

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

Consolidated Financial Statements

June 30, 2024 and 2023



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, 2024 and 2023 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, 2024 and 2023, 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 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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
January 17, 2025

Selfhelp Community Services, Inc. and Affiliates

Consolidated Statements of Financial Position

	June 30	
	2024	2023
ASSETS		
Current Assets		
Cash	\$ 6,757,910	\$ 7,703,134
Investments	23,855,732	24,162,505
Accounts receivable, net of allowance for credit losses of \$275,308 and \$279,511	5,732,904	4,780,707
Grants receivable, net	14,815,377	11,755,396
Other current assets	2,689,251	1,418,604
Tenant deposits held in trust	861,860	831,905
Guardianship assets held in trust	29,059,129	28,005,645
Total Current Assets	83,772,163	78,657,896
Restricted assets and funded reserves - cash	12,371,088	12,892,695
Assets held for deferred compensation	2,903,040	2,777,697
Deferred development fee receivable	75,149	73,084
Right of use assets	5,873,844	8,304,904
Property and equipment, net	145,261,098	149,124,072
	154,113,131	160,279,757
Total Assets	\$ 250,256,382	\$ 251,830,348
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 16,300,090	\$ 15,780,778
Accrued salaries and related benefits	3,624,793	4,315,967
Other current liabilities	80,000	-
Accrued interest payable	3,511,689	3,224,133
Estimated amounts claimed by third-party payors	76,420	14,773
Advances payable	4,023,768	2,751,124
Tenant deposits	861,860	831,905
Due to related party	3,018,250	4,039,198
Line of credit	5,500,000	4,500,000
Operating lease liabilities	2,405,951	2,317,801
Mortgages payable	891,558	942,225
Guardianship assets held in trust	29,059,129	28,005,645
Total Current Liabilities	69,353,508	66,723,549
Deferred compensation payable	3,211,205	3,229,791
Deferred rent	1,500,999	1,330,237
Refundable subsidies	187,636	187,636
Developer fee payable	635,524	2,004,136
Notes payable	1,579,425	1,278,632
Loan payable, net	22,002	22,002
Capital advance	14,403,600	14,403,600
Construction loan	-	11,959,093
Operating lease liabilities, net of current portion	4,031,799	6,812,930
Mortgages payable, net of current portion	67,891,474	66,436,049
	93,463,664	107,664,106
Total Liabilities	162,817,172	174,387,655
Net Assets (See Notes 14 and 15)		
Without donor restrictions	78,689,224	70,027,087
With donor restrictions	8,749,986	7,415,606
Total Net Assets	87,439,210	77,442,693
Total Liabilities and Net Assets	\$ 250,256,382	\$ 251,830,348

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, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE			
Home care revenue	\$ 47,672,988	\$ -	\$ 47,672,988
Government revenue	22,482,851	-	22,482,851
Contributions and program grants	35,602,976	707,875	36,310,851
Rental revenue	16,585,459	-	16,585,459
Program revenue	8,995,142	-	8,995,142
Real estate development fees	469,644	-	469,644
Other tenant charges	18,980	-	18,980
Miscellaneous revenue	2,173,431	-	2,173,431
Investment return	2,173,808	922,280	3,096,088
Net assets released from restriction	295,775	(295,775)	-
Total Operating Revenue	136,471,054	1,334,380	137,805,434
OPERATING EXPENSES			
Home care programs	49,014,776	-	49,014,776
Community programs	18,459,101	-	18,459,101
Residential programs	16,966,475	-	16,966,475
Holocaust survivor programs	31,680,613	-	31,680,613
Management and general	19,988,362	-	19,988,362
Total Operating Expenses	136,109,327	-	136,109,327
Excess of Operating Revenue Over Operating Expenses Before Other Changes	361,727	1,334,380	1,696,107
OTHER CHANGES			
Gain on sale	5,178,592	-	5,178,592
Depreciation and amortization	(6,103,372)	-	(6,103,372)
Equity contributions	9,225,190	-	9,225,190
Total Other Changes	8,300,410	-	8,300,410
Change in Net Assets	8,662,137	1,334,380	9,996,517
NET ASSETS (See Notes 14 and 15)			
Beginning of year	70,027,087	7,415,606	77,442,693
End of year	\$ 78,689,224	\$ 8,749,986	\$ 87,439,210

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
Other tenant charges	10,233	-	10,233
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
Equity distributions	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 14 and 15)			
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 Functional Expenses Year Ended June 30, 2024

	Program Services				Supporting Services		
	Home Care Programs	Community Programs	Residential Programs	Holocaust Survivor Programs	Total	Management and General	Total
Salaries	\$ 36,565,127	\$ 10,718,581	\$ 3,154,279	\$ 5,242,463	\$ 55,680,450	\$ 7,022,229	\$ 62,702,679
Fringe benefits	9,579,383	3,873,384	941,349	1,815,348	16,209,464	1,975,416	18,184,880
	46,144,510	14,591,965	4,095,628	7,057,811	71,889,914	8,997,645	80,887,559
Management fee	-	-	-	-	-	448,985	448,985
Real estate tax	-	-	775,796	-	775,796	-	775,796
Utilities	-	-	2,384,377	-	2,384,377	-	2,384,377
Repairs and maintenance	-	-	1,522,026	-	1,522,026	-	1,522,026
Security	-	-	739,888	-	739,888	-	739,888
Computer expense	278,423	130,010	18,885	85,005	512,323	1,060,155	1,572,478
Meetings and conferences	9,793	-	308,950	3,357	322,100	32,954	355,054
Dues and subscriptions	22,134	16,886	1,822	325	41,167	168,800	209,967
Postage	12,364	14,552	-	12,067	38,983	70,595	109,578
Telephone	134,996	155,928	95,019	95,185	481,128	97,234	578,362
Travel expenses	10,974	57,600	-	29,000	97,574	65,463	163,037
Participant travel	33,317	556,815	-	106,997	697,129	-	697,129
Provider carfare	70,178	-	-	-	70,178	-	70,178
Advertising	139,007	3,296	2,000	6,747	151,050	117,219	268,269
Temporary services	67,970	329,617	86,353	4,410	488,350	118,877	607,227
Insurance expense	24,982	137,394	719,299	42,273	923,948	2,037,997	2,961,945
Professional and consulting	324,221	328,547	178,452	137,046	968,266	1,762,984	2,731,250
Accounting and legal fees	-	239,215	166,310	21,520	427,045	422,417	849,462
Training and supplies	161,944	37,760	272,937	839	473,480	136,878	610,358
Physicals and uniforms	280,871	-	-	-	280,871	-	280,871
Rent and occupancy	888,047	91,874	161,629	616,827	1,758,377	1,491,404	3,249,781
Printing and office supplies	26,029	150,551	23,541	6,340	206,461	184,785	391,246
Office maintenance and cleaning	67,095	245,709	439,630	92,538	844,972	323,031	1,168,003
Cash assessment program	96,335	-	-	-	96,335	-	96,335
Bank charges	6,993	4,571	1,795	3,910	17,269	497,627	514,896
Food, kitchen repairs and supplies	17,036	1,028,768	26,116	98,467	1,170,387	70,266	1,240,653
Emergency assistance	-	56,036	-	2,165,454	2,221,490	2,000	2,223,490
Criminal background fees	70,397	11,242	1,765	3,184	86,588	12,439	99,027
Client wellness	-	74,333	123,550	20,979,623	21,177,506	-	21,177,506
Bad debts	-	-	-	-	-	1,625,244	1,625,244
Group activity rentals expenses	65	194,016	101,528	47,176	342,785	-	342,785
Interest	-	-	4,523,816	-	4,523,816	-	4,523,816
Debt issuance amortization interest	-	-	89,833	-	89,833	-	89,833
Miscellaneous expenses	127,095	2,416	105,530	64,512	299,553	243,363	542,916
Total Expenses before Depreciation and Amortization	49,014,776	18,459,101	16,966,475	31,680,613	116,120,965	19,988,362	136,109,327
Depreciation and amortization	51,392	106,626	5,739,348	185,729	6,083,095	20,277	6,103,372
Total Expenses	<u>\$ 49,066,168</u>	<u>\$ 18,565,727</u>	<u>\$ 22,705,823</u>	<u>\$ 31,866,342</u>	<u>\$ 122,204,060</u>	<u>\$ 20,008,639</u>	<u>\$ 142,212,699</u>

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
	<u>43,893,307</u>	<u>14,234,053</u>	<u>3,572,570</u>	<u>6,489,588</u>	<u>68,189,518</u>	<u>9,352,948</u>	<u>77,542,466</u>
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	<u>164,032</u>	<u>5,312</u>	<u>243,648</u>	<u>4,411</u>	<u>417,403</u>	<u>85,757</u>	<u>503,160</u>
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	<u>52,264</u>	<u>108,927</u>	<u>5,720,673</u>	<u>229,734</u>	<u>6,111,598</u>	<u>634</u>	<u>6,112,232</u>
Total Expenses	<u>\$ 47,341,293</u>	<u>\$ 18,236,195</u>	<u>\$ 21,723,392</u>	<u>\$ 26,511,828</u>	<u>\$ 113,812,708</u>	<u>\$ 19,711,409</u>	<u>\$ 133,524,117</u>

See notes to consolidated financial statements

Selfhelp Community Services, Inc. and Affiliates

Consolidated Statements of Cash Flows

	Year Ended June 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 9,996,517	\$ (6,485,468)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Realized and unrealized gains on investments	(2,503,805)	(2,108,951)
Depreciation and amortization	6,103,372	6,112,232
Deferred rent	170,762	(905,336)
Bad debt expense	1,625,244	595,932
Debt issuance amortization	89,833	280,805
Equity contributions	(9,225,190)	(2,774,418)
Equity distributions	-	1,459,690
Amortization of right of use asset	2,431,060	1,645,479
Changes in operating assets and liabilities:		
Accounts receivable	(952,197)	1,928,291
Grants receivable	(4,685,225)	
Other current assets	(1,270,647)	350,346
Due from related party	-	640,351
Deferred developer fee receivable	(2,065)	(2,008)
Accounts payable and accrued expenses	519,312	4,219,004
Accrued salaries and related benefits	(691,174)	(751,355)
Other current liabilities	80,000	(317,980)
Accrued interest payable	287,556	621,087
Estimated amounts claimed by third-party payors	61,647	(1,915,349)
Advances payable	1,272,644	60,161
Deferred compensation payable	(18,586)	(26,865)
Due to related party	(1,020,948)	2,039,198
Developer fee payable	(1,368,612)	1,375,753
Operating lease liability	(2,692,981)	(819,652)
Net Cash from Operating Activities	(1,793,483)	5,220,947
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in assets held for deferred compensation	(125,343)	(128,462)
Proceeds from sale of investments	3,271,739	7,176,665
Purchase of investments	(461,161)	(7,355,538)
Purchase of property and equipment	(2,240,398)	(7,236,563)
Net Cash from Investing Activities	444,837	(7,543,898)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on line of credit	1,000,000	1,000,000
Proceeds from notes payable	300,793	139,207
Principal payments on mortgage	(2,492,492)	(723,531)
Debt issuance costs payments	(858,920)	-
Borrowings (payments) on construction loan	(7,292,756)	308,251
Equity contributions	9,225,190	2,774,418
Equity distributions	-	(1,459,690)
Net Cash from Financing Activities	(118,185)	2,038,655
Change in Cash and Restricted Cash	(1,466,831)	(284,296)
CASH AND RESTRICTED CASH		
Beginning of year	20,595,829	20,880,125
End of year	\$ 19,128,998	\$ 20,595,829
CASH AND RESTRICTED CASH		
Cash	\$ 6,757,910	\$ 7,703,134
Restricted assets and funded reserves - cash	12,371,088	12,892,695
	\$ 19,128,998	\$ 20,595,829
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 4,236,260	\$ 4,245,933
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Refinancing of construction loan	\$ 4,666,337	\$ -

See notes to consolidated financial statements

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

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.; Selfhelp Kissena House, LLC; Selfhelp Kissena House GP, Inc.; Selfhelp Kissena House 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.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

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

- 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.
- 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. See Note 12 regarding information on the asset purchase agreement and status of the dissolution of the CHHA.
- 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 Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

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

- 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 (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. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

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

- Selfhelp Community Services, Inc. is the sole member of 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.

2. Summary of Significant Accounting Policies

Adoption of New Accounting Pronouncement

In June 2016, the Financial Accounting Standards Board issued an accounting pronouncement, ASU-2016-13 related to the measurement of credit losses on financial instruments. This pronouncement and subsequently issued Accounting Standards Updates, clarified certain provisions of the new guidance, changed the incurred loss model for most financial assets and required the use of an expected loss model for instruments measured at amortized cost and certain other instruments that are not measured at fair value through net income. Under this model, entities are required to estimate the lifetime expected credit losses on such instruments and record an allowance to offset the amortized cost basis of the financial asset, resulting in a net presentation of the amount expected to be collected on the financial asset. The adoption of this guidance on July 1, 2023 expanded the Organization's required disclosures for its expected credit losses for accounts receivable but did not have a material effect on its consolidated financial statements.

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)

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, 2024 and 2023, the Organization had no Board designated funds.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

2. Summary of Significant Accounting Policies

Net Assets (continued)

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, 2024 and 2023, the Organization had no assets maintained in perpetuity.

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.

Investment Asset Valuation

Investments are carried at fair value.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

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

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, 2024 and 2023, the allowance for doubtful accounts related to grants amounted to \$1,989,129 and \$1,687,006.

Accounts Receivable

Prior to July 1, 2023, accounts receivable were recorded at the amount invoiced less an allowance for doubtful accounts. The net amount of accounts receivable and corresponding allowance for doubtful accounts were presented on the consolidated statements of financial position. Receivable balances were assessed at every reporting date for collectability and an allowance was recorded if the receivable was considered uncollectable. Subsequent to July 1, 2023, accounts receivable are recorded at amortized cost less an allowance for credit losses that are not expected to be recovered. The amount of accounts receivable and corresponding allowance for credit losses are presented on the consolidated statements of financial position. The Organization maintains allowances for credit losses resulting from the expected failure or inability of its customers to make required payments. The Organization recognizes the allowance for credit losses at inception and reassesses at every reporting date based on the asset's expected collectability.

The Organization considers receivables past due or delinquent when payments have not been received in a timely manner, and receivables are written off when management deems the possibility of collecting amounts due as completely unlikely. The Organization closely monitors outstanding balances for all receivables and adheres to a standard set of protocols for collection activities to be undertaken at certain times based upon delinquency status. The allowance is based on multiple factors including historical experience with uncollectible accounts, the credit quality of the customer base, the aging of such receivables and current macroeconomic conditions as well as reasonable and supportable forecasts. The Organization's allowance for credit losses is based on the assessment of the collectability of assets pooled together with similar risk characteristics.

The Organization's accounts receivable includes tenant receivables and balances principally due from insurance or government agencies for services rendered and are reported at their estimated realizable values.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

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

Accounts Receivable (continued)

Management makes estimates of the collectability from credit losses on all financial assets within the scope of ASU 2016-13. Management analyzes relevant information about past events, including historical experience, current conditions and reasonable and supportable forecasts when evaluating the adequacy of the allowance for credit losses. At June 30, 2024 and 2023, the allowance for credit losses and allowance for doubtful accounts related to rental receivables amounted to \$275,308 and \$279,511. At June 30, 2024 and 2023, there was no allowance for credit losses or doubtful accounts for home care receivables.

The following table provides a roll-forward of the allowance for credit losses that is deducted from the accounts receivable:

	<u>2024</u>
Balance, July 1, 2023	\$ 279,511
Credit losses	101,528
Amounts written off charged against the allowance	<u>(105,731)</u>
Balance, June 30, 2024	<u>\$ 275,308</u>

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, 2024 and 2023, the liability and related asset of approximately \$2,935,000 and \$2,286,000 related to these claims were not presented in the consolidated statements of financial position.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

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.

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, 2024 and 2023.

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 and amortization are reported as other changes and are excluded from the operating measure.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

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

Leases

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 statements of financial position.

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>2024</u>	<u>2023</u>
Medicaid, Managed long term care, Managed Care	\$ 20,712,966	\$ 17,320,215
Private Pay	18,271,282	15,887,207
Provider Contracts	694,888	934,902
Other Contracts	4,646,291	7,532,450
Homemaking	3,347,561	3,448,534
	<u>\$ 47,672,988</u>	<u>\$ 45,123,308</u>

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

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, 2024 and 2023, 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.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

2. Summary of Significant Accounting Principles (continued)

Revenue Recognition – Home Care Revenue (continued)

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.

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.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

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, 2024 and 2023 was \$268,269 and \$485,047.

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, 2021.

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 2017 and prior periods expire in various years through 2038. 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.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

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

Reclassifications

Certain amounts reported for 2023 have been reclassified to conform to the 2024 presentation.

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 January 17, 2024.

3. Investments

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

	2024		2023	
	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	\$ 684,412	\$ 684,412	\$ 3,583,377	\$ 3,583,377
Agency securities	2,842,640	2,842,640	1,611,644	1,611,644
Corporate bonds	3,765,587	3,765,587	3,273,122	3,273,122
Mutual funds	13,767,020	13,767,020	13,110,836	13,110,836
UJA - Federation of New York, Inc. ("UJA") pooled investment account *	-	2,796,073	-	2,583,526
	<u>\$ 21,059,659</u>	<u>\$ 23,855,732</u>	<u>\$ 21,578,979</u>	<u>\$ 24,162,505</u>

* 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:

	2024	2023
Realized and unrealized gains on investments	\$ 2,503,805	\$ 2,108,951
Interest and dividends	592,283	551,332
	<u>\$ 3,096,088</u>	<u>\$ 2,660,283</u>

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

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, 2024 and 2023. Information regarding investments valued at NAV using the practical expedient is as follows at June 30:

	2024			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
UJA pooled investment account	\$ 2,796,073	None	Unlimited	30 days

	2023			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
UJA pooled investment account	\$ 2,583,526	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:

	2024	2023
Home care	\$ 3,694,101	\$ 4,027,919
Tenant receivables	2,314,111	1,032,299
Total Accounts Receivable	6,008,212	5,060,218
Less allowance for credit losses	(275,308)	(279,511)
Accounts Receivable, Net	\$ 5,732,904	\$ 4,780,707

At July 1, 2022, contract assets and contract liabilities amounted to \$3,547,175 and \$0, respectively.

5. Guardianship Assets Held in Trust

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

	2024		2023	
	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	\$ 3,301,359	\$ 3,301,359	\$ 3,270,817	\$ 3,270,817
Cash and other assets, at cost		25,757,770		24,734,828
		\$ 29,059,129		\$ 28,005,645

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

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 as required by mortgage and other agreements.

7. Assets Held for Deferred Compensation

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

	2024		2023	
	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	\$ 329,979	\$ 329,979	\$ 373,756	\$ 373,756
Mutual funds	2,225,338	2,225,338	2,176,258	2,176,258
Electronic traded products	347,723	347,723	227,683	227,683
Total Assets Held for Deferred Compensation	<u>\$ 2,903,040</u>	<u>\$ 2,903,040</u>	<u>\$ 2,777,697</u>	<u>\$ 2,777,697</u>

8. Property and Equipment

Property and equipment consists of the following at June 30:

	2024	2023
Land and building	\$ 177,069,027	\$ 176,985,007
Telephone equipment	689,740	689,740
Computer equipment	4,273,115	4,222,714
Leasehold improvements	31,535,273	31,470,791
Office furniture and equipment	8,111,151	8,359,949
Construction in progress	<u>2,586,906</u>	<u>296,613</u>
	224,265,212	222,024,814
Accumulated depreciation and amortization	<u>(79,004,114)</u>	<u>(72,900,742)</u>
	<u>\$ 145,261,098</u>	<u>\$ 149,124,072</u>

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

9. Notes Payable

- a) 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, 2024 and 2023, the outstanding principal is \$259,425. For the years ended June 30, 2024 and 2023, interest expense is \$2,594. Accrued interest at June 30, 2024 and 2023 is \$13,658 and \$14,221. For the years ended June 30, 2024 and 2023 interest paid amounted to \$3,157 and \$4,554.
- b) 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 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, 2024 and 2023 outstanding principal amounted is \$520,000.
- c) 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, and bears interest at the rate of 1.0% per annum. As of June 30, 2024 and 2023, \$800,000 and \$499,207 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, 2025. Interest is charged at the adjusted SOFR rate on any outstanding balance. As of, June 30, 2024 and 2023, the interest rate is 11.47% and 9.22%. 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, 2024 and 2023 is \$5,500,000 and \$4,500,000. Related interest expense on the line of credit amounted to \$361,977 and \$167,484 for the years ended June 30, 2024 and 2023.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

11. Construction Loan

	2024	2023
<p>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 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%. Interest expense for the years ended June 30, 2024 and 2023 amounted to \$47,785 and \$366,788.</p>	\$	-
		\$ 10,615,613
<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 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%. Interest expense for the years ended June 30, 2024 and 2023 amounted to \$4,080 and \$70,158.</p>	-	1,905,493
	-	12,521,106
<p>Unamortized debt issuance costs</p>	-	(562,013)
Total Construction Loans	\$ -	\$ 11,959,093

During the year ended June 30, 2024, the Organization did not record debt issuance costs and amortization expense. During the year ended June 30, 2023, the Organization recorded debt issuance costs of \$567,809 and related amortization expense of \$5,796. There were additional debt issuance costs incurred in the amount of \$291,111 in the refinancing. The amount was reclassified once the debt was converted to permanent financing and is recorded in mortgages payable (Note 12).

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

12. Mortgages Payable

	2024	2023
<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>	\$ 3,235,130	\$ 3,313,468
<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>	8,850,000	8,850,000
<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>	500,000	500,000
<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>	6,070,266	6,292,506
<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, 2024 and 2023 no repayments of the loan have been made.</p>	5,820,000	5,820,000

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

12. Mortgages Payable *(continued)*

	2024	2023
<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 November 1, 2023, the property was refinanced with a loan insured by HUD under section 207 pursuant to Section 223(f), with Lumnet Capital in the amount of \$20,600,000. The funds were used to pay the bridge loan and provide funding for renovations and repairs for the property. The loan bears interest at 6.21% per annum and matures on December 1, 2058. The loan bears interest at 6.21% per annum and matures on December 1, 2058. Interest only is due on the principal outstanding for the period beginning on the date of disbursement, which was made on December 1, 2023. Thereafter, monthly installments of principal and interest of \$124,954, are payable on the first day of the month beginning January 1, 2024 through June 1, 2036. Thereafter, monthly installments of principal and interest of \$113,183 are payable on the first day of the month beginning July 1, 2036, until the entire principal balance is repaid.</p>	\$ 20,488,470	\$ 22,400,000
<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>	2,833,522	2,956,237
<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>	4,441,254	4,567,713
<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

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

12. Mortgages Payable *(continued)*

	2024	2023
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.	\$ 2,360,083	\$ 2,360,083
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% un compounded, 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.	3,612,751	3,643,961
o) Bergen Place LLC entered into a mortgage in the maximum amount of \$4,720,000 which is held with Community Preservation Corporation ("CPC"). The mortgage bears interest at the rate of 4.57% per annum and is payable in monthly installments of principal and interest of \$24,112. For the years ended June 30, 2024 and 2023, \$188,907 and \$0 of interest was expensed. As of June 30, 2024, \$21,282 was accrued and payable. The loan matures in September 2053. The mortgage is secured by an investment in real estate.	4,666,337	-
	72,019,039	69,845,194
Less unamortized debt issuance costs	(3,236,007)	(2,466,920)
Total Mortgages Payable	\$ 68,783,032	\$ 67,378,274

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

12. Mortgages Payable (continued)

During 2024 debt issuance costs were recorded related to the new mortgage in the amount of \$858,920. Total interest expense on the mortgages for the years ended June 30, 2024 and 2023 amounted to \$4,154,245 and \$4,238,801. Accrued interest on the mortgages amounted is \$3,493,031 and \$3,209,912 at June 30, 2024 and 2023.

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

2025	\$	891,558
2026		942,601
2027		995,438
2028		1,050,890
2029		1,106,761
Thereafter		<u>67,031,791</u>
		72,019,039
Unamortized debt issuance costs		<u>(3,236,007)</u>
	\$	<u>68,783,032</u>

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

2025	\$	136,860
2026		136,860
2027		136,860
2028		136,860
2029		136,860
Thereafter		<u>2,551,707</u>
	\$	<u>3,236,007</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. As of June 30, 2024 and 2023, two separate capital advances of \$7,984,600 and \$6,419,000 have been made to fund the entities. The capital advances will become repayable 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, 2024 and 2023

14. Changes in Consolidated Net Assets Without Donor Restrictions

	Total	Without Donor Restrictions	Non- Controlling Interest
Balance, June 30, 2022	\$ 77,194,065	\$ 51,887,365	\$ 25,306,700
Change in net assets	<u>(7,166,978)</u>	<u>(2,969,996)</u>	<u>(4,196,982)</u>
Balance, June 30, 2023	70,027,087	48,917,369	21,109,718
Change in net assets	<u>8,662,137</u>	<u>13,241,142</u>	<u>(4,579,005)</u>
Balance, June 30, 2024	<u>\$ 78,689,224</u>	<u>\$ 62,158,511</u>	<u>\$ 16,530,713</u>

15. Net Assets with Donor Restrictions

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

	2024			
		Additions and		
	Net Assets July 1, 2023	Other Changes	Net Assets Released	Net Assets June 30, 2024
Holocaust Survivor Program and Project Legacy	\$ 6,342,465	\$ 888,282	\$ (295,775)	\$ 6,934,972
Alzheimer Fund	493,932	35,240	-	529,172
Other	579,209	706,633	-	1,285,842
	<u>\$ 7,415,606</u>	<u>\$ 1,630,155</u>	<u>\$ (295,775)</u>	<u>\$ 8,749,986</u>
	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	589,568	(10,359)	-	579,209
	<u>\$ 6,734,096</u>	<u>\$ 681,510</u>	<u>\$ -</u>	<u>\$ 7,415,606</u>

16. Operating Leases

Right of use assets consist of the following as of June 30:

	2024	2023
Right of use assets- operating leases	\$ 9,950,383	\$ 9,950,383
Accumulated amortization- operating leases	<u>(4,076,539)</u>	<u>(1,645,479)</u>
	<u>\$ 5,873,844</u>	<u>\$ 8,304,904</u>

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

16. Operating Leases (continued)

The Organization leases office space under various lease agreements with expiration dates between fiscal 2025 and 2031. Future minimum least costs are:

2025	\$ 2,422,012
2026	890,030
2027	568,467
2028	604,699
2029	641,445
Thereafter	<u>1,970,604</u>
	7,097,257
Less amounts representing interest	<u>(659,507)</u>
	<u><u>\$ 6,437,750</u></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. Subsequent to year end, the Organization entered into a commitment for additional office space.

The lease cost and other required information is as follows as of and for the years ended June 30:

	2024	2023
Lease cost		
Operating lease cost	\$ 2,259,928	\$ 2,408,397
Other information		
Weighted-average remaining lease term		
Operating lease	5.00	5.33
Weighted-average discount rate		
Operating lease	3.98%	3.98%
Cash paid for operating leases	\$ 2,521,849	\$ 2,673,204

In February 2024 the Organization entered into a lease for new office space over the course of thirty years amounting to approximately \$87 million. As of the financial statement date, the lessor has not completed required leasehold improvements per the agreement. Accordingly, there is no right-of-use asset or related operating lease liability recorded at June 30, 2024.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

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 \$1,500,000 and \$1,486,000 for the years ended June 30, 2024 and 2023 and were not more than 5% of total contributions to the Nonunion Pension Plan.

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.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

17. Pension Plans (continued)

b. Union Pension Plan (continued)

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, 2024 and 2023 is outlined in the table below. The most recent Pension Protection Act (“PPA”) zone status available in 2024 is for the Plan’s year-end at January 1, 2024. 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	
			2024	2023
DC 1707 Local Home Care & Professional Employees Pension Fund	13-3698650	001	Green as of 1/1/24	Green as of 1/1/23
FIP / RP Status	Contributions		Surcharge Imposed	Expiration Date of Collective- Bargaining Agreement
Pending/Implemented	2024	2023		
Yes	\$ 325,581	\$ 318,898	No	December 31, 2026

Form 5500 was not yet available for the Plan’s year ended in 2024.

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.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

17. Pension Plans (continued)

c. Deferred Compensation Plans (continued)

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 \$2,903,040 and \$2,777,697 as assets held for deferred compensation as of June 30, 2024 and 2023. The expense for each fiscal year 2024 and 2023 was \$200,000. The liability at June 30, 2024 and 2023 is \$3,211,205 and \$3,229,791 and 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 2024 and 2023 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, 2023. 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, 2024 and 2023 did not exceed 5% of the total employer contributions.

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			2024	2023		
		2024	2023					
Building Service 32BJ Pension Fund	13-1879376 001	Yellow as of 7/1/23	Yellow as of 7/1/22	Yes	\$ 7,097	\$ 12,588	No	April 20, 2026

Form 5500 is not available for the plan year ended June 30, 2024.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

17. Pension Plans *(continued)*

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

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, 2024 and 2023 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. An extension agreement was reached in February 2024 that extended the original agreement to December 31, 2026 with certain modifications.

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.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

18. Commitments and Contingencies (*continued*)

Contingencies (continued)

Health Care Revenue and Regulatory Compliance (continued)

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 Selfhelp Family Home Care, Inc. 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 difference of \$832,766 between the liability and the settlement amount was recorded as gain on sale in nonoperating revenue net of related expenses in the 2023 consolidated statement of operations and change in net assets.

19. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash, investments and receivables. 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. A significant portion of the Organization’s receivables consists of reimbursements owed from government agencies and third party payors for services under their program contracts.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

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>2024</u>	<u>2023</u>
Cash	\$ 6,757,910	\$ 7,703,134
Investments	23,855,732	24,162,505
Accounts receivable	5,732,904	4,780,707
Grants receivable, net	<u>14,815,377</u>	<u>11,755,396</u>
Total Financial Assets Available Within One Year	51,161,923	48,401,742
Less contractual or donor imposed restricted amounts:		
Restricted by donor with time or purpose restrictions	<u>(8,749,986)</u>	<u>(7,415,606)</u>
Add: Net assets with donor restrictions expected to be released within one year	<u>2,010,528</u>	<u>2,125,762</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 44,422,465</u>	<u>\$ 43,111,898</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 and managed care 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.

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 Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

21. Asset Purchase Agreement (continued)

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. 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.

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 and recognized \$5,500,000 as a gain on sale net of related expenses of \$321,408 in the consolidated statement of operations and changes in net assets for the year ended June 30, 2024.

22. Related Party Transactions

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

2024		2023	
Medical insurance	\$ 91,812	Medical insurance	\$ 86,961
Rent	85,618 (a)	Rent	76,822 (a)
Pension	45,137 (b)	Pension	41,575 (b)
Other fringe benefits	142,244	Other fringe benefits	126,722
Administrative and general	3,697	Administrative and general	11,159
	<u>\$ 368,508</u>		<u>\$ 343,239</u>

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

(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 Foundation collected contributions in the amount of \$2,362,223 and \$1,861,689 for the years ended June 30, 2024 and 2023 on behalf of Selfhelp. During the year ended June 30, 2023 the Foundation loaned Selfhelp amounts totaling \$3,917,198 and Selfhelp made payments of \$1,861,689. At June 30, 2023, Selfhelp owes the Foundation \$2,934,198. During the year ended June 30, 2024 the Foundation loaned Selfhelp amounts totaling \$2,766,712 and Selfhelp made payments of \$1,152,709. At June 30, 2024 Selfhelp owes the Foundation \$1,817,470.

Selfhelp Community Services, Inc. and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

22. Related Party Transactions *(continued)*

During the year ended June 30, 2022 the Foundation liquidated \$2,000,000 of investments and loaned the amount to Selfhelp for use in its operations within the normal course of business. At June 30, 2024 and 2023, Selfhelp owes the Foundation a balance of \$1,000,000 on this loan. There is no specific repayment date for amounts due between the entities.

At June 30, 2024 and 2023, the Foundation has loan amounts of \$200,780 and \$105,000 to Selfhelp Realty Group, Inc.

During the years ended June 30, 2024 and 2023, the Organization received contributions from Board members totaling \$0 and \$490,662.

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

Consolidating Schedules

June 30, 2024

Selfhelp Community Services, Inc. and Affiliates

Consolidating Statement of Operations and Change in Net Assets Year Ended June 30, 2024

	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 (KII-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 Kissena Apts. HDFC, 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
OPERATING REVENUE																		
Home care revenue	\$ 47,550,101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,887	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,672,988	\$ -	\$ 47,672,988
Government revenue	20,100,804	-	2,382,047	-	-	-	-	-	-	-	-	-	-	-	-	22,482,851	-	22,482,851
Contributions and program grants	36,310,851	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36,310,851	-	36,310,851
Rental revenue	-	-	599,019	434,766	824,043	1,260,114	-	4,846,075	4,030,926	1,950,193	1,306,989	1,177,859	1,274,257	-	-	17,704,241	(1,118,782)	16,585,459
Program revenue	10,913,527	-	1,459,662	-	-	-	-	-	-	-	-	-	-	-	-	12,373,189	(3,378,047)	8,995,142
Real estate development fees	-	-	566,063	-	-	-	-	-	-	-	-	-	-	-	-	566,063	(96,439)	469,624
Reimbursement income	-	-	141,399	-	-	-	-	-	-	-	-	-	-	-	-	141,399	(141,399)	-
Other tenant charges	-	-	-	-	-	18,980	-	-	-	-	-	-	-	-	-	18,980	-	18,980
Miscellaneous revenue	2,393,768	14,690	103,778	27,884	-	(10,111)	187,517	198,690	61,958	46,950	58,768	32,685	35,844	716,939	543,948	4,413,308	(2,239,877)	2,173,431
Investment return	3,108,713	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,108,713	(12,625)	3,096,088
Total Operating Revenue	120,377,764	14,690	5,251,988	462,650	824,043	1,268,983	310,404	5,044,765	4,092,884	1,997,143	1,365,757	1,210,544	1,310,101	716,939	543,948	144,792,603	(6,987,169)	137,805,434
OPERATING EXPENSES																		
Home care programs	48,818,845	-	-	-	-	-	195,931	-	-	-	-	-	-	-	-	49,014,776	-	49,014,776
Community programs	19,577,883	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,577,883	-	19,577,883
Residential programs	-	-	3,076,399	402,757	890,295	1,114,274	-	4,970,874	4,046,328	2,684,089	1,041,188	915,988	1,440,169	-	-	20,582,361	(3,615,886)	16,966,475
Holocaust survivor programs	31,680,613	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,680,613	-	31,680,613
Management and general	17,605,255	8,383	1,705,623	28,492	-	131,172	313,271	450,931	123,582	35,251	110,976	155,578	-	-	-	20,668,514	(680,152)	19,988,362
Total Operating Expenses	117,682,596	8,383	4,782,022	431,249	890,295	1,245,446	509,202	5,421,805	4,169,910	2,719,340	1,152,164	1,071,566	1,440,169	-	-	141,524,147	(5,414,820)	136,109,327
Excess (Deficiency) of Operating Revenue over Operating Expenses Before Other Changes	2,695,168	6,307	469,966	31,401	(66,252)	23,537	(198,798)	(377,040)	(77,026)	(722,197)	213,593	138,978	(130,068)	716,939	543,948	3,268,456	-	1,696,107
OTHER CHANGES																		
Gain on sale	-	-	-	-	-	-	5,178,592	-	-	-	-	-	-	-	-	5,178,592	-	5,178,592
Depreciation and amortization	(362,962)	-	(946,945)	(187,224)	(745,883)	(636,987)	-	(1,084,527)	(427,240)	(550,750)	(289,317)	(233,716)	(657,821)	-	-	(6,103,372)	-	(6,103,372)
Equity contributions	-	-	9,225,190	-	-	-	-	-	-	-	-	-	-	-	-	9,225,190	-	9,225,190
Total Other Changes	(362,962)	-	8,278,245	(187,224)	(745,883)	(636,987)	-	(1,064,527)	(427,240)	(550,750)	(289,317)	(233,716)	(657,821)	-	-	8,300,410	-	8,300,410
Change in Net Assets	2,332,206	6,307	8,748,211	(155,823)	(812,135)	(613,450)	4,979,794	(1,441,567)	(504,266)	(1,272,947)	(75,724)	(94,738)	(787,889)	716,939	543,948	11,568,866	(1,572,349)	9,996,517
Net Assets - beginning 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
Net Assets - end of year	\$ 27,606,685	\$ 2,022,981	\$ 17,790,111	\$ 1,833,705	\$ 9,010,198	\$ 7,967,982	\$ (11,416,648)	\$ (3,410,597)	\$ (4,470,214)	\$ (4,629,248)	\$ (2,108,081)	\$ (2,827,138)	\$ 1,427,078	\$ 16,671,880	\$ 21,124,688	\$ 76,593,382	\$ 10,845,828	\$ 87,439,210

See independent auditors' report