New Directions Housing Corporation and Subsidiaries

Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

New Directions Housing Corporation and Subsidiaries
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Independent Auditor's Report

To the Board of Directors
New Directions Housing Corporation

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of New Directions Housing Corporation (a non-profit organization) and Subsidiaries (collectively the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated 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.

Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing* Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

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

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

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Independent Auditor's Report (Continued)

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of New Directions Housing Corporation and Subsidiaries as of June 30, 2021 and 2020, 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.

Other Matter - Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 28-35 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards on page 36 is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and is also 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 supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2021 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

MCM CPAs & Advisors LLP

Louisville, Kentucky
November 8, 2021

New Directions Housing Corporation and Subsidiaries
Consolidated Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 5,263,593	$ 4,896,751
Restricted cash - deposits and funded reserves	1,094,741	1,270,177
Accounts receivable	521,583	200,958
Grants and pledges receivable	424,650	373,316
Notes receivable	2,931,895	2,900,015
Prepaid expenses	204,756	147,067
Other assets	276,371	110,830
Property and equipment, net	19,288,819	19,869,073
Total assets	$ 30,006,408	$ 29,768,187
Liabilities and net assets		
Liabilities		
Accounts payable	$ 552,704	$ 642,666
Accrued expenses	941,386	923,523
Deferred revenue	200,045	70,667
Tenant deposits liability	115,076	109,166
Operating lines of credit	497,631	1,031,482
Long-term debt obligations, net of unamortized debt issuance costs	12,835,289	12,416,174
Net deficit position in unconsolidated entities	86,500	76,378
Total liabilities	15,228,631	15,270,056
Net assets		
Without donor restrictions		
Undesignated	13,032,670	13,260,359
With donor restrictions		
Purpose or time restrictions	1,745,107	1,237,772
Total net assets	14,777,777	14,498,131
Total liabilities and net assets	$ 30,006,408	$ 29,768,187

See accompanying notes.

New Directions Housing Corporation and Subsidiaries
Consolidated Statements of Activities and Changes in Net Assets
Years Ended June 30, 2021 and 2020

	2021			2020		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Revenues, gains, and other support						
Rent and rental assistance, net	$ 6,348,155	$ -	$ 6,348,155	$ 6,758,380	$ -	$ 6,758,380
Maintenance fees and tenant charges	233,884	-	233,884	405,016	-	405,016
Property management and incentive fees	244,516	-	244,516	121,032	-	121,032
Housing development and home sales	17,321	-	17,321	824,000	-	824,000
Contributions and grants	1,660,860	1,925,104	3,585,964	1,053,016	1,330,557	2,383,573
Program services	427,248	-	427,248	553,412	-	553,412
Interest income	74,570	-	74,570	106,963	-	106,963
Miscellaneous	2,190	-	2,190	77,028	-	77,028
	9,008,744	1,925,104	10,933,848	9,898,847	1,330,557	11,229,404
Net assets released from restriction	1,417,769	(1,417,769)	-	1,755,793	(1,755,793)	-
Total revenues, gains, and other support	10,426,513	507,335	10,933,848	11,654,640	(425,236)	11,229,404
Expenses						
Program services						
Rental properties	5,488,420	-	5,488,420	5,261,941	-	5,261,941
Real estate development	402,384	-	402,384	1,232,415	-	1,232,415
Asset and property management	1,922,436	-	1,922,436	2,066,605	-	2,066,605
Resident services	420,636	-	420,636	413,154	-	413,154
Home ownership preservation	1,209,449	-	1,209,449	509,073	-	509,073
Community building and engagement	157,625	-	157,625	142,312	-	142,312
Early childhood development	903,783	-	903,783	785,219	-	785,219
	10,504,733	-	10,504,733	10,410,719	-	10,410,719
Fundraising and development	234,629	-	234,629	495,473	-	495,473
Management and general	703,826	-	703,826	634,309	-	634,309
Total expenses	11,443,188	-	11,443,188	11,540,501	-	11,540,501
Change in net assets before other activities	(1,016,675)	507,335	(509,340)	114,139	(425,236)	(311,097)
Other activities						
Paycheck Protection Program loan forgiveness	779,077	-	779,077	-	-	-
Other forgiveness of debt	19,759	-	19,759	176,779	-	176,779
Gain on sale of the O'Connor Square property	-	-	-	430,631	-	430,631
Net loss from investments in limited partnerships	(9,850)	-	(9,850)	(5,819)	-	(5,819)
Total other activities	788,986	-	788,986	601,591	-	601,591
Change in net assets	(227,689)	507,335	279,646	715,730	(425,236)	290,494
Net assets, beginning of year	13,260,359	1,237,772	14,498,131	12,544,629	1,663,008	14,207,637
Net assets, end of year	$ 13,032,670	$ 1,745,107	$ 14,777,777	$ 13,260,359	$ 1,237,772	$ 14,498,131

See accompanying notes.

New Directions Housing Corporation and Subsidiaries
Consolidated Statement of Functional Expenses
Year Ended June 30, 2021

	Program services									
	Rental properties	Real estate development	Asset and property management	Resident services	Home ownership preservation	Community building and engagement	Early childhood development	Fundraising and development	Management and general	Total
Advertising	$ 1,251	$ 1	$ 107	$ 144	$ 28	$ -	$ 1	$ 8,655	$ 5	$ 10,192
Bad debts	157,307	-	-	-	-	-	-	-	-	157,307
Bank charges and fees	41,396	1,914	1,346	840	1,798	98	1,157	13,385	3,701	65,635
Contract services	-	-	-	1,219	12,900	-	1,686	-	1,686	17,491
Depreciation	1,225,640	109	52,262	109	2,388	16	30,927	-	32,608	1,344,059
Direct assistance	12,299	-	-	1,536	-	-	191,094	-	-	204,929
Dues and publications	1,680	2,031	72	1,424	106	17	58	909	9,604	15,901
Employee benefits	-	20,521	190,410	13,613	13,997	594	29,944	15,637	19,388	304,104
Events/volunteers	860	81	426	271	6,801	12	1,115	98	1,727	11,391
Grants	-	-	-	139,821	978,246	67,562	2,168	-	-	1,187,797
Incentive performance fee	55,680	-	-	-	-	-	-	-	-	55,680
Insurance	271,904	1,470	16,214	59	59	8	6,989	-	22,737	319,440
Interest	507,132	11,707	10,888	1,407	1,407	201	1,206	-	47,922	581,870
In-kind expenses	3,409	-	1,625	-	-	60,000	-	-	-	65,034
Licenses and permits	4,632	287	65	57	57	8	404	-	205	5,715
Maintenance and repairs	1,845,661	2,366	23,105	2,688	12,119	-	19,468	-	35,792	1,941,199
Office supplies	91,131	1,718	2,158	3,656	2,268	222	1,311	2,551	24,217	129,232
Other	50,271	3,072	43	43	258	524	263	20	3,261	57,755
Payroll taxes	26,466	22,105	98,701	19,456	11,066	1,793	39,604	11,929	28,869	259,989
Professional development/conferences	3,589	234	19,526	492	410	10	2,247	598	2,739	29,845
Professional fees	233,707	18,331	4,861	4,781	4,967	683	7,845	12,000	36,532	323,707
Real estate taxes	2,027	-	-	-	-	-	-	-	-	2,027
Rent	-	-	-	-	-	-	25,200	-	2,800	28,000
Salaries and wages	360,063	314,091	1,430,431	226,121	156,401	25,763	533,057	168,065	401,642	3,615,634
Staff and management fees	747,343	-	-	-	125	-	-	-	-	747,468
Telephone	130,925	2,050	6,885	2,455	3,221	114	685	697	7,522	154,554
Transportation	23,147	46	29,770	444	827	-	49	85	24	54,392
Utilities	1,125,384	250	33,541	-	-	-	33,977	-	23,645	1,216,797
	6,922,904	402,384	1,922,436	420,636	1,209,449	157,625	930,455	234,629	706,626	12,907,144
Eliminations	(1,434,484)	-	-	-	-	-	(26,672)	-	(2,800)	(1,463,956)
Totals	$ 5,488,420	$ 402,384	$ 1,922,436	$ 420,636	$ 1,209,449	$ 157,625	$ 903,783	$ 234,629	$ 703,826	$ 11,443,188

See accompanying notes.

New Directions Housing Corporation and Subsidiaries
Consolidated Statement of Functional Expenses
Year Ended June 30, 2020

	Program services									
	Rental properties	Real estate development	Asset and property management	Resident services	Home ownership preservation	Community building and engagement	Early childhood development	Fundraising and development	Management and general	Total
Advertising	$ 1,570	$ 126	$ 178	$ 26	$ 3,229	$ 37	$ 272	$ 61,374	$ 148	$ 66,960
Bad debts	97,412	-	-	-	-	-	257	75,613	-	173,282
Bank charges and fees	48,418	2,532	5,280	1,207	1,257	1,207	10,785	18,324	5,029	94,039
Contract services	-	-	-	-	-	-	29,154	-	-	29,154
Costs of home sales	-	796,243	-	-	-	-	-	-	-	796,243
Depreciation	1,363,673	1,639	53,026	5,762	3,918	1,639	21,059	-	29,759	1,480,475
Direct assistance	1,369	-	-	-	-	-	-	-	-	1,369
Dues and publications	1,927	1,801	168	944	3,306	24	7	1,853	8,328	18,358
Employee benefits	-	22,980	208,188	11,090	18,091	47	36,380	21,903	12,569	331,248
Events/volunteers	1,516	140	407	14,561	1,032	140	-	23,871	4,007	45,674
Grants	-	-	-	150,591	205,426	79,400	-	-	-	435,417
Incentive performance fee	99,859	-	-	-	-	-	-	-	-	99,859
Insurance	252,931	731	13,341	-	-	-	23,570	-	12,956	303,529
Interest	634,176	19,188	32,662	846	846	846	1,185	-	53,906	743,655
In-kind expenses	-	-	-	-	-	-	31,094	-	-	31,094
Licenses and permits	62,465	1,361	6,502	807	832	807	707	-	3,362	76,843
Maintenance and repairs	1,511,057	1,765	15,063	13,678	36	27	31,284	-	33,106	1,606,016
Office supplies	34,941	6,427	9,878	4,064	12,972	2,649	10,595	10,575	18,672	110,773
Other	30,825	733	-	324	977	384	4,683	1,318	2,547	41,791
Payroll taxes	27,937	22,847	106,081	12,749	13,476	3,100	32,677	16,235	21,841	256,943
Professional development/conferences	8,091	2,812	8,135	2,875	2,902	1,219	4,081	2,048	4,452	36,615
Professional fees	231,180	3,977	3,877	3,877	6,555	3,877	17,515	12,132	46,682	329,672
Real estate taxes	3,593	-	-	-	-	-	-	-	7,981	11,574
Salaries and wages	387,046	322,698	1,516,652	173,121	187,412	42,572	411,046	225,643	305,715	3,571,905
Staff and management fees	688,383	18,977	4,762	13,664	44,151	3,680	2,813	22,137	28,766	827,333
Supplies	-	-	-	-	-	-	81,596	-	-	81,596
Telephone	45,848	1,791	8,521	2,659	2,357	637	3,945	1,377	14,058	81,193
Transportation	36,637	3,356	35,316	309	298	20	267	1,070	544	77,817
Utilities	1,144,007	291	38,568	-	-	-	31,997	-	19,881	1,234,744
	6,714,861	1,232,415	2,066,605	413,154	509,073	142,312	786,969	495,473	634,309	12,995,171
Eliminations	(1,452,920)	-	-	-	-	-	(1,750)	-	-	(1,454,670)
Totals	$ 5,261,941	$ 1,232,415	$ 2,066,605	$ 413,154	$ 509,073	$ 142,312	$ 785,219	$ 495,473	$ 634,309	$ 11,540,501

See accompanying notes.

New Directions Housing Corporation and Subsidiaries
Consolidated Statement of Cash Flows
Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Change in net assets	$ 279,646	$ 290,494
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Bad debts	157,307	75,870
Donations of property/equipment	(110,302)	(89,885)
Gain on the sale of the O'Connor Square property	-	(430,631)
Net loss on disposals of property/equipment	13,737	-
Depreciation	1,344,059	1,480,475
Paycheck Protection Program loan and other debt forgiveness	(798,836)	(176,779)
Amortization of debt issuance costs	22,915	21,386
Changes in operating assets and liabilities		
Accounts receivable	(477,932)	290,948
Grants and pledges receivable	(51,334)	(308,478)
Prepaid expenses	(57,689)	(4,885)
Accounts payable	(171,500)	51,067
Accrued expenses and other liabilities	153,151	68,930
Net cash provided by operating activities	303,222	1,268,512
Cash flows from investing activities		
Net proceeds from investments in limited partnerships	10,122	80,038
Proceeds from the sale of the O'Connor Square property	-	1,800,000
Net increase in notes receivable	(31,880)	(83,656)
Purchases of rental properties and other property/equipment	(624,685)	(1,797,328)
Payments for in-process construction costs	(126,558)	(110,830)
Net cash used in investing activities	(773,001)	(111,776)
Cash flows from financing activities		
Proceeds from long-term debt obligations	3,014,484	1,563,948
Net (payments on) proceeds from operating lines of credit	(533,851)	437,648
Payments on long-term debt obligations	(1,785,175)	(1,065,336)
Payments for debt issuance costs	(34,273)	(21,752)
Net cash provided by financing activities	661,185	914,508
Net increase in cash, cash equivalents, and restricted cash	191,406	2,071,244
Cash, cash equivalents, and restricted cash, beginning of year	6,166,928	4,095,684
Cash, cash equivalents, and restricted cash, end of year	$ 6,358,334	$ 6,166,928
Supplemental disclosures		
Cash paid for interest	$ 436,819	$ 702,383
Purchases of property/equipment included in accounts payable	42,555	95,075
Non-cash pay-off of long-term debt obligation from the proceeds of the sale of the O'Connor Square property	-	1,010,621

See accompanying notes.

Note A - Nature of Organization and Operations

New Directions Housing Corporation ("New Directions") and Subsidiaries (collectively the "Organization") was organized as a non-profit entity as prescribed under Internal Revenue Code Section 501(c)(3), and is exempt from federal and state income taxes. New Directions is involved in the following activities, all of which are located in the Louisville, Kentucky metropolitan area, which includes Floyd and Clark counties in Southern Indiana:

- Rental properties: leasing of housing communities for extremely low and low income households
- Real estate development: building and developing multi-family housing communities for low and moderate income families
- Asset and property management: property management services provided to multi-family housing developments
- Resident services: delivering service coordination and youth educational services to benefit extremely low and low income families
- Homeownership preservation: repairing and improving single-family housing for extremely low and low income homeowners and repairing homes owned by elderly and physically disabled persons
- Community building and engagement: efforts to engage with residents and other neighborhood stakeholders to help build a positive sense of community and realize residents' shared vision for their neighborhood
- St. Benedict Center for Early Childhood Education, Inc.: integrated day care services and early childhood education and development programs

Note B - Summary of Significant Accounting Policies

1. Basis of Accounting: The accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Accounting Standards Codification ("ASC") as produced by the Financial Accounting Standards Board ("FASB") is the sole source of authoritative accounting technical literature.

2. Consolidated Financial Statements: The consolidated financial statements include the accounts of New Directions Housing Corporation and its subsidiaries. In accordance with ASC Topic 958: *Not-for-Profit Entities*, the Organization consolidates the following non-profit entities as they are controlled by the Organization through majority voting interests and continuing economic interests.

   - St. Benedict Center for Early Childhood Education, Inc. ("St. Benedict Center")
   - New Vision Residential Services, Inc. dba Clifton Court Apartments
   - St. John Gardens, Inc.

   New Directions is the sole member of New Directions Housing Development, LLC, a Kentucky limited liability company. New Directions Housing Development, LLC owns 99% interests in Directions Apartments, LLC, Russell Apartments, LLC, and Shawnee Apartments, LLC, all Kentucky limited liability companies. New Directions owns 1% interests in each limited liability company (see Note N). The financial statements of Directions Apartments, LLC, Russell Apartments, LLC, and Shawnee Apartments, LLC are consolidated by the Organization.

   All significant inter-company accounts and transactions have been eliminated in consolidation.

3. Use of Estimates: The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Note B - Summary of Significant Accounting Policies (Continued)

4. Subsequent Events: Subsequent events for the Organization have been considered through the date of the Independent Auditor's Report which represents the date the accompanying consolidated financial statements were available to be issued. See Note R.

5. Donor-imposed Restrictions: The Organization records and reports its assets, liabilities, net assets, revenues, gains and losses, and other support based on the existence or absence of donor-imposed restrictions. The Organization reports information regarding its financial position and activities according to the following two classes of net assets:

   - Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors. From time to time the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.
   - Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds must be maintained in perpetuity.

6. Cash, Cash Equivalents, and Restricted Cash: The Organization considers all highly liquid investments with maturities when purchased of three months or less that are not designated for a special purpose, to be cash equivalents.

   The Organization maintains its cash and cash equivalents at a number of financial institutions. The Organization typically maintains balances in excess of federally insured limits.

7. Accounts Receivable: Accounts receivable consist primarily of charges for tenant rent and management fees. Past due receivables are written-off and charged to operations in the period the balances are deemed to be uncollectible (generally, with respect rent, 120 days after a tenant vacates). As of June 30, 2021 and 2020, there is no allowance for uncollectible receivables as management considers all amounts to be fully collectible as of year-end.

8. Contributions and Grants Receivable: Contributions and grants receivable are recognized in the year the respective unconditional promise to give is made. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Contributions and grants receivable are expected to be collected within one year and are recorded at net realizable value. No allowance for uncollectible contributions and grants receivable is reflected in the accompanying consolidated financial statements as management considers all such receivables to be fully collectible as of year-end.

9. Property and Equipment: Rental property, including land, buildings, and improvements, are carried at cost or fair value at the date of acquisition, less accumulated depreciation, which is calculated using the straight-line method. The estimated useful lives for the properties range from 27.5 to 40 years for buildings and 5 to 15 years for improvements. Expenditures for ordinary maintenance and repairs are expensed as incurred. Permanent improvements made to increase the value of the property or substantially prolong its life are capitalized and depreciated over the estimated useful lives as determined by management.

Note B - Summary of Significant Accounting Policies (Continued)

9. Property and Equipment (Continued): Office furniture and equipment are capitalized at cost. It is the Organization's policy to capitalize expenditures for these items in excess of $1,000. The provision for depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are 3 years for computer and office equipment and 7 years for office furniture.

10. Impairment of Long-lived Assets: The Organization records impairment losses on long-lived assets used in operations when events and circumstances indicate that the assets might be impaired and the expected cash flows to be generated by those assets are less than the related carrying amounts. The Organization evaluated its real estate developments and rental property for impairment, and there was no impairment noted for the years ended June 30, 2021 and 2020.

11. Revenue Recognition: The Organization adopted Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts With Customers (Topic 606)*, as of and for the year ended June 30, 2021. ASU 2014-09 was adopted using the modified retrospective method. The Organization applied the provisions of ASU 2014-09 to all contracts with customers at the July 1, 2020 effective date and all contracts with customers entered into thereafter. The Organization has not recorded any material impact related to the adoption of ASU 2014-09. The adoption of ASU 2014-09 however results in an increased level of note disclosures about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the Organization’s contracts with customers.

    The Organization earns revenue from rental income from wholly-owned properties; fees for property management and property development services; developing and selling wholly-owned single-family homes; service coordination and child development supportive services; and contributions and grants from private sources.

    Rental units are generally leased under operating leases with terms of 12 months. Rental income is recognized according to the terms of the underlying leases and approximates revenue recognition evenly over the lease term. Payments received in advance of providing services, which typically consist of property rental services, are classified as deferred revenue. Such deferred revenue is recognized as revenue when related services are provided. Such deferred revenue totals $200,045 and $70,667 as of June 30, 2021 and 2020, respectively.

    The Organization provides property management services to multi-family housing projects that are not wholly-owned by the Organization. The Organization invoices and recognizes revenue for costs incurred to manage these projects and for management fees representing overhead and profit. Each customer signs a management agreement which specifies the services to be provided by the Organization. These services primarily relate to managing the asset by providing housing to residents and maintaining housing during the life of the management agreement. The management agreements do not last longer than 12 months, but do renew automatically unless terminated by either party by giving notice. The management fee is documented in the management agreement and is a percentage of monthly rents. The performance obligations within the management agreements are bundled as none are separately distinct from the property management services provided, therefore management fees are recognized over time (i.e. revenue is recognized monthly when billed). Both parties can terminate the agreement by giving notice and revenue earned through the termination date is to be paid.

Note B - Summary of Significant Accounting Policies (Continued)

11. Revenue Recognition (Continued): Occasionally, the Organization sells single-family homes primarily to buyers intending on being owner/occupants that participate in the Organization's homeownership programs. Houses are sold after being renovated and upgraded by the Organization. Revenues from selling single-family homes (and/or lots developed for sale) are recognized upon closing on the sale and transferring the deed. The capitalized costs of land, buildings, and improvements are recognized as expense when the related home sale revenue is recognized. Each home buyer signs a purchase contract specifying the transfer of title to the homeowner as the performance obligation. The transaction price is documented in the purchase agreement. The Organization's sole performance obligation is the successful transfer of title to the homebuyer. Accordingly, revenue is recognized at a point in time at the sale closing.

    The following are the major revenue sources which are considered third party reimbursement arrangements:

    - Rent Supplements: Under a Housing Assistance Program contract, the Organization receives rent supplements from the U.S. Department of Housing and Urban Development ("HUD") for tenants residing in low income housing units. These contracts are annual contracts unique to each low income complex. These units are regulated by HUD with respect to rental charges and operating methods. Such rent supplements total $4,638,258 and $4,981,982 for the years ended June 30, 2021 and 2020, respectively.
    - Neighborhood Stabilization Program ("NSP"): Under contracts with the City of New Albany, Indiana, a sub-grantee to the Indiana Housing and Community Development Authority, and Louisville/Jefferson County Metro Government, the Organization has undertaken significant community stabilization activities using HUD NSP-1 funds to acquire, develop, or rehabilitate vacant and abandoned single-family housing in focus neighborhoods. Upon project completion, high quality affordable homes will be marketed to qualified buyers, who will be encouraged to secure extensive housing counseling preparation. Reimbursable costs include acquisition, construction, developer fees, home ownership counseling, and program delivery fees.

12. Contributions Other than Cash: Contributions other than cash are recorded in the consolidated financial statements at their estimated fair value. The Organization has notes payable with below-market interest rates. For the years ended June 30, 2021 and 2020, imputed interest related to below-market notes payable totals $5,034 and $15,222, respectively, and is included in contributions and grants revenue per the accompanying consolidated statements of activities and changes in net assets.

13. Donated Services: Throughout a given year, volunteers may give a significant amount of their time and/or perform a variety of tasks to support the operations of the Organization. Donated services are recognized as revenue if the services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would otherwise be purchased if not provided by donation. Donated services that do not meet the above criteria are not recognized as revenue and are thus not reported in the accompanying consolidated financial statements.

14. Income Taxes: The Organization has received a determination letter from the Internal Revenue Service indicating that it is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and is classified as an organization that is not a private foundation. Accordingly, no provision for income taxes is included in the accompanying consolidated financial statements.

    The Organization recognizes uncertain income tax positions using the "more-likely-than-not" approach as defined in the ASC. No liability for uncertain tax positions has been recorded in the accompanying consolidated financial statements.

Note B - Summary of Significant Accounting Policies (Continued)

15. Advertising Costs: The Organization expenses advertising costs as incurred. Such costs total $10,192 and $66,960 for the years ended June 30, 2021 and 2020, respectively.

16. Functional Allocation of Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statement of activities and changes in net assets. The consolidated statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of these functional areas while indirect costs that benefit multiple functional areas have been allocated among the various functional areas based on management's estimates. Accordingly, [1] salaries and wages, payroll taxes, and employee benefits have been allocated by function based on an estimate of time and effort, [2] indirect property management and maintenance expenses have been allocated based on an estimate of time and effort and the number of residential units served, and [3] facility and technology expenses have been allocated by function based on occupied square footage of the functional areas.

17. Recently Issued Accounting Pronouncements: In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Non-financial Assets*. The standard requires contributed non-financial assets to be shown separate from contributions of cash and other financial assets and provides for qualitative disclosures regarding valuation techniques and categories of contributed non-financial assets and their use. This standard will be effective for the fiscal year ending June 30, 2022.

    In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The standard requires all leases with lease terms over twelve months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities and changes in net assets. This standard will be effective for the fiscal year ending June 30, 2023.

    In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The standard requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the statement of activities and changes in net assets will reflect the measurement of credit losses for newly-recognized financial assets, as well as the expected increases or decreases of expected credit losses that have taken place during the period. This standard will be effective for the fiscal year ending June 30, 2024.

    The Organization is currently in the process of evaluating the impact of the adoption of these ASUs on the consolidated financial statements.

18. Reclassifications: Certain amounts presented in the 2020 consolidated financial statements have been reclassified to conform to the 2021 presentation. There have been no changes to the 2020 increase in net assets or total net assets as of June 30, 2020 as a result of these reclassifications.

Note C - Liquidity and Availability of Resources

The Organization regularly monitors liquidity required to meet its operating needs, capital improvements, and financing obligations. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, receivables, and bank lines of credit. The Organization maintains lines of credit with three lenders that may be drawn upon as needed during the year to manage cash flows. Lines of credit are also used by the organization for special projects prior to establishing long-term financing. See Note H.

For purposes of analyzing resources available to meet general expenditures over a twelve-month period, the Organization considers all expenditures and debt service related to its on-going activities of property management and multi-family housing operations, as well as the supportive and administrative services undertaken to support the Organization's primary revenue-generating activities and associated general expenditures. The Organization does not have any Board of Director designations impacting its financial assets available for general expenditure over the next twelve months. The Organization does have certain donor-imposed restrictions on its financial assets.

In addition to financial assets available to meet general expenditures over the next twelve months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows at June 30, 2021 and 2020:

	2021	2020
Financial assets		
Cash and cash equivalents	$ 5,263,593	$ 4,896,751
Restricted cash - deposits and funded reserves	1,094,741	1,270,177
Accounts receivable	521,583	200,958
Grants and pledges receivable	424,650	373,316
Notes receivable	2,931,895	2,900,015
	10,236,462	9,641,217
Less amounts not available within one year		
Restricted cash - deposits and funded reserves	(1,094,741)	(1,270,177)
Long-term receivables	(3,487,125)	(2,848,056)
Net assets with donor restrictions	(1,371,364)	(864,029)
	$ 4,283,232	$ 4,658,955

As of June 30, 2021 and 2020, cash and cash equivalents includes a total of $577,071 and $1,163,992, respectively, that is comprised of operating cash accounts of properties that are regulated by HUD. These funds are considered unrestricted at the entity-level provided they are used only for the operating expenses.

Note D - Restricted Cash

The Organization maintains an escrow account for security deposits received from tenants. The cash is restricted for reimbursements of security deposits unless there is evidence of default by the tenant under the lease agreement. As of June 30, 2021 and 2020, the total refundable security deposit liability of $115,076 and $109,166, respectively, was properly funded. The liability for refundable security deposits is classified separately on the consolidated statements of financial position.

The Organization is required to make monthly deposits to various reserve for replacement cash accounts. The funds in the replacement reserves are restricted for substantial repairs, capital expenditures, and/or replacement of capital assets. The replacement reserve accounts are funded in accordance with operating or financing agreements, as applicable.

The Organization is required to make monthly deposits into various mortgage escrow accounts, as determined by applicable financing agreements. The cash in mortgage escrow accounts is restricted for payment of the next installment of real estate taxes and/or insurance premiums for the underlying property.

The Organization has various other deposits and reserve cash accounts, which are specifically restricted for operating reserves, pledges, and other regulatory reasons as determined by operating and financing agreements.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated statements of financial position as of June 30, 2021 and 2020 that sums to the total of the same such amounts shown in the consolidated statements of cash flows for the years ended June 30, 2021 and 2020:

	2021	2020
Cash and cash equivalents	$ 5,263,593	$ 4,896,751
Restricted cash - tenant security deposits	113,364	109,281
Restricted cash - replacement reserves	775,021	1,088,211
Restricted cash - tax and insurance escrows	36,434	41,015
Restricted cash - other deposits and reserves	169,922	31,670
Total restricted cash - deposits and funded reserves	1,094,741	1,270,177
Total cash, cash equivalents, and restricted cash per the consolidated statements of cash flows	$ 6,358,334	$ 6,166,928

Note E - Notes Receivable

The Organization provides other limited partnerships owning multi-family housing developments with below-market interest loans to cover renovations and improvements for which no other funding is readily available for affordable housing projects. The Organization considers these notes to be fully collectible based upon the underlying value of the properties that were funded. Under the note agreements, the Organization would be repaid from net cash flow arising from a sale of the property or a refinancing of debt as these notes are subordinate to existing liens with institutional lenders or local agencies. At June 30, 2021 and 2020, notes receivable consist of the following:

Borrower	Maturity date	2021	2020
Mortgage receivable - Jackson Woods Apartments, LLLP	December 2041	$ 1,858,180	$ 1,858,180
plus accrued interest as of June 30, 2021 and June 30, 2020, respectively	December 2041	94,592	86,192
		1,952,772	1,944,372
Mortgage receivable - St. William Apartments, LLLP	December 2040	936,000	936,000
plus accrued interest as of June 30, 2021 and June 30, 2020, respectively	December 2040	43,123	19,643
		979,123	955,643
Total notes receivable		$ 2,931,895	$ 2,900,015

Note F - Disposition of Rental Property

O'Connor Square Apartments is a 64-unit apartment rental complex for persons of extremely low and low income located in Louisville, Kentucky. On March 9, 2020, the Organization sold O'Connor Square Apartments for $1,800,000. Total costs of the sale were $1,369,369, and the Organization recognized a gain on the sale of $430,631, which is included in other activities per the consolidated statement of activities and changes in net assets for the year ended June 30, 2020.

Note G - Property and Equipment

At June 30, 2021 and 2020, property and equipment, net of accumulated depreciation of $22,073,024 and $20,578,001, respectively, consists of the following:

	2021	2020
Real estate and rental property		
Brandeis Apartments - 50 units	$ 1,076,922	$ 1,182,450
Clifton Court Apartments - 14 units	690,506	738,940
Directions Apartments - 110 units	2,116,980	2,204,277
Heverin House - 7 units	101,155	108,646
Market Street Apartments - 8 units	376,834	367,354
Muhammad Ali Apartments - 19 units	333,044	331,063
Parkland I - 12 units	187,224	190,538
Parkland II - 15 units	583,257	609,558
Reeser Court Apartments - 54 units	1,570,172	1,621,487
Roosevelt Apartments - 47 units	1,712,488	1,816,139
Russell Apartments - 183 units	3,490,329	3,611,490
Shawnee Apartments - 173 units	2,870,677	2,897,167
Smoketown Apartments - 16 units	287,572	281,597
St. John Gardens - 20 units	703,017	759,841
Corporate offices, commercial properties, and land	2,252,376	2,272,593
St. Benedict Center	892,184	812,674
	19,244,737	19,805,814
Building and maintenance equipment and vehicles	21,052	36,153
Furniture and equipment for office and project use	23,030	27,106
Total property and equipment, net	$ 19,288,819	$ 19,869,073

Note H - Operating Lines of Credit

The Organization has a line of credit agreement with Republic Bank and Trust Company with maximum available borrowings of up to $750,000. Interest accrues and is paid monthly at the Prime Rate (3.25% as of June 30, 2021 and 2020). Outstanding borrowings are secured by the Roosevelt Apartments property. The line of credit had an original expiration date of July 2020, but was extended to July 2022. The outstanding balance on the line of credit is $219,296 and $315,303 as of June 30, 2021 and 2020, respectively.

The Organization has a line of credit agreement with Fifth Third Bank with maximum available borrowings of up to $750,000. Interest accrues and is paid monthly at the 1-month LIBOR rate plus 2.75% (equivalent to 2.88% and 3.00% as of June 30, 2021 and 2020, respectively). The line of credit is uncollateralized/unsecured. The Organization must maintain a specific debt service coverage ratio, with which the Organization was in compliance as of June 30, 2021. The line of credit had an original expiration date of November 2020, but was extended to November 2021. The outstanding balance on the line of credit is $278,335 and $668,935 as of June 30, 2021 and 2020, respectively.

Note H - Operating Lines of Credit (Continued)

The Organization had a line of credit agreement with Federation of Appalachian Housing Enterprises, Inc. with maximum available borrowings of up to $1,000,000. Interest was paid monthly at 6.00%. The line of credit was secured by the Heverin House and St. Benedict Center properties. The outstanding balance on the line of credit was $47,244 as of June 30, 2020. The line of credit matured in March 2021 at which time the outstanding balance was paid in full.

Note I - Notes Payable

At June 30, 2021, notes payable consist of the following:

Lender	Amount	Interest rate	Maturity date	Collateral/security
The Community Foundation of Louisville	$ 13,624	1.00%	2/26/2022	uncollateralized/unsecured
NeighborWorks Capital Corporation	400,000	3.50%	8/1/2022	uncollateralized/unsecured
First Financial Bank	100,000	0.00%	10/5/2022	Roosevelt Apartments
Metropolitan Housing Coalition	100,000	5.00%	2/1/2023	uncollateralized/unsecured
Louisville Metro Affordable Housing Trust Fund	200,000	0.00%	5/1/2023	single-family properties
Louisville/Jefferson County Metro Government	840,000	0.00%	1/1/2026	Jackson Woods Apartments
Independence Bank of Kentucky	1,387,500	3.15%	5/1/2026	1000 East Liberty Street
First Financial Bank	409,045	3.38%	6/30/2026	Roosevelt Apartments
Louisville/Jefferson County Metro Government	100,438	0.00%	8/1/2026	Historic Parkland I Properties
Louisville/Jefferson County Metro Government	583,000	0.00%	1/1/2027	St. Williams Apartments
First Financial Bank	308,833	3.86%	6/6/2027	Muhammad Ali Apartments
Community Housing Capital	990,077	5.56%	6/3/2029	Brandeis Apartments
Louisville/Jefferson County Metro Government	126,770	0.00%	6/3/2029	Brandeis Apartments
Republic Bank & Trust Company	949,460	3.50%	9/29/2030	1615 and 1617 Maple Street
Louisville/Jefferson County Metro Government	1,427,871	3.00%	5/1/2033	Directions Apartments
Red Mortgage Capital	1,290,264	6.25%	5/1/2033	Shawnee Apartments
Red Mortgage Capital	661,588	6.25%	5/1/2033	Directions Apartments
Red Mortgage Capital	497,717	4.20%	5/1/2033	Russell Apartments
Berkadia Mortgage Capital	272,479	5.75%	2/1/2040	Smoketown Apartments
HUD Flexible Subsidy Loan	31,821	1.00%	2/1/2040	Smoketown Apartments
Red Mortgage Capital	777,343	6.50%	6/1/2041	St. John Gardens
Louisville/Jefferson County Metro Government	460,000	0.00%	6/1/2041	St. John Gardens
Red Mortgage Capital	1,060,286	3.20%	8/1/2042	Reeser Court Apartments
	12,988,116			
Less unamortized debt issuance costs	(152,827)			
Net carrying value	$ 12,835,289			

At June 30, 2021 and 2020, unamortized debt issuance costs total $152,827 and $141,469, respectively.

Note I - Notes Payable (Continued)

<u>The Community Foundation of Louisville</u>
On February 26, 2016, the Organization entered into a loan agreement with The Community Foundation of Louisville, Inc. to borrow $100,000 of impact investing program funds to be used for St. Benedict Center to stabilize operations during the initial period of the Organization's involvement with St. Benedict Center. The uncollateralized/unsecured loan, which has a maturity date of February 26, 2022, is payable in monthly principal installments of $1,709 plus interest at 1.00%. The Organization must maintain a minimum level of unrestricted net assets, with which the Organization was in compliance as of June 30, 2021. At June 30, 2021 and 2020, the outstanding balance of the note payable is $13,624 and $33,940, respectively.

<u>NeighborWorks Capital Corporation</u>
On July 17, 2020, the Organization entered into a loan agreement with NeighborWorks Capital Corporation for a $500,000 stabilization loan. The interest rate is 3.50% and the uncollateralized/unsecured loan has a maturity date of August 1, 2022. Interest of $28,000 was paid up-front on the loan and is being amortized over the term of the loan. The first $100,000 principal payment was made per the agreement during the year ended June 30, 2021. The second $200,000 principal payment is due on January 1, 2022, while the final $200,000 principal payment is due on August 1, 2022. At June 30, 2021, the outstanding balance of the note payable is $400,000.

<u>First Financial Bank</u>
On October 7, 2019, the Organization entered into a loan agreement with First Financial Bank to obtain a $100,000 loan for the soft costs related to the development of a senior apartment community, “Roosevelt Senior Apartments.” The loan is non-interest bearing and has a maturity date of October 5, 2022 (the maturity date was extended from April 7, 2021 to October 5, 2022 during the year ended June 30, 2021). This loan is collateralized by the Roosevelt Apartments property. At June 30, 2021 and 2020, the outstanding balance of the note payable is $100,000.

<u>Metropolitan Housing Coalition (serviced through Commonwealth Bank and Trust Company)</u>
On January 30, 2019, the Organization entered into a loan agreement with Metropolitan Housing Coalition to obtain a $325,000 Non-profit Housing Production and Repair Program loan. The interest rate is 5.00% and the uncollateralized/unsecured loan has a maturity date of February 1, 2023 (the maturity date was extended from January 30, 2021 to February 1, 2023 during the year ended June 30, 2021). Interest is payable quarterly. Principal payments of $25,000 and $75,000 are due on February 1, 2022 and February 1, 2023, respectively. At June 30, 2021 and 2020, the outstanding balance of the note payable is $100,000 and $235,000, respectively.

<u>Louisville Metro Affordable Housing Trust Fund</u>
On April 23, 2020, the Organization entered into a loan agreement with Louisville Metro Affordable Housing Trust Fund to obtain four separate $50,0000 non-interest bearing loans ($200,000 in total) to be used for the construction and/or rehabilitation of four single-family residential units on East Breckinridge Street in the Smoketown neighborhood. The Organization has until May 1, 2023 (the maturity dates of the loans) to sell each property to a qualified homeowner. Upon the sale of each property, $35,001 shall be paid against the loan balance and $14,999 shall be forgiven. The notes payable are collateralized by the four properties. At June 30, 2021 and 2020, the total outstanding balance of the four notes payable is $200,000.

<u>Louisville/Jefferson County Metro Government</u>
On May 13, 2010, the Organization entered into a loan agreement with Louisville/Jefferson County Metro Government (“Louisville”) with respect to the acquisition of and improvements to Jackson Woods Apartments through Louisville’s HOME Investment Partnerships Program. The non-interest bearing $840,000 loan has a maturity date of January 1, 2026. If there is no default (as defined in the loan agreement) throughout the term of the loan, the loan shall be forgiven in full on the maturity date. This loan is collateralized by the Jackson Woods Apartments property. At June 30, 2021 and 2020, the outstanding balance of the note payable is $840,000.

Note I - Notes Payable (Continued)

Independence Bank of Kentucky
On April 28, 2021, the Organization entered into a $1,387,500 loan agreement with Independence Bank of Kentucky. The interest rate is 3.15% and the loan has a maturity date of May 1, 2026. The loan is payable in monthly interest only payments beginning on May 1, 2021 and monthly principal and interest payments of $6,682 beginning on December 1, 2021. A balloon payment of principal and the unpaid accrued interest thereon (estimated at $1,218,056) is due at maturity. The loan is collateralized by the 1000 East Liberty Street property. At June 30, 2021, the outstanding balance of the note payable is $1,387,500.

First Financial Bank
On June 30, 2016, the Organization entered into a loan agreement with First Financial Bank (formerly MainSource Bank) to obtain a $500,000 loan to finance Roosevelt Apartments. For the first 5 years of the loan through May 2021, the interest rate was 3.59%. Effective June 1, 2021, the interest rate changed to the weekly average yield on U.S. Treasury Securities plus 2.50% (an equivalent interest rate of 3.38% at June 30, 2021). The loan requires monthly principal and interest payments of $2,936 through the June 30, 2026 maturity date. The loan is collateralized by the Roosevelt Apartments property. At June 30, 2021 and 2020, the outstanding balance of the note payable is $409,045 and $428,996, respectively.

Louisville/Jefferson County Metro Government
On August 1, 2014, the Organization entered into a loan agreement with Louisville/Jefferson County Metro Government with respect to the five properties associated with Historic Parkland I. The $237,100 loan is non-interest bearing and has a maturity date of August 1, 2026. The agreement provides for annual forgiveness of $19,758 if certain requirements are met by placing a specified amount each year in the replacement reserve account. The loan is collateralized by the five properties. At June 30, 2021 and 2020, the outstanding balance of the note payable is $100,438 and $120,196, respectively.

Louisville/Jefferson County Metro Government
On June 15, 2010, the Organization entered into a loan agreement with Louisville/Jefferson County Metro Government with respect to the acquisition of and improvements to St. William Apartments through Louisville's HOME Investment Partnerships Program. The non-interest bearing $583,000 loan has a maturity date of January 1, 2027. If there is no default (as defined in the loan agreement) throughout the term of the loan, the loan shall be forgiven in full on the maturity date. This loan is collateralized by the St. William Apartments property. At June 30, 2021 and 2020, the outstanding balance of the note payable is $583,000.

First Financial Bank
On June 6, 2017, the Organization entered into a loan agreement with First Financial Bank (formerly MainSource Bank) to obtain a $360,000 loan to finance Muhammad Ali Apartments. The loan has a maturity date of June 6, 2027 and is payable in monthly principal installments of $2,168 plus interest at 3.86%. The loan is collateralized by the Muhammad Ali Apartments property. At June 30, 2021 and 2020, the outstanding balance of the note payable is $308,833 and $322,434, respectively.

Note I - Notes Payable (Continued)

Community Housing Capital
On June 3, 2019, the Organization restructured its existing loan agreement with Community Housing Capital, Inc. to increase the loan amount to provide funding for the cost of replacing historical windows and the permanent financing of Brandeis Apartments. The restructured loan provides for funding of up to $1,000,000 at an interest rate of 5.56% (the agreement has a stated interest rate of 6.75%, however the lender has allowed an alternate interest rate of 5.56% assuming no events of default). Management has no reason to believe the lesser alternate interest rate will not otherwise continue through the June 3, 2029 maturity date of the loan. Principal payments were not required until the full $1,000,000 had been drawn upon. Until that time, the agreement required monthly interest only payments. The remaining $51,983 of the $1,000,000 was funded in August 2020. Accordingly, monthly principal and interest payments of $5,716 began in October 2020. The loan is collateralized by the Brandeis Apartments property. The Organization must maintain a specific debt service coverage ratio, with which the Organization was not in compliance as of June 30, 2021 and for which it received a waiver from the lender. At June 30, 2021 and 2020, the outstanding balance of the note payable is $990,077 and $948,017, respectively.

Louisville/Jefferson County Metro Government
On June 3, 2019, the Organization restructured its existing loan agreement with Louisville/Jefferson County Metro Government on Brandeis Apartments. The non-interest bearing $168,000 loan has a maturity date of June 3, 2029. Annual payments of principal shall be paid out of available “net cash flow” (as defined in the loan agreement). The loan is collateralized by the Brandeis Apartments property. At June 30, 2021 and 2020, the outstanding balance of the note payable is $126,770 and $147,229, respectively.

Republic Bank and Trust Company
On May 29, 2019 the Organization entered into a loan agreement with Republic Bank and Trust Company to purchase the properties located at 1615 and 1617 Maple Street. The interest rate on the $975,000 loan is 3.50% (the interest rate changes to the Prime Rate after the first seven years of the loan) and the loan has a maturity date of September 29, 2030. During the year ended June 30, 2021, the loan was restructured. The loan amount was increased from $585,000 to $975,000. The interest rate was decreased from 4.88% to 3.50% and the May 29, 2029 maturity date was extended to September 29, 2030. The loan is collateralized by the 1615 and 1617 Maple Street properties. At June 30, 2021 and 2020, the outstanding balance of the note payable is $949,460 and $566,025, respectively.

Louisville/Jefferson County Metro Government (Directions Apartments, LLC second mortgage loan)
Directions Apartments, LLC has a $1,427,871 loan agreement with Louisville/Jefferson County Metro Government bearing interest at 3.00%. An annual payment of principal and interest is due within 10 days after the related annual HUD filing deadline. The payment amount is defined as 80% of “surplus cash” (as defined in the loan agreement) after the payment of “capital recovery payments and incentive performance fees.” A balloon payment of principal and the unpaid accrued interest thereon is due at maturity (May 1, 2033). The debt obligation is secured by a mortgage encumbering Directions Apartments LLC's real and personal property and is subordinate to the first mortgage loan. At June 30, 2021 and 2020, the outstanding balance of the note payable is $1,427,871.

Note I - Notes Payable (Continued)

Red Mortgage Capital (Shawnee Apartments, LLC first mortgage loan)
Shawnee Apartments, LLC is indebted to Red Mortgage Capital, Inc. under an U.S. Federal Housing Administration ("FHA") insured 30-year mortgage note dated April 28, 2003, in the amount of $2,081,900. The mortgage note, due May 1, 2033, is secured by the real estate, improvements to real estate, and personal property of Shawnee Apartments. Other security includes the assignment of all rents and the escrows for replacements, insurance, and real estate taxes. The mortgage note is payable in monthly installments of $12,819 of principal and interest at 6.25%. The mortgage note may be prepaid at any time without penalty. At June 30, 2021 and 2020, the outstanding balance of the note payable is $1,290,264 and $1,361,028, respectively.

Red Mortgage Capital (Directions Apartments, LLC first mortgage loan)
Directions Apartments, LLC is indebted to Red Mortgage Capital, Inc. under an FHA insured 30-year mortgage note dated April 28, 2003, in the amount of $1,067,500. The mortgage note, due May 1, 2033, is secured by the real estate, improvements to real estate, and personal property of Directions Apartments. Other security includes the assignment of all rents and the escrows for replacements, insurance, and real estate taxes. The mortgage note is payable in monthly installments of $6,573 of principal and interest of 6.25%. The mortgage note may be prepaid at any time without penalty. At June 30, 2021 and 2020, the outstanding balance of the note payable is $661,588 and $697,872, respectively.

Red Mortgage Capital (Russell Apartments, LLC first mortgage loan)
Russell Apartments, LLC is indebted to Red Mortgage Capital, Inc. under an FHA insured 30-year mortgage note dated April 28, 2003, in the amount of $850,000. The mortgage note, due May 1, 2033, is secured by the real estate, improvements to real estate, and personal property of Russell Apartments. Other security includes the assignment of all rents and the escrows for replacements, insurance, and real estate taxes. The mortgage note is payable in monthly installments of $5,234 of principal and interest at 4.20%. The mortgage note may be prepaid at any time without penalty. At June 30, 2021 and 2020, the outstanding balance of the note payable is $497,717 and $529,249, respectively.

Berkadia Mortgage Capital
On January 27, 2010 the Organization entered into a $361,100 loan agreement with Berkadia Mortgage Capital, Inc. to obtain funding for Smoketown Apartments. The interest rate is 5.75% and the loan has a maturity date of February 1, 2040. The loan is payable in monthly installments of principal and interest of $2,902. The loan is collateralized by the Smoketown Apartments property. At June 30, 2021 and 2020, the outstanding balance of the note payable is $272,479 and $280,400, respectively. See Note R.

HUD Flexible Subsidy Loan
The Organization is indebted under a $31,821 HUD Flexible Subsidy Loan. The interest rate is 1.00% and the loan has a maturity date of February 1, 2040. There are no required payments of principal and/or interest until there is enough "surplus cash" (as defined in the loan agreement). The loan is collateralized by the Smoketown Apartments property. At June 30, 2021 and 2020, the outstanding balance of the note payable is $31,821.

Red Mortgage Capital (St. John Gardens, Inc. first mortgage loan)
St. John Gardens, Inc. is indebted to Red Mortgage Capital, Inc. under a mortgage note in the amount of $959,300, which is insured under Section 207 pursuant to Section 223(f) of the National Housing Act, as amended. The mortgage note, which has a maturity date of June 1, 2041, is payable in monthly installments of $5,796 of principal and interest at 6.50%. Monthly deposits to the escrow for replacements and insurance are also required. The mortgage note is secured by the real estate, improvements to real estate, and personal property of St. John Gardens. At June 30, 2021 and 2020, the outstanding balance of the note payable is $777,343 and $795,710, respectively.

Note I - Notes Payable (Continued)

Louisville/Jefferson County Metro Government
St. John Gardens, Inc. obtained a $460,000 non-interest bearing second mortgage loan from Louisville/Jefferson County Metro Government. This loan is from the U.S. Department of Housing and Urban Development's Home Investment Partnership Program. If the Organization meets all of the conditions of the debt agreement, the debt obligation will be fully forgiven on June 1, 2041. No payments are due on the loan unless the Organization fails to meet the requirements of the loan agreement. The debt obligation is secured by a mortgage encumbering St. John Gardens, Inc.'s real and personal property and is subordinate to the first mortgage loan. At June 30, 2021 and 2020, the outstanding balance of the note payable is $460,000.

Red Mortgage Capital (Reeser Court Apartments, LLC first mortgage loan)
Reeser Court Apartments, LLC is indebted to Red Mortgage Capital, Inc. under a mortgage note in the amount of $1,330,000, which is insured under Section 221(d)(3) pursuant to Section 223(a)(7) of the National Housing Act, as amended. The mortgage note, which has a maturity date of August 1, 2042, is payable in monthly installments of $5,752 of principal and interest at 3.20%. Monthly deposits to the escrow for replacements and insurance are also required. The mortgage note is secured by the real estate, improvements to real estate, and personal property of Reeser Court Apartments. At June 30, 2021 and 2020, the outstanding balance of the note payable is $1,060,286 and $1,094,778, respectively.

Fifth Third Bank
During the year ended June 30, 2020, the Organization paid in full the $575,000 (the balance outstanding at June 30, 2020) due under a loan agreement with Fifth Third Bank related to the 1000 East Liberty Street property. The loan bore interest at 3.70% and had a maturity date of August 1, 2020.

At June 30, 2021, the estimated aggregate principal payments required on the Organization’s long-term debt obligations are as follows:

Year ending June 30,	Amount
2022	$ 574,576
2023	942,178
2024	384,098
2025	402,321
2026	2,765,384
Thereafter	7,919,559
	12,988,116
Less unamortized debt issuance costs	(152,827)
Net carrying value	$ 12,835,289

Note J - Paycheck Protection Program Loan

In May 2020, New Directions and St. Benedict Center received a consolidated Paycheck Protection Program ("PPP") loan under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act totaling $779,077. The loan bore interest at 1.00%, was uncollateralized/unsecured, and was for a term of two years with a maturity date of May 2022. Under the CARES Act, subject to limitations, as defined, the loan was subject to be partially or fully forgiven depending on actual payroll and other qualified costs for a specified period following receipt of the loan proceeds.

New Directions and St. Benedict Center accounted for the loan proceeds ($678,691 and $100,386, respectively) as a financial liability (debt) in accordance with ASC Topic 470, *Debt*. As such, New Directions and St. Benedict Center recorded the proceeds from the loan as a financial liability until [1] the loan was partially or fully forgiven and New Directions and St. Benedict Center was legally released by the U.S. Small Business Administration ("SBA") or [2] New Directions and St. Benedict Center paid-off the loan. During the year ended June 30, 2021, the loan was fully forgiven and New Directions and St. Benedict Center was legally released by the SBA. New Directions and St. Benedict Center has thus recognized the $779,077 of PPP loan proceeds as revenue (non-operating in nature Paycheck Protection Program loan forgiveness income) per the accompanying consolidated statement of activities and changes in net assets for the year ended June 30, 2021. In accordance with the related PPP loan guidelines, for a period of up to six years after the loan is partially or fully forgiven and the borrower has been legally released, the SBA reserves the right to audit any PPP loan.

Note K - Net Assets With Donor Restrictions

The activity of net assets with donor restrictions for the year ended June 30, 2021 consists of the following:

	Beginning balance	Contributions and grants	Released from restrictions	Ending balance
With purpose or time restrictions				
Real estate development	$ -	$ 57,415	$ (14,915)	$ 42,500
Asset and property management	30,000	-	(10,305)	19,695
Resident services	88,809	810,227	(203,324)	695,712
Home ownership preservation	306,963	964,262	(766,305)	504,920
Community building and engagement	405,517	-	(390,180)	15,337
Early childhood development	32,740	93,200	(32,740)	93,200
Historic Parkland II	373,743	-	-	373,743
Total net assets with donor restrictions	$ 1,237,772	$ 1,925,104	$ (1,417,769)	$ 1,745,107

Note K - Net Assets With Donor Restrictions (Continued)

The activity of net assets with donor restrictions for the year ended June 30, 2020 consists of the following:

	Beginning balance	Contributions and grants	Released from restrictions	Ending balance
With purpose or time restrictions				
Real estate development	$ 11,450	$ 126,567	$ (138,017)	$ -
Asset and property management	-	54,320	(24,320)	30,000
Resident services	77,755	172,284	(161,230)	88,809
Home ownership preservation	14,916	452,257	(160,210)	306,963
Community building and engagement	10,029	479,629	(84,141)	405,517
Early childhood development	3,364	45,500	(16,124)	32,740
Historic Parkland II	373,743	-	-	373,743
	491,257	1,330,557	(584,042)	1,237,772
Perpetual in nature				
NeighborWorks America	1,171,751	-	(1,171,751)	-
Total net assets with donor restrictions	$ 1,663,008	$ 1,330,557	$ (1,755,793)	$ 1,237,772

In prior years, the Organization received grant funds from NeighborWorks America that are restricted for long-term capital investments in affordable housing developments served by the Organization. At the request of the Organization, NeighborWorks will notify the Organization if the release of restrictions placed on such grant funds is approved. During the year ended June 30, 2020, the Organization received notice from NeighborWorks America that $1,171,571 of such perpetual in nature grant funds were being released from restriction.

Note L - Retirement Plan

The Organization has a defined contribution retirement plan covering all employees. Under the terms of the plan, the Organization makes matching contributions to the plan each year in an amount specified by the Organization annually, subject to Internal Revenue Service limitations. Retirement plan expense for the years ended June 30, 2021 and 2020 is $47,943 and $43,266, respectively.

Note M - Net Investment Capital (Deficit) Position in Unconsolidated Entities

The Organization accounts for all investments in limited liability entities using the equity method of accounting. In accordance with the ASC, general partners should account for investments in limited liability entities under the equity method of accounting when the presumption of control of the general partners is overcome by the rights of the limited partners. Various affiliates of the Organization are the general partner in each limited partnership, and some have received cash distributions from certain of these limited liability entities. Such distributions in conjunction with operating losses could create a temporary capital deficit position in these partnerships as the distributions or operating losses could be in excess of the capital contributed by the affiliate and its share of the accumulated income from these partnerships. Under the partnership agreements, the affiliates are required to restore any capital deficits at the dissolution of the partnerships. The Organization anticipates that any such capital deficits in these partnerships will be restored through future income allocations from the partnerships.

Note M - Net Investment Capital (Deficit) Position in Unconsolidated Entities (Continued)

Capital surplus (deficit) positions in developments held by affiliates of the Organization as of June 30, 2021 and 2020 consist of the following:

	Ownership interest	Capital (deficit) amount 2021	Capital (deficit) amount 2020
Woodbourne House Apartments, LLLP	0.05%	$ 491	$ 540
Shawnee Renaissance Apartments, LLLP	0.01%	10	-
St. William Apartments, LLLP	0.01%	(922)	(657)
Jackson Woods Apartments, LLLP	0.01%	(86,079)	(86,161)
Wellspring Tonini Apartments 1, LLLP	0.10%	-	9,900
		$ (86,500)	$ (76,378)

Effective January 1, 2021, the Organization exited as the general partner of Wellspring Tonini Apartments 1, LLLP and the associated recognition of the divestment is included within other activities per the accompanying consolidated statement of activities and changes in net assets for the year ended June 30, 2021.

For the years ended June 30, 2021 and 2020, total revenues of $464,244 and $727,530, respectively, were derived from services provided to entities in which the Organization is or was the general partner and were recognized within property management and incentive fees revenue per the accompanying consolidated statements of activities and changes in net assets. These services represent property management fees, incentive performance fees, cost reimbursements, and accounting. At June 30, 2021 and 2020, accounts receivable includes $72,271 and $53,308, respectively, due from these entities.

Note N - Investment in Subsidiaries - Broadstreet Properties

During 2003, the Organization acquired the "Broadstreet Properties" (collectively Directions Apartments, LLC, Russell Apartments, LLC, and Shawnee Apartments, LLC), through a mortgage restructuring agreement (see Note I). Since the acquisition, the Organization has been a 99% member in each of these limited liability companies through its wholly-owned, single member limited liability company, New Directions Housing Development, LLC. Effective June 30, 2020, the Organization acquired the remaining 1% interest in each of the “Broadstreet Properties” limited liability companies for consideration of $1,000 per transaction. The consolidated financial statements reflect this 100% ownership interest in the accounts of Directions Apartments, LLC, Russell Apartments, LLC, and Shawnee Apartments, LLC as of and for the years ended June 30, 2021 and 2020, with the Organization's investment in these entities eliminating in consolidation.

Note O - Guarantor Agreements

Certain affiliates of the Organization are the general partner in various limited partnerships for the purpose of purchasing, rehabilitating, and operating low income housing in the state of Kentucky. As general partner, these affiliates are obligated to lend amounts as necessary for the partnerships' business and to avoid any cash flow deficits from the partnerships' operations.

Note O - Guarantor Agreements (Continued)

The Organization is the general partner of Shawnee Renaissance Apartments, LLLP ("Shawnee Renaissance"), a Kentucky limited liability limited partnership formed to acquire, develop, own, and operate a multi-family rental apartments project in Louisville, Kentucky. The Organization has specifically guaranteed the limited partner's capital contributions in anticipation of Shawnee Renaissance closing the related tax exempt bonds transaction and, by the issuance of such bonds, automatically receiving an allocation of the low income housing tax credits pursuant to Internal Revenue Code Section 42 and in accordance with the terms set forth in the Shawnee Renaissance partnership agreement. In the event that Shawnee Renaissance does not receive the tax credits allocation in accordance with the terms of the partnership agreement, the Organization would be obligated to redeem the limited partner's interest in Shawnee Renaissance, including repayment of all capital contributions made by the limited partner to Shawnee Renaissance. As of June 30, 2021, the investor limited partner's capital contributions to Shawnee Renaissance total $436,736.

In addition to the guarantees of the general partners' obligations to the limited partnerships, the Organization also specifically guarantees the loan payable by Brandeis Partners, Ltd. to Community Housing Capital, Inc., which has a balance as of June 30, 2021 and 2020 of $990,077 and $948,017, respectively (see Note I).

Note P - Related Party Revolving Lines of Credit

In May 2021, New Directions, as the borrower, and St. Benedict Center, as the lender, entered into a non-interest bearing $250,000 revolving line of credit promissory note. The uncollateralized/unsecured line of credit has a May 2025 maturity date. No borrowings are outstanding under the line of credit as of June 30, 2021, nor did New Directions borrow under the line of credit during the year ended June 30, 2021. As applicable, any balance under the line of credit would eliminate in consolidation.

During 2020, St. Benedict Center repaid the balance due under a $100,000 revolving line of credit promissory note between New Directions and St. Benedict Center. Upon repayment, the line of credit agreement was terminated. The balance outstanding under the uncollateralized/unsecured line of credit bore interest at 1.00%. Interest expense under the line of credit with respect to the year ended June 30, 2020, which eliminates in consolidation, totals $479.

Note Q - Contingencies and Concentrations

During 2020, the outbreak of the novel coronavirus disease 2019 ("COVID-19") was declared a United States and global pandemic. The Organization's operations have generally been impacted by the outbreak of COVID-19. Since the situation surrounding the pandemic remains fluid, the long-term duration, nature, and extent of the impact, if any, on the Organization's operations cannot be reasonably estimated at this time. As a result of the initial uncertainty surrounding the COVID-19 pandemic, the Organization received a Paycheck Protection Program loan under the Coronavirus Aid, Relief, and Economic Security Act (see Note J).

Reimbursement claims under federal and/or state programs are subject to audit and adjustment by the respective grantor agencies. Any disallowed claims might become a liability of the Organization. Management is not aware of any communications from grantor agencies regarding the lack of compliance with requirements that could result in such a liability.

Note Q - Contingencies and Concentrations (Continued)

The Organization invests in limited partnership entities utilizing the low income housing tax credit ("LIHTC"). The benefits realized by taking the LIHTC are contingent on the Organization's ability to maintain compliance with applicable sections of Internal Revenue Code Section 42. Failure to maintain compliance with occupant eligibility and/or unit gross rent or to correct non-compliance within a specified time period could result in the recapture of previously taken tax credits plus interest. In addition, such potential non-compliance may require an adjustment to the contributed capital account of the limited partner.

The Organization, as an owner of real estate, is subject to various environmental laws of federal, state, and local governments. The Organization's compliance with existing laws has not had a material adverse effect on the Organization's financial condition or results of operations.

The Organization's operations are concentrated in the multi-family real estate market. In addition, the Organization operates in a heavily regulated environment. The operations of the Organization are subject to the administrative directives, rules, and regulations of federal, state, and local regulatory agencies, including, but not limited to HUD. Such administrative directives, rules, and regulations are subject to change by an act of congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Note R - Subsequent Events

On July 20, 2021, the Organization entered into a $592,000 loan agreement with Republic Bank and Trust Company. The interest rate is 2.99% for the first five years of the loan through June 20, 2026. Thereafter, the interest rate will be the Prime Rate plus 0.50% (the interest rate will never been greater or less than 9.99% and 2.99%, respectively). Monthly payments of principal and interest of $3,293 are required through June 20, 2031, with a final balloon payment of principal and the unpaid accrued interest thereon due at maturity (July 20, 2031). The loan is collateralized by the St. Benedict Center property and the assignment of all leases and rents.

On October 22, 2021, the Organization entered into a $345,000 loan agreement with Republic Bank and Trust Company to refinance its existing loan with Berkadia Mortgage Capital (see Note I). The interest rate is 2.99% for the first five years of the loan through September 22, 2026. Thereafter, the interest rate will be the Prime Rate plus 0.50% (the interest rate will never been greater or less than 9.99% and 2.99%, respectively). Monthly payments of principal and interest of $1,919 are required through September 22, 2031, with a final balloon payment of principal and the unpaid accrued interest thereon due at maturity (October 22, 2031). The loan is collateralized by the Smoketown Apartments property and the assignment of all leases and rents.

Supplementary Information

New Directions Housing Corporation and Subsidiaries
Consolidating Statement of Financial Position
June 30, 2021

	New Directions Housing Corporation	St. Benedict Center for Early Childhood Education, Inc.	New Vision Residential Services, Inc. dba Clifton Court Apartments	St. John Gardens, Inc.	Directions Apartments, LLC	Russell Apartments, LLC	Shawnee Apartments, LLC	Eliminations	Consolidated
Assets									
Cash and cash equivalents	$ 4,205,726	$ 522,910	$ 2,124	$ 36,319	$ 25,266	$ 442,663	$ 28,585	$ -	$ 5,263,593
Restricted cash - deposits and funded reserves	492,035	-	71,413	36,359	128,039	216,225	150,670	-	1,094,741
Accounts receivable	398,700	125,447	13,760	9,096	61,520	68,460	53,060	(208,460)	521,583
Grants and pledges receivable	376,364	48,286	-	-	-	-	-	-	424,650
Notes receivable	8,256,817	-	-	-	-	-	-	(5,324,922)	2,931,895
Prepaid expenses	53,173	-	620	5,747	35,802	53,014	56,400	-	204,756
Other assets	276,371	-	-	-	-	-	-	-	276,371
Property and equipment, net	9,369,099	48,211	690,506	703,017	2,116,980	3,490,329	2,870,677	-	19,288,819
Total assets	$ 23,428,285	$ 744,854	$ 778,423	$ 790,538	$ 2,367,607	$ 4,270,691	$ 3,159,392	$ (5,533,382)	$ 30,006,408
Liabilities and net assets (deficit)									
Liabilities									
Accounts payable	$ 273,972	$ 63,596	$ 50,890	$ 25,002	$ 66,185	$ 192,407	$ 89,112	$ (208,460)	$ 552,704
Accrued expenses	246,085	51,778	1,310	6,079	594,922	43,140	202,694	(204,622)	941,386
Deferred revenue	173,403	-	248	6,647	8,659	6,658	4,430	-	200,045
Tenant deposits liability	46,842	-	2,812	4,683	15,468	24,624	20,647	-	115,076
Operating lines of credit	497,631	-	-	-	-	-	-	-	497,631
Long-term debt obligations, net of unamortized debt issuance costs	7,785,294	-	-	1,194,085	2,085,253	2,883,335	4,007,622	(5,120,300)	12,835,289
Net deficit position in unconsolidated entities	86,500	-	-	-	-	-	-	-	86,500
Net deficit position in subsidiaries	447,466	-	-	-	-	-	-	(447,466)	-
Total liabilities	9,557,193	115,374	55,260	1,236,496	2,770,487	3,150,164	4,324,505	(5,980,848)	15,228,631
Net assets (deficit)									
Without donor restrictions - undesignated	12,219,185	536,280	723,163	(445,958)	(402,880)	1,120,527	(1,165,113)	447,466	13,032,670
With donor restrictions - purpose or time restrictions	1,651,907	93,200	-	-	-	-	-	-	1,745,107
Total net assets (deficit)	13,871,092	629,480	723,163	(445,958)	(402,880)	1,120,527	(1,165,113)	447,466	14,777,777
Total liabilities net assets (deficit)	$ 23,428,285	$ 744,854	$ 778,423	$ 790,538	$ 2,367,607	$ 4,270,691	$ 3,159,392	$ (5,533,382)	$ 30,006,408

See independent auditor's report.

New Directions Housing Corporation and Subsidiaries
Consolidating Statement of Financial Position
June 30, 2020

	New Directions Housing Corporation	St. Benedict Center for Early Childhood Education, Inc.	New Vision Residential Services, Inc. dba Clifton Court Apartments	St. John Gardens, Inc.	Directions Apartments, LLC	Russell Apartments, LLC	Shawnee Apartments, LLC	Eliminations	Consolidated
Assets									
Cash and cash equivalents	$ 3,695,369	$ 287,848	$ 1,444	$ 10,083	$ 166,897	$ 541,911	$ 193,199	$ -	$ 4,896,751
Restricted cash - deposits and funded reserves	552,442	-	66,962	36,339	159,447	241,921	213,066	-	1,270,177
Accounts receivable	441,336	30,739	23,716	8,284	1,618	3,843	14,404	(322,982)	200,958
Grants and pledges receivable	293,512	79,804	-	-	-	-	-	-	373,316
Notes receivable	8,420,578	-	-	-	-	-	-	(5,520,563)	2,900,015
Prepaid expenses	34,485	1,621	471	6,658	26,336	36,499	40,997	-	147,067
Other assets	110,830	-	-	-	-	-	-	-	110,830
Property and equipment, net	9,625,212	32,146	738,940	759,841	2,204,277	3,611,490	2,897,167	-	19,869,073
Total assets	$ 23,173,764	$ 432,158	$ 831,533	$ 821,205	$ 2,558,575	$ 4,435,664	$ 3,358,833	$ (5,843,545)	$ 29,768,187
Liabilities and net assets (deficit)									
Liabilities									
Accounts payable	$ 310,696	$ 33,274	$ 36,498	$ 21,665	$ 200,074	$ 135,530	$ 122,525	$ (217,596)	$ 642,666
Accrued expenses	298,568	40,337	1,002	5,679	550,377	42,400	131,371	(146,211)	923,523
Deferred revenue	52,676	-	908	2,651	1,922	4,966	7,544	-	70,667
Tenant deposits liability	44,324	-	2,763	3,598	14,793	25,997	17,691	-	109,166
Operating lines of credit	1,031,482	-	-	-	-	-	-	-	1,031,482
Long-term debt, net of unamortized debt issuance costs	7,213,215	100,386	-	1,210,271	2,121,179	3,173,175	4,077,686	(5,479,738)	12,416,174
Net deficit position in unconsolidated entities	76,378	-	-	-	-	-	-	-	76,378
Net deficit position in subsidiaries	274,158	-	-	-	-	-	-	(274,158)	-
Total liabilities	9,301,497	173,997	41,171	1,243,864	2,888,345	3,382,068	4,356,817	(6,117,703)	15,270,056
Net assets (deficit)									
Without donor restrictions - undesignated	12,667,235	225,421	790,362	(422,659)	(329,770)	1,053,596	(997,984)	274,158	13,260,359
With donor restrictions - purpose or time restrictions	1,205,032	32,740	-	-	-	-	-	-	1,237,772
Total net assets (deficit)	13,872,267	258,161	790,362	(422,659)	(329,770)	1,053,596	(997,984)	274,158	14,498,131
Total liabilities net assets (deficit)	$ 23,173,764	$ 432,158	$ 831,533	$ 821,205	$ 2,558,575	$ 4,435,664	$ 3,358,833	$ (5,843,545)	$ 29,768,187

See independent auditor's report.

New Directions Housing Corporation and Subsidiaries
Consolidating Statement of Activities and Changes in Net Assets
Year Ended June 30, 2021

	New Directions Housing Corporation	St. Benedict Center for Early Childhood Education, Inc.	New Vision Residential Services, Inc. dba Clifton Court Apartments	St. John Gardens, Inc.	Directions Apartments, LLC	Russell Apartments, LLC	Shawnee Apartments, LLC	Eliminations	Consolidated
Revenues, gains, and other support									
Rent and rental assistance, net	$ 2,042,365	$ -	$ 88,584	$ 250,361	$ 913,300	$ 1,861,414	$ 1,318,816	$ (126,685)	$ 6,348,155
Maintenance fees and tenant charges	702,339	-	29	1,024	23,190	7,372	8,654	(508,724)	233,884
Property management and incentive fees	782,220	-	-	-	-	-	-	(537,704)	244,516
Housing development and home sales	17,321	-	-	-	-	-	-	-	17,321
Contributions and grants	2,888,888	860,701	-	-	-	-	-	(163,625)	3,585,964
Program services	-	427,248	-	-	-	-	-	-	427,248
Interest income	201,152	95	13	22	126	224	156	(127,218)	74,570
Miscellaneous	2,140	50	-	-	-	-	-	-	2,190
Total revenues, gains, and other support	6,636,425	1,288,094	88,626	251,407	936,616	1,869,010	1,327,626	(1,463,956)	10,933,848
Expenses									
Program services									
Rental properties	2,292,226	-	155,825	274,706	1,009,726	1,706,549	1,483,872	(1,434,484)	5,488,420
Real estate development	402,384	-	-	-	-	-	-	-	402,384
Asset and property management	1,922,436	-	-	-	-	-	-	-	1,922,436
Resident services	420,636	-	-	-	-	-	-	-	420,636
Home ownership preservation	1,209,449	-	-	-	-	-	-	-	1,209,449
Community building and engagement	157,625	-	-	-	-	-	-	-	157,625
Early childhood development	77,078	853,377	-	-	-	-	-	(26,672)	903,783
	6,481,834	853,377	155,825	274,706	1,009,726	1,706,549	1,483,872	(1,461,156)	10,504,733
Fundraising and development	234,629	-	-	-	-	-	-	-	234,629
Management and general	542,842	163,784	-	-	-	-	-	(2,800)	703,826
Total expenses	7,259,305	1,017,161	155,825	274,706	1,009,726	1,706,549	1,483,872	(1,463,956)	11,443,188
Change in net assets before other activities	(622,880)	270,933	(67,199)	(23,299)	(73,110)	162,461	(156,246)	-	(509,340)
Other activities									
Paycheck Protection Program loan forgiveness	678,691	100,386	-	-	-	-	-	-	779,077
Other forgiveness of debt	19,759	-	-	-	-	-	-	-	19,759
Net loss from investments in limited partnerships	(9,850)	-	-	-	-	-	-	-	(9,850)
Net loss from investments in subsidiaries	(66,895)	-	-	-	-	-	-	66,895	-
Total other activities	621,705	100,386	-	-	-	-	-	66,895	788,986
Change in net assets	(1,175)	371,319	(67,199)	(23,299)	(73,110)	162,461	(156,246)	66,895	279,646
Distributions	-	-	-	-	-	(95,530)	(10,883)	106,413	-
Net assets (deficit), beginning of year	13,872,267	258,161	790,362	(422,659)	(329,770)	1,053,596	(997,984)	274,158	14,498,131
Net assets (deficit), end of year	$ 13,871,092	$ 629,480	$ 723,163	$ (445,958)	$ (402,880)	$ 1,120,527	$ (1,165,113)	$ 447,466	$ 14,777,777

See independent auditor's report.

New Directions Housing Corporation and Subsidiaries
Consolidating Statement of Activities and Changes in Net Assets
Year Ended June 30, 2020

	New Directions Housing Corporation	St. Benedict Center for Early Childhood Education, Inc.	New Vision Residential Services, Inc. dba Clifton Court Apartments	St. John Gardens, Inc.	Directions Apartments, LLC	Russell Apartments, LLC	Shawnee Apartments, LLC	Eliminations	Consolidated
Revenues, gains, and other support									
Rent and rental assistance, net	$ 2,159,136	$ -	$ 91,282	$ 241,780	$ 934,455	$ 1,830,023	$ 1,501,704	$ -	$ 6,758,380
Maintenance fees and tenant charges	651,600	-	21,486	137	11,110	20,783	19,118	(319,218)	405,016
Property management and incentive fees	1,126,144	-	-	-	-	-	-	(1,005,112)	121,032
Housing development and home sales	824,000	-	-	-	-	-	-	-	824,000
Contributions and grants	2,044,152	339,421	-	-	-	-	-	-	2,383,573
Program services	-	553,412	-	-	-	-	-	-	553,412
Interest income	235,891	-	14	73	350	581	394	(130,340)	106,963
Miscellaneous	76,477	551	-	-	-	-	-	-	77,028
Total revenues, gains, and other support	7,117,400	893,384	112,782	241,990	945,915	1,851,387	1,521,216	(1,454,670)	11,229,404
Expenses									
Program services									
Rental properties	2,246,390	-	168,797	259,230	960,726	1,604,212	1,475,506	(1,452,920)	5,261,941
Real estate development	1,232,415	-	-	-	-	-	-	-	1,232,415
Asset and property management	2,066,605	-	-	-	-	-	-	-	2,066,605
Resident services	413,154	-	-	-	-	-	-	-	413,154
Home ownership preservation	509,073	-	-	-	-	-	-	-	509,073
Community building and engagement	142,312	-	-	-	-	-	-	-	142,312
Early childhood development	222,315	564,654	-	-	-	-	-	(1,750)	785,219
	6,832,264	564,654	168,797	259,230	960,726	1,604,212	1,475,506	(1,454,670)	10,410,719
Fundraising and development	495,473	-	-	-	-	-	-	-	495,473
Management and general	509,169	125,140	-	-	-	-	-	-	634,309
Total expenses	7,836,906	689,794	168,797	259,230	960,726	1,604,212	1,475,506	(1,454,670)	11,540,501
Change in net assets before other activities	(719,506)	203,590	(56,015)	(17,240)	(14,811)	247,175	45,710	-	(311,097)
Other activities									
Other forgiveness of debt	176,779	-	-	-	-	-	-	-	176,779
Gain on sale of the O'Connor Square property	430,631	-	-	-	-	-	-	-	430,631
Net loss from investments in limited partnerships	(5,819)	-	-	-	-	-	-	-	(5,819)
Net income from investments in subsidiaries	278,074	-	-	-	-	-	-	(278,074)	-
Total other activities	879,665	-	-	-	-	-	-	(278,074)	601,591
Change in net assets	160,159	203,590	(56,015)	(17,240)	(14,811)	247,175	45,710	(278,074)	290,494
Distributions	-	-	-	-	(4,752)	(105,182)	(18,024)	127,958	-
Net assets (deficit), beginning of year	13,712,108	54,571	846,377	(405,419)	(310,207)	911,603	(1,025,670)	424,274	14,207,637
Net assets (deficit), end of year	$ 13,872,267	$ 258,161	$ 790,362	$ (422,659)	$ (329,770)	$ 1,053,596	$ (997,984)	$ 274,158	$ 14,498,131

See independent auditor's report.

New Directions Housing Corporation and Subsidiaries
Historic Parkland I - Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
Assets		
Current assets		
Cash	$ 3,797	$ 3,547
Tenant accounts receivable	718	1,005
Subsidy receivable	237	44
Prepaid expenses	795	678
Total current assets	5,547	5,274
Restricted cash		
Tenant security deposits	2,200	2,900
Reserve for replacements	6,793	20,000
Total restricted cash	8,993	22,900
Property and equipment, net		
Land	19,968	19,968
Buildings	706,927	686,206
Equipment	3,151	3,151
	730,046	709,325
Less accumulated depreciation	(542,822)	(518,786)
Total property and equipment, net	187,224	190,539
Total assets	$ 201,764	$ 218,713
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expenses	$ 53,434	$ 23,618
Deferred rent revenue	866	1,567
Total current liabilities	54,300	25,185
Non-current liabilities		
Tenant deposits liability	1,247	2,500
Long-term debt obligations	100,438	120,196
Total non-current liabilities	101,685	122,696
Total liabilities	155,985	147,881
Net assets		
Net assets without donor restrictions	45,779	70,832
Total liabilities and net assets	$ 201,764	$ 218,713

See independent auditor's report.

New Directions Housing Corporation and Subsidiaries
Historic Parkland I - Statements of Activities and Changes in Net Assets
Years Ended June 30, 2021 and 2020

	2021	2020
Revenues, gains, and other support		
Rent and rental assistance, net	$ 57,883	$ 69,659
Tenant charges	573	1,070
Forgiveness of debt	19,758	18,112
Total revenues, gains, and other support	78,214	88,841
Expenses		
Administrative	20,982	20,199
Depreciation	24,036	28,253
Insurance and taxes	10,010	10,974
Operating and maintenance	38,645	24,294
Utilities	9,594	8,579
Total expenses	103,267	92,299
Change in net assets	(25,053)	(3,458)
Net assets, beginning of year	70,832	74,290
Net assets, end of year	$ 45,779	$ 70,832

See independent auditor's report.

New Directions Housing Corporation and Subsidiaries
Historic Parkland II - Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
Assets		
Current assets		
Cash	$ 8,907	$ 7,661
Tenant accounts receivable	9,632	11,569
Prepaid expenses	890	1,708
Total current assets	19,429	20,938
Restricted cash		
Tenant security deposits	3,700	3,100
Reserve for replacements	28,355	28,683
Total restricted cash	32,055	31,783
Property and equipment, net		
Land	48,612	48,612
Buildings	796,592	796,592
Equipment	48,710	45,247
	893,914	890,451
Less accumulated depreciation	(310,657)	(280,893)
Total property and equipment, net	583,257	609,558
Total assets	$ 634,741	$ 662,279
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expenses	$ 372,641	$ 410,987
Deferred rent revenue	4,600	921
Total current liabilities	377,241	411,908
Non-current liabilities		
Tenant deposits liability	3,800	3,300
Total liabilities	381,041	415,208
Net assets		
Net assets without donor restrictions	253,700	247,071
Total liabilities and net assets	$ 634,741	$ 662,279

See independent auditor's report.

New Directions Housing Corporation and Subsidiaries
Historic Parkland II - Statements of Activities and Changes in Net Assets
Years Ended June 30, 2021 and 2020

	2021	2020
Revenues, gains, and other support		
Rent and rental assistance, net	$ 107,138	$ 87,531
Tenant charges	345	3,211
Total revenues, gains, and other support	107,483	90,742
Expenses		
Administrative	29,041	25,145
Depreciation	29,764	30,352
Insurance and taxes	12,621	12,567
Operating and maintenance	22,724	26,908
Utilities	6,704	9,921
Total expenses	100,854	104,893
Change in net assets	6,629	(14,151)
Net assets, beginning of year	247,071	261,222
Net assets, end of year	$ 253,700	$ 247,071

See independent auditor's report.

New Directions Housing Corporation
Schedule of Expenditures of Federal Awards (Unconsolidated)
Year Ended June 30, 2021

Federal grantor/pass-through grantor/program or cluster title	Federal Assistance Listing Number	Agency or pass-through entity identifying number	Passed through to sub-recipients	Federal expenditures
U.S. Department of Housing and Urban Development				
Direct Funding				
Mortgage Insurance Rental Housing in Urban Renewal Areas	14.139	N/A	$ -	$ 272,479
Operating Assistance for Troubled Multi-family Housing Projects	14.164	N/A	-	31,821
Multi-family Housing Service Coordinator Program	14.191	N/A	-	28,152
Section 8 Housing Assistance Payments Program	14.195	N/A	-	438,725
COVID-19 Section 8 Housing Assistance Payments Program	14.195	N/A	-	17,121
Total Section 8 Housing Assistance Payments Program			-	455,846
Total U.S. Department of Housing and Urban Development - Direct Funding			-	788,298
Passed-through Louisville/Jefferson County Metro Government				
Community Development Block Grants/Entitlement Grants	14.218		-	14,900
Passed-through the New Albany (Indiana) Redevelopment Commission				
Community Development Block Grants/Entitlement Grants	14.218	B-20-MC-18-0018	-	15,371
Passed-through Louisville/Jefferson County Metro Government				
Community Development Block Grants Section 108 Loan Guarantees	14.248		-	1,523,438
Total U.S. Department of Housing and Urban Development - Passed-through Funding			-	1,553,709
Total U.S. Department of Housing and Urban Development			-	2,342,007
U.S. Department of Treasury				
Passed-through NeighborWorks America				
Community Development Financial Institutions Program	21.020	8368	-	306,554
U.S. Department of Homeland Security				
Direct Funding				
Emergency Food and Shelter National Board Program	97.024	N/A	-	6,575
Total expenditures of federal awards			$ -	$ 2,655,136

See independent auditor's report and accompanying notes.

New Directions Housing Corporation
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards ("schedule") includes the federal grant activity of New Directions Housing Corporation under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the schedule presents only a selected portion of the operations of New Directions Housing Corporation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of New Directions Housing Corporation.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein some types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

New Directions Housing Corporation does not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance

Note C - Loan Programs

Balances of mortgages and loans outstanding as of June 30, 2021 are as follows:

Mortgage/loan	Federal Assistance Listing Number	Balance
Smoketown Apartments	14.139	$ 272,479
Smoketown Apartments	14.164	$ 31,821
Jackson Woods Apartments	14.248	$ 840,000
St. Williams Apartments	14.248	583,000
Historic Parkland I	14.248	100,438
		$ 1,523,438

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Board of Directors
New Directions Housing Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of New Directions Housing Corporation and Subsidiaries (collectively the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 8, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards* (Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MCM CPAs & Advisors LLP

Louisville, Kentucky
November 8, 2021

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance With the Uniform Guidance

To the Board of Directors
New Directions Housing Corporation

Report on Compliance for Each Major Federal Program

We have audited New Directions Housing Corporation and Subsidiaries' (collectively the "Organization") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2021. The Organization's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

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Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance With the Uniform Guidance (Continued)

Opinion on Each Major Federal Program

In our opinion, New Directions Housing Corporation and Subsidiaries complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct non-compliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

MCM CPAs & Advisors LLP

Louisville, Kentucky
November 8, 2021

New Directions Housing Corporation
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section I - Summary of Audit Results (Under Section 515(d)(1) of the Uniform Guidance)

Consolidated Financial Statements

1. An unmodified opinion was issued on the audit of the consolidated financial statements of New Directions Housing Corporation and Subsidiaries as of and for the year ended June 30, 2021.

2. No significant deficiencies or material weaknesses were reported that related to internal control over financial reporting.

3. The audit did not disclose any non-compliance which is material to the consolidated financial statements of New Directions Housing Corporation and Subsidiaries.

Federal Awards

4. No significant deficiencies or material weaknesses were reported that related to internal control over New Directions Housing Corporation's major federal programs.

5. An unmodified opinion was issued on compliance for New Directions Housing Corporation's major federal programs for the year ended June 30, 2021.

6. The audit did not disclose audit findings required to be reported in accordance with Section 516(a) of the Uniform Guidance.

7. New Directions Housing Corporation's major federal programs for the year ended June 30, 2021 are as follows:

   - Federal Assistance Listing number 14.195 - Section 8 Housing Assistance Payments Program
   - Federal Assistance Listing number 21.020 - Community Development Financial Institutions Program

8. The dollar threshold to distinguish between Type A and Type B programs was $750,000 as described in Section 200.518 of the Uniform Guidance.

9. The auditee qualified as a low-risk auditee under Section 200.520 of the Uniform Guidance.

Section II - Findings - Financial Statements Audit (Under Section 515(d)(2) of the Uniform Guidance)

None

Section III - Findings and Questioned Costs - Major Federal Awards Program Audit (Under Section 516(a) of the Uniform Guidance)

None

New Directions Housing Corporation
Schedule of Prior Audit Findings and Their Resolution
Year Ended June 30, 2021

Section I - Findings - Financial Statements Audit (Under Section 515(d)(2) of the Uniform Guidance)

None

Section II - Findings and Questioned Costs - Major Federal Awards Program Audit (Under Section 516(a) of the Uniform Guidance)

None