

# **NYC Neighborhood Capital Corporation**

(a component unit of The City of New York)

## **Financial Statements, Required Supplementary Information and Supplementary Information**

**Years Ended June 30, 2026 and  
2025 With Report of Independent  
Auditors**



NYC Neighborhood Capital Corporation

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

Financial Statements

June 30, 2026 and 2025

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## 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, 2026 and 2025, 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, 2026 and 2025, 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.

### **Required Supplementary Information**

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.

### **Supplementary Information**

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 basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic 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 23, 2026, 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.

A handwritten signature in blue ink that reads "Novogradac & Company LLP". The signature is written in a cursive, flowing style.

San Francisco, California  
September 23, 2026

NYC Neighborhood Capital Corporation  
(A Component Unit of the City of New York)  
Management's Discussion and Analysis

June 30, 2026 and 2025

## Overview of the Financial Statements

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. The NYC Neighborhood Capital Corporation (NYCNCC or the Corporation), 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.

This section of the NYCNCC annual financial report presents our discussion and analysis of financial performance during the years ended June 30, 2026 and 2025. Please read it in conjunction with the financial statements and accompanying notes, which follow this section.

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.

## Financial Summary

### *Condensed Statement of Net Position*

The following table summarizes NYCNCC's Condensed Statement of Net Position as of June 30, 2026, 2025, and 2024 and the percentage changes between June 30, 2026, 2025, and 2024:

|                                 | 2026                | 2025         | 2024        | % Change      |               |
|---------------------------------|---------------------|--------------|-------------|---------------|---------------|
|                                 |                     |              |             | 2026-<br>2025 | 2025-<br>2024 |
| Current assets                  | <b>\$8,284,381</b>  | \$5,914,742  | \$7,975,043 | <b>40%</b>    | (26)%         |
| Non-current assets              | <b>4,290,500</b>    | 5,225,278    | 1,119,836   | <b>(18)%</b>  | >100%         |
| Total assets                    | <b>12,574,881</b>   | 11,140,020   | 9,094,879   | <b>13%</b>    | 22%           |
| Current liabilities             | <b>16,250</b>       | 29,250       | 116,353     | <b>(44)%</b>  | (75)%         |
| Total unrestricted net position | <b>\$12,558,631</b> | \$11,110,770 | \$8,978,526 | <b>13%</b>    | 24%           |

NYC Neighborhood Capital Corporation  
(A Component Unit of the City of New York)  
Management's Discussion and Analysis

**Financial Summary (continued)**

***Condensed Statement of Revenues, Expenses, and Changes in Net Position***

The following table summarizes NYCNCC's Condensed Statement of Revenues, Expenses, and Changes in Net Position for the fiscal years ended June 30, 2026, 2025, and 2024 and the percentage changes between June 30, 2026, 2025, and 2024:

|                        | 2026        | 2025        | 2024        | % Change  |           |
|------------------------|-------------|-------------|-------------|-----------|-----------|
|                        |             |             |             | 2026-2025 | 2025-2024 |
| Operating revenues     | \$1,073,007 | \$2,658,158 | \$4,386,342 | (60)%     | (39)%     |
| Operating expenses     | 28,213      | 947,397     | 1,902,951   | (97)%     | (50)%     |
| Operating income       | 1,044,794   | 1,710,761   | 2,483,391   | (39)%     | (31)%     |
| Non-operating revenues | 403,067     | 421,483     | 351,982     | (4)%      | 20%       |
| Change in net position | \$1,447,861 | \$2,132,244 | \$2,835,373 | (32)%     | (25)%     |

**Detailed Analysis**

***Financial Position***

In fiscal year 2026, total current assets increased by \$2,369,639 or 40%, primarily driven by increased cash and cash equivalents generated from Sub-CDE revenues, coupled with the proceeds from the maturity of investments. Non-current assets decreased by \$934,778 or 18% due to the net reallocation of the investment portfolio from non-current to current investments.

Current liabilities decreased by \$13,000 or 44% primarily due to the cash settlements.

As a result of these activities, net position increased by \$1,447,861 or 13% in fiscal year 2026.

***Prior-Year Comparison***

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.

NYC Neighborhood Capital Corporation  
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Management's Discussion and Analysis

**Detailed Analysis (continued)**

***Prior-Year Comparison (continued)***

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.

***Results of Operations***

In fiscal year 2026, operating revenues decreased by \$1,585,151 or 60% primarily due to the absence of fee revenue generated from Qualified Equity Investments (QEI) activity as compared to prior year.

Total operating expenses decreased by \$919,184 or 97% primarily due to the absence of QEI program related expenses in 2026 as compared to 2025.

Non-operating revenues decreased \$18,416 or 4% primarily due to market conditions.

***Prior-Year Comparison***

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.

**Current Known Facts, Decisions, or Conditions**

Currently, management does not foresee any negative impacts on NYCNCC's financial position or operations. As of the financial statement issuance date, NYCNCC's operations are stable with no anticipated material changes. Management will monitor economic conditions, regulatory developments, and operational factors, disclosing any significant issues in future reports if they arise.

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

STATEMENTS OF NET POSITION

June 30, 2026 and 2025

|                                            | <u>2026</u>          | <u>2025</u>          |
|--------------------------------------------|----------------------|----------------------|
| <b>ASSETS</b>                              |                      |                      |
| Current assets                             |                      |                      |
| Cash and cash equivalents                  | \$ 4,728,369         | \$ 2,624,715         |
| Investments                                | 3,539,971            | 3,273,986            |
| Due from related parties                   |                      |                      |
| Due from NMTC Companies                    | 16,041               | 16,041               |
| Total current assets                       | <u>8,284,381</u>     | <u>5,914,742</u>     |
| Non-current assets                         |                      |                      |
| Investments in limited liability companies | 19,171               | 20,074               |
| Investments                                | 4,221,329            | 5,205,204            |
| Loan receivable                            | 50,000               | -                    |
| Less: allowance for credit losses          | -                    | -                    |
| Total non-current assets                   | <u>4,290,500</u>     | <u>5,225,278</u>     |
| Total assets                               | <u>12,574,881</u>    | <u>11,140,020</u>    |
| <b>LIABILITIES</b>                         |                      |                      |
| Current liabilities                        |                      |                      |
| Accounts payable and accrued liabilities   | 15,500               | 29,000               |
| Due to related party                       |                      |                      |
| Due to NYCEDC                              | 750                  | 250                  |
| Total current liabilities                  | <u>16,250</u>        | <u>29,250</u>        |
| <b>NET POSITION</b>                        |                      |                      |
| Net position - unrestricted                | <u>\$ 12,558,631</u> | <u>\$ 11,110,770</u> |

**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, 2026 and 2025

|                                              | <u>2026</u>                 | <u>2025</u>                 |
|----------------------------------------------|-----------------------------|-----------------------------|
| Operating revenues                           |                             |                             |
| NMTC placement and services fees             | \$ -                        | \$ 990,000                  |
| NMTC sponsor fees                            | -                           | 660,000                     |
| NMTC asset management fees                   | 1,008,389                   | 942,444                     |
| NMTC incentive management fees               | 64,337                      | 65,542                      |
| Other income - NMTC Companies                | 281                         | 172                         |
| Total operating revenues                     | <u>1,073,007</u>            | <u>2,658,158</u>            |
| Operating expenses                           |                             |                             |
| Consulting fees                              | -                           | 919,438                     |
| Other expenses                               | 28,213                      | 27,959                      |
| Total operating expenses                     | <u>28,213</u>               | <u>947,397</u>              |
| Operating income                             | 1,044,794                   | 1,710,761                   |
| Non-operating revenues                       |                             |                             |
| Interest income                              | 64,653                      | 50,532                      |
| Investment income                            | 338,414                     | 370,951                     |
| Total non-operating revenues                 | <u>403,067</u>              | <u>421,483</u>              |
| Change in unrestricted net position          | 1,447,861                   | 2,132,244                   |
| Unrestricted net position, beginning of year | <u>11,110,770</u>           | <u>8,978,526</u>            |
| Unrestricted net position, end of year       | <u><u>\$ 12,558,631</u></u> | <u><u>\$ 11,110,770</u></u> |

**NYC Neighborhood Capital Corporation**  
**(A Component Unit of The City of New York)**  
**STATEMENTS OF CASH FLOWS**  
For the years ended June 30, 2026 and 2025

|                                                                                         | 2026                       | 2025                       |
|-----------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>OPERATING ACTIVITIES</b>                                                             |                            |                            |
| NMTC placement and services fees received                                               | \$ -                       | \$ 990,000                 |
| NMTC sponsor fees received                                                              | -                          | 660,000                    |
| NMTC asset management fees received                                                     | 1,008,389                  | 942,444                    |
| NMTC incentive management fees received                                                 | 64,337                     | 65,542                     |
| Other income received - NMTC Companies                                                  | 281                        | 172                        |
| Other operating receipts (payments)                                                     | (13,000)                   | 247,180                    |
| Consulting fees paid                                                                    | -                          | (919,438)                  |
| Other expenses paid                                                                     | (28,213)                   | (27,959)                   |
| Net cash provided by operating activities                                               | <u>1,031,794</u>           | <u>1,957,941</u>           |
| <b>INVESTING ACTIVITIES</b>                                                             |                            |                            |
| Interest income                                                                         | 64,653                     | 50,532                     |
| Investment income                                                                       | 305,486                    | 306,935                    |
| Sale of investments                                                                     | 9,830,000                  | 4,070,754                  |
| Purchase of investments                                                                 | (9,079,182)                | (7,297,958)                |
| Funding of loan receivable                                                              | (50,000)                   | -                          |
| Contributions to limited liability companies                                            | -                          | (3,300)                    |
| Distributions from limited liability companies                                          | 903                        | 2,451                      |
| Net cash provided by (used in) investing activities                                     | <u>1,071,860</u>           | <u>(2,870,586)</u>         |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>                                          | 2,103,654                  | (912,645)                  |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>                                   | <u>2,624,715</u>           | <u>3,537,360</u>           |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                                         | <u><u>\$ 4,728,369</u></u> | <u><u>\$ 2,624,715</u></u> |
| <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>  |                            |                            |
| Operating income                                                                        | \$ 1,044,794               | \$ 1,710,761               |
| Adjustments to reconcile operating income to net cash provided by operating activities: |                            |                            |
| Changes in operating asset and liabilities:                                             |                            |                            |
| Due from NMTC Companies                                                                 | -                          | 334,283                    |
| Accounts payable and accrued liabilities                                                | (13,500)                   | (86,763)                   |
| Due to NYCEDC                                                                           | 500                        | (340)                      |
| Net cash provided by operating activities                                               | <u><u>\$ 1,031,794</u></u> | <u><u>\$ 1,957,941</u></u> |

NYC Neighborhood Capital Corporation  
(A Component Unit of The City of New York)  
Notes to Financial Statements  
June 30, 2026 and 2025

## **1. Organization and Purpose**

NYC Neighborhood Capital Corporation (NYCNCC or the Corporation) is a not-for-profit corporation incorporated in July of 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 using the economic resources measurement focus and 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, 2026 and 2025, management believes that the Corporation's receivables are fully collectable and as such, the allowance for credit losses is zero.

NYC Neighborhood Capital Corporation  
(A Component Unit of The City of New York)  
Notes to Financial Statements  
June 30, 2026 and 2025

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

### Economic Concentrations

As of June 30, 2026, the Corporation has investments in NYCNCC Sub-CDEs (collectively, the NMTC Companies):

| NYCNCC Sub-CDEs                     | Project                                            | Unwind Date    |
|-------------------------------------|----------------------------------------------------|----------------|
| NYCNCC Sub-CDE 5, LLC (Sub-CDE 5)   | Building 127                                       | March 31, 2026 |
| 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.

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.

NYC Neighborhood Capital Corporation  
(A Component Unit of The City of New York)  
Notes to Financial Statements  
June 30, 2026 and 2025

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

### **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.

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.

NYC Neighborhood Capital Corporation  
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Notes to Financial Statements  
June 30, 2026 and 2025

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

### **Loans Receivable and Allowance for Credit Losses**

Loans receivable are measured at amortized cost basis and presented at the amount expected to be collected, net of deferred loan origination fees and unearned discounts, as applicable. The Corporation records an allowance for credit losses based on losses expected to arise over the contractual term of the financial asset. Assets are written off when the Corporation deems the loan receivable to be uncollectable. Write-offs are recognized as a deduction from the allowance for credit losses. As of June 30, 2026 and 2025, management believes that the Corporation's loans receivable are fully collectable and as such, the allowance for credit losses is zero.

In developing estimates for expected credit losses, management considers historical loss information updated for current conditions and reasonable and supportable forecasts that affect expected collectability using a loss-rate approach. Management considers factors such as the borrower's financial condition, the borrower's ability to make scheduled interest or principal payments based on the current and forecasted direction of the economic and business environment, the remaining payment terms of the loan, the remaining time to maturity, and the value of underlying collateral. Although management uses many factors to estimate credit losses, because of uncertainties associated with local economic conditions, collateral values, and future cash flows, it is reasonably possible that a material change could occur in the allowance for credit losses in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

Loans that are 90 days or more past due, based on the contractual terms of the loan, are classified on nonaccrual status. There were no loans on nonaccrual status as of June 30, 2026 and 2025.

### **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. Interest and investment income are classified as non-operating.

NYC Neighborhood Capital Corporation  
(A Component Unit of The City of New York)  
Notes to Financial Statements  
June 30, 2026 and 2025

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

### **Recently Adopted Accounting Standards**

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 adopted this statement during the fiscal year, and the adoption did not have a material impact on its financial statements.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets* (GASB 104). The primary objective of this statement 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 Corporation adopted this statement during the fiscal year, and the adoption did not have a material impact on its financial statements.

In December 2025, GASB issued Statement No. 105, *Subsequent Events* (GASB 105). The primary objective of this statement is to improve the financial reporting requirements for subsequent events. The requirements of GASB 105 are effective for fiscal years beginning after June 15, 2026. The Corporation adopted this statement during the fiscal year, and the early adoption did not have a material impact on its financial statements.

### **3. Cash and Cash Equivalents**

As of June 30, 2026 and 2025, NYCNCC's cash balance was \$1,001,676 and \$1,965,655, 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, 2026 and 2025, NYCNCC's cash equivalents balance was \$3,726,693 and \$659,060, respectively.

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#### 4. Investments

As of June 30, 2026 and 2025, the Corporation had the following investments (in thousands). Investment maturities are shown only for June 30, 2026.

|                                             | <b>Fair Value</b> |                 | <b>2026</b>                                 |               |
|---------------------------------------------|-------------------|-----------------|---------------------------------------------|---------------|
|                                             |                   |                 | <b>Investment Maturities<br/>(In Years)</b> |               |
|                                             | <b>2026</b>       | <b>2025</b>     | <b>Less Than 1</b>                          | <b>1 to 2</b> |
| Money Market Funds                          | \$ 3,727          | \$ 659          | \$ 3,727                                    | \$ –          |
| U.S. Treasuries                             | 280               | 552             | 280                                         | –             |
| Commercial Paper                            | 730               | –               | 730                                         | –             |
| Federal Home Loan Mortgage Co.              | 1,307             | 633             | 1,307                                       | –             |
| Federal Farm Credit Bank Notes              | 3,359             | 5,601           | 1,223                                       | 2,136         |
| Federal Home Loan Bank Notes                | 1,380             | 1,693           | –                                           | 1,380         |
| Federal National Mortgage Association       | 705               | –               | –                                           | 705           |
|                                             | <b>11,488</b>     | <b>9,138</b>    |                                             |               |
| Less amounts classified as cash equivalents | <b>(3,727)</b>    | <b>(659)</b>    |                                             |               |
| Total Investments                           | <b>\$ 7,761</b>   | <b>\$ 8,479</b> |                                             |               |

*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, U.S. Agency Securities, and Commercial Paper 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.

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**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, 2026, the Corporation's investments in Federal Home Loan Mortgage Co. (FHLMC), Federal Home Loan Bank (FHLB), and Federal Farm Credit Bank (FFCB), Federal National Mortgage Association (FNMA), 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; and investments in Commercial Paper were rated A1 by Standard & Poor's and F1+ 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, 2026 and 2025 (dollars in thousands):

| Issuer                                | Dollar Amount and Percentage of Total Investments |       |               |              |
|---------------------------------------|---------------------------------------------------|-------|---------------|--------------|
|                                       | June 30, 2026                                     |       | June 30, 2025 |              |
| Money Market Funds                    | \$                                                | 3,727 | 33%           | \$ 659 7%    |
| U.S. Treasuries                       | \$                                                | —     | —             | \$ 552 6%    |
| Bank of America                       | \$                                                | 730   | 6%            | \$ — —       |
| Federal Home Loan Mortgage Co.        | \$                                                | 1,307 | 11%           | \$ 633 7%    |
| Federal Farm Credit Bank Notes        | \$                                                | 3,359 | 29%           | \$ 5,601 61% |
| Federal Home Loan Bank Notes          | \$                                                | 1,380 | 12%           | \$ 1,693 19% |
| Federal National Mortgage Association | \$                                                | 705   | 6%            | \$ — —       |

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**5. Investments in Limited Liability Companies**

NYCNCC's investments consist of interests in limited liability companies. As of June 30, 2026 and 2025, NYCNCC has an ownership member interest in the following companies:

|                                  | <u>Ownership Percentage</u> |             |
|----------------------------------|-----------------------------|-------------|
| <u>Limited liability company</u> | <u>2026</u>                 | <u>2025</u> |
| NYCNCC Sub-CDE 5, LLC            | —                           | 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%                       | 0.01%       |
| NYCNCC Sub-CDE 21, LLC           | 0.01%                       | 0.01%       |

Such investments at June 30, 2026 and 2025 are summarized as follows:

|                                 | <u>2026</u>      | <u>2025</u>      |
|---------------------------------|------------------|------------------|
| Cumulative equity contributions | \$ 20,000        | \$ 20,700        |
| Cumulative equity distributions | (829)            | (626)            |
| Total                           | <u>\$ 19,171</u> | <u>\$ 20,074</u> |

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**5. Investments in Limited Liability Companies (continued)**

The results of operations of the NMTC Companies consist primarily of interest income earned from loans on QLICs 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. Loans Receivable**

During 2026, the Corporation entered into a loan agreement with Greenpoint Manufacturing and Design Center Local Development Corporation. The loan has a principal balance of \$50,000, bears interest at 3.0% per annum, and matures on October 1, 2027. Interest income is recognized as earned.

**7. 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, 2026 and 2025, NYCNCC earned and was paid sponsor fees from the NMTC Companies in the amount of \$0 and \$660,000, 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 QLICs, 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, 2026 and 2025, NYCNCC earned and was paid asset management fees from the NMTC Companies in the amount of \$1,008,389 and \$942,444, respectively.

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**7. 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, 2026 and 2025, NYCNCC earned incentive management fees from the NMTC Companies in the amount of \$64,337 and \$65,542, respectively.

**NMTC Companies**

As of June 30, 2026 and 2025, the amounts due from the NMTC Companies for reimbursement of operating expenses paid by NYCNCC on behalf of the NMTC Companies totaled \$16,041 for both years, 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. As of June 30, 2026 and 2025, amounts due to NYCEDC for such expenses were \$750 and \$250, respectively. NYCNCC received administrative, financial, legal, and other services from NYCEDC with no in-kind value recognized in the financial statements.

**8. 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, 2026 and 2025, the unrestricted net position is \$12,558,631 and \$11,110,770, respectively.

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## 9. 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, 2026 and 2025, 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.

## 10. 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:

| <u>NMTC Companies</u>                | <u>As of June 30,</u> |                      |
|--------------------------------------|-----------------------|----------------------|
|                                      | <u>2026</u>           | <u>2025</u>          |
| NYCNCC Sub-CDE 1, LLC <sup>(1)</sup> | \$ 9,000,000          | \$ 9,000,000         |
| NYCNCC Sub-CDE 2, LLC <sup>(1)</sup> | 15,000,000            | 15,000,000           |
| NYCNCC Sub-CDE 3, LLC <sup>(1)</sup> | 17,000,000            | 17,000,000           |
| NYCNCC Sub-CDE 4, LLC <sup>(1)</sup> | 7,000,000             | 7,000,000            |
| NYCNCC Sub-CDE 5, LLC <sup>(2)</sup> | 7,000,000             | 7,000,000            |
| Total                                | <u>\$ 55,000,000</u>  | <u>\$ 55,000,000</u> |

<sup>(1)</sup> QEI reached the end of its compliance period as of June 30, 2026 and 2025.

<sup>(2)</sup> QEI reached the end of its compliance period as of June 30, 2026.

Pursuant to the NMTC Program Allocation Agreement between Sub-CDE 6; Sub-CDE 7; Sub-CDE 8; Sub-CDE 9; 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.

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**10. New Markets Tax Credits (continued)**

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

| <u>NMTC Companies</u>  | As of June 30,       |                      |
|------------------------|----------------------|----------------------|
|                        | 2026                 | 2025                 |
| 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                  | <u>\$ 55,000,000</u> | <u>\$ 55,000,000</u> |

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:

| <u>NMTC Companies</u>  | As of June 30,       |                      |
|------------------------|----------------------|----------------------|
|                        | 2026                 | 2025                 |
| 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                  | <u>\$ 50,000,000</u> | <u>\$ 50,000,000</u> |

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.

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**10. New Markets Tax Credits (continued)**

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

| <u>NMTC Companies</u>  | As of June 30,       |                      |
|------------------------|----------------------|----------------------|
|                        | 2026                 | 2025                 |
| 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            | 5,000,000            |
| NYCNCC Sub-CDE 21, LLC | 5,000,000            | 5,000,000            |
| Total                  | <u>\$ 45,000,000</u> | <u>\$ 45,000,000</u> |

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:

| <u>NMTC Companies</u>  | As of June 30,       |                      |
|------------------------|----------------------|----------------------|
|                        | 2026                 | 2025                 |
| 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           | 18,000,000           |
| NYCNCC Sub-CDE 21, LLC | 5,000,000            | 5,000,000            |
| Total                  | <u>\$ 50,000,000</u> | <u>\$ 50,000,000</u> |

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**10. 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 QLICs (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.

**11. 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, 2026 and 2025, there were no reported personal injury claims or litigation against NYCNCC.

**12. Subsequent Events**

The Corporation evaluated subsequent events through September 23, 2026, the date the financial statements were available to be issued. Management has determined that there are no subsequent events that require recognition or disclosure in these financial statements.

## **SUPPLEMENTARY SCHEDULES**

**NYC Neighborhood Capital Corporation**  
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**SUPPLEMENTARY SCHEDULE 1**  
**STATEMENT OF ACTIVITIES BY PROJECT**  
For the year ended June 30, 2026

|                                              | Sub-CDE 5         | Sub-CDE 6         | Sub-CDE 7         | Sub-CDE 8         | Sub-CDE 9           | Sub-CDE 10        | Sub-CDE 11        |
|----------------------------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|-------------------|-------------------|
| Operating revenues                           |                   |                   |                   |                   |                     |                   |                   |
| NMTC asset management fees                   | \$ 8,069          | \$ 50,000         | \$ 50,000         | \$ 32,500         | \$ 150,000          | \$ 62,500         | \$ 45,000         |
| NMTC incentive management fees               | 4,925             | 4,950             | 4,950             | 4,950             | -                   | 4,950             | 2,397             |
| Other income - Sub-CDEs                      | 31                | -                 | -                 | -                 | -                   | -                 | -                 |
| Total operating revenues                     | <u>13,025</u>     | <u>54,950</u>     | <u>54,950</u>     | <u>37,450</u>     | <u>150,000</u>      | <u>67,450</u>     | <u>47,397</u>     |
| Operating expenses                           |                   |                   |                   |                   |                     |                   |                   |
| Other expenses                               | -                 | -                 | -                 | -                 | -                   | -                 | -                 |
| Total operating expenses                     | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>            | <u>-</u>          | <u>-</u>          |
| Operating income                             | <u>13,025</u>     | <u>54,950</u>     | <u>54,950</u>     | <u>37,450</u>     | <u>150,000</u>      | <u>67,450</u>     | <u>47,397</u>     |
| Non-operating revenues                       |                   |                   |                   |                   |                     |                   |                   |
| Interest income                              | -                 | -                 | -                 | -                 | -                   | -                 | -                 |
| Investment income                            | -                 | -                 | -                 | -                 | -                   | -                 | -                 |
| Total non-operating revenues                 | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>            | <u>-</u>          | <u>-</u>          |
| Change in unrestricted net position          | <u>13,025</u>     | <u>54,950</u>     | <u>54,950</u>     | <u>37,450</u>     | <u>150,000</u>      | <u>67,450</u>     | <u>47,397</u>     |
| Unrestricted net position, beginning of year | <u>348,521</u>    | <u>474,961</u>    | <u>624,189</u>    | <u>257,633</u>    | <u>1,334,558</u>    | <u>537,088</u>    | <u>359,051</u>    |
| Unrestricted net position, end of year       | <u>\$ 361,546</u> | <u>\$ 529,911</u> | <u>\$ 679,139</u> | <u>\$ 295,083</u> | <u>\$ 1,484,558</u> | <u>\$ 604,538</u> | <u>\$ 406,448</u> |

**NYC Neighborhood Capital Corporation**  
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**SUPPLEMENTARY SCHEDULE 1 (CONTINUED)**  
**STATEMENT OF ACTIVITIES BY PROJECT**  
For the year ended June 30, 2026

|                                              | Sub-CDE 12        | Sub-CDE 13        | Sub-CDE 14        | Sub-CDE 15        | Sub-CDE 16        | Sub-CDE 17        | Sub-CDE 18        |
|----------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Operating revenues                           |                   |                   |                   |                   |                   |                   |                   |
| NMTC asset management fees                   | \$ 35,000         | \$ 27,500         | \$ 75,000         | \$ 65,000         | \$ 63,500         | \$ 44,000         | \$ 65,000         |
| NMTC incentive management fees               | 2,467             | 975               | -                 | 4,975             | 4,975             | 4,975             | 4,474             |
| Other income - Sub-CDEs                      | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Total operating revenues                     | <u>37,467</u>     | <u>28,475</u>     | <u>75,000</u>     | <u>69,975</u>     | <u>68,475</u>     | <u>48,975</u>     | <u>69,474</u>     |
| Operating expenses                           |                   |                   |                   |                   |                   |                   |                   |
| Other expenses                               | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Total operating expenses                     | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>          |
| Operating income                             | <u>37,467</u>     | <u>28,475</u>     | <u>75,000</u>     | <u>69,975</u>     | <u>68,475</u>     | <u>48,975</u>     | <u>69,474</u>     |
| Non-operating revenues                       |                   |                   |                   |                   |                   |                   |                   |
| Interest income                              | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Investment income                            | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Total non-operating revenues                 | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>          |
| Change in unrestricted net position          | <u>37,467</u>     | <u>28,475</u>     | <u>75,000</u>     | <u>69,975</u>     | <u>68,475</u>     | <u>48,975</u>     | <u>69,474</u>     |
| Unrestricted net position, beginning of year | <u>283,030</u>    | <u>177,288</u>    | <u>506,667</u>    | <u>417,128</u>    | <u>418,492</u>    | <u>285,342</u>    | <u>382,227</u>    |
| Unrestricted net position, end of year       | <u>\$ 320,497</u> | <u>\$ 205,763</u> | <u>\$ 581,667</u> | <u>\$ 487,103</u> | <u>\$ 486,967</u> | <u>\$ 334,317</u> | <u>\$ 451,701</u> |

**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, 2026

|                                              | Sub-CDE 19        | Sub-CDE 20        | Sub-CDE 21        | Management<br>&<br>General | Total                |
|----------------------------------------------|-------------------|-------------------|-------------------|----------------------------|----------------------|
| <b>Operating revenues</b>                    |                   |                   |                   |                            |                      |
| NMTC asset management fees                   | \$ 70,000         | \$ 115,320        | \$ 50,000         | \$ -                       | \$ 1,008,389         |
| NMTC incentive management fees               | 4,975             | 5,000             | 4,757             | (358)                      | 64,337               |
| Other income - Sub-CDEs                      | -                 | -                 | -                 | 250                        | 281                  |
| Total operating revenues                     | <u>74,975</u>     | <u>120,320</u>    | <u>54,757</u>     | <u>(108)</u>               | <u>1,073,007</u>     |
| <b>Operating expenses</b>                    |                   |                   |                   |                            |                      |
| Other expenses                               | -                 | -                 | -                 | 28,213                     | 28,213               |
| Total operating expenses                     | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>28,213</u>              | <u>28,213</u>        |
| Operating income                             | 74,975            | 120,320           | 54,757            | (28,321)                   | 1,044,794            |
| <b>Non-operating revenues</b>                |                   |                   |                   |                            |                      |
| Interest income                              | -                 | -                 | -                 | 64,653                     | 64,653               |
| Investment income                            | -                 | -                 | -                 | 338,414                    | 338,414              |
| Total non-operating revenues                 | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>403,067</u>             | <u>403,067</u>       |
| Change in unrestricted net position          | 74,975            | 120,320           | 54,757            | 374,746                    | 1,447,861            |
| Unrestricted net position, beginning of year | 409,833           | 517,500           | 237,639           | 3,539,623                  | 11,110,770           |
| Unrestricted net position, end of year       | <u>\$ 484,808</u> | <u>\$ 637,820</u> | <u>\$ 292,396</u> | <u>\$ 3,914,369</u>        | <u>\$ 12,558,631</u> |

**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, 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 |

**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, 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 |

**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, 2025

|                                              | Sub-CDE 17 | Sub-CDE 18 | Sub-CDE 19 | Sub-CDE 20 | Sub-CDE 21 | Management<br>&<br>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 |



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, 2026, 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 23, 2026.

### **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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

A handwritten signature in blue ink that reads "Novogradac & Company LLP". The signature is written in a cursive, flowing style.

San Francisco, California  
September 23, 2026