

**New Destiny Housing Corporation  
and Affiliates**

Consolidated Financial Statements

June 30, 2020 and 2019

## **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, 2020 and 2019, 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 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 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 financial position of New Destiny Housing Corporation and Affiliates as of June 30, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**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 28-33 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  
November 17, 2020

## New Destiny Housing Corporation and Affiliates

### Consolidated Statements of Financial Position

	June 30,	
	2020	2019
<b>ASSETS</b>		
Real estate, net	\$ 86,196,563	\$ 79,017,392
Cash - operations	7,638,623	5,514,795
Cash - construction	-	171
Rent receivable, net	199,512	235,223
Grants receivable	439,043	290,770
Prepaid expenses and other assets	16,364	181,750
Tenant security deposits	163,019	140,945
Escrow and reserves	3,032,317	2,746,109
Predevelopment costs	19,806	250
Deposits	62,245	62,010
Capitalized costs, net	289,186	186,549
Total Assets	\$ 98,056,678	\$ 88,375,964
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Long-term debt, net	\$ 50,843,573	\$ 42,117,353
Recoverable grant	120,000	120,000
Deferred income	22,500	32,500
Construction costs payable	2,722,482	1,586,024
Payroll Protection Program loan	486,978	-
Accrued interest payable	4,102,054	3,385,421
Accounts payable and accrued expenses	458,792	1,762,836
Prepaid rent	72,974	72,829
Tenant security deposits payable	173,865	160,457
Total Liabilities	59,003,218	49,237,420
Net Assets		
Without Donor Restrictions		
Controlling interest	13,581,843	13,487,650
Non-controlling interest in consolidated for-profit affiliates	25,360,244	25,576,489
	38,942,087	39,064,139
With donor restrictions	111,373	74,405
Total Net Assets	39,053,460	39,138,544
Total Liabilities and Net Assets	\$ 98,056,678	\$ 88,375,964

See notes to consolidated financial statements

## New Destiny Housing Corporation and Affiliates

### Consolidated Statements of Activities

	Year Ended June 30,	
	2020	2019
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>SUPPORT AND REVENUE</b>		
Grants and contributions	\$ 1,923,574	\$ 972,468
Special events, net of expenses of \$18,016 and \$37,626	100,564	238,793
Rental income	3,260,235	2,992,298
Developer fees	-	358,581
Interest income	19,977	15,406
Other income	139,748	140,693
Total Revenue	5,444,098	4,718,239
Net assets released from restrictions	38,032	1,854,458
Total Support and Revenue	5,482,130	6,572,697
<b>EXPENSES</b>		
Program Services		
Housing and management services	6,162,923	5,246,556
Social services	1,614,198	1,396,923
Total Program Services	7,777,121	6,643,479
Supporting Services		
Management and general	488,830	349,180
Fundraising	253,247	253,859
Total Supporting Services	742,077	603,039
Total Expenses	8,519,198	7,246,518
Change in Net Assets Without Donor Restrictions Before Other Changes	(3,037,068)	(673,821)
<b>OTHER CHANGES</b>		
Capital contributions	2,946,188	7,548,068
Capital distributions	(31,172)	(3,000)
Total Other Changes	2,915,016	7,545,068
Change in Net Assets Without Donor Restrictions	(122,052)	6,871,247
Net Assets Without Donor Restrictions		
Beginning of year	39,064,139	32,192,892
End of year	\$ 38,942,087	\$ 39,064,139
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions	\$ 75,000	\$ 116,900
Net assets released from restrictions	(38,032)	(1,854,458)
Change in Net Assets With Donor Restrictions	36,968	(1,737,558)
Net Assets With Donor Restrictions		
Beginning of year	74,405	1,811,963
End of year	\$ 111,373	\$ 74,405
Change in Net Assets	\$ (85,084)	\$ 5,133,689
<b>NET ASSETS</b>		
Beginning of year	39,138,544	34,004,855
End of year	\$ 39,053,460	\$ 39,138,544

See notes to consolidated financial statements

**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 and advertising fees	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
<b>Total Expenses Before Interest Expense, Depreciation and Amortization</b>	<b>2,776,646</b>	<b>1,611,174</b>	<b>488,410</b>	<b>270,790</b>	<b>5,147,020</b>
Interest expense	1,297,805	16	-	-	1,297,821
Depreciation and amortization	2,088,472	3,008	420	473	2,092,373
<b>Total Expenses</b>	<b>6,162,923</b>	<b>1,614,198</b>	<b>488,830</b>	<b>271,263</b>	<b>8,537,214</b>
Expenses deducted directly from revenues on the statement of activities	-	-	-	(18,016)	(18,016)
Direct cost of special events	-	-	-	-	-
<b>Total Expenses Reported by Function</b>	<b>\$ 6,162,923</b>	<b>\$ 1,614,198</b>	<b>\$ 488,830</b>	<b>\$ 253,247</b>	<b>\$ 8,519,198</b>

**New Destiny Housing Corporation and Affiliates**

Consolidated Statement of Functional Expenses  
Year Ended June 30, 2019

	Program Services		Supporting Services		Total
	Housing	Social Services	Management and General	Fundraising	
Salaries	\$ 282,514	\$ 806,879	\$ 201,854	\$ 146,654	\$ 1,437,901
Fringe benefits	49,820	142,290	35,596	25,862	253,568
Building repairs	18,652	3,910	978	711	24,251
Building and office maintenance	16,325	32,215	8,059	5,855	62,454
Water and sewer	6,133	673	168	122	7,096
Management and support services	67,610	88,224	22,071	16,035	193,940
Office rent	33,708	96,272	24,084	17,498	171,562
Utilities	14,463	2,619	655	476	18,213
Telephone	2,658	6,464	1,617	1,175	11,914
Insurance	30,978	8,678	2,171	1,577	43,404
Professional fees	13,012	7,289	1,824	1,325	23,450
Consultant fees	25,702	68,695	17,185	12,486	124,068
Grant writer	7,593	21,685	5,425	3,941	38,644
Training and staff development	1,115	3,185	797	579	5,676
Tenant activities	15,839	45,237	11,317	8,222	80,615
Membership and subscriptions	1,574	4,495	1,125	817	8,011
Travel	1,431	4,087	1,023	811	7,352
Equipment repairs and maintenance	12,724	4,574	1,144	831	19,273
Supplies	2,263	6,462	1,617	2,302	12,644
Employment repairs and maintenance	527	1,504	376	273	2,680
Postage	705	2,012	503	366	3,586
Printing	1,883	5,377	1,345	7,322	15,927
Payroll services	6,663	19,030	4,761	3,459	33,913
Bad debt expense	356,836	-	-	-	356,836
Real estate properties	1,931,608	-	-	-	1,931,608
Miscellaneous	17,340	12,252	3,065	32,313	64,970
<b>Total Expenses Before Interest Expense</b>					
Depreciation and Amortization	2,919,676	1,394,108	348,760	291,012	4,953,556
Interest expense	708,405	-	-	-	708,405
Depreciation and amortization	1,618,475	2,815	420	473	1,622,183
<b>Total Expenses</b>	<b>5,246,556</b>	<b>1,396,923</b>	<b>349,180</b>	<b>291,485</b>	<b>7,284,144</b>
Expenses deducted directly from revenues on the statement of activities					
Direct cost of special events	-	-	-	(37,626)	(37,626)
<b>Total Expenses Reported by Function</b>	<b>\$ 5,246,556</b>	<b>\$ 1,396,923</b>	<b>\$ 349,180</b>	<b>\$ 253,859</b>	<b>\$ 7,246,518</b>

**New Destiny Housing Corporation and Affiliates**  
Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets		
Without donor restrictions before other changes	\$ (3,037,068)	\$ (673,821)
With donor restrictions	36,968	(1,737,558)
	(3,000,100)	(2,411,379)
Adjustments to reconcile changes in net assets		
from operating activities		
Depreciation and amortization	2,092,373	1,618,475
Bad debt expense	134,592	246,871
Mortgage cost amortization	67,357	7,082
Changes in operating assets and liabilities		
Rent receivable	(98,881)	(147,902)
Grants receivable	(148,273)	69,260
Prepaid expenses and other expenses	165,386	15,172
Tenant security deposits	(22,074)	(3,874)
Deferred rent receivable	-	57,064
Deposits	(235)	5,201
Accounts payable and accrued expenses	(1,304,044)	279,566
Accrued interest payable	716,633	569,783
Recoverable grants	-	40,000
Deferred income	(10,000)	32,500
Prepaid rental revenue	145	(16,813)
Tenant security deposits payable	13,408	12,725
Net Cash from Operating Activities	(1,393,713)	373,731
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets	(9,285,160)	(19,133,392)
Disposals of fixed assets	13,616	207,646
Deferred cost	(102,637)	(32,931)
Change in predevelopment costs	(19,556)	773,123
Net Cash from Investing Activities	(9,393,737)	(18,185,554)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	12,082,045	10,017,473
Repayments of long-term debt	(2,661,428)	(77,226)
Capitalized mortgage cost	(274,776)	(140,593)
Construction costs payable	1,136,458	1,586,024
Capital contributions	2,946,188	7,548,068
Capital distributions	(31,172)	(3,000)
Net Cash from Financing Activities	13,197,315	18,930,746
Net Change in Cash and Restricted Cash	2,409,865	1,118,923
<b>CASH AND RESTRICTED CASH</b>		
Beginning of year	8,261,075	7,142,152
End of year	\$ 10,670,940	\$ 8,261,075

See notes to consolidated financial statements



## New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### 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 Brooklyn, New York.

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 of the following entities (collectively, the “Company”)

- 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 the Prelude Project, a 35-bed emergency facility in Staten Island, New York, and Lily House (also known as Bronx House), containing 27 transitional units, in the Bronx, New York, both are shelters for domestic violence survivors.
- 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 owned and operated 281 Bainbridge Street (“281 Bainbridge”), which consists of eight low-income residential units in Brooklyn, New York,

## New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### 1. Organization (*continued*)

and Bridge Towers, which consists of 16 low-income residential units at 283-285 Bainbridge Street in Brooklyn, New York. HDFC received the total assets of the property at 307 E. 54<sup>th</sup> Street, New York, New York, from New Destiny on January 15, 2015. New Destiny owned and operated the property to that date. HDFC began to operate the property after the assets were transferred. The property consists of eight low-income residential units. In October 2016, HDFC acquired Bridge Community from New Destiny. On October 28, 2016, HDFC sold Bridge Community, 281 Bainbridge and Bridge Towers to Bridge Community Associates LLC (“BCA”), an affiliate through common board control and ownership. For internal reporting purposes, HDFC Corporate, which is a wholly-owned component of HDFC, was established in July 2017 to segregate assets that formerly belonged to 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 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 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.

## New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### 1. Organization (*continued*)

- 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 of 23 residential units in Brooklyn, New York, in a building known as Bainbridge Manor.
- 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 through the construction of 38 residential units, and one superintendent’s unit in the Bronx, New York, in a building known as The Morris.

- 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 acquisition, rehabilitation, and operation of an affordable housing project. On October 28, 2016, BCA acquired four multifamily buildings from HDFC which contains 36 residential units, including one superintendent’s unit, in Brooklyn, New York, in a building 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”).

## New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### 1. Organization (*continued*)

- 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.
- 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 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. As of October 2019, the construction on the building was completed.

- 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 the real property 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.

- 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, NY, part of which will contain low-income and supportive housing units.
- New Destiny owns 25% in Raven Hall Developer LLC, while New Destiny has an economic interest it does not have control. Therefore, its operations are not consolidated in the financial statements of the Company.
- 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 sole member of Raven Hall Moderate LLC. 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, its operations are not consolidated in the financial statements of the

## **New Destiny Housing Corporation and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### **1. Organization (*continued*)**

Company. During the years ending June 30, 2020 and 2019, there were no ongoing entity operations.

- 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, NY, part of which will contain low-income and supportive housing units.
- New Destiny owns 20% in 153 Jamaica Developer LLC, while New Destiny has an economic interest it does not have control. Therefore, its operations are not consolidated in the financial statements of the Company.
- 153 Jamaica HDFC is a 20% member in Jamaica JV LLC, which is a 0.01% managing member of Jamaica MM LLC. 153 Jamaica HDFC is a 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, its operations are not consolidated in the financial statements of the Company. During the year ending June 30, 2020 and 2019, there were no ongoing entity operations.

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

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

### **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 allowance for doubtful receivables, depreciation, and fixed asset impairment.

## **New Destiny Housing Corporation and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

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

#### ***Change in Accounting Principle***

##### *Recognition of Contributions*

Effective July 1, 2019, the Company adopted Accounting Standards Update (“ASU”) 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 provides a framework for evaluating whether grants or contributions should be accounted for as exchange transactions or as non-exchange transactions.

Analysis of various provisions of this standard resulted in no significant changes in the way the Company recognizes grants and contributions, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. Adoption of ASU 2018-08 had no impact on the Company’s financial statements.

##### *Statement of Cash Flows – Restricted Cash*

In November 2016, the Financial Accounting Standards Board issued ASU 2016-18, “Statement of Cash Flows – Restricted Cash”, which requires that the statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. On July 1, 2019, the Company adopted the new guidance regarding the presentation and classification of restricted cash. Therefore, amounts generally described as restricted cash and cash equivalents are included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The Company adopted ASU 2016-18 using a retrospective transition method.

##### ***Principles of Consolidation***

The accompanying consolidated financial statements of the Company include the accounts of New Destiny, its corporate affiliates, and partnerships that are controlled by New Destiny’s affiliates. 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 have been eliminated in consolidation.

##### ***Non-Controlling Interest in For-Profit Affiliates***

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

##### ***Reclassifications***

Certain items from the 2019 consolidated financial statements have been reclassified to be in conformity with the 2020 consolidated financial statement presentation.

## New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

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

#### ***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.

#### ***Cash and Restricted Cash***

Cash includes certain investments in highly liquid debt instruments with a maturity date of three months or less at the time of purchase. 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 is stated as cost unless donated. Donated assets are capitalized at the estimated fair value at 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

## **New Destiny Housing Corporation and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

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

#### ***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, 2020 and 2019.

#### ***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.

#### ***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 \$19,806 and \$250 at June 30, 2020 and 2019.

#### ***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.

#### ***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.



## **New Destiny Housing Corporation and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

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

#### ***Grants***

The Company receives government contract 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 the 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, fixtures and equipment) are reported as net assets with donor restrictions. The Company reflects the expiration of the donor-imposed restriction when 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 the Corona Virus 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 cancelation agreed to have their contributions remain at the Company as unrestricted donations.

#### ***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.

#### ***Development Fees Revenue***

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

## **New Destiny Housing Corporation and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

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

#### ***Advertising Costs***

The Company expense the cost of advertising as incurred.

#### ***Functional Expenses Allocation***

Expenses that can be directly identified with the program or supporting service to which they relate are charged accordingly. Other expenses by function have been allocated among program and supporting service classifications using bases determined by management to be reasonable. Management and general expense includes 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 recognize the effects of income tax positions only if they are more likely than not to be sustained. Management has determined that the Company have no uncertain tax positions that would require financial statement recognition and/or disclosure. The Company are no longer subject to examination by the applicable taxing jurisdictions for periods prior to June 30, 2017.

#### ***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 November 17, 2020.

## New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### 3. Supplemental Cash Flow Information

At June 30, 2020 and 2019, cash and restricted cash consisted of the following:

	<u>2020</u>	<u>2019</u>
Operating cash		
Cash	\$ 7,638,623	\$ 5,514,795
Restricted Cash		
Cash - construction	-	171
Lease-up reserves	10,216	136,229
Operating reserves	1,294,854	1,083,776
Social service reserves	349,831	345,887
Replacement reserves	1,332,416	1,135,217
Rent subsidy reserves	<u>45,000</u>	<u>45,000</u>
	<u>3,032,317</u>	<u>2,746,280</u>
Total Cash and Restricted Cash	<u>\$10,670,940</u>	<u>\$ 8,261,075</u>

Supplemental cash flow information consists of the following:

	<u>2020</u>	<u>2019</u>
Interest paid	\$ 586,142	\$ 132,327
Non-cash Investing and Financing Activities		
Fixed assets financed with proceeds from mortgage	11,495,278	1,620,915
Predevelopment costs	19,556	-

### 4. Property and Equipment

Property and equipment consists of the following:

	<u>2020</u>	<u>2019</u>
Land	\$ 6,692,528	\$ 4,928,172
Building and improvements	79,707,387	53,746,158
Furniture and equipment	749,562	679,956
Construction-in-progress	<u>13,128,384</u>	<u>31,589,519</u>
	100,277,861	90,943,805
Accumulated depreciation	<u>(14,081,298)</u>	<u>(11,926,413)</u>
	<u>\$ 86,196,563</u>	<u>\$ 79,017,392</u>

## New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### 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 accounts. Operating reserves are used for the 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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Lease-up reserve	\$ 10,216	\$ 136,229
Operating reserves	1,294,854	1,083,776
Social service reserves	349,831	345,887
Replacement reserves	1,332,416	1,135,217
Rent subsidy reserves	<u>45,000</u>	<u>45,000</u>
	<u>\$ 3,032,317</u>	<u>\$ 2,746,109</u>

### 6. Commitment - Office Lease

New Destiny leases an office facility pursuant to a lease that expires June 30, 2020. The lease calls for initial minimum monthly payments of \$10,833, with annual increases of approximately 3% beginning in August 2011. The lease is subject to escalations and requires payment of increases in real estate taxes, and a fixed monthly water and sewer charge. On July 1, 2020, New Destiny entered into an extended lease agreement that extended the lease term to June 30, 2027. Rental expense was \$180,812 and \$171,561 in 2020 and 2019, respectively.

The future minimum rental commitments are as follows:

Years Ending <u>June 30,</u>	<u>Amount</u>
2021	\$ 190,760
2022	196,006
2023	201,396
2024	206,934
2025	212,625
Thereafter	<u>442,953</u>
	<u>\$ 1,450,674</u>

## New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### 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 \$32,162,473 and \$21,046,000 of work has been completed as of June 30, 2020 and 2019.

### 8. Long-Term Debt

	2020	2019
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.	\$ 3,732,450	\$ 3,732,450
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.	1,600,000	1,600,000
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.	1,624,232	1,624,232
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.	4,687,152	4,668,565
HPD has provided a mortgage to the Anderson, bearing interest at 1% per annum. No payments until maturity. The principal and accrued interest are due on August 2060. The loan is secured by the investment in real estate.	1,000,000	1,000,000
Federal Home Loan Bank has provided a mortgage to the Anderson, bearing interest at 1% per annum. No payments until maturity. The principal and accrued interest are due on August 2062. The loan is secured by the investment in real estate.	615,000	615,000
HHAC has provided a mortgage to 291 LP, bearing interest at 6.25% per annum, compounded annually. No payments until maturity. The principal and unpaid interest are due on November 2063, unless formal release/satisfaction is issued by HHAC. The loan is secured by the investment in real estate.	2,402,490	2,402,490

## New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### 8. Long-Term Debt *(continued)*

	2020	2019
HTF has provided to 291 LP a mortgage of \$871,987, payable from available cash flows of interest only at 1% per annum. If no available cash flow principal and any unpaid interest is due and payable on 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 any unpaid 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 any unpaid interest is 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 accrued interest due on 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 accrued interest due on 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 has committed \$8,048,436 for the construction of 902 Jennings. The loan bears 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 equity and proceeds from a loan from Community Preservation Corporation. The loan was secured by the investment in real estate.	8,025,510	5,506,051
HHAC has provided \$5,060,000 for the construction of 902 Jennings. The loan bears 1% interest per annum, with no payments until maturity. Principal and accrued interest due on the 40th anniversary of the date building is approved as ready for occupancy. The loan was converted to a permanent loan on October 1, 2020. The loan is secured by the investment in real estate.	5,060,000	4,608,133

## New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### 8. Long-Term Debt (continued)

	2020	2019
<p>HPD has provided \$3,424,755 for the construction of 902 Jennings. The loan bears interest at 0.25% per annum during construction. At permanent conversion, the loan will bear interest at 2.81%, no payments required until maturity. All principal and accrued interest will be due in 50 years. During 2020, an additional \$500,000 was provided by HPD. The total loan amount of \$3.9 million was converted to a permanent loan on October 1, 2020. The loan is secured by the investment in real estate.</p>	\$ 3,631,360	\$ 3,424,755
<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 capital contributions. The mortgage requires monthly payments of \$1,254, including interest at 5.25% per annum, with final payment due in 15 years from permanent closing, November 1, 2034. The loan is secured by the investment in real estate.</p>	151,946	1,585,285
<p>HPD has committed \$365,174 for the construction and permanent financing of the BCA Project. The loan bears 1.25% interest per annum during construction. After permanent closing, which occurred on October 31, 2019, the mortgage will bear interest at 1.93% per annum, compounded monthly, no monthly payments are required. The principal and accrued interest will be due in 30 years from permanent closing November 1, 2049. The loan is secured by the investment in real estate.</p>	365,174	328,657
<p>HPD has provided another \$500,000 for the construction and permanent financing of the BCA Project. The loan bears .25% interest per annum, compounded monthly during construction. After permanent closing, which occurred on October 31, 2019 the mortgage bears interest at 1.93% per annum, compounded monthly, with no annual payments required until maturity. The principal and accrued interest will be due in 30 years from permanent closing on November 1, 2049. The loan is secured by the investment in real estate.</p>	500,000	450,000
<p>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.</p>	439,844	439,844

## New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### 8. Long-Term Debt (continued)

	2020	2019
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.	\$ 3,088,054	\$ 736,282
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.	743,428	590,680
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. 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.	1,661,939	1,076,253
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.	3,993,736	-
Less unamortized debt issuance costs	<u>(510,687)</u>	<u>(303,269)</u>
	<u>\$ 50,843,573</u>	<u>\$ 42,117,353</u>

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

Years Ending June 30:	
2021	\$ 2,412,611
2022	7,634
2023	8,044
2024	8,477
2025	8,933
Thereafter	<u>48,908,561</u>
Less unamortized debt issuance costs	<u>(510,687)</u>
	<u>\$ 50,843,573</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.



## New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### 9. Payroll 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. Although, the Company believes this loan will be substantially or fully forgiven, there can be no guarantee that the United States Small Business Administration ("SBA") will approve the loan forgiveness. The unforgiven portion of the PPP Loan, if any, is payable within two from the date of the PPP loan with a deferral of payments of principal or interest until the amount of loan forgiveness is determined by the SBA. If the Company does not apply for forgiveness, payments begin approximately 16 months after the loan date. As of June 30, 2020, the PPP loan is recognized as a debt on the balance sheet. The Company will recognize the income from the forgiveness of the PPP loan when it receives the notification of forgiveness from SBA in accordance with Accounting Standards Codification ("ASC") 470 Debt.

### 10. Net Assets with Donor Restrictions

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

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	22,917	(6,333)	23,089
	<u>\$ 74,405</u>	<u>\$ 72,917</u>	<u>\$ (35,949)</u>	<u>\$ 111,373</u>
Program/Purpose	2018	Additions	Releases	2019
307 E. 54th Street	\$ 1,731,351	\$ -	\$ (1,731,351)	\$ -
Marcello Manor building upgrades	67,884	-	(67,884)	-
Family Support Services	7,396	-	(7,396)	-
Housing Development - Jennings	-	67,900	-	67,900
Housing Link	5,332	49,000	(47,827)	6,505
	<u>\$ 1,811,963</u>	<u>\$ 116,900</u>	<u>\$ (1,854,458)</u>	<u>\$ 74,405</u>

## New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### 11. Management Agreements

The Company has entered into management agreements with an unrelated company beginning on June 1, 2017, which provide for rental management and administrative services. The agreements were made for 307 E 54th Street, Andrews LP, the Anderson, 291 LP, 2017 LLC, Park Place, BCA and 902 Owner. The fees for these services is 8% of rents collected. Management fee expense to this unrelated company for 2020 and 2019 was \$207,241 and \$201,460, respectively.

### 12. Housing Leases

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

City Wide also entered into an operating lease for the Lily House property with Safe Horizon. The lease provides for monthly payments of \$6,110 beginning November 2005, with 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
2021	\$ 271,652
2022	<u>223,278</u>
	<u>\$ 494,930</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, 2020 and 2019 was \$322,990 and \$312,784, respectively

### 13. 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 Housing Corporation and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### 13. Contingency *(continued)*

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

### 14. Related Parties Transactions

During FY19, New Destiny as a 25% member received a fee in the amount of \$358,581 from its affiliate, Raven Hall Developer LLC (“Raven LLC”), for its activities in of support the development of the new multi-use property in Brooklyn, NY.

### 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,

	<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)	94,193	(3,131,261)
Capital contributions	2,946,188	-	2,946,188
Capital distribution	<u>(31,172)</u>	<u>-</u>	<u>(31,172)</u>
Balance, June 30, 2020	<u>\$ 38,942,087</u>	<u>\$ 13,581,843</u>	<u>\$ 25,360,244</u>
	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>Non-Controlling Interest</u>
Balance, June 30, 2018	\$ 32,192,892	\$ 12,289,631	\$ 19,903,261
Change in net assets	(673,821)	1,198,019	(1,871,840)
Capital contributions	7,548,068	-	7,548,068
Capital distribution	<u>(3,000)</u>	<u>-</u>	<u>(3,000)</u>
Balance, June 30, 2019	<u>\$ 39,064,139</u>	<u>\$ 13,487,650</u>	<u>\$ 25,576,489</u>

## New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2020 and 2019

### 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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Cash - operations	\$ 7,638,623	\$ 5,514,795
Accounts receivable:		
Rent receivable, net	199,512	235,223
Grants receivable	<u>439,043</u>	<u>290,770</u>
Less:		
Net assets with donor restrictions	<u>(111,373)</u>	<u>(74,405)</u>
Total Financial Assets Available to Management For General Expenditures With One Year	<u>\$ 8,165,805</u>	<u>\$ 5,966,383</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, 2020 and 2019, approximately \$6.6 and \$5.2 million was maintained with an institution in excess of FDIC limits.

#### ***Operating Risk***

The corona virus outbreak may have an adverse effect on the results of operations. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the corona virus and around the imposition or relaxation of protective measures, management cannot reasonably estimate the impact to future results of operations, cash flows, or financial condition.

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**New Destiny Housing Corporation  
and Affiliates**

Supplementary Information

June 30, 2020

**New Destiny Housing Corporation  
And Affiliates**

Consolidating Schedule of Financial Position  
June 30, 2020

(With summarized amounts for the year ended June 30, 2019)

	New Destiny Housing Corp. General Fund	Other Housing Activities	Real Estate Affiliates	Subtotal	Eliminations	Total	2019
<b>REAL ESTATE</b>							
Land	\$ -	\$ 369,267	\$ 6,746,400	\$ 7,115,667	\$ (423,139)	\$ 6,692,528	\$ 4,928,172
Buildings and improvements	64,528	10,106,482	73,376,276	83,547,286	(3,839,899)	79,707,387	53,746,158
Furniture and equipment	84,533	65,096	599,933	749,562	-	749,562	679,956
Construction-in-progress	-	-	13,881,095	13,881,095	(752,711)	13,128,384	31,589,519
Less, accumulated depreciation	(107,930)	(4,166,757)	(9,946,351)	(14,221,038)	139,740	(14,081,298)	(11,926,413)
Net Real Estate	41,131	6,374,088	84,657,353	91,072,572	(4,876,009)	86,196,563	79,017,392
<b>OTHER ASSETS</b>							
Cash-operations	4,096,921	181,038	3,360,664	7,638,623	-	7,638,623	5,514,795
Cash-construction	-	-	-	-	-	-	171
Rent receivable, net	-	31,703	167,809	199,512	-	199,512	235,223
Fees receivable	1,846,556	-	40,000	1,886,556	(1,886,556)	-	-
Grants receivable	439,043	-	-	439,043	-	439,043	290,770
Prepaid expenses and other assets	16,414	-	152,568	168,982	(152,618)	16,364	181,750
Tenant security deposits	-	32,796	130,223	163,019	-	163,019	140,945
Lease up reserve	-	-	10,216	10,216	-	10,216	136,229
Replacement reserves	-	554,699	777,717	1,332,416	-	1,332,416	1,135,217
Operating reserves	163,813	241,945	889,096	1,294,854	-	1,294,854	1,083,776
Social service reserves	312,579	-	37,252	349,831	-	349,831	345,887
Rent subsidy reserves	-	-	45,000	45,000	-	45,000	45,000
Predevelopment costs	19,806	-	-	19,806	-	19,806	250
Deposits	40,000	3,695	18,550	62,245	-	62,245	62,010
Deferred loss	-	1,244,210	-	1,244,210	(1,244,210)	-	-
Deferred costs, net	-	-	289,186	289,186	-	289,186	186,549
Loans receivable - related parties	4,230,670	710,586	62,070	5,003,326	(5,003,326)	-	-
Total Assets	\$ 11,206,933	\$ 9,374,760	\$ 90,637,704	\$ 111,219,397	\$ (13,162,719)	\$ 98,056,678	\$ 88,375,964
<b>LIABILITIES AND NET ASSETS</b>							
<b>Liabilities</b>							
Long-term debt, net	\$ -	\$ -	\$ 50,843,573	\$ 50,843,573	\$ -	\$ 50,843,573	\$ 42,117,353
Recoverable grant	120,000	-	-	120,000	-	120,000	120,000
Deferred income	22,500	-	-	22,500	-	22,500	32,500
Construction costs payable	-	-	2,722,482	2,722,482	-	2,722,482	1,586,024
Due to developer	-	-	2,708,289	2,708,289	(2,708,289)	-	-
Payroll Protection Program loan	486,978	-	-	486,978	-	486,978	-
Loans payable - related parties	135,707	732,668	823,838	1,692,213	(1,692,213)	-	-
Accrued interest payable	-	-	4,304,092	4,304,092	(202,038)	4,102,054	3,385,421
Notes payable - related parties	-	-	2,750,414	2,750,414	(2,750,414)	-	-
Accounts payable and accrued expenses	73,688	80,049	439,153	592,890	(134,098)	458,792	1,762,836
Prepaid rent	-	5,050	67,924	72,974	-	72,974	72,829
Deferred gain	-	2,865,125	-	2,865,125	(2,865,125)	-	-
Tenant security deposits payable	-	43,062	130,803	173,865	-	173,865	160,457
Total Liabilities	838,873	3,725,954	64,790,568	69,355,395	(10,352,177)	59,003,218	49,237,420
<b>Net Assets</b>							
<b>Without Donor Restrictions</b>							
Controlling interest	10,256,687	5,648,806	(155,026)	15,750,467	(2,810,542)	12,939,925	13,487,650
Non-controlling interest in consolidated for-profit affiliates	-	-	26,002,162	26,002,162	-	26,002,162	25,576,489
	10,256,687	5,648,806	25,847,136	41,752,629	(2,810,542)	38,942,087	39,064,139
<b>With donor restrictions</b>							
	111,373	-	-	111,373	-	111,373	74,405
Total Net Assets	10,368,060	5,648,806	25,847,136	41,864,002	(2,810,542)	39,053,460	39,138,544
Total Liabilities and Net Assets	\$ 11,206,933	\$ 9,374,760	\$ 90,637,704	\$ 111,219,397	\$ (13,162,719)	\$ 98,056,678	\$ 88,375,964

**New Destiny Housing Corporation  
And Affiliates**

Consolidating Schedule of Activities  
Year Ended June 30, 2020

(With summarized amounts for the year ended June 30, 2019)

	New Destiny Housing Corp. General Fund	Other Housing Activities	Real Estate Affiliates	Subtotal	Eliminations	Total	2019
<b>NET ASSETS - WITHOUT DONOR RESTRICTIONS</b>							
<b>Support and Revenue</b>							
Grants and contributions	\$ 1,923,574	\$ -	\$ -	\$ 1,923,574	\$ -	\$ 1,923,574	\$ 972,468
Special events, net of expenses of \$18,016 and \$37,626	100,564	-	-	100,564	-	100,564	238,793
Rental income	-	492,903	2,767,332	3,260,235	-	3,260,235	2,992,298
Property management	399,989	-	-	399,989	(399,989)	-	-
Developer fees	221,074	-	-	221,074	(221,074)	-	358,581
Interest income	9,315	-	10,662	19,977	-	19,977	15,406
Other income	27,588	4,825	284,719	317,132	(177,384)	139,748	140,693
	<u>2,682,104</u>	<u>497,728</u>	<u>3,062,713</u>	<u>6,242,545</u>	<u>(798,447)</u>	<u>5,444,098</u>	<u>4,718,239</u>
Net assets released from restrictions	38,032	-	-	38,032	-	38,032	1,854,458
Total Support and Revenue	<u>2,720,136</u>	<u>497,728</u>	<u>3,062,713</u>	<u>6,280,577</u>	<u>(798,447)</u>	<u>5,482,130</u>	<u>6,572,697</u>
<b>EXPENSES</b>							
Program Services							
Housing and management services	626,052	719,663	5,552,564	6,898,279	(735,356)	6,162,923	5,246,556
Social services	1,614,198	-	-	1,614,198	-	1,614,198	1,396,923
Total Program Services	<u>2,240,250</u>	<u>719,663</u>	<u>5,552,564</u>	<u>8,512,477</u>	<u>(735,356)</u>	<u>7,777,121</u>	<u>6,643,479</u>
Supporting Services							
Management and general	488,830	-	-	488,830	-	488,830	349,180
Fundraising	253,247	-	-	253,247	-	253,247	253,859
Total Supporting Services	<u>742,077</u>	<u>-</u>	<u>-</u>	<u>742,077</u>	<u>-</u>	<u>742,077</u>	<u>603,039</u>
Total Expenses	<u>2,982,327</u>	<u>719,663</u>	<u>5,552,564</u>	<u>9,254,554</u>	<u>(735,356)</u>	<u>8,519,198</u>	<u>7,246,518</u>
Change in Net Assets Before Other Changes	<u>(262,191)</u>	<u>(221,935)</u>	<u>(2,489,851)</u>	<u>(2,973,977)</u>	<u>(63,091)</u>	<u>(3,037,068)</u>	<u>(673,821)</u>
Other Changes							
Capital contributions	-	-	2,946,188	2,946,188	-	2,946,188	7,548,068
Capital distributions	-	-	(94,263)	(94,263)	63,091	(31,172)	(3,000)
Total Other Changes	<u>-</u>	<u>-</u>	<u>2,851,925</u>	<u>2,851,925</u>	<u>63,091</u>	<u>2,915,016</u>	<u>7,545,068</u>
Change in Net Assets Without Donor Restrictions	<u>(262,191)</u>	<u>(221,935)</u>	<u>362,074</u>	<u>(122,052)</u>	<u>-</u>	<u>(122,052)</u>	<u>6,871,247</u>
Net Assets Without Donor Restrictions							
Beginning of year	<u>10,518,878</u>	<u>5,870,741</u>	<u>25,485,062</u>	<u>41,874,681</u>	<u>(2,810,542)</u>	<u>39,064,139</u>	<u>32,192,892</u>
End of year	<u>\$ 10,256,687</u>	<u>\$ 5,648,806</u>	<u>\$ 25,847,136</u>	<u>\$ 41,752,629</u>	<u>\$ (2,810,542)</u>	<u>\$ 38,942,087</u>	<u>\$ 39,064,139</u>
<b>NET ASSETS - WITH DONOR RESTRICTIONS</b>							
Grants	\$ 75,000	\$ -	\$ -	\$ 75,000	\$ -	\$ 75,000	\$ 116,900
Net assets released from restrictions	(38,032)	-	-	(38,032)	-	(38,032)	(1,854,458)
Change in Net Assets With Donor Restrictions	36,968	-	-	36,968	-	36,968	(1,737,558)
Beginning of year	<u>74,405</u>	<u>-</u>	<u>-</u>	<u>74,405</u>	<u>-</u>	<u>74,405</u>	<u>1,811,963</u>
End of year	<u>\$ 111,373</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111,373</u>	<u>\$ -</u>	<u>\$ 111,373</u>	<u>\$ 74,405</u>
Change in net assets	<u>\$ (225,223)</u>	<u>\$ (221,935)</u>	<u>\$ 362,074</u>	<u>\$ (85,084)</u>	<u>\$ -</u>	<u>\$ (85,084)</u>	<u>\$ 5,133,689</u>
<b>NET ASSETS</b>							
Beginning of year	<u>10,593,283</u>	<u>5,870,741</u>	<u>25,485,062</u>	<u>41,949,086</u>	<u>(2,810,542)</u>	<u>39,138,544</u>	<u>34,004,855</u>
End of year	<u>\$ 10,368,060</u>	<u>\$ 5,648,806</u>	<u>\$ 25,847,136</u>	<u>\$ 41,864,002</u>	<u>\$ (2,810,542)</u>	<u>\$ 39,053,460</u>	<u>\$ 39,138,544</u>

**New Destiny Housing Corporation  
And Affiliates**

Schedule of Financial Position Other Housing Activities  
June 30, 2020

(With summarized amounts for the year ended June 30, 2019)

	New Destiny Housing Corp. Park Place	CityWide Supportive Housing, Inc.			CityWide Supportive Housing Development Fund Corporation						Total	2019
		Prelude	Lily House	Total	281 Bainbridge	Bridge Towers	307 East 54th Street	Bridge Community	HDFC Corporate	Total		
<b>ASSETS</b>												
<b>REAL ESTATE</b>												
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	10,017,048
Furniture and equipment	2,485	26,182	-	26,182	-	35,429	-	1,000	-	36,429	65,096	38,914
Construction-in-progress	-	-	-	-	-	-	-	-	-	-	-	21,750
Less, accumulated depreciation	(69,110)	(953,004)	(2,182,065)	(3,135,069)	-	(34,032)	(927,896)	(650)	-	(962,578)	(4,166,757)	(3,873,430)
Net Real Estate	24,586	496,580	4,165,705	4,662,285	-	1,397	1,685,470	350	-	1,687,217	6,374,088	6,573,549
<b>OTHER ASSETS</b>												
Cash-operations	42,850	61,501	7,105	68,606	-	-	69,582	-	-	69,582	181,038	210,629
Rent receivable, net	304	375	792	1,167	-	-	30,232	-	-	30,232	31,703	41,907
Tenant security deposits	4,803	-	14,152	14,152	-	-	7,666	6,175	-	13,841	32,796	25,391
Replacement reserves	7,472	184,505	353,947	538,452	-	-	8,775	-	-	8,775	554,699	516,401
Operating reserves	-	-	-	-	-	-	-	-	241,945	241,945	241,945	241,945
Deposits	-	-	-	-	1,500	2,195	-	-	-	3,695	3,695	3,695
Deferred loss	-	-	-	-	650,065	594,145	-	-	-	1,244,210	1,244,210	1,244,210
Loans receivable - related parties	6,061	12,160	24,927	37,087	184,242	286,937	16,067	88,849	91,343	667,438	710,586	710,588
Total Assets	\$ 86,076	\$ 755,121	\$ 4,566,628	\$ 5,321,749	\$ 835,807	\$ 884,674	\$ 1,817,792	\$ 95,374	\$ 333,288	\$ 3,966,935	\$ 9,374,760	\$ 9,568,315
<b>LIABILITIES AND NET ASSETS</b>												
<b>Liabilities</b>												
Loans payable - related parties	\$ 34,041	\$ 14,408	\$ 43,879	\$ 58,287	\$ 40,838	\$ 87,202	\$ 130,830	\$ 48,182	\$ 333,288	\$ 640,340	\$ 732,668	\$ 698,013
Accounts payable and accrued expenses	3,460	54,245	20,389	74,634	-	-	-	-	1,955	1,955	80,049	88,032
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	4,803	-	14,936	14,936	9,380	-	7,768	6,175	-	23,323	43,062	41,354
Total Liabilities	47,354	68,653	79,204	147,857	50,218	87,202	138,598	2,919,482	335,243	3,530,743	3,725,954	3,697,574
<b>Net Assets</b>												
Without donor restrictions	38,722	686,468	4,487,424	5,173,892	785,589	797,472	1,679,194	(2,824,108)	(1,955)	436,192	5,648,806	5,870,741
With donor restrictions	-	-	-	-	-	-	-	-	-	-	-	-
Total Net Assets	38,722	686,468	4,487,424	5,173,892	785,589	797,472	1,679,194	(2,824,108)	(1,955)	436,192	5,648,806	5,870,741
Total Liabilities and Net Assets	\$ 86,076	\$ 755,121	\$ 4,566,628	\$ 5,321,749	\$ 835,807	\$ 884,674	\$ 1,817,792	\$ 95,374	\$ 333,288	\$ 3,966,935	\$ 9,374,760	\$ 9,568,315



**New Destiny Housing Corporation  
And Affiliates**  
Schedule of Activities Other Housing Activities  
Year Ended June 30, 2020  
(With summarized amounts for the year ended June 30, 2019)

	New Destiny Housing Corp. Park Place	CityWide Supportive Housing, Inc.			CityWide Supportive Housing Development Fund Corporation						Total	Total	2019	
		Prelude	Lily House	Total	281 Bainbridge	Bridge Towers	307 East 54th Street	Bridge Community	HDFC Corporate					
<b>NET ASSETS - WITHOUT DONOR RESTRICTIONS</b>														
<b>Support and Revenue</b>														
Rental income	\$ 64,144	\$ 239,176	\$ 83,814	\$ 322,990	\$ -	\$ -	\$ 105,769	\$ -	\$ -	\$ 105,769	\$ 492,903	\$ 492,891	\$ 492,891	
Other income	4,780	-	-	-	-	-	45	-	-	45	4,825	5,841	5,841	
	68,924	239,176	83,814	322,990	-	-	105,814	-	-	105,814	497,728	498,732	498,732	
Net assets released from restrictions	-	-	-	-	-	-	-	-	-	-	-	-	1,731,351	
Total Support and Revenue	68,924	239,176	83,814	322,990	-	-	105,814	-	-	105,814	497,728	498,732	2,230,083	
<b>EXPENSES</b>														
Program Services														
Housing and management services	99,371	253,407	209,966	463,373	-	-	156,199	-	720	156,919	719,663	755,713	755,713	
Total Program Services	99,371	253,407	209,966	463,373	-	-	156,199	-	720	156,919	719,663	755,713	755,713	
Total Expenses	99,371	253,407	209,966	463,373	-	-	156,199	-	720	156,919	719,663	755,713	755,713	
Change in Net Assets Without Donor Restrictions	(30,447)	(14,231)	(126,152)	(140,383)	-	-	(50,385)	-	(720)	(51,105)	(221,935)	1,474,370	1,474,370	
Net Assets Without Donor Restrictions														
Beginning of year	69,169	700,699	4,613,576	5,314,275	785,589	797,472	1,729,579	(2,824,108)	(1,235)	487,297	5,870,741	4,396,371	4,396,371	
End of year	\$ 38,722	\$ 686,468	\$ 4,487,424	\$ 5,173,892	\$ 785,589	\$ 797,472	\$ 1,679,194	\$ (2,824,108)	\$ (1,955)	\$ 436,192	\$ 5,648,806	\$ 5,870,741	\$ 5,870,741	
<b>NET ASSETS - WITH DONOR RESTRICTIONS</b>														
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Net assets released from restrictions	-	-	-	-	-	-	-	-	-	-	-	-	(1,731,351)	
Change in Net Assets With Donor Restrictions	-	-	-	-	-	-	-	-	-	-	-	-	(1,731,351)	
Beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	1,731,351	
End of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Change in Net Assets	\$ (30,447)	\$ (14,231)	\$ (126,152)	\$ (140,383)	\$ -	\$ -	\$ (50,385)	\$ -	\$ (720)	\$ (51,105)	\$ (221,935)	\$ (256,981)	\$ (256,981)	
<b>Net Assets</b>														
Beginning of year	69,169	700,699	4,613,576	5,314,275	785,589	797,472	1,729,579	(2,824,108)	(1,235)	487,297	5,870,741	6,127,722	6,127,722	
End of Year	\$ 38,722	\$ 686,468	\$ 4,487,424	\$ 5,173,892	\$ 785,589	\$ 797,472	\$ 1,679,194	\$ (2,824,108)	\$ (1,955)	\$ 436,192	\$ 5,648,806	\$ 5,870,741	\$ 5,870,741	

**New Destiny Housing Corporation  
And Affiliates**

Schedule of Financial Position of Real Estate Affiliates  
June 30, 2020

(With summarized amounts for the year ended June 30, 2019)

	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	2019
<b>ASSETS</b>										
<b>REAL ESTATE</b>										
Land	\$ 541,500	\$ 1,588,310	\$ 693,090	\$ 928,500	\$ 2,050,000	\$ 945,000	\$ -	\$ -	\$ 6,746,400	\$ 4,982,044
Buildings and improvements	10,036,366	12,402,954	8,834,756	11,561,483	23,094,685	7,446,032	-	-	73,376,276	44,862,359
Furniture and equipment	87,071	53,578	11,560	186,000	61,768	199,956	-	-	599,933	556,509
Construction-in-progress	-	-	-	-	-	-	13,881,095	-	13,881,095	33,388,817
Less, accumulated depreciation	<u>(2,921,044)</u>	<u>(2,459,233)</u>	<u>(1,602,413)</u>	<u>(1,869,587)</u>	<u>(429,933)</u>	<u>(664,141)</u>	<u>-</u>	<u>-</u>	<u>(9,946,351)</u>	<u>(8,028,202)</u>
Net Real Estate	7,743,893	11,585,609	7,936,993	10,806,396	24,776,520	7,926,847	13,881,095	-	84,657,353	75,761,527
<b>OTHER ASSETS</b>										
Cash-operations	795,869	319,482	237,766	259,383	353,084	514,661	880,419	-	3,360,664	2,921,045
Restricted cash	-	-	-	-	-	-	-	-	-	171
Rent receivable, net	23,991	22,612	18,400	32,735	25,317	44,754	-	-	167,809	193,316
Fees receivable	-	-	-	-	-	-	-	40,000	40,000	40,000
Prepaid expenses and other assets	-	-	-	-	-	-	-	152,568	152,568	155,895
Tenant security deposits	28,720	22,043	12,745	25,716	14,855	26,144	-	-	130,223	115,554
Lease-up reserve	-	-	-	-	-	10,216	-	-	10,216	136,229
Replacement reserves	141,088	294,381	214,127	55,833	-	72,288	-	-	777,717	618,816
Operating reserves	130,836	252,446	151,814	183,326	-	170,674	-	-	889,096	684,220
Social service reserves	-	-	37,252	-	-	-	-	-	37,252	36,421
Rent subsidy reserves	-	-	-	45,000	-	-	-	-	45,000	45,000
Deposits	15,105	235	-	3,060	-	150	-	-	18,550	18,315
Deferred costs, net	7,190	35,563	51,987	28,724	125,941	39,781	-	-	289,186	186,549
Loans receivable - related parties	<u>934</u>	<u>3,135</u>	<u>43,819</u>	<u>6,414</u>	<u>4,132</u>	<u>3,636</u>	<u>-</u>	<u>-</u>	<u>62,070</u>	<u>50,511</u>
Total Assets	<u>\$ 8,887,626</u>	<u>\$ 12,535,506</u>	<u>\$ 8,704,903</u>	<u>\$ 11,446,587</u>	<u>\$ 25,299,849</u>	<u>\$ 8,809,151</u>	<u>\$ 14,761,514</u>	<u>\$ 192,568</u>	<u>\$ 90,637,704</u>	<u>\$ 80,963,569</u>
<b>LIABILITIES AND NET ASSETS</b>										
<b>Liabilities</b>										
Long-term debt, net	\$ 5,316,773	\$ 7,906,204	\$ 4,651,376	\$ 5,744,528	\$ 16,499,472	\$ 1,238,063	\$ 9,487,157	\$ -	\$ 50,843,573	\$ 42,117,353
Construction costs payable	-	-	-	-	-	-	-	-	2,722,482	1,586,024
Due to developer	255,192	-	120,900	-	1,109,904	219,500	1,002,793	-	2,708,289	2,783,138
Loans payable - related parties	112,850	108,013	191,345	122,757	65,597	72,337	-	150,939	823,838	925,315
Accrued interest payable	663,036	561,483	1,224,887	1,500,958	108,202	245,526	-	-	4,304,092	3,385,421
Notes payable - related parties	-	-	-	-	-	2,750,414	-	-	2,750,414	2,750,414
Accounts payable and accrued expenses	57,583	62,198	8,874	53,922	182,911	32,898	-	40,767	439,153	1,743,960
Prepaid rent	13,198	11,471	2,531	25,282	-	15,442	-	-	67,924	67,779
Tenant security deposits payable	<u>30,100</u>	<u>21,034</u>	<u>12,861</u>	<u>24,938</u>	<u>14,855</u>	<u>27,015</u>	<u>-</u>	<u>-</u>	<u>130,803</u>	<u>119,103</u>
Total Liabilities	<u>6,448,732</u>	<u>8,670,403</u>	<u>6,212,774</u>	<u>7,472,385</u>	<u>17,980,941</u>	<u>4,601,195</u>	<u>13,212,432</u>	<u>191,706</u>	<u>64,790,568</u>	<u>55,478,507</u>
<b>Net Assets</b>										
Without donor restrictions										
Controlling interest	302	329	(247)	(156,151)	(62)	(59)	-	862	(155,026)	(91,427)
Non-controlling interest in consolidated for-profit affiliates	<u>2,438,592</u>	<u>3,864,774</u>	<u>2,492,376</u>	<u>4,130,353</u>	<u>7,318,970</u>	<u>4,208,015</u>	<u>1,549,082</u>	<u>-</u>	<u>26,002,162</u>	<u>25,576,489</u>
Total Net Assets	<u>2,438,894</u>	<u>3,865,103</u>	<u>2,492,129</u>	<u>3,974,202</u>	<u>7,318,908</u>	<u>4,207,956</u>	<u>1,549,082</u>	<u>862</u>	<u>25,847,136</u>	<u>25,485,062</u>
Total Liabilities and Net Assets	<u>\$ 8,887,626</u>	<u>\$ 12,535,506</u>	<u>\$ 8,704,903</u>	<u>\$ 11,446,587</u>	<u>\$ 25,299,849</u>	<u>\$ 8,809,151</u>	<u>\$ 14,761,514</u>	<u>\$ 192,568</u>	<u>\$ 90,637,704</u>	<u>\$ 80,963,569</u>

See independent auditors' report

**New Destiny Housing Corporation  
And Affiliates**

Schedule of Activities of Real Estate Affiliates  
Year Ended June 30, 2020

(With summarized amounts for the year ended June 30, 2019)

	Andrews Ave Associates, L.P.	1070 Anderson Avenue L.P.	291 Bainbridge LP	2017 Morris Ave Owner LLC	902 Jennings Street Owner LLC	Bridge Community Associates LLC	Bryant Avenue Owner LLC	General Partners	Total	2019
<b>NET ASSETS - WITHOUT DONOR RESTRICTIONS</b>										
<b>Support and Revenue</b>										
Rental income	\$ 503,711	\$ 615,415	\$ 339,157	\$ 544,178	\$ 328,821	\$ 436,050	\$ -	\$ -	\$ 2,767,332	\$ 2,499,407
Interest income	-	3,512	3,079	1,595	-	2,476	-	-	10,662	14,479
Other income	64,239	12,149	32,822	18,023	4,800	40	-	152,646	284,719	215,098
<b>Total Support and Revenue</b>	<b>567,950</b>	<b>631,076</b>	<b>375,058</b>	<b>563,796</b>	<b>333,621</b>	<b>438,566</b>	<b>-</b>	<b>152,646</b>	<b>3,062,713</b>	<b>2,728,984</b>
<b>EXPENSES</b>										
Housing and management services	802,610	944,858	812,790	1,124,962	956,805	757,633	-	152,906	5,552,564	4,601,196
Change in Net Assets Without Donor Restrictions	(234,660)	(313,782)	(437,732)	(561,166)	(623,184)	(319,067)	-	(260)	(2,489,851)	(1,872,212)
Other Changes										
Capital contributions	-	-	-	-	1,057,838	1,888,350	-	-	2,946,188	7,548,168
Capital distributions	-	(25,172)	-	(69,091)	-	-	-	-	(94,263)	(95,757)
<b>Total Other Changes</b>	<b>-</b>	<b>(25,172)</b>	<b>-</b>	<b>(69,091)</b>	<b>1,057,838</b>	<b>1,888,350</b>	<b>-</b>	<b>-</b>	<b>2,851,925</b>	<b>7,452,411</b>
Change in Net Assets Without Donor Restrictions	(234,660)	(338,954)	(437,732)	(630,257)	434,654	1,569,283	-	(260)	362,074	5,580,199
<b>Net Assets</b>										
Beginning of year	2,673,554	4,204,057	2,929,861	4,604,459	6,884,254	2,638,673	1,549,082	1,122	25,485,062	19,904,863
End 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