

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORTS

JUNE 30, 2014 AND 2013

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

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KOCH GROUP & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
New Destiny Housing Corporation
and Affiliates

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of New Destiny Housing Corporation and affiliates, which comprise the consolidated statements of financial position as of June 30, 2014 and 2013, and the related consolidated statements of activities, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of New Destiny Housing Corporation and affiliates as of June 30, 2014 and 2013, and the results of their operations and their cash flows for the years then ended in accordance with accounting principals generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying additional schedules on pages 24-43 are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Koch Group + Company, LLP
Certified Public Accountants

New York, New York
February 24, 2015

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30,

ASSETS

| | 2014 | 2013 |
|---|----------------------|----------------------|
| Investment in real estate held for lease | \$ 51,213,945 | \$ 38,732,103 |
| Cash - operations | 3,625,098 | 2,826,557 |
| Cash - construction | 72,943 | 62,304 |
| Rent receivable | 112,165 | 90,063 |
| Grants and fees receivable | 162,976 | 188,875 |
| Prepaid expenses and other assets | 105,384 | 137,342 |
| Tenants' security deposits | 120,030 | 111,828 |
| Escrows and reserves | 1,201,254 | 1,044,757 |
| Pre-development costs | 85,198 | 140,636 |
| Deposit | 63,876 | 63,876 |
| Mortgage costs, less accumulated amortization | 265,979 | 147,135 |
| TOTAL ASSETS | \$ 57,028,848 | \$ 43,545,476 |

LIABILITIES AND NET ASSETS

LIABILITIES APPLICABLE TO INVESTMENT IN
REAL ESTATE HELD FOR LEASE

| | | |
|--|-------------------|-------------------|
| Long-term debt | \$ 23,408,440 | \$ 16,783,368 |
| Construction costs payable | 332,368 | 1,036,681 |
| Accrued interest payable | 886,891 | 573,609 |
| Accounts payable | 257,268 | 217,029 |
| Tenants' security payable | 118,247 | 113,046 |
| Total Liabilities Applicable to Investment in Real Estate | 25,003,214 | 18,723,733 |

NET ASSETS

| | | |
|---|----------------------|----------------------|
| Controlling interest | | |
| Unrestricted | 11,465,058 | 11,240,773 |
| Temporarily restricted | 2,751,915 | 2,788,076 |
| | 14,216,973 | 14,028,849 |
| Noncontrolling interests | | |
| Unrestricted | 17,808,661 | 10,792,894 |
| Total net assets | 32,025,634 | 24,821,743 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 57,028,848 | \$ 43,545,476 |

See notes to financial statements.

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30,

| | <u>2014</u> | <u>2013</u> |
|---|-------------------|-------------------|
| UNRESTRICTED NET ASSETS | | |
| PUBLIC SUPPORT AND REVENUES | | |
| Grants and contributions | \$ 857,625 | \$ 861,156 |
| Special events, net of expenses of \$37,783 in 2014 and \$45,520 in 2013 | 194,270 | 157,122 |
| Rental income | 1,854,707 | 1,475,141 |
| Developer fees | 570,000 | 670,000 |
| Other income | 32,658 | 10,828 |
| | <u>3,509,260</u> | <u>3,174,247</u> |
| Net assets released from restrictions | 229,216 | 192,689 |
| Total Public Support and Revenue | <u>3,738,476</u> | <u>3,366,936</u> |
| FUNCTIONAL EXPENSES | | |
| Housing and management services | 3,499,608 | 2,453,196 |
| Social services | 614,188 | 568,535 |
| Total Program Services | <u>4,113,796</u> | <u>3,021,731</u> |
| Management and general | 157,094 | 135,390 |
| Fundraising | 168,522 | 124,674 |
| Total Supporting Services | <u>325,616</u> | <u>260,064</u> |
| Total Functional Expenses | <u>4,439,412</u> | <u>3,281,795</u> |
| CHANGE IN UNRESTRICTED NET ASSETS INCLUDING NONCONTROLLING OWNERSHIP INTERESTS | <u>(700,936)</u> | <u>85,141</u> |
| TEMPORARILY RESTRICTED NET ASSETS | | |
| Grants | 193,055 | 111,118 |
| Net assets released from restrictions | (229,216) | (192,689) |
| CHANGE IN TEMPORARILY RESTRICTED NET ASSETS | <u>(36,161)</u> | <u>(81,571)</u> |
| TOTAL CHANGE IN NET ASSETS INCLUDING NONCONTROLLING OWNERSHIP INTERESTS | (737,097) | 3,570 |
| LOSS ALLOCATED TO NONCONTROLLING OWNERSHIP INTERESTS | <u>925,221</u> | <u>598,995</u> |
| CHANGE IN NET ASSETS ALLOCATED TO CONTROLLING INTEREST | <u>\$ 188,124</u> | <u>\$ 602,565</u> |

See notes to financial statements.

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2014 AND 2013

| NET ASSETS | Total | Temporarily Restricted | Unrestricted | |
|------------------------|---------------------|---------------------------|-------------------------|-----------------------------|
| | | | Controlling Interest | Noncontrolling Interests |
| Balance, July 1, 2013 | \$23,898,323 | \$ 2,869,647 | \$ 10,556,637 | \$ 10,472,039 |
| Capital Contributions | 919,850 | | | 919,850 |
| Changes in Net Assets | <u>3,570</u> | <u>(81,571)</u> | <u>684,136</u> | <u>(598,995)</u> |
| Balance, June 30, 2013 | 24,821,743 | 2,788,076 | 11,240,773 | 10,792,894 |
| Capital Contributions | 7,940,988 | | | 7,940,988 |
| Changes in Net Assets | <u>(737,097)</u> | <u>(36,161)</u> | <u>224,285</u> | <u>(925,221)</u> |
| Balance, June 30, 2014 | <u>\$32,025,634</u> | <u>\$ 2,751,915</u> | <u>\$ 11,465,058</u> | <u>\$ 17,808,661</u> |

See notes to consolidated financial statements.

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30,

| | <u>2014</u> | <u>2013</u> |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ (737,097) | \$ 3,570 |
| ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | |
| Depreciation and amortization | 1,122,498 | 920,516 |
| Changes in assets and liabilities | | |
| Rent receivable | (22,102) | (5,952) |
| Grants and fees receivable | 25,899 | 7,393 |
| Prepaid expenses and other assets | 31,958 | (47,514) |
| Tenants' security deposits | (8,202) | (8,325) |
| Escrows and operating reserves | (73,754) | 21,635 |
| Deposit | - | 1,727 |
| Accrued interest payable | 313,282 | 74,611 |
| Accounts payable | 40,239 | (7,435) |
| Tenants' security payable | 5,201 | 8,542 |
| Total Adjustments | <u>1,435,019</u> | <u>965,198</u> |
| Net cash provided by operating activities | <u>697,922</u> | <u>968,768</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of land and building improvements | (8,901,580) | (12,340,764) |
| Acquisition of furniture and equipment | (4,046) | (14,400) |
| Construction in progress | (4,595,224) | 7,660,366 |
| Replacement reserves | (82,743) | (141,098) |
| Net cash used in investing activities | <u>(13,583,593)</u> | <u>(4,835,896)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Mortgage costs | (166,896) | (90,143) |
| Long-term debt | 6,625,072 | 2,528,456 |
| Construction costs payable | (704,313) | (576,113) |
| Capital contribution - limited partners | 7,940,988 | 919,850 |
| Net cash provided by financing activities | <u>13,694,851</u> | <u>2,782,050</u> |
| NET INCREASE (DECREASE) IN CASH | 809,180 | (1,085,078) |
| CASH | | |
| Beginning of year | <u>2,888,861</u> | <u>3,973,939</u> |
| End of year | <u>\$ 3,698,041</u> | <u>\$ 2,888,861</u> |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW ITEMS | | |
| Interest paid | <u>\$ 117,395</u> | <u>\$ 127,656</u> |

See notes to financial statements.

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

1. Organization

These consolidated financial statements of New Destiny Housing Corporation (New Destiny) and Affiliates (ND and Affiliates) include the following affiliates: CityWide Supportive Housing, Inc. (CityWide), Citywide Supportive Housing Development Fund Corporation (HDFC), 1070 Anderson Avenue Limited Partnership (The Anderson), 1070 Anderson Avenue GP Corp (1070 GP), 291 Bainbridge Limited Partnership (291 LP), 291 Bainbridge GP Corp (291 GP), Andrews Avenue Associates L.P. (Andrews LP), Citywide Andrews Associates, Inc. (Citywide Andrews), 2017 Morris Avenue Owner LLC (2017 LLC), and 2017 Morris Avenue Corp (2017 GP).

New Destiny, CityWide and HDFC were incorporated in the State of New York as not-for-profit organizations and are tax-exempt entities under Section 501(c) (3) of the Internal Revenue Code. Citywide Andrews is a New York corporation organized under Section C of the Internal Revenue Code. Citywide Andrews owns .01% of Andrews LP, which is a limited partnership organized on July 7, 2006 under the laws of the State of New York. 1070 GP is a New York corporation organized under Section C of the Internal Revenue Code. 1070 GP owns .01% of The Anderson, which is a limited partnership organized on December 8, 2009 under the laws of the State of New York. 291 GP is a New York corporation organized under Section C of the Internal Revenue Code. 291 GP owns .01% of 291 LP, which is a limited partnership organized on October 18, 2011 under the laws of the State of New York. 2017 GP is a New York corporation organized under Section C of the Internal Revenue Code. 2017 GP owns .01% of 2017 LLC, which is a limited liability company organized on December 9, 2013 under the laws of the State of New York

New Destiny was organized (1) to develop, own, and operate affordable and supportive housing for low-income households and (2) to provide housing-related services to low-income survivors of domestic violence and others at risk of homelessness. CityWide and HDFC were formed as real estate holding companies for certain properties developed by New Destiny. Their boards are controlled by New Destiny.

Citywide Andrews was formed to act as the corporate general partner of Andrews LP and is 100% owned by HDFC. Andrews LP was formed for the purpose of providing low-income housing through the construction of 37 residential units and one super's unit in the Bronx, New York, in a building known as Marcello Manor.

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

1. Organization (Continued)

1070 GP was formed to act as the corporate general partner of The Anderson and is 100% owned by 1070 Anderson Housing Development Fund Corporation, all the directors of which are appointed by New Destiny. The Anderson was formed for the purpose of providing low-income housing through the construction of 40 residential units and one super's unit in the Bronx, New York, in a building known as The Anderson.

291 GP was formed to act as the corporate general partner of 291 LP and is 78% owned by 291 Bainbridge Housing Development Fund Corporation, all the directors of which are appointed by New Destiny in its capacity as sole member of the corporation. 291 LP was formed for the purpose of providing low-income housing through the construction of 23 residential units in Brooklyn, New York.

2017 GP was formed to act as the corporate managing member of 2017 LLC and is 100% owned by 2017 Morris Housing Development Fund Corporation, all the directors of which are appointed by New Destiny in its capacity as sole member of the corporation. 2017 LLC was formed for the purpose of providing low-income through the construction of 38 residential units, and one super's unit in the Bronx, New York.

New Destiny's goal is to increase the supply of affordable and supportive housing for low-income domestic violence survivors and other low-income households and to improve the access of low-income domestic violence survivors to existing housing resources. New Destiny pursues the following activities to achieve these two goals:

- New Destiny develops, owns, and manages housing for low-income domestic violence survivors.
- New Destiny provides on-site social services and support to tenants in its permanent housing.
- New Destiny, through its HousingLink program, provides housing training workshops; a Housing HelpLine; housing research information; a housing resource website; and technical assistance to domestic violence survivors and to social service and legal providers seeking information and assistance with permanent housing issues.
- New Destiny educates the public about the housing and service needs of low-income domestic violence survivors and advocates for increasing the resources available to this population.

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

1. Organization (Continued)

- New Destiny, through programs such as Project Safe Home, seeks ways to link domestic violence shelter residents with affordable permanent housing that is safe, well-maintained, and sustainable.

New Destiny owns and operates the following properties:

| | |
|---|---------------------------------|
| Park Place, Brooklyn, NY | 5 Cooperative Apartments |
| Bridge Community, Brooklyn, NY | 12 Low-Income Residential Units |
| 307 E. 54 th Street, New York City, NY | 8 Low-Income Residential Units |

CityWide owns the Prelude Project, a 35 bed emergency facility in Staten Island, NY, and Lily House (aka Bronx House), containing 27 transitional units in the Bronx, NY, both shelters for domestic violence survivors.

HDFC owns and operates 281 Bainbridge Street, which consists of 8 low-income residential units in Brooklyn, NY, and Bridge Towers, which consists of 16 low-income residential units at 283-285 Bainbridge Street.

New Destiny provides ongoing tenant support services at Marcello Manor, The Anderson, 291 Bainbridge Street, Bridge Towers, Bridge Community, Park Place, 307 East 54th Street and 281 Bainbridge Street.

2. Summary of Significant Accounting Policies

a) Principals of Consolidation

The accompanying financial statements of ND and Affiliates include the accounts of New Destiny, its corporate affiliates, and limited partnerships that are commonly controlled by New Destiny's Board of Directors. The general partnership interests held by New Destiny entities equal .01% of the respective limited partnerships' equity. The remainder of the limited partnerships' equity is held by the limited partners of the respective partnerships. Amounts for the portion of the partnerships not owned by New Destiny-affiliated entities are presented in the consolidated financial statements under the caption "noncontrolling interests". All material inter-company accounts have been eliminated in consolidation.

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

2. Summary of Significant Accounting Policies (Continued)

b) Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis and conform to accounting principals generally accepted in the United States of America as applicable to not-for-profit entities and partnerships.

c) Financial Statement Presentation

New Destiny, CityWide and HDFC are required to report information regarding their financial positions and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

- a) Unrestricted net assets – Net assets that are not subject to grantor or donor-imposed stipulations.
- b) Temporarily restricted net assets – Net assets subject to grantor or donor-imposed stipulations that may or will be met, either by actions of the organization and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
- c) Permanently restricted net assets – Net assets subject to grantor or donor-imposed stipulations that they be maintained permanently by the organization to use all or part of the assets for general or specific purposes. There are no permanently restricted net assets at June 30, 2014 and 2013.

d) Cash

ND and Affiliates maintain their cash in bank deposit accounts, which, at times, may exceed federally insured limits. ND and Affiliates have not experienced any losses in such accounts. ND and Affiliates believe they are not exposed to any significant credit risk on cash and cash equivalents.

For purpose of the statement of cash flows, cash and cash equivalents consist of monies held in checking, savings and money market accounts.

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

2. Summary of Significant Accounting Policies (Continued)

e) Functional Allocation of Costs and Expenses

Costs and expenses of various programs and other activities have been analyzed on a functional basis. Accordingly, all costs and expenses incurred have been allocated among the programs and supporting services benefited.

f) Revenue Recognition

Contributions to New Destiny, CityWide and HDFC are immediately recognized when received, or unconditionally pledged, without donors' stipulations. Contributions of cash and other assets are reported as temporarily restricted support if they are received, or unconditionally pledged, with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the support and revenue section of the statement of activities as net assets released from restrictions. However, donor restricted contributions whose restrictions are met in the same reporting period are immediately reported as unrestricted support. Conditional promises to give are not included as support until the conditions are substantially met, since they are dependent on whether or not specified future and uncertain events may occur.

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases in temporarily restricted net assets. It is New Destiny's policy to imply a time restriction, based on the assets' estimated useful lives, on such property and equipment. New Destiny reclassifies temporarily restricted net assets to unrestricted net assets each year for a portion of depreciation expense relating to such property and equipment.

Rental income, principally from short-term leases on apartment units, is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between ND and Affiliates and tenants of the properties are operating leases.

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

2. Summary of Significant Accounting Policies (Continued)

g) Grants and Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded as grants and contribution receivable at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using interest rates applicable to the years in which the promises are received.

h) Income Taxes

New Destiny and its not-for-profit affiliates are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Other affiliates of New Destiny are treated as partnerships and as corporations for income tax purposes. Partnership taxable income or loss passes through to, and is reportable by, the partners, individually. The corporations either have had zero taxable income or have been carrying losses that are available for future netting against taxable income. These losses are carried forward for a period of time [as defined by the IRS] and then permanently suspended if unused. Losses carried forward should be computed as assets using the applicable tax rate and reported on the consolidating statements of financial position, subject to valuation allowance. In the case of the corporations, it is more likely than not that the respective asset will never be realized as the possibility of net income or gain is unlikely for these corporations. Therefore, no asset has been recognized in this financial report as the valuation allowance would equal 100% of the asset value.

Management has determined that ND and Affiliates had no uncertain tax positions that would require financial statement recognition. ND and Affiliates are no longer subject to income tax examination by federal, state or local tax authorities in the United States for years before 2011, which is the standard statute of limitations look-back period.

i) Donated Goods and Services

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, 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.

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

2. Summary of Significant Accounting Policies (Continued)

j) Property and Equipment

Property and equipment is stated at cost or, if donated, at estimated fair value at date of donation. The cost of buildings and improvements is depreciated over an estimated useful life of 30-40 years. The cost of furniture and equipment is depreciated over estimated useful life of 5-20 years. When assets are disposed of, their costs and accumulated depreciation are removed from the accounts and resulting gains and losses are included in operations.

k) Impairment of Long-Lived Assets

The Organization reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property including the low income housing tax credits and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There were no impairment losses recognized in 2014 and 2013.

l) Mortgage Costs

Mortgage costs are amortized on a straight-line basis over the term of the specific mortgage.

m) Pre-Development Project Costs

New Destiny incurs costs in connection with properties it is considering for development as well as costs associated with properties in the initial stages of development. Pre-development project costs are capitalized and recorded as pre-development costs until such time as the project is either abandoned or becomes an approved project with independent funding sources. Pre-development costs are charged to operations at the time a potential project is no longer considered feasible. When a project has been approved and funded for development, some of these costs are reimbursed to New Destiny and some become part of New Destiny's operating expenses. Pre-development costs totaled \$85,198 and \$140,636 at June 30, 2014 and 2013, respectively.

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

2. Summary of Significant Accounting Policies (Continued)

n) Use of Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principals 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 expense during the reporting period. Actual results could differ from those estimates.

3. Property and Equipment

Property and equipment consists of the following:

| | <u>2014</u> | <u>2013</u> |
|--------------------------------|---------------|---------------|
| Land | \$ 3,383,577 | \$ 3,383,577 |
| Buildings and improvements | 45,085,189 | 36,183,609 |
| Furniture and equipment | 409,117 | 405,071 |
| Construction in progress | 9,265,006 | 4,567,444 |
| | 58,142,889 | 44,539,701 |
| Less: Accumulated depreciation | (6,882,044) | (5,807,598) |
| | \$ 51,260,845 | \$ 38,732,103 |

Depreciation expense for the years ended June 30, 2014 and 2013 was \$1,074,446 and \$890,208, respectively.

4. Escrows and Reserves

New Destiny, Citywide, HDFC, Andrews LP, The Anderson and 291 LP are required to maintain certain escrow and reserve accounts. Operating reserves are to be used for funding operating deficits of the projects and replacement reserves are to be used for the future improvements and replacements for the rental properties.

Pursuant to the development agreement, New Destiny funded, for the benefit of Andrews LP, a social service reserve of \$300,000 and an operating reserve of \$135,000 from the proceeds of its developer's fees.

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

4. Escrows and Reserves (Continued)

Escrows and reserves consist of the following at June30,

| | <u>2014</u> | <u>2013</u> |
|------------------------|--------------------|--------------------|
| Escrows | \$ 19,346 | \$ 12,783 |
| Operating reserves | 274,409 | 208,131 |
| Social service reserve | 304,856 | 303,943 |
| Replacement reserves | 602,643 | 519,900 |
| | <u>\$1,201,254</u> | <u>\$1,044,757</u> |

5. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2014 and 2013 are related to the following purposes:

| | <u>2014</u> | <u>2013</u> |
|--------------------------------------|--------------------|--------------------|
| Bridge Community | \$ 493,292 | \$ 526,177 |
| 307 E. 54 th Street | 1,983,185 | 2,046,143 |
| Housing Link | - | 5,193 |
| Asset Management | - | 15,060 |
| Marcello Manor Building Upgrades | 67,883 | 69,763 |
| Bridge Community Building Upgrades | 14,500 | 34,875 |
| Family Support Services | 38,595 | 1,204 |
| 2017 Morris Avenue | - | 60,000 |
| 291 Bainbridge Avenue | - | 25,000 |
| The Anderson | - | 4,661 |
| Housing Development Pipeline | 60,000 | - |
| Project HOME | 88,325 | - |
| The Anderson Domestic Violence Study | 6,135 | - |
| | <u>\$2,751,915</u> | <u>\$2,788,076</u> |

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

6. Long-term Debt

| | <u>2014</u> | <u>2013</u> |
|--|-------------|-------------|
| Mortgage payable to NYC Employee Retirement System (NYCERS) requiring monthly payments of \$2,050 including interest at 7.65% with final payment due September 2030. The mortgage is secured by a first position on Bridge Community. | \$ 224,359 | \$ 231,784 |
| New York State Housing Trust Fund Corporation (HTF) has provided a second mortgage on Bridge Community which bears interest at 12% per annum. All accrued interest and principal are due June 2030 | 177,391 | 177,391 |
| Mortgage payable to the Community Preservation Corporation (CPC) requiring monthly payments of \$1,695 including interest at 6.36% with final payment due August 2035. The mortgage is secured by a first position on 281 Bainbridge. | 215,068 | 221,506 |
| NYS HTF has provided a second mortgage on 281 Bainbridge which is non-interest bearing and due August 2035. | 440,000 | 440,000 |
| Mortgage payable to NYC Department of Housing Preservation and Development (HPD) requiring monthly payments of \$221 including interest at 1% with final payment August 2035. The mortgage is secured by a third position on 281 Bainbridge. | 93,480 | 95,188 |
| NYS Homeless Housing and Assistance Program (HHAP) has provided a mortgage to Andrews LP which bears interest at 1% per annum. All accrued interest and principal are due on October 2058 | 3,732,450 | 3,732,450 |

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

6. Long-term Debt (Continued)

| | <u>2014</u> | <u>2013</u> |
|--|-------------|-------------|
| <p>NYC Department of Housing Preservation and Development (HPD) has provided a mortgage to Andrews LP which bears interest at 1% per annum. All accrued interest and principal are due on October 2058.</p> | 1,600,000 | 1,600,000 |
| <p>NYS HTF has provided \$1,624,232 for the construction of The Anderson, bearing interest at 6% during construction. Beginning at permanent conversion on June 18, 2014 the mortgage requires payment from available cash flows of interest only at 1% per annum with principal and any unpaid interest due in June 2044.</p> | 1,624,232 | 1,518,740 |
| <p>NYS Homeless Housing and Assistance Corporation (HHAC) committed \$4,800,000 for the construction of The Anderson bearing interest 1% per annum. The principal and any unpaid interest will be due in August 2062.</p> | 4,661,178 | 4,585,140 |
| <p>New York City HPD provided \$1,000,000 for the construction of The Anderson, bearing interest 1% per annum payable from available cash flows. The principal and any unpaid interest will be due in August 2062.</p> | 1,000,000 | 1,000,000 |
| <p>Federal Home Loan Bank has provided \$615,000 for the construction of The Anderson, bearing interest of 1% per annum payable from available cash flows. The principal and any unpaid interest will be due in August 2062.</p> | 615,000 | 615,000 |

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

6. Long-term Debt (Continued)

| | <u>2014</u> | <u>2013</u> |
|--|-------------|-------------|
| <p>NYS HHAC has committed \$2,402,490 for the construction of 291 Bainbridge. The loan bears no interest during construction. At permanent conversion the loan will bear interest at 6.25% per annum. The principal and any unpaid interest will be due in 50 years.</p> | 2,304,406 | 1,720,274 |
| <p>NYS HTF has committed \$1,100,000 for the construction of 291 Bainbridge. The loan bears no interest during construction. At permanent closing, \$871,987 will convert to permanent financing requiring payments from available cash flows of interest only at 1% per annum with principal and any unpaid interest due in 30 years.</p> | 852,615 | 845,895 |
| <p>NYC HPD has provided \$1,380,000 for the construction of 291 Bainbridge. The loan bears 1% interest per annum during construction. At permanent conversion the loan will bear interest .5% per annum with principal and any unpaid interest due in 30 years</p> | 1,380,000 | - |
| <p>NYS HHAC has committed \$3,179,128 for construction of 2017 Morris Avenue. The loan bears 6% interest per annum and will be due 30 years from permanent conversion.</p> | 2,983,261 | - |
| <p>NYS Affordable Housing Corporation has provided \$1,455,000 for construction of 2017 Morris. The loan bears no interest during construction and will be repaid at construction loan conversion.</p> | 1,455,000 | - |

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

6. Long-term Debt (Continued)

| | <u>2014</u> | <u>2013</u> |
|--|--------------|--------------|
| Deutsche Bank has committed a recoverable grant in the amount of \$75,000 to New Destiny, which requires repayment in three installments of \$25,000 each on May 31, 2016, 2017 and 2018 | 50,000 | - |
| | \$23,408,440 | \$16,783,368 |

NYC HPD has committed 3 loans for the construction of 2017 Morris, in the amount of \$574,870, \$1,026,000 and \$1,000,000, which bear interest at 1.25%, .25%, and 0% per annum respectively during construction. At permanent conversion the loans will bear same interest with principal and any unpaid interest due in 30 years. At June 30, 2014 and 2013, no funds have been advanced.

Future mortgage principal payments are due as follows:

Year ending June 30,

| | |
|---------------------|--------------|
| 2015 | \$ 15,711 |
| 2016 | 42,447 |
| 2017 | 43,608 |
| 2018 | 19,854 |
| 2019 | 21,188 |
| 2020 and thereafter | 23,265,632 |
| | \$23,408,440 |

Only \$532,907 of the mortgages have terms that require monthly payments be made.

7. Commitment – Office Lease

In June 2010, New Destiny signed a lease for office facilities that began September 2010 and expires June 30, 2020. The lease calls for initial minimum monthly payments of \$10,833, with annual increases of 3% beginning in August 2011. The lease is subject to escalations and requires payment of increases in real estate taxes and a fixed monthly water and sewer charge. Rent expense was \$151,263 and \$117,721 in 2014 and 2013.

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

7. Commitment – Office Lease (Continued)

The minimum future rental commitment for the years ending June 30 is:

| | |
|------|------------------|
| 2015 | \$ 145,606 |
| 2016 | 149,974 |
| 2017 | 154,473 |
| 2018 | 159,107 |
| 2019 | 163,880 |
| 2020 | 141,742 |
| | <u>\$914,782</u> |

8. Management Agreements

New Destiny has agreements with a company for the management of Bridge Towers, Bridge Community, 307 E 54th Street, 281 Bainbridge Street, which provide for payment of fees of 5% of gross rental collections. For the years ended June 30, 2014 and 2013 management fee expense was \$24,241 and \$25,589.

New Destiny manages the Prelude Project and Lily House (both owned by CityWide) for an annual fee of \$190,000 and \$40,000, respectively. The management income and management fee expense were eliminated in consolidation.

New Destiny self-manages Park Place, which consists of 5 co-op units.

Andrews LP has entered into a property management agreement with New Destiny, which provides for rental management, marketing, and repairs supervision. The fee for these services is 8% of rents collected. From this fee, New Destiny pays 5% to an unrelated managing agent and the remaining 3% has been eliminated in consolidation. Management fee expense for 2014 and 2013 was \$31,897 and \$26,533, respectively.

The Anderson has an agreement with an unrelated managing agent for certain rental management and administrative services. The fee for these services is 5% of rents collected. Management fee expense for 2014 and 2013 was \$20,443 and \$10,297, respectively.

291 LP has an agreement with an unrelated managing agent for certain rental management and administrative services. The fee for these services is 5% of rents collected. Management fee expense for 2014 was \$6,987.

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

9. Housing Leases

CityWide has entered into an operating lease for the Prelude property with Safe Horizon, a not-for-profit corporation. The lease provides for monthly payments of \$18,750 beginning June 2012 with 2% increase every two years through May 2022.

CityWide also entered into an operating lease for the Lily House property with Safe Horizon. The lease provides for monthly payments of \$6,110 beginning November 2005 with 2% increases every two years through October 2019.

Minimum rent payments due from Safe Horizon are as follows:

| <u>Year ending June 30,</u> | |
|-----------------------------|------------|
| 2015 | \$ 308,868 |
| 2016 | 310,307 |
| 2017 | 315,048 |
| 2018 | 316,518 |
| 2019 | 322,452 |

The accompanying statement of activities reflects rental income from Safe Horizon on a straight-line basis over the term of the lease.

10. Related Party Transactions

New Destiny receives development, property management and related fees for its services from Citywide, HDFC, The Anderson, 291 LP, Andrews LP and 2017 LLC.

Andrews LP is required to pay New Destiny a cumulative annual fee of \$20,000 beginning in 2008 and increasing 3% each year payable from available cash flows. This fee was eliminated in consolidation.

The Anderson is required to pay 1070 GP a non-cumulative partnership management fee equal to \$3,000 per annum, commencing in 2012. The fee is paid from available cash flows and is adjusted annually by the increase in the consumer price index. There was no fee incurred in 2014 and 2013

291 LP is required to pay 291 GP a partnership management fee equal to \$10,000 per annum, commencing in 2014. The fee is paid from available cash flows. For the years ended June 31, 2014 and 2013, a fee in the amount of \$10,000 and \$0 has been incurred.

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

11. Contingencies

307 E. 54th Street was donated to New Destiny in 2006 pursuant to the New York City inclusionary zoning laws, which require the building to remain as low income housing in perpetuity.

The New York State Office of Temporary and Disability Assistance (NYSOTDA) has perfected its beneficial interest in Lily House by having CityWide execute a grant enforcement note for \$4,000,000 secured by a mortgage lien on the property. Under the terms of the enforcement lien the property must remain as low income housing during the restriction period, which ends August 2030.

HPD has perfected its interest in Lily House by having CityWide execute a grant enforcement note for \$1,000,000 secured by a mortgage lien on the property. Under the terms of the enforcement lien the property must remain low-income housing until June 2033.

HPD has provided a grant of \$347,950 to Bridge Community. The grant requires the property to remain as low-income housing until October 2015.

HTF has provided a grant of \$638,609 to Bridge Community, which requires the property to remain as low-income housing until June 2030.

New Destiny is contingency liable for certain construction completion and operating performance benchmarks as regards their general partner interest in certain limited partnerships.

New Destiny has contracted to pay a consulting fee to New Hope Morris Housing Development Fund Corporation in an amount equal to 50% of the development fee earned on 291 LP. As of June 30, 2014 \$105,000 of the fee had been incurred and is unpaid and included in accounts payable.

12. Subsequent Events

Management has evaluated subsequent events through February 24, 2015, the date that the financial statements were available to be issued. No significant subsequent events have been identified that would require adjustment or disclosure in the accompanying financial statements.

SUPPLEMENTARY INFORMATION

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

JUNE 30, 2014

ASSETS

| | New Destiny Housing Corporation | Citywide Supportive Housing, Inc. | Citywide Supportive Housing Development Fund Corporation | Andrews Ave Associate, L.P. | Citywide Andrews Associates, Inc. | 1070 Anderson Ave LP | 1070 Anderson Ave GP | 291 Bainbridge LP | 291 Bainbridge GP Corp | 2017 Morris Ave Owner LLC | Eliminations | Total |
|---|---------------------------------------|--|---|-----------------------------------|---|----------------------------|----------------------------|-------------------------|------------------------------|---------------------------------|-----------------------|----------------------|
| INVESTMENT IN REAL ESTATE HELD FOR LEASE | | | | | | | | | | | | |
| Land | \$ 115,000 | \$ 369,267 | \$ 257,500 | \$ 541,500 | \$ - | \$ 1,588,310 | \$ - | \$ 512,000 | \$ - | \$ - | \$ - | \$ 3,383,577 |
| Buildings and improvements | 3,966,123 | 7,260,213 | 2,972,867 | 9,741,737 | | 12,321,541 | | 8,822,708 | | | | 45,085,189 |
| Furniture and equipment | 75,559 | 963 | 38,028 | 278,341 | | 12,180 | | 4,046 | | | | 409,117 |
| Construction in progress | | | 38,389 | | | | | | | 9,179,717 | | 9,218,106 |
| Less: Accumulated depreciation | (1,328,156) | (1,961,311) | (1,500,386) | (1,396,450) | | (567,077) | | (128,664) | | | | (6,882,044) |
| Net Investment in Real Estate | <u>2,828,526</u> | <u>5,669,132</u> | <u>1,806,398</u> | <u>9,165,128</u> | <u>-</u> | <u>13,354,954</u> | <u>-</u> | <u>9,210,090</u> | <u>-</u> | <u>9,179,717</u> | <u>-</u> | <u>51,213,945</u> |
| OTHER ASSETS | | | | | | | | | | | | |
| Cash - operations | 2,032,869 | 87,254 | 143,637 | 391,383 | | 553,420 | | 416,535 | | | | 3,625,098 |
| Cash - construction | - | | - | | | | | | | 72,943 | | 72,943 |
| Rent receivable | 21,597 | | 57,490 | 9,156 | | 20,847 | | 3,075 | | | | 112,165 |
| Deferred rent receivable | | 77,863 | - | | | | | | | | | 77,863 |
| Fees receivable | 870,785 | | - | | 20,000 | | | | 10,000 | | (898,515) | 2,270 |
| Grants receivable | 160,706 | | - | | | | | | | | | 160,706 |
| Prepaid expenses and other assets | 18,392 | | 6,075 | | 152,216 | | (37) | 3,054 | (31) | | (152,148) | 27,521 |
| Tenants' security deposits | 28,904 | 14,145 | 23,959 | 31,883 | | 12,906 | | 8,233 | | | | 120,030 |
| Escrows | 18,578 | | 768 | | | | | | | | | 19,346 |
| Replacement reserves | 39,853 | 330,652 | 62,207 | 78,008 | | 91,923 | | | | | | 602,643 |
| Operating reserves | 460,677 | | 19,922 | 81,197 | | 17,469 | | | | | | 579,265 |
| Pre-development costs | 85,198 | | | | | | | | | | | 85,198 |
| Deposits | 45,076 | | 3,695 | 15,105 | | | | | | | | 63,876 |
| Mortgage costs, less accumulated amortization | 7,544 | | 10,573 | 38,410 | | 91,404 | | 118,048 | | | | 265,979 |
| Loans receivable - related party | 1,295,381 | 29,849 | 4,668 | 7,111 | | | | | | | (1,337,009) | - |
| TOTAL ASSETS | <u>\$ 7,914,086</u> | <u>\$ 6,208,895</u> | <u>\$ 2,139,392</u> | <u>\$ 9,817,381</u> | <u>\$ 172,216</u> | <u>\$ 14,142,923</u> | <u>\$ (37)</u> | <u>\$ 9,759,035</u> | <u>\$ 9,969</u> | <u>\$ 9,252,660</u> | <u>\$ (2,387,672)</u> | <u>\$ 57,028,848</u> |

LIABILITIES AND NET ASSETS

| | | | | | | | | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|-------------------|----------------------|----------------|---------------------|-----------------|---------------------|-----------------------|----------------------|
| LIABILITIES APPLICABLE TO INVESTMENT IN REAL ESTATE | | | | | | | | | | | | |
| Mortgages payable | \$ 401,750 | \$ - | \$ 748,548 | \$ 5,332,450 | \$ - | \$ 7,900,411 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 14,383,159 |
| Loans payable | | | | | | | | 4,537,021 | | 4,438,260 | | 8,975,281 |
| Construction costs payable | | | | | | 10,000 | | 255,245 | | 67,123 | | 332,368 |
| Due to developer | | | | | 314,216 | | | 651,615 | | 229,056 | (1,857,827) | - |
| Recoverable grant | 50,000 | | | | | | | | | | | 50,000 |
| Loans payable - related parties | 28,133 | 32,017 | 135,001 | 1,141 | 150,939 | | | | | | (347,231) | - |
| Accrued interest payable | 319,304 | | | 328,917 | | 234,645 | | 4,025 | | | | 886,891 |
| Accounts payable | 114,974 | 12,200 | 22,635 | 78,135 | 20,335 | 35,584 | 54 | 29,565 | 10,054 | | (66,268) | 257,268 |
| Tenants' security payable | 28,136 | 14,526 | 23,491 | 30,429 | | 12,642 | | 9,023 | | | | 118,247 |
| Total Liabilities Applicable to Investment in Real Estate | <u>942,297</u> | <u>58,743</u> | <u>929,675</u> | <u>6,085,288</u> | <u>171,274</u> | <u>8,856,222</u> | <u>54</u> | <u>5,486,494</u> | <u>10,054</u> | <u>4,734,439</u> | <u>(2,271,326)</u> | <u>25,003,214</u> |
| NET ASSETS (DEFICIT) | | | | | | | | | | | | |
| Unrestricted | 4,219,874 | 6,150,152 | 1,209,717 | 430 | 942 | 496 | (91) | (31) | (85) | - | (116,346) | 11,465,058 |
| Unrestricted noncontrolling ownership interests | | | | 3,731,663 | | 5,286,205 | | 4,272,572 | | 4,518,221 | | 17,808,661 |
| Temporarily restricted | 2,751,915 | | | | | | | | | | | 2,751,915 |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 7,914,086</u> | <u>\$ 6,208,895</u> | <u>\$ 2,139,392</u> | <u>\$ 9,817,381</u> | <u>\$ 172,216</u> | <u>\$ 14,142,923</u> | <u>\$ (37)</u> | <u>\$ 9,759,035</u> | <u>\$ 9,969</u> | <u>\$ 9,252,660</u> | <u>\$ (2,387,672)</u> | <u>\$ 57,028,848</u> |

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

CONSOLIDATING SCHEDULE OF ACTIVITIES

YEAR ENDED JUNE 30, 2014

| | New Destiny Housing Corporation | Citywide Supportive Housing, Inc. | Citywide Supportive Housing Development Fund Corporation | Andrews Ave Associates, L.P. | Citywide Andrews Associates, Inc. | 1070 Anderson Ave LP | 1,070 Anderson Ave GP Corp | 291 Bainbridge LP | 291 Bainbridge GP Corp | 2017 Morris Ave Owner LLC | Eliminations | Total |
|--|---------------------------------------|---|---|------------------------------------|---|----------------------------|----------------------------------|-------------------------|------------------------------|---------------------------------|--------------|---------------|
| UNRESTRICTED NET ASSETS | | | | | | | | | | | | |
| PUBLIC SUPPORT AND REVENUES | | | | | | | | | | | | |
| Grants and contributions | \$ 857,625 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 857,625 |
| Special events, net of expenses of \$41,808 | 194,270 | | | | | | | | | | | 194,270 |
| Rental income | 284,265 | 305,320 | 284,641 | 413,711 | | 423,948 | | 142,822 | | | | 1,854,707 |
| Property management | 275,769 | | | | | | | | 10,000 | | (285,769) | - |
| Developer fees | 570,000 | | | | | | | | | | | 570,000 |
| Interest income | 14,174 | 225 | - | 154 | | 24 | | | | | | 14,577 |
| Other income | 4,449 | | 1,749 | 7,972 | | 3,886 | | 25 | | | | 18,081 |
| | 2,200,552 | 305,545 | 286,390 | 421,837 | - | 427,858 | - | 142,847 | 10,000 | - | (285,769) | 3,509,260 |
| Net assets released from restrictions | 229,216 | | | | | | | | | | | 229,216 |
| Total Public Support and Revenue | 2,429,768 | 305,545 | 286,390 | 421,837 | - | 427,858 | - | 142,847 | 10,000 | - | (285,769) | 3,738,476 |
| FUNCTIONAL EXPENSES | | | | | | | | | | | | |
| Housing and management services | 1,130,930 | 445,241 | 281,189 | 663,981 | 78 | 799,437 | 91 | 454,437 | 10,085 | | (285,861) | 3,499,608 |
| Social services | 614,188 | | | | | | | | | | | 614,188 |
| Management and general | 157,094 | | | | | | | | | | | 157,094 |
| Fundraising | 168,522 | | | | | | | | | | | 168,522 |
| Total Functional Expenses | 2,070,734 | 445,241 | 281,189 | 663,981 | 78 | 799,437 | 91 | 454,437 | 10,085 | - | (285,861) | 4,439,412 |
| CHANGE IN UNRESTRICTED NET ASSETS | 359,034 | (139,696) | 5,201 | (242,144) | (78) | (371,579) | (91) | (311,590) | (85) | - | 92 | (700,936) |
| TEMPORARILY RESTRICTED NET ASSETS | | | | | | | | | | | | |
| Grants | 193,055 | | | | | | | | | | | 193,055 |
| Net assets released from restrictions | (229,216) | | | | | | | | | | | (229,216) |
| CHANGE IN TEMPORARILY RESTRICTED NET ASSETS | (36,161) | - | - | - | - | - | - | - | - | - | - | (36,161) |
| TOTAL CHANGE IN NET ASSETS | 322,873 | (139,696) | 5,201 | (242,144) | (78) | (371,579) | (91) | (311,590) | (85) | - | 92 | (737,097) |
| NONCONTROLLING OWNERSHIP INTERESTS | | | | (242,120) | | (371,542) | | (311,559) | | | | (925,221) |
| CONTROLLING INTEREST | 322,873 | (139,696) | 5,201 | (24) | (78) | (37) | (91) | (31) | (85) | - | 92 | 188,124 |
| Beginning of year | 6,648,916 | 6,289,848 | 1,204,516 | 454 | 1,020 | 533 | - | - | - | - | (116,438) | 14,028,849 |
| End of year | \$ 6,971,789 | \$ 6,150,152 | \$ 1,209,717 | \$ 430 | \$ 942 | \$ 496 | \$ (91) | \$ (31) | \$ (85) | \$ - | \$ (116,346) | \$ 14,216,973 |
| NONCONTROLLING OWNERSHIP INTERESTS | | | | | | | | | | | | |
| Beginning of year | \$ - | \$ - | \$ - | \$ 3,973,783 | \$ - | \$ 5,657,747 | \$ - | \$ 1,161,364 | \$ - | \$ - | | \$ 10,792,894 |
| Capital contribution | | | | | | | | 3,422,767 | | 4,518,221 | | 7,940,988 |
| End of year | \$ - | \$ - | \$ - | \$ 3,731,663 | \$ - | \$ 5,286,205 | \$ - | \$ 4,272,572 | \$ - | \$ 4,518,221 | \$ - | \$ 17,808,661 |

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

SCHEDULE OF FUNCTIONAL EXPENSES FOR NEW DESTINY HOUSING CORPORATION, CITYWIDE
SUPPORTIVE HOUSING, INC. AND CITYWIDE SUPPORTIVE HOUSING DEVELOPMENT FUND CORPORATION

YEAR ENDED JUNE 30, 2014

| | Housing | Social Services | Total Program Services | Management and General | Fund Raising | Total Supporting Services | Total Functional Expenses | 2013 Total Functional Expenses |
|--|---------------------|-------------------|------------------------|------------------------|-------------------|---------------------------|---------------------------|--------------------------------|
| Salaries | \$ 344,480 | \$ 377,393 | \$ 721,873 | \$ 89,603 | \$ 106,056 | \$ 195,659 | \$ 917,532 | \$ 677,876 |
| Fringe benefits | 63,152 | 67,734 | 130,886 | 16,090 | 19,037 | 35,127 | 166,013 | 127,474 |
| Building repairs | 38,867 | 280 | 39,147 | 66 | 79 | 145 | 39,292 | 40,106 |
| Building and office maintenance | 70,355 | 2,863 | 73,218 | 680 | 805 | 1,485 | 74,703 | 78,061 |
| Water and sewer | 34,475 | 494 | 34,969 | 117 | 139 | 256 | 35,225 | 51,912 |
| Management and support services | 362,875 | 17,347 | 380,222 | 4,121 | 4,875 | 8,996 | 389,218 | 401,191 |
| Office rent | 71,815 | 62,214 | 134,029 | 14,778 | 17,487 | 32,265 | 166,294 | 131,117 |
| Utilities | 62,041 | 2,589 | 64,630 | 615 | 728 | 1,343 | 65,973 | 69,898 |
| Telephone | 4,518 | 3,336 | 7,854 | 792 | 938 | 1,730 | 9,584 | 12,405 |
| Insurance | 68,530 | 4,287 | 72,817 | 1,018 | 1,205 | 2,223 | 75,040 | 68,134 |
| Professional fees | 28,801 | - | 28,801 | 14,700 | - | 14,700 | 43,501 | 36,501 |
| Consultant fees | 136,153 | 34,132 | 170,285 | 8,108 | 9,592 | 17,700 | 187,985 | 23,980 |
| Grant writer | - | - | - | - | - | - | - | 32,250 |
| Service contract | 5,174 | - | 5,174 | - | - | - | 5,174 | 9,835 |
| Training and staff development | 2,470 | 2,706 | 5,176 | 643 | 760 | 1,403 | 6,579 | 4,080 |
| Tenant activities | - | 12,850 | 12,850 | - | - | - | 12,850 | 12,928 |
| Membership and subscriptions | 1,728 | 1,894 | 3,622 | 450 | 532 | 982 | 4,604 | 3,675 |
| Travel | 1,827 | 2,002 | 3,829 | 476 | 562 | 1,038 | 4,867 | 2,728 |
| Equipment repairs and maintenance | 3,698 | 4,051 | 7,749 | 962 | 1,139 | 2,101 | 9,850 | 11,466 |
| Supplies | 10,890 | 2,753 | 13,643 | 654 | 774 | 1,428 | 15,071 | 28,122 |
| Employment and advertising fees | - | 1,698 | 1,698 | - | - | - | 1,698 | 1,481 |
| Postage | 2,343 | 2,447 | 4,790 | 581 | 688 | 1,269 | 6,059 | 6,824 |
| Printing | 2,402 | 2,632 | 5,034 | 625 | 740 | 1,365 | 6,399 | 5,373 |
| Payroll services | 4,528 | 4,961 | 9,489 | 1,178 | 1,395 | 2,573 | 12,062 | 9,586 |
| Bad debt expense | 21,209 | - | 21,209 | - | - | - | 21,209 | 30,377 |
| Real estate taxes | 65,012 | - | 65,012 | - | - | - | 65,012 | - |
| Miscellaneous | 1,831 | 2,072 | 3,903 | 492 | 583 | 1,075 | 4,978 | 4,450 |
| Operating Expenses | | | | | | | | |
| Before Depreciation, Amortization and Interest Expense | 1,409,174 | 612,735 | 2,021,909 | 156,749 | 168,114 | 324,863 | 2,346,772 | 1,881,830 |
| Interest expense | 55,443 | 94 | 55,537 | 22 | 27 | 49 | 55,586 | 54,944 |
| Depreciation and amortization | 392,743 | 1,359 | 394,102 | 323 | 381 | 704 | 394,806 | 396,492 |
| TOTAL EXPENSES | \$ 1,857,360 | \$ 614,188 | \$ 2,471,548 | \$ 157,094 | \$ 168,522 | \$ 325,616 | \$ 2,797,164 | \$ 2,333,266 |

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

SCHEDULE OF FINANCIAL POSITION BY PROJECT
NEW DESTINY HOUSING CORPORATION

JUNE 30, 2014

ASSETS

| | General | Park Place | Bridge Community | 307 East 54th Street | Eliminations | Total |
|---|--------------|------------|------------------|----------------------|--------------|--------------|
| INVESTMENT IN REAL ESTATE HELD FOR LEASE | | | | | | |
| Land | \$ - | \$ - | \$ 115,000 | \$ - | \$ - | \$ 115,000 |
| Buildings and improvements | 64,528 | 91,211 | 1,262,784 | 2,547,600 | | 3,966,123 |
| Furniture and equipment | 72,074 | 2,485 | 1,000 | - | | 75,559 |
| Less: Accumulated depreciation | (86,452) | (54,461) | (644,766) | (542,477) | | (1,328,156) |
| Net Investment in Real Estate | 50,150 | 39,235 | 734,018 | 2,005,123 | - | 2,828,526 |
| OTHER ASSETS | | | | | | |
| Cash | 1,962,304 | 19,650 | 5,067 | 45,848 | | 2,032,869 |
| Rent receivable | | 9,249 | 10,800 | 1,548 | | 21,597 |
| Fees receivable | 870,785 | | | | | 870,785 |
| Grants receivable | 160,706 | | | | | 160,706 |
| Prepaid expenses and other assets | 18,392 | | | | | 18,392 |
| Tenants' security deposits | | 6,356 | 10,545 | 12,003 | | 28,904 |
| Escrows | | | 18,578 | | | 18,578 |
| Replacement reserves | | 3,524 | 26,323 | 10,006 | | 39,853 |
| Operating reserves | 453,681 | | 6,996 | | | 460,677 |
| Pre-development costs | 85,198 | | | | | 85,198 |
| Deposits | 40,000 | | | 5,076 | | 45,076 |
| Mortgage costs, less accumulated amortization | | | 7,544 | | | 7,544 |
| Loans receivable - related parties | 1,491,831 | | | 9,793 | (206,243) | 1,295,381 |
| TOTAL ASSETS | \$ 5,133,047 | \$ 78,014 | \$ 819,871 | \$ 2,089,397 | \$ (206,243) | \$ 7,914,086 |

LIABILITIES AND NET ASSETS

| | | | | | | |
|---|--------------|-----------|------------|--------------|--------------|--------------|
| LIABILITIES APPLICABLE TO INVESTMENT IN REAL ESTATE | | | | | | |
| Mortgages payable | \$ - | \$ - | \$ 401,750 | \$ - | \$ - | \$ 401,750 |
| Recoverable grant | 50,000 | | | | | 50,000 |
| Loans payable - related parties | 19,725 | 40,456 | 78,634 | 95,561 | (206,243) | 28,133 |
| Accrued interest payable | | | 319,304 | | | 319,304 |
| Accounts payable | 102,217 | 2,815 | 6,197 | 3,745 | | 114,974 |
| Tenants' security payable | | 4,450 | 11,667 | 12,019 | | 28,136 |
| Total Liabilities Applicable to Investment in Real Estate | 171,942 | 47,721 | 817,552 | 111,325 | (206,243) | 942,297 |
| NET ASSETS | | | | | | |
| Unrestricted | 4,685,667 | 30,293 | (490,973) | (5,113) | - | 4,219,874 |
| Temporarily restricted | 275,438 | | 493,292 | 1,983,185 | | 2,751,915 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 5,133,047 | \$ 78,014 | \$ 819,871 | \$ 2,089,397 | \$ (206,243) | \$ 7,914,086 |

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

SCHEDULE OF ACTIVITIES BY PROJECT
NEW DESTINY HOUSING CORPORATION

YEAR ENDED JUNE 30, 2014

| | General | Park Place | Bridge Community | 307 East 54th Street | Eliminations | Total |
|--|---------------------|------------------|---------------------|-------------------------|--------------|--------------------|
| UNRESTRICTED NET ASSETS | | | | | | |
| PUBLIC SUPPORT AND REVENUES | | | | | | |
| Grants and contributions | \$ 857,625 | \$ - | \$ - | \$ - | \$ - | \$ 857,625 |
| Special events, net of expenses of \$41,808 | 194,270 | | | | | 194,270 |
| Rental income | | 67,905 | 122,982 | 93,378 | | 284,265 |
| Property management | 275,769 | | | | | 275,769 |
| Developer fees | 570,000 | | | | | 570,000 |
| Interest income | 14,140 | 4 | 30 | | | 14,174 |
| Other income | 3,694 | | 620 | 135 | | 4,449 |
| | <u>1,915,498</u> | <u>67,909</u> | <u>123,632</u> | <u>93,513</u> | <u>-</u> | <u>2,200,552</u> |
| Net assets released from restrictions | <u>133,373</u> | | <u>32,885</u> | <u>62,958</u> | | <u>229,216</u> |
| Total Public Support and Revenue | <u>2,048,871</u> | <u>67,909</u> | <u>156,517</u> | <u>156,471</u> | <u>-</u> | <u>2,429,768</u> |
| FUNCTIONAL EXPENSES | | | | | | |
| Housing and management services | 652,328 | 79,849 | 186,023 | 212,730 | - | 1,130,930 |
| Social services | 614,188 | | | | | 614,188 |
| Management and general | 157,094 | | | | | 157,094 |
| Fundraising | 168,522 | | | | | 168,522 |
| Total Functional Expenses | <u>1,592,132</u> | <u>79,849</u> | <u>186,023</u> | <u>212,730</u> | <u>-</u> | <u>2,070,734</u> |
| CHANGE IN UNRESTRICTED NET ASSETS | <u>456,739</u> | <u>(11,940)</u> | <u>(29,506)</u> | <u>(56,259)</u> | <u>-</u> | <u>359,034</u> |
| TEMPORARILY RESTRICTED NET ASSETS | | | | | | |
| Grants | 193,055 | | | | | 193,055 |
| Net assets released from restrictions | <u>(133,373)</u> | | <u>(32,885)</u> | <u>(62,958)</u> | | <u>(229,216)</u> |
| CHANGE IN TEMPORARILY RESTRICTED NET ASSETS | <u>59,682</u> | <u>-</u> | <u>(32,885)</u> | <u>(62,958)</u> | <u>-</u> | <u>(36,161)</u> |
| NET ASSETS | | | | | | |
| Beginning of year | <u>4,444,684</u> | <u>42,233</u> | <u>64,710</u> | <u>2,097,289</u> | <u>-</u> | <u>6,648,916</u> |
| End of year | <u>\$ 4,961,105</u> | <u>\$ 30,293</u> | <u>\$ 2,319</u> | <u>\$1,978,072</u> | <u>\$ -</u> | <u>\$6,971,789</u> |

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

SCHEDULE OF FINANCIAL POSITION BY PROJECT
CITYWIDE SUPPORTIVE HOUSING, INC.

JUNE 30, 2014

ASSETS

| | <u>Prelude</u> | <u>Lily House</u> | <u>Eliminations</u> | <u>Total</u> |
|---|-------------------|-----------------------|---------------------|--------------------|
| INVESTMENT IN REAL ESTATE HELD FOR LEASE | | | | |
| Land | \$ 175,000 | \$ 194,267 | \$ - | \$ 369,267 |
| Buildings and improvements | 1,209,832 | 6,050,381 | | 7,260,213 |
| Furniture and equipment | 963 | - | | 963 |
| Less: Accumulated depreciation | <u>(684,702)</u> | <u>(1,276,609)</u> | | <u>(1,961,311)</u> |
| Net Investment in Real Estate | <u>701,093</u> | <u>4,968,039</u> | | <u>5,669,132</u> |
| OTHER ASSETS | | | | |
| Cash | 50,456 | 36,798 | | 87,254 |
| Deferred rent receivable | 18,374 | 59,489 | | 77,863 |
| Tenants' security deposits | - | 14,145 | | 14,145 |
| Replacement reserves | 92,925 | 237,727 | | 330,652 |
| Loans receivable - related parties | <u>12,081</u> | <u>29,544</u> | <u>(11,776)</u> | <u>29,849</u> |
| TOTAL ASSETS | <u>\$ 874,929</u> | <u>\$5,345,742</u> | <u>\$ (11,776)</u> | <u>\$6,208,895</u> |

LIABILITIES AND NET ASSETS

| | | | | |
|--|-------------------|--------------------|--------------------|--------------------|
| LIABILITIES APPLICABLE TO INVESTMENT IN REAL ESTATE | | | | |
| Loans payable - related parties | \$ 444 | \$ 43,349 | \$ (11,776) | \$ 32,017 |
| Accounts payable | 6,100 | 6,100 | | 12,200 |
| Tenants' security payable | <u>-</u> | <u>14,526</u> | | <u>14,526</u> |
| Total Liabilities Applicable to Investment in Real Estate | 6,544 | 63,975 | (11,776) | 58,743 |
| NET ASSETS | | | | |
| Unrestricted | <u>868,385</u> | <u>5,281,767</u> | | <u>6,150,152</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 874,929</u> | <u>\$5,345,742</u> | <u>\$ (11,776)</u> | <u>\$6,208,895</u> |

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

SCHEDULE OF ACTIVITIES BY PROJECT
CITYWIDE SUPPORTIVE HOUSING, INC.

YEAR ENDED JUNE 30, 2014

| | <u>Prelude</u> | <u>Lily House</u> | <u>Eliminations</u> | <u>Total</u> |
|--------------------------------------|-------------------|-----------------------|---------------------|---------------------|
| UNRESTRICTED NET ASSETS | | | | |
| PUBLIC SUPPORT AND REVENUES | | | | |
| Rental income | \$ 234,187 | \$ 71,133 | \$ - | \$ 305,320 |
| Interest income | 43 | 182 | | 225 |
| | <u>234,230</u> | <u>71,315</u> | <u>-</u> | <u>305,545</u> |
| Total Public Support and Revenue | | | | |
| FUNCTIONAL EXPENSES | | | | |
| Housing and management services | <u>243,034</u> | <u>202,207</u> | | <u>445,241</u> |
| Total Functional Expenses | <u>243,034</u> | <u>202,207</u> | <u>-</u> | <u>445,241</u> |
| CHANGE IN UNRESTRICTED NET ASSETS | <u>(8,804)</u> | <u>(130,892)</u> | <u>-</u> | <u>(139,696)</u> |
| NET ASSETS | | | | |
| Beginning of the year | <u>877,189</u> | <u>5,412,659</u> | <u>-</u> | <u>6,289,848</u> |
| End of year | <u>\$ 868,385</u> | <u>\$ 5,281,767</u> | <u>\$ -</u> | <u>\$ 6,150,152</u> |

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

SCHEDULE OF FINANCIAL POSITION BY PROJECT
CITYWIDE SUPPORTIVE HOUSING DEVELOPMENT FUND CORPORATION

JUNE 30, 2014

ASSETS

| | <u>281 Bainbridge</u> | <u>Bridge Tower</u> | <u>Eliminations</u> | <u>Total</u> |
|---|---------------------------|-------------------------|---------------------|---------------------|
| INVESTMENT IN REAL ESTATE HELD FOR LEASE | | | | |
| Land | \$ 157,500 | \$ 100,000 | \$ - | \$ 257,500 |
| Buildings and improvements | 1,344,058 | 1,628,809 | | 2,972,867 |
| Furniture and equipment | - | 38,028 | | 38,028 |
| Construction in progress | - | 38,389 | | 38,389 |
| Less: Accumulated depreciation | <u>(455,590)</u> | <u>(1,044,796)</u> | | <u>(1,500,386)</u> |
| Net Investment in Real Estate | <u>1,045,968</u> | <u>760,430</u> | <u>-</u> | <u>1,806,398</u> |
| OTHER ASSETS | | | | |
| Cash | 30,653 | 112,984 | | 143,637 |
| Rent receivable | 24,559 | 32,931 | | 57,490 |
| Prepaid expenses and other assets | - | 6,075 | | 6,075 |
| Tenants' security deposits | 10,193 | 13,766 | | 23,959 |
| Escrows | 768 | - | | 768 |
| Replacement reserves | 46,386 | 15,821 | | 62,207 |
| Operating reserves | 19,922 | - | | 19,922 |
| Deposits | 1,500 | 2,195 | | 3,695 |
| Mortgage costs, less accumulated amortization | 10,573 | - | | 10,573 |
| Loans receivables - related parties | <u>14,972</u> | <u>2,112</u> | <u>(12,416)</u> | <u>4,668</u> |
| TOTAL ASSETS | <u>\$ 1,205,494</u> | <u>\$ 946,314</u> | <u>\$ (12,416)</u> | <u>\$ 2,139,392</u> |

LIABILITIES AND NET ASSETS

| | | | | |
|--|---------------------|-------------------|--------------------|---------------------|
| LIABILITIES APPLICABLE TO INVESTMENT IN REAL ESTATE | | | | |
| Mortgages payable | \$ 748,548 | \$ - | \$ - | \$ 748,548 |
| Loans payable - related parties | 50,087 | 97,330 | (12,416) | 135,001 |
| Accounts payable | 8,107 | 14,528 | | 22,635 |
| Tenants' security payable | <u>8,535</u> | <u>14,956</u> | | <u>23,491</u> |
| Total Liabilities Applicable to Investment in Real Estate | 815,277 | 126,814 | (12,416) | 929,675 |
| NET ASSETS (DEFICIT) | | | | |
| Unrestricted | <u>390,217</u> | <u>819,500</u> | <u>-</u> | <u>1,209,717</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 1,205,494</u> | <u>\$ 946,314</u> | <u>\$ (12,416)</u> | <u>\$ 2,139,392</u> |

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

SCHEDULE OF ACTIVITIES BY PROJECT
CITYWIDE SUPPORTIVE HOUSING DEVELOPMENT FUND CORPORATION

YEAR ENDED JUNE 30, 2014

| | 281 Bainbridge | Bridge Tower | Eliminations | Total |
|--|-------------------|-------------------|--------------|---------------------|
| UNRESTRICTED NET ASSETS | | | | |
| PUBLIC SUPPORT AND REVENUES | | | | |
| Rental income | \$ 101,449 | \$ 183,192 | \$ - | \$ 284,641 |
| Other income | 629 | 1,120 | | 1,749 |
| Total Public Support and Revenue | 102,078 | 184,312 | - | 286,390 |
| FUNCTIONAL EXPENSES | | | | |
| Housing and management services | 119,933 | 161,256 | | 281,189 |
| Total Functional Expenses | 119,933 | 161,256 | - | 281,189 |
| CHANGE IN UNRESTRICTED NET ASSETS | | | | |
| | (17,855) | 23,056 | - | 5,201 |
| NET ASSETS | | | | |
| Beginning of year | 408,072 | 796,444 | - | 1,204,516 |
| End of year | <u>\$ 390,217</u> | <u>\$ 819,500</u> | <u>\$ -</u> | <u>\$ 1,209,717</u> |

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

CONSOLIDATED SCHEDULE OF CHANGES IN NET ASSETS BY PROJECT

YEAR ENDED JUNE 30, 2014

| | Change in Net Assets before Depreciation and Amortization | Depreciation and Amortization | Change in Net Assets |
|----------------------|--|-------------------------------------|-------------------------|
| General | \$ 519,724 | \$ 3,303 | \$ 516,421 |
| Park Place | (9,433) | 2,507 | (11,940) |
| Bridge Towers | 67,544 | 44,488 | 23,056 |
| Bridge Community | (19,303) | 43,088 | (62,391) |
| 307 E 54th Street | (55,193) | 64,024 | (119,217) |
| Prelude | 31,398 | 40,202 | (8,804) |
| Lily House | 12,004 | 142,896 | (130,892) |
| 281 Bainbridge | 36,443 | 54,298 | (17,855) |
| 1070 Anderson Avenue | (46,047) | 325,532 | (371,579) |
| 291 Bainbridge | (154,858) | 156,732 | (311,590) |
| Andrews Ave | 3,284 | 245,428 | (242,144) |
| | <u>\$ 385,563</u> | <u>\$ 1,122,498</u> | <u>\$ (736,935)</u> |

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

JUNE 30, 2013

ASSETS

| | New Destiny Housing Corporation | Citywide Supportive Housing, Inc. | Citywide Supportive Housing Development Fund Corporation | Andrews Ave Associate, L.P. | Citywide Andrews Associates, Inc. | 1070 Anderson Ave LP | 291 Bainbridge LP | Eliminations | Total |
|--|---------------------------------------|---|---|-----------------------------------|---|----------------------------|-------------------------|-----------------------|----------------------|
| INVESTMENT IN REAL ESTATE HELD FOR LEASE | | | | | | | | | |
| Land | \$ 115,000 | \$ 369,267 | \$ 257,500 | \$ 541,500 | \$ - | \$ 1,588,310 | \$ 512,000 | \$ - | \$ 3,383,577 |
| Buildings and improvements | 3,966,123 | 7,245,113 | 2,972,867 | 9,741,737 | - | 12,257,769 | - | - | 36,183,609 |
| Furniture and equipment | 75,559 | 963 | 38,028 | 278,341 | - | 12,180 | - | - | 405,071 |
| Construction in progress | - | - | 38,389 | - | - | - | 4,529,055 | - | 4,567,444 |
| Less: Accumulated depreciation | (1,215,783) | (1,778,213) | (1,402,102) | (1,154,100) | - | (257,400) | - | - | (5,807,598) |
| Net Investment in Real Estate | <u>2,940,899</u> | <u>5,837,130</u> | <u>1,904,682</u> | <u>9,407,478</u> | <u>-</u> | <u>13,600,859</u> | <u>5,041,055</u> | <u>-</u> | <u>38,732,103</u> |
| OTHER ASSETS | | | | | | | | | |
| Cash - operation | 1,960,883 | 39,941 | 61,561 | 310,755 | - | 453,417 | - | - | 2,826,557 |
| Cash - construction | - | - | - | - | - | - | 62,304 | - | 62,304 |
| Rent receivable | 21,430 | - | 32,641 | 27,838 | - | 10,101 | - | - | 92,010 |
| Deferred rent receivable | - | 76,393 | - | - | - | - | - | - | 76,393 |
| Fees receivable | 581,501 | - | - | - | 20,000 | - | - | (601,501) | - |
| Grants receivable | 188,875 | - | - | - | - | - | - | - | 188,875 |
| Prepaid expenses and other assets | 35,580 | 1,050 | 23,018 | - | 152,240 | - | - | (150,939) | 60,949 |
| Tenants' security deposits | 26,885 | 14,130 | 22,499 | 35,941 | - | 12,373 | - | - | 111,828 |
| Escrows | 10,827 | - | 1,956 | - | - | - | - | - | 12,783 |
| Replacement reserves | 36,547 | 344,422 | 51,912 | 76,085 | - | 10,934 | - | - | 519,900 |
| Operating reserves | 449,246 | - | 17,108 | 41,865 | - | 3,855 | - | - | 512,074 |
| Pre-development costs | 140,636 | - | - | - | - | - | - | - | 140,636 |
| Deposits | 45,076 | - | 3,695 | 15,105 | - | - | - | - | 63,876 |
| Mortgage costs, less accumulated amortization | 8,093 | - | 11,075 | 41,488 | - | 86,479 | - | - | 147,135 |
| Loans receivable - related party | 1,039,192 | 29,614 | 16,198 | 9,338 | - | - | - | (1,094,342) | - |
| TOTAL ASSETS | <u>\$ 7,485,670</u> | <u>\$ 6,342,680</u> | <u>\$ 2,146,345</u> | <u>\$ 9,965,893</u> | <u>\$ 172,240</u> | <u>\$ 14,178,018</u> | <u>\$ 5,103,359</u> | <u>\$ (1,846,782)</u> | <u>\$ 43,547,423</u> |
| LIABILITIES AND NET ASSETS | | | | | | | | | |
| LIABILITIES APPLICABLE TO INVESTMENT IN REAL ESTATE | | | | | | | | | |
| Mortgages payable | \$ 409,175 | \$ - | \$ 756,694 | \$ 5,332,450 | \$ - | \$ 7,718,880 | \$ - | \$ - | \$ 14,217,199 |
| Loans payable | - | - | - | - | - | - | 2,566,169 | - | 2,566,169 |
| Construction costs payable | - | - | - | - | - | 114,850 | 921,831 | - | 1,036,681 |
| Due to developer | - | - | - | 271,020 | - | 634,779 | 453,995 | (1,359,794) | - |
| Loans payable - related parties | 28,202 | 31,662 | 130,965 | - | 150,939 | - | - | (341,768) | - |
| Accrued interest payable | 298,017 | - | - | 275,592 | - | 0 | - | - | 573,609 |
| Accounts payable | 73,874 | 6,000 | 29,908 | 76,652 | 20,281 | 39,096 | - | (28,782) | 217,029 |
| Deferred income | 1,159 | 788 | - | - | - | - | - | - | 1,947 |
| Tenants' security payable | 26,327 | 14,382 | 24,262 | 35,942 | - | 12,133 | - | - | 113,046 |
| Total Liabilities Applicable to Investment in Real Estate | <u>836,754</u> | <u>52,832</u> | <u>941,829</u> | <u>5,991,656</u> | <u>171,220</u> | <u>8,519,738</u> | <u>3,941,995</u> | <u>(1,730,344)</u> | <u>18,725,680</u> |
| NET ASSETS (DEFICIT) | | | | | | | | | |
| Unrestricted | 3,860,840 | 6,289,848 | 1,204,516 | 454 | 1,020 | 533 | - | (116,438) | 11,240,773 |
| Unrestricted noncontrolling ownership interests | - | - | - | 3,973,783 | - | 5,657,747 | 1,161,364 | - | 10,792,894 |
| Temporarily restricted | 2,788,076 | - | - | - | - | - | - | - | 2,788,076 |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 7,485,670</u> | <u>\$ 6,342,680</u> | <u>\$ 2,146,345</u> | <u>\$ 9,965,893</u> | <u>\$ 172,240</u> | <u>\$ 14,178,018</u> | <u>\$ 5,103,359</u> | <u>\$ (1,846,782)</u> | <u>\$ 43,547,423</u> |

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

CONSOLIDATING SCHEDULE OF ACTIVITIES

YEAR ENDED JUNE 30, 2013

| | New Destiny Housing Corporation | Citywide Supportive Housing, Inc. | Citywide Supportive Housing Development Fund Corporation | Andrews Ave Associates, L.P. | Citywide Andrews Associates, Inc. | 1070 Anderson Ave LP | 291 Bainbridge LP | Eliminations | Total |
|--|---------------------------------------|---|---|------------------------------------|---|----------------------------|-------------------------|---------------------|----------------------|
| UNRESTRICTED NET ASSETS | | | | | | | | | |
| PUBLIC SUPPORT AND REVENUES | | | | | | | | | |
| Grants and contributions | \$ 861,156 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 861,156 |
| Special events, net of expenses of \$45,520 | 157,122 | | | | | | | | 157,122 |
| Rental income | 282,487 | 305,321 | 267,846 | 413,525 | | 205,962 | | | 1,475,141 |
| Property management | 274,881 | | | | | | | (274,881) | - |
| Developer fees | 670,000 | | | 155 | | | | | 670,000 |
| Interest income | 4,506 | 242 | | 4,435 | | | | | 4,903 |
| Other income | 524 | | 775 | | | 191 | | | 5,925 |
| | <u>2,250,676</u> | <u>305,563</u> | <u>268,621</u> | <u>418,115</u> | <u>-</u> | <u>206,153</u> | <u>-</u> | <u>(274,881)</u> | <u>3,174,247</u> |
| Net assets released from restrictions | <u>192,689</u> | | | | | | | | <u>192,689</u> |
| Total Public Support and Revenue | <u>2,443,365</u> | <u>305,563</u> | <u>268,621</u> | <u>418,115</u> | <u>-</u> | <u>206,153</u> | <u>-</u> | <u>(274,881)</u> | <u>3,366,936</u> |
| FUNCTIONAL EXPENSES | | | | | | | | | |
| Housing and management services | 716,898 | 450,098 | 337,671 | 618,225 | 87 | 605,098 | | (274,881) | 2,453,196 |
| Social services | 568,535 | | | | | | | | 568,535 |
| Management and general | 135,390 | | | | | | | | 135,390 |
| Fundraising | 124,674 | | | | | | | | 124,674 |
| Total Functional Expenses | <u>1,545,497</u> | <u>450,098</u> | <u>337,671</u> | <u>618,225</u> | <u>87</u> | <u>605,098</u> | <u>-</u> | <u>(274,881)</u> | <u>3,281,795</u> |
| CHANGE IN UNRESTRICTED NET ASSETS | <u>897,868</u> | <u>(144,535)</u> | <u>(69,050)</u> | <u>(200,110)</u> | <u>(87)</u> | <u>(398,945)</u> | <u>-</u> | <u>-</u> | <u>85,141</u> |
| TEMPORARILY RESTRICTED NET ASSETS | | | | | | | | | |
| Grants | 111,118 | | | | | | | | 111,118 |
| Net assets released from restrictions | <u>(192,689)</u> | | | | | | | | <u>(192,689)</u> |
| CHANGE IN TEMPORARILY RESTRICTED NET ASSETS | <u>(81,571)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(81,571)</u> |
| TOTAL CHANGE IN NET ASSETS | <u>816,297</u> | <u>(144,535)</u> | <u>(69,050)</u> | <u>(200,110)</u> | <u>(87)</u> | <u>(398,945)</u> | <u>-</u> | <u>-</u> | <u>3,570</u> |
| NONCONTROLLING OWNERSHIP INTERESTS | | | | <u>(200,090)</u> | | <u>(398,905)</u> | <u>-</u> | | <u>(598,995)</u> |
| CONTROLLING INTEREST | <u>816,297</u> | <u>(144,535)</u> | <u>(69,050)</u> | <u>(20)</u> | <u>(87)</u> | <u>(40)</u> | <u>-</u> | <u>-</u> | <u>602,565</u> |
| Beginning of year | 5,832,619 | 6,434,383 | 1,273,566 | 474 | 1,107 | 573 | - | (116,438) | 13,426,284 |
| End of year | <u>\$ 6,648,916</u> | <u>\$ 6,289,848</u> | <u>\$ 1,204,516</u> | <u>\$ 454</u> | <u>\$ 1,020</u> | <u>\$ 533</u> | <u>\$ -</u> | <u>\$ (116,438)</u> | <u>\$ 14,028,849</u> |
| NONCONTROLLING OWNERSHIP INTERESTS | | | | | | | | | |
| Beginning of year | \$ - | \$ - | \$ - | \$ 4,173,873 | \$ - | \$ 5,727,455 | \$ 570,711 | \$ - | \$ 10,472,039 |
| Capital contribution | | | | | | 329,197 | 590,653 | | 919,850 |
| End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,973,783</u> | <u>\$ -</u> | <u>\$ 5,657,747</u> | <u>\$ 1,161,364</u> | <u>\$ -</u> | <u>\$ 10,792,894</u> |

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

SCHEDULE OF FUNCTIONAL EXPENSES FOR NEW DESTINY HOUSING CORPORATION, CITYWIDE
SUPPORTIVE HOUSING, INC. AND CITYWIDE SUPPORTIVE HOUSING DEVELOPMENT FUND CORPORATION

YEAR ENDED JUNE 30, 2013

| | Housing | Social Services | Total Program Services | Management and General | Fund Raising | Total Supporting Services | Total Functional Expenses |
|---|---------------------|--------------------|------------------------------|------------------------------|-------------------|---------------------------------|---------------------------------|
| Salaries | \$ 186,240 | \$ 354,140 | \$ 540,380 | \$ 78,458 | \$ 59,038 | \$ 137,496 | \$ 677,876 |
| Fringe benefits | 35,017 | 66,592 | 101,609 | 14,749 | 11,116 | 25,865 | 127,474 |
| Building repairs | 40,106 | - | 40,106 | - | - | - | 40,106 |
| Building and office maintenance | 74,422 | 2,621 | 77,043 | 580 | 438 | 1,018 | 78,061 |
| Water and sewer | 51,042 | 627 | 51,669 | 139 | 104 | 243 | 51,912 |
| Management and support services | 384,306 | 12,161 | 396,467 | 2,693 | 2,031 | 4,724 | 401,191 |
| Office rent | 45,734 | 61,497 | 107,231 | 13,620 | 10,266 | 23,886 | 131,117 |
| Utilities | 65,511 | 3,159 | 68,670 | 700 | 528 | 1,228 | 69,898 |
| Telephone | 5,557 | 4,932 | 10,489 | 1,092 | 824 | 1,916 | 12,405 |
| Insurance | 61,901 | 4,489 | 66,390 | 994 | 750 | 1,744 | 68,134 |
| Professional fees | 23,861 | - | 23,861 | 12,640 | - | 12,640 | 36,501 |
| Consultant fees | 6,587 | 12,527 | 19,114 | 2,774 | 2,092 | 4,866 | 23,980 |
| Grant writer | - | - | - | - | 32,250 | 32,250 | 32,250 |
| Interns and stipends | - | - | - | - | - | - | - |
| Service contract | 9,835 | - | 9,835 | - | - | - | 9,835 |
| Training and staff development | 1,121 | 2,131 | 3,252 | 472 | 356 | 828 | 4,080 |
| Tenant activities | - | 12,928 | 12,928 | - | - | - | 12,928 |
| Membership and subscriptions | 1,010 | 1,920 | 2,930 | 425 | 320 | 745 | 3,675 |
| Travel | 749 | 1,425 | 2,174 | 316 | 238 | 554 | 2,728 |
| Equipment repairs and maintenance | 3,348 | 5,847 | 9,195 | 1,295 | 976 | 2,271 | 11,466 |
| Supplies | 22,050 | 4,374 | 26,424 | 969 | 729 | 1,698 | 28,122 |
| Employment and advertising fees | - | 1,481 | 1,481 | - | - | - | 1,481 |
| Postage | 2,034 | 3,450 | 5,484 | 764 | 576 | 1,340 | 6,824 |
| Printing | 1,595 | 2,721 | 4,316 | 603 | 454 | 1,057 | 5,373 |
| Payroll services | 2,633 | 5,008 | 7,641 | 1,109 | 836 | 1,945 | 9,586 |
| Bad debt expense | 30,377 | - | 30,377 | - | - | - | 30,377 |
| Miscellaneous | 1,528 | 2,105 | 3,633 | 466 | 351 | 817 | 4,450 |
| Operating Expenses | | | | | | | |
| Before Depreciation, Amortization and Interest Expense | 1,056,564 | 566,135 | 1,622,699 | 134,858 | 124,273 | 259,131 | 1,881,830 |
| Interest expense | 54,944 | - | 54,944 | - | - | - | 54,944 |
| Depreciation and amortization | 393,159 | 2,400 | 395,559 | 532 | 401 | 933 | 396,492 |
| TOTAL EXPENSES | <u>\$ 1,504,667</u> | <u>\$ 568,535</u> | <u>\$ 2,073,202</u> | <u>\$ 135,390</u> | <u>\$ 124,674</u> | <u>\$ 260,064</u> | <u>\$ 2,333,266</u> |

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

SCHEDULE OF FINANCIAL POSITION BY PROJECT
NEW DESTINY HOUSING CORPORATION

JUNE 30, 2013

ASSETS

| | General | Park Place | Bridge Community | 307 East 54th Street | Eliminations | Total |
|---|--------------|------------|------------------|----------------------|--------------|--------------|
| INVESTMENT IN REAL ESTATE HELD FOR LEASE | | | | | | |
| Land | \$ - | \$ - | \$ 115,000 | \$ - | \$ - | \$ 115,000 |
| Buildings and improvements | 64,528 | 91,211 | 1,262,784 | 2,547,600 | | 3,966,123 |
| Furniture and equipment | 72,074 | 2,485 | 1,000 | | | 75,559 |
| Less: Accumulated depreciation | (83,149) | (51,954) | (602,227) | (478,453) | | (1,215,783) |
| Net Investment in Real Estate | 53,453 | 41,742 | 776,557 | 2,069,147 | - | 2,940,899 |
| OTHER ASSETS | | | | | | |
| Cash | 1,870,209 | 37,901 | 6,087 | 46,686 | | 1,960,883 |
| Rent receivable | | | 15,584 | 5,846 | | 21,430 |
| Fees receivable | 581,501 | | | | | 581,501 |
| Grants receivable | 188,875 | | | | | 188,875 |
| Prepaid expenses and other assets | 35,580 | | | | | 35,580 |
| Tenants' security deposits | | 6,350 | 10,603 | 9,932 | | 26,885 |
| Escrows | | | 10,827 | | | 10,827 |
| Replacement reserves | | 3,520 | 25,354 | 7,673 | | 36,547 |
| Operating reserves | 442,021 | | 7,225 | | | 449,246 |
| Pre-development costs | 140,636 | | | | | 140,636 |
| Deposits | 40,000 | | | 5,076 | | 45,076 |
| Mortgage costs, less accumulated amortization | | | 8,093 | | | 8,093 |
| Loans receivable - related parties | 1,172,235 | | | 10,198 | (143,241) | 1,039,192 |
| TOTAL ASSETS | \$ 4,524,510 | \$ 89,513 | \$ 860,330 | \$ 2,154,558 | \$ (143,241) | \$ 7,485,670 |

LIABILITIES AND NET ASSETS

| | | | | | | |
|---|--------------|-----------|------------|--------------|--------------|--------------|
| LIABILITIES APPLICABLE TO INVESTMENT IN REAL ESTATE | | | | | | |
| Mortgages payable | \$ - | \$ - | \$ 409,175 | \$ - | \$ - | \$ 409,175 |
| Loans payable - related parties | 19,725 | 40,456 | 68,774 | 42,488 | (143,241) | 28,202 |
| Accrued interest payable | | | 298,017 | | | 298,017 |
| Accounts payable | 60,101 | 1,415 | 7,950 | 4,408 | | 73,874 |
| Deferred income | | 1,159 | | | | 1,159 |
| Tenants' security payable | | 4,250 | 11,704 | 10,373 | | 26,327 |
| Total Liabilities Applicable to Investment in Real Estate | 79,826 | 47,280 | 795,620 | 57,269 | (143,241) | 836,754 |
| NET ASSETS | | | | | | |
| Unrestricted | 4,228,928 | 42,233 | (461,467) | 51,146 | - | 3,860,840 |
| Temporarily restricted | 215,756 | | 526,177 | 2,046,143 | | 2,788,076 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 4,524,510 | \$ 89,513 | \$ 860,330 | \$ 2,154,558 | \$ (143,241) | \$ 7,485,670 |

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

SCHEDULE OF ACTIVITIES BY PROJECT
NEW DESTINY HOUSING CORPORATION

YEAR ENDED JUNE 30, 2013

| | General | Park Place | Bridge Community | 307 East 54th Street | Eliminations | Total |
|--|---------------------|------------------|---------------------|-------------------------|--------------|--------------------|
| UNRESTRICTED NET ASSETS | | | | | | |
| PUBLIC SUPPORT AND REVENUES | | | | | | |
| Grants and contributions | \$ 861,156 | \$ - | \$ - | \$ - | \$ - | \$ 861,156 |
| Special events, net of expenses of \$45,520 | 157,122 | | | | | 157,122 |
| Rental income | | 68,776 | 118,901 | 94,810 | | 282,487 |
| Property management | 274,881 | | | | | 274,881 |
| Developer fees | 670,000 | | | | | 670,000 |
| Interest income | 4,473 | - | 33 | | | 4,506 |
| Other income | 300 | 23 | 161 | 40 | | 524 |
| | <u>1,967,932</u> | <u>68,799</u> | <u>119,095</u> | <u>94,850</u> | <u>-</u> | <u>2,250,676</u> |
| Net assets released from restrictions | <u>96,854</u> | | <u>32,877</u> | <u>62,958</u> | | <u>192,689</u> |
| Total Public Support and Revenue | <u>2,064,786</u> | <u>68,799</u> | <u>151,972</u> | <u>157,808</u> | <u>-</u> | <u>2,443,365</u> |
| FUNCTIONAL EXPENSES | | | | | | |
| Housing and management services | 291,401 | 80,605 | 198,965 | 145,927 | - | 716,898 |
| Social services | 568,535 | | | | | 568,535 |
| Management and general | 135,390 | | | | | 135,390 |
| Fundraising | 124,674 | | | | | 124,674 |
| Total Functional Expenses | <u>1,120,000</u> | <u>80,605</u> | <u>198,965</u> | <u>145,927</u> | <u>-</u> | <u>1,545,497</u> |
| CHANGE IN UNRESTRICTED NET ASSETS | <u>944,786</u> | <u>(11,806)</u> | <u>(46,993)</u> | <u>11,881</u> | <u>-</u> | <u>897,868</u> |
| TEMPORARILY RESTRICTED NET ASSETS | | | | | | |
| Grants | 111,118 | | | | | 111,118 |
| Net assets released from restrictions | <u>(96,854)</u> | | <u>(32,877)</u> | <u>(62,958)</u> | | <u>(192,689)</u> |
| CHANGE IN TEMPORARILY RESTRICTED NET ASSETS | <u>14,264</u> | <u>-</u> | <u>(32,877)</u> | <u>(62,958)</u> | <u>-</u> | <u>(81,571)</u> |
| NET ASSETS | | | | | | |
| Beginning of year | <u>3,485,634</u> | <u>54,039</u> | <u>144,580</u> | <u>2,148,366</u> | <u>-</u> | <u>5,832,619</u> |
| End of year | <u>\$ 4,444,684</u> | <u>\$ 42,233</u> | <u>\$ 64,710</u> | <u>\$2,097,289</u> | <u>\$ -</u> | <u>\$6,648,916</u> |

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

SCHEDULE OF FINANCIAL POSITION BY PROJECT
CITYWIDE SUPPORTIVE HOUSING, INC.

JUNE 30, 2013

ASSETS

| | <u>Prelude</u> | <u>Lily House</u> | <u>Eliminations</u> | <u>Total</u> |
|---|-------------------|-----------------------|---------------------|---------------------|
| INVESTMENT IN REAL ESTATE HELD FOR LEASE | | | | |
| Land | \$ 175,000 | \$ 194,267 | \$ - | \$ 369,267 |
| Buildings and improvements | 1,209,832 | 6,035,281 | | 7,245,113 |
| Furniture and equipment | 963 | - | | 963 |
| Less: Accumulated depreciation | <u>(644,500)</u> | <u>(1,133,713)</u> | | <u>(1,778,213)</u> |
| Net Investment in Real Estate | <u>741,295</u> | <u>5,095,835</u> | | <u>5,837,130</u> |
| OTHER ASSETS | | | | |
| Cash | 26,605 | 13,336 | | 39,941 |
| Deferred rent receivable | 9,187 | 67,206 | | 76,393 |
| Tenants' security deposits | - | 14,130 | | 14,130 |
| Replacement reserves | 91,175 | 253,247 | | 344,422 |
| Prepaid expenses | 525 | 525 | | 1,050 |
| Loans receivable - related parties | <u>11,846</u> | <u>29,544</u> | <u>(11,776)</u> | <u>29,614</u> |
| TOTAL ASSETS | <u>\$ 880,633</u> | <u>\$ 5,473,823</u> | <u>\$ (11,776)</u> | <u>\$ 6,342,680</u> |

LIABILITIES AND NET ASSETS

| | | | | |
|--|-------------------|---------------------|--------------------|---------------------|
| LIABILITIES APPLICABLE TO INVESTMENT IN REAL ESTATE | | | | |
| Loans payable - related parties | \$ 444 | \$ 42,994 | \$ (11,776) | \$ 31,662 |
| Accounts payable | 3,000 | 3,000 | | 6,000 |
| Deferred income | - | 788 | | 788 |
| Tenants' security payable | <u>-</u> | <u>14,382</u> | | <u>14,382</u> |
| Total Liabilities Applicable to Investment in Real Estate | 3,444 | 61,164 | (11,776) | 52,832 |
| NET ASSETS | | | | |
| Unrestricted | <u>877,189</u> | <u>5,412,659</u> | | <u>6,289,848</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 880,633</u> | <u>\$ 5,473,823</u> | <u>\$ (11,776)</u> | <u>\$ 6,342,680</u> |

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

SCHEDULE OF ACTIVITIES BY PROJECT
CITYWIDE SUPPORTIVE HOUSING, INC.

YEAR ENDED JUNE 30, 2013

| | <u>Prelude</u> | <u>Lily House</u> | <u>Eliminations</u> | <u>Total</u> |
|--------------------------------------|-------------------|-----------------------|---------------------|--------------------|
| UNRESTRICTED NET ASSETS | | | | |
| PUBLIC SUPPORT AND REVENUES | | | | |
| Rental income | \$ 234,187 | \$ 71,134 | \$ - | \$ 305,321 |
| Interest income | 60 | 182 | | 242 |
| | <u>234,247</u> | <u>71,316</u> | <u>-</u> | <u>305,563</u> |
| Total Public Support and Revenue | | | | |
| FUNCTIONAL EXPENSES | | | | |
| Housing and management services | <u>242,795</u> | <u>207,303</u> | | <u>450,098</u> |
| Total Functional Expenses | <u>242,795</u> | <u>207,303</u> | <u>-</u> | <u>450,098</u> |
| CHANGE IN UNRESTRICTED NET ASSETS | <u>(8,548)</u> | <u>(135,987)</u> | <u>-</u> | <u>(144,535)</u> |
| NET ASSETS | | | | |
| Beginning of the year | <u>885,737</u> | <u>5,548,646</u> | <u>-</u> | <u>6,434,383</u> |
| End of year | <u>\$ 877,189</u> | <u>\$5,412,659</u> | <u>\$ -</u> | <u>\$6,289,848</u> |

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

SCHEDULE OF FINANCIAL POSITION BY PROJECT
CITYWIDE SUPPORTIVE HOUSING DEVELOPMENT FUND CORPORATION

JUNE 30, 2013

ASSETS

| | 281 Bainbridge | Bridge Tower | Eliminations | Total |
|---|-------------------|-----------------|--------------|--------------|
| INVESTMENT IN REAL ESTATE HELD FOR LEASE | | | | |
| Land | \$ 157,500 | \$ 100,000 | \$ - | \$ 257,500 |
| Buildings and improvements | 1,344,058 | 1,628,809 | | 2,972,867 |
| Furniture and equipment | - | 38,028 | | 38,028 |
| Construction in progress | - | 38,389 | | 38,389 |
| Less: Accumulated depreciation | (401,794) | (1,000,308) | | (1,402,102) |
| Net Investment in Real Estate | 1,099,764 | 804,918 | - | 1,904,682 |
| OTHER ASSETS | | | | |
| Cash | 20,768 | 40,793 | | 61,561 |
| Rent receivable | 9,742 | 22,899 | | 32,641 |
| Prepaid expenses and other assets | - | 23,018 | | 23,018 |
| Tenants' security deposits | 9,348 | 13,151 | | 22,499 |
| Escrows | 1,956 | - | | 1,956 |
| Replacement reserves | 41,173 | 10,739 | | 51,912 |
| Operating reserves | 17,108 | - | | 17,108 |
| Deposits | 1,500 | 2,195 | | 3,695 |
| Mortgage costs, less accumulated amortization | 11,075 | - | | 11,075 |
| Loans receivables - related parties | 14,972 | 13,372 | (12,146) | 16,198 |
| TOTAL ASSETS | \$ 1,227,406 | \$ 931,085 | \$ (12,146) | \$ 2,146,345 |

LIABILITIES AND NET ASSETS

| | | | | |
|--|--------------|------------|-------------|--------------|
| LIABILITIES APPLICABLE TO INVESTMENT IN REAL ESTATE | | | | |
| Mortgages payable | \$ 756,694 | \$ - | \$ - | \$ 756,694 |
| Loans payable - related parties | 45,781 | 97,330 | (12,146) | 130,965 |
| Accounts payable | 7,498 | 22,410 | | 29,908 |
| Tenants' security payable | 9,361 | 14,901 | | 24,262 |
| Total Liabilities Applicable to Investment in Real Estate | 819,334 | 134,641 | (12,146) | 941,829 |
| NET ASSETS (DEFICIT) | | | | |
| Unrestricted | 408,072 | 796,444 | - | 1,204,516 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 1,227,406 | \$ 931,085 | \$ (12,146) | \$ 2,146,345 |

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

SCHEDULE OF ACTIVITIES BY PROJECT
CITYWIDE SUPPORTIVE HOUSING DEVELOPMENT FUND CORPORATION

YEAR ENDED JUNE 30, 2013

| | 281 Bainbridge | Bridge Tower | Eliminations | Total |
|--|-------------------|-------------------|--------------|---------------------|
| UNRESTRICTED NET ASSETS | | | | |
| PUBLIC SUPPORT AND REVENUES | | | | |
| Rental income | \$ 96,079 | \$ 171,767 | \$ - | \$ 267,846 |
| Other income | 255 | 520 | | 775 |
| Total Public Support and Revenue | <u>96,334</u> | <u>172,287</u> | <u>-</u> | <u>268,621</u> |
| FUNCTIONAL EXPENSES | | | | |
| Housing and management services | <u>123,585</u> | <u>214,086</u> | | <u>337,671</u> |
| Total Functional Expenses | <u>123,585</u> | <u>214,086</u> | <u>-</u> | <u>337,671</u> |
| CHANGE IN UNRESTRICTED NET ASSETS | | | | |
| | <u>(27,251)</u> | <u>(41,799)</u> | <u>-</u> | <u>(69,050)</u> |
| NET ASSETS | | | | |
| Beginning of year | <u>435,323</u> | <u>838,243</u> | <u>-</u> | <u>1,273,566</u> |
| End of year | <u>\$ 408,072</u> | <u>\$ 796,444</u> | <u>\$ -</u> | <u>\$ 1,204,516</u> |

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

CONSOLIDATED SCHEDULE OF CHANGES IN NET ASSETS BY PROJECT

YEAR ENDED JUNE 30, 2013

| | Change in Net Assets before Depreciation and Amortization | Depreciation and Amortization | Change in Net Assets |
|----------------------|--|-------------------------------------|-------------------------|
| General | \$ 963,645 | \$ 4,595 | \$ 959,050 |
| Park Place | (9,139) | 2,667 | (11,806) |
| Bridge Towers | 11,965 | 53,764 | (41,799) |
| Bridge Community | (36,832) | 43,038 | (79,870) |
| 307 E 54th Street | 12,928 | 64,005 | (51,077) |
| Prelude | 31,654 | 40,202 | (8,548) |
| Lily House | 6,876 | 142,863 | (135,987) |
| 281 Bainbridge | 18,107 | 45,358 | (27,251) |
| 1070 Anderson Avenue | (115,366) | 283,579 | (398,945) |
| Andrews Ave | 40,335 | 240,445 | (200,110) |
| | <u>\$ 924,173</u> | <u>\$ 920,516</u> | <u>\$ 3,657</u> |