New York City Neighborhood Capital Corporation

(a component unit of The City of New York)

Financial Statements, Required Supplementary Information and Supplementary Information

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)

Financial Statements

June 30, 2025 and 2024

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NOVOGRADAC & COMPANY LLP®

Report of Independent Auditors

To the Board of Directors of
NYC Neighborhood Capital Corporation:

Opinion

We have audited the accompanying financial statements of NYC Neighborhood Capital Corporation, a component unit of the City of New York, which comprise the statements of net position as of June 30, 2025 and 2024, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements which collectively comprise NYC Neighborhood Capital Corporation's basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of NYC Neighborhood Capital Corporation as of June 30, 2025 and 2024, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 Financial Statements 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 NYC Neighborhood Capital Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 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 financial statements.

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 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 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 financial statements.
- 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.

Management's Discussion and Analysis

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information 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 audits 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 auditing standards generally accepted in the United States of America. In our opinion, the information is 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 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. 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 NYC Neighborhood Capital Corporation'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 NYC Neighborhood Capital Corporation's internal control over financial reporting and compliance.

Novogradac & Company LLP

San Francisco, California
September 26, 2025

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

Management's Discussion and Analysis

June 30, 2025 and 2024

This section of the NYC Neighborhood Capital Corporation ("NYCNCC" or the "Corporation") annual financial report presents our discussion and analysis of financial performance during the years ended June 30, 2025 and 2024. Please read it in conjunction with the financial statements and accompanying notes, which follow this section.

Fiscal Year 2025 Financial Highlights

- Current assets decreased by $2,060,301 or 26%
- Non-current assets increased by $4,105,442 or >100%
- Current liabilities decreased by $87,103 or 75%
- Net position increased by $2,132,244 or 24%
- Operating revenues decreased by $1,728,184 or 39%
- Operating expenses decreased by $955,554 or 50%
- Non-operating income increased by $69,501 or 20%

Background

This annual financial report consists of three parts: Management's discussion and analysis (this section), the basic financial statements which include footnote disclosures, and supplementary information. NYCNCC, a component unit of the City of New York (the City), is recognized as a New York not-for-profit corporation that was formed for the purpose of serving as a qualified Community Development Entity (CDE) under the Federal New Markets Tax Credit (NMTC) Program. NYCNCC's mission is to provide investment capital to low-income persons and low-income communities, thereby assisting in advancing the community, economic development, and job creation objectives of the City.

To date, NYCNCC has been awarded a total of $255 million in NMTC allocation authority from the Community Development Financial Institutions Fund of the U.S. Department of the Treasury (CDFI Fund). $55 Million was equally awarded as part of Round 13 (2017) and Round 15 (2019), $50 Million in Round 16 (2020), $45 Million in Round 18 (2023), and $50 Million in Round 19 (2023) of the NMTC Program (the Allocation). In compliance with NMTC Program requirements, the Corporation formed and manages subsidiary limited liability companies making qualified investments in low-income communities.

Financial Analysis of the Corporation

NYCNCC's business strategy revolves around the strategic application of the Allocation through investments in NYCNCC Sub-CDEs (collectively, the NMTC Companies):

NYCNCC Sub-CDEs	Project	Unwind Date
NYCNCC Sub-CDE 1, LLC (Sub-CDE 1)	Rockaway Beach Medical Arts Center	April 4, 2024
NYCNCC Sub-CDE 2, LLC (Sub-CDE 2)	Madison Square Boys and Girls Club	June 25, 2024
NYCNCC Sub-CDE 3, LLC (Sub-CDE 3)	Greenpoint Manufacturing and Design Center	April 29, 2025
NYCNCC Sub-CDE 4, LLC (Sub-CDE 4)	Village Supermarket	January 21, 2025
NYCNCC Sub-CDE 5, LLC (Sub-CDE 5)	Building 127	
NYCNCC Sub-CDE 6, LLC (Sub-CDE 6)	Community Healthcare Network (Tree of Life)	
NYCNCC Sub-CDE 7, LLC (Sub-CDE 7)	Community Healthcare Network (Betty Shabazz)	
NYCNCC Sub-CDE 8, LLC (Sub-CDE 8)	Bogopa BTM, LLC (Food Bazaar Supermarket)	
NYCNCC Sub-CDE 9, LLC (Sub-CDE 9)	Grow NYC/Food Hub	
NYCNCC Sub-CDE 10, LLC (Sub-CDE 10)	Greater Jamaica Development Corp	
NYCNCC Sub-CDE 11, LLC (Sub-CDE 11)	Greenpoint Manufacturing and Design Center #2	
NYCNCC Sub-CDE 12, LLC (Sub-CDE 12)	Achievement First Linden	
NYCNCC Sub-CDE 13, LLC (Sub-CDE 13)	Community Center for Environmental Justice	
NYCNCC Sub-CDE 14, LLC (Sub-CDE 14)	Computer Science High School	
NYCNCC Sub-CDE 15, LLC (Sub-CDE 15)	Greenburger Center for Social and Criminal Justice	
NYCNCC Sub-CDE 16, LLC (Sub-CDE 16)	Community Facility for Disadvantaged Youth	
NYCNCC Sub-CDE 17, LLC (Sub-CDE 17)	Bogopa Gates (Food Supermarket)	
NYCNCC Sub-CDE 18, LLC (Sub-CDE 18)	Community Health Center of Richmond	
NYCNCC Sub-CDE 19, LLC (Sub-CDE 19)	Brooklyn Plaza Medical Center	
NYCNCC Sub-CDE 20, LLC (Sub-CDE 20)	The Apollo Theater	
NYCNCC Sub-CDE 21, LLC (Sub-CDE 21)	Greenpoint Manufacturing and Design Center #3	

These NMTC Companies support the development of businesses located in highly distressed census tracts including manufacturing, supermarkets, community facilities, schools and healthcare centers. As of June 30, 2025, the entire award total of $255 million from the CDFI Fund has been fully allocated.

Financial Analysis of the Corporation (continued)

The NMTC Companies are certified CDEs and New York limited liability companies formed under section 203 of the Limited Liability Company Law for making Qualified Low-Income Community Investments (QLICI) into Qualified Active Low-Income Community Businesses (QALICB) consistent with the mission of NYCNCC and the NMTC Program requirements. NYCNCC serves as the Managing Member holding 0.01% equity interest in the NMTC Companies. Subject to the limitations set forth in the NMTC Companies' limited liability company operating agreements, and subject to compliance with the NMTC Program the Managing Member has full, complete, and exclusive discretion to manage and control the business of the NMTC Companies.

Net Position

The following table summarizes NYCNCC's financial position as of June 30, 2025, 2024 and 2023, and the percentage changes between June 30, 2025, 2024, and 2023:

				% Change	
	2025	2024	2023	**2025-2024**	2024-2023
Current assets	**$5,914,742**	$7,975,043	$6,300,348	**(26)%**	27%
Non-current assets	**5,225,278**	1,119,836	15,555	**>100%**	>100%
Total assets	**11,140,020**	9,094,879	6,315,903	**22%**	44%
Current liabilities	**29,250**	116,353	172,750	**(75)%**	(33)%
Total unrestricted net position	**$11,110,770**	$8,978,526	$6,143,153	**24%**	46%

Fiscal Year 2025 Activities

In fiscal year 2025, total current assets decreased by $2,060,301 or 26%, primarily due to purchase of non-current investments, partially offset with the sub-allocation of $33,000,000 of NMTCs to Sub-CDE 20 and Sub-CDE 21. These NMTC's contributed to the investment and development of the Apollo Theater located in Manhattan (Sub-CDE 20) and Greenpoint Manufacturing and Development Center located in Brooklyn (Sub-CDE 21). Non-current assets increased by $4,105,442 or greater than 100% due to the net reallocation of the investment portfolio from current to non-current investments.

Current liabilities decreased by $87,103 or 75% primarily due to the return of deposits after the closing of Sub-CDE 20 and Sub-CDE 21 in fiscal year 2025.

As a result of these activities, net position increased by $2,132,244 or 24% in fiscal year 2025.

Fiscal Year 2024 Activities

The Corporation sub-allocated a total of $67,000,000 of NMTCs to Sub-CDE 13, Sub-CDE 15, Sub-CDE 16, Sub-CDE 17, Sub-CDE 18, and Sub-CDE 19 resulting in a $1,674,695 or 27% increase in current assets. The NMTC's contributed to the investment and development of the Community Center for Environmental Justice located in New York (Sub-CDE 13), Greenburger Center for Social and Criminal Justice located in Bronx (Sub-CDE 15), Community Facility for Disadvantage Youth located in Bronx (Sub-CDE 16), Food Supermarket located in Queens (Sub-CDE 17), Community Health Center Located in Staten Island (Sub-CDE 18), and Brooklyn Plaza Medical Center located in Brooklyn (Sub-CDE 19). Non-current assets increased by $1,104,281 or greater than 100% due to reallocation of the investment portfolio between current and non-current investments.

Current liabilities decreased by $56,397 or 33% primarily due to the return of deposits after the closings of Sub-CDE 13, Sub-CDE 15, Sub-CDE 16, Sub-CDE 17, Sub-CDE 18, and Sub-CDE 19 in fiscal year 2024.

As a result of these activities, net position increased by $2,835,373 or 46% in fiscal year 2024.

Operating Activities

NYCNCC's primary goal is to provide investment capital to low-income communities by forming and managing subsidiary companies. These companies aid in furnishing eligible entities with essential financing to construct and equip developments within the five boroughs.

As the Managing Member, NYCNCC charges various fees for services rendered which include placement and services fees, sponsor fees, asset management fees and incentive management fees.

The following table summarizes NYCNCC's operating activities for the fiscal years ended June 30, 2025, 2024 and 2023, and the percentage changes between June 30, 2025, 2024, and 2023:

				% Change	
	2025	2024	2023	**2025-2024**	2024-2023
Operating revenues	**$2,658,158**	$4,386,342	$1,522,993	**(39)%**	>100%
Operating expenses	**947,397**	1,902,951	432,009	**(50)%**	>100%
Operating income	**1,710,761**	2,483,391	1,090,984	**(31)%**	>100%
Non-operating revenues	**421,483**	351,982	130,540	**20%**	>100%
Change in net position	**$2,132,244**	$2,835,373	$1,221,524	**(25)%**	>100%

Fiscal Year 2025 Activities

In fiscal year 2025, operating revenues decreased by $1,728,184 or 39%, the result of less fee revenue generated from a $34,000,000 decrease in Qualified Equity Investments (QEI) activity as compared to prior year.

Total operating expenses decreased by $955,554 or 50% primarily due to the decrease in the total amount of QEI program related expenses in 2025 as compared to 2024.

Non-operating revenues increased $69,501 or 20% primarily due to market conditions.

Fiscal Year 2024 Activities

In fiscal year 2024, operating revenues increased by $2,863,349 or greater than 100% primarily as a result of more fee revenue generated from an additional $52,000,000 in Qualified Equity Investments (QEI) made into new subsidiary companies as compared to prior year.

Total operating expenses increased by $1,470,942 or greater than 100% primarily due to the increase in the total amount of QEIs made in 2024 as compared to 2023, resulting in higher program related expenses.

Non-operating revenues increased $221,442 or greater than 100% primarily due to market conditions.

Contacting the Corporation's Financial Management

This financial report is designed to provide our customers, clients and creditors with a general overview of the Corporation's finances and to demonstrate the Corporation's accountability for the resources at its disposal. If you have any questions about this report or need additional financial information, contact the Chief Financial Officer, NYC Neighborhood Capital Corporation, One Liberty Plaza, New York, NY 10006.

NYC Neighborhood Capital Corporation
(A Component Unit of The City of New York)
STATEMENTS OF NET POSITION
June 30, 2025 and 2024

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,624,715	$ 3,537,360
Investments	3,273,986	4,087,359
Due from related parties		
Due from NMTC Companies	16,041	350,324
Total current assets	5,914,742	7,975,043
Non-current assets		
Investments in limited liability companies	20,074	19,225
Investments	5,205,204	1,100,611
Total non-current assets	5,225,278	1,119,836
Total assets	11,140,020	9,094,879
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	29,000	115,763
Due to related party		
Due to NYCEDC	250	590
Total current liabilities	29,250	116,353
NET POSITION		
Net position - unrestricted	$ 11,110,770	$ 8,978,526

see accompanying notes

NYC Neighborhood Capital Corporation
(A Component Unit of The City of New York)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the years ended June 30, 2025 and 2024

	2025	2024
Operating revenues		
NMTC placement and services fees	$ 990,000	$ 2,010,000
NMTC sponsor fees	660,000	1,340,000
NMTC asset management fees	942,444	969,543
NMTC incentive management fees	65,542	66,654
Other income - NMTC Companies	172	145
Total operating revenues	2,658,158	4,386,342
Operating expenses		
Consulting fees	919,438	1,878,125
Other expenses	27,959	24,826
Total operating expenses	947,397	1,902,951
Operating income	1,710,761	2,483,391
Non-operating revenues		
Interest income	50,532	88,198
Investment income	370,951	263,784
Total non-operating revenues	421,483	351,982
Change in unrestricted net position	2,132,244	2,835,373
Unrestricted net position, beginning of year	8,978,526	6,143,153
Unrestricted net position, end of year	$ 11,110,770	$ 8,978,526

see accompanying notes

NYC Neighborhood Capital Corporation
(A Component Unit of The City of New York)
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2025 and 2024

	2025	2024
OPERATING ACTIVITIES		
NMTC placement and services fees received	$ 990,000	$ 2,010,000
NMTC sponsor fees received	660,000	1,340,000
NMTC asset management fees received	942,444	969,543
NMTC incentive management fees received	65,542	66,654
Other income received - NMTC Companies	172	145
Other operating receipts	247,180	-
Consulting fees paid	(919,438)	(1,878,125)
Other expenses paid	(27,959)	(360,274)
Net cash provided by operating activities	1,957,941	2,147,943
INVESTING ACTIVITIES		
Interest income	50,532	88,198
Investment income	306,935	150,215
Sale of investments	4,070,754	486,148
Purchase of investments	(7,297,958)	(5,560,549)
Contributions to limited liability companies	(3,300)	(6,150)
Distributions from limited liability companies	2,451	2,480
Net cash used in investing activities	(2,870,586)	(4,839,658)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(912,645)	(2,691,715)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,537,360	6,229,075
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 2,624,715	$ 3,537,360
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	$ 1,710,761	$ 2,483,391
Adjustments to reconcile operating income to net cash provided by operating activities:		
Changes in operating asset and liabilities:		
Due from NMTC Companies	334,283	(279,051)
Accounts payable and accrued liabilities	(86,763)	(56,737)
Due to NYCEDC	(340)	340
Net cash provided by operating activities	$ 1,957,941	$ 2,147,943

see accompanying notes

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 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 and Nature of Operations

Basis of Accounting and Presentation

NYCNCC has been classified as an enterprise fund as defined by the Governmental Accounting Standards Board ("GASB") and, as such, the financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States. In its accounting and financial reporting, NYCNCC follows the pronouncements of the GASB.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Due from NMTC Companies

Receivables due from NMTC Companies are stated at the amount management expects to collect from outstanding balances. Management closely monitors outstanding balances and provides for expected uncollectable amounts through a charge to earnings and a credit to an allowance for credit losses based on historical experience adjusted for current conditions and reasonable forecasts taking into account geographical and industry-specific economic factors, as well as any specific collection issues. Receivables are regularly reviewed based on past-due status to evaluate the adequacy of the allowance for credit losses. As of June 30, 2025 and 2024, management believes that the Corporation's receivables are fully collectable and as such, the allowance for credit losses is zero.

2. Summary of Significant Accounting Policies and Nature of Operations (continued)

Economic Concentrations

As of June 30, 2025, the Corporation has investments in NYCNCC Sub-CDEs (collectively, the "NMTC Companies"):

NYCNCC Sub-CDEs	Project	Unwind Date
NYCNCC Sub-CDE 1, LLC (Sub-CDE 1)	Rockaway Beach Medical Arts Center	April 4, 2024
NYCNCC Sub-CDE 2, LLC (Sub-CDE 2)	Madison Square Boys and Girls Club	June 25, 2024
NYCNCC Sub-CDE 3, LLC (Sub-CDE 3)	Greenpoint Manufacturing and Design Center	April 29, 2025
NYCNCC Sub-CDE 4, LLC (Sub-CDE 4)	Village Supermarket	January 21, 2025
NYCNCC Sub-CDE 5, LLC (Sub-CDE 5)	Building 127	
NYCNCC Sub-CDE 6, LLC (Sub-CDE 6)	Community Healthcare Network (Tree of Life)	
NYCNCC Sub-CDE 7, LLC (Sub-CDE 7)	Community Healthcare Network (Betty Shabazz)	
NYCNCC Sub-CDE 8, LLC (Sub-CDE 8)	Bogopa BTM, LLC (Food Bazaar Supermarket)	
NYCNCC Sub-CDE 9, LLC (Sub-CDE 9)	Grow NYC/Food Hub	
NYCNCC Sub-CDE 10, LLC (Sub-CDE 10)	Greater Jamaica Development Corp	
NYCNCC Sub-CDE 11, LLC (Sub-CDE 11)	Greenpoint Manufacturing and Design Center #2	
NYCNCC Sub-CDE 12, LLC (Sub-CDE 12)	Achievement First Linden	
NYCNCC Sub-CDE 13, LLC (Sub-CDE 13)	Community Center for Environmental Justice	
NYCNCC Sub-CDE 14, LLC (Sub-CDE 14)	Computer Science High School	
NYCNCC Sub-CDE 15, LLC (Sub-CDE 15)	Greenburger Center for Social and Criminal Justice	
NYCNCC Sub-CDE 16, LLC (Sub-CDE 16)	Community Facility for Disadvantaged Youth	
NYCNCC Sub-CDE 17, LLC (Sub-CDE 17)	Bogopa Gates (Food Supermarket)	
NYCNCC Sub-CDE 18, LLC (Sub-CDE 18)	Community Health Center of Richmond	
NYCNCC Sub-CDE 19, LLC (Sub-CDE 19)	Brooklyn Plaza Medical Center	
NYCNCC Sub-CDE 20, LLC (Sub-CDE 20)	The Apollo Theater	
NYCNCC Sub-CDE 21, LLC (Sub-CDE 21)	Greenpoint Manufacturing and Design Center #3	

The Corporation's primary source of revenue is derived from these assets. The NMTC Companies' activities consist of making loans to various Qualified Active Low-Income Community Businesses ("QALICB") whose operations are concentrated within the service area of the Five Boroughs and reliant on the commercial and industrial real estate market developed by the QALICBs for various uses.

2. Summary of Significant Accounting Policies and Nature of Operations (continued)

Economic Concentrations (continued)

Although no changes are anticipated in the near term, future operations could be affected by changes in the economic conditions of these entities or their parent company.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with original maturities of three months or less from the purchase date.

Concentration of Custodial Credit Risk

NYCNCC maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. NYCNCC has not experienced any losses in such accounts. NYCNCC believes it is not exposed to any significant credit risk on these accounts.

Income Taxes

The Corporation is a publicly supported organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Investments

Investments held by NYCNCC are recorded at fair value.

Investments in Limited Liability Companies

NYCNCC accounts for its investment in limited liability companies under the equity method of accounting, which requires the investment to be recorded at cost and adjusted for NYCNCC's share of income or loss of the limited liability companies, additional investments, and cash distributions from the limited liability companies. To the extent that NYCNCC has no obligation to fund liabilities of the limited liability companies beyond its investment, including loans and advances, investments in the limited liability companies should not be reduced below zero.

2. Summary of Significant Accounting Policies and Nature of Operations (continued)

Investments in Limited Liability Companies (continued)

NYCNCC evaluates its investments in the limited liability companies for impairment in value and records a write-down if it is determined that any impairment in value is other than temporary. No such write-downs have been recorded in the accompanying financial statements as management believes that NYCNCC's proportionate share of the sum of estimated cash flows from the underlying investments is not less than NYCNCC's recorded investment in each of the limited liability companies. NYCNCC holds managing member interests of 0.01% in each of the NMTC Companies. NYCNCC's maximum exposure to loss is its current investments.

Revenue Recognition

NYCNCC recognizes revenue from fees earned for services rendered. Placement and services fees, sponsor fees, asset management fees, and incentive management fees are earned and recognized as services are performed.

Operating Revenues and Expenses

The Corporation defines its operating revenues as income derived from placement and services fees, sponsor fees, asset management fees and incentive management fees. Operating expenses are costs incurred in the operation of its program activities. The Corporation classifies all other revenues and expenses as non-operating.

Recently Adopted and Upcoming Accounting Standards

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The primary objective of this statement is to improve financial reporting by providing users of financial statements with essential information that is not often provided. The disclosures provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users have better information with which to understand and anticipate certain risks to a government's financial condition. The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The adoption of this standard did not have a significant impact on the Corporation's financial statements.

2. Summary of Significant Accounting Policies and Nature of Operations (continued)

Recently Adopted and Upcoming Accounting Standards (continued)

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The primary objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. The Corporation is evaluating the impact this statement will have on its financial statements.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets* ("GASB 104"). The primary objective of this GASB 104 is to provide users of government financial statements with essential information about certain types of capital assets. GASB 104 also addresses certain application issues. The requirements of GASB 104 are effective for fiscal years beginning after June 15, 2025. The adoption of this statement is not expected to have an impact on the Corporation's financial statements.

3. Cash and Cash Equivalents

As of June 30, 2025 and 2024, NYCNCC's cash balance was $1,965,655 and $3,458,032, respectively. Of this amount, $250,000 was insured by the Federal Deposit Insurance Corporation, and the remaining balance was uncollateralized. To mitigate risk, the Corporation limits its deposits to highly rated institutions. As of June 30, 2025 and 2024, NYCNCC's cash equivalents balance was $659,060 and $79,328, respectively.

4. 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
	9,138	5,267		
Less amounts classified as cash equivalents	**(659)**	(79)		
Total Investments	**$ 8,479**	$ 5,188		

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.

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.

4. Investments (continued)

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%**

5. Investments in Limited Liability Companies

NYCNCC's investments consist of interests in limited liability companies. As of June 30, 2025 and 2024, NYCNCC has an ownership member interest in the following companies:

	Ownership Percentage	
Limited liability company	2025	2024
NYCNCC Sub-CDE 3, LLC	–	0.01%
NYCNCC Sub-CDE 4, LLC	–	0.01%
NYCNCC Sub-CDE 5, LLC	0.01%	0.01%
NYCNCC Sub-CDE 6, LLC	0.01%	0.01%
NYCNCC Sub-CDE 7, LLC	0.01%	0.01%
NYCNCC Sub-CDE 8, LLC	0.01%	0.01%
NYCNCC Sub-CDE 9, LLC	0.01%	0.01%
NYCNCC Sub-CDE 10, LLC	0.01%	0.01%
NYCNCC Sub-CDE 11, LLC	0.01%	0.01%
NYCNCC Sub-CDE 12, LLC	0.01%	0.01%
NYCNCC Sub-CDE 13, LLC	0.01%	0.01%
NYCNCC Sub-CDE 14, LLC	0.01%	0.01%
NYCNCC Sub-CDE 15, LLC	0.01%	0.01%
NYCNCC Sub-CDE 16, LLC	0.01%	0.01%
NYCNCC Sub-CDE 17, LLC	0.01%	0.01%
NYCNCC Sub-CDE 18, LLC	0.01%	0.01%
NYCNCC Sub-CDE 19, LLC	0.01%	0.01%
NYCNCC Sub-CDE 20, LLC	0.01%	–
NYCNCC Sub-CDE 21, LLC	0.01%	–

Such investments at June 30, 2025 and 2024 are summarized as follows:

	2025	2024
Cumulative equity contributions	$ 20,700	$ 19,800
Cumulative equity distributions	(626)	(575)
Total	$ 20,074	$ 19,225

5. Investments in Limited Liability Companies (continued)

The results of operations of the NMTC Companies consist primarily of interest income earned from loans on QLICIs made to QALICBs in accordance with Internal Revenue Code ("IRC") Section 45D and the Treasury Regulations thereunder. Furthermore, the NMTC Companies are CDEs in accordance with IRC Section 45D and the Treasury Regulations thereunder. If additional financial information is needed regarding the NMTC Companies, contact the Chief Financial Officer, NYC Neighborhood Capital Corporation, New York, NY 10006.

6. Transactions with NMTC Related Parties

Sponsor Fees

Pursuant to the operating agreements of the NMTC Companies, as compensation for services rendered and costs incurred in connection with the undertaking, overseeing, and coordinating of the sub-allocation of funds, the NMTC Companies shall pay sponsor fees to NYCNCC in an amount equal to 2% of the respective sub-allocation received by each of the NMTC Companies. For the years ended June 30, 2025 and 2024, NYCNCC earned and was paid sponsor fees from the NMTC Companies in the amount of $660,000 and $1,340,000, respectively.

Asset Management Fees

Pursuant to the operating agreements of the NMTC Companies, as compensation for services rendered in connection with: 1) overseeing the CDE's business, which includes the management of assets and performance of the QLICIs, 2) the distribution by the NMTC companies to its members, and 3) the preparation of compliance and financial reporting, and for so long as the Project Loans (as defined in the operating agreements), or any replacement QLICI remain outstanding with them, the NMTC Companies each are obligated to pay NYCNCC asset management fees in an aggregate amount equal to 3.5% of the respective sub-allocation received by each of the NMTC Companies. Such fees are due and payable in quarterly installments. For the years ended June 30, 2025 and 2024, NYCNCC earned and was paid asset management fees from the NMTC Companies in the amount of $942,444 and $969,543, respectively.

6. Transactions with NMTC Related Parties (continued)

Incentive Management Fees

Pursuant to the operating agreements of the NMTC Companies, the NMTC Companies are required to pay certain expenses from reimbursements received from each NMTC Companies' respective borrowers. If the expenses are less than the amount of reimbursement received, the NMTC Companies are required to pay the difference to NYCNCC as an incentive management fee. For the years ended June 30, 2025 and 2024, NYCNCC earned incentive management fees from the NMTC Companies in the amount of $65,542 and $66,654, respectively. As of June 30, 2025 and 2024, NYCNCC was owed incentive management fees of $0 and $66,654, respectively, which are included in the due from NMTC Companies balances on the accompanying Statements of Net Position.

NMTC Companies

As of June 30, 2025 and 2024, the amounts due from the NMTC Companies for reimbursement of operating expenses paid by NYCNCC on behalf of the NMTC Companies totaled $16,041 and $283,670, respectively, which are included in the due from NMTC Companies balances on the accompanying Statements of Net Position.

New York City Economic Development Corporation

Related party transactions between New York City Economic Development Corporation ("NYCEDC") and NYCNCC consisting of reimbursable expenses paid by NYCEDC on behalf of NYCNCC for the years ended June 30, 2025 and 2024 were $250 and $590, respectively. NYCNCC received administrative, financial, legal, and other services from NYCEDC with no in-kind value recognized in the financial statements.

7. Unrestricted Net Position

In order to present the financial condition and operating results of the Corporation in a manner consistent with the use of resources pursuant to its mission and bylaws, all net position resulting from operations will remain unrestricted. As of June 30, 2025 and 2024, the unrestricted net position is $11,110,770 and $8,978,526, respectively.

8. Recapture Indemnities

NYCNCC along with each individual NMTC Company (both parties collectively, as the indemnitors) and its respective investor member, are party to certain indemnification agreements. As an indemnitor, NYCNCC is obligated to pay the NMTC Recapture Amount (as further defined in each of the respective indemnification agreements) in the event of any Specified NMTC Recapture Event (as further defined in each of the respective indemnification agreements). As of June 30, 2025 and 2024, no claims or payments had been made relative to the indemnities and NYCNCC is not aware of the occurrence of any recapture event. NYCNCC has determined the likelihood of a recapture event to be remote after considering the historical rate of recapture and related factors. Accordingly, no liability has been recorded relative to the indemnities.

9. New Markets Tax Credits

Pursuant to the NMTC Program Allocation Agreement between Sub-CDE 1; Sub-CDE 2; Sub-CDE 3; Sub-CDE 4; Sub-CDE 5; NYCNCC; and the Community Development Financial Institutions Fund (the "CDFI Fund") dated February 28, 2017 (the "Round 13 Allocation"), NYCNCC was allocated the authority to issue $55,000,000 of QEIs to the NMTC Companies.

The following summarizes the amount sub-allocated from the Round 13 Allocation to the NMTC Companies:

	As of June 30,	
NMTC Companies	2025	2024
NYCNCC Sub-CDE 1, LLC [1]	$ 9,000,000	$ 9,000,000
NYCNCC Sub-CDE 2, LLC [1]	15,000,000	15,000,000
NYCNCC Sub-CDE 3, LLC [2]	17,000,000	17,000,000
NYCNCC Sub-CDE 4, LLC [2]	7,000,000	7,000,000
NYCNCC Sub-CDE 5, LLC	7,000,000	7,000,000
Total	$ 55,000,000	$ 55,000,000

[1] QEI reached the end of its compliance period as of June 30, 2025 and 2024.
[2] QEI reached the end of its compliance period as of June 30, 2025.

Pursuant to the NMTC Program Allocation Agreement between Sub-CDE 6; Sub-CDE 7; Sub-CDE 8; Sub-CDE 9; Sub-CDE 10; Sub-CDE 11; Sub-CDE 12; NYCNCC; and the CDFI Fund dated August 29, 2019 (the "Round 15 Allocation"), NYCNCC was allocated the authority to issue $55,000,000 of QEIs to the NMTC Companies.

9. New Markets Tax Credits (continued)

The following summarizes the amount sub-allocated from the Round 15 Allocation to the NMTC Companies:

	As of June 30,	
NMTC Companies	2025	2024
NYCNCC Sub-CDE 6, LLC	$ 10,000,000	$ 10,000,000
NYCNCC Sub-CDE 7, LLC	10,000,000	10,000,000
NYCNCC Sub-CDE 8, LLC	6,500,000	6,500,000
NYCNCC Sub-CDE 9, LLC	17,500,000	17,500,000
NYCNCC Sub-CDE 11, LLC	9,000,000	9,000,000
NYCNCC Sub-CDE 12, LLC	2,000,000	2,000,000
Total	$ 55,000,000	$ 55,000,000

Pursuant to the NMTC Program Allocation Agreement between Sub-CDE 9; Sub-CDE 10; Sub-CDE 12; Sub-CDE 13; Sub-CDE 14; Sub-CDE 15; NYCNCC; and the CDFI Fund dated October 7, 2020 (the "Round 16 Allocation"), NYCNCC was allocated the authority to issue $50,000,000 of QEIs to the NMTC Companies.

The following summarizes the amount sub-allocated from the Round 16 Allocation to the NMTC Companies:

	As of June 30,	
NMTC Companies	2025	2024
NYCNCC Sub-CDE 9, LLC	$ 12,500,000	$ 12,500,000
NYCNCC Sub-CDE 10, LLC	12,500,000	12,500,000
NYCNCC Sub-CDE 12, LLC	5,000,000	5,000,000
NYCNCC Sub-CDE 13, LLC	5,500,000	5,500,000
NYCNCC Sub-CDE 14, LLC	6,000,000	6,000,000
NYCNCC Sub-CDE 15, LLC	8,500,000	8,500,000
Total	$ 50,000,000	$ 50,000,000

Pursuant to the NMTC Program Allocation Agreement between Sub-CDE 14; Sub-CDE 15; Sub-CDE 16; Sub-CDE 17; Sub-CDE 20; Sub-CDE 21; NYCNCC; and the CDFI Fund dated February 2, 2023 (the "Round 18 Allocation"), NYCNCC was allocated the authority to issue $45,000,000 of QEIs to the NMTC Companies.

9. New Markets Tax Credits (continued)

The following summarizes the amount sub-allocated from the Round 18 Allocation to the NMTC Companies:

	As of June 30,	
NMTC Companies	2025	2024
NYCNCC Sub-CDE 14, LLC	$ 9,000,000	$ 9,000,000
NYCNCC Sub-CDE 15, LLC	4,500,000	4,500,000
NYCNCC Sub-CDE 16, LLC	12,700,000	12,700,000
NYCNCC Sub-CDE 17, LLC	8,800,000	8,800,000
NYCNCC Sub-CDE 20, LLC	5,000,000	-
NYCNCC Sub-CDE 21, LLC	5,000,000	-
Total	$ 45,000,000	$ 35,000,000

Pursuant to the NMTC Program Allocation Agreement between Sub-CDE 18; Sub-CDE 19; Sub-CDE 20; Sub-CDE 21; NYCNCC; and the CDFI Fund dated December 18, 2023 (the "Round 19 Allocation"), NYCNCC was allocated the authority to issue $50,000,000 of QEIs to the NMTC Companies.

The following summarizes the amount sub-allocated from the Round 19 Allocation to the NMTC Companies:

	As of June 30,	
NMTC Companies	2025	2024
NYCNCC Sub-CDE 18, LLC	$ 13,000,000	$ 13,000,000
NYCNCC Sub-CDE 19, LLC	14,000,000	14,000,000
NYCNCC Sub-CDE 20, LLC	18,000,000	-
NYCNCC Sub-CDE 21, LLC	5,000,000	-
Total	$ 50,000,000	$ 27,000,000

9. New Markets Tax Credits (continued)

Equity investments received by the NMTC Companies are designated as QEIs if they meet the requirements of IRC Section 45D and Treasury Regulation Section 1.45D-1. NMTCs are allowed to be claimed by investors over seven periods spanning six years and a day for any equity investment that is designated a QEI by the NMTC Companies.

In order to qualify for these NMTCs, NYCNCC and the NMTC Companies must comply with the requirements of IRC Section 45D and Treasury Regulation Section 1.45D-1 during the seven-year credit period. Failure to comply with the requirements could result in the recapture of NMTCs that have been previously claimed as well as the loss of any future NMTCs. The three events that can cause recapture are: [1] NYCNCC or the NMTC Companies cease to be CDEs; [2] failing to ensure that for each annual period in the seven-year credit period, at least 85% of the QEIs received by NYCNCC or the NMTC Companies are continuously invested in QLICIs (which may include 5% of the QEIs received to be held as reserves); or [3] the QEIs are redeemed or otherwise cashed out by NYCNCC or the NMTC Companies. Since the NMTCs are subject to complying with certain requirements, there can be no assurance that the aggregate amount of NMTC will be realized and failure to meet all such requirements may result in generating a lesser amount of NMTC than the expected amount.

10. Risk Management

Although there should not be any liability for personal injuries as a result of its business activities, NYCNCC requires all project companies to indemnify NYCNCC and to purchase and maintain commercial liability insurance coverage for these risks and name NYCNCC as an additional insured. NYCNCC also is an additional named insured on NYCEDC's general liability policy. As of June 30, 2025 and 2024, there were no reported personal injury claims or litigation against NYCNCC.

11. Subsequent Events

Subsequent events have been evaluated through September 26, 2025, which is the date the financial statements were available to be issued, and there are no subsequent events requiring disclosure.

SUPPLEMENTARY SCHEDULES

NYC Neighborhood Capital Corporation
(A Component Unit of The City of New York)
SUPPLEMENTARY SCHEDULE 1
STATEMENT OF ACTIVITIES BY PROJECT
For the year ended June 30, 2025

	Sub-CDE 3	Sub-CDE 4	Sub-CDE 5	Sub-CDE 6	Sub-CDE 7	Sub-CDE 8	Sub-CDE 9
Operating revenues							
NMTC placement and services fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NMTC sponsor fees	-	-	-	-	-	-	-
NMTC asset management fees	42,500	17,305	35,000	50,000	50,000	32,500	150,000
NMTC incentive management fees	2,932	7,850	4,975	4,950	4,950	4,950	-
Other income - Sub-CDEs	124	48	-	-	-	-	-
Total operating revenues	45,556	25,203	39,975	54,950	54,950	37,450	150,000
Operating expenses							
Consulting fees	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Total operating expenses	-	-	-	-	-	-	-
Operating income	45,556	25,203	39,975	54,950	54,950	37,450	150,000
Non-operating revenues							
Interest income	-	-	-	-	-	-	-
Investment income							
Total non-operating revenues	-	-	-	-	-	-	-
Change in unrestricted net position	45,556	25,203	39,975	54,950	54,950	37,450	150,000
Unrestricted net position, beginning of year	963,949	404,944	308,546	420,011	569,239	220,183	1,184,558
Unrestricted net position, end of year	$ 1,009,505	$ 430,147	$ 348,521	$ 474,961	$ 624,189	$ 257,633	$ 1,334,558

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NYC Neighborhood Capital Corporation
(A Component Unit of The City of New York)
SUPPLEMENTARY SCHEDULE 1 (CONTINUED)
STATEMENT OF ACTIVITIES BY PROJECT
For the year ended June 30, 2025

	Sub-CDE 10	Sub-CDE 11	Sub-CDE 12	Sub-CDE 13	Sub-CDE 14	Sub-CDE 15	Sub-CDE 16
Operating revenues							
NMTC placement and services fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NMTC sponsor fees	-	-	-	-	-	-	-
NMTC asset management fees	62,500	45,000	35,000	27,500	75,000	65,000	63,500
NMTC incentive management fees	4,950	2,405	2,456	975	-	4,975	4,975
Other income - Sub-CDEs	-	-	-	-	-	-	-
Total operating revenues	67,450	47,405	37,456	28,475	75,000	69,975	68,475
Operating expenses							
Consulting fees	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Total operating expenses	-	-	-	-	-	-	-
Operating income	67,450	47,405	37,456	28,475	75,000	69,975	68,475
Non-operating revenues							
Interest income	-	-	-	-	-	-	-
Investment income							
Total non-operating revenues	-	-	-	-	-	-	-
Change in unrestricted net position	67,450	47,405	37,456	28,475	75,000	69,975	68,475
Unrestricted net position, beginning of year	469,638	311,646	245,574	148,813	431,667	347,153	350,017
Unrestricted net position, end of year	$ 537,088	$ 359,051	$ 283,030	$ 177,288	$ 506,667	$ 417,128	$ 418,492

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NYC Neighborhood Capital Corporation
(A Component Unit of The City of New York)
SUPPLEMENTARY SCHEDULE 1 (CONTINUED)
STATEMENT OF ACTIVITIES BY PROJECT
For the year ended June 30, 2025

	Sub-CDE 17	Sub-CDE 18	Sub-CDE 19	Sub-CDE 20	Sub-CDE 21	Management & General	Total
Operating revenues							
NMTC placement and services fees	$ -	$ -	$ -	$ 690,000	$ 300,000	$ -	$ 990,000
NMTC sponsor fees	-	-	-	460,000	200,000	-	660,000
NMTC asset management fees	44,000	65,000	70,000	-	12,639	-	942,444
NMTC incentive management fees	4,975	4,324	5,000	-	-	(100)	65,542
Other income - Sub-CDEs	-	-	-	-	-	-	172
Total operating revenues	48,975	69,324	75,000	1,150,000	512,639	(100)	2,658,158
Operating expenses							
Consulting fees	-	-	-	632,500	275,000	11,938	919,438
Other expenses	-	-	-	-	-	27,959	27,959
Total operating expenses	-	-	-	632,500	275,000	39,897	947,397
Operating income	48,975	69,324	75,000	517,500	237,639	(39,997)	1,710,761
Non-operating revenues							
Interest income	-	-	-	-	-	50,532	50,532
Investment income						370,951	370,951
Total non-operating revenues	-	-	-	-	-	421,483	421,483
Change in unrestricted net position	48,975	69,324	75,000	517,500	237,639	381,486	2,132,244
Unrestricted net position, beginning of year	236,367	312,903	334,833	-	-	1,718,485	8,978,526
Unrestricted net position, end of year	$ 285,342	$ 382,227	$ 409,833	$ 517,500	$ 237,639	$ 2,099,971	$ 11,110,770

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NYC Neighborhood Capital Corporation
(A Component Unit of The City of New York)
SUPPLEMENTARY SCHEDULE 2
STATEMENT OF ACTIVITIES BY PROJECT
For the year ended June 30, 2024

	Sub-CDE 1	Sub-CDE 2	Sub-CDE 3	Sub-CDE 4	Sub-CDE 5	Sub-CDE 6	Sub-CDE 7
Operating revenues							
NMTC placement and services fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NMTC sponsor fees	-	-	-	-	-	-	-
NMTC asset management fees	34,000	73,957	85,000	35,000	35,000	50,000	50,000
NMTC incentive management fees	3,900	9,901	2,466	3,950	4,975	4,950	4,950
Other income - Sub-CDEs	40	105	-	-	-	-	-
Total operating revenues	37,940	83,963	87,466	38,950	39,975	54,950	54,950
Operating expenses							
Consulting fees	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Total operating expenses	-	-	-	-	-	-	-
Operating income	37,940	83,963	87,466	38,950	39,975	54,950	54,950
Non-operating revenues							
Interest income	-	-	-	-	-	-	-
Investment income							
Total non-operating revenues	-	-	-	-	-	-	-
Change in unrestricted net position	37,940	83,963	87,466	38,950	39,975	54,950	54,950
Unrestricted net position, beginning of year	491,300	767,942	876,483	365,994	268,571	365,061	514,289
Unrestricted net position, end of year	$ 529,240	$ 851,905	$ 963,949	$ 404,944	$ 308,546	$ 420,011	$ 569,239

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NYC Neighborhood Capital Corporation
(A Component Unit of The City of New York)
SUPPLEMENTARY SCHEDULE 2 (CONTINUED)
STATEMENT OF ACTIVITIES BY PROJECT
For the year ended June 30, 2024

	Sub-CDE 8	Sub-CDE 9	Sub-CDE 10	Sub-CDE 11	Sub-CDE 12	Sub-CDE 13	Sub-CDE 14
Operating revenues							
NMTC placement and services fees	$ -	$ -	$ -	$ -	$ -	$ 165,000	$ -
NMTC sponsor fees	-	-	-	-	-	110,000	-
NMTC asset management fees	32,500	150,000	62,500	45,000	35,000	24,063	75,000
NMTC incentive management fees	4,950	-	4,975	2,835	2,802	1,000	-
Other income - Sub-CDEs	-	-	-	-	-	-	-
Total operating revenues	37,450	150,000	67,475	47,835	37,802	300,063	75,000
Operating expenses							
Consulting fees	-	-	-	-	-	151,250	-
Other expenses	-	-	-	-	-	-	-
Total operating expenses	-	-	-	-	-	151,250	-
Operating income	37,450	150,000	67,475	47,835	37,802	148,813	75,000
Non-operating revenues							
Interest income	-	-	-	-	-	-	-
Investment income							
Total non-operating revenues	-	-	-	-	-	-	-
Change in unrestricted net position	37,450	150,000	67,475	47,835	37,802	148,813	75,000
Unrestricted net position, beginning of year	182,733	1,034,558	402,163	263,811	207,772	-	356,667
Unrestricted net position, end of year	$ 220,183	$ 1,184,558	$ 469,638	$ 311,646	$ 245,574	$ 148,813	$ 431,667

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NYC Neighborhood Capital Corporation
(A Component Unit of The City of New York)
SUPPLEMENTARY SCHEDULE 2 (CONTINUED)
STATEMENT OF ACTIVITIES BY PROJECT
For the year ended June 30, 2024

	Sub-CDE 15	Sub-CDE 16	Sub-CDE 17	Sub-CDE 18	Sub-CDE 19	Management & General	Total
Operating revenues							
NMTC placement and services fees	$ 390,000	$ 381,000	$ 264,000	$ 390,000	$ 420,000	$ -	$ 2,010,000
NMTC sponsor fees	260,000	254,000	176,000	260,000	280,000	-	1,340,000
NMTC asset management fees	49,653	59,267	33,367	20,403	19,833	-	969,543
NMTC incentive management fees	5,000	5,000	5,000	-	-	-	66,654
Other income - Sub-CDEs	-	-	-	-	-	-	145
Total operating revenues	704,653	699,267	478,367	670,403	719,833		4,386,342
Operating expenses							
Consulting fees	357,500	349,250	242,000	357,500	385,000	35,625	1,878,125
Other expenses	-	-	-	-	-	24,826	24,826
Total operating expenses	357,500	349,250	242,000	357,500	385,000	60,451	1,902,951
Operating income	347,153	350,017	236,367	312,903	334,833	(60,451)	2,483,391
Non-operating revenues							
Interest income	-	-	-	-	-	88,198	88,198
Investment income						263,784	263,784
Total non-operating revenues	-	-	-	-	-	351,982	351,982
Change in unrestricted net position	347,153	350,017	236,367	312,903	334,833	291,531	2,835,373
Unrestricted net position, beginning of year	-	-	-	-	-	45,809	6,143,153
Unrestricted net position, end of year	$ 347,153	$ 350,017	$ 236,367	$ 312,903	$ 334,833	$ 337,340	$ 8,978,526

see Report of Independent Auditors

NOVOGRADAC & COMPANY LLP®

REPORT OF INDEPENDENT AUDITORS 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 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 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 have issued our report thereon dated September 26, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, 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 financial statements, 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 financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether NYC Neighborhood Capital Corporation'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 determination of financial statement amounts. 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