Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

Financial Statements
(With Supplementary Information)
and Independent Auditor's Report

June 30, 2025

CohnReznick

Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

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Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

June 30, 2025

Mortgagor's Certification

I hereby certify that I have examined the accompanying financial statements and supplementary data of Coney Island Site Nine Houses, Inc. and, to the best of my knowledge and belief, the same are complete and accurate.

Officer

Matthew LoCurto Date
Chief Financial Officer

Telephone Number: (212) 273-5257

Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

June 30, 2025

Managing Agent's Certification

I hereby certify that I have examined the accompanying financial statements and supplementary data of Coney Island Site Nine Houses, Inc. and, to the best of my knowledge and belief, the same are complete and accurate.

Managing Agent

JASA Housing Management Services
for the Aged, Inc.

Donald Manning Date
Director of Housing

Regina Loveridge
Property Manager

Managing Agent Taxpayer
Identification Number:
13-3078676

Property Address: 3601 Surf Avenue
Brooklyn, NY 11224

Independent Auditor's Report

To the Board of Trustees
Coney Island Site Nine Houses, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Coney Island Site Nine Houses, Inc., which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Coney Island Site Nine Houses, Inc. as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Coney Island Site Nine Houses, Inc. and to meet our other ethical responsibilities, in accordance with the 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 audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 GAAS 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 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 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 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 Coney Island Site Nine Houses, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Coney Island Site Nine Houses, Inc.'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The HUD-required financial data templates, as required by the *Uniform Financial Reporting Standards* issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards, 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial

statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the HUD-required financial data templates and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the 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 16, 2026, on our consideration of Coney Island Site Nine Houses, Inc.'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 Coney Island Site Nine Houses, Inc.'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 Coney Island Site Nine Houses, Inc.'s internal control over financial reporting and compliance.

CohnReznick LLP

New York, New York
January 16, 2026

Lead Auditor: Michael J. Bisson, CPA

Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

Statement of Financial Position
June 30, 2025

Assets

Current assets	
Cash - operations	$ 1,307,919
Cash - entity	128,039
Tenant accounts receivable	79,818
Accounts receivable - HUD	90,777
Prepaid expenses	29,830
Total current assets	1,636,383
Deposits held in trust - funded	
Tenant deposits	102,320
Restricted deposits and funded reserves	
Escrow deposits	877,240
Reserve for replacements	1,086,883
Other reserves	1,045,651
Total restricted deposits and funded reserves	3,009,774
Rental property	
Land	642,289
Buildings	22,602,809
Building equipment - portable	518,121
Furnishings	46,397
Office furniture and equipment	64,950
Miscellaneous fixed assets	78,242
	23,952,808
Less accumulated depreciation	(15,696,399)
Total rental property	8,256,409
Total assets	$ 13,004,886

Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

Statement of Financial Position
June 30, 2025

Liabilities and Net Assets

Current liabilities		
Accounts payable - operations	$	269,062
Accounts payable - construction/development		146,771
Accrued wages payable		14,108
Accrued payroll taxes payable		1,662
Accrued management fee payable		17,259
Accrued interest payable - first mortgage		23,823
Mortgage payable - first mortgage, current maturities		182,400
Miscellaneous current liabilities		42,309
Total current liabilities		697,394
Deposits liability		
Tenant deposits held in trust (contra)		102,320
Long-term liabilities		
Mortgage payable - first mortgage, net of current and unamortized debt issurance costs		7,293,619
Other mortgages payable, net		1,020,608
Accrued interest payable - other mortgages payable (long-term)		84,093
Total long-term liabilities		8,398,320
Total liabilities		9,198,034
Net assets		
Net assets without donor restrictions		3,678,813
Net assets with donor restrictions		128,039
Total net assets		3,806,852
Total liabilities and net assets	$	13,004,886

See Notes to Financial Statements.

Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

Statement of Activities and Changes in Net Assets
Year Ended June 30, 2025

	Net assets without donor restrictions	Net assets with donor restrictions	Total
Revenue			
Rental	$ 3,323,400	$ -	$ 3,323,400
Vacancies	(198,902)	-	(198,902)
Net rental revenue	3,124,498	-	3,124,498
Nursing home/assisted living and other revenue	92,749	-	92,749
Financial	36,049	-	36,049
Other	59,906	-	59,906
Total revenue	3,313,202	-	3,313,202
Expenses			
Administrative	375,847	-	375,847
Utilities	693,494	-	693,494
Operating and maintenance	733,207	-	733,207
Taxes and insurance	420,424	-	420,424
Financial (including interest of $306,175)	341,469	-	341,469
Nursing home/assisted living and other elderly care	92,749	-	92,749
Total cost of operations before depreciation	2,657,190	-	2,657,190
Income (loss) before depreciation	656,012	-	656,012
Depreciation	688,170	-	688,170
Change in net assets	(32,158)	-	(32,158)
Net assets, beginning	3,710,971	128,039	3,839,010
Net assets, end	$ 3,678,813	$ 128,039	$ 3,806,852

See Notes to Financial Statements.

Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

Statement of Cash Flows
Year Ended June 30, 2025

Cash flows from operating activities	
Rental receipts	$ 3,008,562
Interest receipts	36,049
Other operating receipts	152,655
Total receipts	3,197,266
Administrative expenses paid	(76,772)
Management fees paid	(185,116)
Utilities paid	(648,489)
Salaries and wages paid	(444,398)
Operating and maintenance paid	(503,506)
Real estate taxes paid	(13)
Property insurance paid	(344,859)
Miscellaneous taxes and insurance paid	(2,963)
Net tenant security deposits received (paid)	2,052
Other operating expenses paid	(158,999)
Interest paid on first mortgage	(288,895)
Mortgage insurance premium paid	(34,413)
Total disbursements	(2,686,371)
Net cash provided by operating activities	510,895
Cash flows from investing activities	
Net deposits to mortgage escrows	(322,198)
Net withdrawals from reserve for replacements	146,918
Net deposits to other reserves	(67,179)
Net purchases of fixed assets	(460,713)
Net cash used in investing activities	(703,172)
Cash flows from financing activities	
Mortgage principal payments - first mortgage	(176,294)
Net cash used in financing activities	(176,294)
Net decrease in cash and restricted cash	(368,571)
Cash and restricted cash, beginning	1,906,849
Cash and restricted cash, end	$ 1,538,278
Significant noncash investing and financing activities	
Increase in rental property included in accounts payable - construction/development	$ 35,797

See Notes to Financial Statements.

Note 1 - Organization

Coney Island Site Nine Houses, Inc. (the "Company") was organized in August 1971 as a nonstock, nonprofit Company for the purpose of developing and operating housing and auxiliary facilities for aged persons of low-income. Such projects are regulated by the U.S. Department of Housing and Urban Development ("HUD") as to rent charges and operating methods. The Project consists of 197 units located in Brooklyn, New York and is currently operating under the name Scheuer House of Coney Island (the "Project"). The Company receives a significant portion of its revenue from government subsidy payments. Surplus cash is not required to be deposited to a residual receipts by HUD, however agreements with New York State Department of Housing Community Renewal ("HCR") do not allow for the Project to distribute surplus cash.

The Company is wholly controlled by the JASA Corporation, its sole member. JASA Corporation also wholly controls the Jewish Association Serving the Aging ("JASA"), JASA Housing Management Services for the Aged, Inc. ("JHM") and other housing companies, in its capacity as their sole member. The Company is related to JASA, JHM and the other housing companies by virtue of this control.

Note 2 - Summary of significant accounting policies

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America ("GAAP").

The Company presents its financial statements in accordance with the accounting guidance for nonprofit entities. Under this guidance, the Company is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Furthermore, information is required to segregate program service expenses from management and general expenses.

The Company conforms to accounting guidance on revenue recognition for nonprofit entities. Under this guidance, contributions received, if any, are recorded as support without or with donor restrictions depending on the existence and/or nature of any donor restrictions.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Accounts receivable and allowance for doubtful accounts

Tenant receivables 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 tenant accounts receivable. It is reasonably possible that management's estimate of the allowance will change. As of June 30, 2025, there was no allowance for doubtful accounts.

Rental property
Rental property is carried at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives by use of the straight-line method. It is the Company's policy to capitalize items of $5,000 or greater and items purchased with replacement reserves that have a useful life that is greater than one year. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Property classification	Estimated useful lives
Buildings	40 years
Equipment	5-10 years
Furniture	10 years

Impairment of long-lived assets
The Company reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether 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. No impairment loss has been recognized during the year ended June 30, 2025.

Debt issuance costs
Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the mortgage loan payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using an imputed interest rate on the related loan.

Income taxes
The Company has applied for and received a determination letter from the Internal Revenue Service ("IRS") to be treated as a tax-exempt entity pursuant to Section 501(c)(3) of the Internal Revenue Code and did not have any unrelated business income for the year ended June 30, 2025. Due to its tax-exempt status, the Company is not subject to income taxes. The Company is required to file and does file tax returns with the IRS and other taxing authorities. Management has analyzed the tax positions taken by the Company and has concluded that, as of June 30, 2025, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. Accordingly, these financial statements do not reflect a provision for income taxes and the Company has no other tax positions which must be considered for disclosure. Income tax returns filed by the Company are subject to examination by the IRS for a period of three year. While no income tax returns are currently being examined by the IRS, tax years since 2021 remain open.

Rental income
Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Company and the tenants of the property are operating leases.

Grant income
The Company was awarded a cost reimbursed grant from HUD (see Note 8). Revenue is recognized as costs are incurred.

Functional expenses
The costs of providing programs and other activities are summarized on a functional basis in Note 12. Accordingly, certain costs are allocated among program services and supporting services benefitted.

Note 3 - Liquidity and availability

The Company has $1,470,606 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash of $1,307,919 and accounts receivable, net of allowances of $170,595. Only amounts related to restricted deposits and funded reserves anticipated to be used more than one year after the statement of financial position date have been excluded from the above amounts.

As regulated by HUD, financial assets of the Company are intended to be sufficient to meet its general expenditures, liabilities and other obligations as they become due. Project operations are designed to break-even and not result in either surplus cash or a deficit in surplus cash.

Note 4 - Mortgages payables

First mortgage payable
In December 2015, the Company refinanced its original mortgage in the original amount of $9,097,000 under Section 207 pursuant to Section 223(f) of the National Housing Act. The note bears interest at 3.72%. The mortgage requires monthly installments of principal and interest of $38,766 through maturity on January 1, 2051. During the year ended June 30, 2025, interest expense incurred was $295,969 inclusive of amortization of debt issuance costs of $7,619. As of June 30, 2025, the outstanding principal and accrued interest balances were $7,669,954 and $23,823, respectively. The mortgage is collateralized by the Company's fixed assets.

Debt issuance costs, net of accumulated amortization, totaled $193,935 as of June 30, 2025 and are related to the mortgage. Debt issuance costs on the above note are being amortized using an imputed interest rate of 3.94%.

The Company entered into a regulatory agreement with the Secretary of HUD which prohibits, among other matters: (i) distributions (as defined) without prior written approval; (ii) the sale, assignment, disposal, or alteration of the real and personal property covered by the mortgage; and (iii) the Company's engaging in other business activities or incurring any liabilities not connected with the operation and rental of the building without prior written consent from HUD.

Under agreements with the mortgage lender and HUD, the Company is required to make monthly escrow deposits for taxes, insurance and replacement of project assets, and is subject to restrictions as to operating policies, rental charges, operating expenditures and distributions. The Company is also required by HUD to use the funds saved by a reduction in the debt service cost for programs and building improvements for the benefit of the tenants.

The liability of the Company under the mortgage note is limited to the underlying value of the real estate collateral plus other amounts deposited with the lender.

Second mortgage payable
In December 2015, the Company obtained a loan from the New York State Housing Finance Agency ("HFA") in the maximum amount of $1,162,660. The loan bears an interest rate of 1.00% per annum. Principal and interest on the HFA loan are payable equal to 50% of the surplus income as defined in the HFA Loan Agreement. Any unpaid balance and accrued interest shall be payable upon maturity on July 1, 2051. The mortgage is secured by a second lien on the underlying value of the real estate. During the year ended June 30, 2025, interest expense incurred was $10,206. As of June 30, 2025, the outstanding principal and accrued interest balances were $1,020,608 and $84,093, respectively.

Aggregate annual maturities of the mortgages payable over each of the next five years and thereafter are as follows:

	First mortgage	HFA loan	Total
June 30, 2026	$ 182,400	$ -	$ 182,400
2027	189,893	-	189,893
2028	197,079	-	197,079
2029	204,537	-	204,537
2030	212,277	-	212,277
Thereafter	6,683,768	1,020,608	7,704,376
Total balance due	$ 7,669,954	$ 1,020,608	8,690,562
		Less current maturities	(182,400)
		Less unamortized debt issuance costs	(193,935)
		Net balance	$ 8,314,227

Note 5 - Restricted deposits and funded reserves

Escrow deposits
In accordance with the mortgage agreement, the Company is required to make monthly deposits of $14,716 into an escrow account for insurance and mortgage insurance premiums. As of June 30, 2025, the balance in the escrow was $877,240.

Replacement reserve
The Company is required by HUD to fund a replacement reserve, to be used for the replacement of property and equipment. The use of the funds requires prior approval from HUD. Monthly deposits in the amount of $4,925 are required. As of June 30, 2025, the balance in the replacement reserve was $1,086,883.

Operating escrow fund
The Company is required by the HCR to fund an operating escrow fund to cover replacement needs, including, but not limited to, painting and decorating expenses, water and sewer charges and other repairs and maintenance costs. As of June 30, 2025, the balance in the operating escrow fund was $1,045,651 and is included in other reserves on the accompanying statement of financial position.

Note 6 - Statement of cash flows

The following table provides a reconciliation of cash and restricted cash reported within the statement of financial position that sum to the total of the same such amounts in the statement of cash flows:

Cash	$ 1,435,958
Tenant deposits	102,320
Total cash and restricted cash shown in the statement of cash flows	$ 1,538,278

The amount included in restricted cash consists of security deposits held in trust for the future benefit of tenants upon moving out of the property as required by regulatory authority.

Note 7 - Related party transactions

JASA

The Company is a participant in a general insurance plan with JASA, which also includes health insurance and Worker's compensation. Property and liability insurance expense for the year ended June 30, 2025 is $344,859. Worker's compensation and health insurance and other employee benefits for the year ended June 30, 2025 is $38,611. Insurance is allocated to the various properties based on the unit counts. As of June 30, 2025, $42,309, remains payable to JASA and is included in miscellaneous current liabilities on the statement of financial position.

JASA pays the Company a license fee for the use of space for a community services facility located at the site. License fee revenue for the year ended June 30, 2025 was $19,890, and is included in miscellaneous revenue on the statement of activities and changes in net assets.

The Company is a participant in a multiemployer, defined benefit retirement plan sponsored by the UJA-Federation. The actuarial present value of the benefit obligation and fair value of plan assets are not available separately for each employer who participates in the plan. For the year ended June 30, 2025, the Company did not make any direct contributions into the plan on behalf of its employees; contributions to the plan were made by JASA. For the year ended June 30, 2025, the Company reimbursed JASA $16,001 for pension costs.

The Company pays JASA, through a HUD grant, for the Service Coordinator Program, which provides social services for the tenants. The program expenses for the year ended June 30, 2025 were $92,749.

JHM

The property is managed by an affiliate of the Company, JHM, pursuant to a management agreement approved by HUD. The current management agreement provides for a fee of $13,591 per month. Management fees incurred for the year ended June 30, 2025 totaled $184,244.

As of June 30, 2025, $17,259 remains payable to JHM and is included on the statement of financial position as accrued management fee payable.

Note 8 - Grant revenue

The Company was awarded a service coordinator grant from HUD to use toward payment of the service coordinator's salary, benefits, and other administrative costs. The Company reimburses JASA with the grant. The Company received and recognized grant revenue of $92,749 for the year ended June 30, 2025. Grant expenses incurred during the year ended June 30, 2025 were $92,749. As of June 30, 2025, $71,428 remains receivable and is included in accounts receivable - HUD on the statement of financial position.

Note 9 - Housing assistance payment contract agreements

The Company has contracted under a Rental Assistance Demonstration ("RAD") Rider with HUD and the Housing Trust Fund Corporation pursuant to Section 8 of the Housing Act of 1937 to make housing assistance payments on behalf of the qualified tenants. The agreement expires August 1, 2028. For the year ended June 30, 2025, rental assistance payments of $1,619,944 were earned under the terms of the agreement.

The Company has entered into a contract with the New York City Housing Authority to make housing assistance payments on behalf of the qualified tenants. The agreement expires November 1, 2029. For the year ended June 30, 2025, rental assistance payments of $576,731 were earned under the terms of the agreement.

The Company also participates in housing choice voucher programs, through which individual tenant vouchers are accepted. Total revenue earned from these vouchers during the year ended June 30, 2025 was $100,514.

Note 10 - Concentration of credit risk

The Company maintains its cash balances in several accounts in one bank. The cash balances are insured by the Federal Deposit Insurance Company up to $250,000. At times, these balances may exceed the federal insurance limits; however, the Company has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances at June 30, 2025.

Note 11 - Current vulnerability due to certain concentrations

The Company's principal asset is a 197-unit apartment facility. The Company's operations are concentrated in the multifamily real estate market. In addition, the Company operates in a heavily regulated environment. The operations of the Company are subject to the administrative directives, rules and regulations of federal agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Note 12 - Expenses by nature and function

The table below presents expenses by both their nature and function during the year ended June 30, 2025:

	Total program services expense	Total supporting services expense (management and general)	Total
Administrative expenses	$ 166,498	$ 209,349	$ 375,847
Utilities expense	693,494	-	693,494
Operating and maintenance expenses	733,207	-	733,207
Taxes and insurance	420,424	-	420,424
Financial expenses	341,469	-	341,469
Nursing home/assisted living/board and care/other elderly care expenses	92,749	-	92,749
Depreciation	688,170	-	688,170
Total	$ 3,136,011	$ 209,349	$ 3,345,360

All expenses are directly attributable to a specific function.

Note 13 - Real estate tax exemption

The Company has executed documentation necessary to obtain a real estate tax exemption under the New York City Property Tax Code. As of June 30, 2025, the exemption was approved and expires on January 31, 2050, unless otherwise terminated in accordance with the agreement.

Note 14 - Superstorm sandy

In 2013, the Company received a grant from the Fund for the City of New York in the amount of $150,000. Use of the $150,000 is restricted by the grantor for resiliency planning (equipping the Project to reduce the impact of future natural disasters) and is included as net assets with donor restrictions. The remaining balance of the restricted funds as of June 30, 2025 was $128,039.

Note 15 - Subsequent events

Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of the Company through January 16, 2026 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

Supplementary Information

Supporting Data Required by HUD

Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

Supplementary Information

Statement of Financial Position Data
June 30, 2025

Assets

Account No.			
Current assets			
1120	Cash - operations		$ 1,307,919
1125	Cash - entity		128,039
1130	Tenant accounts receivable		79,818
1135	Accounts receivable - HUD		90,777
1200	Prepaid expenses		29,830
1100T	Total current assets		1,636,383
Deposits held in trust - funded			
1191	Tenant deposits		102,320
Restricted deposits and funded reserves			
1310	Escrow deposits	$ 877,240	
1320	Reserve for replacements	1,086,883	
1330	Other reserves	1,045,651	
1300T	Total deposits		3,009,774
Rental property			
1410	Land	642,289	
1420	Buildings	22,602,809	
1440	Building equipment - portable	518,121	
1460	Furnishings	46,397	
1465	Office furniture and equipment	64,950	
1490	Miscellaneous fixed assets	78,242	
1400T	Total fixed assets	23,952,808	
1495	Less accumulated depreciation	(15,696,399)	
1400N	Net fixed assets		8,256,409
1000T	Total assets		$ 13,004,886

Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

Supplementary Information

Statement of Financial Position Data
June 30, 2025

Liabilities and Net Assets

Account No.			
Current liabilities			
2110	Accounts payable - operations		$ 269,062
2111	Accounts payable - construction/development		146,771
2120	Accrued wages payable		14,108
2121	Accrued payroll taxes payable		1,662
2123	Accrued management fee payable		17,259
2131	Accrued interest payable - first mortgage		23,823
2170	Mortgage payable - first mortgage (short-term)		182,400
2190	Miscellaneous current liabilities		42,309
2122T	Total current liabilities		697,394
Deposits liability			
2191	Tenant deposits held in trust (contra)		102,320
Long-term liabilities			
2320	Mortgage payable - first mortgage	$ 7,293,619	
2322	Other mortgages payable (long-term)	1,020,608	
2331	Accrued interest payable - other mortgages payable (long-term)	84,093	
2300T	Total long-term liabilities		8,398,320
2000T	Total liabilities		9,198,034
3131	Net assets without donor restrictions	3,678,813	
3133	Net assets with donor restrictions	128,039	
3130	Total net assets		3,806,852
2033T	Total liabilities and net assets		$ 13,004,886

Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

Supplementary Information

Statement of Activities Data
Year Ended June 30, 2025

Account No.			
Rental revenue			
5120	Rent revenue - gross potential	$ 1,023,931	
5121	Tenant assistance payments	2,297,189	
5170	Garage and parking spaces	2,280	
5100T	Total rental revenue		$ 3,323,400
Vacancies			
5220	Apartments	(79,880)	
5250	Rental concessions	(119,022)	
5200T	Total vacancies		(198,902)
5152N	Net rental revenue		3,124,498
5300	Nursing home/Assisted living/Board and care/Other elderly care/Coop and other revenue		92,749
Financial revenue			
5410	Financial revenue - project operations	34,583	
5440	Revenue from investments - replacement reserve	1,466	
5400T	Total financial revenue		36,049
Other revenue			
5910	Laundry and vending	6,600	
5920	Tenant charges	28,129	
5990	Miscellaneous revenue	25,177	
5900T	Total other revenue		59,906
5000T	Total revenue		3,313,202

Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

Supplementary Information

Statement of Activities Data
Year Ended June 30, 2025

Account No.			
Administrative expenses			
6203	Conventions and meetings	1,356	
6250	Other renting expenses	1,507	
6310	Office salaries	38,743	
6311	Office expenses	30,608	
6320	Management fee	184,244	
6330	Manager or superintendent salaries	63,729	
6331	Administrative rent free unit	21,972	
6340	Legal expense - project	608	
6350	Auditing expense	12,350	
6351	Bookkeeping fees/accounting services	12,755	
6370	Bad debts	130	
6390	Miscellaneous administrative expenses	7,845	
6263T	Total administrative expenses		375,847
Utilities expense			
6450	Electricity	301,834	
6451	Water	95,902	
6452	Gas	143,274	
6453	Sewer	152,484	
6400T	Total utilities expense		693,494
Operating and maintenance expenses			
6510	Payroll	133,518	
6515	Supplies	54,979	
6520	Contracts	270,812	
6530	Security payroll/contract	209,107	
6546	Heating/cooling repairs and maintenance	64,791	
6500T	Total operating and maintenance expenses		733,207

Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

Supplementary Information

Statement of Activities Data
Year Ended June 30, 2025

Account No.			
Taxes and insurance			
6711	Payroll taxes	17,990	
6720	Property and liability insurance	344,859	
6722	Workmen's compensation	2,859	
6723	Health insurance and other employee benefits	51,753	
6790	Miscellaneous taxes, licenses, permits and insurance	2,963	
6700T	Total taxes and insurance		420,424
Financial expenses			
6820	Interest on first mortgage payable	295,969	
6825	Interest on other mortgages	10,206	
6850	Mortgage insurance premium/service charge	35,294	
6800T	Total financial expenses		341,469
6900	Nursing home/Assisted living/Board and care/Other elderly care expenses		92,749
6000T	Total cost of operations before depreciation		2,657,190
5060T	Income (loss) before depreciation		656,012
Depreciation			
6600	Depreciation expense	688,170	
	Total depreciation		688,170
5060N	Operating income (loss)		(32,158)
	Total expenses		3,345,360
3250	Change in net assets		$ (32,158)

Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

Supplementary Information

Statement of Activities Data
Year Ended June 30, 2025

Account No.		
S1000-010	Total first mortgage (or bond) principal payments required during the audit year (12 monthly payments). Applies to all direct loans and HUD-held and fully-insured first mortgages.	$ 176,294
S1000-020	Total of 12 monthly deposits in the audit year made to the replacement reserve account, as required by the regulatory agreement, even if payments may be temporarily suspended or reduced.	$ 59,100
S1000-030	Replacement reserve, or residual receipts and releases which are included as expense items on the statement of activities.	$ -
S1000-040	Project improvement reserve releases under the flexible subsidy program which are included as expense items on the statement of activities.	$ -

Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

Supplementary Information

Statement of Changes in Net Assets (Deficit) Data
Year Ended June 30, 2025

Account No.		Net assets without donor restrictions	Net assets with donor restrictions	Total
S1100-050	Net assets			
S1100-060/080	June 30, 2024	$ 3,710,971	$ 128,039	$ 3,839,010
3247/3249	Change in net assets	(32,158)	-	(32,158)
3130	Net assets			
3131/3133	June 30, 2025	$ 3,678,813	$ 128,039	$ 3,806,852

Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

Supplementary Information

Statement of Cash Flows Data
Year Ended June 30, 2025

Account No.		
	Cash flows from operating activities	
S1200-010	Rental receipts	$ 3,008,562
S1200-020	Interest receipts	36,049
S1200-030	Other operating receipts	152,655
S1200-040	Total receipts	3,197,266
S1200-050	Administrative expenses paid	(76,772)
S1200-070	Management fees paid	(185,116)
S1200-090	Utilities paid	(648,489)
S1200-100	Salaries and wages paid	(444,398)
S1200-110	Operating and maintenance paid	(503,506)
S1200-120	Real estate taxes paid	(13)
S1200-140	Property insurance paid	(344,859)
S1200-150	Miscellaneous taxes and insurance paid	(2,963)
S1200-160	Net tenant security deposits received (paid)	22,849
S1200-170	Other operating expenses paid	(158,999)
S1200-180	Interest paid on first mortgage	(288,895)
S1200-210	Mortgage insurance premium paid	(34,413)
S1200-230	Total disbursements	(2,665,574)
S1200-240	Net cash provided by operating activities	531,692

Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

Supplementary Information

Statement of Cash Flows Data
Year Ended June 30, 2025

Account No.			
	Cash flows from investing activities		
S1200-245	Net deposits to mortgage escrows		(322,198)
S1200-250	Net withdrawals from reserve for replacements		146,918
S1200-255	Net deposits to other reserves		
S1200-256	Net deposit from operating escrow fund	$ (67,179)	
			(67,179)
S1200-330	Net purchases of fixed assets		(460,713)
S1200-350	Net cash used in investing activities		(703,172)
	Cash flows from financing activities		
S1200-360	Mortgage principal payments - first mortgage		(176,294)
S1200-460	Net cash used in financing activities		(176,294)
S1200-470	Net decrease in cash		(347,774)
S1200-480	Cash, beginning		1,783,732
S1200T	Cash, end		$ 1,435,958

Account No.		
	Increase in rental property included in accounts payable - construction/development	$ 35,797

Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

Supplementary Information
Year Ended June 30, 2025

Reserve for Replacements

Account No.		
1320P	Balance at June 30, 2024	$ 1,233,801
1320DT	Total monthly deposits	59,100
1320INT	Interest income	1,466
1320WT	Approved withdrawals	(207,484)
1320	Balance at June 30, 2025	$ 1,086,883

Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

Supplementary Information
Year Ended June 30, 2025

Computation of Surplus Cash, Distributions and Residual Receipts

Account No.	Part A - Compute Surplus Cash		
S1300-010	Cash (Accounts 1120, 1170 and 1191)	$	1,410,239
1135	Accounts receivable - HUD		90,777
S1300-040	Total cash		1,501,016
S1300-050	Accrued mortgage interest payable		23,823
S1300-060	Delinquent mortgage principal payments		-
S1300-070	Delinquent deposits to reserve for replacements		-
S1300-075	Accounts payable (due within 30 days)		269,062
S1300-080	Loans and notes payable (due within 30 days)		-
S1300-090	Deficient tax, insurance or MIP escrow deposits		-
S1300-100	Accrued expenses (not escrowed)		75,338
2210	Prepaid revenue (Account 2210)		-
2191	Tenant security deposits liability (Account 2191)		102,320
S1300-140	Less total current obligations		470,543
S1300-150	Surplus cash (deficiency)	$	1,030,473

Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

Supplementary Information
Year Ended June 30, 2025

Changes in Fixed Asset Accounts

	Assets			
	Balance 6/30/24	Additions	Deductions	Balance 6/30/25
Land	$ 642,289	$ -	$ -	$ 642,289
Buildings	22,224,629	378,180	-	22,602,809
Building equipment - portable	480,981	37,140	-	518,121
Furnishings	46,397	-	-	46,397
Office furniture and equipment	62,002	2,948	-	64,950
Miscellaneous fixed assets	-	78,242	-	78,242
	$ 23,456,298	$ 496,510	$ -	$ 23,952,808
Accumulated depreciation	$ 15,008,229	$ 688,170	$ -	$ 15,696,399
Total net book value				$ 8,256,409

Fixed Asset Detail

Additions to Buildings Account

Item and quantity	Amount
Apartment renovations	$ 378,180

Additions to Building Equipment - Portable Account

Item and quantity	Amount
Gas ranges	$ 37,140

Additions to Office Furniture and Equipment Account

Item and quantity	Amount
Computer equipment	$ 2,948

Additions to Miscellaneous Fixed Assets Account

Item and quantity	Amount
Construction in progress	$ 78,242

Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

Supplementary Information
Year Ended June 30, 2025

Detail of Accounts - Statement of Financial Position

Other Reserves (Account No. 1330)	
Operating escrow fund	$ 1,045,651
	$ 1,045,651
Miscellaneous Current Liabilities (Account No. 2190)	
Due to JASA	$ 42,309
Other Mortgages Payable (Long-Term) (Account No. 2322)	
Second mortgage - HFA	$ 1,020,608
Accrued Interest Payable - Other Mortgages Payable (Long-Term) (Account No. 2331)	
Second mortgage - HFA	$ 84,093
	$ 84,093

Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

Supplementary Information
Year Ended June 30, 2025

Detail of Accounts - Statement of Activities

Miscellaneous Other Revenue (Account No. 5990)

Retained excess income	$	5,287
Miscellaneous revenue - use of premises		19,890
	$	25,177

Miscellaneous Administrative Expenses (Account No. 6390)

Computer services	$	7,845

Nursing Home/Assisted Living/Board and Care/Other Elderly Care/Coop and Other Revenue (Account No. 5300)

5390	Other service revenue	$	92,749

Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

Supplementary Information
Year Ended June 30, 2025

Other Information

Related party transactions detail:

Account No.	Entity name	Amount paid
S3100-210	JHM (management fee)	$ 185,116
S3100-210	JASA (service coordinator)	92,749
		$ 277,865

Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/ (Pass-through Grantor)/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Housing and Urban Developemnt direct programs			
Mortgage Insurance For the Purchase or Refinancing of Existing Multifamily Housing Projects: Sections 207/223(f)	14.155	N/A	$ 7,846,248
Multifamily Housing Service Coordinators	14.191	N/A	92,749
Section 8 Project Based Cluster:			
Section 8 Housing Assistance Payments Program	14.195	N/A	1,619,944
Total Department of Housing and Urban Development			9,558,941
Total expenditures of federal awards			$ 9,558,941

See Notes to Schedule of Expenditures of Federal Awards.

Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

Notes to Schedule of Expenditures of Federal Awards
June 30, 2025

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Coney Island Site Nine Houses, Inc., HUD Project No.: 012-11373, under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of Coney Island Site Nine Houses, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Coney Island Site Nine Houses, Inc. For the year ended June 30, 2025, no awards were passed through to subrecipients.

Note 2 - Summary of significant accounting policies

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

Note 3 - Interest cost rate

Coney Island Site Nine Houses, Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 - U.S. Department of Housing and Urban Development loan program

Coney Island Site Nine Houses, Inc. has received a U.S. Department of Housing and Urban Development direct loan under Section 207 of the National Housing Act. The loan balance outstanding at the beginning of the year is included in the federal expenditures presented in the Schedule. Coney Island Site Nine Houses, Inc. received no additional loans during the year. The balance of the loan outstanding at June 30, 2025, consists of:

Assistance Listing Number	Program Name	Outstanding Balance at June 30, 2025
14.155	Mortgage Insurance For the Purchase or Refinancing of Existing Multifamily Housing Projects: Sections 207/223(f)	$ 7,669,954

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

To the Board of Trustees
Coney Island Site Nine Houses, Inc.

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 financial statements of Coney Island Site Nine Houses, Inc., which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 16, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we Coney Island Site Nine Houses, Inc.'s internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Coney Island Site Nine Houses, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Coney Island Site Nine Houses, Inc.'s internal control over financial reporting.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coney Island Site Nine Houses, Inc.'s 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 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 over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting 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 over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

CohnReznick LLP

New York, New York
January 16, 2026

Independent Auditor's Report on Compliance for the Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Trustees
Coney Island Site Nine Houses, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major HUD Program

We have audited Coney Island Site Nine Houses, Inc.'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 Coney Island Site Nine Houses, Inc.'s major federal programs for the year ended June 30, 2025. Coney Island Site Nine Houses, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Coney Island Site Nine Houses, Inc. complied, in all material respects, with the 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, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Coney Island Site Nine Houses, Inc. and to meet our other ethical responsibilities, in accordance with the 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 the major federal program. Our audit does not provide a legal determination of Coney Island Site Nine Houses, Inc.'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 Coney Island Site Nine Houses, Inc.'s federal programs.

Auditor's 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 to express an opinion on Coney Island Site Nine Houses, Inc.'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 GAAS, *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 that for 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 Coney Island Site Nine Houses, Inc.'s compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, 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 Coney Island Site Nine Houses, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of Coney Island Site Nine Houses, Inc.'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 Coney Island Site Nine Houses, Inc.'s internal control. 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 compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a 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 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 Auditor's 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 have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of the entity's 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.

CohnReznick LLP

New York, New York
January 16, 2026

Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

Schedule of Findings and Questioned Costs
June 30, 2025

A. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles: 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 auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? ____ Yes X No

Identification of major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
14.155	Mortgage Insurance For the Purchase or Refinancing of Existing Multifamily Housing Program: Sections 207/223(f)
14.195	Section 8 Project- Based Cluster

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee ____ Yes X No

Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

Schedule of Findings and Questioned Costs
June 30, 2025

B. Financial Statement Findings

None reported

C. Federal Award Findings and Questioned Costs

None reported

Other Information Required by HUD -

Management's Response

Coney Island Site Nine Houses, Inc.
HUD Project No.: 012-11373

Summary Schedule of Prior Audit Findings
June 30, 2025

Finding No. 2024-1; Sections 207/223(f), Assistance Listing 14.155

Name of Federal Agency: U.S. Department of Housing and Urban Development
Federal Program Name and Assistance Listing Number: Mortgage Insurance For Purchase or Refinancing of Existing Multifamily Rental Housing; Sections 207/223(f); 14.155

Condition
The controls over the reconciliation of the project's operating cash account did not sufficiently catch the error made in recording prior year's audit adjusting entries, requiring a material adjusting journal entry to cash during the current year audit.

Previous Response for Finding
The finding on Coney Island resulted from the reversal of a prior year audit adjustment which was incorrectly posted understating the operating cash account by approx. $338K and simultaneously overstating the tenant security deposit cash account by the same amount. There was no P&L effect from this transaction. This finding was due to lack of adequate review of the reversal of the prior year's adjusting entry. To prevent this from happening in the future, a new controller was hired who has been charged to review all journal entries and review procedures have been established with regard to the recording and subsequent reversal of prior year adjusting entry.

Current Status
A new controller was hired and this issue has been resolved.

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