New York City Neighborhood Capital Corporation

(a component unit of The City of New York)

Schedule of Investments

Years Ended June 30, 2025 and
2024 With Report of
Independent Auditors

NYCNCC

NYC Neighborhood Capital Corporation

NYC Neighborhood Capital Corporation
(A Component Unit of the City of New York)

Schedule of Investments

June 30, 2025 and 2024

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Report of Independent Auditors

To the Board of Directors of
NYC Neighborhood Capital Corporation:

Opinion

We have audited the accompanying schedule of investments (the "Schedule") of NYC Neighborhood Capital Corporation, a component unit of the City of New York, as of June 30, 2025, and the related notes to the schedule.

In our opinion, the schedule of investments referred to above presents fairly, in all material respects, the investments of NYC Neighborhood Capital Corporation as of June 30, 2025, 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedule section of our report. We are required to be independent of NYC Neighborhood Capital Corporation 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 Schedule

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

Auditors' Responsibilities for the Audit of the Schedule

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

In performing an audit in accordance with generally accepted auditing standards 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 Schedule, 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 Schedule.
- 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 NYC Neighborhood Capital Corporation'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 Schedule.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NYC Neighborhood Capital Corporation's ability to continue as a going concern for a reasonable period of time.

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

Report on Financial Statements as of June 30, 2025

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 NYC Neighborhood Capital Corporation, which comprise the statement of net position as of June 30, 2025, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and our report thereon, dated September 26, 2025, expressed an unmodified opinion on those financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated September 26, 2025, on our consideration of NYC Neighborhood Capital Corporation'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 with respect to the Schedule. 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 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 NYC Neighborhood Capital Corporation's internal control over financial reporting and compliance with respect to the Schedule.

Novogradac & Company LLP

San Francisco, California
September 26, 2025

NYC Neighborhood Capital Corporation
(A Component Unit of the City of New York)

Schedule of Investments
(In Thousands of Dollars)

	June 30, 2025	June 30, 2024
Investments		
Unrestricted	**$ 9,138**	**$ 5,267**
Total investments	**$ 9,138**	**$ 5,267**

The accompanying notes are an integral part of this schedule.

NYC Neighborhood Capital Corporation
(A Component Unit of the City of New York)

Notes to Schedule of Investments
June 30, 2025 and 2024

1. Organization and Purpose

NYC Neighborhood Capital Corporation ("NYCNCC" or the "Corporation") is a not-for- profit corporation incorporated in July 2014 under Section 402 of the Not-for-Profit Corporation Law of the State of New York for the following purposes: a) to make Qualified Low-Income Community Investments ("QLICI") in the service area of the City of New York (the "City"), b) to operate as a qualified Community Development Entity ("CDE") under the Federal New Markets Tax Credit ("NMTC") Program, c) to form and manage subsidiary limited liability companies which are certified as CDEs to receive equity contributions which will be utilized primarily as QLICIs and d) to engage in all activities consistent with the business of NYCNCC thus furthering the interests of the City. On April 2, 2019, NYCNCC received its IRS 501(c)(3) tax determination, retroactive to August 10. 2018.

2. Summary of Significant Accounting Policies

Investments

Investments held by NYCNCC are recorded at fair value.

3. Investments

As of June 30, 2025 and 2024, the Corporation had the following investments (in thousands). Investment maturities are shown only for June 30, 2025.

	Fair Value		2025 Investment Maturities (In Years)	
	2025	**2024**	**Less Than 1**	**1 to 2**
Money Market Funds	**$ 659**	$ 79	$ 659	$ –
U.S. Treasuries	**552**	1,502	271	281
Federal Home Loan Mortgage Co.	**633**	1,055	633	–
Federal Farm Credit Bank Notes	**5,601**	1,058	1,183	4,418
Federal Home Loan Bank Notes	**1,693**	1,573	1,187	506
Total Investments	**$ 9,138**	$ 5,267		

Fair Value Measurement: The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into these levels. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs and Level 3 inputs are significant unobservable inputs.

NYC Neighborhood Capital Corporation
(A Component Unit of the City of New York)

Notes to Schedule of Investments
June 30, 2025 and 2024

3. Investments (continued)

Money market funds, categorized as Level 1 inputs, are valued at the unadjusted prices that are quoted in active markets for identical assets. U.S. Treasury and U.S. Agency securities, categorized as Level 2, are valued on models using observable inputs.

Interest Rate Risk: The Corporation has a formal investment policy, which limits investment maturities up to a maximum of two years from the date of purchase as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: It is the Corporation's policy to limit its investments in debt securities to those rated in the highest rating category by at least two nationally recognized bond rating agencies or other securities guaranteed by the U.S. government. As of June 30, 2025, the Corporation's investments in Federal Home Loan Mortgage Co. (FHLMC), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), and U.S. Treasuries were rated Aa1 by Moody's Investors Service, Inc. and AA+ by Standard & Poor's. Money Market Funds were rated Aaa by Moody's and AAA by Fitch Ratings.

Custodial Credit Risk: For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured and are not registered in the name of the Corporation. The Corporation manages this credit risk by limiting its custodial exposure to highly rated institutions.

Concentration of Credit Risk: The Corporation places no limit on the amount it may invest in any U.S. government backed securities. The following table shows investments that represent 5% or more of total investments as of June 30, 2025 and 2024 (dollars in thousands):

	Dollar Amount and Percentage of Total Investments					
Issuer	**June 30, 2025**			**June 30, 2024**		
Money Market Funds	**$**	**659**	**7%**	**$**	**–**	**–**
U.S. Treasuries	**$**	**552**	**6%**	**$**	**1,502**	**29%**
Federal Home Loan Mortgage Co.	**$**	**633**	**7%**	**$**	**1,055**	**20%**
Federal Farm Credit Bank Notes	**$**	**5,601**	**61%**	**$**	**1,058**	**20%**
Federal Home Loan Bank Notes	**$**	**1,693**	**19%**	**$**	**1,573**	**30%**

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REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE SCHEDULE OF INVESTMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
NYC Neighborhood Capital Corporation:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the schedule of investments (the "Schedule") of NYC Neighborhood Capital Corporation, as of June 30, 2025, and the related notes to the Schedule, and have issued our report thereon dated September 26, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the Schedule, we considered NYC Neighborhood Capital Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedule, but not for the purpose of expressing an opinion on the effectiveness of NYC Neighborhood Capital Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Schedule is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the New York State Comptroller investment guideline requirements as presented in Section 201.3(c) of the Accounting, Reporting and Supervision Requirements for Public Authorities, noncompliance with which could have a direct and material effect on the Schedule. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Novogradac & Company LLP

San Francisco, California
September 26, 2025