

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORTS

JUNE 30, 2013 AND 2012

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

INDEX

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Changes in Net Assets	5
Consolidated Statements of Cash Flows	6
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	7-23
Consolidating Schedule of Financial Position	24
Consolidating Schedule of Activities	25
Schedule of Functional Expenses for New Destiny Housing Corporation CityWide Supportive Housing, Inc and CityWide Supportive Housing Development Fund Corporation	26
Schedule of Financial Position By Project – New Destiny Housing Corporation	27
Schedule of Activities By Project – New Destiny Housing Corporation	28
Schedule of Financial Position By Project – CityWide Supportive Housing, Inc.	29
Schedule of Activities By Project – CityWide Supportive Housing, Inc.	30
Schedule of Financial Position By Project – CityWide Supportive Housing Development Fund Corporation	31
Schedule of Activities By Project – CityWide Supportive Housing Development Fund Corporation	32
Schedule of Change in Net Assets by Project	33
Supplementary Schedules of 2012	34-43



KOCH GROUP & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

333 Seventh Avenue

New York, NY 10001

(212) 631-0700 FAX (212) 631-0109

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, 2013 and 2012, 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, 2013 and 2012, 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 18, 2014

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30,

ASSETS

	2013	2012
Investment in real estate held for lease	\$ 38,732,103	\$ 35,068,149
Cash - operation	2,826,557	2,079,436
Cash - construction	62,304	1,894,503
Rent receivable	90,063	84,111
Grants and fees receivable	188,875	196,268
Prepaid expenses and other assets	137,342	89,828
Tenants' security deposits	111,828	103,503
Escrows and reserves	1,044,757	925,294
Pre-development costs	140,636	-
Deposit	63,876	65,603
Mortgage costs, less accumulated amortization	147,135	87,300
TOTAL ASSETS	\$ 43,545,476	\$ 40,593,995

LIABILITIES AND NET ASSETS

LIABILITIES APPLICABLE TO INVESTMENT IN
REAL ESTATE HELD FOR LEASE

Long-term debt	\$ 16,783,368	\$ 14,254,912
Construction costs payable	1,036,681	1,612,794
Accrued interest payable	573,609	498,998
Accounts payable	217,029	224,464
Tenants' security payable	113,046	104,504
 Total Liabilities Applicable to Investment in Real Estate	 18,723,733	 16,695,672

NET ASSETS

Controlling interest		
Unrestricted	11,240,773	10,556,637
Temporarily restricted	2,788,076	2,869,647
	14,028,849	13,426,284
Noncontrolling interests		
Unrestricted	10,792,894	10,472,039
 Total net assets	 24,821,743	 23,898,323
TOTAL LIABILITIES AND NET ASSETS	\$ 43,545,476	\$ 40,593,995

See notes to financial statements.

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30,

	<u>2013</u>	<u>2012</u>
UNRESTRICTED NET ASSETS		
PUBLIC SUPPORT AND REVENUES		
Grants and contributions	\$ 861,156	\$ 700,679
Special events, net of expenses of \$45,520 in 2013 and \$45,393 in 2012	157,122	144,943
Rental income	1,475,141	1,198,166
Developer fees	670,000	520,000
Other income	10,828	157,207
	<u>3,174,247</u>	<u>2,720,995</u>
Net assets released from restrictions	192,689	305,010
Total Public Support and Revenue	<u>3,366,936</u>	<u>3,026,005</u>
FUNCTIONAL EXPENSES		
Housing and management services	2,453,196	2,002,806
Social services	568,535	575,825
Total Program Services	<u>3,021,731</u>	<u>2,578,631</u>
Management and general	135,390	183,969
Fundraising	124,674	80,877
Total Supporting Services	<u>260,064</u>	<u>264,846</u>
Total Functional Expenses	<u>3,281,795</u>	<u>2,843,477</u>
CHANGE IN UNRESTRICTED NET ASSETS INCLUDING NONCONTROLLING OWNERSHIP INTERESTS	<u>85,141</u>	<u>182,528</u>
TEMPORARILY RESTRICTED NET ASSETS		
Grants	111,118	59,209
Net assets released from restrictions	(192,689)	(305,010)
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	<u>(81,571)</u>	<u>(245,801)</u>
TOTAL CHANGE IN NET ASSETS INCLUDING NONCONTROLLING OWNERSHIP INTERESTS	3,570	(63,273)
LOSS ALLOCATED TO NONCONTROLLING OWNERSHIP INTERESTS	<u>598,995</u>	<u>255,985</u>
CHANGE IN NET ASSETS ALLOCATED TO CONTROLLING INTEREST	<u>\$ 602,565</u>	<u>\$ 192,712</u>

See notes to financial statements.

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2013 AND 2012

NET ASSETS	Total	Temporarily Restricted	Unrestricted	
			Controlling Interest	Noncontrolling Interests
Balance, Jul 1, 2011	\$ 18,453,455	\$ 3,115,441	\$ 10,118,131	\$ 5,219,883
Capital Contributions	5,508,141			5,508,141
Changes in Net Assets	<u>(63,273)</u>	<u>(245,794)</u>	<u>438,506</u>	<u>(255,985)</u>
Balance, June 30, 2012	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	<u>\$ 24,821,743</u>	<u>\$ 2,788,076</u>	<u>\$ 11,240,773</u>	<u>\$ 10,792,894</u>

See notes to consolidated financial statements.

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30,

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 3,570	\$ (63,273)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation and amortization	920,516	660,900
Changes in assets and liabilities		
Rent receivable	(5,952)	(37,776)
Deferred income	-	(1,456)
Grants and fees receivable	7,393	37,397
Prepaid expenses and other assets	(47,514)	10,599
Tenants' security deposits	(8,325)	(8,396)
Escrows and operating reserves	21,635	(12,833)
Deposit	1,727	-
Accrued interest payable	74,611	(49,797)
Accounts payable	(7,435)	182,260
Tenants' security payable	8,542	5,575
Total Adjustments	965,198	786,473
Net cash provided by operating activities	968,768	723,200
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of land and building improvements	(12,340,764)	(20,910)
Acquisition of furniture and equipment	(14,400)	(2,390)
Construction in progress	7,660,366	(9,283,218)
Replacement reserves	(141,098)	27,803
Net cash used in investing activities	(4,835,896)	(9,278,715)
CASH FLOWS FROM FINANCING ACTIVITIES		
Mortgage costs	(90,143)	-
Long-term debt	2,528,456	2,895,338
Construction costs payable	(576,113)	1,612,794
Capital contribution - limited partners	919,850	5,508,141
Net cash provided by financing activities	2,782,050	10,016,273
NET INCREASE (DECREASE) IN CASH	(1,085,078)	1,460,758
CASH		
Beginning of year	3,973,939	2,513,181
End of year	\$ 2,888,861	\$ 3,973,939
SUPPLEMENTAL DISCLOSURES OF CASH FLOW ITEMS		
Interest paid	\$ 145,042	\$ 127,656

See notes to financial statements.

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

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 (1070 LP), 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) and Citywide Andrews Associates, Inc. (Citywide Andrews). 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 0.01% 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 1070 LP, 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.

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.

1070 GP was formed to act as the corporate general partner of 1070 LP and is 100% owned by 1070 Anderson Housing Development Fund Corporation, all the directors of which are appointed by New Destiny. 1070 LP 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.

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

1. Organization (Continued)

291 GP was formed to act as the corporate general partner of 291 LP and is 100% 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. HDFC was the initial owner of the four lots at 287, 289, 291 and 293 Bainbridge Street (Bainbridge Assemblage) in Brooklyn which together comprise this site. In June 2012, HDFC transferred the total assets of the project into 291 LP. New Destiny is developing this site and will provide ongoing tenant support services upon occupancy.

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, 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 HOUSING CORPORATION
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

1. Organization (Continued)

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. In addition, at June 30, 2013, HDFC owns and operates Bridge Towers, which consists of 16 low-income residential units at 283-285 Bainbridge Street. HDFC received the total assets of Bridge Towers from New Destiny prior to June 30, 2012 while New Destiny owned and operated the building during the year 2012.

New Destiny provides ongoing tenant support services at Marcello Manor, The Anderson, 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, 2013 AND 2012

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, 2013 and 2012.

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, 2013 AND 2012

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, 2013 AND 2012

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 2010, 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, 2013 AND 2012

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 2013 and 2012.

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. These costs include items such as market studies, purchase options, environmental study costs, an allocation of salaries, and legal and accounting costs. 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 total \$140,636 and \$- at June 30, 2013 and 2012, respectively.

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

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>2013</u>	<u>2012</u>
Land	\$ 3,383,577	\$ 3,315,267
Buildings and improvements	36,183,609	23,911,155
Furniture and equipment	405,071	390,671
Construction in Progress	4,567,444	12,368,446
	44,539,701	39,985,539
Less: Accumulated depreciation	(5,807,598)	(4,917,390)
	\$ 38,732,103	\$ 35,068,149

Depreciation expense for the years ended June 30, 2013 and 2012 was \$890,208 and \$640,556, respectively.

4. Escrows and Reserves

According to loan and other regulatory agreements, New Destiny, Citywide, HDFC, Andrews LP and 1070 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, 2013 AND 2012

4. Escrows and Reserves (Continued)

The balance of reserve accounts at June 30, 2013 and 2012 are as follows:

	<u>2013</u>	<u>2012</u>
Escrows	\$ 12,783	\$ 68,718
Operating reserves	208,131	174,720
Social service reserve	303,943	303,054
Replacement reserves	519,900	378,802
	<u>\$1,044,757</u>	<u>\$ 925,294</u>

5. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2013 and 2012 are related to the following purposes:

	<u>2013</u>	<u>2012</u>
Bridge Community	\$ 526,177	\$ 559,054
307 E. 54 th Street	2,046,143	2,109,101
Housing Link	5,193	-
Asset Management	15,060	8,872
Marcello Manor Building Upgrades	69,763	69,763
Bridge Community Building Upgrades	34,875	34,875
Family Support Services	1,204	5,062
Bridge Towers Building Upgrades	-	32,077
2017 Morris Avenue	60,000	-
291 Bainbridge Avenue	25,000	-
The Anderson	4,661	50,843
	<u>\$2,788,076</u>	<u>\$2,869,647</u>

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

6. Long-term Debt

	<u>2013</u>	<u>2012</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.	\$ 231,784	\$ 238,134
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.	221,506	227,548
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 Street.	95,188	96,880
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, 2013 AND 2012

6. Long-term Debt (Continued)

	<u>2013</u>	<u>2012</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. At permanent conversion the mortgage will require payment from available cash flows of interest only at 1% per annum with principal and any unpaid interest due in 30 years.</p>	1,518,740	1,378,683
<p>NYS Homeless Housing and Assistance Corporation (HHAC) provided \$4,800,000 for the construction of The Anderson bearing interest 1% per annum. The principal and any unpaid interest will be due in June 2050.</p>	4,585,140	4,158,646
<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 June 2050.</p>	1,000,000	750,000
<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 June 2050.</p>	615,000	615,000

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

6. Long-term Debt (Continued)

	<u>2013</u>	<u>2012</u>
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.	1,720,274	150,000
NYS HTF has committed \$1,100,000 for the construction of 291 Bainbridge. The loan bears no interest during construction. At permanent conversion, \$228,013 will be repaid from capital contributions. The remaining balance 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.	845,895	665,180
Deutsche Bank has provided a recoverable grant of \$75,000 to New Destiny, received in 3 payments of \$25,000. The final repayment was made on November 26, 2012.	-	25,000
	\$16,783,368	\$14,254,912

NYC HPD has committed \$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. At June 30, 2013 and 2012 no funds have been advanced.

At June 30, 2012 HDFC had a commitment for a rehabilitation loan for Bridge Towers from NYC HPD for \$270,548. \$149,404 was to bear interest at 3% per annum. The commitment expired December 31, 2012. It is expected that HDFC will reapply for this loan after construction of 291 Bainbridge, which is adjacent to Bridge Towers, is complete.

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

6. Long-term Debt (Continued)

Future mortgage principal payments are due as follows:

Year ending June 30,

2014	\$ 14,735
2015	15,711
2016	17,447
2017	18,608
2018	19,854
2019 and thereafter	<u>16,697,013</u>
	<u>\$16,783,368</u>

Only \$548,478 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. From August 2012, the minimum monthly payment is \$11,437. 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 \$117,721 and \$151,840 in 2013 and 2012.

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

2014	\$ 141,366
2015	145,606
2016	149,974
2017	154,473
2018	159,107
2019 and thereafter	<u>305,622</u>
	<u>\$1,056,148</u>

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

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, 2013 and 2012 management fee expense was \$25,589 and \$21,815.

During 2013, New Destiny managed the Prelude Project and Lily House (both owned by CityWide) for an annual fee of \$190,000 and \$50,000, 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 2013 and 2012 was \$26,533 and \$30,381, respectively.

1070 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 2013 was \$10,297.

9. Housing Leases

CityWide had entered into an operating lease for the Prelude property with Safe Horizon, a not-for-profit corporation. The lease provided for monthly payments of \$18,066 through February 2011 and \$18,427 through May 2012. After the lease expired, CityWide executed a new lease with Safe Horizon, which provided for monthly payments of \$18,750 beginning June 2012 with 2% increase every two years through May 2022.

CityWide has 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.

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

9. Housing Leases (Continued)

Minimum rent payments due from Safe Horizon are as follows:

<u>Year ending June 30,</u>	
2014	\$ 304,212
2015	308,868
2016	310,307
2017	315,048
2018	316,518

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, 1070 LP, 291 LP and Andrews LP.

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.

1070 LP is required to pay 1070 GP a non-cumulative partnership management fee equal to \$3,000 per annum, commencing in 2012. The fee will be paid from available cash flows and will be adjusted annually by the increase in the consumer price index.

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.

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

11. Contingencies (Continued)

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.

12. Subsequent Events

Management has evaluated subsequent events through February 18, 2014, 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, 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								670,000
Interest income	4,506	242	-	155					4,903
Other income	524		775	4,435		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									
CONTROLLING INTEREST	816,297	(144,535)	(69,050)	(20)	(87)	(40)	-	-	602,565
Beginning of year	<u>5,832,619</u>	<u>6,434,383</u>	<u>1,273,566</u>	<u>474</u>	<u>1,107</u>	<u>573</u>	<u>-</u>	<u>(116,438)</u>	<u>13,426,284</u>
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	2012 Total Functional Expenses
Salaries	\$ 186,240	\$ 354,140	\$ 540,380	\$ 78,458	\$ 59,038	\$ 137,496	\$ 677,876	\$ 852,939
Fringe benefits	35,017	66,592	101,609	14,749	11,116	25,865	127,474	122,917
Building repairs	40,106	-	40,106	-	-	-	40,106	16,554
Building and office maintenance	74,422	2,621	77,043	580	438	1,018	78,061	71,597
Water and sewer	51,042	627	51,669	139	104	243	51,912	40,088
Management and support services	384,306	12,161	396,467	2,693	2,031	4,724	401,191	234,926
Office rent	45,734	61,497	107,231	13,620	10,266	23,886	131,117	151,840
Utilities	65,511	3,159	68,670	700	528	1,228	69,898	75,575
Telephone	5,557	4,932	10,489	1,092	824	1,916	12,405	16,842
Insurance	61,901	4,489	66,390	994	750	1,744	68,134	57,934
Professional fees	23,861	-	23,861	12,640	-	12,640	36,501	43,211
Consultant fees	6,587	12,527	19,114	2,774	2,092	4,866	23,980	46,091
Grant writer	-	-	-	-	32,250	32,250	32,250	31,507
Interns and stipends	-	-	-	-	-	-	-	9,159
Service contract	9,835	-	9,835	-	-	-	9,835	13,792
Training and staff development	1,121	2,131	3,252	472	356	828	4,080	4,728
Tenant activities	-	12,928	12,928	-	-	-	12,928	5,999
Membership and subscriptions	1,010	1,920	2,930	425	320	745	3,675	3,675
Travel	749	1,425	2,174	316	238	554	2,728	3,916
Equipment repairs and maintenance	3,348	5,847	9,195	1,295	976	2,271	11,466	4,984
Supplies	22,050	4,374	26,424	969	729	1,698	28,122	12,340
Employment and advertising fees	-	1,481	1,481	-	-	-	1,481	670
Postage	2,034	3,450	5,484	764	576	1,340	6,824	6,115
Printing	1,595	2,721	4,316	603	454	1,057	5,373	6,331
Payroll services	2,633	5,008	7,641	1,109	836	1,945	9,586	2,911
Bad debt expense	30,377	-	30,377	-	-	-	30,377	3,042
Miscellaneous	1,528	2,105	3,633	466	351	817	4,450	4,249
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	1,843,932
Interest expense	54,944	-	54,944	-	-	-	54,944	77,859
Depreciation and amortization	393,159	2,400	395,559	532	401	933	396,492	400,947
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>	<u>\$ 2,322,738</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

	Prelude	Lily House	Eliminations	Total
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	(644,500)	(1,133,713)		(1,778,213)
Net Investment in Real Estate	741,295	5,095,835		5,837,130
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	11,846	29,544	(11,776)	29,614
TOTAL ASSETS	\$ 880,633	\$ 5,473,823	\$ (11,776)	\$ 6,342,680

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	-	14,382		14,382
Total Liabilities Applicable to Investment in Real Estate	3,444	61,164	(11,776)	52,832
NET ASSETS				
Unrestricted	877,189	5,412,659		6,289,848
TOTAL LIABILITIES AND NET ASSETS	\$ 880,633	\$ 5,473,823	\$ (11,776)	\$ 6,342,680

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>

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

JUNE 30, 2012

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	\$ -	\$ 1,520,000	\$ 512,000	\$ -	\$ 3,315,267
Buildings and improvements	3,964,623	7,234,113	2,970,682	9,741,737					23,911,155
Furniture and equipment	73,339	963	38,028	278,341					390,671
Construction in progress	-	-	-	-		11,372,502	995,944		12,368,446
Less: Accumulated depreciation	(1,102,027)	(1,595,148)	(1,303,482)	(916,733)		-			(4,917,390)
Net Investment in Real Estate	<u>3,050,935</u>	<u>6,009,195</u>	<u>1,962,728</u>	<u>9,644,845</u>	<u>-</u>	<u>12,892,502</u>	<u>1,507,944</u>	<u>-</u>	<u>35,068,149</u>
OTHER ASSETS									
Cash	1,617,867	122,685	38,489	300,395					2,079,436
Cash - construction	-	-	-	-		1,724,860	169,643		1,894,503
Rent receivable	34,144		38,275	11,692					84,111
Deferred rent receivable		74,013	-	-					74,013
Fees receivable	169,850		-	-	20,000			(189,850)	-
Grants receivable	196,268		-	-					196,268
Prepaid expenses and other assets	6,461	1,050	2,287	6,017	152,273			(152,273)	15,815
Tenants' security deposits	25,951	14,116	22,628	40,808					103,503
Escrows	13,019	-	55,699	-					68,718
Replacement reserves	33,439	234,488	45,140	65,734		1			378,802
Operating reserves	446,122	-	15,095	16,556		1			477,774
Deposits	46,803	-	3,695	15,105					65,603
Mortgage costs, less accumulated amortization	8,642	-	11,577	67,081					87,300
Loans receivable - related party	1,018,035	29,614	6,097	-				(1,053,746)	-
TOTAL ASSETS	<u>\$ 6,667,536</u>	<u>\$ 6,485,161</u>	<u>\$ 2,201,710</u>	<u>\$ 10,168,233</u>	<u>\$ 172,273</u>	<u>\$ 14,617,364</u>	<u>\$ 1,677,587</u>	<u>\$ (1,395,869)</u>	<u>\$ 40,593,995</u>

LIABILITIES AND NET ASSETS

LIABILITIES APPLICABLE TO INVESTMENT IN REAL ESTATE									
Mortgages payable	\$ 415,525	\$ -	\$ 764,428	\$ 5,332,450	\$ -	\$ -	\$ -	\$ -	\$ 6,512,403
Loans payable						6,902,329	815,180		7,717,509
Construction costs payable	-	-	-	-		1,612,794			1,612,794
Due to developer				292,642		320,933	290,962	(904,537)	-
Recoverable grant	25,000								25,000
Loans payable - related parties	23,955	31,662	132,046		150,939			(338,602)	-
Accrued interest payable	276,730			222,268					498,998
Accounts payable	66,690	5,000	9,107	105,718	20,227	53,280	734	(36,292)	224,464
Deferred income	-	-	-	-					-
Tenants' security payable	27,017	14,116	22,563	40,808					104,504
Total Liabilities Applicable to Investment in Real Estate	<u>834,917</u>	<u>50,778</u>	<u>928,144</u>	<u>5,993,886</u>	<u>171,166</u>	<u>8,889,336</u>	<u>1,106,876</u>	<u>(1,279,431)</u>	<u>16,695,672</u>
NET ASSETS (DEFICIT)									
Unrestricted	2,962,972	6,434,383	1,273,566	4,174,347	1,107	5,728,028	570,711	(10,588,477)	10,556,637
Unrestricted noncontrolling ownership interests								10,472,039	10,472,039
Temporarily restricted	2,869,647								2,869,647
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,667,536</u>	<u>\$ 6,485,161</u>	<u>\$ 2,201,710</u>	<u>\$ 10,168,233</u>	<u>\$ 172,273</u>	<u>\$ 14,617,364</u>	<u>\$ 1,677,587</u>	<u>\$ (1,395,869)</u>	<u>\$ 40,593,995</u>

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

CONSOLIDATING SCHEDULE OF ACTIVITIES

YEAR ENDED JUNE 30, 2012

	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	\$ 695,820	4859	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 700,679
Special events, net of expenses	144,943								144,943
Rental income	444,293	284,957	89,155	379,761					1,198,166
Property management	122,821							(122,821)	-
Developer and consulting fees	520,000								520,000
Interest income	4,158	316	34	585					5,093
Other income	3,106		141,868	7,140					152,114
	1,935,141	290,132	231,057	387,486	-	-	-	(122,821)	2,720,995
Net assets released from restrictions	305,010								305,010
Total Public Support and Revenue	2,240,151	290,132	231,057	387,486	-	-	-	(122,821)	3,026,005
FUNCTIONAL EXPENSES									
Housing and management services	1,028,470	320,714	132,883	643,471	89	-		(122,821)	2,002,806
Social services	575,825								575,825
Management and general	183,969								183,969
Fundraising	80,877								80,877
Total Functional Expenses	1,869,141	320,714	132,883	643,471	89	-	-	(122,821)	2,843,477
CHANGE IN UNRESTRICTED NET ASSETS BEFORE LOSS ALLOCATED TO NONCONTROLLING OWNERSHIP INTERESTS	371,010	(30,582)	98,174	(255,985)	(89)	-	-	-	182,528
LOSS ALLOCATED TO NONCONTROLLING OWNERSHIP INTERESTS								255,985	255,985
CHANGE IN UNRESTRICTED NET ASSETS	371,010	(30,582)	98,174	(255,985)	(89)	-	-	255,985	438,513
TEMPORARILY RESTRICTED NET ASSETS									
Grants	59,209								59,209
Net assets released from restrictions	(305,010)								(305,010)
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	(245,801)	-	-	-	-	-	-	-	(245,801)
NET ASSETS									
Beginning of year	6,545,653	6,464,965	337,149	4,430,332	1,196	790,073	-	(5,335,796)	13,233,572
Assets transfer	(838,243)		838,243						-
Capital contributions						4,937,955	570,711	(5,508,666)	-
End of year	\$ 5,832,619	\$ 6,434,383	\$ 1,273,566	\$ 4,174,347	\$ 1,107	\$ 5,728,028	\$ 570,711	\$ (10,588,477)	\$ 13,426,284

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, 2012

	Housing	Social Services	Total Program Services	Management and General	Fund Raising	Total Supporting Services	Total Functional Expenses
Salaries	\$ 330,343	\$ 375,378	\$ 705,721	\$ 114,123	\$ 33,095	\$ 147,218	\$ 852,939
Fringe benefits	47,606	54,096	101,702	16,446	4,769	21,215	122,917
Building repairs	16,299	184	16,483	56	15	71	16,554
Building and office maintenance	67,311	3,078	70,389	936	272	1,208	71,597
Water and sewer	39,353	528	39,881	161	46	207	40,088
Management and support services	223,135	8,470	231,605	2,575	746	3,321	234,926
Office rent	58,808	66,825	125,633	20,316	5,891	26,207	151,840
Utilities	72,269	2,374	74,643	722	210	932	75,575
Telephone	10,928	4,248	15,176	1,292	374	1,666	16,842
Insurance	53,401	3,256	56,657	990	287	1,277	57,934
Professional fees	29,495	-	29,495	13,716	-	13,716	43,211
Consultant fees	17,851	20,285	38,136	6,167	1,788	7,955	46,091
Grant writer	-	-	-	-	31,507	31,507	31,507
Interns and stipends	-	9,159	9,159	-	-	-	9,159
Service contract	13,792	-	13,792	-	-	-	13,792
Training and staff development	1,831	2,081	3,912	633	183	816	4,728
Tenant activities	-	5,999	5,999	-	-	-	5,999
Membership and subscriptions	1,423	1,617	3,040	492	143	635	3,675
Travel	1,517	1,723	3,240	524	152	676	3,916
Equipment repairs and maintenance	1,930	2,193	4,123	667	194	861	4,984
Supplies	8,172	2,994	11,166	910	264	1,174	12,340
Employment and advertising fees	-	670	670	-	-	-	670
Postage	2,585	2,536	5,121	771	223	994	6,115
Printing	2,937	2,438	5,375	741	215	956	6,331
Payroll services	1,127	1,281	2,408	389	114	503	2,911
Bad debt expense	3,042	-	3,042	-	-	-	3,042
Miscellaneous	1,646	1,870	3,516	569	164	733	4,249
Operating Expenses							
Before Depreciation, Amortization and Interest Expense	1,006,801	573,283	1,580,084	183,196	80,652	263,848	1,843,932
Interest expense	77,859	-	77,859	-	-	-	77,859
Depreciation and amortization	397,407	2,542	399,949	773	225	998	400,947
TOTAL EXPENSES	<u>\$ 1,482,067</u>	<u>\$ 575,825</u>	<u>\$ 2,057,892</u>	<u>\$ 183,969</u>	<u>\$ 80,877</u>	<u>\$ 264,846</u>	<u>\$ 2,322,738</u>

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

SCHEDULE OF FINANCIAL POSITION BY PROJECT
NEW DESTINY HOUSING CORPORATION

JUNE 30, 2012

ASSETS

	General	Park Place	Bridge Towers	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	2,546,100	-	3,964,623
Furniture and equipment	70,854	2,485	-	-	-	-	73,339
Less: Accumulated depreciation	(78,554)	(49,287)	-	(559,738)	(414,448)	-	(1,102,027)
Net Investment in Real Estate	56,828	44,409	-	818,046	2,131,652	-	3,050,935
Cash	1,533,608	45,342	-	4,710	34,207	-	1,617,867
Rent receivable	-	2,529	-	30,202	1,413	-	34,144
Fees receivable	169,850	-	-	-	-	-	169,850
Grants receivable	196,268	-	-	-	-	-	196,268
Prepaid expenses and other assets	6,461	-	-	-	-	-	6,461
Tenants' security deposits	-	5,437	-	10,592	9,922	-	25,951
Escrows	-	-	-	13,019	-	-	13,019
Replacement reserves	-	2,386	-	25,047	6,006	-	33,439
Operating reserves	441,132	-	-	4,990	-	-	446,122
Deposits	40,000	-	-	-	6,803	-	46,803
Mortgage costs, less accumulated amortization	-	-	-	8,642	-	-	8,642
Loans receivable - related parties	1,143,805	-	-	-	7,046	(132,816)	1,018,035
TOTAL ASSETS	\$ 3,587,952	\$ 100,103	\$ -	\$ 915,248	\$ 2,197,049	\$ (132,816)	\$ 6,667,536

LIABILITIES AND NET ASSETS

LIABILITIES APPLICABLE TO INVESTMENT IN REAL ESTATE							
Mortgages payable	\$ -	\$ -	\$ -	\$ 415,525	\$ -	\$ -	\$ 415,525
Recoverable grant	25,000	-	-	-	-	-	25,000
Loans payable - related parties	19,725	39,403	-	61,656	35,987	(132,816)	23,955
Accrued interest payable	-	-	-	276,730	-	-	276,730
Accounts payable	57,593	1,385	-	5,261	2,451	-	66,690
Tenants' security payable	-	5,276	-	11,496	10,245	-	27,017
Total Liabilities Applicable to Investment in Real Estate	102,318	46,064	-	770,668	48,683	(132,816)	834,917
NET ASSETS							
Unrestricted	3,284,142	54,039	-	(414,474)	39,265	-	2,962,972
Temporarily restricted	201,492	-	-	559,054	2,109,101	-	2,869,647
TOTAL LIABILITIES AND NET ASSETS	\$ 3,587,952	\$ 100,103	\$ -	\$ 915,248	\$ 2,197,049	\$ (132,816)	\$ 6,667,536

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

SCHEDULE OF ACTIVITIES BY PROJECT
NEW DESTINY HOUSING CORPORATION

YEAR ENDED JUNE 30, 2012

	General	Park Place	Bridge Towers	Bridge Community	307 East 54th Street	Eliminations	Total
UNRESTRICTED NET ASSETS							
PUBLIC SUPPORT AND REVENUES							
Grants and contributions	\$ 695,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 695,820
Special events, net of expenses	144,943						144,943
Rental income		57,325	165,505	130,050	91,413		444,293
Property management	122,821						122,821
Developer and consulting fees	520,000						520,000
Interest income	4,121	3		34			4,158
Other income	2,318		521	142	125		3,106
	<u>1,490,023</u>	<u>57,328</u>	<u>166,026</u>	<u>130,226</u>	<u>91,538</u>	<u>-</u>	<u>1,935,141</u>
Net assets released from restrictions	209,226			32,826	62,958		305,010
Total Public Support and Revenue	<u>1,699,249</u>	<u>57,328</u>	<u>166,026</u>	<u>163,052</u>	<u>154,496</u>	<u>-</u>	<u>2,240,151</u>
FUNCTIONAL EXPENSES							
Housing and management services	492,815	58,426	162,878	173,964	140,387	-	1,028,470
Social services	575,825						575,825
Management and general	183,969						183,969
Fundraising	80,877						80,877
Total Functional Expenses	<u>1,333,486</u>	<u>58,426</u>	<u>162,878</u>	<u>173,964</u>	<u>140,387</u>	<u>-</u>	<u>1,869,141</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>365,763</u>	<u>(1,098)</u>	<u>3,148</u>	<u>(10,912)</u>	<u>14,109</u>	<u>-</u>	<u>371,010</u>
TEMPORARILY RESTRICTED NET ASSETS							
Grants	59,209						59,209
Net assets released from restrictions	(209,226)			(32,826)	(62,958)		(305,010)
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	<u>(150,017)</u>	<u>-</u>	<u>-</u>	<u>(32,826)</u>	<u>(62,958)</u>	<u>-</u>	<u>(245,801)</u>
NET ASSETS							
Beginning of year	3,269,888	55,137	835,095	188,318	2,197,215	-	6,545,653
Transfer assets to HDFC			(838,243)				(838,243)
End of year	<u>\$ 3,485,634</u>	<u>\$ 54,039</u>	<u>\$ -</u>	<u>\$ 144,580</u>	<u>\$2,148,366</u>	<u>\$ -</u>	<u>\$5,832,619</u>

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

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

JUNE 30, 2012

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	6,024,281		7,234,113
Furniture and equipment	963			963
Less: Accumulated depreciation	<u>(604,298)</u>	<u>(990,850)</u>		<u>(1,595,148)</u>
Net Investment in Real Estate	<u>781,497</u>	<u>5,227,698</u>		<u>6,009,195</u>
OTHER ASSETS				
Cash	102,275	20,410		122,685
Deferred rent receivable		74,013		74,013
Tenants' security deposits		14,116		14,116
Replacement reserves	1,000	233,488		234,488
Prepaid expenses	525	525		1,050
Loans receivable - related parties	<u>6,990</u>	<u>33,149</u>	<u>(10,525)</u>	<u>29,614</u>
TOTAL ASSETS	<u>\$ 892,287</u>	<u>\$ 5,603,399</u>	<u>\$ (10,525)</u>	<u>\$ 6,485,161</u>

LIABILITIES AND NET ASSETS

LIABILITIES APPLICABLE TO INVESTMENT IN REAL ESTATE				
Loans payable - related parties	\$ 4,050	\$ 38,137	\$ (10,525)	\$ 31,662
Accounts payable	2,500	2,500		5,000
Deferred income	-			-
Tenants' security payable		<u>14,116</u>		<u>14,116</u>
Total Liabilities Applicable to Investment in Real Estate	6,550	54,753	(10,525)	50,778
NET ASSETS				
Unrestricted	<u>885,737</u>	<u>5,548,646</u>		<u>6,434,383</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 892,287</u>	<u>\$ 5,603,399</u>	<u>\$ (10,525)</u>	<u>\$ 6,485,161</u>

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

SCHEDULE OF ACTIVITIES BY PROJECT
CITYWIDE SUPPORTIVE HOUSING, INC.

YEAR ENDED JUNE 30, 2012

	<u>Prelude</u>	<u>Lily House</u>	<u>Eliminations</u>	<u>Total</u>
UNRESTRICTED NET ASSETS				
PUBLIC SUPPORT AND REVENUES				
Rental income	\$ 213,823	\$ 71,134	\$ -	\$ 284,957
In-kind contribution	4,859			4,859
Interest income	131	185		316
	<u>218,813</u>	<u>71,319</u>	<u>-</u>	<u>290,132</u>
Total Public Support and Revenue				
FUNCTIONAL EXPENSES				
Housing and management services	116,512	204,202		320,714
	<u>116,512</u>	<u>204,202</u>	<u>-</u>	<u>320,714</u>
Total Functional Expenses				
CHANGE IN UNRESTRICTED NET ASSETS	<u>102,301</u>	<u>(132,883)</u>	<u>-</u>	<u>(30,582)</u>
NET ASSETS				
Beginning of the year	<u>783,436</u>	<u>5,681,529</u>	<u>-</u>	<u>6,464,965</u>
End of year	<u>\$ 885,737</u>	<u>\$5,548,646</u>	<u>\$ -</u>	<u>\$6,434,383</u>

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

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

JUNE 30, 2012

ASSETS

	281 Bainbridge	Bainbridge Assemblage	Bridge Tower	Eliminations	Total
INVESTMENT IN REAL ESTATE HELD FOR LEASE					
Land	\$ 157,500	\$ -	\$ 100,000	\$ -	\$ 257,500
Buildings and improvements	1,344,058		1,626,624		2,970,682
Furniture and equipment			38,028		38,028
Less: Accumulated depreciation	(356,938)		(946,544)		(1,303,482)
Net Investment in Real Estate	<u>1,144,620</u>	<u>-</u>	<u>818,108</u>	<u>-</u>	<u>1,962,728</u>
OTHER ASSETS					
Cash	3,974		34,515		38,489
Rent receivable	7,372		30,903		38,275
Prepaid expenses and other assets	-		2,287		2,287
Tenants' security deposits	8,439		14,189		22,628
Escrows	3,219		52,480		55,699
Replacement reserves	35,948		9,192		45,140
Operating reserves	15,095				15,095
Deposits	1,500		2,195		3,695
Mortgage costs, less accumulated amortization	11,577	-			11,577
Loans receivables - related parties	17,101		1,142	(12,146)	6,097
TOTAL ASSETS	<u>\$ 1,248,845</u>	<u>\$ -</u>	<u>\$ 965,011</u>	<u>\$ (12,146)</u>	<u>\$ 2,201,710</u>

LIABILITIES AND NET ASSETS

LIABILITIES APPLICABLE TO INVESTMENT IN REAL ESTATE					
Mortgages payable	\$ 764,428	\$ -	\$ -	\$ -	\$ 764,428
Loans payable - related parties	36,872		107,320	(12,146)	132,046
Accounts payable	3,783		5,324		9,107
Tenants' security payable	8,439		14,124		22,563
Total Liabilities Applicable to Investment in Real Estate	<u>813,522</u>	<u>-</u>	<u>126,768</u>	<u>(12,146)</u>	<u>928,144</u>
NET ASSETS (DEFICIT)					
Unrestricted	<u>435,323</u>	<u>-</u>	<u>838,243</u>	<u>-</u>	<u>1,273,566</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,248,845</u>	<u>\$ -</u>	<u>\$ 965,011</u>	<u>\$ (12,146)</u>	<u>\$ 2,201,710</u>

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

SCHEDULE OF ACTIVITIES BY PROJECT
CITYWIDE SUPPORTIVE HOUSING DEVELOPMENT FUND CORPORATION

YEAR ENDED JUNE 30, 2012

	281 Bainbridge	Bainbridge Assemblage	Bridge Tower	Eliminations	Total
UNRESTRICTED NET ASSETS					
PUBLIC SUPPORT AND REVENUES					
Rental income	\$ 89,155	\$ -	\$ -	\$ -	\$ 89,155
Interest income	34				34
Other income	-	141,868			141,868
Total Public Support and Revenue	<u>89,189</u>	<u>141,868</u>	<u>-</u>	<u>-</u>	<u>231,057</u>
FUNCTIONAL EXPENSES					
Housing and management services	117,172	15,711			132,883
Total Functional Expenses	<u>117,172</u>	<u>15,711</u>	<u>-</u>	<u>-</u>	<u>132,883</u>
CHANGE IN UNRESTRICTED NET ASSETS					
	<u>(27,983)</u>	<u>126,157</u>	<u>-</u>	<u>-</u>	<u>98,174</u>
NET ASSETS					
Beginning of year	463,306	(126,157)	-	-	337,149
Transfer assets from New Destiny			838,243		838,243
End of year	<u>\$ 435,323</u>	<u>\$ -</u>	<u>\$ 838,243</u>	<u>\$ -</u>	<u>\$ 1,273,566</u>

NEW DESTINY HOUSING CORPORATION
AND AFFILIATES

CONSOLIDATED SCHEDULE OF CHANGES IN NET ASSETS BY PROJECT

YEAR ENDED JUNE 30, 2012

	Change in Net Assets before Depreciation and Amortization	Depreciation and Amortization	Change in Net Assets
General	\$ 221,523	\$ 5,777	\$ 215,746
Park Place	1,592	2,690	(1,098)
Bridge Towers	56,853	53,705	3,148
Bridge Community	(840)	42,898	(43,738)
307 E 54th Street	15,137	63,986	(48,849)
Prelude	145,468	43,167	102,301
Lily House	9,613	142,496	(132,883)
281 Bainbridge	17,745	45,728	(27,983)
Andrews Ave	(8,782)	247,203	(255,985)
	<u>\$ 458,309</u>	<u>\$ 647,650</u>	<u>\$ (189,341)</u>