

**New Destiny Housing Corporation
and Affiliates**

Consolidated Financial Statements

June 30, 2021 and 2020

Independent Auditors' Report

Board of Directors New Destiny Housing Corporation and Affiliates

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, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and 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 consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of New Destiny Housing Corporation and Affiliates as of June 30, 2021 and 2020, and the consolidated changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 supplementary financial information on pages 29-34 is presented for the purpose of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the 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, such information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

PKF O'Connor Davies, LLP

Harrison, New York
January 20, 2021

New Destiny Housing Corporation and Affiliates

Consolidated Statements of Financial Position

	June 30,	
	2021	2020
ASSETS		
Real estate, net	\$ 100,523,525	\$ 86,196,563
Cash - operations	6,406,060	7,638,623
Cash - construction	22,085	-
Investments	11,695	-
Rent receivable, net	271,865	199,512
Fees receivable	33,580	-
Grants receivable	753,837	439,043
Prepaid expenses and other assets	60,657	16,364
Tenant security deposits	149,772	163,019
Escrow and reserves	3,622,374	3,032,317
Predevelopment costs	241,263	19,806
Deposits	103,855	62,245
Capitalized costs, net	259,935	289,186
Total Assets	\$ 112,460,503	\$ 98,056,678
LIABILITIES AND NET ASSETS		
Liabilities		
Long-term debt, net	\$ 60,345,773	\$ 50,843,573
Recoverable grant	120,000	120,000
Deferred income	-	22,500
Construction costs payable	4,364,046	2,722,482
Paycheck Protection Program loan	486,978	486,978
Accrued interest payable	5,098,660	4,102,054
Accounts payable and accrued expenses	239,533	458,792
Prepaid rent	73,364	72,974
Tenant security deposits payable	152,515	173,865
Total Liabilities	70,880,869	59,003,218
Net Assets		
Without donor restrictions	12,426,208	12,945,925
With donor restrictions	264,556	111,373
	12,690,764	13,057,298
Non-controlling interests in consolidated for-profit affiliates	28,888,870	25,996,162
Total Net Assets	41,579,634	39,053,460
Total Liabilities and Net Assets	\$ 112,460,503	\$ 98,056,678

See notes to consolidated financial statements

New Destiny Housing Corporation and Affiliates

Consolidated Statements of Activities

	Year Ended June 30,	
	<u>2021</u>	<u>2020</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
SUPPORT AND REVENUE		
Grants and contributions	\$ 2,580,843	\$ 1,923,574
Special events, net of expenses of \$- and \$18,016	-	100,564
Rental income	3,597,735	3,260,235
Property management	33,580	-
Developer fees	505,698	-
Interest income	1,579	19,977
Investment income, net	1,917	-
Other income	76,191	139,748
Total Revenue	<u>6,797,543</u>	<u>5,444,098</u>
Net assets released from restrictions	215,566	38,032
Total Support and Revenue	<u>7,013,109</u>	<u>5,482,130</u>
EXPENSES		
Program Services		
Housing and management services	7,423,694	6,162,923
Social services	2,162,829	1,614,198
Total Program Services	<u>9,586,523</u>	<u>7,777,121</u>
Supporting Services		
Management and general	496,012	488,830
Fundraising	344,324	253,247
Total Supporting Services	<u>840,336</u>	<u>742,077</u>
Total Expenses	<u>10,426,859</u>	<u>8,519,198</u>
Change in Net Assets Without Donor Restrictions Before Other Changes	<u>(3,413,750)</u>	<u>(3,037,068)</u>
OTHER CHANGES		
Capital contributions	5,786,741	2,946,188
Capital distributions	-	(31,172)
Total Other Changes	<u>5,786,741</u>	<u>2,915,016</u>
Change in Net Assets Without Donor Restrictions	2,372,991	(122,052)
Net Assets Without Donor Restrictions		
Beginning of year	38,942,087	39,064,139
End of year	<u>\$ 41,315,078</u>	<u>\$ 38,942,087</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	\$ 368,749	\$ 75,000
Net assets released from restrictions	(215,566)	(38,032)
Change in Net Assets With Donor Restrictions	153,183	36,968
Net Assets With Donor Restrictions		
Beginning of year	111,373	74,405
End of year	<u>\$ 264,556</u>	<u>\$ 111,373</u>
Change in Net Assets	<u>\$ 2,526,174</u>	<u>\$ (85,084)</u>
NET ASSETS		
Beginning of year	39,053,460	39,138,544
End of year	<u>\$ 41,579,634</u>	<u>\$ 39,053,460</u>

See notes to consolidated financial statements

New Destiny Housing Corporation and Affiliates

Consolidated Statement of Functional Expenses
Year Ended June 30, 2021

	Program Services		Supporting Services		Total
	Housing	Social Services	Management and General	Fundraising	
Salaries	\$ 534,836	\$ 1,127,456	\$ 259,055	\$ 179,737	\$ 2,101,084
Fringe benefits	106,811	225,161	51,735	35,895	419,602
Building repairs	53,660	1,250	287	199	55,396
Building and office maintenance	70,529	27,422	6,301	4,372	108,624
Water and sewer	6,672	644	148	103	7,567
Management and support services	67,398	82,078	18,859	13,085	181,420
Office rent	57,151	120,477	27,682	19,206	224,516
Utilities	58,413	3,534	812	563	63,322
Telephone	4,260	8,095	1,860	1,290	15,505
Insurance	44,564	8,536	1,961	1,361	56,422
Professional fees	18,940	9,761	2,243	1,556	32,500
Consultant fees	37,830	55,020	12,642	8,771	114,263
Grant writer	10,211	21,526	4,946	3,432	40,115
Service contract	8,589	1,696	390	270	10,945
Training and staff development	761	1,604	369	256	2,990
Tenant activities	182,697	385,133	88,492	61,397	717,719
Membership and subscriptions	2,796	5,894	1,354	940	10,984
Travel	273	575	132	92	1,072
Equipment repairs and maintenance	5,688	10,324	2,372	1,646	20,030
Supplies	1,157	2,439	561	389	4,546
Employment and advertising fees	528	1,112	256	177	2,073
Postage	412	869	200	138	1,619
Printing	333	702	161	112	1,308
Payroll services	11,565	24,379	5,601	3,886	45,431
Bad debt expense	10,476	6,308	1,449	1,006	19,239
Real estate properties	2,810,375	-	-	-	2,810,375
Miscellaneous	39,973	24,913	5,724	3,972	74,582
Total Expenses Before Interest Expense, Depreciation and Amortization	4,146,898	2,156,908	495,592	343,851	7,143,249
Interest expense	952,855	-	-	-	952,855
Depreciation and amortization	2,323,941	5,921	420	473	2,330,755
Total Expenses Reported by Function	\$ 7,423,694	\$ 2,162,829	\$ 496,012	\$ 344,324	\$ 10,426,859

New Destiny Housing Corporation and Affiliates

Consolidated Statement of Functional Expenses
Year Ended June 30, 2020

	Program Services		Supporting Services		Total
	Housing	Social Services	Management and General	Fundraising	
Salaries	\$ 395,051	\$ 890,514	\$ 269,950	\$ 143,642	\$ 1,699,157
Fringe benefits	72,523	163,479	49,557	26,370	311,929
Building repairs	14,357	2,492	755	402	18,006
Building and office maintenance	19,491	36,956	11,203	5,961	73,611
Water and sewer	5,508	629	191	101	6,429
Management and support services	288,409	54,025	16,377	8,714	367,525
Office rent	42,038	94,762	28,726	15,285	180,811
Utilities	15,560	3,244	983	523	20,310
Telephone	3,416	6,703	2,032	1,081	13,232
Insurance	35,981	9,745	2,954	1,572	50,252
Professional fees	25,712	10,542	3,196	1,700	41,150
Consultant fees	48,707	104,111	31,560	16,793	201,171
Grant writer	9,055	20,412	6,188	3,292	38,947
Service contract	7,331	-	-	-	7,331
Training and staff development	1,025	2,310	700	373	4,408
Tenant activities	71,618	161,439	48,939	26,041	308,037
Membership and subscriptions	2,069	4,663	1,413	752	8,897
Travel	302	680	206	110	1,298
Equipment repairs and maintenance	2,944	6,637	2,012	1,071	12,664
Supplies	2,613	5,890	1,785	950	11,238
Employment repairs and maintenance	234	527	160	85	1,006
Postage	713	1,606	487	259	3,065
Printing	150	339	103	6,061	6,653
Payroll services	9,260	20,874	6,328	3,367	39,829
Bad debt expense	4,969	8,595	2,605	1,386	17,555
Real estate properties	1,697,610	-	-	-	1,697,610
Miscellaneous	-	-	-	4,899	4,899
Total Expenses Before Interest Expense, Depreciation and Amortization	2,776,646	1,611,174	488,410	270,790	5,147,020
Interest expense	1,297,805	16	-	-	1,297,821
Depreciation and amortization	2,088,472	3,008	420	473	2,092,373
Total Expenses	6,162,923	1,614,198	488,830	271,263	8,537,214
Expenses deducted directly from revenues on the statement of activities	-	-	-	(18,016)	(18,016)
Direct cost of special events	-	-	-	-	-
Total Expenses Reported by Function	\$ 6,162,923	\$ 1,614,198	\$ 488,830	\$ 253,247	\$ 8,519,198

New Destiny Housing Corporation and Affiliates
Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets		
Without donor restrictions before other changes	\$ (3,413,750)	\$ (3,037,068)
With donor restrictions	153,183	36,968
	(3,260,567)	(3,000,100)
Adjustments to reconcile changes in net assets from operating activities		
Depreciation and amortization	2,330,755	2,092,373
Bad debt expense	110,958	134,592
Mortgage cost amortization	29,255	67,357
Loss on disposal of investment in real estate	20,073	-
Changes in operating assets and liabilities		
Rent receivable	(183,311)	(98,881)
Fees receivable	(33,580)	-
Grants receivable	(314,794)	(148,273)
Prepaid expenses and other assets	(44,293)	165,386
Tenant security deposits	13,247	(22,074)
Deposits	(41,610)	(235)
Deferred income	(22,500)	(10,000)
Accrued interest payable	996,606	716,633
Accounts payable and accrued expenses	(219,259)	(1,304,044)
Prepaid rent	390	145
Tenant security deposits payable	(21,350)	13,408
Net Cash from Operating Activities	(639,980)	(1,393,713)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(16,951,064)	(9,285,160)
Disposals of fixed assets	314,484	13,616
Purchases of investment	(11,695)	-
Deferred cost	(11,959)	(102,637)
Change in predevelopment costs	(221,457)	(19,556)
Net Cash from Investing Activities	(16,881,691)	(9,393,737)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	21,331,394	12,082,045
Repayments of long-term debt	(11,518,426)	(2,661,428)
Capitalized mortgage cost	(340,023)	(274,776)
Construction costs payable	1,641,564	1,136,458
Capital contributions	5,786,741	2,946,188
Capital distributions	-	(31,172)
Net Cash from Financing Activities	16,901,250	13,197,315
Net Change in Cash and Restricted Cash	(620,421)	2,409,865
CASH AND RESTRICTED CASH		
Beginning of year	10,670,940	8,261,075
End of year	\$ 10,050,519	\$ 10,670,940

See notes to consolidated financial statements

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements
June 30, 2021 and 2020

1. Organization

New Destiny Housing Corporation (“New Destiny”) was organized as a not-for-profit organization under the nonprofit laws of the State of New York and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code (“IRC”). New Destiny’s mission is to end the cycle of violence for low-income families and individuals at risk of homelessness and domestic violence by connecting them to safe, permanent housing and services.

To achieve its mission, New Destiny builds and manages housing with on-site services; offers innovative programs that empower victims of abuse to find and retain affordable housing; and expands access to permanent housing resources for low-income families. New destiny pursues the following activities in furtherance of its mission:

- 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 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, through HousingLink, connects domestic violence survivors with affordable permanent housing that is safe, well maintained, and sustainable.
- New Destiny educates the public about the permanent housing and service needs of low-income domestic violence survivors and advocates for increasing the resources available to this population.

New Destiny owns and operates Park Place, which consists of five cooperative apartments in the Crown Heights section of Brooklyn, New York. The five apartments are leased to tenants by New Destiny at below-market rents.

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

New Destiny is affiliated through common board control and ownership with the following entities (collectively, the “Affiliates”):

- CityWide Supportive Housing, Inc. (“CityWide”) was incorporated as a not-for-profit organization in the State of New York and is tax-exempt under Section 501(c)(3) of the IRC. CityWide owns Prelude Place, a 35-bed emergency facility in Staten Island, New York, that is operated as a shelter for domestic violence survivors under a lease with another not-for-profit organization. CityWide also owns a vacant building located at 2303 Andrews Avenue in the Bronx, New York. New Destiny is in the process of developing this property as affordable housing. Up until November 2020, CityWide leased to another not-for-profit organization that operated the building as a 27-unit transitional shelter for domestic violence survivors that was known as Lily House.

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements
June 30, 2021 and 2020

1. Organization (*continued*)

- CityWide Supportive Housing Development Fund Corp. (“HDFC”) was incorporated as a not-for-profit organization in the State of New York and is tax-exempt under Section 501(c)(3) of the IRC.

HDFC owns and operates 307 E. 54th Street, New York, New York. The property consists of eight low-income residential units. For internal reporting purposes, HDFC Corporate, which is a wholly owned component of HDFC, was established in July 2017 to segregate certain assets that formerly belonged to other buildings previously owned by HDFC.

- Andrews Avenue Associates, L.P. (“Andrews LP”) is a limited partnership organized on July 7, 2006, under the laws of the State of New York.
- Citywide Andrews Associates, Inc. (“Citywide Andrews”) is a New York corporation organized under Section C of the IRC.

Citywide Andrews was formed to act as the corporate general partner of Andrews LP and is 100% owned by HDFC. Citywide Andrews owns .01% of Andrews LP. Andrews LP was formed for the purpose of providing low-income housing through the construction and operation of 37 residential units and one superintendent’s unit in the Bronx, New York, in a building known as Marcello Manor.

- 1070 Anderson Avenue Limited Partnership (the “Anderson”) is a limited partnership organized on December 8, 2009, under the laws of the State of New York.
- 1070 Anderson Avenue GP Corp. (“1070 GP”) is a New York corporation organized under Section C of the IRC.

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, a not-for-profit organization in the State of New York, all the directors of which are appointed by New Destiny in its capacity as sole member of the corporation. 1070 GP owns .01% of the Anderson. The Anderson was formed for the purpose of providing low-income housing through the construction and operation of 40 residential units and one superintendent’s unit in the Bronx, New York, in a building known as The Anderson.

- 291 Bainbridge Limited Partnership (“291 LP”) is a limited partnership organized on October 18, 2011, under the laws of the State of New York.
- 291 Bainbridge GP Corp. (“291 GP”) is a New York corporation organized under Section C of the IRC. 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, a not-for-profit organization in the State of New York, all the directors of which are appointed by New Destiny in its capacity as sole member of the corporation. 291 GP owns .01% of 291 LP. 291 LP was formed for the purpose of providing low-income housing through the construction and operation of 23 residential units in Brooklyn, New York, in a building known as Bainbridge Manor.

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2021 and 2020

1. Organization (*continued*)

- 2017 Morris Avenue Owner LLC ("2017 LLC") is a limited liability company organized on December 9, 2013, under the laws of the State of New York.
- 2017 Morris Avenue Corp. ("2017 GP") is a New York corporation organized under Section C of the IRC.

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, a not-for-profit organization in the State of New York, all the directors of which are appointed by New Destiny in its capacity as sole member of the corporation. 2017 GP owns .01% of 2017 LLC. 2017 LLC was formed for the purpose of providing low-income housing through the construction and operation of 38 residential units, and one superintendent's unit in the Bronx, New York, in a building known as The Morris.

- Bridge Community Associates LLC ("BCA") is a limited liability company organized in September 2015 under the laws of the State of New York.
- Bridge Community Associates MM Inc. ("BCA MM") is a New York corporation organized under Section C of the IRC.

BCA MM was formed to act as the corporate managing member of BCA and is 100% owned by HDFC, all the directors of which are appointed by New Destiny in its capacity as sole member of the corporation. BCA MM owns .01% of BCA. BCA was formed for the purpose of providing low-income housing through the acquisition, rehabilitation, and operation of an affordable housing project. On October 28, 2016, BCA acquired the project, four multifamily buildings, from HDFC. The buildings contain 36 residential units, including one superintendent's unit, in Brooklyn, New York, in a complex now known as the BCA Project.

- 902 Jennings Street Housing Development Fund Corporation ("902 HDFC") was incorporated in the State of New York on May 5, 2015 and is tax-exempt under Section 501(c)(4) of the IRC. 902 HDFC was formed to acquire the vacant site at 902 Jennings Street, Bronx, New York ("902 Jennings"). On June 28, 2017, this vacant site was sold to 902 Jennings Street Owner LLC ("902 Owner").
- 902 Jennings Street Owner, LLC ("902 Owner") is a limited liability company organized on February 13, 2017, under the laws of the State of New York.

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2021 and 2020

1. Organization *(continued)*

- 902 Jennings Street MM Inc. ("902 MM") is a limited liability company organized on February 27, 2017, under the laws of the State of New York.

902 MM was formed to act as the managing member of 902 Owner and is 100% owned by 902 HDFC, all the directors of which are appointed by New Destiny in its capacity as sole member of 902 HDFC. 902 MM LLC owns .01% of 902 Owner. 902 Owner was formed for the purpose of providing low-income housing through the construction and operation of 43 residential units at 902 Jennings Street ("902 Jennings") in the Bronx, New York. On June 28, 2016, 902 Owner acquired the vacant site for this construction from 902 HDFC. The construction on the building was completed and it was placed into operation in October 2019.

- Bryant Avenue Housing Development Fund Corporation ("Bryant Avenue HDFC") was incorporated in the State of New York on September 28, 2018, and is tax-exempt under Section 501(c)(4) of the IRC. Bryant Avenue HDFC was formed to acquire 2 vacant lots then located at 1071 and 1075 Bryant Avenue Bronx, New York ("Bryant Avenue").
- Bryant Avenue Owner, LLC ("Bryant Avenue Owner") is a limited liability company organized on February 13, 2017, under the laws of the State of New York.
- Bryant Avenue Managing Member Inc. ("Bryant MM") is a limited liability company organized on February 27, 2017, under the laws of the State of New York.

Bryant MM was formed to act as the managing member of Bryant Avenue Owner and is 100% owned by Bryant Avenue HDFC, all the directors of which are appointed by New Destiny in its capacity as sole member of Bryant Avenue HDFC. Bryant MM owns .01% of Bryant Avenue Owner.

Bryant Avenue Owner was formed to provide low-income housing through the construction and operation of 62 residential units, including one superintendent's unit, in a building that now has the address 1115 East 165th Street and is at the corner of Bryant Avenue, in the Bronx, New York. The site of the building was formerly the 2 vacant lots that had other addresses on Bryant Avenue. The building when finished is to be known as The Corden. As of June 2021, construction of the property was 93% complete.

- New Destiny is the sole member of Raven Hall Housing Development Fund Corp. ("Raven Hall HDFC"), a not-for-profit corporation under the laws of the state of New York. Raven Hall HDFC has a nominee agreement with Raven Hall Moderate LLC under which Raven Hall HDFC retains legal title to a new multi-use property being developed by Raven Hall Developer LLC in Brooklyn, New York, part of which will contain low-income and supportive housing units.
- New Destiny owns 25% in Raven Hall Developer LLC ("RH Developer"). While New Destiny has an economic interest in RH Developer, it does not have control. Therefore, the operations of the LLC are not consolidated in the financial statements of the Company.

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements
June 30, 2021 and 2020

1. Organization (*continued*)

- Raven Hall HDFC is a 50% member in Raven Hall MM LLC, which is a 0.01% managing member of Raven Hall LLC. Raven Hall LLC is the 99.5% member of Raven Hall Moderate LLC. Raven Hall Moderate LLC has a master lease with Raven Hall LLC under which Raven Hall LLC leases the low-income and supportive housing portion of the property being developed by RH Developer. While New Destiny has an economic interest in Raven Hall MM LLC, Raven Hall LLC and Raven Hall Moderate LLC, it does not have control. Therefore, the operations of these three LLCs are not consolidated in the financial statements of the Company. During the years ended June 30, 2021 and 2020, there were no ongoing rental real estate operations at the property.
- New Destiny is the sole member of 153 Jamaica Housing Development Fund Corp. ("153 Jamaica HDFC"), a not-for-profit corporation under the laws of the state of New York. 153 Jamaica HDFC has a nominee agreement with Jamaica Owner LLC under which 153 Jamaica HDFC retains legal title to a new multi-use property being developed by 153 Jamaica Developer LLC in Queens, New York, part of which will contain low-income and supportive housing units.
- New Destiny owns a 20% interest in 153 Jamaica Developer LLC ("Jamaica Developer"). While New Destiny has an economic interest in Jamaica Developer, it does not have control. Therefore, Jamaica Developer's operations are not consolidated in the financial statements of New Destiny.
- 153 Jamaica HDFC is a 20% member in Jamaica JV LLC, which is the 50% managing member of Jamaica MM LLC. 153 Jamaica HDFC is the other 50% member in Jamaica MM LLC. While New Destiny has an economic interest in Jamaica JV LLC and Jamaica MM LLC, it does not have control. Therefore, their operations are not consolidated in the financial statements of New Destiny. During the years ended June 30, 2021 and 2020, there were no ongoing rental real estate operations at the property.

New Destiny provides ongoing tenant support services at Marcello Manor, the Anderson, Bainbridge Manor, the Morris, the BCA Project, and 902 Owner.

When operations commence at The Corden, New Destiny will provide ongoing tenant support services there as well. In addition, when their respective operations commence, New Destiny will provide ongoing tenant support services at the low-income and supportive housing parts of the properties being developed by RH Developer and Jamaica Developer.

Throughout these notes, references to the general partner, partner or partnership should be interpreted as including the corresponding type of entity in a limited liability company.

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements
June 30, 2021 and 2020

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which 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 period. Accordingly, actual results could differ from those estimates. Some of the more significant estimates required to be made by management include the allowance for doubtful receivables, depreciation, and fixed asset impairment.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of New Destiny, its corporate affiliates, and the partnerships that are controlled by New Destiny's affiliates (the "Company"). The general partnership interests held by Affiliates of New Destiny equal .01% of the respective limited partnership's equity, with the remainder held by the limited partners. All material intercompany accounts and transactions have been eliminated in consolidation.

Non-Controlling Interest in For-Profit Affiliates that are Part of Consolidation

The portions of the limited partnerships not owned by New Destiny affiliated entities are presented in the consolidated financial statements as the non-controlling ownership interests, in an aggregate amount.

Net Asset Presentation

Net assets of the Company are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met. This category may also include amounts designated by the Board of Directors.

Net Assets With Donor Restrictions – Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Company. Certain restrictions may require the assets to be maintained in perpetuity.

Earnings related to restricted net assets will be included in net assets without donor restrictions unless otherwise specifically required to be included in donor restricted net assets by the donor or by applicable state law.

Reclassification

Net assets without donor restrictions and non-controlling interests in consolidated for-profit affiliates have been reclassified to conform with the presentation in the current-year consolidated financial statements.

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements
June 30, 2021 and 2020

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

Cash and Restricted Cash

If certain investments in highly liquid debt instruments with a maturity date of three months or less at the time of purchase exists, they are shown as cash equivalents. Restricted cash consists principally of cash held for real estate taxes, property maintenance and insurance as required by certain loan and regulatory agreements.

Real Estate

Property and equipment are stated as cost unless donated. Donated assets are capitalized at the estimated fair value at the date of receipt. Expenditures that substantially increase estimated useful lives are capitalized. Items with an acquisition cost of less than \$5,000 or a useful life of less than one year are expensed in the year purchased. Maintenance, repairs and minor renewals are expensed as incurred. Depreciation is provided for by the straight-line method over the estimated useful life of the related asset. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts, and the resulting gains and losses are included in operations.

The estimated service life of the assets for depreciation purposes is as follows:

	<u>Estimated Life</u>
Buildings and improvements	30 - 40 years
Furniture and equipment	5 - 20 years

Investment in Real Estate

The Company reviews its investment in real estate for impairment annually and whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. For assets held and used, if management's estimate of the aggregate future cash flows to be generated by the rental property, undiscounted and without interest charges, are less than their carrying amounts, an impairment loss has occurred.

The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. The determination of undiscounted cash flows requires significant estimates by management. Subsequent changes in estimated undiscounted cash flows could impact the determination of whether impairment exists. There was no impairment loss recognized during the years ended June 30, 2021 and 2020.

Accounts Receivable

Accounts receivable are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of accounts outstanding. It is reasonably possible that management's estimate of the allowance will differ from actual results.

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements
June 30, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Escrow and Reserves

Escrow and reserves are accounts that are required to be maintained by the Company in accordance with regulatory or debt agreements.

Predevelopment Project Costs

The Company incurs costs in connection with properties it is considering for development, as well as costs associated with properties in the initial stages of development. Predevelopment project costs are capitalized and recorded as predevelopment costs until such time as the project is either abandoned as not feasible or becomes an approved project with independent funding sources. Predevelopment 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 the Company and some become part of the Company's operating expenses. Predevelopment costs totaled \$241,263 and \$19,806 at June 30, 2021 and 2020.

Capitalized Cost

Capitalized costs related to tax credit fees are amortized over the terms of the agreements using a method which approximates the effective interest method.

Investment Valuation and Income Recognition

Investments are carried at fair value in the statement of financial position. Interest and dividend income, as well as realized gains or losses and unrealized appreciation or depreciation in investment value, are recognized as with or without donor restrictions, in accordance with donor intent in the statement of activities. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. At June 30, 2021, all investments held by the Company which consist of equity securities are valued using Level 1 inputs under the fair value hierarchy.

Fair Value of Financial Instruments

The Organization follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements
June 30, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Debt Issuance Costs

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

Grants

The Company receives government contracts and private grants, which are reviewed to determine if they contain traits more similar to contributions or exchange transactions. For those contracts and grants that have been determined to be exchange transactions, revenue is recognized when earned. Cash received in excess of expenditures incurred is recorded as refundable contractual advances and is recognized as revenue in the period an expenditure is incurred. Any unspent amounts might have to be returned to the granting agency, or the granting agency can approve that those amounts be applied to a future grant period.

Contributions

Contributions, including unconditional promises to give, are reported as revenues in the period received. Unconditional promises to give that are due beyond one year are discounted to reflect the present value of future cash flows using a risk adjusted discount rate assigned in the year the respective pledge originates. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any. Conditional promises to give are recognized when the conditions upon which they depend have been substantially met.

Contributions that the donor requires to be used to acquire long-lived assets (e.g., building improvements, furniture, and equipment) are reported as net assets with donor restrictions. The Company reflects the expiration of a donor-imposed restriction when the related long-lived assets have been placed in service, at which time net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Special Events

Revenues and expenses incurred relative to special events are recognized upon occurrence of the respective event. Revenues are shown net of costs of direct benefits to donors. Due to the coronavirus outbreak the special event planned for the year ended June 30, 2020, was cancelled. Most donors who had already contributed to the event prior to the cancellation agreed to have their contributions remain at the Company as unrestricted donations. No events were held during the year ended June 30, 2021.

Rental Income and Prepaid Rent

Rental income is recognized as it accrues. Advance receipts of rental income are deferred and classified as liabilities until earned. All leases between the Company and tenants of the property are operating leases.

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements
June 30, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Development Fees Revenue

Development fees are recognized as revenue, as the milestones in the development agreements are achieved.

Advertising Costs

The Company expense the cost of advertising as incurred.

Deferred Rent and Rent Expense

Lease agreements may require increases in the minimum base rent over time. Rent expense under these lease agreements is recognized on the straight-line basis over the term of these related leases. The difference between rent expense recognized on the straight-line basis and cash paid is accounted for as deferred rent and included in accrued expenses on the accompanying balance sheets. Deferred rent at June 30, 2021 was \$18,976 and is included in accrued expenses in the Statements of Financial Position.

Functional Expenses Allocation

Expenses that can be directly identified with the program or supporting service to which they relate are charged accordingly. Salaries and related expenses are allocated directly to programs and supporting services. Other expenses by function have been allocated among program and supporting services on the basis of salary allocation. Management and general expenses include expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Company.

Income Taxes and Accounting for Uncertainty in Income Taxes

New Destiny and its not-for-profit affiliates are exempt from federal income tax under Section 501(c)(3) or 501(c)(4) of the IRC, as well as state and local income taxes.

Other affiliates of New Destiny are treated as partnerships and corporations for federal, state, and local 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 Internal Revenue Service, and then expire 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. Therefore, no asset has been recognized on these consolidated financial statements, as the valuation allowance would equal 100% of the asset value.

The Company recognizes the effects of income tax positions only if they are more likely than not to be sustained. Management has determined that the Company has no uncertain tax positions that would require financial statement recognition and/or disclosure. The Company is no longer subject to examination by the applicable taxing jurisdictions for periods prior to June 30, 2018.

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements
June 30, 2021 and 2020

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

Evaluation of Subsequent Events by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is January 20, 2021.

3. Supplemental Cash Flow Information

At June 30, 2021 and 2020, cash and restricted cash consisted of the following:

	<u>2021</u>	<u>2020</u>
Operating cash		
Cash	\$ 6,406,060	\$ 7,638,623
Restricted Cash		
Cash - construction	22,085	-
Lease-up reserves	-	10,216
Operating reserves	1,633,526	1,294,854
Social service reserves	351,019	349,831
Replacement reserves	1,532,944	1,332,416
Escrows	59,885	-
Rent subsidy reserves	45,000	45,000
	<u>3,644,459</u>	<u>3,032,317</u>
Total Cash and Restricted Cash	<u>\$10,050,519</u>	<u>\$10,670,940</u>

Supplemental cash flow information consists of the following for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Interest paid	\$ 289,263	\$ 132,327
Non-cash Investing and Financing Activities		
Fixed assets financed with proceeds from mortgages	19,277,286	1,620,915
Predevelopment costs	221,457	-

4. Real Estate

Real estate consists of the following at June 30:

	<u>2021</u>	<u>2020</u>
Land	\$ 6,692,528	\$ 6,692,528
Building and improvements	80,419,388	79,707,387
Furniture and equipment	862,434	749,562
Construction-in-progress	<u>28,887,672</u>	<u>13,128,384</u>
	116,862,022	100,277,861
Accumulated depreciation	<u>(16,338,497)</u>	<u>(14,081,298)</u>
	<u>\$ 100,523,525</u>	<u>\$ 86,196,563</u>

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements
June 30, 2021 and 2020

5. Escrows and Reserves

New Destiny, Citywide, HDFC, Andrews LP, The Anderson, 291 LP, 2017 LLC, BCA LLC and 902 Owner are required to maintain certain escrow and reserve accounts. Operating reserves are used for funding operating deficits of the projects and replacement reserves are used for future improvements and replacements for the rental properties.

Pursuant to a 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.

Per various commitments to lenders, regulators and partners' approvals must be received for any withdrawals from escrows and reserves.

Escrows and reserves consist of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Lease-up reserves	\$ -	\$ 10,216
Operating reserves	1,633,526	1,294,854
Social service reserves	351,019	349,831
Replacement reserves	1,532,944	1,332,416
Escrows	59,885	-
Rent subsidy reserves	<u>45,000</u>	<u>45,000</u>
	<u>\$ 3,622,374</u>	<u>\$ 3,032,317</u>

6. Commitment - Office Lease

New Destiny leases an office facility pursuant to a lease that originally expired June 30, 2020. On July 1, 2020, New Destiny entered into an extended lease agreement that extended the lease term to June 30, 2027. The lease is subject to escalations and requires payment of increases in real estate taxes, and a fixed monthly water and sewer charge. Rental expense was \$224,516 and \$180,812 in 2021 and 2020, respectively.

The future minimum rental commitments are as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2022	\$ 196,006
2023	201,396
2024	206,934
2025	212,625
2026	218,472
Thereafter	<u>224,480</u>
	<u>\$ 1,259,913</u>

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2021 and 2020

7. Commitment – Construction Contracts

Entities consolidated into the Company have entered into various construction contracts totaling approximately \$44,131,000, excluding change orders, relating to capital improvements and repair work. Approximately, \$42,419,086 and \$32,162,473 of work has been completed as of June 30, 2021 and 2020.

8. Long-Term Debt

	2021	2020
<p>New York State Homeless Housing and Assistance Program ("HHAP") has provided a mortgage to Andrews LP which bears interest at 1% per annum compounded annually. No payments until maturity. All accrued interest and principal are due on October 2058. The loan is secured by the investment in real estate.</p>	\$ 3,732,450	\$ 3,732,450
<p>HPD has provided a mortgage to Andrews LP which bears interest at 1% per annum compounded annually. No payments until maturity. All accrued interest and principal are due on October 2058. The loan is secured by the investment in real estate.</p>	1,600,000	1,600,000
<p>HTF has provided a mortgage to the Anderson, bearing interest at 1% per annum, payable from available cash flows. No payments until maturity. The principal and any unpaid interest are due on June 2044. The loan is secured by the investment in real estate.</p>	1,624,232	1,624,232
<p>New York State Homeless Housing and Assistance Corporation ("HHAC") has provided a mortgage to the Anderson bearing interest at 1% per annum compounded annually. No payments until maturity. The principal and all accrued interest are due on August 2062, unless formal release/satisfaction is issued by HHAC. The loan is secured by the investment in real estate.</p>	4,687,152	4,687,152
<p>HPD has provided a mortgage to the Anderson, bearing interest at 1% per annum. No payments until maturity. The principal and all accrued interest are due on August 2060. The loan is secured by the investment in real estate.</p>	1,000,000	1,000,000
<p>Federal Home Loan Bank has provided a mortgage to the Anderson, bearing interest at 1% per annum. No payments until maturity. The principal and all accrued interest are due on August 2062. The loan is secured by the investment in real estate.</p>	615,000	615,000
<p>HHAC has provided a mortgage to 291 LP, bearing interest at 6.25% per annum, compounded annually. No payments until maturity. The principal and all accrued interest are due on November 2063, unless formal release/satisfaction is issued by HHAC. The loan is secured by the investment in real estate.</p>	2,402,490	2,402,490

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2021 and 2020

8. Long-Term Debt *(continued)*

	2021	2020
HTF has provided to 291 LP a mortgage of \$871,987, with interest at 1% per annum payable from available cash flows. Principal and any unpaid interest is due and payable in March 2045. The loan is secured by the investment in real estate.	\$ 871,987	\$ 871,987
HPD has provided a mortgage to 291 LP, bearing interest at .5% per annum. No payments until maturity, with principal and all accrued interest due on June 2045. The loan is secured by the investment in real estate.	1,380,000	1,380,000
HHAC has provided a mortgage to the Morris of \$3,179,128. The loan bears 6% interest per annum, compounded annually. No payments until maturity, with principal and all accrued interest due in December 2044, unless formal release/satisfaction is issued by HHAC. The loan is secured by the investment in real estate.	3,179,128	3,179,128
HPD has provided a mortgage to the Morris of \$574,830. The loan bears 1.25% interest per annum. No payments until maturity, with principal and all accrued interest due in July 2046. The loan is secured by the investment in real estate.	574,830	574,830
HPD has provided a mortgage to the Morris of \$1,026,000. The loan bears .25% interest per annum. No payments until maturity, with principal and all accrued interest due in July 2046. The loan is secured by the investment in real estate.	1,026,000	1,026,000
HPD has provided a mortgage to the Morris of \$1,000,000. The loan bears no interest. No payments until maturity, with principal due in July 2046. The loan is secured by the investment in real estate.	1,000,000	1,000,000
TD Bank had committed \$8,048,436 for the construction of 902 Jennings. The loan bore interest at 2.5% above the monthly London Inter-bank Offered Rate ("LIBOR") per annum. The loan required monthly payments of interest with principal due and payable on December 2019. The loan was paid off on October 1, 2020, through additional contributed equity and proceeds from a loan from Community Preservation Corporation. The loan was secured by the investment in real estate.	-	8,025,510
HHAC has provided \$5,060,000 for the construction and permanent financing of 902 Jennings. The loan bears 1% interest per annum, with no payments until maturity. Principal and accrued interest due December 2059, unless formal release/satisfaction is issued by HHAC. The three separate notes initially executed for the loan were consolidated into one note on October 1, 2020. The loan is secured by the investment in real estate.	5,060,000	5,060,000

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2021 and 2020

8. Long-Term Debt (continued)

	2021	2020
<p>HPD had provided \$3,924,755 for the construction of 902 Jennings. The loan bore interest at 0.25% per annum during construction. As of permanent conversion, the loan bears interest at 2.81%. No payments required until maturity. The principal and accrued interest are due October 1, 2050. The loan was converted to a permanent loan on October 1, 2020. The loan is secured by the investment in real estate.</p>	\$ 3,924,755	\$ 3,631,360
<p>The Community Preservation Corporation ("CPC") provided a mortgage to 902 Jennings of \$3,299,703, bearing interest at 5.25% per annum in October 2020. Monthly principal and interest payments of \$18,221 are required starting on December 1, 2020, with final payment due at maturity on November 1, 2050. The mortgage is secured by the assignments of leases and rents of the property.</p>	3,268,956	-
<p>Low Income Investment Fund has provided \$1,999,760 for the construction of the BCA Project, with interest at 5.75% per annum. At permanent closing on October 31, 2019, \$156,000 was converted to a mortgage, and the remaining balance was repaid from additional contributed equity. The mortgage requires monthly payments of \$1,254, including interest at 5.25% per annum, with final payment due on November 1, 2034. The loan is secured by the investment in real estate.</p>	144,081	151,946
<p>HPD has committed \$365,174 for the construction and permanent financing of the BCA Project. The loan bears interest at 1.93% per annum, compounded monthly. No monthly payments are required. The principal and accrued interest will be due on November 1, 2049. The loan is secured by the investment in real estate.</p>	365,174	365,174
<p>HPD has provided another \$500,000 for the construction and permanent financing of the BCA Project. The loan bears interest at 1.93% per annum, compounded monthly, with no annual payments required until maturity. The principal and accrued interest will be due on November 1, 2049. The loan is secured by the investment in real estate.</p>	500,000	500,000

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2021 and 2020

8. Long-Term Debt *(continued)*

	2021	2020
HTF has provided \$439,844 for the construction and permanent financing of the BCA Project. The loan bears interest at 1.95% per annum, compounded annually, no payments are required until maturity. The principal and accrued interest will be due in 30 years from permanent closing of the HPD loan, but in no event later than October 1, 2048. The loan is secured by the investment in real estate.	\$ 439,844	\$ 439,844
HHAC has provided \$5,776,625 for the construction of Bryant Avenue. The loan bears 1% interest per annum. No payments are required until maturity. Principal and accrued interest due on the 30th anniversary of the date building is approved as ready for occupancy. The loan is secured by the investment in real estate.	5,467,393	3,088,054
Bank of America has committed \$1,669,983 for the construction of Bryant Avenue. The loan bears interest at 2.15% above the monthly LIBOR per annum and will be due in December 21, 2021. The loan requires monthly interest payments, with any unpaid interest and principal due at maturity. The loan is secured by the investment in real estate.	777,340	743,428
Bank of America has committed \$10,238,156 for the construction of Bryant Avenue. The loan bears interest at .25% per annum and will be due in December 21, 2021. Subsequently, extended to June 21, 2022. The loan requires monthly interest payments, with any unpaid interest and principal due at maturity. The loan is secured by the investment in real estate.	8,497,940	1,661,939
HPD has provided \$7,957,334 for the construction of Bryant Avenue. The loan bears .25% interest per annum, compounded monthly. The loan requires no monthly payments, with principal and accrued interest due on the 30th anniversary of the date building is approved as ready for occupancy. The loan is secured by the investment in real estate.	7,957,334	3,993,736
HTFC has committed \$1,323,700 for the construction of Bryant Avenue. During the construction period, the note bears no interest. After permanent closing, interest is payable from available cash flows at 1% per annum. Principal and any unpaid interest is due and payable on the 30th anniversary of the permanent loan conversion date. The loan is secured by the investment in real estate.	1,052,242	-
Less unamortized debt issuance costs	(802,555)	(510,687)
	\$ 60,345,773	\$ 50,843,573

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements
June 30, 2021 and 2020

8. Long-Term Debt (continued)

The future scheduled maturities of long-term debt are as follows:

Years Ending June 30:	
2021	\$ 9,330,885
2022	58,595
2023	61,747
2024	65,068
2025	68,567
Thereafter	51,563,466
Less unamortized debt issuance costs	<u>(802,555)</u>
	<u>\$ 60,345,773</u>

The Company expects to convert the constructions loans payable in 2020 and 2021 to permanent loans once the construction on the projects are completed.

9. Paycheck Protection Program Loan

On April 21, 2020, the Company received loan proceeds in the amount of \$486,978 under the Paycheck Protection Program (the "PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), provides for loans to qualifying entities for amounts up to 2.5 times the 2019 average monthly payroll expenses of the qualifying entity. The PPP loan bears an interest rate of 1% per annum. All or a portion of the PPP loan principal and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, as described in the CARES Act, over a period of either eight or twenty-four weeks (the "Covered Period"). The amount of loan forgiveness could be reduced if the borrower terminates employees or reduces salaries above a certain threshold during the Covered Period and does not qualify for certain safe harbors.

On September 23, 2021, the SBA notified the Organization that the PPP loan has been forgiven. The Organization will recognize \$486,978 of the proceeds from the PPP loan forgiveness in the statement of activities during the fiscal year ending June 30, 2022.

10. Net Assets with Donor Restrictions

Net assets with donor restrictions transactions are as follows for the years ended June 30,

Program/Purpose	2020	Additions	Releases	2021
Family Support Services	\$ 46,200	\$ 45,860	\$ (61,254)	\$ 30,806
Housing Development - Jennings	42,084	-	(42,084)	-
Asset Management - Tenant Subsidies	-	106,250	-	106,250
Housing Link	<u>23,089</u>	<u>216,639</u>	<u>(112,228)</u>	<u>127,500</u>
	<u>\$ 111,373</u>	<u>\$ 368,749</u>	<u>\$ (215,566)</u>	<u>\$ 264,556</u>

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2021 and 2020

11. Net Assets with Donor Restrictions *(continued)*

Program/Purpose	2019	Additions	Releases	2020
Family Support Services	\$ -	\$ 50,000	\$ (3,800)	\$ 46,200
Housing Development - Jennings	67,900	-	(25,816)	42,084
Housing Link	6,505	25,000	(8,416)	23,089
	<u>\$ 74,405</u>	<u>\$ 75,000</u>	<u>\$ (38,032)</u>	<u>\$ 111,373</u>

12. Management Agreements

The Company has entered into eight separate management agreements with an unrelated company beginning on June 1, 2017, agreements are automatically renewed unless terminated by either party. Management agreements provide for rental management and other services. The agreements have been made for 307 E 54th Street, Andrews LP, the Anderson, 291 LP, 2017 LLC, Park Place, BCA and 902 Owner. Other than for 902 Owner the fee in each agreement is 8% of rents collected. For 902 Owner, the fee is 7% of rent collections. Management fee expense to this unrelated company for 2021 and 2020 was \$232,348 and \$224,451, respectively.

13. Housing Leases

CityWide has entered 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 a 2% increase every two years, through May 2022.

CityWide also entered an operating lease for the Lily House property with Safe Horizon. The lease provided for monthly payments of \$6,110 beginning November 2005, with a 2% increases every two years, through July 2020. In July 2020, a one-year lease extension was signed allowing for a month-to-month lease. This lease was terminated effective November 1, 2020. The Company intends to develop this property as affordable housing.

Minimum rental payments due from Safe Horizon are as follows:

Years Ending June 30,	Amount
2022	<u>\$ 223,278</u>

The accompanying consolidated statements of activities reflect rental income from Safe Horizon on a straight-line basis over the terms of the leases. Rental income for the years ended June 30, 2021 and 2020 was \$327,614 and \$322,990, respectively.

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2021 and 2020

14. Contingency

Property located at 307 E. 54th Street was donated to New Destiny in 2006, pursuant to New York City inclusionary zoning laws, which require the building to remain as low-income housing in perpetuity. The building is being depreciated over 40 years by the Company.

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.

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

15. Change in Consolidated Net Assets Without Donor Restrictions

Change in consolidated net assets without donor restrictions are as follows for the years ended June 30, 2021 and 2020:

	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>Non-Controlling Interest</u>
Balance, June 30, 2020	\$ 38,942,087	\$ 12,945,925	\$ 25,996,162
Change in net assets	(3,413,750)	(519,717)	(2,894,033)
Capital contributions	<u>5,786,741</u>	<u>-</u>	<u>5,786,741</u>
Balance, June 30, 2021	<u>\$ 41,315,078</u>	<u>\$ 12,426,208</u>	<u>\$ 28,888,870</u>
	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>Non-Controlling Interest</u>
Balance, June 30, 2019	\$ 39,064,139	\$ 13,487,650	\$ 25,576,489
Change in net assets	(3,037,068)	(541,725)	(2,495,343)
Capital contributions	2,946,188	-	2,946,188
Capital distributions	<u>(31,172)</u>	<u>-</u>	<u>(31,172)</u>
Balance, June 30, 2020	<u>\$ 38,942,087</u>	<u>\$ 12,945,925</u>	<u>\$ 25,996,162</u>

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2021 and 2020

16. Liquidity and Availability of Financial Assets

The Company's financial assets available within one year of the consolidated statements of financial position date for general expenditures are as follows at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash - operations	\$ 6,406,060	\$ 7,638,623
Investments	11,695	-
Accounts receivable:		
Rent receivable, net	271,865	199,512
Fees receivable	33,580	-
Grants receivable	<u>753,837</u>	<u>439,043</u>
Less:		
Net assets with donor restrictions	<u>(264,556)</u>	<u>(111,373)</u>
Total Financial Assets Available for Management of General Expenditures With One Year	<u>\$ 7,212,481</u>	<u>\$ 8,165,805</u>

Liquidity Management

The Company maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. Any excess cash available above requirements is invested.

17. Concentrations and Risks

Risks and Uncertainties

The Company is subject to various risks and uncertainties in the ordinary course of business that could have adverse impacts on its operating results and financial condition. Future operations could be affected by changes in the economy or other conditions in the geographical area where the property is located or by changes in federal low-income housing subsidies or the demand for such housing.

Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits of the financial institution and expose the Company to credit risk. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant risk of loss on these funds. At June 30, 2021 and 2020, approximately \$6.1 and \$6.6 million was maintained with an institution in excess of Federal Deposit Insurance Corporation limits.

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements
June 30, 2021 and 2020

18. Highgarden Tower

On December 17, 2020, New Destiny entered into an agreement to give it zero percent ownership interest in Highgarden Tower Developer LLC ("Highgarden Developer"). Highgarden Developer has a contract with Highgarden Tower LLC (the "Owner") to develop a new multi-use property in New Rochelle, New York ("Highgarden Tower"). The property consists in part of 219 rental apartments, including a superintendent's unit. Its arrangements concerning Highgarden Tower represent the first time New Destiny has been involved as a developer or support service provider outside of New York City.

New Destiny in return will provide services to Highgarden Developer and the Owner during the lease-up to 77 units consisting of residents with special needs, ongoing support services to those residents and act as a consultant to Highgarden Developer, and the Owner as needed, with respect to the special need's rental units.

Under the agreement with Highgarden Developer, for its activities in support of the development of Highgarden Tower, New Destiny will receive a total developer fee of \$8,517,386, of which \$2,098,268 will be a deferred developer's fee (payable only out of certain future equity contributions and available operating cash flows from the rental apartments, as per the terms of Owner's operating agreement), and \$4,600,000 will be received at the time the project's financing converts from construction to permanent loans, but then be immediately loaned back to the Owner. The loan will bear interest of 2.66% per annum compounding annually. Principal and all accrued interest are payable at maturity, 40 years after conversion.

In addition, New Destiny and an affiliate of the Owner entered into a Developer Loan Participation Agreement, under which New Destiny sold 67.5% participation interest in the loan above to the affiliate for consideration of ten dollars.

During June 30, 2021, New Destiny received \$505,698 from Highgarden Developer in partial payment of its developer fee.

**New Destiny Housing Corporation
and Affiliates**

Supplementary Information

June 30, 2021

**New Destiny Housing Corporation
and Affiliates**
Consolidating Schedule of Financial Position
June 30, 2021
(With summarized amounts for the year ended June 30, 2020)

	New Destiny Housing Corp. General Fund	Other Housing Activities	Real Estate Affiliates	Subtotal	Eliminations	Total	2020
REAL ESTATE							
Land	\$ -	\$ 369,267	\$ 6,746,400	\$ 7,115,667	\$ (423,139)	\$ 6,692,528	\$ 6,692,528
Buildings and improvements	110,581	10,106,482	72,935,243	83,152,306	(2,732,918)	80,419,388	79,707,387
Furniture and equipment	84,533	73,276	704,625	862,434	-	862,434	749,562
Construction-in-progress	-	-	33,158,381	33,158,381	(4,270,709)	28,887,672	13,128,384
Less, accumulated depreciation	(120,262)	(4,434,658)	(11,953,261)	(16,508,181)	169,684	(16,338,497)	(14,081,296)
Net Real Estate	74,852	6,114,367	101,591,388	107,780,607	(7,257,082)	100,523,525	86,196,563
OTHER ASSETS							
Cash - operations	4,255,150	159,844	1,991,066	6,406,060	-	6,406,060	7,638,623
Cash - construction	-	-	22,085	22,085	-	22,085	-
Investments	11,695	-	-	11,695	-	11,695	-
Rent receivable, net	-	40,668	231,197	271,865	-	271,865	199,512
Fees receivable	1,050,282	-	40,000	1,090,282	(1,056,702)	33,580	-
Grants receivable	753,837	-	-	753,837	-	753,837	439,043
Prepaid expenses and other assets	40,674	-	172,270	212,944	(152,287)	60,657	16,364
Tenant security deposits	-	18,782	130,990	149,772	-	149,772	163,019
Lease-up reserve	-	-	-	-	-	-	10,216
Replacement reserves	-	503,368	1,029,576	1,532,944	-	1,532,944	1,332,416
Operating reserves	163,813	242,112	1,227,601	1,633,526	-	1,633,526	1,294,854
Social service reserves	313,281	-	37,738	351,019	-	351,019	349,831
Rent subsidy reserves	-	-	45,000	45,000	-	45,000	45,000
Escrows	-	-	59,885	59,885	-	59,885	-
Predevelopment costs	207,291	33,972	-	241,263	-	241,263	19,806
Deposits	56,120	9,990	37,745	103,855	-	103,855	62,245
Deferred loss	-	1,244,210	-	1,244,210	(1,244,210)	-	-
Deferred costs, net	-	-	259,935	259,935	-	259,935	289,186
Loans receivable - related parties	7,245,568	701,075	117,685	8,064,328	(8,064,328)	-	-
Total Assets	<u>\$ 14,172,563</u>	<u>\$ 9,068,388</u>	<u>\$ 106,994,161</u>	<u>\$ 130,235,112</u>	<u>\$ (17,774,609)</u>	<u>\$ 112,460,503</u>	<u>\$ 98,056,678</u>
LIABILITIES AND NET ASSETS							
Liabilities							
Long-term debt, net	\$ -	\$ -	\$ 60,345,773	\$ 60,345,773	\$ -	\$ 60,345,773	\$ 50,843,573
Recoverable grant	120,000	-	-	120,000	-	120,000	120,000
Deferred income	-	-	-	-	-	-	22,500
Construction costs payable	-	-	4,364,046	4,364,046	-	4,364,046	2,722,482
Due to developer	-	-	4,270,709	4,270,709	(4,270,709)	-	-
Paycheck Protection Program loan	486,978	-	-	486,978	-	486,978	486,978
Loans payable - related parties	148,866	823,108	782,931	1,754,905	(1,754,905)	-	-
Accrued interest payable	-	-	5,364,471	5,364,471	(265,811)	5,098,660	4,102,054
Notes payable - related parties	-	-	2,769,314	2,769,314	(2,769,314)	-	-
Accounts payable and accrued expenses	91,215	39,554	164,976	295,745	(56,212)	239,533	458,792
Prepaid rent	-	5,050	68,314	73,364	-	73,364	72,974
Deferred gain	-	2,865,125	-	2,865,125	(2,865,125)	-	-
Tenant security deposits payable	-	28,162	124,353	152,515	-	152,515	173,865
Total Liabilities	<u>847,059</u>	<u>3,760,999</u>	<u>78,254,887</u>	<u>82,862,945</u>	<u>(11,982,076)</u>	<u>70,880,869</u>	<u>59,003,218</u>
Net Assets							
Without Donor Restrictions	13,060,948	5,307,389	(149,596)	18,218,741	(5,792,533)	12,426,208	12,945,925
With donor restrictions	264,556	-	-	264,556	-	264,556	111,373
	13,325,504	5,307,389	(149,596)	18,483,297	(5,792,533)	12,690,764	13,057,298
Non-controlling interests in consolidated for-profit affiliates	-	-	28,888,870	28,888,870	-	28,888,870	25,996,162
Total Net Assets	<u>13,325,504</u>	<u>5,307,389</u>	<u>28,739,274</u>	<u>47,372,167</u>	<u>(5,792,533)</u>	<u>41,579,634</u>	<u>39,053,460</u>
Total Liabilities and Net Assets	<u>\$ 14,172,563</u>	<u>\$ 9,068,388</u>	<u>\$ 106,994,161</u>	<u>\$ 130,235,112</u>	<u>\$ (17,774,609)</u>	<u>\$ 112,460,503</u>	<u>\$ 98,056,678</u>

**New Destiny Housing Corporation
and Affiliates**
Consolidating Schedule of Activities
Year Ended June 30, 2021
(With summarized amounts for the year ended June 30, 2020)

	New Destiny Housing Corp. General Fund	Other Housing Activities	Real Estate Affiliates	Subtotal	Eliminations	Total	2020
NET ASSETS WITHOUT DONOR RESTRICTIONS							
SUPPORT AND REVENUE							
Grants and contributions	\$ 2,580,843	\$ -	\$ -	\$ 2,580,843	\$ -	\$ 2,580,843	\$ 1,923,574
Special events, net of expenses of \$- and \$18,016	-	-	-	-	-	-	100,564
Rental income	-	508,365	3,089,370	3,597,735	-	3,597,735	3,260,235
Property management	396,747	-	-	396,747	(363,167)	33,580	-
Developer fees	3,487,689	-	-	3,487,689	(2,981,991)	505,698	-
Interest income	702	-	877	1,579	-	1,579	19,977
Investment income, net	1,917	-	-	1,917	-	1,917	-
Other income	81,561	10,750	63,655	155,966	(79,775)	76,191	139,748
Total Revenue	6,549,459	519,115	3,153,902	10,222,476	(3,424,933)	6,797,543	5,444,098
Net assets released from restrictions	215,566	-	-	215,566	-	215,566	38,032
Total Support and Revenue	6,765,025	519,115	3,153,902	10,438,042	(3,424,933)	7,013,109	5,482,130
EXPENSES							
Program Services							
Housing and management services	957,599	860,532	6,048,505	7,866,636	(442,942)	7,423,694	6,162,923
Social services	2,162,829	-	-	2,162,829	-	2,162,829	1,614,198
Total Program Services	3,120,428	860,532	6,048,505	10,029,465	(442,942)	9,586,523	7,777,121
Supporting Services							
Management and general	496,012	-	-	496,012	-	496,012	488,830
Fundraising	344,324	-	-	344,324	-	344,324	253,247
Total Supporting Services	840,336	-	-	840,336	-	840,336	742,077
Total Expenses	3,960,764	860,532	6,048,505	10,869,801	(442,942)	10,426,859	8,519,198
Change in Net Assets Before Other Changes	2,804,261	(341,417)	(2,894,603)	(431,759)	(2,981,991)	(3,413,750)	(3,037,068)
Other Changes							
Capital contributions	-	-	5,786,741	5,786,741	-	5,786,741	2,946,188
Capital distributions	-	-	-	-	-	-	(31,172)
Total Other Changes	-	-	5,786,741	5,786,741	-	5,786,741	2,915,016
Change in Net Assets Without Donor Restrictions	2,804,261	(341,417)	2,892,138	5,354,982	(2,981,991)	2,372,991	(122,052)
Net Assets Without Donor Restrictions							
Beginning of year	10,256,687	5,648,806	25,847,136	41,752,629	(2,810,542)	38,942,087	39,064,139
End of year	\$ 13,060,948	\$ 5,307,389	\$ 28,739,274	\$ 47,107,611	\$ (5,792,533)	\$ 41,315,078	\$ 38,942,087
NET ASSETS WITH DONOR RESTRICTIONS							
Grants	\$ 368,749	\$ -	\$ -	\$ 368,749	\$ -	\$ 368,749	\$ 75,000
Net assets released from restrictions	(215,566)	-	-	(215,566)	-	(215,566)	(38,032)
Change in Net Assets With Donor Restrictions	153,183	-	-	153,183	-	153,183	36,968
Beginning of year	111,373	-	-	111,373	-	111,373	74,405
End of year	\$ 264,556	\$ -	\$ -	\$ 264,556	\$ -	\$ 264,556	\$ 111,373
Change in net assets	\$ 2,957,444	\$ (341,417)	\$ 2,892,138	\$ 5,508,165	\$ (2,981,991)	\$ 2,526,174	\$ (85,084)
NET ASSETS							
Beginning of year	10,368,060	5,648,806	25,847,136	41,864,002	(2,810,542)	39,053,460	39,138,544
End of year	\$ 13,325,504	\$ 5,307,389	\$ 28,739,274	\$ 47,372,167	\$ (5,792,533)	\$ 41,579,634	\$ 39,053,460

**New Destiny Housing Corporation
and Affiliates**
Schedule of Financial Position Other Housing Activities
June 30, 2021
(With summarized amounts for the year ended June 30, 2020)

	New Destiny Housing Corp. Park Place	CityWide Supportive Housing, Inc.			CityWide Supportive Housing Development Fund Corporation						Total	2020
		Prelude	Lily House	Total	281 Bainbridge	Bridge Towers	307 East 54th Street	Bridge Community	HDFC Corporate	Total		
ASSETS												
REAL ESTATE												
Land	\$ -	\$ 175,000	\$ 194,267	\$ 369,267	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 369,267	\$ 369,267
Buildings and improvements	91,211	1,248,402	6,153,503	7,401,905	-	-	2,613,366	-	-	2,613,366	10,106,482	10,106,482
Furniture and equipment	10,665	26,182	-	26,182	-	35,429	-	1,000	-	36,429	73,276	65,096
Construction-in-progress	-	-	-	-	-	-	-	-	-	-	-	-
Less, accumulated depreciation	(71,552)	(994,634)	(2,339,161)	(3,333,795)	-	(35,342)	(993,119)	(850)	-	(1,029,311)	(4,434,658)	(4,166,757)
Net Real Estate	30,324	454,950	4,008,609	4,463,559	-	87	1,620,247	150	-	1,620,484	6,114,367	6,374,088
OTHER ASSETS												
Cash - operations	45,140	78,287	16,308	94,595	-	-	20,109	-	-	20,109	159,844	181,038
Rent receivable, net	-	375	792	1,167	-	-	39,501	-	-	39,501	40,668	31,703
Tenant security deposits	4,827	-	-	-	-	-	7,780	6,175	-	13,955	18,782	32,796
Replacement reserves	7,472	203,185	287,629	490,814	(1)	-	5,083	-	-	5,082	503,368	554,699
Operating reserves	-	-	-	-	-	-	167	-	241,945	242,112	242,112	241,945
Predevelopment costs	-	-	33,972	33,972	-	-	-	-	-	-	33,972	-
Deposits	-	-	6,295	6,295	1,500	2,195	-	-	-	3,695	9,990	3,695
Deferred loss	-	-	-	-	650,065	594,145	-	-	-	1,244,210	1,244,210	1,244,210
Loans receivable - related parties	-	12,210	24,927	37,137	184,243	286,937	12,567	88,848	91,343	663,938	701,075	710,586
Total Assets	\$ 87,763	\$ 749,007	\$ 4,378,532	\$ 5,127,539	\$ 835,807	\$ 883,364	\$ 1,705,454	\$ 95,173	\$ 333,288	\$ 3,853,086	\$ 9,068,388	\$ 9,374,760
LIABILITIES AND NET ASSETS												
Liabilities												
Loans payable - related parties	\$ 27,980	\$ 78,257	\$ 74,031	\$ 152,288	\$ 40,838	\$ 87,202	\$ 133,330	\$ 48,182	\$ 333,288	\$ 642,840	\$ 823,108	\$ 732,668
Accounts payable and accrued expenses	2,132	24,205	7,655	31,860	-	-	2,867	-	2,675	5,562	39,554	60,049
Prepaid rent	5,050	-	-	-	-	-	-	-	-	-	5,050	5,050
Deferred gain	-	-	-	-	-	-	-	2,865,125	-	2,865,125	2,865,125	2,865,125
Tenant security deposits payable	4,827	-	-	-	9,380	-	7,780	6,175	-	23,335	28,162	43,062
Total Liabilities	39,989	102,462	81,686	184,148	50,218	87,202	143,997	2,919,482	335,963	3,536,862	3,760,999	3,725,954
Net Assets												
Without donor restrictions	47,774	646,545	4,296,846	4,943,391	785,589	796,162	1,561,457	(2,824,309)	(2,675)	316,224	5,307,389	5,648,806
With donor restrictions	-	-	-	-	-	-	-	-	-	-	-	-
Total Net Assets	47,774	646,545	4,296,846	4,943,391	785,589	796,162	1,561,457	(2,824,309)	(2,675)	316,224	5,307,389	5,648,806
Total Liabilities and Net Assets	\$ 87,763	\$ 749,007	\$ 4,378,532	\$ 5,127,539	\$ 835,807	\$ 883,364	\$ 1,705,454	\$ 95,173	\$ 333,288	\$ 3,853,086	\$ 9,068,388	\$ 9,374,760

**New Destiny Housing Corporation
and Affiliates**
Schedule of Activities Other Housing Activities
Year Ended June 30, 2021
(With summarized amounts for the year ended June 30, 2020)

	New Destiny Housing Corp. Park Place	CityWide Supportive Housing, Inc.			CityWide Supportive Housing Development Fund Corporation						Total	Total	2020
		Prelude	Lily House	Total	281 Bainbridge	Bridge Towers	307 East 54th Street	Bridge Community	HDFC Corporate	Total			
NET ASSETS WITHOUT DONOR RESTRICTIONS													
SUPPORT AND REVENUE													
Rental income	\$ 72,254	\$ 243,576	\$ 84,038	\$ 327,614	\$ -	\$ -	\$ 108,497	\$ -	\$ -	\$ 108,497	\$ 508,365	\$ 492,903	
Other income	9,963	-	787	787	-	-	-	-	-	-	10,750	4,825	
	<u>82,217</u>	<u>243,576</u>	<u>84,825</u>	<u>328,401</u>	<u>-</u>	<u>-</u>	<u>108,497</u>	<u>-</u>	<u>-</u>	<u>108,497</u>	<u>519,115</u>	<u>497,728</u>	
Net assets released from restrictions	-	-	-	-	-	-	-	-	-	-	-	-	
Total Support and Revenue	<u>82,217</u>	<u>243,576</u>	<u>84,825</u>	<u>328,401</u>	<u>-</u>	<u>-</u>	<u>108,497</u>	<u>-</u>	<u>-</u>	<u>108,497</u>	<u>519,115</u>	<u>497,728</u>	
EXPENSES													
Program Services													
Housing and management services	73,165	283,499	275,404	558,903	-	1,310	226,234	200	720	228,464	860,532	719,663	
Total Program Services	<u>73,165</u>	<u>283,499</u>	<u>275,404</u>	<u>558,903</u>	<u>-</u>	<u>1,310</u>	<u>226,234</u>	<u>200</u>	<u>720</u>	<u>228,464</u>	<u>860,532</u>	<u>719,663</u>	
Total Expenses	<u>73,165</u>	<u>283,499</u>	<u>275,404</u>	<u>558,903</u>	<u>-</u>	<u>1,310</u>	<u>226,234</u>	<u>200</u>	<u>720</u>	<u>228,464</u>	<u>860,532</u>	<u>719,663</u>	
Change in Net Assets Without Donor Restrictions	9,052	(39,923)	(190,579)	(230,502)	-	(1,310)	(117,737)	(200)	(720)	(119,967)	(341,417)	(221,935)	
Net Assets Without Donor Restrictions													
Beginning of year	<u>38,722</u>	<u>686,468</u>	<u>4,487,425</u>	<u>5,173,893</u>	<u>785,589</u>	<u>797,472</u>	<u>1,679,194</u>	<u>(2,824,109)</u>	<u>(1,955)</u>	<u>436,191</u>	<u>5,648,806</u>	<u>5,870,741</u>	
End of year	<u>\$ 47,774</u>	<u>\$ 646,545</u>	<u>\$ 4,296,846</u>	<u>\$ 4,943,391</u>	<u>\$ 785,589</u>	<u>\$ 796,162</u>	<u>\$ 1,561,457</u>	<u>\$ (2,824,309)</u>	<u>\$ (2,675)</u>	<u>\$ 316,224</u>	<u>\$ 5,307,389</u>	<u>\$ 5,648,806</u>	
NET ASSETS WITH DONOR RESTRICTIONS													
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Net assets released from restrictions	-	-	-	-	-	-	-	-	-	-	-	-	
Change in Net Assets With Donor Restrictions	-	-	-	-	-	-	-	-	-	-	-	-	
Beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Change in Net Assets	\$ 9,052	\$ (39,923)	\$ (190,579)	\$ (230,502)	\$ -	\$ (1,310)	\$ (117,737)	\$ (200)	\$ (720)	\$ (119,967)	\$ (341,417)	\$ (221,935)	
Net Assets													
Beginning of year	<u>38,722</u>	<u>686,468</u>	<u>4,487,425</u>	<u>5,173,893</u>	<u>785,589</u>	<u>797,472</u>	<u>1,679,194</u>	<u>(2,824,109)</u>	<u>(1,955)</u>	<u>436,191</u>	<u>5,648,806</u>	<u>5,870,741</u>	
End of Year	<u>\$ 47,774</u>	<u>\$ 646,545</u>	<u>\$ 4,296,846</u>	<u>\$ 4,943,391</u>	<u>\$ 785,589</u>	<u>\$ 796,162</u>	<u>\$ 1,561,457</u>	<u>\$ (2,824,309)</u>	<u>\$ (2,675)</u>	<u>\$ 316,224</u>	<u>\$ 5,307,389</u>	<u>\$ 5,648,806</u>	

**New Destiny Housing Corporation
and Affiliates**
Schedule of Financial Position of Real Estate Affiliates
June 30, 2021
(With summarized amounts for the year ended June 30, 2020)

	Andrews Ave Associates LP	1070 Anderson Avenue LP	291 Bainbridge LP	2017 Morris Ave Owner LLC	902 Jennings Street Owner LLC	Bridge Community Associates LLC	Bryant Avenue Owner LLC	General Partners	Total	2020
ASSETS										
REAL ESTATE										
Land	\$ 541,500	\$ 1,588,310	\$ 693,090	\$ 928,500	\$ 2,050,000	\$ 945,000	\$ -	\$ -	\$ 6,746,400	\$ 6,746,400
Buildings and improvements	10,023,420	12,402,954	8,834,756	11,539,490	22,688,591	7,446,032	-	-	72,935,243	73,376,276
Furniture and equipment	87,071	53,578	11,560	186,000	166,460	199,956	-	-	704,625	599,933
Construction-in-progress	-	-	-	-	-	-	33,158,381	-	33,158,381	13,881,095
Less, accumulated depreciation	(3,171,390)	(2,776,330)	(1,846,316)	(2,180,000)	(1,105,740)	(873,485)	-	-	(11,953,261)	(9,946,351)
Net Real Estate	7,480,601	11,268,512	7,693,090	10,473,990	23,799,311	7,717,503	33,158,381	-	101,591,388	84,657,353
OTHER ASSETS										
Cash - operations	697,920	192,383	43,539	271,054	310,211	451,318	24,641	-	1,991,066	3,360,664
Restricted cash	-	-	-	-	-	22,085	-	-	22,085	-
Rent receivable, net	25,931	40,317	30,546	19,389	50,398	64,616	-	-	231,197	167,809
Fees receivable	-	-	-	-	-	-	-	40,000	40,000	40,000
Prepaid expenses and other assets	-	-	-	-	-	1,000	18,983	152,287	172,270	152,568
Tenant security deposits	27,195	23,047	12,925	25,589	16,468	25,766	-	-	130,990	130,223
Lease-up reserve	-	-	-	-	-	-	-	-	-	10,216
Replacement reserves	154,700	327,187	318,180	80,300	49,002	100,207	-	-	1,029,576	777,717
Operating reserves	139,104	265,222	160,786	183,305	308,456	170,728	-	-	1,227,601	889,096
Social service reserves	-	-	37,738	-	-	-	-	-	37,738	37,252
Rent subsidy reserves	-	-	-	45,000	-	-	-	-	45,000	45,000
Escrows	-	-	-	-	59,885	-	-	-	59,885	-
Deposits	15,105	70	-	3,060	19,360	150	-	-	37,745	18,550
Deferred costs, net	3,953	28,201	45,871	26,254	118,935	36,721	-	-	259,935	289,186
Loans receivable - related parties	933	50,712	43,819	9,143	9,443	3,635	-	-	117,685	62,070
Total Assets	\$ 8,545,442	\$ 12,195,651	\$ 8,386,494	\$ 11,137,084	\$ 24,741,469	\$ 8,593,729	\$ 33,202,005	\$ 192,287	\$ 106,994,161	\$ 90,637,704
LIABILITIES AND NET ASSETS										
Liabilities										
Long-term debt, net	\$ 5,317,478	\$ 7,907,465	\$ 4,645,197	\$ 5,745,944	\$ 11,739,437	\$ 1,238,003	\$ 23,752,249	\$ -	\$ 60,345,773	\$ 50,843,573
Construction costs payable	-	-	-	-	22,275	-	4,341,771	-	4,364,046	2,722,482
Due to developer	255,192	-	88,992	-	385,981	155,000	3,385,544	-	4,270,709	2,708,289
Loans payable - related parties	112,850	111,379	144,755	123,986	97,780	41,242	-	150,939	782,931	823,838
Accrued interest payable	722,990	628,803	1,461,980	1,787,711	255,938	333,690	173,359	-	5,364,471	4,304,092
Notes payable - related parties	-	-	-	-	18,900	2,750,414	-	-	2,769,314	2,750,414
Accounts payable and accrued expenses	29,898	7,777	1,477	29,226	25,044	30,787	-	40,767	164,976	439,153
Prepaid rent	13,198	5,828	2,531	20,823	10,492	15,442	-	-	68,314	67,924
Tenant security deposits payable	27,378	19,702	12,793	24,499	16,468	23,513	-	-	124,353	130,803
Total Liabilities	6,478,984	8,680,954	6,357,725	7,732,189	12,572,315	4,588,091	31,652,923	191,706	78,254,887	64,790,568
Net Assets										
Without donor restrictions	265	294	(293)	(150,208)	(149)	(86)	-	581	(149,596)	(149,026)
Non-controlling interests in consolidated for-profit affiliates	2,066,193	3,514,403	2,029,062	3,555,103	12,169,303	4,005,724	1,549,082	-	28,888,870	25,996,162
Total Net Assets	2,066,458	3,514,697	2,028,769	3,404,895	12,169,154	4,005,638	1,549,082	581	28,739,274	25,847,136
Total Liabilities and Net Assets	\$ 8,545,442	\$ 12,195,651	\$ 8,386,494	11,137,084	\$ 24,741,469	\$ 8,593,729	\$ 33,202,005	\$ 192,287	\$ 106,994,161	\$ 90,637,704

**New Destiny Housing Corporation
and Affiliates**
Schedule of Activities of Real Estate Affiliates
Year Ended June 30, 2021
(With summarized amounts for the year ended June 30, 2020)

	Andrews Ave Associates LP	1070 Anderson Avenue LP	291 Bainbridge LP	2017 Morris Ave Owner LLC	902 Jennings Street Owner LLC	Bridge Community Associates LLC	Bryant Avenue Owner LLC	General Partners	Total	2020
NET ASSETS WITHOUT DONOR RESTRICTIONS										
SUPPORT AND REVENUE										
Rental income	\$ 480,563	\$ 570,241	\$ 337,416	\$ 565,179	\$ 694,836	\$ 441,135	\$ -	\$ -	\$ 3,089,370	\$ 2,767,332
Interest income	-	133	594	54	88	8	-	-	877	10,662
Other income	5,502	8,322	8,173	18,243	13,256	10,159	-	-	63,655	284,719
Total Support and Revenue	486,065	578,696	346,183	583,476	708,180	451,302	-	-	3,153,902	3,062,713
EXPENSES										
Housing and management services	858,501	929,102	809,543	1,152,783	1,580,175	718,120	-	281	6,048,505	5,552,584
Change in Net Assets Without Donor Restrictions	(372,436)	(350,406)	(463,360)	(569,307)	(871,995)	(266,818)	-	(281)	(2,894,603)	(2,489,851)
OTHER CHANGES										
Capital contributions	-	-	-	-	5,722,241	64,500	-	-	5,786,741	2,946,188
Capital distributions	-	-	-	-	-	-	-	-	-	(94,283)
Total Other Changes	-	-	-	-	5,722,241	64,500	-	-	5,786,741	2,851,925
Change in Net Assets Without Donor Restrictions	(372,436)	(350,406)	(463,360)	(569,307)	4,850,246	(202,318)	-	(281)	2,892,138	362,074
Net Assets										
Beginning of year	2,438,894	3,865,103	2,492,129	3,974,202	7,318,908	4,207,956	1,549,082	862	25,847,136	25,485,062
End of year	\$ 2,066,458	\$ 3,514,697	\$ 2,028,769	\$ 3,404,895	\$ 12,169,154	\$ 4,005,638	\$ 1,549,082	\$ 581	\$ 28,739,274	\$ 25,847,136