New Destiny Housing Corporation and Affiliates

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

June 30, 2023 and 2022

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

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, 2023 and 2022, 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, 2023 and 2022, 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.

Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, the Organization adopted Financial Accounting Standard Board ("FASB") Topic 842, Leases, using the effective date method with July 1, 2022 as the date of initial adoption. Our opinion is not modified with respect to that matter.

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.

Responsibilities of Management for the Financial Statements (continued)

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 34 to 39 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 40, 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 January 10, 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
January 10, 2024

New Destiny Housing Corporation and Affiliates

Consolidated Statements of Financial Position

	June 30, 2023	June 30, 2022
ASSETS		
Real estate, net	$ 98,949,130	$ 95,843,687
Cash - operations	6,537,892	5,508,566
Cash - construction	21,995	22,085
Investments	522,496	479,469
Rent receivable, net	387,879	308,587
Grants receivable	2,792,199	1,770,144
Prepaid expenses and other assets	1,026,691	1,135,823
Tenant security deposits	165,593	153,821
Escrow and reserves	4,240,125	3,530,790
Predevelopment costs	-	454,332
Deposits	140,000	147,871
Capitalized costs, net	314,994	351,216
Right-of-use-asset, net	801,634	-
	$ 115,900,628	$ 109,706,391
LIABILITIES AND NET ASSETS		
Liabilities		
Long-term debt, net	$ 62,282,030	$ 62,173,584
Recoverable grant	120,000	120,000
Deferred income	249,298	464,706
Construction costs payable	66,154	853,343
Accrued interest payable	7,084,459	6,285,868
Accounts payable and accrued expenses	1,026,513	354,173
Prepaid rent	101,872	107,927
Operating lease liability	813,019	-
Tenant security deposits payable	166,868	158,541
Total Liabilities	71,910,213	70,518,142
Net Assets		
Syndication costs	(40,000)	-
Without donor restrictions	11,931,389	11,605,614
With donor restrictions	238,030	350,584
	12,129,419	11,956,198
Non-controlling interests in consolidated for-profit affiliates	31,860,996	27,232,051
Total Net Assets	43,990,415	39,188,249
	$ 115,900,628	$ 109,706,391

See notes to consolidated financial statements

New Destiny Housing Corporation and Affiliates

Consolidated Statements of Activities

	Year Ended June 30, 2023	2022
NET ASSETS WITHOUT DONOR RESTRICTIONS		
SUPPORT AND REVENUE		
Grants and contributions	$ 7,659,789	$ 4,312,106
Foregiveness of debt - Paycheck Protection Program loan	-	486,978
Special events, net of cost of direct benefits to donors of $29,810 and $12,342	125,556	125,648
Rental income	4,631,387	3,821,575
Property management	-	40,554
Developer fees	1,677,725	-
Interest income	121,471	1,670
Investment income (loss), net	43,027	(46,954)
Other income	268,601	112,465
Total Revenue	14,527,556	8,854,042
Net assets released from restrictions	696,236	631,217
Total Support and Revenue	15,223,792	9,485,259
EXPENSES		
Program Services		
Housing and management services	9,639,548	8,986,905
Social services	8,435,238	4,819,473
Total Program Services	18,074,786	13,806,378
Supporting Services		
Management and general	771,542	624,143
Fundraising	344,569	293,388
Total Supporting Services	1,116,111	917,531
Total Expenses	19,190,897	14,723,909
Change in Net Assets Without Donor Restrictions Before Other Changes	(3,967,105)	(5,238,650)
OTHER CHANGES		
Capitial contributions	8,951,322	2,761,237
Capitial distributions	(29,497)	-
Total Other Changes	8,921,825	2,761,237
Change in Net Assets Without Donor Restrictions	4,954,720	(2,477,413)
Net Assets Without Donor Restrictions and Non-Controlling Interests in Consolidated For-Profit Affiliates		
Beginning of year	38,837,665	41,315,078
End of year	$ 43,792,385	$ 38,837,665
NET ASSETS WITH DONOR RESTRICTIONS		
Grants and contributions	$ 583,682	$ 717,245
Net assets released from restrictions	(696,236)	(631,217)
Change in Net Assets With Donor Restrictions	(112,554)	86,028
Net Assets With Donor Restrictions		
Beginning of year	350,584	264,556
End of year	$ 238,030	$ 350,584
Change in Net Assets	$ 4,842,166	$ (2,391,385)
NET ASSETS		
Syndication costs	(40,000)	-
Beginning of year	39,188,249	41,579,634
End of year	$ 43,990,415	$ 39,188,249

See notes to consolidated financial statements

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

See notes to consolidated financial statements

New Destiny Housing Corporation and Affiliates

Consolidated Statement of Functional Expenses
Year Ended June 30, 2022

	Program Services			Supporting Services		
	Housing and Management Services	Social Services	Total	Management and General	Fundraising	Total
Salaries	$ 433,834	$ 2,092,925	$ 2,526,759	$ 412,088	$ 193,709	$ 3,132,556
Fringe benefits	86,925	419,349	506,274	82,567	38,813	627,654
Building repairs	54,354	596	54,950	117	55	55,122
Building and office maintenance	99,803	13,816	113,619	2,720	1,279	117,618
Water and sewer	5,073	802	5,875	159	74	6,108
Management and support services	52,128	71,321	123,449	14,043	6,601	144,093
Office rent	29,051	140,149	169,200	27,595	12,971	209,766
Utilities	66,217	4,255	70,472	838	394	71,704
Telephone	6,247	28,121	34,368	5,536	2,603	42,507
Insurance	91,378	8,145	99,523	1,604	754	101,881
Professional fees	18,536	33,940	52,476	6,683	3,473	62,632
Consultant fees	24,693	108,988	133,681	21,459	10,087	165,227
Grant writer	3,283	15,838	19,121	3,119	1,466	23,706
Service contract	10,003	1,954	11,957	385	181	12,523
Training and staff development	1,165	5,620	6,785	1,106	520	8,411
Tenant activities	-	1,592,434	1,592,434	-	-	1,592,434
Membership and subscriptions	1,746	8,422	10,168	1,658	779	12,605
Travel	45	216	261	42	20	323
Equipment repairs and maintenance	23,206	111,952	135,158	22,043	10,362	167,563
Supplies	4,146	20,003	24,149	3,939	1,851	29,939
Employment and advertising fees	1,552	7,486	9,038	1,473	693	11,204
Postage	265	1,279	1,544	253	118	1,915
Printing	191	921	1,112	181	85	1,378
Payroll services	8,181	39,468	47,649	7,771	3,653	59,073
Bad debt expense	77,303	3,079	80,382	607	285	81,274
Real estate properties	2,978,858	-	2,978,858	-	-	2,978,858
Security services	-	57,120	57,120	-	-	57,120
Miscellaneous	32,548	8,007	40,555	1,576	12,751	54,882
Total Expenses Before Interest Expense, Depreciation and Amortization	4,110,731	4,796,206	8,906,937	619,562	303,577	9,830,076
Interest expense	1,366,163	-	1,366,163	-	-	1,366,163
Interest expense - debt issuance costs	29,190	-	29,190	-	-	29,190
Depreciation and amortization	3,480,821	23,267	3,504,088	4,581	2,153	3,510,822
Total Expenses	8,986,905	4,819,473	13,806,378	624,143	305,730	14,736,251
Expenses deducted directly from revenues on the statement of activities						
Direct cost of special events	-	-	-	-	(12,342)	(12,342)
Total Expenses Reported by Function	$ 8,986,905	$ 4,819,473	$ 13,806,378	$ 624,143	$ 293,388	$ 14,723,909

See notes to consolidated financial statements

New Destiny Housing Corporation and Affiliates

Consolidated Statements of Cash Flows

	Year Ended June 30, 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets		
Without donor restrictions before other changes	$ (3,967,105)	$ (5,238,650)
With donor restrictions	(112,554)	86,028
	(4,079,659)	(5,152,622)
Adjustments to reconcile changes in net assets to net cash from operating activities		
Depreciation and amortization	3,277,331	3,510,822
Bad debt expense	201,212	81,274
Amortization - debt issuance costs	31,770	29,190
Realized loss(gain) on investments	34,696	(172)
Unrealized loss(gain) on investments	(66,044)	48,413
Gain(loss) on disposal of investment in real estate	811	(2,972)
Reduction in the carrying value of right-of-use assets	186,043	-
Reduction in the carrying value of right-of-use liability	(174,658)	-
Foregiveness of Paycheck Protection Program loan	-	(486,978)
Changes in operating assets and liabilities		
Rent receivable	(280,504)	(117,996)
Fees receivable	-	33,580
Grants receivable	(1,022,055)	(1,016,307)
Prepaid expenses and other assets	109,132	(1,075,166)
Tenant security deposits	(11,772)	(4,049)
Deposits	7,871	(44,016)
Deferred income	(215,408)	464,706
Accrued interest payable	798,591	1,187,208
Accounts payable and accrued expenses	672,340	95,713
Prepaid rent	(6,055)	34,563
Tenant security deposits payable	8,327	6,026
Net Cash from Operating Activities	(528,031)	(2,408,783)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(6,347,363)	(299,799)
Disposals of fixed assets	-	1,526,812
Purchases of investments	(474,910)	(516,015)
Proceeds from sales of investments	463,231	-
Deferred cost	-	(128,300)
Change in predevelopment costs	454,332	(213,069)
Net Cash from Investing Activities	(5,904,710)	369,629
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	11,597,805	1,972,815
Repayments of long-term debt	(11,561,129)	(55,605)
Capitalized mortgage cost	40,000	(119,009)
Construction costs payable	(787,189)	(3,509,362)
Capital contributions	8,951,322	2,761,237
Syndication costs	(40,000)	-
Capital distributions	(29,497)	-
Net Cash from Financing Activities	8,171,312	1,050,076
Net Change in Cash and Restricted Cash	1,738,571	(989,078)
CASH AND RESTRICTED CASH		
Beginning of year	9,061,441	10,050,519
End of year	$ 10,800,012	$ 9,061,441

See notes to consolidated financial statements

1. Organization

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

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

- New Destiny develops, owns, and manages housing for low-income domestic violence survivors.
- New Destiny provides on-site social services and support to tenants in its permanent housing and under executed agreements, to tenants in affordable housing owned by others.
- New Destiny 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.
- New Destiny, 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.
- New Destiny educates the public about the permanent housing and service needs of low-income domestic violence survivors and advocates for increasing the resources available to this population.
- New Destiny 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 accompanying 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.

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.

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.

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.

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.

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 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

Leases

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, Leases (Topic 842), which created new accounting and reporting guidelines for leasing arrangements. The new guidance requires organizations that lease assets to recognize assets and liabilities on the statement of financial position related to the rights and obligations created by those leases, regardless of whether they are classified as finance or operating leases. Consistent with current guidance, the recognition, measurement, and presentation of expenses and cash flows arising from a lease primarily will depend on its classification as a finance or operating lease. The guidance also requires new disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the requirements of the new standard, using the modified retrospective transition method, which applies the provisions of the standard at the effective date without any adjustment to the comparative periods presented.

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

Recently Adopted Accounting Standards (continued)

The Organization adopted the following practical expedients and elected the following accounting policies related to this standard:

- Carry forward of historical lease classifications and accounting treatment;
- Short-term lease accounting policy election allowing lessees to not recognize right-of-use assets and liabilities for leases with a term of 12 months or less; and
- The option to not separate lease and non-lease components for certain equipment lease categories such as office printers and copiers.

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.

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

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.

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, 2023 and 2022.

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

Accounts Receivable

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

Escrow and Reserves

Escrow and reserves are accounts that are required to be maintained by the 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 $454,332 at June 30, 2022. There was 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 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 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.

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.

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.

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.

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 cots, 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.

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.

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

Income Taxes and Accounting for Uncertainty in Income Taxes (continued)

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, 2020.

Evaluation of Subsequent Events by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is January 10, 2024.

3. Supplemental Cash Flow Information

At June 30, 2023 and 2022, cash and restricted cash consisted of the following:

	2023	2022
Operating cash		
Cash	$ 6,537,892	$ 5,508,566
Restricted Cash		
Cash - construction	21,995	22,085
Operating reserves	2,185,721	1,680,963
Social service reserves	354,110	351,479
Replacement reserves	1,333,106	1,394,631
Retainage escrow	218,123	-
Escrows	104,059	58,717
Rent subsidy reserves	45,006	45,000
	4,262,120	3,552,875
	$ 10,800,012	$ 9,061,441

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

	2023	2022
Interest paid	$ 926,913	$ 491,248
Capitalized interest	286,828	90,877
Non-cash Investing and Financing Activities		
Fixed assets financed with proceeds from mortgages	6,154,651	-
Predevelopment costs	-	213,069

4. Real Estate

Real estate consists of the following at June 30:

	2023	2022
Land	$ 10,189,826	$ 6,692,528
Building and improvements	107,301,861	107,402,880
Furniture and equipment	1,647,475	1,497,612
Construction-in-progress	2,830,837	41,989
	121,969,999	115,635,009
Accumulated depreciation	(23,020,869)	(19,791,322)
	$ 98,949,130	$ 95,843,687

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 $33.4 million with total development cost of $58.6 million. The Lily House rehabilitation project is 19.5% completed, with a total cost of $6,059,354, and is not expected to be completed until July 2025. Retainage at June 30, 2023 amounted to $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:

	2023	2022
Operating reserves	$ 2,185,721	$ 1,680,963
Social service reserves	354,110	351,479
Replacement reserves	1,333,106	1,394,631
Escrows	104,059	58,717
Retainage escrow	218,123	-
Rent subsidy reserves	45,006	45,000
	$ 4,240,125	$ 3,530,790

6. Investments

The following are major classes and categories of investments measured at fair value at June 30, 2023 and 2022. All fixed income, mutual funds, exchange traded funds, and equities are valued using Level 1 inputs under the fair value hierarchy.

	2023	2022
Common stock	$ 35,884	$ 25,293
Mutual funds	219,898	289,230
Government securities	129,652	-
Exchanged traded funds	115,465	135,135
Total Investments at Fair Value	500,899	449,658
Cash and cash equivalents, at cost	21,597	29,811
	$ 522,496	$ 479,469

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

	2023	2022
Interest and dividends	$ 14,680	$ 2,472
Fees	(3,001)	(1,185)
Realized (loss)gain	(34,696)	172
Unrealized (loss)gain	66,044	(48,413)
	$ 43,027	$ (46,954)

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 No. 2016-02.

7. Leases *(continued)*

For the year ended June 30, 2023:

Operating lease expense	$ 180,075
Supplemental cash flows	
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating lease	$ 201,396
ROU assets obtained in exchange for operating lease liability	$ 987,677
Weighted average remaining lease term	
Operating lease	4
Weighted average discount rate	
Operating lease	3.00%

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

2024	$ 206,934
2025	212,625
2026	218,472
2027	224,480
Total Undiscounted Cash Flows	862,511
Less present value discount	(49,492)
Total Lease Liability	$ 813,019

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, 2023, the Organization had entered into a $6,059,354 construction contract, of which $1,182,732 of the work had been completed. During 2022, the Organization had $44,282,348 of completed construction contracts and all related retainage has been released and is no longer reflected as a commitment of the Organization.

9. Long-Term Debt

	2023	2022
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

9. Long-Term Debt *(continued)*

	2023	2022
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

9. Long-Term Debt *(continued)*

	2023	2022
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.	3,170,012	3,220,784
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.	128,626	137,069
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

9. Long-Term Debt *(continued)*

	2023	2022
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
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	5,687,266
Bank of America committed $1,669,983 for the construction of Bryant Avenue. The loan bears interest at 2.15% above the monthly LIBOR per annum, originally to be due on December 21, 2021 and was subsequently extended to December 31, 2022. The loan requires monthly interest payments, with any unpaid interest and principal due at maturity. The loan is secured by the investment in real estate. The loan was converted to a permanent loan in December 2022.	-	986,261
Bank of America committed $10,238,156 for the construction of Bryant Avenue. The loan bears interest at 2.15% above the monthly LIBOR per annum, originally to be due on December 21, 2021 and was subsequently extended to December 31, 2022. The loan requires monthly interest payments, with any unpaid interest and principal due at maturity. At permanent closing, a portion of this loan was paid off. Bank of America has secured a commitment for the balance to then be converted to permanent financing. The loan is secured by the investment in real estate. The loan was converted to a permanent loan in December 2022.	-	9,902,872
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

9. Long-Term Debt *(continued)*

	2023	2022
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.	$ 1,303,844	$ 1,191,330
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.	4,418,128	-
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.	4,547,691	-
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.	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.	1,187,612	-
Unamortized debt issuance costs	(820,604)	(892,374)
	$ 62,282,030	$ 62,173,584

9. Long-Term Debt *(continued)*

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

2024	$ 120,586
2025	127,524
2026	5,312,272
2027	142,623
20278	150,836
Thereafter	57,248,793
Unamortized debt issuance costs	(820,604)
	$ 62,282,030

10. Paycheck Protection Program Loan

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

On September 23, 2021, the Small Business Administration notified the Organization that the PPP loan was forgiven. The Organization recognized $486,978 of the proceeds from the PPP loan forgiveness in the consolidated statement of activities during the year ended June 30, 2022.

11. Net Assets With Donor Restrictions

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

		2023		
Program/Purpose	2022	Additions	Releases	2023
Family Support Program	$ 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
	$ 350,584	$ 583,682	$ (696,236)	$ 238,030

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

	2022			
Program/Purpose	2021	Additions	Releases	2022
Family Support Services	$ 30,806	$ 61,525	$ (73,831)	$ 18,500
Advocacy	-	225,000	(150,000)	75,000
Asset Management - Tenant Subsidies	106,250	-	(106,250)	-
Housing Link	127,500	430,720	(301,136)	257,084
	$ 264,556	$ 717,245	$ (631,217)	$ 350,584

12. 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, 2023 and 2022 was $301,188 and $248,000.

13. 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.

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

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

2024	$ 248,862
2025	253,416
2026	253,838
2027	258,480
2028	258,911
Thereafter	1,043,197
	$ 2,316,704

13. Housing Leases *(continued)*

The accompanying consolidated statements of activities reflect rental income from Safe Horizon on a straight-line basis over the terms of the leases. Rental income for the years ended June 30, 2023 and 2022 was $144,928 and $243,980.

14. 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, 2023 and 2022 was $142,449 and $113,794.

15. 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 $4,000,000, secured by a mortgage lien on the property. Under the terms of the enforcement lien, the property must remain as low-income housing during the restriction period, which ends August 2030.

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

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

16. 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, 2023 and 2022:

	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)	325,775	(112,554)	(40,000)	(4,292,880)
Capital contributions	8,951,322	-	-	-	8,951,322
Capital distribution	(29,497)	-	-	-	(29,497)
Balance, June 30, 2023	$ 43,990,415	$ 11,931,389	$ 238,030	$ (40,000)	$ 31,860,996

16. Change in Consolidated Net Assets Without Donor Restrictions *(continued)*

	2022			
	Total	Without Donor Restrictions	With Donor Restrictions	Non-Controlling Interest
Balance, June 30, 2021	$ 41,579,634	$ 12,426,208	$ 264,556	$ 28,888,870
Change in net assets	(5,152,622)	(820,594)	86,028	(4,418,056)
Capital contributions	2,761,237	-	-	2,761,237
Balance, June 30, 2022	$ 39,188,249	$ 11,605,614	$ 350,584	$ 27,232,051

17. 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.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, 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, 2023 and 2022, approximately $7.3 and $5.1 million was maintained with an institution in excess of Federal Deposit Insurance Corporation limits. At June 30, 2023 and 2022, the Organization's had no uninsured investment holdings.

18. 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, 2023 and 2022:

	2023	2022
Cash - operations	$ 6,537,892	$ 5,508,566
Investments	522,496	479,469
Accounts receivable:		
Rent receivable, net	387,879	308,587
Grants receivable	2,792,199	1,770,144
	10,240,466	8,066,766
Less:		
Net assets with donor restrictions	(238,030)	(350,584)
	$ 10,002,436	$ 7,716,182

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.

19. 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, 2023 and 2022.

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New Destiny Housing Corporation
and Affiliates

Supplementary Information

June 30, 2023

New Destiny Housing Corporation
and Affiliates

Consolidating Schedule of Financial Position
June 30, 2023
(With summarized amounts at June 30, 2022)

	New Destiny Housing Corp. General Fund	Other Housing Activities	Real Estate Affiliates	Subtotal	Eliminations	2023 Total	2022 Total
REAL ESTATE							
Land	$ -	$ 369,267	$ 10,243,698	$ 10,612,965	$ (423,139)	$ 10,189,826	$ 6,692,528
Buildings and improvements	211,281	9,072,116	104,252,319	113,535,716	(6,233,855)	107,301,861	107,402,880
Furniture and equipment	84,533	194,803	1,339,803	1,619,139	28,336	1,647,475	1,497,612
Construction-in-progress	-	2,210,816	840,021	3,050,837	(220,000)	2,830,837	41,989
Less, accumulated depreciation	(166,994)	(3,753,617)	(18,269,282)	(22,189,893)	(830,976)	(23,020,869)	(19,791,322)
Net Real Estate	128,820	8,093,385	98,406,559	106,628,764	(7,679,634)	98,949,130	95,843,687
OTHER ASSETS							
Cash - operations	4,733,397	67,679	1,736,816	6,537,892	-	6,537,892	5,508,566
Cash - construction	-	-	21,995	21,995	-	21,995	22,085
Investments	522,496	-	-	522,496	-	522,496	479,469
Rent receivable, net	-	57,691	330,188	387,879	-	387,879	308,587
Fees receivable	2,067,662	-	40,000	2,107,662	(2,107,662)	-	-
Grants receivable	2,792,199	-	-	2,792,199	-	2,792,199	1,770,144
Prepaid expenses and other assets	44,557	394	1,133,167	1,178,118	(151,427)	1,026,691	1,135,823
Tenant security deposits	-	18,999	146,594	165,593	-	165,593	153,821
Retainage escrow	-	-	218,123	218,123	-	218,123	-
Replacement reserves	-	101,551	1,231,555	1,333,106	-	1,333,106	1,394,631
Operating reserves	168,573	241,976	1,775,172	2,185,721	-	2,185,721	1,680,963
Social service reserves	315,992	-	38,118	354,110	-	354,110	351,479
Rent subsidy reserves	-	-	45,006	45,006	-	45,006	45,000
Escrows	-	-	104,059	104,059	-	104,059	58,717
Predevelopment costs	-	-	-	-	-	-	454,332
Deposits	56,120	9,990	73,890	140,000	-	140,000	147,871
Deferred loss	-	1,244,210	-	1,244,210	(1,244,210)	-	-
Deferred costs, net	-	-	314,994	314,994	-	314,994	351,216
Right-of-use-asset, net	801,634	-	-	801,634	-	801,634	-
Loans receivable - related parties	4,195,364	277,299	357,200	4,829,863	(4,829,863)	-	-
	$ 15,826,814	$ 10,113,174	$ 105,973,436	$ 131,913,424	$ (16,012,796)	$ 115,900,628	$ 109,706,391
LIABILITIES AND NET ASSETS							
Liabilities							
Long-term debt, net	$ -	$ 1,817,332	$ 60,464,698	$ 62,282,030	$ -	$ 62,282,030	$ 62,173,584
Recoverable grant	120,000	-	-	120,000	-	120,000	120,000
Deferred income	249,298	-	-	249,298	-	249,298	464,706
Construction costs payable	-	-	66,154	66,154	-	66,154	853,343
Due to developer	-	-	2,140,058	2,140,058	(2,140,058)	-	-
Loans payable - related parties	451,453	306,391	781,350	1,539,194	(1,539,194)	-	-
Accrued interest payable	-	-	7,499,291	7,499,291	(414,832)	7,084,459	6,285,868
Notes payable - related parties	-	-	2,750,414	2,750,414	(2,750,414)	-	-
Accounts payable and accrued expenses	312,845	444,201	367,202	1,124,248	(97,735)	1,026,513	354,173
Prepaid rent	-	3,558	98,314	101,872	-	101,872	107,927
Deferred gain	-	2,865,125	-	2,865,125	(2,865,125)	-	-
Operating lease liability	813,019	-	-	813,019	-	813,019	-
Tenant security deposits payable	-	28,379	138,489	166,868	-	166,868	158,541
Total Liabilities	1,946,615	5,464,986	74,305,970	81,717,571	(9,807,358)	71,910,213	70,518,142
Net Assets							
Syndication costs	-	-	(40,000)	(40,000)	-	(40,000)	-
Without Donor Restrictions	13,642,169	4,648,188	(153,530)	18,136,827	(6,205,438)	11,931,389	11,605,614
With donor restrictions	238,030	-	-	238,030	-	238,030	27,232,051
	13,880,199	4,648,188	(193,530)	18,334,857	(6,205,438)	12,129,419	38,837,665
Non-controlling interests in consolidated for-profit affiliates	-	-	31,860,996	31,860,996	-	31,860,996	350,584
Total Net Assets	13,880,199	4,648,188	31,667,466	50,195,853	(6,205,438)	43,990,415	39,188,249
	$ 15,826,814	$ 10,113,174	$ 105,973,436	$ 131,913,424	$ (16,012,796)	$ 115,900,628	$ 109,706,391

New Destiny Housing Corporation
and Affiliates

Consolidating Schedule of Activities
Year Ended June 30, 2023
(With summarized amounts for the year ended June 30, 2022)

	New Destiny Housing Corp. General Fund	Other Housing Activities	Real Estate Affiliates	Subtotal	Eliminations	2023 Total	2022 Total
NET ASSETS WITHOUT DONOR RESTRICTIONS							
SUPPORT AND REVENUE							
Grants and contributions	$ 7,659,789	$ -	$ -	$ 7,659,789	$ -	$ 7,659,789	$ 4,312,106
Forgiveness of debt - Paycheck Protection Program Loan	-	-	-	-	-	-	486,978
Special events, net of cost of direct benefits to donors of $29,810 and $12,342	125,556	-	-	125,556	-	125,556	125,648
Rental income	-	440,560	4,223,227	4,663,787	(32,400)	4,631,387	3,821,575
Property management	294,163	-	-	294,163	(294,163)	-	40,554
Developer fees	1,897,725	-	-	1,897,725	(220,000)	1,677,725	-
Interest income	99,171	56	54,001	153,228	(31,757)	121,471	1,670
Investment income (loss), net	43,027	-	-	43,027	-	43,027	(46,954)
Other income	48,911	442,650	245,900	737,461	(468,860)	268,601	112,465
Total Revenue	10,168,342	883,266	4,523,128	15,574,736	(1,047,180)	14,527,556	8,854,042
Net assets released from restrictions	696,236	-	-	696,236	-	696,236	631,217
Total Support and Revenue	10,864,578	883,266	4,523,128	16,270,972	(1,047,180)	15,223,792	9,485,259
EXPENSES							
Program Services							
Housing and management services	566,687	1,096,695	8,819,210	10,482,592	(843,044)	9,639,548	8,986,905
Social services	8,435,238	-	-	8,435,238	-	8,435,238	4,819,473
Total Program Services	9,001,925	1,096,695	8,819,210	18,917,830	(843,044)	18,074,786	13,806,378
Supporting Services							
Management and general	771,542	-	-	771,542	-	771,542	624,143
Fundraising	344,569	-	-	344,569	-	344,569	293,388
Total Supporting Services	1,116,111	-	-	1,116,111	-	1,116,111	917,531
Total Expenses	10,118,036	1,096,695	8,819,210	20,033,941	(843,044)	19,190,897	14,723,909
Change in Net Assets Before Other Changes	746,542	(213,429)	(4,296,082)	(3,762,969)	(204,136)	(3,967,105)	(5,238,650)
Other Changes							
Capital contributions	-	-	8,951,322	8,951,322	-	8,951,322	2,761,237
Capital distributions	-	-	(29,497)	(29,497)	-	(29,497)	-
Total Other Changes	-	-	8,921,825	8,921,825	-	8,921,825	2,761,237
Change in Net Assets Without Donor Restrictions	746,542	(213,429)	4,625,743	5,158,856	(204,136)	4,954,720	(2,477,413)
Net Assets Without Donor Restrictions							
Beginning of year	12,895,627	4,861,617	27,081,723	44,838,967	(6,001,302)	38,837,665	41,315,078
End of year	$ 13,642,169	$ 4,648,188	$ 31,707,466	$ 49,997,823	$ (6,205,438)	$ 43,792,385	$ 38,837,665
NET ASSETS WITH DONOR RESTRICTIONS							
Grants and contributions	$ 583,682	$ -	$ -	$ 583,682	$ -	$ 583,682	$ 717,245
Net assets released from restrictions	(696,236)	-	-	(696,236)	-	(696,236)	(631,217)
Change in Net Assets With Donor Restrictions	(112,554)	-	-	(112,554)	-	(112,554)	86,028
Beginning of year	350,584	-	-	350,584	-	350,584	264,556
End of year	$ 238,030	$ -	$ -	$ 238,030	$ -	$ 238,030	$ 350,584
Change in net assets	$ 633,988	$ (213,429)	$ 4,625,743	$ 5,046,302	$ (204,136)	$ 4,842,166	$ (2,391,385)
NET ASSETS							
Syndication costs	-	-	(40,000)	(40,000)	-	(40,000)	-
Beginning of year	13,246,211	4,861,617	27,081,723	45,189,551	(6,001,302)	39,188,249	41,579,634
End of year	$ 13,880,199	$ 4,648,188	$ 31,667,466	$ 50,195,853	$ (6,205,438)	$ 43,990,415	$ 39,188,249

See independent auditors' report

New Destiny Housing Corporation
and Affiliates

Schedule of Financial Position Other Housing Activities
June 30, 2023
(With summarized amounts at June 30, 2022)

	New Destiny Housing Corp Park Place	CityWide Supportive Housing, Inc Prelude	CityWide Supportive Housing, Inc Lily House	CityWide Supportive Housing, Inc Total	CityWide Supportive Housing Development Fund Corporation 281 Bainbridge	CityWide Supportive Housing Development Fund Corporation Bridge Towers	CityWide Supportive Housing Development Fund Corporation 307 East 54th Street	CityWide Supportive Housing Development Fund Corporation Bridge Community	CityWide Supportive Housing Development Fund Corporation HDFC Corporate	CityWide Supportive Housing Development Fund Corporation Total	Prelude SI	2023 Total	2022 Total
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	10,106,482
Furniture and equipment	10,665	-	-	-	-	35,429	-	1,000	-	36,429	147,709	194,803	73,276
Construction-in-progress	-	-	2,210,816	2,210,816	-	-	-	-	-	-	-	2,210,816	41,989
Less, accumulated depreciation	(75,629)	-	(2,497,013)	(2,497,013)	-	(35,342)	(1,123,565)	(850)	-	(1,159,757)	(21,218)	(3,753,617)	(4,699,363)
Net Real Estate	26,247	-	6,061,573	6,061,573	-	87	1,489,801	150	-	1,490,038	515,527	8,093,385	5,891,651
OTHER ASSETS													
Cash - operations	19,941	31,746	11,817	43,563	-	-	4,175	-	-	4,175	-	67,679	159,752
Cash transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent receivable, net	4,067	-	-	-	-	-	53,624	-	-	53,624	-	57,691	33,251
Deferred rent receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Fees receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	-	394	394	-	-	-	-	-	-	-	394	2,577
Tenant security deposits	4,923	-	-	-	-	-	7,901	6,175	-	14,076	-	18,999	18,896
Replacement reserves	7,472	58,606	31,262	89,868	-	-	4,211	-	-	4,211	-	101,551	332,783
Operating reserves	-	-	-	-	-	-	-	-	241,976	241,976	-	241,976	241,945
Social service reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Predevelopment costs	-	-	-	-	-	-	-	-	-	-	-	-	33,972
Deposits	-	-	6,295	6,295	1,500	2,195	-	-	-	3,695	-	9,990	9,989
Deferred loss	-	-	-	-	650,065	594,145	-	-	-	1,244,210	-	1,244,210	1,244,210
Loans receivable - related parties	-	12,211	26,027	38,238	3,497	3,660	8,329	28,177	82,950	126,613	112,448	277,299	699,808
	$ 62,650	$ 102,563	$ 6,137,368	$ 6,239,931	$ 655,062	$ 600,087	$ 1,568,041	$ 34,502	$ 324,926	$ 3,182,618	$ 627,975	$ 10,113,174	$ 8,668,834
LIABILITIES AND NET ASSETS													
Liabilities													
Long-term debt, net	$ -	$ -	$ 1,817,332	$ 1,817,332	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,817,332	$ -
Loans payable - related parties	3,962	117,895	64,799	182,694	32,438	-	75,106	12,191	-	119,735	-	306,391	822,427
Accounts payable and accrued expenses	3,480	8,525	405,405	413,930	-	-	16,576	-	6,175	22,751	4,040	444,201	87,831
Prepaid rent	3,558	-	-	-	-	-	-	-	-	-	-	3,558	3,558
Deferred gain	-	-	-	-	-	-	-	2,865,125	-	2,865,125	-	2,865,125	2,865,125
Tenant security deposits payable	4,923	-	-	-	9,380	-	7,901	6,175	-	23,456	-	28,379	28,276
Total Liabilities	15,923	126,420	2,287,536	2,413,956	41,818	-	99,583	2,883,491	6,175	3,031,067	4,040	5,464,986	3,807,217
Net Assets													
Without donor restrictions	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
With donor restrictions	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Net Assets	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
	$ 62,650	$ 102,563	$ 6,137,368	$ 6,239,931	$ 655,062	$ 600,087	$ 1,568,041	$ 34,502	$ 324,926	$ 3,182,618	$ 627,975	$ 10,113,174	$ 8,668,834

New Destiny Housing Corporation
and Affiliates

Schedule of Activities Other Housing Activities
Year Ended June 30, 2023
(With summarized amounts for the year ended June 30, 2022)

	New Destiny Housing Corp. Park Place	CityWide Supportive Housing, Inc. Prelude	Lily House	Total	CityWide Supportive Housing Development Fund Corporation 281 Bainbridge	Bridge Towers	307 East 54th Street	Bridge Community	HDFC Corporate	Total	Prelude SI	2023 Total	2022 Total
NET ASSETS WITHOUT DONOR RESTRICTIONS													
SUPPORT AND REVENUE													
Rental income	$ 80,642	$ 144,928	$ -	$ 144,928	$ -	$ -	$ 111,470	$ -	$ -	$ 111,470	$ 103,520	$ 440,560	$ 430,369
Interest income	-	25	-	25	-	-	-	-	31	31	-	56	-
Other income	16,235	14,134	-	14,134	-	-	87,336	-	324,945	412,281	-	442,650	1,052
	96,877	159,087	-	159,087	-	-	198,806	-	324,976	523,782	103,520	883,266	431,421
Net assets released from restrictions	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Support and Revenue	96,877	159,087	-	159,087	-	-	198,806	-	324,976	523,782	103,520	883,266	431,421
EXPENSES													
Program Services													
Housing and management services	94,979	157,879	149,300	307,179	172,345	196,077	178,600	24,680	3,550	575,252	119,285	1,096,695	877,193
Total Program Services	94,979	157,879	149,300	307,179	172,345	196,077	178,600	24,680	3,550	575,252	119,285	1,096,695	877,193
Total Expenses	94,979	157,879	149,300	307,179	172,345	196,077	178,600	24,680	3,550	575,252	119,285	1,096,695	877,193
Change in Net Assets (Deficit) Without Donor Restrictions before gain on transfer of property	1,898	1,208	(149,300)	(148,092)	(172,345)	(196,077)	20,206	(24,680)	321,426	(51,470)	(15,765)	(213,429)	(445,772)
Excess (deficit) of fair value of net assets acquired transferred over consideration paid in transfer of property	-	(639,700)	-	(639,700)	-	-	-	-	-	-	639,700	-	-
Change in Net Assets (Deficit) Without Donor Restrictions before gain on transfer of property	1,898	(638,492)	(149,300)	(787,792)	(172,345)	(196,077)	20,206	(24,680)	321,426	(51,470)	623,935	(213,429)	(445,772)
Net Assets Without Donor Restrictions													
Beginning of year	44,829	614,635	3,999,132	4,613,767	785,589	796,164	1,448,252	(2,824,309)	(2,675)	203,021	-	4,861,617	5,307,389
End 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
NET ASSETS WITH DONOR RESTRICTIONS													
Grants and contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net assets released from restrictions	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Net Assets With Donor Restrictions	-	-	-	-	-	-	-	-	-	-	-	-	-
Beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	-
End of year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Change in Net Assets	$ 1,898	$ (638,492)	$ (149,300)	$ (787,792)	$ (172,345)	$ (196,077)	$ 20,206	$ (24,680)	$ 321,426	$ (51,470)	$ 623,935	$ (213,429)	$ (445,772)
Net Assets													
Beginning of year	44,829	614,635	3,999,132	4,613,767	785,589	796,164	1,448,252	(2,824,309)	(2,675)	203,021	-	4,861,617	5,307,389
End 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

New Destiny Housing Corporation
and Affiliates

Schedule of Financial Position of Real Estate Affiliates
June 30, 2023
(With summarized amounts at June 30, 2022)

	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	2023 Total	2022 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	$ 6,746,400
Buildings and improvements	10,046,347	12,384,709	8,860,034	11,539,490	22,688,591	7,467,532	31,265,616	-	-	104,252,319	104,102,339
Furniture and equipment	87,071	71,823	93,465	186,000	166,460	199,956	535,028	-	-	1,339,803	1,339,803
Construction-in-progress	-	-	-	-	-	-	-	840,021	-	840,021	-
Less, accumulated depreciation	(3,677,174)	(3,423,322)	(2,308,837)	(2,781,798)	(2,383,548)	(1,292,179)	(2,402,424)	-	-	(18,269,282)	(15,136,501)
Net Real Estate	6,997,744	10,621,520	7,337,752	9,872,192	22,521,503	7,320,309	29,398,220	4,337,319	-	98,406,559	97,052,041
OTHER ASSETS											
Cash - operations	635,111	192,740	56,866	60,264	113,158	322,767	355,910	-	-	1,736,816	2,595,656
Restricted cash	-	-	-	-	-	21,995	-	-	-	21,995	22,085
Rent receivable, net	38,421	51,680	14,113	23,938	99,177	66,004	36,855	-	-	330,188	275,336
Fees receivable	-	-	-	-	-	-	-	-	40,000	40,000	40,000
Prepaid expenses and other assets	4,500	7,000	-	3,000	-	2,500	964,740	-	151,427	1,133,167	1,217,620
Tenant security deposits	27,299	23,702	11,598	24,893	13,892	24,597	20,613	-	-	146,594	134,925
Retainage reserve	-	-	-	-	-	-	218,123	-	-	218,123	-
Replacement reserves	182,793	404,337	273,584	104,121	70,241	123,628	72,851	-	-	1,231,555	1,061,848
Operating reserves	155,678	299,746	184,569	207,559	308,471	170,762	448,387	-	-	1,775,172	1,275,205
Social service reserves	-	-	38,118	-	-	-	-	-	-	38,118	38,041
Rent subsidy reserves	-	-	-	45,006	-	-	-	-	-	45,006	45,000
Escrows	-	-	-	-	104,059	-	-	-	-	104,059	59,885
Deposits	15,315	-	-	3,350	18,720	-	36,505	-	-	73,890	81,762
Deferred costs, net	716	20,839	33,639	17,187	102,275	30,601	109,737	-	-	314,994	351,216
Loans receivable - related parties	-	1	2,567	-	5,891	27,947	-	320,794	-	357,200	74,519
	$ 8,057,577	$ 11,621,565	$ 7,952,806	$ 10,361,510	$ 23,357,387	$ 8,111,110	$ 31,661,941	$ 4,658,113	$ 191,427	$ 105,973,436	$ 104,323,971
LIABILITIES AND NET ASSETS											
Liabilities											
Long-term debt, net	$ 5,318,183	$ 7,908,727	$ 4,646,026	$ 5,748,776	$ 11,673,445	$ 1,238,158	$ 19,383,692	$ 4,547,691	$ -	$ 60,464,698	$ 62,173,584
Construction costs payable	-	-	-	-	22,275	-	43,879	-	-	66,154	853,343
Due to developer	136,918	-	42,392	-	205,000	-	1,755,748	-	-	2,140,058	3,851,261
Loans payable - related parties	144,650	111,379	214,062	107,197	50,827	2,296	-	-	150,939	781,350	757,742
Accrued interest payable	844,261	748,595	1,990,159	2,410,170	630,939	510,222	364,945	-	-	7,499,291	6,303,197
Notes payable - related parties	-	-	-	-	-	2,750,414	-	-	-	2,750,414	2,769,314
Accounts payable and accrued expenses	11,365	12,471	69,407	15,830	52,792	22,754	28,894	112,922	40,767	367,202	299,173
Prepaid rent	18,950	5,806	9,099	10,288	31,756	11,211	11,204	-	-	98,314	104,369
Tenant security deposits payable	24,804	19,027	12,012	24,246	14,835	22,686	20,879	-	-	138,489	130,265
Total Liabilities	6,499,131	8,806,005	6,983,157	8,316,507	12,681,869	4,557,741	21,609,241	4,660,613	191,706	74,305,970	77,242,248
Net Assets											
Syndication costs	-	-	-	-	-	-	(40,000)	-	-	(40,000)	-
Without donor restrictions	214	227	(399)	(150,344)	(317)	(132)	-	(2,500)	(279)	(153,530)	(150,328)
Non-controlling interests in consolidated for-profit affiliates	1,558,232	2,815,333	970,048	2,195,347	10,675,835	3,553,501	10,092,700	-	-	31,860,996	27,232,051
Total Net Assets	1,558,446	2,815,560	969,649	2,045,003	10,675,518	3,553,369	10,052,700	(2,500)	(279)	31,667,466	27,081,723
	$ 8,057,577	$ 11,621,565	$ 7,952,806	10,361,510	$ 23,357,387	$ 8,111,110	$ 31,661,941	$ 4,658,113	$ 191,427	$ 105,973,436	$ 104,323,971

See independent auditors' report

New Destiny Housing Corporation
and Affiliates

Schedule of Activities of Real Estate Affiliates
Year Ended June 30, 2023
(With summarized amounts for the year ended June 30, 2022)

	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	2023 Total	2022 Total
NET ASSETS WITHOUT DONOR RESTRICTIONS											
SUPPORT AND REVENUE											
Rental income	$ 524,051	$ 641,634	$ 331,716	$ 533,444	$ 689,404	$ 519,398	$ 983,580	$ -	$ -	$ 4,223,227	$ 3,391,206
Interest income	83	21,224	14,193	7,842	304	928	9,427	-	-	54,001	1,471
Other income	129,161	2,092	27,299	29,594	32,577	255	25,340	-	(418)	245,900	102,389
Total Support and Revenue	653,295	664,950	373,208	570,880	722,285	520,581	1,018,347	-	(418)	4,523,128	3,495,066
EXPENSES											
Housing and management services	799,871	994,892	931,649	1,306,325	1,540,956	757,802	2,485,215	2,500	-	8,819,210	7,913,854
Change in Net Assets Without Donor Restrictions	(146,576)	(329,942)	(558,441)	(735,445)	(818,671)	(237,221)	(1,466,868)	(2,500)	(418)	(4,296,082)	(4,418,788)
OTHER CHANGES											
Capitial contributions	-	-	-	-	-	-	8,951,322	-	-	8,951,322	2,761,237
Capitial distributions	-	(29,497)	-	-	-	-	-	-	-	(29,497)	-
Total Other Changes	-	(29,497)	-	-	-	-	8,951,322	-	-	8,921,825	2,761,237
Change in Net Assets Without Donor Restrictions	(146,576)	(359,439)	(558,441)	(735,445)	(818,671)	(237,221)	7,484,454	(2,500)	(418)	4,625,743	(1,657,551)
Net Assets											
Beginning of year	1,705,022	3,174,999	1,528,090	2,780,448	11,494,189	3,790,590	2,608,246	-	139	27,081,723	28,739,274
End 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

See independent auditors' report

New Destiny Housing Corporation and Affiliates

Uniform Guidance Reports and Schedules

June 30, 2023

New Destiny Housing Corporation and Affiliates

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Grant Number	Provided to Subrecipients	Total Federal Expenditures
Department of Housing and Urban Development				
Direct Awards:				
Continuum of Care Program	14.267	NY1223D2T001901	$ -	$ 962,927
Continuum of Care Program	14.267	NY1223D2T002002	-	408,992
Total Continuum of Care Program			-	1,371,919
Pass-through New York City Housing Preservation & Development				
Emergency Solutions Grants Program	14.231	CT180620228807828	-	1,391,941
Total Department of Housing and Urban Development			-	2,763,860
Total Expenditures of Federal Awards			$ -	$ 2,763,860

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, 2023

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, 2023. 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, 2023, 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.

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

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, 2023, 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 January 10, 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.

PKF O'CONNOR DAVIES, LLP
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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
January 10, 2024

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

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, 2023. 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, 2023.

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
January 10, 2024

New Destiny Housing Corporation

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

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
14.231	Emergency Solutions Grants Program

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	____ Yes __X__ no

Section II – Financial Statement Findings

During our audit, we noted no material findings for the year ended June 30, 2023.

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.