Community Capital New York, Inc.

Financial Statements

June 30, 2021 and 2020

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Financial Statements
June 30, 2021 and 2020

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PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Independent Auditors' Report

Board of Directors of
Community Capital New York, Inc.

We have audited the accompanying financial statements of Community Capital New York, Inc., which comprise the statements of financial position as of June 30, 2021 and 2020 and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Capital New York, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

PKF O'Connor Davies, LLP

December 22, 2021

Community Capital New York, Inc.

Statements of Financial Position

	June 30, 2021	June 30, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 2,470,729	$ 2,842,093
Loans receivable, current portion, net of loan loss reserve	2,765,032	2,386,932
Grants receivable	635,404	181,992
Prepaid expenses	6,787	8,809
Interest receivable	26,059	21,579
Contributions and other receivable	2,368	3,881
Total Current Assets	5,906,379	5,445,286
Loans receivable, noncurrent portion, net of loan loss reserve	2,762,153	1,507,240
Restricted cash accounts	4,402,582	2,219,767
Cash collateral accounts	-	2,609
Furniture and equipment, net of accumulated depreciation	-	2,093
Network license, net of accumulated amortization	1,250	3,750
Security deposits	3,788	3,788
	$ 13,076,152	$ 9,184,533
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and other current liabilities	$ 115,822	$ 87,088
Funds held in trust - collateral accounts	-	2,609
Deferred income	-	59,400
Refundable advances	1,826,981	-
Paycheck Protection Program loan	-	141,507
Borrowings on lines of credit, current portion	399,006	1,249,006
Notes payable, current portion	1,035,542	978,481
Total Current Liabilities	3,377,351	2,518,091
Long Term Liabilities		
Equity equivalent investment	300,000	300,000
Borrowings on lines of credit, noncurrent portion	1,100,000	250,000
Notes payable, noncurrent portion	3,807,418	2,721,903
Total Long Term Liabilities	5,207,418	3,271,903
Total Liabilities	8,584,769	5,789,994
Net Assets		
Without Donor Restrictions		
Operations	2,692,746	1,761,002
Board Designated		
Loan loss reserve	67,820	89,227
Loan fund capital	1,107,423	1,086,016
Total Without Donor Restrictions	3,867,989	2,936,245
With Donor Restrictions		
Loan fund capital	416,291	173,815
Loan loss reserve	162,103	183,510
Technical assistance	45,000	100,969
Total With Donor Restrictions	623,394	458,294
Total Net Assets	4,491,383	3,394,539
	$ 13,076,152	$ 9,184,533

See notes to financial statements

Community Capital New York, Inc.

Statement of Activities and Changes in Net Assets
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUE AND RECLASSIFICATIONS			
Government contracts	$ -	$ 1,282,000	$ 1,282,000
Grants from corporations	83,146	262,500	345,646
Contributions	47,085	-	47,085
Interest income on loan portfolio	256,520	-	256,520
Loan fee income	170,872	-	170,872
Administrative fees	163,645	-	163,645
Interest income	5,165	-	5,165
PPP loan forgiveness income	141,507	-	141,507
Net assets released from restrictions	1,379,400	(1,379,400)	-
Total Support, Revenue and Reclassifications	2,247,340	165,100	2,412,440
EXPENSES			
Program	1,290,326	-	1,290,326
Fundraising	64,047	-	64,047
Management and general	105,087	-	105,087
Total Operating Expenses Before Grants and Loan Loss Provision	1,459,460	-	1,459,460
Microenterprise and rental assistance grants	291,284	-	291,284
Loan loss provision	(435,148)	-	(435,148)
Total Operating Expenses	1,315,596	-	1,315,596
Change in Net Assets	931,744	165,100	1,096,844
NET ASSETS			
Beginning of year	2,936,245	458,294	3,394,539
End of Year	$ 3,867,989	$ 623,394	$ 4,491,383

See notes to financial statements

Community Capital New York, Inc.

Statement of Activities and Changes in Net Assets
Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUE AND RECLASSIFICATIONS			
Government contracts	$ -	$ 482,102	$ 482,102
Grants from corporations	287,856	75,000	362,856
Grants for loan loss reserve	-	38,924	38,924
Contributions	105,798	-	105,798
In-kind contributions	333	-	333
Interest income on loan portfolio	274,736	-	274,736
Loan fee income	59,960	-	59,960
Program fees	1,200	-	1,200
Interest income	5,252	-	5,252
Net assets released from restrictions	829,023	(829,023)	-
Total Support, Revenue and Reclassifications	1,564,158	(232,997)	1,331,161
EXPENSES			
Program	1,060,568	-	1,060,568
Fundraising	71,589	-	71,589
Management and general	66,713	-	66,713
Total Operating Expenses Before Grants and Loan Loss Provision	1,198,870	-	1,198,870
Feasibility and rental assistance grants	105,484	-	105,484
Loan loss provision	465,801	-	465,801
Total Operating Expenses	1,770,155	-	1,770,155
Change in Net Assets	(205,997)	(232,997)	(438,994)
NET ASSETS			
Beginning of year	3,142,242	691,291	3,833,533
End of Year	$ 2,936,245	$ 458,294	$ 3,394,539

See notes to financial statements

Community Capital New York, Inc.

Statement of Functional Expenses
Year Ended June 30, 2021

	Program					
	Affordable Housing Program	Small Business Program	Total	Fundraising	Management and General	Total Expenses
PERSONNEL COSTS						
Salaries	$ 152,697	$ 677,293	$ 829,990	$ 36,752	$ 52,427	$ 919,169
Payroll taxes	9,472	56,084	65,556	2,779	5,639	73,974
Employee benefits	4,179	30,307	34,486	1,353	2,702	38,541
Total Personnel Costs	166,348	763,684	930,032	40,884	60,768	1,031,684
OTHER THAN PERSONNEL COSTS						
Office expense	1,271	16,424	17,695	759	2,441	20,895
Occupancy costs	4,615	33,306	37,921	1,285	2,505	41,711
Loan expenses	250	41,394	41,644	-	-	41,644
Professional fees	3,567	48,323	51,890	1,784	10,326	64,000
Insurance	1,596	11,591	13,187	436	1,406	15,029
Education and training	-	339	339	-	773	1,112
Consultant fees	14,972	87,952	102,924	4,720	24,277	131,921
Telephone	1,151	6,652	7,803	179	346	8,328
Travel	-	769	769	-	-	769
Postage and delivery	-	79	79	218	64	361
Development and fundraising	-	-	-	13,758	-	13,758
Marketing	89	6,210	6,299	24	88	6,411
Depreciation	-	-	-	-	2,093	2,093
Amortization	250	2,250	2,500	-	-	2,500
Interest	42,921	34,323	77,244	-	-	77,244
Total Operating Expenses Before Grants and Loan Loss Provision	237,030	1,053,296	1,290,326	64,047	105,087	1,459,460
Microenterprise and rental assistance grants	-	291,284	291,284	-	-	291,284
Loan loss provision	(117,676)	(317,472)	(435,148)	-	-	(435,148)
Total Operating Expenses	$ 119,354	$ 1,027,108	$ 1,146,462	$ 64,047	$ 105,087	$ 1,315,596

See notes to financial statements

Community Capital New York, Inc.

Statement of Functional Expenses
Year Ended June 30, 2020

	Program					
	Affordable Housing Program	Small Business Program	Total	Fundraising	Management and General	Total Expenses
PERSONNEL COSTS						
Salaries	$ 94,668	$ 590,521	$ 685,189	$ 33,199	$ 34,962	$ 753,350
Payroll taxes	7,762	47,693	55,455	2,604	2,074	60,133
Employee benefits	2,666	22,893	25,559	1,294	1,829	28,682
Total Personnel Costs	105,096	661,107	766,203	37,097	38,865	842,165
OTHER THAN PERSONNEL COSTS						
Office expense	815	16,266	17,081	1,612	4,036	22,729
Occupancy costs	3,262	33,024	36,286	1,631	2,853	40,770
Loan expenses	-	22,922	22,922	-	-	22,922
Professional fees	1,980	24,048	26,028	990	5,732	32,750
Insurance	3,023	9,114	12,137	450	1,067	13,654
Education and training	217	4,643	4,860	-	4,111	8,971
Consultant fees	8,897	61,339	70,236	3,532	2,228	75,996
In-kind consultant fee	-	-	-	-	333	333
Telephone	537	5,436	5,973	268	626	6,867
Travel	367	7,087	7,454	370	879	8,703
Printing	-	300	300	-	1,468	1,768
Postage and delivery	20	250	270	10	50	330
Development and fundraising	-	-	-	21,592	-	21,592
Marketing	441	14,728	15,169	4,037	281	19,487
Depreciation	-	-	-	-	4,184	4,184
Amortization	-	2,500	2,500	-	-	2,500
Interest	50,318	22,831	73,149	-	-	73,149
Total Operating Expenses Before Grants and Loan Loss Provision	174,973	885,595	1,060,568	71,589	66,713	1,198,870
Feasibility and rental assistance grants	57,768	47,716	105,484	-	-	105,484
Loan loss provision	48,331	417,470	465,801	-	-	465,801
Total Operating Expenses	$ 281,072	$ 1,350,781	$ 1,631,853	$ 71,589	$ 66,713	$ 1,770,155

See notes to the financial statements

Community Capital New York, Inc.

Statements of Cash Flows

	Year Ended June 30, 2021	Year Ended June 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 1,096,844	$ (438,994)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	2,093	4,184
Amortization	2,500	2,500
Provision for loan loss	(435,148)	465,801
Paycheck Protection Program loan forgiveness	(141,507)	-
Changes in operating assets and liabilities		
Loans originated	(4,773,712)	(3,016,164)
Repayment of loans	3,575,847	2,066,807
Grants receivable	(453,412)	113,441
Prepaid expenses	2,022	(2,242)
Interest receivable	(4,480)	39,282
Contribution and other receivable	1,513	66,119
Accounts payable and other current liabilities	28,734	35,448
Refundable advances	1,826,981	-
Deferred income	(59,400)	59,400
Net Cash from Operating Activities	668,875	(604,418)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program loan	-	141,507
Proceeds from equity equivalent investment	-	300,000
Proceeds from lines of credit	250,000	425,000
Repayment of line of credit	(250,000)	-
Proceeds from notes payable	1,473,921	1,060,000
Repayment of notes payable	(331,345)	(471,216)
Net Cash from Financing Activities	1,142,576	1,455,291
Change in Cash, Cash Equivalents, and Restricted Cash	1,811,451	850,873
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH		
Beginning of year	5,061,860	4,210,987
End of year	$ 6,873,311	$ 5,061,860
SUPPLEMENTARY CASH FLOW INFORMATION		
Cash paid for interest	$ 72,764	$ 72,436

See notes to financial statements

1. Organization

Community Capital New York, Inc. (the "Corporation") was incorporated on March 27, 1989 and was originally known as the Westchester Housing Fund, Inc. The Corporation changed its name in March of 2013. The Corporation is certified by the U.S. Department of Treasury as a Community Development Financial Institution ("CDFI").

Affordable Housing Program

The Corporation was originally established to assist in the development of affordable housing. Through the creation of a revolving loan fund supported by corporate and foundation contributions and grants, as well as Equity Equivalent Investments, the Corporation makes loans to both non-profit and for profit developers of affordable housing to close funding "gaps" including pre-development loans and other types of "gap" financing. Predevelopment loans are made for expenses such as appraisals, surveys, soil borings, preliminary architectural and engineering expenses, legal, consulting, and permit fees. Bridge, acquisition and construction loans have also been made. In most cases, loans are repaid upon closing of permanent financing.

The Corporation administers a "Feasibility" loan pool from which developers can borrow to assess the viability of a potential affordable housing project. These loans differ from the regular portfolio in that they may be forgiven and treated as grants by action of the Loan Committee if the project proves to be infeasible.

Small Business Program

The Small Business program provides loan capital to small start-up and emerging entrepreneurs throughout the Hudson Valley. Loans are primarily marketed to low-income, women, minority and disabled business owners.

While the Corporation has equity in the loan pool, the majority of the loan capital is borrowed from Empire State Development Corporation ("ESDC") and the U.S. Small Business Administration ("SBA"). These funds are shown on the statements of financial position as notes payable. As a condition of borrowing, the SBA requires the Corporation to establish and fund a loan loss reserve equal to 15% of the value of the loans made with funds borrowed from them.

In response to the needs of the community it serves, the Corporation launched the Emergency Express Loan ("EEL") program in March 2020. The EEL program allows small businesses impacted by COVID-19 to apply for a two-year loan of up to $10,000 with interest at 2% per annum. The Corporation issued 85 loans under this program through June 30, 2021.

To bolster the effectiveness of the Paycheck Protection Program ("PPP"), the Corporation was supplied with liquidity from the Federal Reserve Bank of Cleveland via its PPP Liquidity Facility ("PPPLF") (see Note 10).

1. Organization (*continued*)

The Corporation utilizes the SBA's Community Advantage Program, which allows mission-oriented access to its 7(a) Loan Guaranty Program. The SBA provides a loan guaranty to a lending partner which is a partial refund (up to 85% of each loan made) for a failed loan.

In fiscal year 2021, the Corporation entered into agreements with several municipalities to administer grant programs for the benefit of microenterprises employing or benefiting low- and moderate- income persons to stabilize microenterprises negatively impacted by COVID-19.

In addition to its lending program, the Corporation also provides one-on-one technical assistance to and training workshops for small business owners and potential business owners.

The Corporation also offers a "Credit Builder" program for select clients who want to improve their credit score. The Program is a hybrid savings/loan program that marries the benefits of both. Loan proceeds are escrowed until such time as the buyer has paid off their loan, mitigating risk while helping clients to build both credit and savings while enrolled in the program.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") 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 amount of revenue and expense during the reporting periods. Actual results could differ from those estimates.

Cash, Cash Equivalents, and Restricted Cash

The Corporation considers all highly liquid debt instruments with a maturity of three months or less at the time of purchase to be cash equivalents. Certain assets are classified as restricted cash because their use is limited (See Note 6). The following is a reconciliation of the cash, cash equivalents, and restricted cash reported on the statements of cash flows at June 30,

	2021	2020
Cash and cash equivalents	$ 2,470,729	$ 2,842,093
Restricted cash accounts	4,402,582	2,219,767
	$ 6,873,311	$ 5,061,860

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

Furniture and Equipment

Furniture and equipment are recorded at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. The estimated service lives are three years for computer equipment and five years for general office equipment and furniture. The Corporation capitalizes costs of furniture and equipment in excess of $5,000. Accumulated depreciation was $26,480 and $24,315 at June 30, 2021 and 2020.

Network License

Network license costs for the loan portfolio management system are capitalized and amortized over five years using the straight-line method. Accumulated amortization was $11,250 and $8,750 at June 30, 2021 and 2020.

Loans Receivable and Payable

The Corporation both receives and makes loans with stated rates of interest that vary from the prevailing market rates for commercial loans. The Corporation accounts for these loans at the stated rates. U.S. GAAP guidance generally requires that loans with below market interest rates be stated for financial reporting purposes at amounts that reflect the expected cash flows discounted at market rates. The guidance includes several exceptions to this rule, including the customary lending activities of financial institutions whose primary business is lending money. Management of the Corporation believes that this exception is applicable to the Corporation. Accordingly, the loans have not been discounted.

Loan Loss Reserve

The loan loss reserve represents management's estimates of losses inherent in the loan portfolio. Loan losses are charged against the loan loss reserve when management believes that the future collection of principal is unlikely. The loan loss reserve is established through periodic charges to income. Subsequent recoveries, if any, are credited to the loan loss reserve.

Management's determination of the adequacy of the reserve is based on periodic evaluations of specific borrowers and other relevant factors. Evaluations, using a management established risk rating system, are subjective as they require material estimates including such factors as historical trends, known and inherent risks in the loan portfolio, adverse situations that may affect the borrowers' ability to repay, estimated value of any government loan guarantee programs, and underlying loan collateral, and current economic conditions including COVID-19. Recovery of the carrying value of such loans may be dependent on conditions that may be beyond management's control.

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

Loan Loss Reserve (continued)

The risk rating system for the business loan portfolio is categorized into like pools based on risk ratings that range from level 1 representing the highest quality/lowest credit risk to level 7 which represents the lowest quality/highest risk category. The criteria for levels 1 through 4 is largely based on the size of the loan, payment history and period that the loan has been outstanding.

The risk rating system for the affordable housing loans is done on a loan by loan basis, with feasibility loans being assigned a reserve equal to 100% of the outstanding principal amount. The rest of the portfolio has been reserved in the range between 5% to 20%.

Any combination of the aforementioned factors may adversely affect the loan portfolio resulting in increased delinquencies and loan losses, and could require additional provisions for bad debts which could adversely impact income in future periods. In the opinion of management, the Corporation has made adequate loss provisions based on all available and relevant information affecting specific borrowers and the overall loan portfolio.

Deferred Income

Deferred income at June 30, 2020 consisted of special event payments received for the 30th Anniversary fundraising event which was scheduled for April 2020 and had been postponed due to the COVID-19 pandemic.

Cash Collateral Accounts

From time to time the Corporation holds funds as collateral against outstanding loans.

Net Asset Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. Included in the without donor restrictions net asset category are net assets that are designated by the Board of Directors for activities related to lending but which are not otherwise subject to donor-imposed restriction.

Net Assets With Donor Restrictions – Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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

Revenue Recognition

Grants and Contributions

Unconditional grants and contributions, including promises to give cash and other assets, are reported at fair value at the date the grant or contribution is received. The gifts are reported as donor restricted support if they are received with donor restrictions. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Government Contracts

Revenue from expense reimbursement-based government contracts is recognized when reimbursable expenses are incurred under the terms of the contracts. Revenue from performance based government contracts is recognized when performance objectives pursuant to the contract have been accomplished. Contract payments in excess of qualified expenses or performance are accounted for as refundable advances.

Interest Income Recognition

Interest on loans is computed using the effective interest method. Interest earned on loans is considered revenue without donor restriction and can be used for general operations. The Corporation ceases to accrue interest income on specific loans for financial reporting purposes when required payments of principal and/or interest have not been received for a period of more than 90 days. The Corporation reverses any previously recorded unpaid interest.

Loan Fee Income

The Corporation charges fees associated with entering into financing arrangements. These fees are recognized when the process of originating, refinancing, or restructuring of a loan is completed. The performance obligation is identified at the contract level which represents the Corporation’s promise to provide the specified services at a fixed rate. The performance obligation is satisfied at a point in time, when the services are rendered.

Administrative Fee Income

In fiscal year 2021, the Corporation earned fees for administering grant and loan programs on behalf of various municipalities. The fees were earned at the time the grants and loans were disbursed. There were no amounts receivable at June 30, 2021.

In-kind Contributions

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

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

Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more program and supporting services of Organization. Therefore, expenses require allocation on a reasonable and consistent basis. The more significant expense allocations include salaries and related personnel costs and occupancy. Personnel costs have been allocated based on estimates of time and effort. Other expenses, such as occupancy are allocated based on the personnel cost allocation percentages.

Income Tax Status

The Corporation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is not considered a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

The Corporation recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Corporation had no uncertain tax positions that would require financial statement recognition or disclosure. The Corporation is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to June 30, 2018.

3. Concentration of Credit Risk

Financial instruments which potentially subject the Corporation to concentrations of credit risk consist primarily of cash and cash equivalents and loans receivable.

The Corporation has funds on deposit in checking accounts, savings accounts and money market accounts with major financial institutions. At times some of these accounts may be in excess of the federally insured limits. As of June 30, 2021 and 2020 there were approximately $3,141,000 and $2,305,000 of cash and cash equivalents held by banks that exceed federal insurance limits. The Corporation has not experienced any losses on its cash, cash equivalents and restricted cash.

The Corporation's loans receivable are primarily from loans made to developers of affordable housing and to small business owners. The ability of these borrowers to repay their loans may be affected by adverse economic conditions or other financial constraints.

4. Loans Receivable

Loans receivable consist of affordable housing loans with terms ranging from one to two years to qualified developers in the lower Hudson Valley region and business loans of one to five years for start-up and emerging businesses whose owners do not have access to other affordable funding sources in the lower Hudson Valley region. In addition, some business loans have been made to not for profit businesses which are included in the business loan data. Finally, on a limited basis, the Corporation provides Credit Builder loans to help clients build a credit profile. These loans are for one to two years.

For affordable housing and business loans, interest rates vary from 0% to 9.25% per annum. For consumer loans interest rates are from 0% to 6%. Feasibility loans carry no interest.

Borrower	Current Receivable	Long Term Receivable	Balance as of June 30, 2021	Balance as of June 30, 2020
Feasibility Loans	$ 12,310	$ -	$ 12,310	$ 19,500
Affordable Housing Loans	1,119,233	1,367,145	2,486,378	2,478,023
Consumer Loans	48,877	-	48,877	500
Business Loan Program	1,899,876	1,717,070	3,616,946	2,505,857
Gross Loans Receivable	3,080,296	3,084,215	6,164,511	5,003,880
Less Loan loss reserve	(315,264)	(322,062)	(637,326)	(1,109,708)
Net Loans Receivable	$ 2,765,032	$ 2,762,153	$ 5,527,185	$ 3,894,172

Scheduled collection on the outstanding loans, before application of loan loss reserve, to be received at June 30, 2021 is as follows:

2022	$ 3,080,296
2023	1,890,246
2024	425,941
2025	332,560
2026	238,011
Thereafter	197,457
	$ 6,164,511

The following table presents information regarding the Corporation's nonaccrual loans as of June 30,

	2021	2020
Business Loan Program	$ -	$ 27,568

As of June 30, 2021, there was approximately $1,092,506 of unfunded commitments to borrowers.

4. Loans Receivable *(continued)*

Loan Loss Reserve

As discussed in Note 2, the Corporation uses a combination of a loan-by-loan portfolio analysis as well as a more global review of the portfolios and the effect of external economic conditions, risk concentration, industry concentrations and other relevant factors to estimate the loan loss reserve. When deemed necessary, a specific reserve will be assigned to loans that are assessed as being at higher risk.

Due to the economic conditions at June 30, 2020, the risk rating system used to establish the loan loss reserve for the Business Loan Portfolio applied increased reserves to all risk categories. All loans within level 1 through 4 were assigned a reserve equal to 25% of the principal outstanding. Level 5 consisting of loans that had missed more than one payment and had deteriorating financials were allocated a reserve equal to 80%. Level 6 or 7, on which collection was doubtful or had been referred to collection, had a 100% reserve allocation. As a result, the Loan Loss Reserve at the year ended June 30, 2020 was increased by $465,801.

At June 30, 2021, the loan loss reserve was evaluated based upon the economic conditions then existing, taking into account the legislated obligation of the SBA to repay a portion of the principal of loans made during the Covid19 pandemic. As a result of these factors and the actual operation of the loan portfolio, the Corporation reduced its loan loss reserve at June 30, 2021 by $435,148.

Changes in the allowance for loan losses are summarized as follows for the years ended June 30:

	2021			
	Affordable Housing Portfolio	Business Loan Portfolio	Total	2020 Total
Balance, beginning of year	$ 283,986	$ 825,722	$ 1,109,708	$ 624,540
Current year write-offs	-	(41,120)	(41,120)	-
Current year provision (benefit)	(117,676)	(317,472)	(435,148)	465,801
Current year recoveries	-	3,886	3,886	19,367
Balance, end of year	$ 166,310	$ 471,016	$ 637,326	$ 1,109,708

5. Grants Receivable

Grants receivable consist primarily of amounts due for expenditures made under agreements with various federal, state and county agencies, for technical assistance and financial assistance. Management has deemed these amounts to be fully collectible.

6. Restricted Cash

In accordance with its agreement with the SBA, the Corporation is required to maintain Microloan Reserve cash accounts equivalent to 15% of outstanding Microloan balances. In the event of default on a financial assistance loan, the SBA has the right to draw out of the Microloan Reserve cash accounts an amount equal to the unpaid loan balance. The Corporation must maintain collateral that is 115% of the debt owed to the SBA. Collateral is comprised of: cash available in Microloan Revolving Fund ("MRF") and Loan Loss Reserve Fund ("LLRF") accounts plus the principal balance of outstanding Microloans made. If the collateral is above the 115%, the Corporation may request permission to withdraw the excess funds from the MRF or LLRF accounts. The cash balances in the MRF accounts were $1,073,418 and $836,077 at June 30, 2021 and 2020. The cash balances in the LLRF accounts were $477,937 and $330,355 at June 30, 2021 and 2020.

Additionally, the Corporation is required to maintain a minimum reserve amount as directed by the SBA for all loans funded under the SBA 7(a) Community Advantage Program ("CA"). The Corporation is required to maintain a loan loss reserve bank account of a minimum of 5% of the unguaranteed portion of the CA loan portfolio. The deposits in the loan loss reserve account are required to be maintained in a separate bank account. At June 30, 2021, the unguaranteed CA loan portfolio was $32,045, and the balance in the loan loss reserve account was $6,214. The Corporation was not active in the CA program during the year ended June 30, 2020.

The ESDC requires the Corporation to maintain separate cash accounts for the following:

1. In its capacity as administrator of the Capital Access Program and Metropolitan Economic Revitalization Fund ("MERF"), for loan loss reserve, the amount of cash that is restricted for loan loss reserve is required to be the equivalent of 3-10% of the outstanding loan receivable balances of small businesses participating in these programs. The restricted cash set aside for the loan loss reserve requirements was $309,730 and $273,473 at June 30, 2021 and 2020.

2. In its capacity as administrator of the Small Business Revolving Loan Fund (see Note 10): the balance of this restricted account was $26,895 and $311,032 at June 30, 2021 and 2020.

3. In connection with the Regional Revolving Loan Trust Fund Award and related Revolving Loan Fund: the balance of this restricted account was $173,815 at June 30, 2021 and 2020.

4. In its capacity as administrator of the MERF, for loan capital (see Note 10): the balance of this restricted account was $139,630 and $151,619 at June 30, 2021 and 2020.

In connection with the disbursement of funds related to Community Development Financial Institutions financial assistance loan program, the Corporation has restricted cash of $592,476 as of June 30, 2021.

In its capacity as the administrator of the Westchester County Business First grant program, the Corporation has a restricted balance of $1,376,523 at June 30, 2021.

6. Restricted Cash *(continued)*

In its capacity as the administrator of the Westchester County Industrial Development Agency Disaster Emergency Loan and Grant program, the Corporation has a restricted balance of $100,458 as of June 30, 2021.

The loan payable from Wells Fargo Bank requires the Corporation to maintain a separate cash account for the loan capital fund established to promote affordable housing (see Note 10). The balance of this restricted account was $50,749 and $50,828 at June 30, 2021 and 2020.

The revolving line of credit established with The Westchester Bank in January 2015 requires the Corporation to maintain a separate cash account for the purposes of disbursing loan proceeds and repayment of principal and interest to the bank. The balance of this restricted account was $53,527 and $68,546 as of June 30, 2021 and 2020.

The revolving line of credit established with Tompkins Mahopac Bank in October 2016 requires the Corporation to maintain a separate cash account for the purposes of disbursing loan proceeds and repayment of principal and interest to the bank. The balance of this restricted account was $21,210 and $24,022 as of June 30, 2021 and 2020.

7. Refundable Advances

Refundable advances consisted of the following at June 30,

	2021	2020
Westchester County Biz First Grant Program	$ 1,376,523	$ -
Westchester County IDA Loan program	100,458	-
CDFI 2020 grant advance	350,000	-
	$ 1,826,981	$ -

8. Equity Equivalent Investment

In 2019, the Corporation received approval for an Equity Equivalent Investment from Good to Grow CDFI Investment Fund LLC in the amount of $300,000 for a term of ten years, at 3% interest per annum, to be used to provide Community Development loans in the Hudson Valley. The balance outstanding at June 30, 2021 and 2020 was $300,000 and is payable on September 30, 2029.

9. Liquidity and Availability

Financial assets available for general expenditure, without restrictions limiting their use, within one year of June 30, 2021 and 2020 are as follows:

	2021	2020
Financial assets:		
Cash and cash equivalents	$ 2,470,729	$ 2,842,093
Cash collateral accounts	-	2,609
Restricted cash	4,402,582	2,219,767
Contributions and other receivable	2,368	3,881
Grants receivable	635,404	181,992
Loans receivable, net	5,527,185	3,894,172
Interest receivable	26,059	21,579
Total financial assets	13,064,327	9,166,093
Less financial assets unavailable for general expenditure within one year, due to:		
Board designations:		
Board designated for loan loss reserve	67,820	89,227
Board designated for loan fund capital	1,107,423	1,086,016
Contractual or donor imposed restricted amounts:		
Loans receivable, net due for collection after June 30, 2021 and 2020	2,762,153	1,507,240
Cash collateral accounts	-	2,609
Cash required to be held in separate accounts or restricted for a specific purpose	4,402,582	2,219,767
Restricted by donor with time or purpose restrictions	623,394	458,294
	8,963,372	5,363,153
Financial assets available to meet general expenditures over the next twelve months	$ 4,100,955	$ 3,802,940

The Corporation manages its financial assets to be available as its operating expenditures, liabilities and other obligations come due. It is the Corporation's policy to maintain adequate cash balances to meet 90 days of operating expenses and 90 days of unfunded loan commitments. The Board of Directors can release board designations if a liquidity event arises.

10. Paycheck Protection Program Loan ("PPP Loan")

On May 1, 2020, the Corporation received a Paycheck Protection Program Loan (the "PPP Loan"), in the amount of $141,507, from Spring Bank. On April 28, 2021, the Corporation was notified by the SBA that the full amount of the loan had been forgiven and has recognized the income from the loan forgiveness in accordance with Accounting Standards Codification ("ASC") 470 *Debt* in the statement of activities and changes in net assets for the year ended June 30, 2021.

11. Lines of Credit

Outstanding balances on the Corporation's available lines of credit at June 30, are:

	2021	2020
$150,000 revolving line of credit with Key Bank, annualized interest rate charged on borrowings is 3%. The line is payable on demand.	$ 149,006	$ 149,006
$500,000 revolving line of credit with The Westchester Bank, annualized interest rate charged on borrowings is 3% and the line expires in January 31,2024.	500,000	500,000
$400,000 revolving line of credit with Signature Bank, annualized interest rate charged on borrowings is 3%. The line expires on June 30, 2022.	350,000	350,000
$250,000 revolving line of credit with Tompkins Mahopac Bank, annualized interest rate charged on borrowing of 3%. The line expires on November 21, 2025.	-	250,000
$250,000 revolving line of credit with Apple Bank, annualized interest rate charged on borrowing of 2%. The line expires on December 31, 2024.	250,000	250,000
$1,000,000 revolving line of credit with TD Bank, annualized interest rate charged on borrowing of 3.5%. The line expires on December 10, 2021.	-	-
$250,000 revolving line of credit with Lakeland Bank, annualized interest rate charged on borrowing of 3%. The line is payable on demand.	250,000	-
Total	$1,499,006	$ 1,499,006

12. Notes Payable

The Corporation had the following notes payable as of June 30,

	2021	2020
Note payable to SBA in the original amount of $1,000,000. Payments are as follows: Interest accrued during the first year was divided into 108 equal installments and added to the calculated payments of principal and interest during the 13th through the 120th month of the note, due July 11, 2024. Interest is calculated at a current rate of .375% (1.625% less 1.25% buy down). Monthly principal and interest payments of $10,099 began in August 2015. The note is secured by funds held (see Note 6) and a lien on the loans receivable arising under the Microloan Program.	$ 371,218	$ 490,420
Note payable to SBA in the original amount of $1,000,000. Payments are as follows: Interest accrued during the first year was divided into 108 equal installments and added to the calculated payments of principal and interest during the 13th through the 120th month of the note, due June 22, 2027. Interest is calculated at a current rate of .75% (2.00% less 1.25% buy down). Monthly principal and interest payments of $4,814 began in August 2018 and continued through February 2020 at which time they were increased to $10,716 to fully amortize the loan upon maturity. The note is secured by funds held (see Note 6) and a lien on the loans receivable arising under the Microloan Program.	752,901	874,726
Note payable to SBA in the original amount of $1,000,000. Payments are as follows: Interest accrued during the first year was divided into 108 equal installments and added to the calculated payments of principal and interest during the 13th through the 120th month of the note, due July 2029. Interest is calculated at a current rate of .625% (1.875% less 1.25% buy down). Monthly principal and interest payments of $9,552 began in September 2020. The note is secured by funds held (see Note 6) and a lien on the loans receivable arising under the Microloan Program.	909,682	1,000,000
Note payable to the Dominican Sisters of Hope in the amount of $35,000. Payments are as follows: Interest only at a rate of .5% per annum is payable quarterly on March 31, June 30, September 30 and December 31. Principal is due at maturity which is February 10, 2022.	35,000	35,000

12. Notes Payable *(continued)*

	2021	2020
Note payable to ESDC in the original amount of $1,200,000. Payments are as follows: Interest only is payable semi-annually on June 30 and December 31 on the unpaid principal balance following initial disbursement through March 31, 2019. Interest is calculated at a current rate of 1% per annum. Annual principal installments in an amount equal to 33.33% of the principal outstanding are due March 31, 2020 and 2021 with a final payment due on March 31, 2022. The note is secured by funds held (see Note 6) and designated loans receivable under the Business Loan Program.	$ 556,905	$ 556,905
Note payable to ESDC on the disbursed amount up to $1,000,000. Payments are as follows: Interest only is payable semi-annually on June 30 and December 31 on the unpaid principal balance following the initial disbursement and ends on February 1, 2024. After the initial five year term, the Corporation may fully amortize the loan for five years ending on February 1, 2029. Interest is calculated at a current rate of 1% per annum. The note is secured by funds held (see Note 6) and the designated Business Loans receivable.	333,333	333,333
Note payable to Wells Fargo Bank in the amount of $350,000. Payments are as follows: interest only is payable monthly. Principal is due at maturity which is July 8, 2023. Interest is calculated at 2% per annum. (see Note 6).	350,000	350,000
Note payable to Community Builders Alliance in the amount of $60,000. Payments are as follows: interest only at a rate of 0% per annum is payable monthly. Principal installments of $20,000 each are due October 1, 2021, 2022 and at maturity which is October 1, 2023.	60,000	60,000
Advances payable from the Federal Reserve Bank of Cleveland in the amount of $1,473,921, under the Paycheck Protection Program Liquidity Facility ("PPPLF"). Payments are as follow: repayment on advanced amount plus accrued interest of .35% per annum, upon maturity of each advance made. The maturity dates of these advances will be the dates the PPPLF collateral pledged to secure each advance is due.	1,473,921	-
	4,842,960	3,700,384
Less: current portion	1,035,542	978,481
Long-term debt	$ 3,807,418	$ 2,721,903

12. Notes Payable *(continued)*

Minimum future principal payments of all notes payable are as follows:

2022	$ 1,035,542
2023	652,616
2024	413,230
2025	302,596
2026	1,778,834
Thereafter	660,142
	$ 4,842,960

13. Net Assets With Donor Restrictions

Net assets released from restriction during the years ended June 30, were as follows:

	2021	2020
Loan fund capital	$ 57,524	$ -
Loan loss reserve	21,407	59,284
Technical assistance	917,647	769,739
Microenterprise grants	382,822	-
	$ 1,379,400	$ 829,023

14. Lease Obligations

During 2017 the Corporation entered into a lease for office space located in Elmsford, New York expiring on December 31, 2021. This lease was amended on September 20, 2021 to extend the lease term to September 30, 2024. The future minimum lease payments due under this lease are as follows:

2022	$ 29,754
2023	30,795
2024	23,698
	$ 84,247

Expenses under these leases for the years ended June 30, 2021 and 2020 totaled $36,340 and $32,154.

15. Retirement Plan

The Corporation established a 403(b) Defined Contribution Retirement Plan (the "Plan") effective in 2007. All employees are eligible to participate. Under the Plan, a participant may elect to defer pre-tax salary into the Plan. The Corporation makes matching contributions, only to full-time employees who work 30 hours or more per week, at a one-to-one match for the first 3% of a participant's salary and a .5-to-one match for the next 2% of a participant's salary. All contributions by participants and employer are immediately 100% vested. The Corporation contributed $31,386 and $24,427 in 2021 and 2020. The Plan is administered by a third party.

16. Contingencies

Financial awards from federal, state, and local governmental entities in the form of grants and/or loans are subject to audit. Such audits could result in claims against the Corporation for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

17. Uncertainties

The COVID-19 pandemic is ongoing in nature. While management does not anticipate significant changes in the Corporation's operations, should the pandemic worsen it could result in other unanticipated operation issues all of which are uncertain and will depend on future developments.

18. Subsequent Events

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date the financial statements were available to be issued, which date is December 22, 2021.

Subsequent to June 30, 2021, the Corporation received a $1,826,265 CDFI grant from the federal government. Under this grant, the Corporation is obligated to lend $900,000 of qualified loans by June 30, 2022. Funds loaned and repaid under this program will become part of the unrestricted capital of the Corporation once repaid.

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