

**New Destiny Housing Corporation
and Affiliates**

Consolidated Financial Statements and Uniform Guidance Schedules
Together With Independent Auditors' Reports

June 30, 2024 and 2023

Independent Auditors' Report

Board of Directors
New Destiny Housing Corporation and Affiliates

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of New Destiny Housing Corporation and Affiliates (the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2024 and 2023, and the consolidated results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 35 to 40 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies, and it is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards on page 41, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2024 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.

PKF O'Connor Davies, LLP

Harrison, New York
November 15, 2024

New Destiny Housing Corporation and Affiliates

Consolidated Statements of Financial Position

	June 30,	
	2024	2023
ASSETS		
Real estate, net	\$ 101,910,258	\$ 98,949,130
Cash - operations	6,352,307	6,537,892
Cash - construction	-	21,995
Investments	597,062	522,496
Rent receivable, net	282,076	387,879
Fees receivable	31,714	-
Grants receivable	3,701,587	2,792,199
Prepaid expenses and other assets	996,503	1,026,691
Tenant security deposits	157,262	165,593
Escrow and reserves	4,217,983	4,240,125
Predevelopment costs	500	-
Deposits	135,915	140,000
Capitalized costs, net	280,215	314,994
Right-of-use-asset, net	610,187	801,634
	<u>\$ 119,273,569</u>	<u>\$ 115,900,628</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Long-term debt, net	\$ 67,385,325	\$ 62,282,030
Recoverable grant	120,000	120,000
Deferred income	643,699	249,298
Construction costs payable	-	66,154
Accrued interest payable	8,298,159	7,084,459
Accounts payable and accrued expenses	2,301,438	1,026,513
Prepaid rent	94,206	101,872
Operating lease liability	627,420	813,019
Tenant security deposits payable	152,272	166,868
Total Liabilities	<u>79,622,519</u>	<u>71,910,213</u>
Net Assets		
Syndication costs	(40,000)	(40,000)
Without donor restrictions	11,422,241	11,931,242
With donor restrictions	669,833	238,030
	<u>12,052,074</u>	<u>12,129,272</u>
Non-controlling interests in consolidated for-profit affiliates	<u>27,598,976</u>	<u>31,861,143</u>
Total Net Assets	<u>39,651,050</u>	<u>43,990,415</u>
	<u>\$ 119,273,569</u>	<u>\$ 115,900,628</u>

See notes to consolidated financial statements

New Destiny Housing Corporation and Affiliates

Consolidated Statements of Activities

	Year Ended June 30,	
	2024	2023
NET ASSETS WITHOUT DONOR RESTRICTIONS		
SUPPORT AND REVENUE		
Grants and contributions	\$ 8,362,196	\$ 7,659,789
Special events, net of cost of direct benefits to donors of \$48,802 and \$29,810	88,190	125,556
Rental income	4,806,616	4,631,387
Property management	167,848	-
Developer fees	137,044	1,677,725
Interest income	224,004	121,471
Investment income, net	67,873	43,027
Other income	368,229	268,601
Total Revenue	14,222,000	14,527,556
Net assets released from restrictions	858,673	696,236
Total Support and Revenue	15,080,673	15,223,792
EXPENSES		
Program Services		
Housing and management services	10,280,343	9,639,548
Social services	8,861,830	8,435,238
Total Program Services	19,142,173	18,074,786
Supporting Services		
Management and general	1,032,672	771,542
Fundraising	196,706	344,569
Total Supporting Services	1,229,378	1,116,111
Total Expenses	20,371,551	19,190,897
Change in Net Assets Without Donor Restrictions Before Other Changes	(5,290,878)	(3,967,105)
OTHER CHANGES		
Capital contributions	519,710	8,951,322
Capital distributions	-	(29,497)
Total Other Changes	519,710	8,921,825
Change in Net Assets Without Donor Restrictions	(4,771,168)	4,954,720
Net Assets Without Donor Restrictions and Non-Controlling Interests in Consolidated For-Profit Affiliates		
Beginning of year	43,792,385	38,837,665
End of year	\$ 39,021,217	\$ 43,792,385
NET ASSETS WITH DONOR RESTRICTIONS		
Grants and contributions	\$ 1,290,476	\$ 583,682
Net assets released from restrictions	(858,673)	(696,236)
Change in Net Assets With Donor Restrictions	431,803	(112,554)
Net Assets With Donor Restrictions		
Beginning of year	238,030	350,584
End of year	\$ 669,833	\$ 238,030
Change in Net Assets	\$ (4,339,365)	\$ 4,842,166
NET ASSETS		
Syndication costs	(40,000)	(40,000)
Beginning of year	44,030,415	39,188,249
End of year	\$ 39,651,050	\$ 43,990,415

See notes to consolidated financial statements

New Destiny Housing Corporation and Affiliates

Consolidated Statement of Functional Expenses
Year Ended June 30, 2024

	Program Services			Supporting Services		
	Housing and Management Services	Social Services	Total	Management and General	Fundraising	Total
Salaries	\$ 409,890	\$ 3,606,043	\$ 4,015,933	\$ 696,184	\$ 132,611	\$ 4,844,728
Fringe benefits	80,462	707,869	788,331	136,661	26,032	951,024
Building repairs	17,351	2,363	19,714	456	87	20,257
Building and office maintenance	71,861	67,734	139,595	13,077	2,491	155,163
Water and sewer	2,831	893	3,724	172	33	3,929
Management and support services	43,675	127,794	171,469	24,672	4,700	200,841
Office rent	18,003	158,379	176,382	30,577	28,824	235,783
Utilities	19,982	7,339	27,321	1,417	270	29,008
Telephone	6,856	53,643	60,499	10,356	1,973	72,828
Insurance	35,856	23,672	59,528	4,570	871	64,969
Professional fees	7,609	34,747	42,356	6,708	1,278	50,342
Consultant fees	41,039	333,875	374,914	64,458	12,278	451,650
Service contract	252	2,214	2,466	428	81	2,975
Training and staff development	4,023	35,393	39,416	6,833	1,302	47,551
Tenant activities	-	3,143,849	3,143,849	-	-	3,143,849
Membership and subscriptions	1,230	10,821	12,051	2,089	398	14,538
Travel	220	1,937	2,157	374	319	2,850
Equipment repairs and maintenance	8,414	74,024	82,438	14,291	2,722	99,451
Supplies	2,353	20,700	23,053	3,996	761	27,810
Employment and advertising fees	356	3,134	3,490	605	115	4,210
Postage	492	4,332	4,824	836	159	5,819
Printing	230	2,025	2,255	391	74	2,720
Payroll services	4,596	40,436	45,032	7,807	1,487	54,326
Bad debt expense	544,484	-	544,484	-	-	544,484
Real estate properties	3,767,458	-	3,767,458	-	-	3,767,458
Security services	-	369,026	369,026	-	-	369,026
Miscellaneous	117,655	7,725	125,380	1,493	25,838	152,711
Total Expenses Before Interest Expense, Depreciation and Amortization	5,207,178	8,839,967	14,047,145	1,028,451	244,704	15,320,300
Interest expense	1,714,039	-	1,714,039	-	-	1,714,039
Interest expense - debt issuance costs	31,770	-	31,770	-	-	31,770
Depreciation and amortization	3,327,356	21,863	3,349,219	4,221	804	3,354,244
Total Expenses	10,280,343	8,861,830	19,142,173	1,032,672	245,508	20,420,353
Expenses deducted directly revenues on the statement of activities						
Direct cost of special events	-	-	-	-	(48,802)	(48,802)
Total Expenses Reported by Function	\$ 10,280,343	\$ 8,861,830	\$ 19,142,173	\$ 1,032,672	\$ 196,706	\$ 20,371,551

New Destiny Housing Corporation and Affiliates

Consolidated Statement of Functional Expenses
Year Ended June 30, 2023

	Program Services			Supporting Services		
	Housing and Management Services	Social Services	Total	Management and General	Fundraising	Total
Salaries	\$ 398,450	\$ 3,597,863	\$ 3,996,313	\$ 529,514	\$ 236,491	\$ 4,762,318
Fringe benefits	73,345	662,279	735,624	97,471	43,532	876,627
Building repairs	36,388	340	36,728	50	22	36,800
Building and office maintenance	40,558	59,460	100,018	8,751	3,908	112,677
Water and sewer	32,008	1,094	33,102	161	72	33,335
Management and support services	34,140	96,794	130,934	14,246	6,362	151,542
Office rent	17,777	128,122	145,899	23,625	10,551	180,075
Utilities	58,722	5,820	64,542	856	383	65,781
Telephone	5,554	45,162	50,716	6,647	2,969	60,332
Insurance	105,067	14,304	119,371	2,105	940	122,416
Professional fees	21,902	33,800	55,702	4,975	2,222	62,899
Consultant fees	34,350	206,166	240,516	30,342	13,551	284,409
Service contract	8,209	2,429	10,638	357	160	11,155
Training and staff development	1,431	12,921	14,352	1,902	849	17,103
Tenant activities	-	2,956,568	2,956,568	-	-	2,956,568
Membership and subscriptions	942	8,505	9,447	1,252	559	11,258
Travel	436	3,937	4,373	579	259	5,211
Equipment repairs and maintenance	11,883	107,298	119,181	15,792	7,053	142,026
Supplies	2,618	23,635	26,253	3,479	1,554	31,286
Employment and advertising fees	990	8,935	9,925	1,315	587	11,827
Postage	712	5,615	6,327	826	369	7,522
Printing	394	3,558	3,952	524	234	4,710
Payroll services	7,527	67,967	75,494	10,003	4,468	89,965
Bad debt expense	199,780	1,180	200,960	174	78	201,212
Real estate properties	3,494,369	2,857	3,497,226	421	188	3,497,835
Security services	-	298,726	298,726	-	-	298,726
Miscellaneous	-	67,827	67,827	14,398	36,224	118,449
Total Expenses Before Interest Expense, Depreciation and Amortization	4,587,552	8,423,162	13,010,714	769,765	373,585	14,154,064
Interest expense	1,757,542	-	1,757,542	-	-	1,757,542
Interest expense - debt issuance costs	31,770	-	31,770	-	-	31,770
Depreciation and amortization	3,262,684	12,076	3,274,760	1,777	794	3,277,331
Total Expenses	9,639,548	8,435,238	18,074,786	771,542	374,379	19,220,707
Expenses deducted directly from revenues on the statement of activities						
Direct cost of special events	-	-	-	-	(29,810)	(29,810)
Total Expenses Reported by Function	\$ 9,639,548	\$ 8,435,238	\$ 18,074,786	\$ 771,542	\$ 344,569	\$ 19,190,897

New Destiny Housing Corporation and Affiliates

Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets		
Without donor restrictions before other changes	\$ (5,290,878)	\$ (3,967,105)
With donor restrictions	431,803	(112,554)
	(4,859,075)	(4,079,659)
Adjustments to reconcile changes in net assets to net cash from operating activities		
Depreciation and amortization	3,354,244	3,277,331
Bad debt expense	544,484	201,212
Interest expense - debt issuance costs	31,770	31,770
Realized loss(gain) on investments	(15,281)	34,696
Unrealized (gain) on investments	(44,162)	(66,044)
Loss on disposal of investment in real estate	102,854	811
Reduction in the carrying value of right-of-use assets	191,447	186,043
Reduction in the carrying value of right-of-use liability	(185,599)	(174,658)
Changes in operating assets and liabilities		
Rent receivable	(438,681)	(280,504)
Fees receivable	(31,714)	-
Grants receivable	(909,388)	(1,022,055)
Prepaid expenses and other assets	30,188	109,132
Tenant security deposits	8,331	(11,772)
Deposits	4,085	7,871
Deferred income	394,401	(215,408)
Accrued interest payable	1,213,700	798,591
Accounts payable and accrued expenses	1,274,925	672,340
Prepaid rent	(7,666)	(6,055)
Tenant security deposits payable	(14,596)	8,327
Net Cash from Operating Activities	644,267	(528,031)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(6,383,447)	(6,347,363)
Purchases of investments	(678,701)	(474,910)
Proceeds from sales of investments	663,578	463,231
Change in predevelopment costs	(500)	454,332
Net Cash from Investing Activities	(6,399,070)	(5,904,710)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	5,168,606	11,597,805
Repayments of long-term debt	(97,081)	(11,561,129)
Capitalized mortgage cost	-	40,000
Construction costs payable	(66,154)	(787,189)
Capital contributions	519,710	8,951,322
Syndication costs	-	(40,000)
Capital distributions	-	(29,497)
Net Cash from Financing Activities	5,525,081	8,171,312
Net Change in Cash and Restricted Cash	(229,722)	1,738,571
CASH AND RESTRICTED CASH		
Beginning of year	10,800,012	9,061,441
End of year	\$ 10,570,290	\$ 10,800,012

See notes to consolidated financial statements

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

1. Organization

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

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

- Develops, owns, and manages housing for low-income domestic violence survivors.
- Provides on-site social services and support to tenants in its permanent housing and under executed agreements, to tenants in affordable housing owned by others.
- Provides housing training workshops; maintains a housing resource website; and provides technical assistance to domestic violence survivors and to social service and legal providers seeking information and assistance with permanent housing issues.
- Through its Housing Access and Stability Services, connects domestic violence survivors with affordable permanent housing that is safe, well maintained, and sustainable, and provides aftercare to ensure long-term stability.
- Educates the public about the permanent housing and service needs of low-income domestic violence survivors and advocates for increasing the resources available to this population.
- Directly owns and operates Park Place, which consists of five cooperative apartments in the Crown Heights section of Brooklyn, New York. The five apartments are leased to tenants at below-market rents.

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

New Destiny is affiliated through common board control and ownership with the following entities (collectively, the “Affiliates”). The consolidated financial statements include the accounts of New Destiny Housing Corporation and Affiliates (the “Organization”):

- CityWide Supportive Housing, Inc. (“CityWide”) was incorporated as a not-for-profit organization in the State of New York and is tax-exempt under Section 501(c)(3) of the IRC. Until January 31, 2023, CityWide owned Prelude Place, a 35-bed emergency facility in Staten Island, New York, that was operated as a shelter for domestic violence survivors under a lease with another not-for-profit organization. CityWide now owns a vacant building located at 2303 Andrews Avenue in the Bronx, New York. New Destiny is in the process of developing this property into 30 units of affordable housing. Up until November 2020, CityWide leased this property to another not-for-profit organization that operated the building as a 27-unit transitional shelter for domestic violence survivors that was known as Lily House.

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

1. Organization (*continued*)

On January 31, 2023, the fixed assets, cash and reserves of Prelude Place were acquired by a separate corporation, Prelude SI Corporation ("Prelude SI").

- Prelude SI was incorporated as a not-for-profit organization in the State of New York and is in process of obtaining tax-exempt under Section 501(c)(3) of the IRC. The sole member of Prelude SI is New Destiny. Prelude Place continues to be operated in the same manner as it was when it was owned by CityWide.
- CityWide Supportive Housing Development Fund Corp. ("HDFC") was incorporated as a not-for-profit organization in the State of New York and is tax-exempt under Section 501(c)(3) of the IRC.

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

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

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

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

1070 GP was formed to act as the corporate general partner of Anderson and is 100% owned by 1070 Anderson Housing Development Fund Corporation, a not-for-profit organization in the State of New York, all the directors of which are appointed by New Destiny in its capacity as sole member of 1070 GP. 1070 GP owns .01% of Anderson. Anderson was formed for the purpose of providing low-income housing through the construction and operation of 40 residential units and one superintendent's unit in the Bronx, New York, in a building known as The Anderson.

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

1. Organization (*continued*)

- 291 Bainbridge Limited Partnership ("291 LP") is a limited partnership organized on October 18, 2011 under the laws of the State of New York.
- 291 Bainbridge GP Corp. ("291 GP") is a New York corporation organized under Section C of the IRC. 291 GP was formed to act as the corporate general partner of 291 LP and is 78% owned by 291 Bainbridge Housing Development Fund Corporation, a not-for-profit organization in the State of New York, all the directors of which are appointed by New Destiny in its capacity as sole member of 291 GP. 291 GP owns .01% of 291 LP. 291 LP was formed for the purpose of providing low-income housing through the construction and operation of 23 residential units in Brooklyn, New York, in a building known as Bainbridge Manor.
- 2017 Morris Avenue Owner LLC ("2017 LLC") is a limited liability company organized on December 9, 2013 under the laws of the State of New York.
- 2017 Morris Avenue Corp. ("2017 GP") is a New York corporation organized under Section C of the IRC.

2017 GP was formed to act as the corporate managing member of 2017 LLC and is 100% owned by 2017 Morris Housing Development Fund Corporation, a not-for-profit organization in the State of New York, all the directors of which are appointed by New Destiny in its capacity as sole member of 2017 GP. 2017 GP owns .01% of 2017 LLC. 2017 LLC was formed for the purpose of providing low-income housing through the construction and operation of 38 residential units, and one superintendent's unit in the Bronx, New York, in a building known as The Morris.

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

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

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

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

1. Organization (*continued*)

- 902 Jennings Street MM Inc. ("902 MM") is a New York corporation organized under Section C of the IRC.

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

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

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

- Bryant Avenue Owner was formed to provide low-income housing through the construction and operation of 62 residential units, including one superintendent's unit, in a building that now has the address 1115 East 165th Street in the Bronx, New York. The site of the building was formerly the 2 vacant lots that had other addresses on Bryant Avenue. The building is known as The Corden. The construction on the building was completed and it was placed into operations on January 2022.
- 1145 Webster Housing Development Fund Corporation ("Webster HDFC") was incorporated in the State of New York on January 11, 2022. Webster HDFC was formed to acquire the site at 1139-1145 Webster Avenue, Bronx, New York ("1139 Webster"). On June 17, 2022, Webster HDFC obtained a commitment for a \$5,550,000 acquisition and predevelopment loan from the Corporation for Supportive Housing for the purchase and development of this site into 70 units of affordable housing. The loan closed on July 12, 2022; at which time the site was acquired from an unaffiliated owner. New Destiny is the sole member of Webster HDFC and is the guarantor of the Corporation for Supportive Housing loan. Webster HDFC has a nominee agreement with 1145 Webster Owner LLC under which Webster HDFC retains legal title to a new multi-use property being developed by 1145 Webster Managing Member Inc in the Bronx, New York, part of which will contain low-income and supportive housing units.

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

1. Organization (*continued*)

- 1145 Webster Owner LLC (“1145 Webster Owner”) is a limited liability company organized on May 30, 2023, under the laws of the State of New York. 1145 Webster Owner was formed to lease, own or manage real estate, and for any other lawful purpose. 1145 Webster Owner is managed by 1145 Webster MM Inc.
- 1145 Webster MM Inc. (“1145 Webster MM”) is a New York corporation, organized May 30, 2023, to operate under Section C of the IRC. 1145 Webster MM was formed under Section 402 of the New York State Business Corporation Law to engage in any lawful act or activity and is 100% owned by Webster HDFC. 1145 Webster MM is the sole member of 1145 Webster Owner.
- New Destiny is the sole member of Raven Hall Housing Development Fund Corp. (“Raven Hall HDFC”), a not-for-profit corporation under the laws of the State of New York. Raven Hall HDFC has a nominee agreement with Raven Hall Moderate LLC under which Raven Hall HDFC retains legal title to a new multi-use property being developed by Raven Hall Developer LLC in Brooklyn, New York, part of which will contain low-income and supportive housing units.
- New Destiny owns 25% in Raven Hall Developer LLC (“RH Developer”). While New Destiny has an economic interest in RH Developer, it does not have control. Therefore, the operations of RH Developer are not consolidated in the financial statements of the Organization.
- Raven Hall HDFC is a 50% member in Raven Hall MM LLC, which is a 0.01% managing member of Raven Hall LLC. Raven Hall LLC is the 99.5% member of Raven Hall Moderate LLC. Raven Hall Moderate LLC has a master lease with Raven Hall LLC under which Raven Hall LLC leases the low-income and supportive housing portion of the property being developed by RH Developer. While New Destiny has an economic interest in Raven Hall MM LLC, Raven Hall LLC, and Raven Hall Moderate LLC, it does not have control. Therefore, the operations of these three LLCs are not consolidated in the financial statements of the Organization. Ongoing rental real estate operations at the property commenced on January 31, 2022.
- New Destiny is the sole member of 153 Jamaica Housing Development Fund Corp. (“153 Jamaica HDFC”), a not-for-profit corporation under the laws of the State of New York. 153 Jamaica HDFC has a nominee agreement with Jamaica Owner LLC under which 153 Jamaica HDFC retains legal title to a new multi-use property being developed by 153 Jamaica Developer LLC in Queens, New York, part of which will contain low-income and supportive housing units. The building is known as The Kira.
- New Destiny owns a 20% interest in 153 Jamaica Developer LLC (“Jamaica Developer”). While New Destiny has an economic interest in Jamaica Developer, it does not have control. Therefore, Jamaica Developer’s operations are not consolidated in the financial statements of the Organization.

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

1. Organization (*continued*)

- 153 Jamaica HDFC is a 20% member in Jamaica JV LLC, which is the 50% managing member of Jamaica MM LLC. 153 Jamaica HDFC is the other 50% member in Jamaica MM LLC. While New Destiny has an economic interest in Jamaica JV LLC and Jamaica MM LLC, it does not have control. Therefore, their operations are not consolidated in the financial statements of the Organization.
- New Destiny, as Atlantic Avenue NDHC Member Inc (“ND Member”), on March 22, 2024, entered into an Amended and Restated Operating Agreement, Atlantic Avenue Brooklyn (West) LLC, with Albanese Atlantic Avenue Brooklyn (West) LLC. The purpose of the Agreement is to formalize the joint venture for the pursuit of the development of 2797 Atlantic Avenue, Brooklyn. The planned project is pursuing financing from New York State Housing Finance Agency and New York City Department of Housing Preservation and Development for a supportive housing project to build a 161-unit project of which 97 will be supportive units. ND Member will own 51% of Atlantic Ave Brooklyn (West) Manager LLC, as required by financing program.

New Destiny provides ongoing tenant support services at Marcello Manor, The Anderson, Bainbridge Manor, The Morris, the BCA Project and 902 Owner, and began to supply these services at The Corden in October 2021. New Destiny began providing ongoing tenant support services at the low-income and supportive housing parts of The Kira and Raven Hall, the properties that were developed by Jamaica Developer and RH Developer, in October 2021.

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

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Some of the more significant estimates required to be made by management include the allowance for doubtful receivables, depreciation, and fixed asset impairment.

Recently Adopted Accounting Standards

In June 2016, the Financial Accounting Standards Board issued an accounting pronouncement related to the measurement of credit losses on financial instruments. This pronouncement and subsequently issued Accounting Standards Updates, clarified certain provisions of the new guidance, changed the incurred loss model for most financial assets and required the use of an expected loss model for instruments measured at amortized cost and certain other instruments that are not measured at fair value through net income. Under this model, entities are required to estimate the lifetime expected credit losses on such instruments and record an allowance to offset the amortized cost basis of the financial asset, resulting in a net presentation of the amount expected to be collected on the financial asset.

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

Recently Adopted Accounting Standards (continued)

The adoption of this guidance on July 1, 2023, expanded the Organization's required disclosures for its expected credit losses for accounts receivable but did not have a material effect on its consolidated financial statements.

Principles of Consolidation

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

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

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

Net Asset Presentation

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

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

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

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

Reclassification

Net assets without donor restrictions and non-controlling interests in consolidated for-profit affiliates have been reclassified to conform with the presentation in the current year consolidated financial statements. This reclassification has no effect on the consolidated financial statements.

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

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

Cash and Restricted Cash

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

Real Estate

Property and equipment are stated as cost unless donated. Donated assets are capitalized at the estimated fair value at the date of receipt. Expenditures that substantially increase estimated useful lives are capitalized. Items with an acquisition cost of less than \$10,000 or a useful life of less than one year are expensed in the year purchased. Maintenance, repairs, and minor renewals are expensed as incurred. Depreciation is provided for by the straight-line method over the estimated useful life of the related asset. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts, and the resulting gains and losses are included in operations.

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

Buildings and improvements	30 - 40 years
Furniture and equipment	5 - 20 years

Investment in Real Estate

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

The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. The determination of undiscounted cash flows requires significant estimates by management. Subsequent changes in estimated undiscounted cash flows could impact the determination of whether impairment exists. There was no impairment loss recognized during the years ended June 30, 2024 and 2023.

Accounts Receivable

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

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

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

Escrow and Reserves

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

Predevelopment Project Costs

The Organization incurs costs in connection with properties it is considering for development, as well as costs associated with properties in the initial stages of development. Predevelopment project costs are capitalized and recorded as predevelopment costs until such a time as the project is either abandoned as not feasible or becomes an approved project with independent funding sources. Predevelopment costs are charged to operations at the time a potential project is no longer considered feasible. When a project has been approved and funded for development, some of these costs are reimbursed to the Organization and some become part of the Organization's operating expenses. Predevelopment costs totaled \$500 at June 30, 2024. There were no predevelopment costs at June 30, 2023.

Capitalized Costs

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

Investment Valuation and Income Recognition

Investments are carried at fair value in the consolidated statements of financial position. Interest and dividend income, as well as realized gains or losses and unrealized appreciation or depreciation in investment value, are recognized as with or without donor restrictions, in accordance with donor intent in the consolidated statements of activities. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis and dividends are recorded on the ex-dividend date.

Fair Value of Financial Instruments

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

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

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

Debt Issuance Costs

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

Grants

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

Special Events

Revenues and expenses incurred relative to special events are recognized upon occurrence of the respective event. Revenues are shown net of costs of direct benefits to donors.

Rental Income and Prepaid Rent

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

Contributions

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

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

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

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

Development Fees Revenue

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

Advertising Costs

The Organization expenses the cost of advertising as incurred.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use ("ROU") assets and lease liabilities in the consolidated statements of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

ROU assets represent the right to use an underlying asset for the lease term and are recognized in an amount equal to the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The present value of the lease liability is determined using the risk-free discount rate at lease inception for operating leases.

Functional Expenses Allocation

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

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements
June 30, 2024 and 2023

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

Income Taxes and Accounting for Uncertainty in Income Taxes

New Destiny and its not-for-profit affiliates are exempt from federal income tax under Section 501(c)(3) or 501(c)(4) of the IRC, as well as state and local income taxes. Other affiliates of New Destiny are treated as partnerships and corporations for federal, state, and local income tax purposes. Partnership taxable income or loss passes through to, and is reportable by, the partners, individually. The corporations either have had zero taxable income or have been carrying losses that are available for future netting against taxable income. These losses are carried forward for a period of time, as defined by the Internal Revenue Service, and then expire if unused. Losses carried forward should be computed as assets using the applicable tax rate and reported on the consolidating statements of financial position, subject to valuation allowance. In the case of the corporations, it is more likely than not that the respective asset will never be realized as the possibility of net income or gain is unlikely. Therefore, no asset has been recognized on these consolidated financial statements, as the valuation allowance would equal 100% of the asset value.

The Organization recognizes the effects of income tax positions only if they are more likely than not to be sustained. Management has determined that the Organization has no uncertain tax positions that would require financial statement recognition and/or disclosure. The Organization is no longer subject to examination by the applicable taxing jurisdictions for years prior to June 30, 2021.

Evaluation of Subsequent Events by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is November 15, 2024.

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

3. Supplemental Cash Flow Information

At June 30, 2024 and 2023, cash and restricted cash consisted of the following:

	<u>2024</u>	<u>2023</u>
Operating cash		
Cash	\$ 6,352,307	\$ 6,537,892
Restricted Cash		
Cash - construction	-	21,995
Operating reserves	2,185,001	2,185,721
Social service reserves	368,857	354,110
Replacement reserves	1,505,862	1,333,106
Retainage escrow	-	218,123
Escrows	112,803	104,059
Rent subsidy reserves	45,460	45,006
	<u>4,217,983</u>	<u>4,262,120</u>
	<u>\$10,570,290</u>	<u>\$10,800,012</u>

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

	<u>2024</u>	<u>2023</u>
Interest paid	\$ 500,339	\$ 926,913
Capitalized interest	367,217	286,828
Non-cash Investing and Financing Activities		
Fixed assets financed with proceeds from mortgages	6,278,069	6,154,651
Predevelopment costs	500	-

4. Real Estate

Real estate consists of the following at June 30:

	<u>2024</u>	<u>2023</u>
Land	\$ 10,189,826	\$ 10,189,826
Building and improvements	107,229,835	107,301,861
Furniture and equipment	1,559,873	1,647,475
Construction-in-progress	<u>9,066,575</u>	<u>2,830,837</u>
	128,046,109	121,969,999
Accumulated depreciation	<u>(26,135,851)</u>	<u>(23,020,869)</u>
	<u>\$ 101,910,258</u>	<u>\$ 98,949,130</u>

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

4. Real Estate (*continued*)

The construction in progress is related to two construction projects. One of them is still in the predevelopment and design phase; Webster Avenue is expected to have a total construction cost of \$38.2 million with total development cost of \$56.6 million. The Lily House rehabilitation project is 90.1% completed, with a total cost of \$8,755,889, and is not expected to be completed in September 2024. Retainage at June 30, 2024 and 2023 amounted to \$489,759 and \$118,273 and is included with accounts payable and accrued expenses on the consolidated statements of financial position.

5. Escrows and Reserves

New Destiny, CityWide, HDFC, Andrews LP, The Anderson, 291 LP, 2017 LLC, BCA LLC, 902 Owner, and Bryant Avenue Owner are required to maintain certain escrow and reserve accounts. Operating reserves are used for funding operating deficits of the projects and replacement reserves are used for future improvements and replacements for the rental properties. Pursuant to a development agreement, New Destiny funded, for the benefit of Andrews LP, a social service reserve of \$300,000 and an operating reserve of \$135,000 from the proceeds of its developer's fees.

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

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

	<u>2024</u>	<u>2023</u>
Operating reserves	\$ 2,185,001	\$ 2,185,721
Social service reserves	368,857	354,110
Replacement reserves	1,505,862	1,333,106
Escrows	112,803	104,059
Retainage escrow	-	218,123
Rent subsidy reserves	45,460	45,006
	<u>\$ 4,217,983</u>	<u>\$ 4,240,125</u>

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

6. Investments

The following are major classes and categories of investments measured at fair value at June 30, 2024 and 2023. All fixed income, mutual funds, exchange traded funds, and equities are valued using Level 1 inputs under the fair value hierarchy.

	<u>2024</u>	<u>2023</u>
Common stock	\$ 295,383	\$ 35,884
Mutual funds	49,509	219,898
Government securities	108,683	129,652
Exchanged traded funds	<u>127,464</u>	<u>115,465</u>
Total Investments at Fair Value	581,039	500,899
Cash and cash equivalents, at cost	<u>16,023</u>	<u>21,597</u>
	<u>\$ 597,062</u>	<u>\$ 522,496</u>

The composition of investment return as reported in the consolidated statements of activities for the years ended June 30, is as follows:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 13,025	\$ 14,680
Fees	(4,595)	(3,001)
Realized (loss)gain	15,281	(34,696)
Unrealized gain	<u>44,162</u>	<u>66,044</u>
	<u>\$ 67,873</u>	<u>\$ 43,027</u>

7. Leases

The Organization determines whether to account for its leases as operating or financing leases depending on the underlying terms of the lease agreement. The Organization elected the practical expedient to account for non-lease components and the lease components to which they relate as a single component for all operating leases.

On July 1, 2020, the Organization entered into a lease agreement for office space that extended the lease term to June 30, 2027. The agreement provides for a monthly rent amount of \$15,897. The monthly rent amount will increase 2.75% each year over the life of the lease. The lease contains no significant restrictions. The lease is subject to escalations and requires payment of increases in real estate taxes, and a fixed monthly water and sewer charge.

The Organization has determined that no other current contracts meet the requirements of ASU 2016-02.

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

7. Leases (continued)

	<u>2024</u>	<u>2023</u>
Operating lease expense	<u>\$ 212,783</u>	<u>\$ 180,075</u>
Supplemental cash flows		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating lease	\$ 206,934	\$ 201,369
ROU assets obtained in exchange for new operating lease liability	\$ -	\$ 987,677
Weighted average remaining lease term		
Operating lease	3	4
Weighted average discount rate		
Operating lease	3.00%	3.00%

Minimum future lease payments under the operating lease for each of the following years ending June 30, in the aggregate are:

2025	\$ 212,625
2026	218,472
2027	<u>224,480</u>
Total Undiscounted Cash Flows	655,577
Less present value discount	<u>(28,157)</u>
Total Lease Liability	<u><u>\$ 627,420</u></u>

8. Commitment – Construction Contracts

Entities consolidated into the Organization have entered into various construction contracts relating to capital improvements and repair work. At June 30, 2024, the Organization had entered into a \$6,602,243 construction contract, of which \$6,530,114 of the work had been completed.

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

9. Long-Term Debt

	2024	2023
New York State Homeless Housing and Assistance Program ("HHAP") provided a mortgage to Andrews LP, which bears interest at 1% per annum, compounded annually, with no payments until maturity. All accrued interest and principal are due in October 2058. The loan is secured by the investment in real estate.	\$ 3,732,450	\$ 3,732,450
HPD provided a mortgage to Andrews LP, which bears interest at 1% per annum, compounded annually, with no payments until maturity. All accrued interest and principal are due in October 2058. The loan is secured by the investment in real estate.	1,600,000	1,600,000
HTF provided a mortgage to the Anderson, bearing interest at 1% per annum, payable from available cash flows, with no payments until maturity. The principal and any unpaid interest are due in June 2044. The loan is secured by the investment in real estate.	1,624,232	1,624,232
New York State Homeless Housing and Assistance Corporation ("HHAC") provided a mortgage to the Anderson bearing interest at 1% per annum, compounded annually, with no payments until maturity. The principal and all accrued interest are due in August 2062, unless formal release/satisfaction is issued by HHAC. The loan is secured by the investment in real estate.	4,687,152	4,687,152
HPD provided a mortgage to the Anderson, bearing interest at 1% per annum, with no payments until maturity. The principal and all accrued interest are due in August 2060. The loan is secured by the investment in real estate.	1,000,000	1,000,000
Federal Home Loan Bank provided a mortgage to the Anderson, bearing interest at 1% per annum, with no payments until maturity. The principal and all accrued interest are due in August 2062. The loan is secured by the investment in real estate.	615,000	615,000
HHAC provided a mortgage to 291 LP, bearing interest at 6.25% per annum, compounded annually, with no payments until maturity. The principal and all accrued interest are due in November 2063, unless formal release/satisfaction is issued by HHAC. The loan is secured by the investment in real estate.	2,402,490	2,402,490

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

9. Long-Term Debt *(continued)*

	2024	2023
HTF provided to 291 LP a mortgage of \$871,987, with interest at 1% per annum payable from available cash flows. Principal and any unpaid interest is due and payable in March 2045. The loan is secured by the investment in real estate.	\$ 871,987	\$ 871,987
HPD provided a mortgage to 291 LP, bearing interest at .5% per annum, with principal and all accrued interest due in June 2045. The loan is secured by the investment in real estate.	1,380,000	1,380,000
HHAC provided a mortgage to the Morris of \$3,179,128. The loan bears 6% interest per annum, compounded annually, with no payments until maturity, with principal and all accrued interest due in December 2044, unless formal release/satisfaction is issued by HHAC. The loan is secured by the investment in real estate.	3,179,128	3,179,128
HPD provided a mortgage to the Morris of \$574,830. The loan bears 1.25% interest per annum. Principal and all accrued interest due in July 2046. The loan is secured by the investment in real estate.	574,830	574,830
HPD provided a mortgage to the Morris of \$1,026,000. The loan bears .25% interest per annum, with principal and all accrued interest due in July 2046. The loan is secured by the investment in real estate.	1,026,000	1,026,000
HPD provided a mortgage to the Morris of \$1,000,000. The loan bears no interest, with principal due in July 2046. The loan is secured by the investment in real estate.	1,000,000	1,000,000
HHAC provided \$5,060,000 for the construction and permanent financing of 902 Jennings. The loan bears 1% interest per annum, with no payments until maturity. Principal and accrued interest are due in December 2059, unless formal release/satisfaction is issued by HHAC. The three separate notes initially executed for the loan were consolidated into one note on October 1, 2020. The loan is secured by the investment in real estate.	5,060,000	5,060,000

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

9. Long-Term Debt *(continued)*

	2024	2023
HPD provided \$3,924,755 for the construction of 902 Jennings. The loan bore interest at 0.25% per annum during construction. As of permanent conversion, the loan bears interest at 2.81%. The principal and accrued interest are due October 1, 2050. The loan was converted to a permanent loan on October 1, 2020. The loan is secured by the investment in real estate.	\$ 3,924,755	\$ 3,924,755
The Community Preservation Corporation ("CPC") provided a mortgage to 902 Jennings of \$3,299,703, bearing interest at 5.25% per annum. Monthly principal and interest payments of \$18,221 are required starting on December 1, 2020, with final payment due at maturity on November 1, 2050. The mortgage is secured by the assignments of leases and rents of the property.	3,116,508	3,170,012
Low Income Investment Fund provided \$1,999,760 for the construction of the BCA Project, with interest at 5.75% per annum. At permanent closing on October 31, 2019, \$156,000 was converted to a mortgage, and the remaining balance was repaid from additional contributed equity. The mortgage requires monthly payments of \$1,254, including interest at 5.25% per annum, with final payment due on November 1, 2034. The loan is secured by the investment in real estate.	120,550	128,626
HPD committed \$365,174 for the construction and permanent financing of the BCA Project. The loan bears interest at 1.93% per annum, compounded monthly. No monthly payments are required. The principal and accrued interest will be due on November 1, 2049. The loan is secured by the investment in real estate.	365,174	365,174
HPD provided another \$500,000 for the construction and permanent financing of the BCA Project. The loan bears interest at 1.93% per annum, compounded monthly, with no annual payments required until maturity. The principal and accrued interest will be due on November 1, 2049. The loan is secured by the investment in real estate.	500,000	500,000
HTF provided \$439,844 for the construction and permanent financing of the BCA Project. The loan bears interest at 1.95% per annum, compounded annually. No payments are required until maturity. The principal and accrued interest will be due in 30 years from permanent closing of the HPD loan, but in no event later than October 1, 2048. The loan is secured by the investment in real estate.	439,844	439,844

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

9. Long-Term Debt *(continued)*

	2024	2023
HHAC provided \$5,776,625 for the construction of Bryant Avenue. The loan bears 1% interest per annum. No payments are required until maturity. Principal and accrued interest due on the 30th anniversary of the date building is approved as ready for occupancy. The loan is secured by the investment in real estate. The loan was converted to a permanent loan in December 2022.	\$ 5,776,625	\$ 5,776,625
HPD provided \$7,957,334 for the construction of Bryant Avenue. The loan bears .25% interest per annum during the construction period and 2.87% per annum at permanent loan conversion, compounded monthly. The loan requires no monthly payments. All principal and accrued interest will be due 30 years from the date the building is approved as ready for occupancy and the permanent closing has occurred. The loan is secured by the investment in real estate. The loan was converted to a permanent loan in December 2022.	7,957,334	7,957,334
HTFC committed \$1,323,700 for the construction of Bryant Avenue. During the construction period, the note bears no interest. After permanent closing, interest is payable from available cash flows at 1% per annum. Principal and any unpaid interest is due and payable on the 30th anniversary of the permanent loan conversion date. The loan is secured by the investment in real estate.	1,323,700	1,303,844
Aegon provided \$4,450,000 of permanent financing on December 1, 2022 for Bryant Avenue. The loan bears 5.98% interest per annum. Monthly payments of \$26,873 are required until maturity on December 1, 2052. The loan is secured by the investment in real estate.	4,362,771	4,418,128
Corporation for Supportive Housing committed \$5,550,000 for the acquisition of the property on 1145 Webster Avenue. The loan bears interest at 6% per annum, with maturity on the earlier of construction financing or July 12, 2025. The loan requires monthly interest payments, with any unpaid interest and principal due at maturity. The loan is secured by the investment in real estate.	4,832,989	4,547,691

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

9. Long-Term Debt *(continued)*

	2024	2023
CPC has committed \$2,660,500 for the rehabilitation of Lily House, bearing interest at 415 basis points over the sum of the term Secured Overnight Financing Rate and the initial spread adjustment of 11 basis points, which shall be adjusted monthly during the construction period. Monthly interest payments are required starting on February 1, 2023. The mortgage matures in 18 months of the loan date of January 31, 2023. At the time of permanent loan conversion the mortgage carries an interest rate of 7.37% per annum, with maturity at 30 years after the conversion date. The mortgage is secured by the assignments of leases and rents of the property.	\$ 1,334,837	\$ 629,720
HHAC has committed \$6,095,389 for the rehabilitation of Lily House. The loan bears no interest. No payments are required until maturity. Principal and accrued interest due on the 30th anniversary of the date building is approved as ready for occupancy. The loan is secured by the investment in real estate.	5,365,803	1,187,612
Unamortized debt issuance costs	(788,834)	(820,604)
	\$ 67,385,325	\$ 62,282,030

The future scheduled maturities of long-term debt are as follows for the years ending June 30:

2025	\$ 120,054
2026	6,299,658
2027	139,463
2028	146,839
2029	156,042
Thereafter	61,312,103
Unamortized debt issuance costs	(788,834)
	\$ 67,385,325

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

10. Net Assets With Donor Restrictions

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

Program/Purpose	2024			
	2023	Additions	Releases	2024
Family Support Program	\$ 3,669	\$ 427,500	\$ (105,336)	\$ 325,833
Advocacy	-	310,000	(250,899)	59,101
Asset Management - Tenant Subsidies	68,750	69,520	(102,886)	35,384
Housing Link	165,611	483,456	(399,552)	249,515
	<u>\$ 238,030</u>	<u>\$ 1,290,476</u>	<u>\$ (858,673)</u>	<u>\$ 669,833</u>

Program/Purpose	2023			
	2022	Additions	Releases	2023
Family Support Services	\$ 18,500	\$ 158,750	\$ (173,581)	\$ 3,669
Advocacy	75,000	-	(75,000)	-
Asset Management - Tenant Subsidies	-	164,384	(95,634)	68,750
Housing Link	257,084	260,548	(352,021)	165,611
	<u>\$ 350,584</u>	<u>\$ 583,682</u>	<u>\$ (696,236)</u>	<u>\$ 238,030</u>

11. Management Agreements

Since June 1, 2017, New Destiny has entered into nine separate management agreements with an unrelated company. The agreements are automatically renewed unless terminated by either party. Management agreements provide for rental management and other services. The agreements have been made for 307 E 54th Street, Andrews LP, the Anderson, 291 LP, 2017 LLC, Park Place, BCA, 902 Owner, and Bryant Avenue Owner. Other than for 902 Owner and Bryant Avenue Owner the fee in each agreement is 8% of rents collected. For 902 Owner and Bryant Avenue Owner, the fee is 7% of rent collections. Management fee expense to this unrelated company for the years ended June 30, 2024 and 2023 was \$307,848 and \$301,188.

12. Housing Leases

CityWide had entered into an operating lease for the Prelude property with Safe Horizon, a not-for-profit corporation. The lease provided for monthly payments of \$18,750 beginning June 2012, with a 2% increase every two years, through May 2022. On June 1, 2022, CityWide entered into a new operating lease with Safe Horizon. The lease provides for monthly payments of \$20,704 beginning June 2022, with a 2% increase every two years, through June 1, 2032. On January 31, 2023, this lease was assigned by CityWide to Prelude SI.

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

12. Housing Leases (*continued*)

Minimum rental payments due from Safe Horizon are as follows for the years ending June 30:

2025	\$ 253,416
2026	253,838
2027	258,480
2028	258,911
2029	263,652
Thereafter	<u>779,545</u>
	<u>\$ 2,067,842</u>

The consolidated statements of activities reflect rental income from Safe Horizon on a straight-line basis over the terms of the leases. Rental income for the years ended June 30, 2024 and 2023 was \$248,862 and \$248,448.

13. Retirement Savings Plan

New Destiny sponsors a defined contribution plan (the "Plan") covering all employees with at least one year of consecutive service who agree to make contributions to the Plan. New Destiny makes a matching contribution to the Plan each year in an amount equal to 100% of employee contributions that does not exceed 5% of all participants' compensation. Total expense for the years ended June 30, 2024 and 2023 was \$123,413 and \$142,449.

14. Contingency

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

The New York State Office of Temporary and Disability Assistance ("NYSOTDA") has perfected its beneficial interest in Lily House by having CityWide execute a grant enforcement note for \$10,095,389, secured by a mortgage lien on the property. Under the terms of the enforcement lien, the property must remain as low-income housing during the restriction period, which ends August 2030.

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

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

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

15. Change in Consolidated Net Assets Without Donor Restrictions

Change in consolidated net assets without donor restrictions are as follows for the years ended June 30, 2024 and 2023:

	2024				
	Total	Without Donor Restrictions	With Donor Restrictions	Syndication Costs	Non- Controlling Interest
Balance, June 30, 2023	\$ 43,990,415	\$ 11,931,242	\$ 238,030	\$ (40,000)	\$ 31,861,143
Change in net assets	(4,859,075)	(509,001)	431,803	-	(4,781,877)
Capital contributions	519,710	-	-	-	519,710
Capital distribution	-	-	-	-	-
Balance, June 30, 2024	<u>\$ 39,651,050</u>	<u>\$ 11,422,241</u>	<u>\$ 669,833</u>	<u>\$ (40,000)</u>	<u>\$ 27,598,976</u>
	2023				
	Total	Without Donor Restrictions	With Donor Restrictions	Syndication Costs	Non- Controlling Interest
Balance, June 30, 2022	\$ 39,188,249	\$ 11,605,614	\$ 350,584	-	\$ 27,232,051
Change in net assets	(4,119,659)	325,628	(112,554)	(40,000)	(4,292,733)
Capital contributions	8,951,322	-	-	-	8,951,322
Capital distributions	(29,497)	-	-	-	(29,497)
Balance, June 30, 2023	<u>\$ 43,990,415</u>	<u>\$ 11,931,242</u>	<u>\$ 238,030</u>	<u>\$ (40,000)</u>	<u>\$ 31,861,143</u>

16. Concentrations and Risks

Risks and Uncertainties

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

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

16. Concentrations and Risks (*continued*)

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash, investments and accounts receivable. The Organization places its cash with various financial institutions and limits the amount of credit exposure at any one financial institution. The Organization routinely assesses the diversification and financial strength of its cash and investment portfolios with the assistance of an independent investment consultant. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") are insured up to \$250,000. Investment holdings at financial institutions insured by the Securities Investor Protection Corporation ("SIPC") are insured up to \$500,000 (\$250,000 for cash holdings). At times, the cash balance may be in excess of the FDIC and/or SIPC limit. At June 30, 2024 and 2023, approximately \$5.2 and \$7.3 million was maintained with an institution in excess of Federal Deposit Insurance Corporation limits. At June 30, 2024, the Organization's had uninsured investment holdings of approximately \$7 thousand in cash holdings and \$53 thousand in investment holdings. At June 30, 2023, the Organization's had no uninsured investment holdings.

17. Liquidity and Availability of Financial Assets

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

	<u>2024</u>	<u>2023</u>
Cash - operations	\$ 6,352,307	\$ 6,537,892
Investments	597,062	522,496
Accounts receivable:		
Rent receivable, net	282,076	387,879
Fees receivable	31,714	-
Grants receivable	<u>3,701,587</u>	<u>2,792,199</u>
	10,964,746	10,240,466
Less:		
Net assets with donor restrictions	<u>(669,833)</u>	<u>(238,030)</u>
	<u>\$10,294,913</u>	<u>\$10,002,436</u>

Liquidity Management

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

New Destiny Housing Corporation and Affiliates

Notes to Consolidated Financial Statements June 30, 2024 and 2023

18. Highgarden Tower

On December 17, 2020, New Destiny entered into an agreement to give it zero percent ownership interest in Highgarden Tower Developer LLC ("Highgarden Developer"). Highgarden Developer has a contract with Highgarden Tower LLC (the "Owner") to develop a new multi-use property in New Rochelle, New York ("Highgarden Tower"). The property consists in part of 219 rental apartments, including a superintendent's unit. Its arrangements concerning Highgarden Tower represent the first time New Destiny has been involved as a developer or support service provider outside of New York City. New Destiny in return will provide services to Highgarden Developer and the Owner during the lease-up to 77 units consisting of residents with special needs, ongoing support services to those residents and act as a consultant to Highgarden Developer, and the Owner as needed, with respect to the special need's rental units.

Under the agreement with Highgarden Developer, for its activities in support of the development of Highgarden Tower, New Destiny will receive a total developer fee of \$8,517,386, of which \$2,098,268 will be a deferred developer's fee (payable only out of certain future equity contributions and available operating cash flows from the rental apartments, as per the terms of Owner's operating agreement), and \$4,600,000 will be received at the time the project's financing converts from construction to permanent loans, but then be immediately loaned back to the Owner. The loan will bear interest of 2.66% per annum compounding annually. Principal and all accrued interest are payable at maturity, 40 years after conversion. In addition, New Destiny and an affiliate of the Owner entered into a Developer Loan Participation Agreement, under which New Destiny sold 67.5% participation interest in the loan above to the affiliate for consideration of ten dollars. No payments for the developer fee were received during the years ended June 30, 2024 and 2023.

* * * * *

**New Destiny Housing Corporation
and Affiliates**

Supplementary Information

June 30, 2024

**New Destiny Housing Corporation
and Affiliates**

Consolidating Schedule of Financial Position
June 30, 2024
(With summarized amounts at June 30, 2023)

	New Destiny Housing Corp. General Fund	Other Housing Activities	Real Estate Affiliates	Subtotal	Eliminations	2024 Total	2023 Total
REAL ESTATE							
Land	\$ -	\$ 369,267	\$ 10,243,698	\$ 10,612,965	\$ (423,139)	\$ 10,189,826	\$ 10,189,826
Buildings and improvements	146,752	9,072,116	104,240,885	113,459,753	(6,229,918)	107,229,835	107,301,861
Furniture and equipment	12,460	158,374	1,360,703	1,531,537	28,336	1,559,873	1,647,475
Construction-in-progress	-	7,909,776	1,419,130	9,328,906	(262,331)	9,066,575	2,830,837
Less, accumulated depreciation	(44,024)	(3,869,120)	(21,421,675)	(25,334,819)	(801,032)	(26,135,851)	(23,020,869)
Net Real Estate	115,188	13,640,413	95,842,741	109,598,342	(7,688,084)	101,910,258	98,949,130
OTHER ASSETS							
Cash - operations	4,631,602	305,160	1,415,545	6,352,307	-	6,352,307	6,537,892
Cash - construction	-	-	-	-	-	-	21,995
Investments	597,062	-	-	597,062	-	597,062	522,496
Rent receivable, net	-	20,179	275,397	295,576	(13,500)	282,076	387,879
Fees receivable	1,618,151	-	40,000	1,658,151	(1,626,437)	31,714	-
Grants receivable	3,701,587	-	-	3,701,587	-	3,701,587	2,792,199
Prepaid expenses and other assets	42,383	-	1,105,056	1,147,439	(150,936)	996,503	1,026,691
Tenant security deposits	-	12,995	144,267	157,262	-	157,262	165,593
Retainage escrow	-	-	-	-	-	-	218,123
Replacement reserves	-	107,490	1,398,372	1,505,862	-	1,505,862	1,333,106
Operating reserves	174,608	110,951	1,899,442	2,185,001	-	2,185,001	2,185,721
Social service reserves	328,884	-	39,973	368,857	-	368,857	354,110
Rent subsidy reserves	-	-	45,460	45,460	-	45,460	45,006
Escrows	-	-	112,803	112,803	-	112,803	104,059
Predevelopment costs	500	-	-	500	-	500	-
Deposits	56,120	6,985	72,810	135,915	-	135,915	140,000
Deferred costs, net	-	-	280,215	280,215	-	280,215	314,994
Right-of-use-asset, net	610,187	-	-	610,187	-	610,187	801,634
Loans receivable - related parties	4,137,372	10,128	29,374	4,176,874	(4,176,874)	-	-
	<u>\$ 16,013,644</u>	<u>\$ 14,214,301</u>	<u>\$ 102,701,455</u>	<u>\$ 132,929,400</u>	<u>\$ (13,655,831)</u>	<u>\$ 119,273,569</u>	<u>\$ 115,900,628</u>
LIABILITIES AND NET ASSETS							
Liabilities							
Long-term debt, net	\$ -	\$ 6,700,642	\$ 60,684,683	\$ 67,385,325	\$ -	\$ 67,385,325	\$ 62,282,030
Recoverable grant	120,000	-	-	120,000	-	120,000	120,000
Deferred income	643,699	-	-	643,699	-	643,699	249,298
Construction costs payable	-	-	-	-	-	-	66,154
Due to developer	-	-	1,483,430	1,483,430	(1,483,430)	-	-
Loans payable - related parties	11,959	95,598	703,571	811,128	(811,128)	-	-
Accrued interest payable	-	-	8,786,879	8,786,879	(488,720)	8,298,159	7,084,459
Notes payable - related parties	-	-	2,750,414	2,750,414	(2,750,414)	-	-
Accounts payable and accrued expenses	622,516	1,362,500	658,667	2,643,683	(342,245)	2,301,438	1,026,513
Prepaid rent	-	1,563	92,643	94,206	-	94,206	101,872
Operating lease liability	627,420	-	-	627,420	-	627,420	813,019
Tenant security deposits payable	-	13,026	139,246	152,272	-	152,272	166,868
Total Liabilities	<u>2,025,594</u>	<u>8,173,329</u>	<u>75,299,533</u>	<u>85,498,456</u>	<u>(5,875,937)</u>	<u>79,622,519</u>	<u>71,910,213</u>
Net Assets							
Syndication costs	-	-	(40,000)	(40,000)	-	(40,000)	(40,000)
Without Donor Restrictions	13,318,217	6,040,972	(157,054)	19,202,135	(7,779,894)	11,422,241	11,931,242
With donor restrictions	669,833	-	-	669,833	-	669,833	238,030
	13,988,050	6,040,972	(197,054)	19,831,968	(7,779,894)	12,052,074	12,129,272
Non-controlling interests in consolidated for-profit affiliates	-	-	27,598,976	27,598,976	-	27,598,976	31,861,143
Total Net Assets	<u>13,988,050</u>	<u>6,040,972</u>	<u>27,401,922</u>	<u>47,430,944</u>	<u>(7,779,894)</u>	<u>39,651,050</u>	<u>43,990,415</u>
	<u>\$ 16,013,644</u>	<u>\$ 14,214,301</u>	<u>\$ 102,701,455</u>	<u>\$ 132,929,400</u>	<u>\$ (13,655,831)</u>	<u>\$ 119,273,569</u>	<u>\$ 115,900,628</u>

**New Destiny Housing Corporation
and Affiliates**
Consolidating Schedule of Activities
Year Ended June 30, 2024
(With summarized amounts for the year ended June 30, 2023)

	New Destiny Housing Corp. General Fund	Other Housing Activities	Real Estate Affiliates	Subtotal	Eliminations	2024 Total	2023 Total
NET ASSETS WITHOUT DONOR RESTRICTIONS							
SUPPORT AND REVENUE							
Grants and contributions	\$ 8,362,196	\$ -	\$ -	\$ 8,362,196	\$ -	\$ 8,362,196	\$ 7,659,789
Special events, net of cost of direct benefits to donors of \$48,802 and \$29,810	88,190	-	-	88,190	-	88,190	125,556
Rental income	-	448,151	4,390,865	4,839,016	(32,400)	4,806,616	4,631,387
Property management	457,805	-	-	457,805	(289,957)	167,848	-
Developer fees	137,044	-	-	137,044	-	137,044	1,677,725
Interest income	180,350	3,895	111,296	295,541	(71,537)	224,004	121,471
Investment income, net	67,873	-	-	67,873	-	67,873	43,027
Other income	146,308	2,994,533	118,448	3,259,289	(2,891,060)	368,229	268,601
Total Revenue	9,439,766	3,446,579	4,620,609	17,506,954	(3,284,954)	14,222,000	14,527,556
Net assets released from restrictions	858,673	-	-	858,673	-	858,673	696,236
Total Support and Revenue	10,298,439	3,446,579	4,620,609	18,365,627	(3,284,954)	15,080,673	15,223,792
EXPENSES							
Program Services							
Housing and management services	531,183	2,053,795	9,405,863	11,990,841	(1,710,498)	10,280,343	9,639,548
Social services	8,861,830	-	-	8,861,830	-	8,861,830	8,435,238
Total Program Services	9,393,013	2,053,795	9,405,863	20,852,671	(1,710,498)	19,142,173	18,074,786
Supporting Services							
Management and general	1,032,672	-	-	1,032,672	-	1,032,672	771,542
Fundraising	196,706	-	-	196,706	-	196,706	344,569
Total Supporting Services	1,229,378	-	-	1,229,378	-	1,229,378	1,116,111
Total Expenses	10,622,391	2,053,795	9,405,863	22,082,049	(1,710,498)	20,371,551	19,190,897
Change in Net Assets Before Other Changes	(323,952)	1,392,784	(4,785,254)	(3,716,422)	(1,574,456)	(5,290,878)	(3,967,105)
Other Changes							
Capital contributions	-	-	519,710	519,710	-	519,710	8,951,322
Capital distributions	-	-	-	-	-	-	(29,497)
Total Other Changes	-	-	519,710	519,710	-	519,710	8,921,825
Change in Net Assets Without Donor Restrictions	(323,952)	1,392,784	(4,265,544)	(3,196,712)	(1,574,456)	(4,771,168)	4,954,720
Net Assets Without Donor Restrictions							
Beginning of year	13,642,169	4,648,188	31,707,466	49,997,823	(6,205,438)	43,792,385	38,837,665
End of year	\$ 13,318,217	\$ 6,040,972	\$ 27,441,922	\$ 46,801,111	\$ (7,779,894)	\$ 39,021,217	\$ 43,792,385
NET ASSETS WITH DONOR RESTRICTIONS							
Grants and contributions	\$ 1,290,476	\$ -	\$ -	\$ 1,290,476	\$ -	\$ 1,290,476	\$ 583,682
Net assets released from restrictions	(858,673)	-	-	(858,673)	-	(858,673)	(696,236)
Change in Net Assets With Donor Restrictions	431,803	-	-	431,803	-	431,803	(112,554)
Beginning of year	238,030	-	-	238,030	-	238,030	350,584
End of year	\$ 669,833	\$ -	\$ -	\$ 669,833	\$ -	\$ 669,833	\$ 238,030
Change in net assets	\$ 107,851	\$ 1,392,784	\$ (4,265,544)	\$ (2,764,909)	\$ (1,574,456)	\$ (4,339,365)	\$ 4,842,166
NET ASSETS							
Syndication costs	-	-	(40,000)	(40,000)	-	(40,000)	(40,000)
Beginning of year	13,880,199	4,648,188	31,707,466	50,235,853	(6,205,438)	44,030,415	39,188,249
End of year	\$ 13,988,050	\$ 6,040,972	\$ 27,401,922	\$ 47,430,944	\$ (7,779,894)	\$ 39,651,050	\$ 43,990,415

**New Destiny Housing Corporation
and Affiliates**
Schedule of Financial Position Other Housing Activities
June 30, 2024
(With summarized amounts at June 30, 2023)

	New Destiny Housing Corp. Park Place	CityWide Supportive Housing, Inc.			CityWide Supportive Housing Development Fund Corporation							2024 Total	2023 Total
		Prelude	Lily House	Total	281 Bainbridge	Bridge Towers	307 East 54th Street	Bridge Community	HDFC Corporate	Total	Prelude SI		
ASSETS													
REAL ESTATE													
Land	\$ -	\$ -	\$ 194,267	\$ 194,267	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,000	\$ 369,267	\$ 369,267
Buildings and improvements	91,211	-	6,153,503	6,153,503	-	-	2,613,366	-	-	2,613,366	214,036	9,072,116	9,072,116
Furniture and equipment	10,665	-	-	-	-	-	-	-	-	-	147,709	158,374	194,803
Construction-in-progress	-	-	7,909,776	7,909,776	-	-	-	-	-	-	-	7,909,776	2,210,816
Less, accumulated depreciation	(91,369)	-	(2,497,013)	(2,497,013)	-	-	(1,202,691)	-	-	(1,202,691)	(78,047)	(3,869,120)	(3,753,617)
Net Real Estate	10,507	-	11,760,533	11,760,533	-	-	1,410,675	-	-	1,410,675	458,698	13,640,413	8,093,385
OTHER ASSETS													
Cash - operations	5,639	-	74,599	74,599	-	-	-	-	133,527	133,527	91,395	305,160	67,679
Cash transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent receivable, net	19,230	-	-	-	-	-	949	-	-	949	-	20,179	57,691
Deferred rent receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Fees receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	-	-	-	-	-	-	-	-	-	-	-	394
Tenant security deposits	4,966	-	-	-	-	-	8,029	-	-	8,029	-	12,995	18,999
Replacement reserves	7,473	-	18,819	18,819	-	-	5,716	-	-	5,716	75,482	107,490	101,551
Operating reserves	-	-	-	-	-	-	-	-	110,951	110,951	-	110,951	241,976
Social service reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Predevelopment costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	6,985	6,985	-	-	-	-	-	-	-	6,985	9,990
Deferred loss	-	-	-	-	-	-	-	-	-	-	-	-	1,244,210
Loans receivable - related parties	-	-	-	-	-	-	-	-	10,128	10,128	-	10,128	277,299
	<u>\$ 47,815</u>	<u>\$ -</u>	<u>\$ 11,860,936</u>	<u>\$ 11,860,936</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,425,369</u>	<u>\$ -</u>	<u>\$ 254,606</u>	<u>\$ 1,679,975</u>	<u>\$ 625,575</u>	<u>\$ 14,214,301</u>	<u>\$ 10,113,174</u>
LIABILITIES AND NET ASSETS													
Liabilities													
Long-term debt, net	\$ -	\$ -	\$ 6,700,642	\$ 6,700,642	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,700,642	\$ 1,817,332
Loans payable - related parties	-	-	51,632	51,632	-	-	-	-	-	-	43,966	95,598	306,391
Accounts payable and accrued expenses	3,780	-	1,290,464	1,290,464	-	-	55,016	-	3,000	58,016	10,240	1,362,500	444,201
Prepaid rent	1,263	-	-	-	-	-	300	-	-	300	-	1,563	3,558
Deferred gain	-	-	-	-	-	-	-	-	-	-	-	-	2,865,125
Tenant security deposits payable	4,966	-	-	-	-	-	8,060	-	-	8,060	-	13,026	28,379
Total Liabilities	<u>10,009</u>	<u>-</u>	<u>8,042,738</u>	<u>8,042,738</u>	<u>-</u>	<u>-</u>	<u>63,376</u>	<u>-</u>	<u>3,000</u>	<u>66,376</u>	<u>54,206</u>	<u>8,173,329</u>	<u>5,464,986</u>
Net Assets													
Without donor restrictions	<u>37,806</u>	<u>-</u>	<u>3,818,198</u>	<u>3,818,198</u>	<u>-</u>	<u>-</u>	<u>1,361,993</u>	<u>-</u>	<u>251,606</u>	<u>1,613,599</u>	<u>571,369</u>	<u>6,040,972</u>	<u>4,648,188</u>
Total Net Assets	<u>37,806</u>	<u>-</u>	<u>3,818,198</u>	<u>3,818,198</u>	<u>-</u>	<u>-</u>	<u>1,361,993</u>	<u>-</u>	<u>251,606</u>	<u>1,613,599</u>	<u>571,369</u>	<u>6,040,972</u>	<u>4,648,188</u>
	<u>\$ 47,815</u>	<u>\$ -</u>	<u>\$ 11,860,936</u>	<u>\$ 11,860,936</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,425,369</u>	<u>\$ -</u>	<u>\$ 254,606</u>	<u>\$ 1,679,975</u>	<u>\$ 625,575</u>	<u>\$ 14,214,301</u>	<u>\$ 10,113,174</u>

**New Destiny Housing Corporation
and Affiliates**

Schedule of Activities Other Housing Activities
Year Ended June 30, 2024
(With summarized amounts for the year ended June 30, 2023)

	New Destiny Housing Corp. Park Place	CityWide Supportive Housing, Inc.			CityWide Supportive Housing Development Fund Corporation						2024	2023	
		Prelude	Lily House	Total	281 Bainbridge	Bridge Towers	307 East 54th Street	Bridge Community	HDFC Corporate	Total	Prelude SI	Total	Total
NET ASSETS WITHOUT DONOR RESTRICTIONS													
SUPPORT AND REVENUE													
Rental income	\$ 85,699	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 113,590	\$ -	\$ -	\$ 113,590	\$ 248,862	\$ 448,151	\$ 440,560
Interest income	-	-	-	-	-	-	-	-	2,503	2,503	1,392	3,895	56
Other income	14,599	25,065	13,710	38,775	-	-	76,034	2,865,125	-	2,941,159	-	2,994,533	442,650
	100,298	25,065	13,710	38,775	-	-	189,624	2,865,125	2,503	3,057,252	250,254	3,446,579	883,266
Net assets released from restrictions	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Support and Revenue	100,298	25,065	13,710	38,775	-	-	189,624	2,865,125	2,503	3,057,252	250,254	3,446,579	883,266
EXPENSES													
Program Services													
Housing and management services	109,219	1,208	45,344	46,552	613,244	600,087	296,089	16,136	69,648	1,595,204	302,820	2,053,795	1,096,695
Total Program Services	109,219	1,208	45,344	46,552	613,244	600,087	296,089	16,136	69,648	1,595,204	302,820	2,053,795	1,096,695
Total Expenses	109,219	1,208	45,344	46,552	613,244	600,087	296,089	16,136	69,648	1,595,204	302,820	2,053,795	1,096,695
Change in Net Assets (Deficit) Without Donor Restrictions before gain on transfer of property	(8,921)	23,857	(31,634)	(7,777)	(613,244)	(600,087)	(106,465)	2,848,989	(67,145)	1,462,048	(52,566)	1,392,784	(213,429)
Net Assets Without Donor Restrictions													
Beginning of year	46,727	(23,857)	3,849,832	3,825,975	613,244	600,087	1,468,458	(2,848,989)	318,751	151,551	623,935	4,648,188	4,861,617
End of year	\$ 37,806	\$ -	\$ 3,818,198	\$ 3,818,198	\$ -	\$ -	\$ 1,361,993	\$ -	\$ 251,606	\$ 1,613,599	\$ 571,369	\$ 6,040,972	\$ 4,648,188

**New Destiny Housing Corporation
and Affiliates**

Schedule of Financial Position of Real Estate Affiliates

June 30, 2024

(With summarized amounts at June 30, 2023)

	Andrews Ave Associates LP	1070 Anderson Avenue LP	291 Bainbridge LP	2017 Morris Ave Owner LLC	902 Jennings Street Owner LLC	Bridge Community Associates LLC	Bryant Avenue Owner LLC	1145 Webster Avenue HDFC	General Partners	2024 Total	2023 Total
ASSETS											
REAL ESTATE											
Land	\$ 541,500	\$ 1,588,310	\$ 693,090	\$ 928,500	\$ 2,050,000	\$ 945,000	\$ -	\$ 3,497,298	\$ -	\$ 10,243,698	\$ 10,243,698
Buildings and improvements	10,062,067	12,399,709	8,860,034	11,543,634	22,666,316	7,467,532	31,241,593	-	-	104,240,885	104,252,319
Furniture and equipment	87,071	71,823	93,465	186,000	187,360	199,956	535,028	-	-	1,360,703	1,339,803
Construction-in-progress	-	-	-	-	-	-	-	1,419,130	-	1,419,130	840,021
Less, accumulated depreciation	(3,907,442)	(3,735,288)	(2,562,440)	(3,085,000)	(3,021,911)	(1,502,183)	(3,607,411)	-	-	(21,421,675)	(18,269,282)
Net Real Estate	6,783,196	10,324,554	7,084,149	9,573,134	21,881,765	7,110,305	28,169,210	4,916,428	-	95,842,741	98,406,559
OTHER ASSETS											
Cash - operations	301,382	127,196	78,269	13,305	54,225	386,590	454,578	-	-	1,415,545	1,736,816
Restricted cash	-	-	-	-	-	-	-	-	-	-	21,995
Rent receivable, net	28,122	21,000	23,939	20,029	68,081	10,411	103,815	-	-	275,397	330,188
Fees receivable	-	-	-	-	-	-	-	-	40,000	40,000	40,000
Prepaid expenses and other assets	-	-	2,347	-	-	2,186	949,587	-	150,936	1,105,056	1,133,167
Tenant security deposits	27,506	20,787	11,777	25,510	14,099	24,561	20,027	-	-	144,267	146,594
Retainage reserve	-	-	-	-	-	-	-	-	-	-	218,123
Replacement reserves	241,140	456,499	302,845	77,317	96,095	132,642	91,834	-	-	1,398,372	1,231,555
Operating reserves	166,991	326,849	199,574	260,096	308,471	170,780	466,681	-	-	1,899,442	1,775,172
Social service reserves	-	-	39,973	-	-	-	-	-	-	39,973	38,118
Rent subsidy reserves	-	-	-	45,460	-	-	-	-	-	45,460	45,006
Escrows	-	-	-	-	112,803	-	-	-	-	112,803	58,717
Deposits	15,315	181	-	3,455	17,075	-	36,784	-	-	72,810	73,890
Deferred costs, net	-	15,931	27,523	14,717	93,206	27,541	101,297	-	-	280,215	314,994
Loans receivable - related parties	-	-	-	-	23,524	-	5,850	-	-	29,374	357,200
	<u>\$ 7,563,652</u>	<u>\$ 11,292,997</u>	<u>\$ 7,770,396</u>	<u>\$ 10,033,023</u>	<u>\$ 22,669,344</u>	<u>\$ 7,865,016</u>	<u>\$ 30,399,663</u>	<u>\$ 4,916,428</u>	<u>\$ 190,936</u>	<u>\$ 102,701,455</u>	<u>\$ 105,973,436</u>
LIABILITIES AND NET ASSETS											
Liabilities											
Long-term debt, net	\$ 5,318,653	\$ 7,909,567	\$ 4,646,439	\$ 5,750,191	\$ 11,638,186	\$ 1,237,887	\$ 19,350,771	\$ 4,832,989	\$ -	\$ 60,684,683	\$ 60,464,698
Construction costs payable	-	-	-	-	-	-	-	-	-	-	66,154
Due to developer	-	-	42,392	-	205,000	-	1,236,038	-	-	1,483,430	2,140,058
Loans payable - related parties	-	111,379	229,256	116,952	-	18,832	-	76,213	150,939	703,571	781,350
Accrued interest payable	906,028	795,374	2,273,041	2,749,721	816,585	592,182	653,948	-	-	8,786,879	7,499,291
Notes payable - related parties	-	-	-	-	-	2,750,414	-	-	-	2,750,414	2,750,414
Accounts payable and accrued expenses	52,857	55,506	119,063	117,620	211,622	16,093	33,005	12,134	40,767	658,667	367,202
Prepaid rent	20,032	3,457	1,647	21,853	18,936	7,381	19,337	-	-	92,643	98,314
Tenant security deposits payable	24,993	19,308	12,120	24,692	15,012	22,753	20,368	-	-	139,246	138,489
Total Liabilities	<u>6,322,563</u>	<u>8,894,591</u>	<u>7,323,958</u>	<u>8,781,029</u>	<u>12,905,341</u>	<u>4,645,542</u>	<u>21,313,467</u>	<u>4,921,336</u>	<u>191,706</u>	<u>75,299,533</u>	<u>74,305,970</u>
Net Assets											
Syndication costs	-	-	-	-	-	-	(40,000)	-	-	(40,000)	(40,000)
Without donor restrictions	182	185	(451)	(150,423)	(408)	(165)	(296)	(4,908)	(770)	(157,054)	(153,677)
Non-controlling interests in consolidated for-profit affiliates	<u>1,240,907</u>	<u>2,398,221</u>	<u>446,889</u>	<u>1,402,417</u>	<u>9,764,411</u>	<u>3,219,639</u>	<u>9,126,492</u>	<u>-</u>	<u>-</u>	<u>27,598,976</u>	<u>31,861,143</u>
Total Net Assets	<u>1,241,089</u>	<u>2,398,406</u>	<u>446,438</u>	<u>1,251,994</u>	<u>9,764,003</u>	<u>3,219,474</u>	<u>9,086,196</u>	<u>(4,908)</u>	<u>(770)</u>	<u>27,401,922</u>	<u>31,667,466</u>
	<u>\$ 7,563,652</u>	<u>\$ 11,292,997</u>	<u>\$ 7,770,396</u>	<u>\$ 10,033,023</u>	<u>\$ 22,669,344</u>	<u>\$ 7,865,016</u>	<u>\$ 30,399,663</u>	<u>\$ 4,916,428</u>	<u>\$ 190,936</u>	<u>\$ 102,701,455</u>	<u>\$ 105,973,436</u>

See independent auditors' report

**New Destiny Housing Corporation
and Affiliates**
Schedule of Activities of Real Estate Affiliates
Year Ended June 30, 2024
(With summarized amounts for the year ended June 30, 2023)

	Andrews Ave Associates LP	1070 Anderson Avenue LP	291 Bainbridge LP	2017 Morris Ave Owner LLC	902 Jennings Street Owner LLC	Bridge Community Associates LLC	Bryant Avenue Owner LLC	1145 Webster Avenue HDFC	General Partners	2024 Total	2023 Total
NET ASSETS WITHOUT DONOR RESTRICTIONS											
SUPPORT AND REVENUE											
Rental income	\$ 582,101	\$ 659,449	\$ 369,453	\$ 532,645	\$ 722,594	\$ 509,123	\$ 1,015,500	\$ -	\$ -	\$ 4,390,865	\$ 4,223,227
Interest income	6,951	33,985	26,114	14,491	2,200	682	26,873	-	-	111,296	54,001
Other income	32,139	5,929	3,406	35,488	24,796	6,776	10,405	-	(491)	118,448	245,900
Total Support and Revenue	621,191	699,363	398,973	582,624	749,590	516,581	1,052,778	-	(491)	4,620,609	4,523,128
EXPENSES											
Housing and management services	938,548	1,116,517	922,184	1,375,633	1,661,105	850,476	2,538,992	2,408	-	9,405,863	8,819,210
Change in Net Assets Without Donor Restrictions	(317,357)	(417,154)	(523,211)	(793,009)	(911,515)	(333,895)	(1,486,214)	(2,408)	(491)	(4,785,254)	(4,296,082)
OTHER CHANGES											
Capital contributions	-	-	-	-	-	-	519,710	-	-	519,710	8,951,322
Capital distributions	-	-	-	-	-	-	-	-	-	-	(29,497)
Total Other Changes	-	-	-	-	-	-	519,710	-	-	519,710	8,921,825
Change in Net Assets Without Donor Restrictions	(317,357)	(417,154)	(523,211)	(793,009)	(911,515)	(333,895)	(966,504)	(2,408)	(491)	(4,265,544)	4,625,743
Net Assets											
Beginning of year	1,558,446	2,815,560	969,649	2,045,003	10,675,518	3,553,369	10,092,700	(2,500)	(279)	31,707,466	27,081,723
End of year	\$ 1,241,089	\$ 2,398,406	\$ 446,438	\$ 1,251,994	\$ 9,764,003	\$ 3,219,474	\$ 9,126,196	\$ (4,908)	\$ (770)	\$ 27,441,922	\$ 31,707,466

**New Destiny Housing Corporation
and Affiliates**

Uniform Guidance Reports and Schedules

June 30, 2024

New Destiny Housing Corporation and Affiliates

Schedule of Expenditures of Federal Awards Year Ended June 30, 2024

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Grant Number</u>	<u>Provided to Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>Department of Housing and Urban Development</u>				
Direct Awards:				
Continuum of Care Program - Housing Link	14.267	NY1223D2T001901	\$ -	\$ 46,450
Continuum of Care Program - Housing Link	14.267	NY1223D2T002002	-	64,084
Continuum of Care Program - Housing Link	14.267	NY1223D2T002103	-	348,467
Continuum of Care Program - Housing Link	14.267	NY1223D2T002204	-	909,401
Continuum of Care Program - Housing Retention Services	14.267	NY1385D2T002100	-	237,703
Continuum of Care Program - Housing Retention Services	14.267	NY1385D2T002201	-	823,838
Total Continuum of Care Program			-	2,429,943
Pass-through New York City Housing Preservation & Development				
Emergency Solutions Grants Program	14.231	CT180620228807828	-	553,933
Pass-through Enterprise Community Partners, Inc.				
Section 4 Capacity Building for Community Development and Affordable Housing	14.252	23SG2796	-	30,938
Total Department of Housing and Urban Development			-	3,014,814
Total Expenditures of Federal Awards			\$ -	\$ 3,014,814

See independent auditors' report and notes to schedule of expenditures of federal awards.

New Destiny Housing Corporation and Affiliates

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2024

1. Summary of Significant Accounting Policies

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

2. Indirect Cost Rate

The Organization has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. The Organization is reimbursed for programmatic and administrative costs.

3. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of New Destiny Housing Corporation and Affiliates (the "Organization") under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of the 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 the Organization, it is not intended to and does not present the consolidated financial position, changes in net assets or cash flows of the Organization.

4. Non-Cash Awards

For the year ended June 30, 2024, the Organization did not have or receive any non-cash awards, mortgages, or loan funds that should be included in the federal expenditures presented in this Schedule.

**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***

Independent Auditors' Report

**Board of Directors
New Destiny 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 Destiny Housing Corporation and Affiliates (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, 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 15, 2024.

Report on 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) as a basis for designing 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 Organization'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 or significant deficiencies may exist that were not identified.

Report on 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, noncompliance with which could have a direct and material effect on the consolidated financial statements. 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 noncompliance 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Harrison, New York
November 15, 2024

**Report on Compliance for Each Major Federal Program and
Report on Internal Control Over Compliance Required by the Uniform Guidance**

Independent Auditors' Report

**Board of Directors
New Destiny Housing Corporation**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited New Destiny Housing Corporation's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of New Destiny Housing Corporation's major federal programs for the year ended June 30, 2024. New Destiny Housing Corporation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, New Destiny Housing Corporation 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, 2024.

Basis for Opinion on Each Major Federal Program

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"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of New Destiny Housing Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of New Destiny Housing Corporation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to New Destiny Housing Corporation's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on New Destiny Housing Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about New Destiny Housing Corporation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding New Destiny Housing Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of New Destiny Housing Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 New Destiny Housing Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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, noncompliance 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

PKF O'Connor Davies, LLP

Harrison, New York
November 15, 2024

New Destiny Housing Corporation

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether
financial statements audited were
prepared in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes X no

Significant deficiency(ies) identified?

_____ yes X none reported

Noncompliance material to financial
statements noted?

_____ yes X no

Federal Awards

Internal control over major Federal programs:

Material weakness(es) identified?

_____ yes X no

Significant deficiency(ies) identified?

_____ yes X none reported

Type of auditors' report issued on compliance
for major Federal programs:

Unmodified

Any audit findings disclosed that are required
to be reported in accordance with 2 CFR 200.516(a)?

_____ yes X no

Identification of major Federal programs:

Federal Assistance Listing Number

Name of Federal Program or Cluster

14.267

Continuum of Care Program

Dollar threshold used to distinguish
between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

X Yes _____ no

Section II – Financial Statement Findings

During our audit, we noted no material findings for the year ended June 30, 2024.

Section III – Federal Award Findings and Questioned Costs

During our audit, we noted no material instances of noncompliance and none of the costs reported in the federally financially assisted programs are questioned or recommend to be disallowed.