agreement reached and waiting ratification.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

18. Commitments and Contingencies (*continued*)

Contingencies

Health Care Revenue and Regulatory Compliance

The health care industry is subject to numerous laws and regulations imposed by federal, state, and local governments. Compliance with these laws and regulations, specifically those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. In addition, certain cost reports, which serve as the basis for final settlement with the Medicare program, remain open for audit and settlement, as are New York State Medicaid cost reports for prior years.

The Organization is not aware of any allegations of noncompliance that could have a material adverse effect on the amounts recorded in the consolidated financial statements. In addition, management believes that the Organization has an effective compliance program in place to assist in complying with current laws and regulations and is in compliance, in all material respects, with applicable laws and regulations.

The New York State Department of Health (“DOH”) has the right to audit the Organization and adjust assigned rates of Medicaid reimbursement for current and prior periods. No provision has been made for possible adjustments that may arise from these audits, since management anticipates no material adjustments.

Estimated amounts claimed by DOH at June 30, 2022 approximated \$1,854,000. On May 4, 2023 the Organization reached a settlement agreement with DOH to satisfy payment of the liability and related interest in full. As a result, during the year ended June 30, 2023, the recorded the difference of \$832,766 between the liability and the settlement amount as miscellaneous revenue in the 2023 consolidated statement of operations and change in net assets.

The Organization has recorded a third party liability (“TPL”) to Medicaid for home healthcare participants for which it has received (duplicate) payments from Medicare. The estimated amount of the TPL at June 30, 2022 was \$77,000. The amount was paid in full during 2023. Such amounts are included in estimated amounts claimed by third-party payors in the 2022 consolidated statement of financial position.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

19. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash, investments and accounts receivable. Receivables are due from a number of diverse sources, reducing the risk of concentration. At times, the cash balance may be in excess of the Federal Deposit Insurance Corporation's insurance limits. The investment portfolio is diversified by type of investments and industry concentrations so that no individual investment or group of investments represents a significant concentration of risk.

20. Liquidity and Availability of Financial Resources

The Organization's financial assets available within one year of the consolidated statement of financial position date for general expenditures are as follows at June 30:

	<u>2023</u>	<u>2022</u>
Cash	\$ 7,001,563	\$ 9,540,622
Investments	24,162,505	21,874,681
Accounts receivable, net	<u>16,536,103</u>	<u>19,060,326</u>
Total Financial Assets Available Within One Year	47,700,171	50,475,629
Less contractual or donor imposed restricted amounts:		
Restricted by donor with time or purpose restrictions	<u>(7,415,606)</u>	<u>(6,734,096)</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 40,284,565</u>	<u>\$ 43,741,533</u>

Liquidity Management

The Organization manages its liquidity risk through analyzing net funding requirements under alternative funding scenarios, diversification of funding sources and contingency planning. The Organization utilizes a diverse range of sources of funds, although short-term cash deposits represent the majority of funding it has derived from accounts receivable collections. The Organization's liquidity risk is managed by holding sufficient liquid assets in appropriate qualities and quantities to ensure short-term funding requirements are met and by maintaining a line of credit. Primary sources of support come from governmental contracts (federal and state), Medicaid services, investments, and donor contributions. The Organization's objective is to maintain liquid financial assets without donor restrictions sufficient to cover at least 30-60 days of program expenditures.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

21. Asset Purchase Agreement

On March 22, 2022, Selfhelp Family Home Care, Inc. (Seller) entered into an interim management and asset purchase agreement with Advent Health Care Services, LLC. (“Manager/Buyer”). The management agreement shall become effective upon approval of the Department of Health and end on the earlier of (i) the date of the closing under the asset purchase agreement (ii) the third anniversary of the effective date (iii) the date the asset purchase agreement is terminated (iv) the date to which the parties mutually consent in writing (v) ninety days after Selfhelp Family Home Care, Inc notifies it is terminating the agreement, “with or without cause” or (vi) thirty days without curing an event of default.

Selfhelp Family Home Care, Inc. executed the asset purchase agreement with Advent Health Care Services, LLC to transfer title and interest in assets of any kind, tangible and intangible, solely used in the operation of Selfhelp Family Home Care, Inc. and reflected on its statement of financial position of the date of the agreement. The purchase price under the asset purchase agreement is \$5,500,000, of which \$2,500,000 was paid to Seller as a deposit upon signing. Selfhelp Family Home Care, Inc. will remain responsible for any liabilities or obligations incurred for services performed by Selfhelp Family Home Care, Inc. before the management period and any liabilities and obligations related to breaches of claims. Excellent Home Care Services, LLC has guaranteed the asset purchase agreement on behalf of the Manager/Buyer and is jointly and severally responsible for paying the purchase price.

Subsequent to year end in December 2023, the Organization obtained the appropriate approvals from the New York State Department of Health and approvals defined by New York Not-For Profit Corporation Law Sections 510, 511, and 511a.

22. Related Party Transactions

Selfhelp funded the expenses listed below on behalf of the Selfhelp Community Services Foundation, Inc. during the years ended June 30:

2023		2022	
Medical insurance	\$ 86,961	Medical insurance	\$ 81,985
Rent	76,822 (a)	Rent	75,279 (a)
Pension	41,575 (b)	Pension	36,081 (b)
Other fringe benefits	126,722	Other fringe benefits	137,095
Administrative and general	11,159	Administrative and general	70,371
	<u>\$ 343,239</u>		<u>\$ 400,811</u>

(a) Rent expense owed to Selfhelp is on a month to month basis as there is no formal agreement between the two entities.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2023 and 2022

22. Related Party Transactions (*continued*)

(b) Selfhelp contributes to the UJA Federation of New York (the “non-union pension plan”) for its employees. The non-union pension plan is a cash balance plan. All regular staff employees hired on or after May 1, 2010 participate in the cash balance plan. Participation in the non-union pension plan is limited to eligible non-union employees meeting the age (21) and one year of service requirements of the plan.

In addition, the Selfhelp Community Services Foundation, Inc. collected contributions in the amount of \$1,861,689 and \$39,235 for the years ended June 30, 2023 and 2022, on behalf of Selfhelp. During the year ended June 30, 2023 the Foundation loaned Selfhelp amounts totaling \$3,917,788 and transferred payments of \$1,861,689. At June 30, 2023, the Selfhelp owes Foundation \$2,934,198.

During the year ended June 30, 2022 the Foundation liquidated \$2,000,000 of investments and temporarily loaned the amount to Selfhelp for use in its operations within the normal course of business. At June 30, 2023, Selfhelp owes the Foundation a balance of \$1,000,000.

There is no specific repayment date for amounts due between the entities.

The Foundation loaned \$105,000 to Selfhelp Realty Group, Inc. at June 30, 2023. The Foundation collected contributions in the amount of \$9,241 owed to Selfhelp Realty Group, Inc. at June 30, 2022 which is included in the accounts receivable on the 2022 consolidated statement of financial position.

During the years ended June 30, 2023 and 2022, the Organization received contributions from Board members totaling \$490,662 and \$127,942.

* * * * *

**Selfhelp Community Services, Inc.
and Affiliates**

Consolidating Schedules

June 30, 2023

Selfhelp Community Services, Inc. and Affiliates

Consolidating Statement of Financial Position June 30, 2023

	Selfhelp Community Services, Inc.	Kimmel Housing Development Foundation, Inc.	Selfhelp Realty Group, Inc. and Affiliate	Apex Senior Citizen Housing Limited Partnership	333 Lenox Associates, LLC	6469 Broadway Selfhelp, LLC	Selfhelp Family Home Care, Inc.	Selfhelp (KI-KII) Associates, LLC	Selfhelp Associates (KIII), L.P.	Selfhelp (KIV) Associates, L.P.	United Help/ Selfhelp Housing for the Elderly Housing Development Fund Company, Inc.	Selfhelp United Help KISSENA Apts HDFS, Inc.	Selfhelp KVII Associates, LLC	United Help/ Selfhelp Sheltered Extension, Inc.	45th Avenue and Fellowship Fund for the Aged Housing Companies	Total before Eliminations	Eliminations	Total
ASSETS																		
Current Assets																		
Cash	\$ 2,708,476	\$ 1,519	\$ 941,554	\$ 20,018	\$ 82,702	\$ 109,936	\$ 2,716	\$ 1,374,949	\$ 1,627,470	\$ 166,617	\$ 341,560	\$ 277,138	\$ 48,479	\$ -	\$ -	\$ 7,703,134	\$ -	\$ 7,703,134
Investments	21,836,134	-	2,326,371	-	-	-	-	-	-	-	-	-	-	-	-	24,162,505	-	24,162,505
Accounts receivable, net	15,483,794	-	1,037,846	16,545	27,150	301,569	32,058	66,508	22,532	22,408	15,934	7,329	332,669	-	10,144	17,376,286	(840,183)	16,536,103
Due from related parties, net	7,754,591	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,754,591	(7,754,591)	-
Other current assets	418,858	-	239,129	54,616	39,819	135,730	2,848	26,290	450,592	152,139	56,066	19,230	45,826	-	-	1,641,143	(222,539)	1,418,604
Tenant deposits held in trust	-	-	43,792	22,203	41,269	37,672	-	336,062	56,707	176,141	16,793	18,535	82,731	-	-	831,905	-	831,905
Guardianship assets held in trust	28,005,645	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,005,645	-	28,005,645
Total Current Assets	<u>76,207,498</u>	<u>1,519</u>	<u>4,588,492</u>	<u>113,382</u>	<u>190,940</u>	<u>584,907</u>	<u>37,622</u>	<u>1,803,809</u>	<u>2,157,301</u>	<u>517,305</u>	<u>430,353</u>	<u>322,232</u>	<u>509,705</u>	<u>-</u>	<u>10,144</u>	<u>87,475,209</u>	<u>(8,817,313)</u>	<u>78,657,896</u>
Restricted assets and funded reserves - cash																		
Assets held for deferred compensation	2,777,697	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,777,697	-	2,777,697
Investment in affiliates	770,062	1,030,046	-	-	-	-	-	-	-	-	-	-	-	-	-	1,800,108	(1,800,106)	-
Deferred development fee receivable	-	-	73,084	-	-	-	-	-	-	-	-	-	-	-	-	73,084	-	73,084
Mortgage notes and interest receivable	-	984,421	-	-	-	-	-	-	-	-	-	-	-	-	-	984,421	(984,421)	-
Notes receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	15,954,941	20,574,432	36,529,373	(36,529,373)	-
Right of use asset	8,304,904	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,304,904	-	8,304,904
Property and equipment, net	2,269,102	-	24,623,174	3,858,328	15,430,167	22,096,994	-	29,074,359	11,860,764	14,514,703	3,303,672	4,621,201	17,471,608	-	-	149,124,072	-	149,124,072
	14,121,765	2,087,551	24,623,174	3,858,328	15,430,167	22,096,994	-	29,074,359	11,860,764	14,514,703	3,303,672	4,621,201	17,471,608	15,954,941	20,574,432	199,953,059	(39,313,902)	160,279,757
Total Assets	<u>\$ 90,329,263</u>	<u>\$ 2,089,070</u>	<u>\$ 29,452,437</u>	<u>\$ 4,533,164</u>	<u>\$ 16,136,758</u>	<u>\$ 23,280,830</u>	<u>\$ 37,622</u>	<u>\$ 33,400,589</u>	<u>\$ 18,445,210</u>	<u>\$ 15,994,117</u>	<u>\$ 5,157,643</u>	<u>\$ 5,797,688</u>	<u>\$ 18,767,655</u>	<u>\$ 15,954,941</u>	<u>\$ 20,584,576</u>	<u>\$ 299,961,563</u>	<u>\$ (48,131,215)</u>	<u>\$ 251,830,348</u>
LIABILITIES AND NET ASSETS																		
Current Liabilities																		
Accounts payable and accrued expenses	8,715,142	72,396	\$ 307,773	\$ 286,403	\$ 1,812,003	\$ 156,345	\$ 2,551,239	\$ 656,806	\$ 492,607	\$ 92,374	\$ 707,047	\$ 519,470	243,281	\$ -	\$ 3,836	16,616,722	\$ (835,944)	\$ 15,780,778
Accrued salaries and related benefits	4,160,416	-	155,551	-	-	-	-	-	-	-	-	-	-	-	-	4,315,967	-	4,315,967
Other current liabilities	-	-	-	473,567	-	-	-	-	-	-	-	-	-	-	-	473,567	(473,567)	-
Accrued interest payable	-	-	31,465	356,342	17,947	1,597,672	-	7,954,049	143,490	6,444,357	13,263	-	644,669	-	-	17,203,254	(13,979,121)	3,224,133
Estimated amounts claimed by third-party payors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,773	-	14,773
Advances payable	2,859,001	-	114,412	-	-	-	-	-	-	-	-	-	-	-	-	2,973,413	(222,289)	2,751,124
Tenant deposits	-	-	-	22,203	41,269	37,672	-	336,062	56,707	176,141	16,793	18,535	82,731	-	-	831,905	-	831,905
Due to related parties, net	3,934,058	-	5,121,089	-	-	4,379	13,868,052	-	-	-	-	-	-	-	-	22,927,576	(18,888,380)	4,039,196
Line of credit	4,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,500,000	-	4,500,000
Right of use liability	2,317,801	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,317,801	-	2,317,801
Mortgages payable	-	-	-	-	30,899	76,407	-	217,285	375,000	119,300	-	-	123,334	-	-	942,225	-	942,225
Guardianship assets held in trust	28,005,645	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,005,645	-	28,005,645
Total Current Liabilities	<u>54,492,063</u>	<u>72,396</u>	<u>5,774,082</u>	<u>664,948</u>	<u>2,375,685</u>	<u>1,872,475</u>	<u>16,434,064</u>	<u>9,164,202</u>	<u>1,067,804</u>	<u>6,832,172</u>	<u>737,103</u>	<u>538,005</u>	<u>1,094,015</u>	<u>-</u>	<u>3,836</u>	<u>101,122,850</u>	<u>(34,399,301)</u>	<u>66,723,549</u>
Deferred compensation payable	3,229,791	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,229,791	-	3,229,791
Deferred rent	-	-	14,624	-	-	16,614	-	1,279,621	-	11,895	7,483	-	-	-	-	1,330,237	-	1,330,237
Refundable subsidies	-	-	-	-	-	514,569	-	187,636	-	-	-	-	-	-	-	187,636	-	187,636
Developer fee payable	-	-	1,363,531	-	-	-	-	-	95,306	39,879	-	-	1,286,019	-	-	3,290,304	(1,295,168)	2,004,136
Notes payable	520,000	-	1,299,207	-	520,000	-	-	13,267,037	-	9,814,311	-	-	-	-	-	25,420,555	(24,141,923)	1,278,632
Loan payable, net	-	-	-	-	-	-	-	-	-	-	22,002	-	-	-	-	22,002	-	22,002
Capital advance	-	-	-	-	-	-	-	-	-	-	6,419,000	7,984,600	-	-	-	14,403,600	-	14,403,600
Construction loan, net	-	-	11,959,093	-	-	-	-	-	-	-	-	-	-	-	-	11,959,093	-	11,959,093
Right of use liability	6,812,930	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,812,930	-	6,812,930
Mortgages payable, net	-	-	-	1,878,688	3,418,740	12,295,740	-	11,471,123	21,248,048	2,664,056	-	-	14,172,654	-	-	67,149,049	(713,000)	66,436,049
	10,562,721	-	14,636,455	1,878,688	3,938,740	12,826,923	-	26,205,417	21,343,354	12,518,246	6,452,897	7,992,083	15,458,673	-	-	133,814,197	(26,150,091)	107,664,106
Total Liabilities	<u>65,054,784</u>	<u>72,396</u>	<u>20,410,537</u>	<u>2,543,636</u>	<u>6,314,425</u>	<u>14,699,398</u>	<u>16,434,064</u>	<u>35,369,619</u>	<u>22,411,158</u>	<u>19,350,418</u>	<u>7,190,000</u>	<u>8,530,088</u>	<u>16,552,688</u>	<u>-</u>	<u>3,836</u>	<u>234,937,047</u>	<u>(60,549,392)</u>	<u>174,387,655</u>
Net Assets (Deficit)																		
Without donor restrictions	17,858,873	2,016,674	9,041,900	1,989,528	9,822,333	8,581,432	(16,396,442)	(1,969,030)	(3,965,948)	(3,356,301)	(2,032,357)	(2,732,400)	2,214,967	15,954,941	20,580,740	57,608,910	12,418,177	70,027,087
With donor restrictions	7,415,606	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,415,606	-	7,415,606
Total Net Assets (Deficit)	<u>25,274,479</u>	<u>2,016,674</u>	<u>9,041,900</u>	<u>1,989,528</u>	<u>9,822,333</u>	<u>8,581,432</u>	<u>(16,396,442)</u>	<u>(1,969,030)</u>	<u>(3,965,948)</u>	<u>(3,356,301)</u>	<u>(2,032,357)</u>	<u>(2,732,400)</u>	<u>2,214,967</u>	<u>15,954,941</u>	<u>20,580,740</u>	<u>65,024,516</u>	<u>12,418,177</u>	<u>77,442,693</u>
	\$ 90,329,263	\$ 2,089,070	\$ 29,452,437	\$ 4,533,164	\$ 16,136,758	\$ 23,280,830	\$ 37,622	\$ 33,400,589	\$ 18,445,210	\$ 15,994,117	\$ 5,157,643	\$ 5,797,688	\$ 18,767,655	\$ 15,954,941	\$ 20,584,576	\$ 299,961,563	\$ (48,131,215)	\$ 251,830,348

See independent auditors' report

Selfhelp Community Services, Inc. and Affiliates

Consolidating Statement of Operations and Change in Net Assets Year Ended June 30, 2023

	Selfhelp Community Services, Inc.	Kimmel Housing Development Foundation, Inc.	Selfhelp Realty Group, Inc. and Affiliate	Apex Senior Citizen Housing Limited Partnership	333 Lenox Associates, LLC	6469 Broadway Selfhelp, LLC	Selfhelp Family Home Care, Inc.	Selfhelp (KI-KII) Associates, LLC	Selfhelp Associates (KIII), L.P.	Selfhelp (KIV) Associates, L.P.	United Help/ Selfhelp Housing for the Elderly Housing Development Fund Company, Inc.	Selfhelp United Help Kissena Apts. HDFC, Inc.	Selfhelp (KVII) Associates, LLC	Selfhelp Housing Development Fund Corporation	United Help/ Selfhelp Sheltered Extension, Inc.	45th Avenue and Fellowship Fund for the Aged Housing Companies	Total before Eliminations	Eliminations	Total
OPERATING REVENUE																			
Home care revenue	\$ 44,782,438	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 340,870	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,123,308	\$ -	\$ 45,123,308
Government revenue	19,407,359	-	1,350,010	-	-	-	-	-	-	-	-	-	-	-	-	-	20,757,369	-	20,757,369
Contributions and program grants	32,278,161	-	-	-	-	-	832,766	-	-	-	-	-	-	-	-	-	33,110,927	-	33,110,927
Rental revenue	-	-	433,616	285,806	767,289	1,167,797	-	4,753,045	3,804,142	1,913,896	1,304,732	1,184,819	1,289,394	-	-	-	16,904,536	(870,556)	16,033,980
Program revenue	3,874,089	-	1,257,805	-	-	-	-	-	-	-	-	-	-	-	-	-	5,131,894	(3,001,133)	2,130,761
Real estate development fees	96,439	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	96,439	-	(96,439)
Reimbursement income	-	-	148,231	-	-	-	-	-	-	-	-	-	-	-	-	-	148,231	-	(148,231)
Other tenant charges	-	-	-	-	-	10,233	-	-	-	-	-	-	-	-	-	-	10,233	-	10,233
Miscellaneous revenue	1,353,213	14,633	162,828	16,527	(55,640)	3	92,272	40,296	9,193	35,907	21,098	75,414	-	667,988	543,948	2,977,680	-	2,977,680	
Investment return	2,655,328	-	(70,045)	-	-	-	-	-	-	-	-	-	-	-	-	-	2,585,283	75,000	2,660,283
Total Operating Revenue	104,447,027	14,633	3,282,445	302,333	767,289	1,122,390	1,173,639	4,845,317	3,844,438	1,923,089	1,340,639	1,205,917	1,364,808	-	667,988	543,948	126,845,900	(4,041,359)	122,804,541
OPERATING EXPENSES																			
Home care programs	46,618,063	-	-	-	-	-	670,966	-	-	-	-	-	-	-	-	-	47,289,029	-	47,289,029
Community programs	18,997,824	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,997,824	(870,556)	18,127,268
Residential programs	-	-	2,462,825	315,275	943,511	1,040,189	-	4,948,746	3,909,914	2,411,466	984,466	853,989	1,281,702	-	96,439	-	19,248,522	(3,245,803)	16,002,719
Holocaust survivor programs	26,282,094	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,282,094	-	26,282,094
Management and general	16,520,036	48,651	1,959,471	55,986	40,376	109,701	514,381	457,026	324,737	197,254	93,837	167,482	117,780	-	-	-	20,606,718	(895,943)	19,710,775
Total Operating Expenses	108,418,017	48,651	4,422,296	371,261	983,887	1,149,890	1,185,347	5,405,772	4,234,651	2,608,720	1,078,303	1,021,471	1,399,482	-	96,439	-	132,424,187	(5,012,302)	127,411,885
Excess (Deficiency) of Operating Revenue over Operating Expenses Before Other Changes	(3,970,990)	(34,018)	(1,139,851)	(68,928)	(216,598)	(27,500)	(11,708)	(560,455)	(390,213)	(685,631)	262,336	184,446	(34,674)	-	571,549	543,948	(5,578,287)	-	(4,607,344)
OTHER CHANGES																			
Depreciation and amortization	(390,925)	-	(535,832)	(288,330)	(724,665)	(923,284)	-	(1,081,259)	(415,661)	(562,748)	(266,637)	(273,367)	(649,524)	-	-	-	(6,112,232)	-	(6,112,232)
Equity contributions	-	-	2,774,418	-	-	-	-	-	-	-	-	-	-	-	-	-	2,774,418	-	2,774,418
Other adjustments	-	-	1,459,690	-	-	-	-	-	-	-	-	-	-	-	-	-	1,459,690	-	1,459,690
Total Other Changes	(390,925)	-	3,698,276	(288,330)	(724,665)	(923,284)	-	(1,081,259)	(415,661)	(562,748)	(266,637)	(273,367)	(649,524)	-	-	-	(1,878,124)	-	(1,878,124)
Change in Net Assets	(4,361,915)	(34,018)	2,558,425	(357,258)	(941,263)	(950,784)	(11,708)	(1,841,714)	(805,874)	(1,248,379)	(4,301)	(88,921)	(684,198)	-	571,549	543,948	(7,456,411)	970,943	(6,485,468)
Net Assets - beginning of year	29,636,394	2,050,692	6,483,475	2,346,786	10,763,596	9,532,216	(16,384,734)	(327,316)	(3,160,074)	(2,107,922)	(2,028,056)	(2,643,479)	2,899,165	-	15,383,392	20,036,792	72,480,927	11,447,234	83,928,161
Net Assets - end of year	\$ 25,274,479	\$ 2,016,674	\$ 9,041,900	\$ 1,989,528	\$ 9,822,333	\$ 8,581,432	\$ (16,396,442)	\$ (1,969,030)	\$ (3,965,948)	\$ (3,356,301)	\$ (2,032,357)	\$ (2,732,400)	\$ 2,214,967	\$ -	\$ 15,954,941	\$ 20,580,740	\$ 65,024,516	\$ 12,418,177	\$ 77,442,693

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