



Building Communities. Changing Lives.

WESTHAB, INC. AND AFFILIATES
Consolidated Financial Statements
December 31, 2023 and 2022
With Independent Auditor's Reports

Westhab, Inc. and Affiliates
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December 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Westhab, Inc. and Affiliates:

Report on Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Westhab, Inc. and Affiliates (the "Company"), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities 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 accompanying consolidated financial statements present fairly, in all material respects, the financial position of Westhab, Inc. and Affiliates as of December 31, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Dayspring Commons, L.P., a wholly-owned subsidiary, whose statements reflect total assets constituting 5.36% percent and 6.52%, respectively, of consolidated total assets at December 31, 2023 and 2022, and total revenues constituting 0.93% and 0.78%, respectively, of consolidated total revenues for the years then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Dayspring Commons, L.P., is based solely on the report of the other auditors.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company 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.

Emphasis of Matter – Prior Period Adjustment and Restatement

As discussed in Note 20 to the financial statements, an error was identified during our audit resulting in an overstatement of net assets and an understatement of forgivable mortgages notes payable previously reported in the 2022 financial statements. Accordingly, these amounts have been restated in the 2022 financial statements to correct these errors. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating schedules of financial position as of December 31, 2023 and 2022, and the consolidating schedules of activities and changes in net assets and functional expenses for the years ended December 31, 2023 and 2022 are presented for purposes of additional analysis. These schedules are 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 audit 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 schedules are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The supplementary property directory, as of December 31, 2023, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



June 17, 2024

Westhab, Inc. and Affiliates
Consolidated Statements of Financial Position
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u> <u>(Restated)</u>
Assets		
Current assets		
Cash	\$ 14,696,218	\$ 20,723,543
Investments	5,654,569	-
Due from government agencies (Note 4)	18,823,185	8,078,738
Pledges receivable	205,000	351,000
Other current assets	<u>4,367,729</u>	<u>3,780,202</u>
Total current assets	<u>43,746,701</u>	<u>32,933,483</u>
Property and equipment, net (Note 5)	<u>161,241,899</u>	<u>131,723,083</u>
Property under development (Note 6)	<u>136,505,800</u>	<u>97,290,427</u>
Right of use assets, net (Note 10)	<u>253,775,847</u>	<u>206,653,270</u>
Other assets		
Assets restricted as to use (Note 16)	91,323,187	110,709,639
Investment in unconsolidated affiliates	1,179,755	944,650
Other assets	1,511,871	1,484,222
Due from unconsolidated affiliates	<u>314,562</u>	<u>355,554</u>
Total other assets	<u>94,329,375</u>	<u>113,494,065</u>
Total assets	<u>\$ 689,599,622</u>	<u>\$ 582,094,328</u>
Liabilities and Net Assets		
Current liabilities		
Notes payable - current portion (Note 7)	\$ 20,160,772	\$ 14,242,807
Lease liabilities - current portion (Note 10)	31,728,634	24,585,544
Accounts payable and other current liabilities	15,350,106	8,047,365
Construction costs payable	4,838,624	7,307,029
Contractual advances	<u>15,659,061</u>	<u>16,800,401</u>
Total current liabilities	<u>87,737,197</u>	<u>70,983,146</u>
Other liabilities		
Notes payable - net (Note 7)	266,961,243	228,581,145
Lease liabilities - net of current portion (Note 10)	224,260,314	183,035,551
Forgivable mortgage notes payable (Note 9)	14,760,785	13,831,649
Accrued mortgage interest	2,892,811	2,030,884
Due to County of Westchester Department of Social Services, rent advances (Note 11)	856,210	856,210
Security deposits	651,087	625,100
Other liabilities	<u>1,566,354</u>	<u>1,600,887</u>
Total other liabilities	<u>511,948,804</u>	<u>430,561,426</u>
Total liabilities	<u>599,686,001</u>	<u>501,544,572</u>
Net assets		
Without donor restrictions		
Controlling interest	20,005,977	20,967,390
Non-controlling interests (Note 18)	<u>35,085,659</u>	<u>24,158,041</u>
	55,091,636	45,125,431
With donor restrictions (Note 14)	<u>34,821,985</u>	<u>35,424,325</u>
Total net assets	<u>89,913,621</u>	<u>80,549,756</u>
Total liabilities and net assets	<u>\$ 689,599,622</u>	<u>\$ 582,094,328</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Westhab, Inc. and Affiliates
Consolidated Statements of Activities and Changes in Net Assets
Years Ended December 31, 2023 and 2022

	2023			2022 (Restated)		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues						
Housing income, net	\$ 133,173,673	\$ -	\$ 133,173,673	\$ 95,255,298	\$ -	\$ 95,255,298
Contracts for services	18,156,908	-	18,156,908	15,224,314	726,380	15,950,694
Fees and contributions	1,858,222	369,841	2,228,063	749,785	726,063	1,475,848
Contributions of nonfinancial assets	360,000	-	360,000	3,189,000	-	3,189,000
Capital grants	583,820	726,380	1,310,200	-	273,824	273,824
Special events, net	797,222	-	797,222	221,854	-	221,854
	<u>154,929,845</u>	<u>1,096,221</u>	<u>156,026,066</u>	<u>114,640,251</u>	<u>1,726,267</u>	<u>116,366,518</u>
Assets released from restrictions (Note 14)	<u>1,698,561</u>	<u>(1,698,561)</u>	<u>-</u>	<u>1,671,408</u>	<u>(1,671,408)</u>	<u>-</u>
Total revenues	<u>156,628,406</u>	<u>(602,340)</u>	<u>156,026,066</u>	<u>116,311,659</u>	<u>54,859</u>	<u>116,366,518</u>
Operating expenses						
Program services	151,396,572	-	151,396,572	112,391,456	-	112,391,456
General and administrative	9,751,043	-	9,751,043	6,782,027	-	6,782,027
Fundraising	473,801	-	473,801	255,383	-	255,383
Total operating expenses	<u>161,621,416</u>	<u>-</u>	<u>161,621,416</u>	<u>119,428,866</u>	<u>-</u>	<u>119,428,866</u>
Changes in net assets before other income (expenses)	(4,993,010)	(602,340)	(5,595,350)	(3,117,207)	54,859	(3,062,348)
Other income (expenses)						
Gain (loss) on disposal of property	1,712,590	-	1,712,590	(130,835)	-	(130,835)
Changes in net assets	(3,280,420)	(602,340)	(3,882,760)	(3,248,042)	54,859	(3,193,183)
Changes attributable to limited partners	2,319,007	-	2,319,007	3,601,376	-	3,601,376
Changes in net assets attributable to Westhab, Inc.	(961,413)	(602,340)	(1,563,753)	353,334	54,859	408,193
Net assets						
Beginning of year, as previously reported						
Controlling interest	20,967,390	35,424,325	56,391,715	23,214,354	46,600,817	69,815,171
Non-controlling interests	24,158,041	-	24,158,041	25,913,870	-	25,913,870
	<u>45,125,431</u>	<u>35,424,325</u>	<u>80,549,756</u>	<u>49,128,224</u>	<u>46,600,817</u>	<u>95,729,041</u>
Prior period adjustment (see Note 20)						
Controlling interest	-	-	-	(2,600,298)	(11,231,351)	(13,831,649)
Non-controlling interests	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,600,298)</u>	<u>(11,231,351)</u>	<u>(13,831,649)</u>
Beginning of year, as restated						
Controlling interest	20,967,390	35,424,325	56,391,715	20,614,056	35,369,466	55,983,522
Non-controlling interests	24,158,041	-	24,158,041	25,913,870	-	25,913,870
	<u>45,125,431</u>	<u>35,424,325</u>	<u>80,549,756</u>	<u>46,527,926</u>	<u>35,369,466</u>	<u>81,897,392</u>
Contributed capital						
Controlling interest	-	-	-	-	-	-
Non-controlling interests	13,246,625	-	13,246,625	1,845,547	-	1,845,547
	<u>13,246,625</u>	<u>-</u>	<u>13,246,625</u>	<u>1,845,547</u>	<u>-</u>	<u>1,845,547</u>
End of year						
Controlling interest	20,005,977	34,821,985	54,827,962	20,967,390	35,424,325	56,391,715
Non-controlling interests	35,085,659	-	35,085,659	24,158,041	-	24,158,041
Total net assets	<u>\$ 55,091,636</u>	<u>\$ 34,821,985</u>	<u>\$ 89,913,621</u>	<u>\$ 45,125,431</u>	<u>\$ 35,424,325</u>	<u>\$ 80,549,756</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Westhab, Inc. and Affiliates
Consolidated Statement of Functional Expenses
Year Ended December 31, 2023

	Program Services				Total	General and Administrative	Fundraising	Total
	Housing Operations	Shelter Operations	Employment Services	Real Estate Development				
Personnel costs	\$ 12,149,080	\$ 46,333,473	\$ 1,081,514	\$ 1,021,675	\$ 60,585,742	\$ 7,223,767	\$ 412,479	\$ 68,221,988
Rent	9,731,907	38,830,235	52,610	5,100	48,619,852	590,443	-	49,210,295
Insurance	966,890	1,941,867	11,003	6	2,919,766	85,086	-	3,004,852
Professional fees	564,929	224,806	23,411	110,180	923,326	878,910	3,532	1,805,768
Real estate taxes	653,025	2,510,225	-	3,262	3,166,512	-	-	3,166,512
Utilities	1,958,580	3,228,708	11,611	576	5,199,475	109,987	-	5,309,462
Communications	253,207	381,139	15,373	2,586	652,305	32,262	859	685,426
Maintenance and repairs	1,739,739	8,752,579	32,778	197	10,525,293	92,968	165	10,618,426
Program activities	1,120,924	6,683,626	224,278	486	8,029,314	33,105	199	8,062,618
Office expense	319,151	1,574,084	41,012	15,684	1,949,931	287,544	11,756	2,249,231
Travel	113,410	139,186	5,000	1,547	259,143	43,238	847	303,228
Depreciation and amortization	4,572,071	674,200	7,364	-	5,253,635	101,401	-	5,355,036
Interest	2,259,483	197,031	-	-	2,456,514	136,121	-	2,592,635
Other	94,036	40,506	2,142	2,070	138,754	136,211	43,964	318,929
Bad debt expense	699,542	17,468	-	-	717,010	-	-	717,010
	<u>\$ 37,195,974</u>	<u>\$ 111,529,133</u>	<u>\$ 1,508,096</u>	<u>\$ 1,163,369</u>	<u>\$ 151,396,572</u>	<u>\$ 9,751,043</u>	<u>\$ 473,801</u>	<u>\$ 161,621,416</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

Westhab, Inc. and Affiliates
Consolidated Statement of Functional Expenses
Year Ended December 31, 2022

	Program Services				Total	General and Administrative	Fundraising	Total
	Housing Operations	Shelter Operations	Employment Services	Real Estate Development				
Personnel costs	\$ 10,832,347	\$ 31,296,065	\$ 767,970	\$ 620,918	\$ 43,517,300	\$ 5,108,072	\$ 199,734	\$ 48,825,106
Rent	9,885,207	27,194,188	41,135	5,100	37,125,630	264,349	-	37,389,979
Insurance	731,134	976,244	6,371	-	1,713,749	74,277	-	1,788,026
Professional fees	360,055	31,891	-	19,973	411,919	368,425	39,308	819,652
Real estate taxes	617,102	1,262,086	-	-	1,879,188	-	-	1,879,188
Utilities	1,878,048	2,325,077	10,736	536	4,214,397	81,835	-	4,296,232
Communications	231,199	272,839	15,244	1,891	521,173	19,636	327	541,136
Maintenance and repairs	1,616,931	6,431,428	23,278	-	8,071,637	99,163	-	8,170,800
Program activities	713,288	5,107,824	129,697	572	5,951,381	20,305	-	5,971,686
Office expense	526,797	839,050	24,414	4,203	1,394,464	343,306	9,072	1,746,842
Travel	76,264	117,503	7,130	895	201,792	33,537	29	235,358
Depreciation and amortization	3,827,142	492,507	8,034	-	4,327,683	46,646	-	4,374,329
Interest	1,213,434	151,614	-	-	1,365,048	131,227	-	1,496,275
Other	702,068	34,723	81,408	50	818,249	191,249	6,913	1,016,411
Bad debt expense	862,650	15,196	-	-	877,846	-	-	877,846
	<u>\$ 34,073,666</u>	<u>\$ 76,548,235</u>	<u>\$ 1,115,417</u>	<u>\$ 654,138</u>	<u>\$ 112,391,456</u>	<u>\$ 6,782,027</u>	<u>\$ 255,383</u>	<u>\$ 119,428,866</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

Westhab, Inc. and Affiliates
Consolidated Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating activities		
Changes in net assets	\$ (3,882,760)	\$ (3,193,183)
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities		
Depreciation and amortization	5,295,256	4,329,117
Amortization of right of use assets	22,330,003	18,228,744
Interest expense	59,780	45,212
Bad debt expense	717,010	877,846
(Gain) loss on disposal of property and equipment	(1,712,590)	130,835
Contribution of non-financial assets	-	(2,797,000)
Changes in		
Due from government agencies	(11,461,457)	3,558,882
Pledges receivable	146,000	193,334
Other current assets	(587,527)	(1,200,676)
Other assets	(27,649)	(482,321)
Due from/to unconsolidated affiliates	40,992	(80,795)
Accounts payable and other current liabilities	7,302,741	1,508,634
Construction costs payable	(2,468,405)	2,695,379
Contractual advances	(1,141,340)	(3,615,681)
Accrued mortgage interest	861,927	72,414
Lease liabilities	(21,084,727)	(17,260,919)
Security deposits	25,987	298,613
Other liabilities	(34,533)	24,220
Net cash (used in) provided by operating activities	<u>(5,621,292)</u>	<u>3,332,655</u>
Investing activities		
Investment in unconsolidated affiliates	(235,105)	(146,489)
Purchases of investments, net	(5,654,569)	-
Additions to property and equipment	(16,766)	(2,509,997)
Proceeds from sale of property and equipment	2,118,740	-
Additions to deferred financing fees	(742,551)	(16,695)
Additions to property under development	(74,418,829)	(70,399,164)
Net cash used in investing activities	<u>(78,949,080)</u>	<u>(73,072,345)</u>
Financing activities		
Principal payments on notes payable	(15,206,863)	(1,077,512)
Proceeds from notes payable	60,187,697	145,901,715
Proceeds from forgivable mortgage notes payable	929,136	-
Limited partners' capital contributions	13,246,625	1,845,547
Net cash provided by financing activities	<u>59,156,595</u>	<u>146,669,750</u>
Net change in cash and restricted cash	(25,413,777)	76,930,060
Cash and restricted cash		
Beginning of year	<u>131,433,182</u>	<u>54,503,122</u>
End of year	<u>\$ 106,019,405</u>	<u>\$ 131,433,182</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Westhab, Inc. and Affiliates
Consolidated Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Supplemental disclosure of cash flow information		
Cash paid during the year for		
Interest	\$ 11,369,000	\$ 5,244,000
Supplemental disclosure of non-cash investing and financing activities		
Property under development placed in service and reclassified to property and equipment	\$ 35,203,456	\$ 40,830,328
Increases to right of use assets and lease liabilities at lease inception	\$ 69,452,580	\$ 224,882,014
Interest capitalized as property and equipment or property under development	\$ 9,107,000	4,024,000
Repayment of notes payable through the issuance of new notes payable	\$ -	\$ 262,834
Reconciliation of cash and restricted cash to the consolidated statements of financial position		
Cash	\$ 14,696,218	\$ 20,723,543
Assets restricted as to use (Note 16)		
Westhab Group		
Construction escrows	82,585,488	98,986,833
Rent reserve	514,149	-
Dayspring campaign	117,461	3,353,100
EHAP replacement reserve	110,920	850,853
Other escrows	635,877	527,545
Other replacement reserves	397,588	389,053
Tenant security deposit	108,149	103,613
Operating reserves	78,996	86,172
Tax Credit Entities		
Construction escrows	2,071,981	2,429,884
Replacement reserves	2,371,875	2,166,852
Operating reserves	1,906,214	1,272,239
Tenant security deposit	353,102	333,858
Other restricted deposits	71,387	209,637
Total assets restricted as to use	<u>91,323,187</u>	<u>110,709,639</u>
Total cash and restricted cash	<u>\$ 106,019,405</u>	<u>\$ 131,433,182</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Westhab, Inc. and Affiliates
Notes to Consolidated Financial Statements
December 31, 2023 and 2022

1. ORGANIZATION AND PURPOSE OF THE COMPANY

Westhab, Inc. and Affiliates (the “Company”) are companies organized starting in 1981 for the purpose of providing affordable housing in Westchester County, New York, and the surrounding region. Over the years, the Company has grown into a comprehensive community development organization delivering a wide range of housing options and social services programs throughout the New York metropolitan region. The Company develops and manages quality affordable and supportive housing, operates a network of transitional housing options, scattered-site housing programs and rental assistance programs. The Company delivers robust services and support, including employment services, youth services, and case management, to ensure that all members of the community have the opportunity to thrive.

The consolidated financial statements include the accounts of the following entities: 1) Operating companies: Westhab, Inc. (“Westhab”), Westhab In Yonkers, Inc. (“WIY”), 60-64 Elliott Housing Development Fund Company (“Elliot”) and Bay House HDFC (“Bay House”); 2) Holding companies with nominee ownership and no assets: 4-12 Gouverneur Place Housing Development Fund Corporation (“Gouverneur HDFC”), Westhab East 181 Housing Development Fund Corporation (“East 181”), Shiloh Kress Housing Development Fund Corporation (“Shiloh HDFC”), and Ludlow Housing Development Fund Corporation (“Ludlow HDFC”); and 3) Purpose built shelters providing temporary housing: 138-50 Queens Blvd. HDFC (“Queens Blvd.”), 108 St. Edwards HDFC (“Fort Greene”), 92-54 QB HDFC (“Lionheart”) and 6661 Broadway Borrower HDFC (“Van Cortlandt”). With the exception of Elliot, all of which are non-profit companies tax exempt under Section 501(c)(3) of the Internal Revenue Code. Collectively, these entities are referred to as the Westhab Group.

The consolidated financial statements also include the accounts of the following Low Income Housing Tax Credit (“LIHTC”) entities: Westhab Bruce Knowles, L.P. (“WBK”), Elm Street Associates, L.P. (“Elm”), Westhab Community Revitalization, LLC (“WCR”), Clinton Place New Housing, LLC (“Clinton”), Shiloh Kress, L.P. (“Shiloh”), Westhab 22 Housing, LLC (“Westhab22”), Gouverneur Place Apartments, LLC (“Gouverneur”), Ludlow Commons, L.P. (“Ludlow”), Dayspring Commons, LP (“Dayspring”) and 76 Locust Hill, L.P. (“Locust Hill”). Collectively, these entities are referred to as the Tax Credit Entities.

All material inter-company transactions and balances have been eliminated upon consolidation.

Business Operations

Westhab is a comprehensive community development organization with the mission: “Building Communities. Changing Lives.” Westhab develops and manages quality affordable and supportive housing and operates a broad range of social service programs designed to empower lower income people and communities to thrive.

Westhab’s real estate development efforts include ground-up new developments, rehabilitation of distressed housing, and the management and oversight of both our own portfolio as well as for other mission compatible organizations. Westhab has built uniquely designed housing for veterans, young adults, seniors, and other special-needs populations.

Westhab’s housing efforts also include a continuum of services and support that span from emergency shelter to transitional housing to permanent affordable and supportive housing. Our social services staff work with singles and families every step of the way to secure appropriate permanent affordable housing and achieve stability.

Westhab, Inc. and Affiliates
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To extend our mission and work to break the cycle of poverty and foster long-term self-sufficiency, Westhab delivers robust employment services and youth services programs. The Company's Employment Services programs work with job seekers with obstacles to employment and deliver the training and support needed to secure jobs and get on career tracks. Westhab's Youth Services programs deliver comprehensive out-of-school-time services including academics, enrichment, athletics, and leadership development to guide young people towards higher education, careers, and life-long success.

Westhab continues to deepen its impact and advance its mission with added scale and capacity. The organization's combined housing and services efforts reach over 15,000 New Yorkers annually. Westhab is working towards a future where everyone's needs are met and everyone has a safe, quality place to call home.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements are prepared on the accrual basis and in conformity with accounting principles generally accepted in the United States of America.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Company. These net assets may be used at the discretion of the Company's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Company or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Company has no donor restrictions that are perpetual in nature.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities and changes in net assets.

Functional Expense

The costs of providing program and other activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets. Costs that are directly related to a specific program or general and administrative are directly charged to their functional category. Certain costs have been allocated among the program and supporting services in ratios determined by management to reflect the benefit received. Examples of these costs include utilities, insurance, maintenance and repairs, professional fees, office expense, travel, interest, and depreciation and were allocated based on a percentage of use calculation. The percentage of use is determined by a variety of cost allocation techniques such as square footage (occupancy costs) and time and effort (personnel costs).

Revenue and Support Recognition

A significant portion of the Company's revenue is related to and derived from the provision of temporary housing to eligible residents of the County of Westchester and New York City. This revenue is earned pursuant to certain cost reimbursement contracts with the County of Westchester and New York City and from rent paid directly by tenants. Revenue related to housing and shelter operations is recognized when earned. Rent income paid directly by tenants is earned pursuant to leases that generally do not exceed more than one year. Certain tenants are required to provide a security deposit equal to one month's rent. The Company establishes an allowance for current estimated credit losses that result from the inability of tenants to make their required payments.

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This allowance is based on the aging of the rent receivables, assessments of historical collection trends, and an evaluation of the impact of current economic conditions as well as the financial status of the individual tenants.

The Company reports gifts of cash and other assets as with donor restriction support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions.

The Company accounts for revenue from grants and contracts receivables as expenses related to those grants and contracts when incurred or when services are provided. A receivable from the funding agency is recognized to the extent expenses have been incurred or services provided but not reimbursed. A liability is recorded when contract funds paid exceed expenses. Because these funds are generally due from governmental agencies and payments are contractually due, the receivable balance is not reduced by an allowance for uncollectible accounts. The Company's history has substantially been that all of the grant and contract revenue billed has been collected.

The Company accounts for contract and grant revenues which have been determined to be conditional grants in the consolidated statements of activities and changes in net assets to the extent that services have been provided or expenses have been incurred for the purpose specified by the grantor during the period. In applying this concept, the legal and contractual requirements of each individual contract are used as guidance. Funds received in advance of their restricted use are accounted for as contractual advances in the consolidated statements of financial position. Amounts received related to conditional contributions for which conditions have not yet been met are recognized as contractual advances in the consolidated statements of financial position.

The Company receives grants to purchase and/or rehabilitate new or existing properties. These grants are recorded as restricted contributions at the time the commitment is made and all significant conditions precedent to the grant are satisfied. Expenditures related to the grants are usually capitalized as additions to property and equipment as incurred. In addition, pursuant to the terms of the Emergency Housing Apartment Program ("EHAP") contract, the Company is permitted to record contract revenue for reimbursement from the County of Westchester for certain mortgage principal payments.

Development fees are recognized in the period in which the service is provided and the terms and conditions for payment are completed.

Due from Government Agencies

Amounts due from government agencies represent contract revenues earned in excess of cash received. Such amounts are recorded at cost and no interest is accrued on these balances.

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Property and Equipment

Property and equipment is recorded at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of the assets by accelerated and straight-line methods. Property purchased under the Company's EHAP and Shelter contracts with the Westchester County Department of Social Services ("WCDSS") are expensed as WCDSS retains a reversionary interest in these assets. The principal periods used for computing depreciation are as follows:

<u>Description</u>	<u>Estimated Life (Years)</u>
Building and improvements	20-40
Equipment	5
Office furniture and fixtures	3.5-7
Leasehold improvements	*
Hardware and software	5
Vehicles	5

* Estimated useful life of the assets or life of lease, whichever is shorter.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

Measure of Operations

The consolidated statement of activities and changes in net assets reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities reflect all transactions attributable to the Company's ongoing programs. Non-operating activities reflect transactions considered to be nonrecurring nature or not directly relating to the Company's mission. The Company did not have any non-operating activities at December 31, 2023 and 2022.

Fair Value Measurements

Accounting standards establish a framework for measuring fair value that utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 - Unobservable inputs for the asset or liability. In these situations, the Company develops inputs using the best information available in the circumstances. The Company's did not have any Level 3 inputs at December 31, 2023.

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The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used during the year ended December 31, 2023.

Mutual funds: Valued at the daily closing prices as reported by the fund. Mutual funds held by the Company are open-ended and closed-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Company are deemed to be actively traded. All of the Company's mutual funds held at December 31, 2023 were valued using Level 1 inputs.

Fixed income: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. All of the Company's fixed income investments held at December 31, 2023 were valued using Level 2 inputs.

This valuation methodology may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Rehabilitation Expenses

Major improvements on owned properties are capitalized and depreciated over the estimated useful life of the building. Major improvements and rehabilitation costs associated with leased buildings are capitalized and amortized over the remaining life of the lease. Repairs and improvements on scattered apartment sites are expensed as incurred.

Property Under Development

The Company capitalizes all reasonable costs related to the acquisition and development of new properties. These include direct pre-acquisition costs, acquisition costs, carrying costs such as insurance, real estate taxes and interest and all construction costs. Capitalization of project development costs ceases at the completion of construction or when a determination has been made that the project is no longer viable. Projects that are determined not to be viable are written off as loss on disposal of assets in the consolidated statements of activities and changes in net assets.

Valuation of Long-Lived Assets

In accordance with the provisions of accounting for the impairment or disposal of long-lived assets, the Company reviews long-lived assets, including property and equipment and property under development, for impairment whenever events or changes in business circumstances indicate that the carrying amount of assets may not be fully recoverable. The Company has concluded that no impairment occurred for its long-lived assets during the periods presented within these consolidated financial statements.

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Investment in Unconsolidated Affiliates

Investments in unconsolidated affiliates consist of two investments: 1) an investment of less than 1% in an affordable housing project in Bronx, NY of approximately \$798,000 as of December 31, 2023 and 2022; and 2) an investment of approximately 25% in an LLC with fee owner title to undeveloped property in Bronx, NY of approximately \$382,000 and \$146,000 as of December 31, 2023 and 2022, respectively. Both investments are carried based on the cost method.

Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenues and expenses during the reporting periods. Actual results could differ from those estimates. Significant estimates included in the preparation of these consolidated financial statements include the estimated useful lives of depreciable assets. Further, amounts recorded as property under development are subject to estimates regarding the Company's ability to obtain required financing and complete the projects.

Income Taxes

Westhab and certain affiliates are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the accompanying consolidated financial statements associated with these entities.

Certain other affiliates such as the tax credit entities are partnerships treated as pass-through entities for federal and state reporting purposes. No provision or liability for federal or state income taxes has been recorded in the consolidated financial statements because all income or loss is passed through to the partners.

The Company has no unrecognized income tax liabilities and had no income tax related penalties or interest for the years ended December 31, 2023 and 2022. Furthermore, there are no tax related interest or penalties included in the consolidated financial statements.

Accounting Pronouncements Adopted in the Current Year

Current Expected Credit Losses (CECL)

In June 2016, the Financial Accounting Standards Board issued an Accounting Standards Update amending the accounting for credit losses on financial instruments. This update replaced the incurred loss methodology with the expected credit losses using a wide range of reasonable and supportable information. The amendment affects loans, debt securities, trade receivables, net investments in leases, and other financial instruments recorded at amortized cost. The Company adopted the new standard effective January 1, 2023, using the modified retrospective approach. The adoption of this ASU did not have a material impact on the consolidated financial statements.

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3. FINANCIAL ASSETS AND LIQUIDITY RESOURCES

As of December 31, the Company's liquidity resources and financial assets available within one year for general expenditure, such as operating expenses were as follows:

	<u>2023</u>	<u>2022</u>
Financial assets		
Cash and cash equivalents	\$ 14,696,218	\$ 20,723,543
Investments	5,654,569	-
Due from government agencies	18,823,185	8,078,738
Committed revolving credit facility	<u>25,000,000</u>	<u>15,000,000</u>
	64,173,972	43,802,281
Less: Amounts not available to be used within one year:		
Net assets with donor restrictions (see Note 14)	<u>(3,692,393)</u>	<u>(3,873,836)</u>
	<u>(3,692,393)</u>	<u>(3,873,836)</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 60,481,579</u>	<u>\$ 39,928,445</u>

The Company regularly monitors liquidity required to meet its operating needs and commitments and maintains a committed revolving credit facility of approximately \$25,000,000 to help fund short-term liquidity needs.

4. DUE FROM GOVERNMENT AGENCIES

Amounts due from government agencies at December 31, 2023 and 2022 represent un-reimbursed amounts earned under contracts. There is no reserve for uncollectible amounts as of December 31, 2023 and 2022.

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5. PROPERTY AND EQUIPMENT, NET

Property and equipment on December 31 consist of the following:

	<u>2023</u>	<u>2022</u>
Westhab Group		
Land	\$ 17,018,467	\$ 1,066,674
Buildings and improvements	41,003,655	23,795,741
Equipment	1,329,054	1,170,893
Office furniture and fixtures	2,061,205	2,039,700
Leasehold improvements	6,134,154	5,800,416
Hardware and software	3,691,237	3,586,546
Vehicles	<u>1,040,424</u>	<u>926,304</u>
Total Westhab Group property and equipment, at cost	72,278,196	38,386,274
Less: Accumulated depreciation	<u>11,269,060</u>	<u>10,289,577</u>
Total Westhab Group property and equipment, net	<u>61,009,136</u>	<u>28,096,697</u>
Tax Credit Entities		
Land	9,000,975	9,000,975
Buildings and improvements	130,137,285	129,896,401
Equipment	248,792	236,113
Office furniture and fixtures	<u>2,625,864</u>	<u>2,604,796</u>
Total Tax Credit Entities property and equipment, at cost	142,012,916	141,738,285
Less: Accumulated depreciation	<u>31,226,280</u>	<u>27,480,613</u>
Total Tax Credit Entities property and equipment, net	<u>110,786,636</u>	<u>114,257,672</u>
Eliminations	<u>(10,553,873)</u>	<u>(10,631,286)</u>
Total property and equipment, net	<u>\$ 161,241,899</u>	<u>\$ 131,723,083</u>

Depreciation expense amounted to approximately \$5,355,000 and \$4,374,000 for the years ended December 31, 2023 and 2022, respectively.

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6. PROPERTY UNDER DEVELOPMENT

Property under development on December 31 consists of land, buildings, and construction costs for the following projects in varying stages of development:

		<u>2023</u>	<u>2022</u>
Westhab Group			
<u>Project</u>	<u>Address</u>		
Queens Boulevard Rapid Rehousing Center	138-50 Queens Blvd., Jamaica, NY 11435	\$ -	\$ 32,767,631
Lionheart Family Residence	92-54 Queens Blvd., Flushing, NY 11374	50,568,332	28,264,847
Fort Greene Family Residence	108 St. Edwards St., Brooklyn NY 11205	36,648,700	17,565,401
Van Cortlandt Rapid Rehousing Center	6661 Broadway, Bronx NY 10471	8,804,575	-
Travers House Renovation	100 Vark St., Yonkers 10701	1,924,314	283,402
Halsey Office	2500 Halsey St., Bronx NY 10461	-	37,739
Haverstraw Affordable Housing Project	30 West St., Haverstraw, NY 10927	<u>106,768</u>	<u>-</u>
Total Westhab Group property under development		98,052,689	78,919,020
Tax Credit Entities			
<u>Project</u>	<u>Address</u>		
Summit on Hudson	76 Locust Hill Yonkers, NY 10701	\$ 40,491,446	\$ 19,153,463
Elm St., LP	125-141 Elm St., Yonkers, NY 10701	<u>-</u>	<u>88,740</u>
Total Tax Credit Entities properties under development		<u>40,491,446</u>	<u>19,242,203</u>
Eliminations		<u>(2,038,335)</u>	<u>(870,796)</u>
Total property under development		<u>\$ 136,505,800</u>	<u>\$ 97,290,427</u>

Queens Boulevard Rapid Rehousing Center

The HDFC controlled by Westhab purchased 138-50 Queens Blvd. in December 2021 to renovate a commercial office building into a dormitory style shelter in Queens, NY with funding primarily from New York City Department of Homeless Services (“NYC DHS”). The project cost was approximately \$32.8 million and funded by a 100% loan to cost through a Credit Tenant Lease (“CTL”) loan that gets paid directly by NYC DHS. Development of the Briarwood Shelter was completed and placed in service during February 2023.

Lionheart Family Residence

The HDFC, controlled by Westhab, purchased vacant land at 92-54 Queens Blvd. August 2022 to construct a multifamily shelter for families with children in Queens, NY with funding primarily from NYC DHS. The project cost is expected to be approximately \$66.3 million and will be funded by a 100% loan to cost through a CTL loan that gets paid directly by NYC DHS.

Fort Greene Family Residence

The HDFC, controlled by Westhab, purchased an abandoned church at 96 St. Edwards Street in November 2022 to demo the existing building and construct a multifamily shelter for families with children in Brooklyn, NY with funding primarily from NYC DHS. The project cost is expected to be approximately \$72.9 million and will be funded by a 100% loan to cost through a CTL loan that gets paid directly by NYC DHS.

Travers House Renovation

Renovation costs for 101 Vark Street with funding through New York State Homeless Housing Assistance Program.

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Van Cortlandt Rapid Rehousing Center

The HDFC, controlled by Westhab, purchased the buildings known as 6661 Broadway on November 17, 2023 to demo the existing building and construct a dormitory style singles shelter in Bronx, NY with funding from NYC DHS. The project cost is \$36,050,000 and will be funded by 100% loan to cost through a CTL loan that gets paid directly by NYC DHS.

Summit on Hudson

The tax credit partnership purchased 76 Locust Hill Ave in December 2021 for the purpose of constructing 113 units of affordable housing. The total development cost is expected to be \$55.3 million and will be funded through a mix of \$26.3 million of tax credit equity through the sale of low-income housing tax credits and a variety of NYS financing, rental and operating subsidies.

7. NOTES PAYABLE

Notes payable consist of the following on December 31:

	<u>2023</u>	<u>2022</u>
Westhab Group		
Term loan (Valley Bank) dated December 23, 2011 secured by land and buildings at 93 Bruce Ave, Yonkers, New York and 15 Overlook Terrace, Yonkers, New York. Loan repayable in 300 monthly installments of \$8,122 including interest at 5.5%, maturing December 23, 2036. This loan was paid off in September 2023.	\$ -	\$ 1,011,324
Refundable grant (JP Morgan Chase Bank) dated June 19, 2006 payable in a lump sum in November 2008. The bank has not made a demand for payment. (Funds utilized for 157 Bruce Ave., Yonkers, New York.)	100,000	100,000
Twenty-four year mortgage note (DASNY) dated April 29, 2015 payable in semi-annual installments of \$363,190 including interest at 3.4652%. The note matures April 2039, is secured by property at 4-12 Gouverneur Place, Bronx, New York and subject to a regulatory agreement with DASNY. The Company is entitled to receive semi-annual debt service subsidies from NYSOMH in the amount of \$363,190 and has assigned these subsidies to DASNY.	8,441,359	8,864,208
Mortgage note (Valley Bank) dated April 10, 2022 with a seven year term, principal and interest based on a twenty-five year amortization payable in monthly installments of \$1,480 including interest at 4.55% maturing March 2029 secured by land and building at 28 Pier St., Yonkers, New York.	252,783	258,733
Drawdowns under thirty year, \$150,000 unsecured (City of Yonkers Home Investment Partnership Program) 1% note available for renovations at 28 Pier St., Yonkers, New York. There are no set repayment terms. Repayment is made out of available cash flow.	150,000	150,000

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	<u>2023</u>	<u>2022</u>
Drawdowns under thirty year, \$1,315,000 unsecured loan (City of Yonkers Home Investment Partnership Program) available for renovations at 5 Hudson St., Yonkers, New York. There are no set repayment terms; repayment is made out of available cash flow. The loan bears interest at 1%.	\$ 1,315,000	\$ 1,315,000
Mortgage note (New York State HTFC), dated October 28, 1996 with interest (1%) only payable for fifteen years subject to availability of excess income from the specific property secured by land and building at 60-64 Elliott Ave., Yonkers, New York. The loan is due in October 2095.	2,202,644	2,202,644
Mortgage note (New York State HTFC), dated November 24, 1998 with interest only payable subject to availability of excess income from the specific property secured by land and building at 60-64 Elliott Ave., Yonkers, New York. The loan is due in 2097.	222,119	222,119
Mortgage note (Westchester County Department of Planning) payable in monthly installments of \$354 including interest at rates ranging from 1% to 6% through September 2025 secured by land and building at 2 East Cross St., North Salem, New York.	7,783	11,935
Mortgage note (Westchester County Department of Planning) interest accruing at 6% through 2009, -0-% interest thereafter. Repayment of the loan and interest will only occur if the property is sold. Secured by land and building at 2 East Cross St., North Salem, New York.	282,355	282,355
Mortgage note with New York State HHAC bearing simple interest at 1%. No payments are due until 2030. Secured by property at 97 Bruce Ave and 12 Knowles St., in Yonkers, New York.	333,628	333,628
Fifteen-year mortgage note (M&T Bank) dated December 19, 2008 payable in monthly installments of \$3,193 including interest at 4.79%. Interest rate will be reset after 5 years. The note matures February 1, 2024 and is secured by property at 103 Elm St., Yonkers, New York.	15,635	51,757
Mortgage note (Leviticus) dated August 1, 2016 payable in 120 monthly installments of \$4,514 including interest at 5.5%, maturing July 1, 2026 secured by land and building at 5 Lawrence St., Yonkers, New York.	700,404	715,587
Term loan (Valley Bank) dated October 18, 2019 secured by all business assets. Loan repayable in 60 monthly installments of \$2,412 including interest at 4.25%, maturing October 18, 2024.	23,643	50,942
Term loan (Valley Bank) dated July 15, 2020 secured by all business assets. Loan repayable in 60 monthly installments of \$12,339 including interest at 4.00%, maturing July 15, 2025.	226,582	362,458
Mortgage note (Leviticus) dated June 23, 2020 requiring monthly payments of principal and interest of \$11,596, interest at 5.25%, maturing June 23, 2050, secured by property at 5 Hudson St., Yonkers, New York.	2,001,013	2,034,730

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	<u>2023</u>	<u>2022</u>
Term loan (Valley Bank) dated August 1, 2022 secured by all business assets. Loan repayable in 60 monthly installments of \$26,203 including interest at 5.00%, maturing July 1, 2027.	\$ 1,027,246	\$ 1,282,517
Term loan (Valley Bank) dated September 24, 2021 secured by all business assets. Loan repayable in 60 monthly installments of \$11,301 including interest at 4.45%, maturing September 24, 2026.	350,042	467,016
Mortgage note (UMB Bank - Acquisition Loan) dated December 10, 2021 payable in monthly installments of interest only through February 2023 in the amount of \$52,036 followed by monthly installments of principal and interest of \$75,417, interest at 3.91%. The note matures February 28, 2053 and is secured by property at 138-50 Queens Boulevard, Jamaica, NY.	15,732,728	15,970,000
Mortgage note (UMB Bank - Building Loan) dated December 10, 2021 payable in monthly installments of interest only through February 2023 in the amount of \$36,114 followed by monthly installments of principal and interest of \$52,341, interest at 3.91%. The note matures February 28, 2053 and is secured by property at 138-50 Queens Boulevard, Jamaica, NY.	10,918,761	11,083,431
Mortgage note (UMB Bank - Project Loan) dated December 10, 2021 payable in monthly installments of interest only through February 2023 in the amount of \$28,695 followed by monthly installments of principal and interest of \$41,589, interest at 3.91%. The note matures February 28, 2053 and is secured by property at 138-50 Queens Boulevard, Jamaica, NY.	8,675,942	8,806,788
Mortgage note (UMB Bank - Acquisition Loan) dated August 3, 2022 payable in monthly installments of interest only through October 2024 in the amount of \$58,077 followed by monthly installments of principal and interest of approximately \$73,000, interest at 5.32%. The note matures October 1, 2054 and is secured by property at 92-54 Queens Blvd., Queens, NY.	13,100,000	13,100,000
Mortgage note (UMB Bank - Building Loan) dated August 3, 2022 payable in monthly installments of interest only through October 2024 in the amount of \$136,423 followed by monthly installments of principal and interest of approximately \$171,000, interest at 5.32%. The note matures October 1, 2054 and is secured by property at 92-54 Queens Blvd., Queens, NY.	30,772,215	30,772,215
Mortgage note (UMB Bank - Project Loan) dated August 3, 2022 payable in monthly installments of interest only through October 2024 in the amount of \$99,363 followed by monthly installments of principal and interest of approximately \$124,000, interest at 5.32%. The note matures October 1, 2054 and is secured by property at 92-54 Queens Blvd., Queens, NY.	22,412,785	22,412,785

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	<u>2023</u>	<u>2022</u>
Mortgage note (UMB Bank - Acquisition Loan) dated November 3, 2022 payable in monthly installments of interest only through June 2025 in the amount of \$44,515 followed by monthly installments of principal and interest of approximately \$53,000, interest at 5.98%. The note matures June 1, 2055 and is secured by property at 96 St. Edwards St., Brooklyn, NY.	\$ 8,932,800	\$ 8,932,800
Mortgage note (UMB Bank - Building Loan) dated November 3, 2022 payable in monthly installments of interest only through June 2025 in the amount of \$204,069 followed by monthly installments of principal and interest of approximately \$245,000, interest at 5.98%. The note matures June 1, 2055 and is secured by property at 96 St. Edwards St., Brooklyn, NY.	40,950,400	40,950,400
Mortgage note (UMB Bank - Project Loan) dated November 3, 2022 payable in monthly installments of interest only through June 2025 in the amount of \$114,551 followed by monthly installments of principal and interest of approximately \$138,000, interest at 5.98%. The note matures June 1, 2055 and is secured by property at 96 St. Edwards St., Brooklyn, NY.	22,986,800	22,986,800
Mortgage note (UMB Bank - Acquisition Loan) dated November 17, 2023 payable in monthly installments of interest only through November 2025 in the amount of \$28,239 followed by monthly installments of principal and interest of approximately \$33,000, interest at 6.39%. The note matures November 15, 2055 and is secured by property at 6661 Broadway, Bronx, NY.	5,303,041	-
Mortgage note (UMB Bank - Building Loan) dated November 17, 2023 payable in monthly installments of interest only through November 2025 in the amount of \$120,677 followed by monthly installments of principal and interest of approximately \$142,000, interest at 6.39%. The note matures November 15, 2055 and is secured by property at 6661 Broadway, Bronx, NY.	22,662,371	-
Mortgage note (UMB Bank - Project Loan) dated November 17, 2023 payable in monthly installments of interest only through November 2025 in the amount of \$43,050 followed by monthly installments of principal and interest of approximately \$51,000, interest at 6.39%. The note matures November 15, 2055 and is secured by property at 6661 Broadway, Bronx, NY.	8,084,588	-
Mortgage note (Valley Bank) dated May 5, 2023 payable in monthly installments of principal and interest of \$14,431, interest at 6%. The note matures April 5, 2028 and is secured by property at 829 Tilden St., Bronx, NY.	<u>657,229</u>	-
	228,841,896	194,732,172
Less: Current maturities	2,021,573	1,728,569
Less: Unamortized debt issuance costs	<u>779,863</u>	<u>70,528</u>
Westhab Group, net of current maturities and unamortized debt issuance costs	<u>\$ 226,040,460</u>	<u>\$ 192,933,075</u>

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	<u>2023</u>	<u>2022</u>
Tax Credit Group		
Note payable, City of Yonkers, requiring payments of principal and interest to the extent of available cash, based on a thirty-year amortization. No amounts were paid for principal or interest in 2020 and 2019. Secured by property at 125, 129, 131, 141 and 145 Elm St., Yonkers, New York.	\$ 425,000	\$ 425,000
Note payable, City of Yonkers, no stated interest, originally requiring payment over a thirty year period commencing with the completion of the construction. To date, the City of Yonkers has not required any repayments. The mortgage matures March 2023. The proceeds were used for improvements at 125, 129, 131, 141 and 145 Elm St., Yonkers, New York.	150,000	150,000
Mortgage payable (Community Preservation Corp.) in monthly payments including interest at 4.25% maturing in 2033. Interest on the mortgage is adjustable every five years and is based on the then current yield for 5 year U.S. Treasury securities plus 366 basis points. Secured by property at 125, 129, 131,141 and 145 Elm St., Yonkers, New York.	577,660	620,720
Mortgage payable (NYS HHAC) secured by property at 97 Bruce Avenue bearing interest at the rate of 1%. No payments of principal or interest are due until 2029.	1,030,002	1,030,002
Mortgage payable (NYS HHAC) secured by property at 12-15 Knowles St. bearing interest at the rate of 1%. No payments of principal or interest are due until 2029.	950,000	950,000
Note payable (HHAP), secured by property at 97 Bruce Avenue bearing interest at the rate of 1%. No payments of principal or interest are due until 2029.	79,800	79,800
Drawdowns on mortgage note (HHAC) dated June 21, 2016, \$3,765,000 total available, compounded interest at 1% per annum (effective interest rate of 1.12%), principal and interest due and payable July 1, 2046, secured by property on South 4th Ave., South Waverly St. and Livingston Ave. in Yonkers, NY.	3,765,000	3,765,000
1st mortgage note (CPC) dated June 21, 2016, \$750,000, payable in monthly installments of \$3,940 including interest at 4.81% maturing on July 1, 2046, secured by property on South 4th Ave., South Waverly St. and Livingston Ave. in Yonkers, NY.	650,430	666,010
Mortgage payable (NYS HHAP) secured by property at 41-47 Clinton Place bearing interest at the rate of 1% and is forgivable if no default occurs.	1,300,000	1,300,000
Mortgage payable (NYS HTF) secured by property at 41-47 Clinton Place bearing interest at the rate of 1% and is forgivable if no default occurs.	1,200,000	1,200,000
Note payable (Community Preservation Corporation), monthly amortizing payments of principal and interest of \$3,442, interest at a rate of 4.88% per annum, matures August 1, 2044, secured by property at 22 Tarrytown Rd.	537,009	551,713

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Notes to Consolidated Financial Statements
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	<u>2023</u>	<u>2022</u>
Promissory note agreement (New York State Housing Trust Fund Corporation), interest at 1% per annum payable from excess income as defined in the regulatory agreement, matures July 14, 2044, secured by property at 22 Tarrytown Rd.	\$ 1,600,000	\$ 1,600,000
Thirty year mortgage (Webster Bank) bearing interest at 7.2% with monthly installments of principal and interest until the maturity date on March 16, 2040, secured by property at 41-47 Clinton Place.	581,550	600,061
Note payable (NYS HFA) secured by property at 29 Kress Avenue with no interest. Balance of this note is due and payable on the maturity date of January 1, 2053.	35,871	35,871
Mortgage payable (NYS HFA) dated November 6, 2019, \$19,430,000 total available, interest at 2% per annum on the short term loan (\$12,290,000) and 4% per annum on the long term loan (\$7,140,000), a servicing fee of 0.25% per annum on the outstanding principal amount of the loan increasing as well as a SONYMA premium of 0.50% per annum on the outstanding principal amount of the loan beginning on the conversion date. The short term loan matures November 1, 2023 while the long term loan matures January 1, 2052. The loan is secured by property at 227 Elm St., Yonkers, NY.	6,916,608	19,346,534
Mortgage payable (NYS HFA) dated November 6, 2019, \$10,960,000 total available, simple interest at 0.50% per annum, interest only payable on the conversion date followed by monthly interest only payments and matures January 1, 2052. The loan is secured by property at 227 Elm St., Yonkers, NY.	10,960,000	9,779,451
Mortgage payable (NYS HFA) dated November 6, 2019, \$2,550,000 total available, interest free, no principal payments required until maturity on January 1, 2052. The loan is secured by property at 227 Elm St., Yonkers, NY.	2,550,000	2,549,800
Mortgage payable (NYS HFA) dated December 16, 2021, \$28,270,000 total available, interest at 1.25% per annum on the short term loan (\$17,900,000) and 3.75% per annum on the long term loan (\$10,370,000), a servicing fee of 0.25% per annum on the outstanding principal amount of the loan as well as a SONYMA premium of 0.50% per annum on the outstanding principal amount of the loan beginning on the conversion date (October 1, 2024). The short term loan matures October 1, 2024 while the long term loan matures August 1, 2054. The loan is secured by property at 76 Locust Hill Avenue, Yonkers, NY.	24,642,553	3,703,954
Subsidy note payable (NYS HFA) dated December 16, 2021, \$3,338,671 total available, simple interest at 2.00% through the conversion date (October 1, 2024) followed by compounding interest at 2.00% with 0.50% payable monthly and the remaining amount shall accrue and be payable on the maturity date, no principal payments required until maturity (August 1, 2054). The loan is secured by property at 76 Locust Hill Avenue, Yonkers, NY.	1,120,443	396,900

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	<u>2023</u>	<u>2022</u>
Subsidy note payable (COY HOME) dated December 16, 2021, \$600,000 total available, bearing an interest rate of one (1.00%) percent per annum, compounding annually, for a term of thirty (30) years. Commencing on the first day of the first calendar quarter following the day the Temporary Certificate of Occupancy is issued, Borrower shall pay quarterly installments of interest to Lender. The loan is secured by property at 76 Locust Hill Avenue, Yonkers, NY.	\$ 550,000	\$ -
	59,621,926	48,750,816
Less: Current maturities	18,139,199	12,514,238
Less: Unamortized debt issuance costs	<u>561,944</u>	<u>588,508</u>
Total Tax Credit Group, net of current maturities and unamortized debt issuance costs	<u>\$ 40,920,783</u>	<u>\$ 35,648,070</u>
Consolidated notes payable	\$ 288,463,822	\$ 243,482,988
Less: Consolidated current maturities	20,160,772	14,242,807
Less: Consolidated unamortized debt issuance costs	<u>1,341,807</u>	<u>659,036</u>
Total consolidated notes payable, net of current maturities and unamortized debt issuance costs	<u>\$ 266,961,243</u>	<u>\$ 228,581,145</u>

Aggregate maturities of long-term debt due within the next five years ending December 31 are as follows:

2024	\$ 20,160,772
2025	3,510,264
2026	5,027,369
2027	4,357,293
2028	4,292,124
Thereafter	<u>251,116,000</u>
	<u>\$ 288,463,822</u>

The Company's policy is to amortize debt issuance costs over the term of the related note payable. Amortization expense for each of the years ended December 31, 2023 and 2022 amounted to approximately \$68,000 and \$40,000, respectively, and is included in interest expense.

Amortization expense over the next five years ending December 31 is expected as follows:

2024	\$ 57,440
2025	55,671
2026	54,739
2027	52,831
2028	52,819
Thereafter	<u>1,068,307</u>
	<u>\$ 1,341,807</u>

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Notes to Consolidated Financial Statements
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8. LINES OF CREDIT

The Company is party to a committed revolving credit facility (maximum available \$25,000,000) with Valley Bank, with interest at prime (8.50% and 7.50% at December 31, 2023 and 2022, respectively). The line of credit matures on June 1, 2027, secured by certain real property and a 2nd security interest in certain personal property. As of December 31, 2023 and 2022, the outstanding balances amounted to \$-0-.

9. FORGIVABLE MORTGAGE NOTES PAYABLE

In connection with the Company's financing of its development of affordable housing, the Company is party to certain capital grant agreements which are secured by enforcement mortgages on the property. The mortgages bear no interest and repayment is not required so long as the housing continues to meet various affordability restrictions during the compliance period. Forgivable mortgage notes payable consists of the following at December 31:

<u>Grantor</u>	<u>Project</u>	<u>Compliance Period (Years)</u>	<u>2023</u>	<u>2022 (Restated)</u>
Westchester County	Windham	50	\$ 787,500	\$ 787,500
Federal Home Loan Bank	Dayspring	15	600,000	600,000
Enterprise Community Partners, Inc.	Summit on Hudson	30	10,871,660	10,871,660
Westchester County		50	1,400,000	1,400,000
City of Yonkers		30	<u>172,489</u>	<u>172,489</u>
			<u>12,444,149</u>	<u>12,444,149</u>
New York State Homeless Housing and Assistance Program	Travers	25	<u>929,136</u>	<u>-</u>
			<u>\$ 14,760,785</u>	<u>\$ 13,831,649</u>

10. LEASES

The Company is party to numerous operating lease agreements entered into in connection with its housing and shelter operations. The following is a summary of these leases and the typical lease terms:

Purpose of lease	Shelter program	Housing program	Administrative
Program funding source	New York City	Westchester County	n/a
Number of leases - December 31, 2023	13	3	2
Number of leases - December 31, 2022	11	2	1
Initial lease term (years) (1)	4.5-13	10-17	9-17
Lease term expiration date	2026-2053	2024-2033	2029-2033
Renewal option (2)	None	5 year option	None
Average annual rent increase	2-3%	2%	2%
Cancellable without penalty	Yes (3)	Yes (3)	No

Westhab, Inc. and Affiliates
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- (1) The initial lease term for 2 of these 13 leases is 30 years which expire in 2052 and 2053.
- (2) The renewal options have not been included in the lease liability calculation, since it is not reasonably certain that they will be exercised, based on general uncertainties that come with the passage of time.
- (3) Each of these leases are cancellable without penalty to the Company in the event the funding source terminates its contract with the Company.

Because the rates implicit in the leases are generally not available, the Company utilizes an estimated incremental borrowing rate as the discount rate.

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liabilities as of December 31, 2023:

2024	\$ 34,633,781
2025	34,835,060
2026	33,293,884
2027	30,051,001
2028	27,082,119
Thereafter	<u>224,657,725</u>
Gross payments due	384,553,570
Less: Discount to net present value	(128,564,622)
Less: Current portion	<u>(31,728,634)</u>
	<u>\$ 224,260,314</u>

Rent expense comprises the following for the years ended December 31,:

	<u>2023</u>	<u>2022</u>
Operating lease expense	\$ 32,974,000	\$ 25,557,000
Short-term lease expense	<u>16,232,000</u>	<u>11,829,000</u>
	<u>\$ 49,206,000</u>	<u>\$ 37,386,000</u>

The weighted average discount rates used in estimating the net present value of operating leases were 4.98% and 4.90% as of December 31, 2023 and 2022, respectively. The weighted average remaining lease terms as of December 31, 2023 and 2022 were 14.21 and 15.01 years, respectively.

The Company had no financing leases during the years ended December 31, 2023 and 2022.

11. DUE TO COUNTY OF WESTCHESTER, DEPARTMENT OF SOCIAL SERVICES - RENT ADVANCES

This amount, totaling \$856,210 as of December 31, 2023 and 2022, represents non-interest bearing cash advances by the Westchester County Department of Social Services ("WCDSS") related to specific lease agreements under the EHAP program. In accordance with the terms of an agreement with WCDSS, the outstanding rent advances will be repaid at the rate of \$4,628 per unit when and if the total number of EHAP-approved units drops below a specified benchmark.

Westhab, Inc. and Affiliates
Notes to Consolidated Financial Statements
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12. PENSION PLAN

The Company has an employee profit sharing plan covering all qualified employees funded by discretionary contributions. The plan does not include any benefits attributable to past service. It is the Company's policy to fund pension costs when incurred. Pension expense under the profit sharing plan for the years ended December 31, 2023 and 2022 totaled approximately \$1,373,000 and \$1,116,000, respectively.

13. CONCENTRATIONS

For the year ended December 31, 2023, approximately 69% and 11% of the Company's total revenue was received from or passed through New York City and Westchester County, respectively. For the year ended December 31, 2022, approximately 64% and 22% of the Company's total revenue was received from or passed through New York City and Westchester County, respectively.

As of December 31, 2023, approximately 92% and 3% of the Company's amounts due from government agencies is due from or passed through New York City and Westchester County, respectively. As of December 31, 2022, approximately 85% and 6% of the Company's amounts due from government agencies is due from or passed through New York City and Westchester County, respectively.

The Company has contracted with various funding agencies to perform certain services. Reimbursements received under these contracts are subject to audit by federal, state, and local governments and other agencies. Upon audit, if discrepancies are discovered, the Company could be held responsible for reimbursing the agencies for the amount in question. In addition, the loss of funding from a particular agency could have a material effect on the Company's operations.

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and receivables from government agencies. The Company has significant cash balances at financial institutions which throughout the year regularly exceed the federally insured limit of \$250,000. While the Company has taken several remedial actions intended to limit risk, any loss incurred or a lack of access to such funds could have a significant adverse impact on the Company's financial condition, results of operations, and cash flows. The Company has a long history of dealing with various federal, New York State and local municipalities under grants and cost reimbursement contracts and has not experienced significant losses related to transactions with these entities.

Westhab, Inc. and Affiliates
Notes to Consolidated Financial Statements
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14. NET ASSETS - WITH DONOR RESTRICTIONS

Net assets with donor restrictions on December 31 comprised of contributions which require the passage of time and contributions which require the Company to perform certain obligations, are detailed as follows:

	2023		2022 (Restated)	
	With Donor Restrictions	Restrictions Relieved	With Donor Restrictions	Restrictions Relieved
Purpose Restrictions				
Housing services	\$ 134,358	\$ 54,421	\$ 164,772	\$ 19,408
Youth services and education	469,710	166,202	588,456	129,188
OMH debt service subsidy	-	726,380	-	726,380
Dayspring campaign	2,971,355	42,188	2,828,522	739,846
Development	10,000	30,000	40,000	-
Employment services	106,275	228,546	221,391	56,586
Senior programs	695	30,000	30,695	-
	3,692,393	1,277,737	3,873,836	1,671,408
Time Restrictions	31,129,592	420,824	31,550,489	-
	\$ 34,821,985	\$ 1,698,561	\$ 35,424,325	\$ 1,671,408

Time restrictions are primarily comprised of capital advances used as development sources for various development projects with continuing use restrictions typically ranging from 30-40 years. Upon the adoption of ASU 2018-08 effective January 1, 2020, the Company discontinued releasing amounts from restriction ratably over the continuing use period. Upon maturity of the continuing use restriction period the Company will release from restriction the respective portion that remains within the time restriction balance.

15. COMMITMENTS, CONTINGENCIES AND OTHER MATTERS

Legal Matters

The Company is currently involved in various claims and legal actions. Management is currently of the opinion that these claims and legal actions have no merit, and any ultimate outcome will not have a material adverse impact on the consolidated financial position of the Company or the results of its operations.

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16. ASSETS RESTRICTED AS TO USE

Assets restricted as to use represent cash in various reserves; cash received for tenant security deposits, and cash and contributions receivable whose use is restricted to the purchase or renovation of low-income housing properties or for specific programs. Use of these funds may require approval by a third party. A summary of both current and non-current assets restricted as to use follows:

	<u>2023</u>	<u>2022</u>
Westhab Group		
Construction escrows	\$ 82,585,488	\$ 98,986,833
Rent reserve	514,149	-
Dayspring campaign	117,461	3,353,100
EHAP replacement reserve	110,920	850,853
Other escrows	635,877	527,545
Other replacement reserves	397,588	389,053
Tenant security deposit	108,149	103,613
Operating reserves	<u>78,996</u>	<u>86,172</u>
Total Westhab Group assets restricted as to use	84,548,628	104,297,169
Tax Credit Entities		
Construction escrows	2,071,981	2,429,884
Replacement reserves	2,371,875	2,166,852
Operating reserves	1,906,214	1,272,239
Tenant security deposit	353,102	333,858
Other restricted deposits	<u>71,387</u>	<u>209,637</u>
Total Tax Credit Entities assets restricted as to use	<u>6,774,559</u>	<u>6,412,470</u>
Consolidated total assets restricted as to use	<u>\$ 91,323,187</u>	<u>\$ 110,709,639</u>

17. RELATED PARTY TRANSACTIONS

One of the Company's board members provides insurance advisory services to the Company. The insurance carrier pays the board member a commission based on the Company's insurance premiums paid.

Westhab controls Washingtonville Housing Alliance, Inc. ("Washingtonville"), a not-for-profit organization located in the Village of Mamaroneck, NY, through a majority voting interest in its Board. The following is a summary of amounts billed by the Company to Washingtonville and affiliates of Washingtonville for the years ended December 31:

	<u>2023</u>	<u>2022</u>
<u>Washingtonville</u>		
Management fees	\$ 75,000	\$ 75,000
Personnel costs	<u>295,000</u>	<u>277,000</u>
	<u>\$ 370,000</u>	<u>\$ 352,000</u>

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December 31, 2023 and 2022

At December 31, 2023 and 2022, the Company had amounts due from Washingtonville of approximately \$242,000 and \$345,000, respectively. The amounts due from Washingtonville are unsecured, non-interest bearing and not subject to a definitive repayment schedule. Select financial information of Washingtonville and its consolidated affiliates as of and for the period ended December 31, 2023 is presented as follows: Assets - \$5,564,000; Liabilities - \$2,415,000; Net assets - \$3,163,000; Revenues - \$918,000; Change in net assets - (\$14,000).

18. NON-CONTROLLING INTERESTS

Westhab, Inc., either directly or through its control of other entities, is the general partner or managing member (hereafter collectively referred to as the “general partner”) of several low-income tax credit entities. These entities receive significant capital contributions from their limited partners or investor members (hereafter collectively referred to as “limited partners”). In return for their capital contributions, the limited partners receive certain tax benefits under the Internal Revenue Code primarily in the form of low-income housing tax credits. As of December 31, 2023, approximately \$23,900,000 remains to be contributed by the limited partners. The underlying properties must be maintained as low-income housing projects for specified periods. Allocation of profits and losses, proceeds of sales of property and distributable cash flow is governed by the individual partnership agreements. Generally, between .01% to 1% of the tax credit entities’ profits and losses are allocated to the general partner although individual partnership agreements may contain provisions allowing for changes in those amounts. Partnership agreements generally prioritize the distribution of distributable cash, if any, at the end of each of the tax credit entities’ life.

The limited partners’ share of tax credit entity losses is reflected in the consolidated statements of activities and changes in net assets as the change in net assets attributable to limited partners and the net capital balances of the limited partners is reflected in the consolidated statements of financial position as limited partners’ capital.

19. CONTRIBUTIONS IN-KIND

Contributions of donated noncash assets (in-kind donations) are recorded at their fair values in the period pledged or received and are reported as support without donor restriction unless explicit donor stipulation specify how donated assets must be used. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, which are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

For the years ended December 31, the Company was the recipient of the following contributed nonfinancial assets:

	<u>2023</u>	<u>2022</u>
Internal technology hardware	\$ -	\$ 2,797,000
In-kind rent	<u>360,000</u>	<u>392,000</u>
	<u>\$ 360,000</u>	<u>\$ 3,189,000</u>

The donor of the internal technology hardware, who is also an industry leading provider of technology innovations, provided the Company with the estimated fair value of the donation. The donor of in-kind rent for program space to operate a shelter is based on the rent paid by the landlord on behalf of the Company.

Westhab, Inc. and Affiliates
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20. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

Subsequent to the issuance of the Company's 2022 consolidated financial statements an error was identified resulting in a prior period adjustment as of January 1, 2022 and a restatement of the 2022 consolidated financial statements. The prior period adjustment and restatement was the result of clarity provided in ASU 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Based on this guidance the Company determined that amounts previously recorded as net assets with donor restriction should no longer be released from restriction over the related compliance period. Additionally, the Company determined that the barriers to revenue recognition associated with certain capital grants have not been overcome and the amounts received should have been recorded as forgivable mortgage notes payable amounting to approximately \$13,832,000 (see Note 9).

As a result, the Company has recorded a prior period adjustment and restated its 2022 consolidated financial statements as summarized below:

	<u>Prior Period Adjustment</u>		
	<u>As Previously Reported</u>	<u>As Restated</u>	<u>Increase (Decrease)</u>
Consolidated Statements of Activities and Changes in Net Assets			
Net assets, beginning of year (January 1, 2022)			
Without donor restrictions			
Controlling interest	\$ 23,214,354	\$ 20,614,056	\$ (2,600,298)
Non-controlling interest	<u>25,913,870</u>	<u>25,913,870</u>	<u>-</u>
	49,128,224	46,527,926	(2,600,298)
With donor restrictions			
Controlling interest	46,600,817	35,369,466	(11,231,351)
Non-controlling interest	<u>-</u>	<u>-</u>	<u>-</u>
	<u>46,600,817</u>	<u>35,369,466</u>	<u>(11,231,351)</u>
	<u>\$ 95,729,041</u>	<u>\$ 81,897,392</u>	<u>\$ (13,831,649)</u>
2022 Restatement			
	<u>As Previously Reported</u>	<u>As Restated</u>	<u>Increase (Decrease)</u>
Consolidated Statements of Activities and Changes in Net Assets			
Assets released from restrictions			
Without donor restrictions	\$ 3,489,851	\$ 1,671,408	\$ (1,818,443)
With donor restrictions	\$ (3,489,851)	\$ (1,671,408)	\$ 1,818,443
Consolidated Statements of Financial Position			
Forgivable mortgage notes payable	\$ -	\$ 13,831,649	\$ 13,831,649

21. SUBSEQUENT EVENTS

The Company has evaluated subsequent events occurring after the consolidated statement of financial position date through the date of June 17, 2024, which is the date the consolidated financial statements were available to be issued. Based on that evaluation, the Company has determined that no subsequent events have occurred that require disclosure in or adjustment to the consolidated financial statements.

SUPPLEMENTARY INFORMATION

Westhab, Inc. and Affiliates
Consolidating Schedule of Financial Position
December 31, 2023

	Westhab Group	Tax Credit Entities	Total	Eliminations	Consolidated Total
Assets					
Current assets					
Cash	\$ 12,175,233	\$ 2,520,985	\$ 14,696,218	\$ -	\$ 14,696,218
Investments	5,654,569	-	5,654,569	-	5,654,569
Due from government agencies (Note 4)	18,823,185	-	18,823,185	-	18,823,185
Pledges receivable	205,000	-	205,000	-	205,000
Other current assets	3,487,690	880,039	4,367,729	-	4,367,729
Total current assets	<u>40,345,677</u>	<u>3,401,024</u>	<u>43,746,701</u>	<u>-</u>	<u>43,746,701</u>
Property and equipment, net (Note 5)	61,009,136	110,786,636	171,795,772	(10,553,873)	161,241,899
Property under development (Note 6)	98,052,689	40,491,446	138,544,135	(2,038,335)	136,505,800
Right of use assets, net (Note 10)	253,775,847	-	253,775,847	-	253,775,847
Other assets					
Assets restricted as to use (Note 16)	84,548,628	6,774,559	91,323,187	-	91,323,187
Investment in affiliates	7,694,424	-	7,694,424	(6,514,669)	1,179,755
Notes receivable - affiliates, net	46,187,982	(17,591,216)	28,596,766	(28,596,766)	-
Other assets	1,046,118	465,753	1,511,871	-	1,511,871
Due from unconsolidated affiliates	16,221,494	(15,936,166)	285,328	29,234	314,562
Total other assets	<u>155,698,646</u>	<u>(26,287,070)</u>	<u>129,411,576</u>	<u>(35,082,201)</u>	<u>94,329,375</u>
Total assets	<u>\$ 608,881,995</u>	<u>\$ 128,392,036</u>	<u>\$ 737,274,031</u>	<u>\$ (47,674,409)</u>	<u>\$ 689,599,622</u>
Liabilities and Net Assets					
Current liabilities					
Line of credit (Note 8)	\$ -	\$ -	\$ -	\$ -	\$ -
Notes payable - current portion (Note 7)	2,021,573	18,139,199	20,160,772	-	20,160,772
Lease liabilities - current portion (Note 10)	31,728,634	-	31,728,634	-	31,728,634
Accounts payable and other current liabilities	13,731,018	2,781,215	16,512,233	(1,162,127)	15,350,106
Construction costs payable	4,838,624	-	4,838,624	-	4,838,624
Contractual advances	15,659,061	-	15,659,061	-	15,659,061
Total current liabilities	<u>67,978,910</u>	<u>20,920,414</u>	<u>88,899,324</u>	<u>(1,162,127)</u>	<u>87,737,197</u>
Other liabilities					
Notes payable - net (Note 7)	226,040,460	69,742,621	295,783,081	(28,821,838)	266,961,243
Lease liabilities - net of current portion (Note 10)	224,260,314	-	224,260,314	-	224,260,314
Forgivable mortgage notes payable (Note 9)	14,760,785	-	14,760,785	-	14,760,785
Accrued mortgage interest	-	2,892,811	2,892,811	-	2,892,811
Due to County of Westchester Department of Social Services, rent advances (Note 11)	856,210	-	856,210	-	856,210
Developer fees payable	-	2,388,148	2,388,148	(2,388,148)	-
Security deposits	315,661	335,426	651,087	-	651,087
Other liabilities	1,566,353	1	1,566,354	-	1,566,354
Total other liabilities	<u>467,799,783</u>	<u>75,359,007</u>	<u>543,158,790</u>	<u>(31,209,986)</u>	<u>511,948,804</u>
Total liabilities	<u>535,778,693</u>	<u>96,279,421</u>	<u>632,058,114</u>	<u>(32,372,113)</u>	<u>599,686,001</u>
Net assets					
Without donor restrictions					
Controlling interest	38,281,317	3,657,914	41,939,231	(21,933,254)	20,005,977
Non-controlling interests (Note 18)	-	28,454,701	28,454,701	6,630,958	35,085,659
	<u>38,281,317</u>	<u>32,112,615</u>	<u>70,393,932</u>	<u>(15,302,296)</u>	<u>55,091,636</u>
With donor restrictions (Note 14)	34,821,985	-	34,821,985	-	34,821,985
Total net assets	<u>73,103,302</u>	<u>32,112,615</u>	<u>105,215,917</u>	<u>(15,302,296)</u>	<u>89,913,621</u>
Total liabilities and net assets	<u>\$ 608,881,995</u>	<u>\$ 128,392,036</u>	<u>\$ 737,274,031</u>	<u>\$ (47,674,409)</u>	<u>\$ 689,599,622</u>

See Independent Auditor's Report.

Westhab, Inc. and Affiliates
Consolidating Schedule of Financial Position
December 31, 2022 (Restated)

	<u>Westhab Group</u>	<u>Tax Credit Entities</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
Assets					
Current assets					
Cash	\$ 18,911,454	\$ 1,812,089	\$ 20,723,543	\$ -	\$ 20,723,543
Due from government agencies (Note 4)	8,078,738	-	8,078,738	-	8,078,738
Pledges receivable	351,000	-	351,000	-	351,000
Other current assets	3,050,939	729,263	3,780,202	-	3,780,202
Total current assets	<u>30,392,131</u>	<u>2,541,352</u>	<u>32,933,483</u>	<u>-</u>	<u>32,933,483</u>
Property and equipment, net (Note 5)	<u>28,096,697</u>	<u>114,257,672</u>	<u>142,354,369</u>	<u>(10,631,286)</u>	<u>131,723,083</u>
Property under development (Note 6)	<u>78,919,020</u>	<u>19,242,203</u>	<u>98,161,223</u>	<u>(870,796)</u>	<u>97,290,427</u>
Right of use assets, net (Note 10)	<u>206,653,270</u>	<u>-</u>	<u>206,653,270</u>	<u>-</u>	<u>206,653,270</u>
Other assets					
Assets restricted as to use (Note 16)	104,297,169	6,412,470	110,709,639	-	110,709,639
Investment in affiliates	7,008,362	-	7,008,362	(6,063,712)	944,650
Notes receivable - affiliates	45,732,934	(17,200,168)	28,532,766	(28,532,766)	-
Other assets	1,001,705	482,517	1,484,222	-	1,484,222
Due from unconsolidated affiliates	16,131,800	(15,805,480)	326,320	29,234	355,554
Total other assets	<u>174,171,970</u>	<u>(26,110,661)</u>	<u>148,061,309</u>	<u>(34,567,244)</u>	<u>113,494,065</u>
Total assets	<u>\$ 518,233,088</u>	<u>\$ 109,930,566</u>	<u>\$ 628,163,654</u>	<u>\$ (46,069,326)</u>	<u>\$ 582,094,328</u>
Liabilities and Net Assets					
Current liabilities					
Line of credit (Note 8)	\$ -	\$ -	\$ -	\$ -	\$ -
Notes payable - current portion (Note 7)	1,728,569	12,514,238	14,242,807	-	14,242,807
Lease liabilities - current portion (Note 10)	24,585,544	-	24,585,544	-	24,585,544
Accounts payable and other current liabilities	7,841,006	1,423,944	9,264,950	(1,217,585)	8,047,365
Construction costs payable	3,232,455	4,074,574	7,307,029	-	7,307,029
Contractual advances	16,800,401	-	16,800,401	-	16,800,401
Total current liabilities	<u>54,187,975</u>	<u>18,012,756</u>	<u>72,200,731</u>	<u>(1,217,585)</u>	<u>70,983,146</u>
Other liabilities					
Notes payable - net (Note 7)	192,933,075	64,469,908	257,402,983	(28,821,838)	228,581,145
Lease liabilities - net of current portion (Note 10)	183,035,551	-	183,035,551	-	183,035,551
Forgivable mortgage notes payable (Note 9)	13,831,649	-	13,831,649	-	13,831,649
Accrued mortgage interest	-	2,030,884	2,030,884	-	2,030,884
Due to County of Westchester Department of Social Services, rent advances (Note 11)	856,210	-	856,210	-	856,210
Developer fees payable	-	3,248,848	3,248,848	(3,248,848)	-
Security deposits	310,754	314,346	625,100	-	625,100
Other liabilities	1,600,887	-	1,600,887	-	1,600,887
Total other liabilities	<u>392,568,126</u>	<u>70,063,986</u>	<u>462,632,112</u>	<u>(32,070,686)</u>	<u>430,561,426</u>
Total liabilities	<u>446,756,101</u>	<u>88,076,742</u>	<u>534,832,843</u>	<u>(33,288,271)</u>	<u>501,544,572</u>
Net assets					
Without donor restrictions					
Controlling interest	36,052,662	3,729,070	39,781,732	(18,814,342)	20,967,390
Non-controlling interests (Note 18)	-	18,124,754	18,124,754	6,033,287	24,158,041
	<u>36,052,662</u>	<u>21,853,824</u>	<u>57,906,486</u>	<u>(12,781,055)</u>	<u>45,125,431</u>
With donor restrictions (Note 14)	<u>35,424,325</u>	<u>-</u>	<u>35,424,325</u>	<u>-</u>	<u>35,424,325</u>
Total net assets	<u>71,476,987</u>	<u>21,853,824</u>	<u>93,330,811</u>	<u>(12,781,055)</u>	<u>80,549,756</u>
Total liabilities and net assets	<u>\$ 518,233,088</u>	<u>\$ 109,930,566</u>	<u>\$ 628,163,654</u>	<u>\$ (46,069,326)</u>	<u>\$ 582,094,328</u>

See Independent Auditor's Report.

Westhab, Inc. and Affiliates
Consolidating Schedule of Activities and Changes in Net Assets
Year Ended December 31, 2023

	Westhab Group			Tax Credit Entities	Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions	Total			
Revenues						
Housing income, net	\$ 126,869,371	\$ -	\$ 126,869,371	\$ 6,304,302	\$ -	\$ 133,173,673
Contracts for services	18,883,288	-	18,883,288	-	(726,380)	18,156,908
Fees and contributions	4,151,157	369,841	4,520,998	317,003	(2,609,938)	2,228,063
Contributions of nonfinancial assts	360,000	-	360,000	-	-	360,000
Capital grants	583,820	726,380	1,310,200	-	-	1,310,200
Special events, net	<u>797,222</u>	<u>-</u>	<u>797,222</u>	<u>-</u>	<u>-</u>	<u>797,222</u>
	151,644,858	1,096,221	152,741,079	6,621,305	(3,336,318)	156,026,066
Assets released from restrictions (Note 14)	<u>1,698,561</u>	<u>(1,698,561)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>153,343,419</u>	<u>(602,340)</u>	<u>152,741,079</u>	<u>6,621,305</u>	<u>(3,336,318)</u>	<u>156,026,066</u>
Operating expenses						
Program services	142,466,001	-	142,466,001	9,584,275	(653,704)	151,396,572
General and administrative	9,887,552	-	9,887,552	475,821	(612,330)	9,751,043
Fundraising	<u>473,801</u>	<u>-</u>	<u>473,801</u>	<u>-</u>	<u>-</u>	<u>473,801</u>
Total operating expenses	<u>152,827,354</u>	<u>-</u>	<u>152,827,354</u>	<u>10,060,096</u>	<u>(1,266,034)</u>	<u>161,621,416</u>
Changes in net assets before other income (expenses)	<u>516,065</u>	<u>(602,340)</u>	<u>(86,275)</u>	<u>(3,438,791)</u>	<u>(2,070,284)</u>	<u>(5,595,350)</u>
Other income (expenses)						
Gain on disposal of property	<u>1,712,590</u>	<u>-</u>	<u>1,712,590</u>	<u>-</u>	<u>-</u>	<u>1,712,590</u>
Changes in net assets	2,228,655	(602,340)	1,626,315	(3,438,791)	(2,070,284)	(3,882,760)
Changes attributable to limited partners	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,916,678</u>	<u>(597,671)</u>	<u>2,319,007</u>
Changes in net assets attributable to Westhab, Inc.	2,228,655	(602,340)	1,626,315	(522,113)	(2,667,955)	(1,563,753)
Net assets						
Beginning of year						
Controlling interest	36,052,662	35,424,325	71,476,987	3,729,070	(18,814,342)	56,391,715
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,124,754</u>	<u>6,033,287</u>	<u>24,158,041</u>
	<u>36,052,662</u>	<u>35,424,325</u>	<u>71,476,987</u>	<u>21,853,824</u>	<u>(12,781,055)</u>	<u>80,549,756</u>
Contributed capital						
Controlling interest	-	-	-	450,957	(450,957)	-
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,246,625</u>	<u>-</u>	<u>13,246,625</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,697,582</u>	<u>(450,957)</u>	<u>13,246,625</u>
End of year						
Controlling interest	38,281,317	34,821,985	73,103,302	3,657,914	(21,933,254)	54,827,962
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,454,701</u>	<u>6,630,958</u>	<u>35,085,659</u>
	<u>\$ 38,281,317</u>	<u>\$ 34,821,985</u>	<u>\$ 73,103,302</u>	<u>\$ 32,112,615</u>	<u>\$ (15,302,296)</u>	<u>\$ 89,913,621</u>

See Independent Auditor's Report.

Westhab, Inc. and Affiliates
Consolidating Schedule of Activities and Changes in Net Assets
Year Ended December 31, 2022 (Restated)

	Westhab Group			Tax Credit Entities	Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions	Total			
Revenues						
Housing income, net	\$ 90,239,413	\$ -	\$ 90,239,413	\$ 5,015,885	\$ -	\$ 95,255,298
Contracts for services	15,950,694	726,380	16,677,074	-	(726,380)	15,950,694
Fees and contributions	1,561,332	726,063	2,287,395	97,188	(908,735)	1,475,848
Contributions of nonfinancial assts	3,189,000	-	3,189,000	-	-	3,189,000
Capital grants	-	273,824	273,824	-	-	273,824
Special events, net	221,854	-	221,854	-	-	221,854
	<u>111,162,293</u>	<u>1,726,267</u>	<u>112,888,560</u>	<u>5,113,073</u>	<u>(1,635,115)</u>	<u>116,366,518</u>
Assets released from restrictions (Note 14)	<u>1,671,408</u>	<u>(1,671,408)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>112,833,701</u>	<u>54,859</u>	<u>112,888,560</u>	<u>5,113,073</u>	<u>(1,635,115)</u>	<u>116,366,518</u>
Operating expenses						
Program services	103,406,155	-	103,406,155	9,466,434	(481,133)	112,391,456
General and administrative	7,327,455	-	7,327,455	325,397	(870,825)	6,782,027
Fundraising	255,383	-	255,383	-	-	255,383
Total operating expenses	<u>110,988,993</u>	<u>-</u>	<u>110,988,993</u>	<u>9,791,831</u>	<u>(1,351,958)</u>	<u>119,428,866</u>
Changes in net assets before other income (expenses)	<u>1,844,708</u>	<u>54,859</u>	<u>1,899,567</u>	<u>(4,678,758)</u>	<u>(283,157)</u>	<u>(3,062,348)</u>
Other income (expenses) Loss on disposal of property	<u>(130,835)</u>	<u>-</u>	<u>(130,835)</u>	<u>-</u>	<u>-</u>	<u>(130,835)</u>
Changes in net assets	<u>1,713,873</u>	<u>54,859</u>	<u>1,768,732</u>	<u>(4,678,758)</u>	<u>(283,157)</u>	<u>(3,193,183)</u>
Changes attributable to limited partners	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,415,861</u>	<u>(814,485)</u>	<u>3,601,376</u>
Changes in net assets attributable to Westhab, Inc.	<u>1,713,873</u>	<u>54,859</u>	<u>1,768,732</u>	<u>(262,897)</u>	<u>(1,097,642)</u>	<u>408,193</u>
Net assets						
Beginning of year, as previously reported						
Controlling interest	36,939,087	46,600,817	83,539,904	4,399,725	(18,124,458)	69,815,171
Non-controlling interests	-	-	-	20,695,068	5,218,802	25,913,870
	<u>36,939,087</u>	<u>46,600,817</u>	<u>83,539,904</u>	<u>25,094,793</u>	<u>(12,905,656)</u>	<u>95,729,041</u>
Prior period adjustment (see Note 20)						
Controlling interest	(2,600,298)	(11,231,351)	(13,831,649)	-	-	(13,831,649)
Non-controlling interests	-	-	-	-	-	-
	<u>(2,600,298)</u>	<u>(11,231,351)</u>	<u>(13,831,649)</u>	<u>-</u>	<u>-</u>	<u>(13,831,649)</u>
Beginning of year, as restated						
Controlling interest	34,338,789	35,369,466	69,708,255	4,399,725	(18,124,458)	55,983,522
Non-controlling interests	-	-	-	20,695,068	5,218,802	25,913,870
	<u>34,338,789</u>	<u>35,369,466</u>	<u>69,708,255</u>	<u>25,094,793</u>	<u>(12,905,656)</u>	<u>81,897,392</u>
Contributed capital						
Non-controlling interests	-	-	-	1,845,547	-	1,845,547
Distributed capital						
Controlling interest	-	-	-	(407,758)	407,758	-
End of year						
Controlling interest	36,052,662	35,424,325	71,476,987	3,729,070	(18,814,342)	56,391,715
Non-controlling interests	-	-	-	18,124,754	6,033,287	24,158,041
	<u>\$ 36,052,662</u>	<u>\$ 35,424,325</u>	<u>\$ 71,476,987</u>	<u>\$ 21,853,824</u>	<u>\$ (12,781,055)</u>	<u>\$ 80,549,756</u>

See Independent Auditor's Report.

Westhab, Inc. and Affiliates
Consolidating Schedule of Functional Expenses
Year Ended December 31, 2023

	Program Services										General and Administrative				Fundraising	
	Housing Operations				Real Estate Development			Real Estate Development			General and Administrative				Fundraising	
	Westhab Group	Tax Credit Entities	Eliminations	Total	Shelter Operations	Employment Services	Real Estate Development	Eliminations	Total	Total	Westhab Group	Tax Credit Entities	Eliminations	Total	Westhab Group	Total
Personnel costs	\$ 11,086,165	\$ 1,062,915	\$ -	\$ 12,149,080	\$ 46,333,473	\$ 1,081,514	\$ 1,021,675	\$ -	\$ 1,021,675	\$ 60,585,742	\$ 7,223,767	\$ -	\$ -	\$ 7,223,767	\$ 412,479	\$ 68,221,988
Rent	9,727,640	4,267	-	9,731,907	38,830,235	52,610	5,100	-	5,100	48,619,852	590,443	-	-	590,443	-	49,210,295
Insurance	441,903	524,987	-	966,890	1,941,867	11,003	6	-	6	2,919,766	85,086	-	-	85,086	-	3,004,852
Professional fees	270,151	294,778	-	564,929	224,806	23,411	110,180	-	110,180	923,326	900,933	475,821	(497,844)	878,910	3,532	1,805,768
Real estate taxes	281,888	371,137	-	653,025	2,510,225	-	3,262	-	3,262	3,166,512	-	-	-	-	-	3,166,512
Utilities	869,027	1,089,553	-	1,958,580	3,228,708	11,611	576	-	576	5,199,475	109,987	-	-	109,987	-	5,309,462
Communications	167,555	85,652	-	253,207	381,139	15,373	2,586	-	2,586	652,305	32,262	-	-	32,262	859	685,426
Maintenance and repairs	982,927	756,812	-	1,739,739	8,752,579	32,778	197	-	197	10,525,293	92,968	-	-	92,968	165	10,618,426
Program activities	1,119,914	1,010	-	1,120,924	6,683,626	224,278	486	-	486	8,029,314	759,485	-	(726,380)	33,105	199	8,062,618
Office expense	256,373	62,778	-	319,151	1,574,084	41,012	15,684	-	15,684	1,949,931	287,544	-	-	287,544	11,756	2,249,231
Travel	113,352	58	-	113,410	139,186	5,000	1,547	-	1,547	259,143	43,238	-	-	43,238	847	303,228
Depreciation and amortization	1,174,215	3,778,770	(380,914)	4,572,071	674,200	7,364	-	-	-	5,253,635	101,401	-	-	101,401	-	5,355,036
Interest	1,522,016	1,010,257	(272,790)	2,259,483	197,031	-	-	-	-	2,456,514	136,121	-	-	136,121	-	2,592,635
Other	22,476	71,560	-	94,036	40,506	2,142	2,070	-	2,070	138,754	136,211	-	-	136,211	43,964	318,929
Bad debt expense (recovery)	229,801	469,741	-	699,542	17,468	-	-	-	-	717,010	(406,846)	-	406,846	-	-	717,010
Discount - notes	-	-	-	-	-	-	-	-	-	-	(205,048)	-	205,048	-	-	-
	<u>\$ 28,265,403</u>	<u>\$ 9,584,275</u>	<u>\$ (653,704)</u>	<u>\$ 37,195,974</u>	<u>\$ 111,529,133</u>	<u>\$ 1,508,096</u>	<u>\$ 1,163,369</u>	<u>\$ -</u>	<u>\$ 1,163,369</u>	<u>\$ 151,396,572</u>	<u>\$ 9,887,552</u>	<u>\$ 475,821</u>	<u>\$ (612,330)</u>	<u>\$ 9,751,043</u>	<u>\$ 473,801</u>	<u>\$ 161,621,416</u>

See Independent Auditor's Report.

Westhab, Inc. and Affiliates
Consolidating Schedule of Functional Expenses
Year Ended December 31, 2022

	Program Services															
	Housing Operations				Real Estate Development						General and Administrative				Fundraising	
	Westhab Group	Tax Credit Entities	Eliminations	Total	Shelter Operations	Employment Services	Real Estate Development	Eliminations	Total	Total	Westhab Group	Tax Credit Entities	Eliminations	Total	Westhab Group	Total
Personnel costs	\$ 9,787,358	\$ 1,044,989	\$ -	\$ 10,832,347	\$ 31,296,065	\$ 767,970	\$ 620,918	\$ -	\$ 620,918	\$ 43,517,300	\$ 5,108,072	\$ -	\$ -	\$ 5,108,072	\$ 199,734	\$ 48,825,106
Rent	9,880,940	4,267	-	9,885,207	27,194,188	41,135	5,100	-	5,100	37,125,630	264,349	-	-	264,349	-	37,389,979
Insurance	362,706	368,428	-	731,134	976,244	6,371	-	-	-	1,713,749	74,277	-	-	74,277	-	1,788,026
Professional fees	111,014	249,041	-	360,055	31,891	-	19,973	-	19,973	411,919	383,559	325,397	(340,531)	368,425	39,308	819,652
Real estate taxes	277,297	339,805	-	617,102	1,262,086	-	-	-	-	1,879,188	-	-	-	-	-	1,879,188
Utilities	843,044	1,035,004	-	1,878,048	2,325,077	10,736	536	-	536	4,214,397	81,835	-	-	81,835	-	4,296,232
Communications	158,590	72,609	-	231,199	272,839	15,244	1,891	-	1,891	521,173	19,636	-	-	19,636	327	541,136
Maintenance and repairs	941,578	675,353	-	1,616,931	6,431,428	23,278	-	-	-	8,071,637	99,163	-	-	99,163	-	8,170,800
Program activities	698,479	14,809	-	713,288	5,107,824	129,697	572	-	572	5,951,381	746,685	-	(726,380)	20,305	-	5,971,686
Office expense	493,447	33,350	-	526,797	839,050	24,414	4,203	-	4,203	1,394,464	343,306	-	-	343,306	9,072	1,746,842
Travel	76,151	113	-	76,264	117,503	7,130	895	-	895	201,792	33,537	-	-	33,537	29	235,358
Depreciation and amortization	670,269	3,496,629	(339,756)	3,827,142	492,507	8,034	-	-	-	4,327,683	46,646	-	-	46,646	-	4,374,329
Interest	380,566	1,070,309	(237,441)	1,213,434	151,614	-	-	-	-	1,365,048	131,227	-	-	131,227	-	1,496,275
Other	56,448	645,620	-	702,068	34,723	81,408	50	-	50	818,249	191,249	-	-	191,249	6,913	1,016,411
Bad debt expense (recovery)	350,478	416,108	96,064	862,650	15,196	-	-	-	-	877,846	-	-	-	-	-	877,846
Discount - notes	-	-	-	-	-	-	-	-	-	-	(196,086)	-	196,086	-	-	-
	<u>\$ 25,088,365</u>	<u>\$ 9,466,434</u>	<u>\$ (481,133)</u>	<u>\$ 34,073,666</u>	<u>\$ 76,548,235</u>	<u>\$ 1,115,417</u>	<u>\$ 654,138</u>	<u>\$ -</u>	<u>\$ 654,138</u>	<u>\$ 112,391,456</u>	<u>\$ 7,327,455</u>	<u>\$ 325,397</u>	<u>\$ (870,825)</u>	<u>\$ 6,782,027</u>	<u>\$ 255,383</u>	<u>\$ 119,428,866</u>

See Independent Auditor's Report.

Westhab, Inc. and Affiliates
Property Directory (Unaudited)
December 31, 2023

<u>Property</u>	<u>Location</u>	<u>No. of Units</u>	<u>Square Footage</u>	<u>Original Cost and Improvements</u>
Westhab Group				
Buildings				
2 East Cross Street	North Salem, New York	3	3,500	\$ 428,154
93 Bruce Avenue	Yonkers, New York	10	12,500	1,327,025
103 Elm Street	Yonkers, New York	4	3,100	914,173
5 Lawrence Street	Yonkers, New York	10	12,070	1,838,612
28 Pier Street	Yonkers, New York	12	3,804	1,248,058
62-64 Elliott Avenue	Yonkers, New York	17	20,000	2,676,677
5 Hudson Street	Yonkers, New York	42	17,500	4,567,591
100 Vark Street	Yonkers, New York	24	18,754	2,160,000
87 Locust Hill	Yonkers, New York	21	16,300	1,921,104
138-50 Queens Blvd	Briarwood, New York	175	40,000	34,392,253
157 and 161 Bruce Avenue	Yonkers, New York	4	7,590	4,534,364
320 Walnut Street	Yonkers, New York	Community space	8,000	2,014,111
				<u>\$ 58,022,122</u>
Leasehold Improvements				
8 Bashford Street	Yonkers, New York	Offices	17,893	\$ 96,241
2500 Halsey Street	Bronx, New York	Offices	33,942	333,739
320 Walnut Street	Yonkers, New York	Community space	8,000	5,704,174
				<u>\$ 6,134,154</u>
Tax Entities Group				
Buildings				
97 Bruce Avenue	Yonkers, New York	12	10,920	\$ 2,479,317
12 Knowles Street	Yonkers, New York	12	11,090	2,509,377
125 Elm Street	Yonkers, New York	4	5,400	769,447
129 Elm Street	Yonkers, New York	7	6,300	816,233
139 Elm Street	Yonkers, New York	8	7,440	935,806
141 Elm Street	Yonkers, New York	8	7,440	956,956
145 Elm Street	Yonkers, New York	8	6,840	879,706
125 Livingston Avenue	Yonkers, New York	15	15,650	2,978,652
217-227 Waverly Place	Yonkers, New York	29	30,224	5,216,979
129 South Fourth Avenue	Mount Vernon, New York	20	35,750	7,473,536
41-47 Clinton Place	New Rochelle, New York	25	26,108	8,610,341
29 Kress Avenue	New Rochelle, New York	40	44,649	13,569,575
22 Tarrytown Road	Greenburgh, New York	28	15,849	9,817,515
4-12 Gouverneur Place	Bronx, New York	68	50,200	19,429,796
7 Ludlow Street	Yonkers, New York	71	62,793	25,797,238
227 Elm Street	Yonkers, New York	63	68,794	36,417,368
				<u>\$ 138,657,842</u>
Leasehold Improvements				
129 South Fourth Avenue	Mount Vernon, New York	Office	3,690	\$ 480,418

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