



**New York City Energy Efficiency Corporation**

**Financial Statements  
(Together with Independent Auditors' Report)**

**Years Ended June 30, 2025 and 2024**

**NEW YORK CITY ENERGY EFFICIENCY CORPORATION**

**FINANCIAL STATEMENTS**  
**(Together with Independent Auditors' Report)**

**YEARS ENDED JUNE 30, 2025 AND 2024**

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
New York City Energy Efficiency Corporation  
New York, NY

### **Opinion**

We have audited the financial statements of New York City Energy Efficiency Corporation ("NYCEEC"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of NYCEEC as of June 30, 2025 and 2024, and the changes in its net assets 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 ("GAAS"). 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 NYCEEC 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 NYCEEC'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 NYCEEC'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.

*CBIZ CPAs P.C.*

West Conshohocken, PA  
October 30, 2025

**NEW YORK CITY ENERGY EFFICIENCY CORPORATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (Notes 2G, 3 and 4)	\$ 6,433,256	\$ 10,566,103
Cash and cash equivalents designated for lending (Notes 3 and 4)	4,187,031	1,645,707
Investments (Notes 2K and 8)	11,731,436	6,059,806
Government grants receivable (Notes 2I, 3 and 6)	987,394	669,756
Loans receivable, current portion, net (Notes 2D, 2E, 3 and 7)	7,874,558	8,926,970
Contributions receivable (Notes 2I, 3 and 5)	510,655	253,397
Fees and interest receivable (Notes 2J and 3)	196,921	193,255
Prepaid expenses and other assets	484,438	172,434
<b>Total current assets</b>	<u>32,405,689</u>	<u>28,487,428</u>
<b>Noncurrent assets</b>		
Restricted cash - escrows held (Note 9)	99,378	99,378
Loans receivable less current portion, net (Notes 2D, 2E, 7 and 10)	17,832,151	18,287,189
Property and equipment, net (Notes 2F and 12)	-	1,885
Operating lease right-of-use assets (Notes 2L and 14)	364,222	511,958
<b>Total noncurrent assets</b>	<u>18,295,751</u>	<u>18,900,410</u>
<b>TOTAL ASSETS</b>	<u>\$ 50,701,440</u>	<u>\$ 47,387,838</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses (Note 2H)	\$ 1,187,683	\$ 1,165,674
Payable to participants (Note 10)	1,024,190	3,721,305
Operating lease liabilities (Notes 2L and 14)	174,619	169,667
<b>Total current liabilities</b>	<u>2,386,492</u>	<u>5,056,646</u>
<b>Noncurrent liabilities</b>		
Escrows due (Note 9)	99,378	124,378
Notes payable (Note 13)	22,758,000	15,877,790
Operating lease liabilities (Notes 2L and 14)	240,778	415,397
<b>Total noncurrent liabilities</b>	<u>23,098,156</u>	<u>16,417,565</u>
<b>TOTAL LIABILITIES</b>	<u>25,484,648</u>	<u>21,474,211</u>
<b>COMMITMENTS AND CONTINGENCIES</b> (Note 15)		
<b>NET ASSETS</b> (Note 2B)		
Net assets without donor restrictions	4,133,350	4,014,766
Net assets with donor restrictions (Note 16)	21,083,442	21,898,861
<b>TOTAL NET ASSETS</b>	<u>25,216,792</u>	<u>25,913,627</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 50,701,440</u>	<u>\$ 47,387,838</u>

The accompanying notes are an integral part of these financial statements.

**NEW YORK CITY ENERGY EFFICIENCY CORPORATION**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	For the Year Ended June 30, 2025			For the Year Ended June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total 2025	Without Donor Restrictions	With Donor Restrictions	Total 2024
<b>SUPPORT AND REVENUE</b>						
Contributions (Notes 2I and 5)	\$ 456,943	\$ 703,057	\$ 1,160,000	\$ 25,000	\$ 400,000	\$ 425,000
Government grants (Notes 2I and 6)	1,409,036	-	1,409,036	1,341,679	-	1,341,679
Fee income (Note 2J)	445,584	-	445,584	394,695	-	394,695
Interest from loans receivable (Note 2J)	1,763,795	-	1,763,795	1,775,265	-	1,775,265
Investment activity (Notes 2K and 8)	312,027	-	312,027	256,204	-	256,204
Interest income (Note 2K)	81,223	-	81,223	142,923	-	142,923
Net assets released from restrictions (Notes 2B and 16)	1,518,476	(1,518,476)	-	4,263,879	(4,263,879)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>5,987,084</b>	<b>(815,419)</b>	<b>5,171,665</b>	<b>8,199,645</b>	<b>(3,863,879)</b>	<b>4,335,766</b>
<b>EXPENSES</b> (Note 2C)						
Program services	4,580,317	-	4,580,317	6,286,330	-	6,286,330
Management and administration	1,180,125	-	1,180,125	1,090,630	-	1,090,630
Fundraising	108,058	-	108,058	112,237	-	112,237
<b>TOTAL EXPENSES</b>	<b>5,868,500</b>	<b>-</b>	<b>5,868,500</b>	<b>7,489,197</b>	<b>-</b>	<b>7,489,197</b>
<b>CHANGE IN NET ASSETS</b>	<b>118,584</b>	<b>(815,419)</b>	<b>(696,835)</b>	<b>710,448</b>	<b>(3,863,879)</b>	<b>(3,153,431)</b>
Net assets - beginning of year	4,014,766	21,898,861	25,913,627	3,304,318	25,762,740	29,067,058
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 4,133,350</b>	<b>\$ 21,083,442</b>	<b>\$ 25,216,792</b>	<b>\$ 4,014,766</b>	<b>\$ 21,898,861</b>	<b>\$ 25,913,627</b>

The accompanying notes are an integral part of these financial statements.

**NEW YORK CITY ENERGY EFFICIENCY CORPORATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
(With Summarized Totals for the Year Ended June 30, 2024)

	For the Year Ended June 30, 2025					
	Supporting Services					
	Program Services	Management and Administration	Fundraising	Total Supporting Services	2025 Total	2024 Total
Salaries and wages	\$ 2,150,655	\$ 561,563	\$ 79,820	\$ 641,383	\$ 2,792,038	\$ 2,474,572
Payroll taxes and employee benefits (Note 17)	507,989	132,642	18,854	151,496	659,485	600,039
Total personnel services	2,658,644	694,205	98,674	792,879	3,451,523	3,074,611
Professional and consulting fees	375,282	393,605	-	393,605	768,887	674,600
Occupancy costs, net of refunds (Note 14)	113,173	27,241	3,715	30,956	144,129	186,278
Utilities	6,397	1,540	210	1,750	8,147	6,101
Insurance	40,452	9,737	1,328	11,065	51,517	43,554
Travel, meetings and conferences	19,956	4,803	655	5,458	25,414	29,048
Supplies and office expense	20,117	4,843	660	5,503	25,620	21,019
Telecom, internet and website	60,038	14,451	1,971	16,422	76,460	77,149
Postage and delivery	657	158	22	180	837	376
Minor furniture, equipment and leases	23,589	5,678	774	6,452	30,041	27,050
Payroll and benefits processing fees	-	21,499	-	21,499	21,499	15,726
Finance costs (Note 13)	643,925	2,009	-	2,009	645,934	529,692
Depreciation (Note 12)	1,480	356	49	405	1,885	2,826
Sub grant expense	60,000	-	-	-	60,000	277,500
Total expenses before provision for loan losses	4,023,710	1,180,125	108,058	1,288,183	5,311,893	4,965,530
Provision for credit losses (Notes 2E and 7)	556,607	-	-	-	556,607	2,523,667
Total expenses	\$ 4,580,317	\$ 1,180,125	\$ 108,058	\$ 1,288,183	\$ 5,868,500	\$ 7,489,197

The accompanying notes are an integral part of these financial statements.

**NEW YORK CITY ENERGY EFFICIENCY CORPORATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Program Services</b>	<b>Supporting Services</b>			<b>2024 Total</b>
		<b>Management and Administration</b>	<b>Fundraising</b>	<b>Total Supporting Services</b>	
Salaries and wages	\$ 1,906,894	\$ 486,135	\$ 81,543	\$ 567,678	\$ 2,474,572
Payroll taxes and employee benefits (Note 17)	462,387	117,879	19,773	137,652	600,039
Total personnel services	2,369,281	604,014	101,316	705,330	3,074,611
Professional and consulting fees	277,231	397,369	-	397,369	674,600
Occupancy costs, net of refunds (Note 14)	146,293	34,813	5,172	39,985	186,278
Utilities	4,792	1,140	169	1,309	6,101
Insurance	34,205	8,140	1,209	9,349	43,554
Travel, meetings and conferences	22,813	5,429	806	6,235	29,048
Supplies and office expense	16,507	3,928	584	4,512	21,019
Telecom, internet and website	60,589	14,418	2,142	16,560	77,149
Postage and delivery	296	70	10	80	376
Minor furniture, equipment and leases	21,244	5,055	751	5,806	27,050
Payroll and benefits processing fees	-	15,726	-	15,726	15,726
Finance costs (Note 13)	529,692	-	-	-	529,692
Depreciation (Note 12)	2,220	528	78	606	2,826
Sub grant expense	277,500	-	-	-	277,500
Total expenses before provision for loan losses	3,762,663	1,090,630	112,237	1,202,867	4,965,530
Provision for loan losses (Notes 2E and 7)	2,523,667	-	-	-	2,523,667
Total expenses	<u>\$ 6,286,330</u>	<u>\$ 1,090,630</u>	<u>\$ 112,237</u>	<u>\$ 1,202,867</u>	<u>\$ 7,489,197</u>

The accompanying notes are an integral part of these financial statements.

**NEW YORK CITY ENERGY EFFICIENCY CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (696,835)	\$ (3,153,431)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation	1,885	2,826
Provision for credit losses	556,607	2,523,667
Realized and unrealized gain on investments	(312,027)	(256,204)
Amortization of operating lease right-of-use asset	147,736	143,006
Subtotal	<u>(302,634)</u>	<u>(740,136)</u>
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Government grants receivable	(317,638)	(154,980)
Contributions receivable	(257,258)	324,893
Fees and interest receivable	(3,666)	(19,297)
Prepaid expenses and other assets	(312,004)	(28,584)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	22,009	217,897
Payable to participants	(2,697,115)	3,721,305
Escrows due	(25,000)	-
Unearned revenue	-	(60,734)
Operating lease liabilities	(169,667)	(154,935)
<b>Net Cash (Used in) Provided by Operating Activities</b>	<u>(4,062,973)</u>	<u>3,105,429</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of investments	57,100,000	34,614,192
Purchase of investments	(62,459,603)	(37,047,581)
Interest capitalized	(316,486)	(323,792)
Disbursements of loans	(15,289,428)	(15,460,858)
Repayments of loans	16,556,757	10,412,272
<b>Net Cash Used in Investing Activities</b>	<u>(4,408,760)</u>	<u>(7,805,767)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from notes payable	6,880,210	2,566,000
<b>Net Cash Provided by Financing Activities</b>	<u>6,880,210</u>	<u>2,566,000</u>
<b>NET DECREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	(1,591,523)	(2,134,338)
Cash, cash equivalents and restricted cash – Beginning of year	<u>12,311,188</u>	<u>14,445,526</u>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH – END OF YEAR</b>	<u>\$ 10,719,665</u>	<u>\$ 12,311,188</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid during the year for interest	<u>\$ 607,500</u>	<u>\$ 430,100</u>
<b>Statement of Financial Position Reconciliation:</b>		
Cash and cash equivalents	\$ 6,433,256	\$ 10,566,103
Cash and cash equivalents designated for lending	4,187,031	1,645,707
Restricted cash - escrows held	<u>99,378</u>	<u>99,378</u>
Cash, cash equivalents and restricted cash – End of year	<u>\$ 10,719,665</u>	<u>\$ 12,311,188</u>

The accompanying notes are an integral part of these financial statements.

**NEW YORK CITY ENERGY EFFICIENCY CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES**

New York City Energy Efficiency Corporation (“NYCEEC”) is a non-profit, specialty finance company that delivers financing solutions and advances markets for energy efficiency and clean energy in communities. NYCEEC finances energy efficiency, fuel conversion, EV charging infrastructure, demand response and building-scale renewable energy and storage projects.

On November 29, 2012, NYCEEC received notice from the Internal Revenue Service (“IRS”) that its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code was approved, and it is exempt from federal income taxes. NYCEEC is considered a public charity under Section 170(b)(1)(A)(vi). NYCEEC was incorporated under the laws of the State of New York (the “State”) and is exempt from State and local income and sales taxes.

NYCEEC is governed by a Board of Directors whose membership includes public officials and private individuals.

NYCEEC makes predevelopment construction and permanent loans and provides credit enhancement in the form of loan loss reserves exclusively for energy efficiency and clean energy projects at buildings. NYCEEC also partners with various lending organizations to finance such projects while encouraging best practices with respect to energy efficiency retrofit implementation and ongoing performance monitoring.

NYCEEC’s project loans are primarily funded by Federal funds as well as funds received from the City, State, private banks and philanthropic foundations. NYCEEC’s operations are primarily funded through earnings on its project loans and funds received through the contract with the City and a contract with the State as well as several philanthropic grants that NYCEEC has been awarded since inception.

In accordance with its governing documents, NYCEEC officers have the responsibility to approve or disapprove certain financing transactions while other transactions must be approved by certain members of the Board of Directors.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. *Basis of Accounting***

The accompanying financial statements of NYCEEC have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applicable to not-for-profit organizations as defined by the Financial Accounting Standards Board (“FASB”).

**B. *Basis of Presentation***

NYCEEC is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

*Net Assets Without Donor Restrictions* – include resources that are not subject to donor-imposed stipulations and, therefore, may be expended for any purpose in performing the primary objectives of NYCEEC.

*Net Assets With Donor Restrictions* – include resources subject to donor-imposed stipulations that limit their use either through purpose or time restrictions. When donor restrictions expire, that is, when a time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported as net assets released from restrictions.

**C. *Functional Allocation of Expenses***

The costs of providing NYCEEC’s program and supporting services have been summarized on a functional basis in the accompanying statements of activities and changes in net assets. Accordingly, certain costs have been allocated between program and supporting services benefited. Such allocations are determined by management on an estimated reasonable basis.

The expenses that are allocated include salaries and wages, which were allocated based on management’s estimate of the time spent by each employee in each functional category. The payroll taxes and employee benefits were allocated based on the allocation of staff salaries. Professional and consulting fees were directly applied to a functional category depending on the purpose of the services, and indirect costs are allocated on the basis of staff full time employees.

**NEW YORK CITY ENERGY EFFICIENCY CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Loans Receivable**

Loans receivable are funds utilized for financing clean energy and energy efficiency projects. Loans receivable represent funds drawn by borrowers and any interest capitalized on those funds. Non-capitalized interest on borrowed funds is recognized as interest receivable. The loan terms vary and generally have repayment periods of up to 15 years.

Loans are considered past due when payment of scheduled principal or interest is not received within 30 days from the payment due date. NYCEEC's policy places a loan on non-accrual status when payments of principal or interest are 120 days past due or more unless the loan is in the process of collection and management reasonably expects full collection. Management may place a loan on non-accrual status whether the loan is past due or when it is evident that full payment of the loan is not expected. Interest on non-accrual status loans will not be recognized on an accrual basis from the point they are placed on non-accrual status. A non-accrual loan will be returned to accrual status when all past due payments are brought current and management believes repayment of contractually owed principal and interest is reasonably assured.

**E. Provision for Credit Losses**

On July 1, 2023, NYCEEC adopted ASU 2016-13, *Financial Instruments – Credit Losses*, (Topic 326), *Measurement of Credit Losses on Financial Instruments* ("ASC 326"). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the CECL methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current condition, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost which will be presented at the net amount expected to be collected by using an allowance for credit losses.

NYCEEC establishes a provision for credit losses based on an analysis of receivables deemed uncollectible. NYCEEC's policy is based on its internal evaluation of the individual loans and their associated risk which includes reviewing historical collection data, evaluation of current overall economic conditions and client credit conditions and future projections. These amounts are recorded in the accompanying financial statements under loans receivable or fees and interest receivable, as applicable (see Note 7).

As of June 30, 2025 and 2024, the accompanying financial statements included provisions for loan losses of \$1,062,961 and \$3,109,961, respectively. During the years ended June 30, 2025 and 2024, NYCEEC loan interest from borrowers deemed uncollectible amounted to \$0 and \$3,109,518, respectively, and is offset against interest income. The provision for credit losses for the years ended June 30, 2025 and 2024 amounted to \$556,607 and \$2,523,667, respectively.

The following table summarizes the activity related to the allowance for credit losses for the years ended June 30, 2025 and 2024, respectively, under the current expected credit loss ("CECL") methodology:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 3,109,961	\$ 37,258,300
Provisions for credit losses	556,607	2,523,667
Provisions for capitalized interest	-	3,109,518
Write-offs	<u>(2,603,607)</u>	<u>(39,781,524)</u>
Balance, end of year	<u>\$ 1,062,961</u>	<u>\$ 3,109,961</u>

During the years ended June 30, 2025 and 2024, NYCEEC wrote off \$2,603,607 and \$39,781,524, respectively, of loans receivable against the allowance for loan receivables.

**NEW YORK CITY ENERGY EFFICIENCY CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. *Property and Equipment***

It is NYCEEC's policy to capitalize property and equipment with a cost over \$5,000 and a useful life of at least three years. Property and equipment are stated at their original costs or at their fair values at the dates of donation. Depreciation is provided using the straight-line method over the estimated useful lives. Expenditures for leasehold improvements are capitalized and amortized using the straight-line method over the lease term.

**G. *Cash and Cash Equivalents***

For purposes of the statements of cash flows, NYCEEC considers all highly liquid investments available for current use with an initial or remaining maturity of three months or less to be cash equivalents.

**H. *Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

**I. *Accounting for Government Grants and Contributions***

Contribution revenue is recorded at fair value when the donor makes an unconditional promise to give. Amounts are recorded as with donor restrictions if they have donor stipulations that limit the use of the donated asset. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Grant funds are released from restriction as eligible operating and capital expenses are incurred. When both restricted and unrestricted resources are available for use, it is NYCEEC's policy to use restricted resources first, and then unrestricted resources as they are needed.

Contributions to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved, unless deemed to be *de minimis*.

Government grant funds from the City used to capitalize NYCEEC's revolving loan fund and loan loss reserve fund are recorded as grant revenue when committed and funding is certain. Expense driven grants are recognized as revenue when qualifying expenses have been incurred and all other grant requirements have been met. Government grant funds received prior to qualifying expenses being incurred are recorded as unearned revenue.

Government grants receivable consists of eligible costs under government grants that were incurred prior to the fiscal year-end and funds committed for the loan fund and loan loss reserve fund for which payment has not been received.

Grants are recognized as revenue when barriers within the contract are overcome, and there is no right of return. Government grants amounted to \$1,409,036 and \$1,341,679 for the years ended June 30, 2025 and 2024, respectively, and are included in the statements of activities and changes in net assets.

As of June 30, 2025 and 2024, NYCEEC received conditional grants and contracts from government agencies with balances of approximately \$108,000 and \$238,000, respectively. Such grants have not been recognized in the accompanying financial statements as they are for future periods and will be recognized when contract barriers are overcome. Such barriers include expending these funds in accordance with their agreements. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and contracts and NYCEEC may be required to return the funds already remitted.

**NEW YORK CITY ENERGY EFFICIENCY CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. *Fee Income and Interest Receivable***

Program revenue includes income from interest and fees on loans and loan loss reserve transactions. Such income is recognized when earned. Fees are due and payable when earned.

When interest is capitalized during the construction period, it is reflected as loans receivable. Interest is due and payable monthly or quarterly based on the amortization schedule shared with the borrower.

**K. *Investments***

Investments are measured at fair value. Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 8. All of NYCEEC's investments are short-term U.S. Treasury bills.

**L. *Leases***

Effective July 1, 2022, NYCEEC adopted the guidance under FASB Accounting Standards Codification 842, *Leases* ("ASC 842") which required the recognition of right-of-use ("ROU") assets and lease liabilities on the statements of financial position.

NYCEEC elected the available practical expedients to account for the existing operating lease as an operating lease under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

NYCEEC also elected two other available practical expedients. NYCEEC elected to use a risk-free discount rate for the initial and subsequent measurement of the lease liability when the rate implicit in the lease is not readily available. NYCEEC also elected to exclude leases that, at inception, have a lease term of 12 months or less from recognition on the statements of financial position. The related rent payments on these leases are expensed as incurred.

NYCEEC determines if an arrangement is or contains a lease at inception. Leases are included in ROU assets and lease liabilities in the statements of financial position as of June 30, 2025 and 2024. ROU assets and lease liabilities reflect the present value of future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. NYCEEC does not report ROU assets and lease liabilities for its short-term leases (leases with a remaining term of 12 months or less from the later of lease inception or Topic 842 adoption). Instead, the lease payments of those leases are reported as lease expenses on a straight-line basis over the lease term.

**NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES**

As of June 30, 2025, NYCEEC had working capital of approximately \$30.0 million and a current ratio of approximately 13.6. At year end, unrestricted cash and cash equivalents of approximately \$6.4 million represented 377 days of cash on hand based on the fiscal year 2026 operating budget, with the majority of these funds intended for lending. NYCEEC additionally had short-term loan receivables of approximately \$7.9 million. An additional \$4.3 million in cash and cash equivalents is designated specifically for lending purposes.

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**NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)**

The following tables show the total financial assets held and the amounts of those financial assets that could be made readily available within one year of the statements of financial position date to meet general expenditures as of June 30:

Financial assets available to meet general expenditures over the next 12 months are as follows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 6,433,256	\$ 10,566,103
Cash and cash equivalents designated for lending	4,187,031	1,645,707
Investments	11,731,436	6,059,806
Government grants receivable	987,394	669,756
Contributions receivable	510,655	253,397
Fees and interest receivable	196,921	193,255
Loans receivable, current portion, net	<u>7,874,558</u>	<u>8,926,970</u>
	31,921,251	28,314,994
Less: contributions receivable with donor restrictions	<u>(500,000)</u>	<u>(225,000)</u>
	<u>\$ 31,421,251</u>	<u>\$ 28,089,994</u>

NYCEEC also had \$10,242,000 of available funds to draw from revolving notes with lenders (see Note 13).

**NOTE 4 – CASH AND CASH EQUIVALENTS**

As of June 30, 2025, NYCEEC's bank balance was \$10,660,862, of which \$250,000 was covered by Federal Deposit Insurance Corporation ("FDIC") insurance, and \$10,410,862 was fully collateralized under a pledge and assignment agreement with JP Morgan Chase. As of June 30, 2025 there is no uncollateralized amount.

**NOTE 5 – CONTRIBUTIONS**

NYCEEC was awarded a total of \$1,160,000 and \$425,000 in private foundation funding during the years ended June 30, 2025 and 2024, respectively. Since inception, NYCEEC has been awarded approximately \$11.9 million in private foundation funding. As of June 30, 2025 and 2024, the outstanding receivable balance amounted to \$510,655 and \$253,397, respectively.

**NOTE 6 – GOVERNMENT GRANTS AND CONTRACTS**

In 2011, NYCEEC was awarded an allocation from the City under the Energy Efficiency and Conservation Block Grant Program ("EECBG") in the amount of \$37.5 million, which was received in full; of this amount, a total of \$32.8 million was used to capitalize a revolving loan fund and loan loss reserve fund and has been recorded as grant revenue in prior periods.

The City committed to funding NYCEEC an additional \$8.2 million over three years, beginning June 2015 for additional clean energy financing and related services, of which \$5 million was used to capitalize a revolving loan fund and has been recorded as revenue in the statements of activities and changes in net assets in previous years. In 2017, the City committed \$3.9 million over a five-year period and in 2020 committed \$3.8 million over a three-year period to additional clean energy financing and related services. As of June 30, 2025 and 2024, \$987,394 and \$669,756, respectively, was included in government grants receivable on the accompanying financial statements for expenditures incurred. The City may make further allocations to NYCEEC upon request and submission.

As of June 30, 2025 and 2024, net assets received under the contract with the City and restricted for purposes of the revolving loan fund and loan loss reserve fund were approximately \$20.2 million and \$21.4 million, respectively (see Note 16). For the years ended June 30, 2025 and 2024, approximately \$0.6 million and \$2.6 million, respectively, of loan funding from the City was released from restrictions to cover the provision for credit losses on anticipated uncollectible loans receivable funded by the City.

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**NOTE 7 – LOANS AND COLLATERAL COMMITMENTS**

**A. *Loans and Collateral Commitments***

NYCEEC has received federal grants and a private grant that are to be utilized for financing clean energy and energy efficiency. NYCEEC has also secured participant lenders and other borrowing facilities to fund its project loan portfolio. Through June 30, 2025, NYCEEC has closed one-hundred sixty-two financing transactions, totaling approximately \$160 million. These one-hundred sixty-two transactions have consisted of six loan loss reserve transactions totaling \$12.2 million and one-hundred fifty-six loans totaling \$147.8 million since inception.

Of the \$147.8 million in NYCEEC loan commitments, \$136.2 million has been drawn by borrowers through June 30, 2025 and approximately \$11.6 million remains to be drawn. In fiscal year 2025, interest of approximately \$0.3 million was capitalized and added to principal. NYCEEC collected approximately \$16.6 million in principal repayments in fiscal year 2025.

Loans receivable consists of the following as of June 30:

	<u>2025</u>	<u>2024</u>
Loans receivable, beginning	\$ 37,551,085	\$ 70,857,681
Loan disbursements	22,076,450	13,456,032
Interest capitalization	316,486	3,433,311
Loan write-offs	(2,600,000)	(39,783,667)
Loan repayments	<u>(16,556,757)</u>	<u>(10,412,272)</u>
Loans receivable, ending	40,787,264	37,551,085
Less: allowance	(1,062,961)	(3,109,961)
Less: loans serviced on behalf of third parties	<u>(14,017,594)</u>	<u>(7,226,965)</u>
Loans receivable, net	<u>\$ 25,706,709</u>	<u>\$ 27,214,159</u>

The following is a summary of the scheduled principal repayments to be received on all of NYCEEC's loans (before the provision for uncollectible amounts) as of June 30:

	<u>2025</u>	<u>2024</u>
Due in less than one year	\$ 10,557,761	\$ 12,000,680
Due within one to five years	11,314,416	11,571,272
Due after five years	<u>18,915,087</u>	<u>13,979,133</u>
	<u>\$ 40,787,264</u>	<u>\$ 37,551,085</u>

**B. *Concentrations***

Borrowers with outstanding balances in excess of 10% of the gross loans receivable accounted for approximately 34% of the portfolio as of each of the years ended June 30, 2025 and 2024. As of June 30, 2025, the largest concentrations of loans receivable are with two borrowers across two loans and amount to approximately \$8.5 million and \$6.4 million, representing approximately 20% and 14%, respectively, of NYCEEC's loan portfolio, net of participations. These two borrowers, net of participation and specific provisions, constituted approximately 20% and 5%, respectively, of NYCEEC's loan portfolio, net of participation and provisions. As of June 30, 2024, the largest concentrations of loans receivable are with two borrowers across two loans and amount to approximately \$8.8 million and \$3.9 million, representing approximately 24% and 10%, respectively, of NYCEEC's loan portfolio, net of participations. These two borrowers, net of participation and specific provisions, constituted 20% and 7%, respectively, of NYCEEC's loan portfolio, net of participation and provisions.

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**NOTE 7 – LOANS AND COLLATERAL COMMITMENTS (Continued)**

**C. Ratings and Provisions**

NYCEEC uses an internal rating system to determine borrower repayment risk and the appropriate provision. The definitions of the rating levels are summarized below, in addition to amounts provisioned based on analysis of specific receivables deemed uncollectible. NYCEEC is party to guarantee programs with two third parties, under which losses on certain approved loans will be covered by these third parties. Provisions calculated do not include amounts serviced on behalf of third parties.

1. Pass provisioned at 2% of outstanding principal balance: The borrower and the loan are both performing fully to projections and project milestones, or better, with no sign of deterioration in any of the major performance criteria.
2. Watch/Attention provisioned at 10% of outstanding principal balance: Deterioration in one or more major financial performance criteria is a trend requiring increased scrutiny and possible intervention with the borrower.
3. Doubtful/Substandard provisioned at 20% of outstanding principal balance: Borrower or loan shows significant deterioration, requiring restructuring and intervention. Negative trends cannot be easily reversed, and payment on the original terms is extremely doubtful.

An analysis of the allowance for credit losses as of June 30, 2025 and 2024 by rating category is summarized as follows:

Classification	Loans Receivable	Provision	June 30, 2025, Net
1	37,771,353	(459,779)	37,311,574
3	3,015,911	(603,182)	2,412,729
	<u>\$ 40,787,264</u>	<u>\$ (1,062,961)</u>	39,724,303
Less: Loans serviced on behalf of third parties			<u>(14,017,594)</u>
Net loans receivable			<u>\$ 25,706,709</u>

Classification	Loans Receivable	Provision	June 30, 2024, Net
Specific	\$ 2,603,610	\$ (2,603,610)	\$ -
1	34,947,475	(506,351)	34,441,124
	<u>\$ 37,551,085</u>	<u>\$ (3,109,961)</u>	34,441,124
Less: Loans serviced on behalf of third parties			<u>(7,226,965)</u>
Net loans receivable			<u>\$ 27,214,159</u>

**NOTE 8 – INVESTMENTS**

As of June 30, 2025 and 2024, investments consist of short-term U.S. Treasury bills which amounted to \$11,731,436 and \$6,059,806, respectively. Investments are subject to market volatility that could change their carrying value in the near term.

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**NOTE 8 – INVESTMENTS (Continued)**

Investment activity consists of the following for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Unrealized gains	\$ 19,581	\$ 91,740
Realized gains	<u>292,446</u>	<u>164,464</u>
	<u>\$ 312,027</u>	<u>\$ 256,204</u>

In determining the fair value, NYCEEC utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value.

The fair value hierarchy defines three levels as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Investments in equities, fixed income mutual funds and money market funds are valued using market prices in active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets. Investments in corporate bonds and government securities are valued using quoted prices in inactive markets (Level 2). Level 2 instrument valuations are obtained from similar assets or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

NYCEEC's financial assets carried at fair value as of June 30, 2025 and 2024 were classified as Level 1 and amounted to \$11,731,436 and \$6,059,806, respectively.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period. For the years ended June 30, 2025 and 2024, there were no transfers in or out of levels 1, 2 or 3.

**NOTE 9 – ESCROWS HELD AND ESCROWS DUE**

Two NYCEEC borrowers have contributed funds to capitalize certain loss reserves in respect of financed projects. The first borrower makes monthly payments to fund reserve balances and quarterly principal and interest payments on the loan. During each of the years ended June 30, 2025 and 2024, there were no payments or interest accrued. To the extent that such funds are not used to repay any amounts owed and unpaid to NYCEEC under the loan agreement, a portion will be returned to the borrower on an annual basis and the balance at the term of the transaction, based on the loan agreement. The second borrower has funded certain reserves during construction of approximately \$99,000 as per schedules established in the associated loan agreements. As of both June 30, 2025 and 2024, such reserves are held in escrow in respect of the financed projects.

**NEW YORK CITY ENERGY EFFICIENCY CORPORATION**  
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**NOTE 10 – LOANS SERVICED ON BEHALF OF THIRD PARTIES**

Pursuant to contractual arrangements with five third-party participants to co-fund project loans, \$8,096,552 and \$2,709,300 has been contributed by private investors in accordance with loan terms during the years ended June 30, 2025 and 2024, respectively. The total loan participations services on behalf of third parties as of June 30, 2025 and 2024 were \$14,017,594 and \$7,226,965, respectively. This is recognized as a reduction of loans receivable (Note 7). As of June 30, 2025 and 2024, total loan participation payable to third-party participants amounted to \$1,024,190 and \$3,721,305, respectively.

**NOTE 11 – RISK MANAGEMENT**

NYCEEC has standard commercial insurance coverage to mitigate typical operational risk.

NYCEEC extends financing for both clean energy and energy efficiency retrofit projects and, in this capacity, NYCEEC is exposed to the risk of non-payment of fees, interest and return of principal. In cooperation with its Board of Directors and consultants, NYCEEC has instituted transaction-specific underwriting standards, due diligence and credit approval procedures, and monitoring procedures to mitigate these risks.

**NOTE 12 – PROPERTY AND EQUIPMENT, NET**

Property and equipment consisted of the following as of June 30:

	<u>2025</u>	<u>2024</u>	<u>Estimated Useful Lives</u>
Furniture and fixtures	\$ 13,169	\$ 13,169	5 Years
Software	35,493	35,493	3 Years
Computers and equipment	<u>105,552</u>	<u>105,552</u>	3 Years
Total cost	154,214	154,214	
Less: accumulated depreciation	<u>(154,214)</u>	<u>(152,329)</u>	
Net book value	<u>\$ -</u>	<u>\$ 1,885</u>	

Depreciation expense amounted to \$1,885 and \$2,826, respectively, for the years ended June 30, 2025 and 2024.

**NOTE 13 – NOTES PAYABLE**

On July 1, 2016, NYCEEC entered into an agreement with the MacArthur Foundation for a term-loan program related investment in the amount of \$5 million, which may be drawn through June 30, 2018 and which matures July 1, 2031 with interim payments due July 1, 2029, 2030 and 2031. Interest accrues on amounts borrowed under the note at 1% per annum and is paid quarterly. As of June 30, 2025 and 2024, NYCEEC had drawn \$5 million under the note. This amount is included in notes payable – noncurrent.

On July 26, 2016, NYCEEC entered into an agreement with Deutsche Bank for a revolving loan facility in the amount of \$5 million, and most recently amended the agreement on December 14, 2024. The loan may be drawn through December 14, 2025, with the entire unpaid principal balance and any unpaid accrued interest due at the maturity date of December 14, 2027. Interest accrues on amounts borrowed under the note at the Secured Overnight Financing Rate (“SOFR”) + 2.30% per annum, and is paid quarterly. The facility is subject to an unused facility fee, which accrues on amounts committed, but unborrowed at fifteen hundredths of one percent (0.15%) and is paid quarterly. As of June 30, 2025 and 2024, NYCEEC has a balance under the note of \$2.7 million. This amount is included in notes payable – noncurrent.

On June 2, 2022, NYCEEC entered into agreements with NY Green Bank for a multi-draw loan facility in the amount of \$5 million, with the entire unpaid principal balance and any unpaid accrued interest due at the maturity date of June 2, 2032. This agreement was amended on June 5, 2023 to increase the multi-draw loan facility to \$10 million. Interest accrues on amounts borrowed under the note at 1.5% per annum and is paid quarterly. As of June 30, 2025 and 2024, NYCEEC had drawn approximately \$10 million and \$8.2 million, respectively, under the note. This amount is included in notes payable – noncurrent. As of June 30, 2025, there is \$10 million outstanding.

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**NOTE 13 – NOTES PAYABLE (Continued)**

On January 16, 2025, NYCEEC entered into agreements with JP Morgan Chase New Markets Corporation for a multi-draw loan facility in the amount of \$10 million, which matures January 16, 2035. Interim payments can be equally spaced, on request, over eight quarterly payments starting April 2033 and ending on the maturity date. Interest accrues on amounts borrowed under the note at 3% per annum. As of June 30, 2025, NYCEEC had drawn approximately \$2.1 million under the note. This amount is included in notes payable – noncurrent. As of June 30, 2025, there is \$2.1 million outstanding.

On April 17, 2025, NYCEEC entered into agreements with ETSY Impact Fund, LLC for a term loan facility in the amount of \$3 million, which matures April 1, 2030 with interim payments due April 1, 2029 and October 1, 2029. Interest accrues on amounts borrowed under the note at 3% per annum. As of June 30, 2025, NYCEEC had drawn approximately \$3.0 million under the note. This amount is included in notes payable – noncurrent. As of June 30, 2025, there is \$3.0 million outstanding.

These notes payable are all subject to certain financial and non-financial covenants as required by the respective lenders.

As of June 30, 2025 and 2024, NYCEEC has total notes payable of approximately \$22.8 million and \$15.9 million, respectively. Interest expense for the years ended June 30, 2025 and 2024 amounted to \$623,606 and \$469,774, respectively, and is included in finance costs in the accompanying statements of functional expenses.

Principal payments on notes payable for the fiscal years ended subsequent to June 30, 2025 are as follows:

2026	\$ -
2027	-
2028	2,700,000
2029	750,000
2030	3,250,000
Thereafter	<u>16,058,000</u>
	<u>\$ 22,758,000</u>

**NOTE 14 – LEASE**

NYCEEC leases a facility under a long-term non-cancelable operating lease agreement which expires in October 2027. NYCEEC assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. For the years ended June 30, 2025 and 2024, the lease liabilities were calculated utilizing the risk-free rate in effect at the initial adoption date of July 1, 2022.

The following table summarizes the supplemental cash flow information for the years ended June 30:

Cash paid for amounts included in the measurement of lease liabilities is as follows:

	<u>2025</u>	<u>2024</u>
Operating cash flows from operating leases	<u>\$ 183,848</u>	<u>\$ 173,843</u>

The weighted-average discount rate is based on the risk-free rate. NYCEEC has elected the option to use the risk-free rate determined by using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable.

The following summarizes the remaining lease term and discount rate as of June 30:

Remaining lease term in years:

	<u>2025</u>	<u>2024</u>
Operating leases	<u>2.33</u>	<u>3.33</u>

Discount rate:

	<u>2025</u>	<u>2024</u>
Operating leases	<u>2.88%</u>	<u>2.88%</u>

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**NOTE 14 – LEASE (Continued)**

As of June 30, 2025 and 2024, the ROU asset balance totaled \$364,222 and \$511,958, respectively, and lease liabilities totaled \$415,397 and \$585,064, respectively, as shown on the accompanying statements of financial position. Future minimum payments for non-cancelable leases for the remaining years ending after June 30, 2025 are as follows:

	<u>Operating Leases</u>
2026	\$ 183,848
2027	183,848
2028	<u>61,283</u>
Total lease payments	428,979
Less: present value discount	<u>(13,582)</u>
Present value of lease liabilities	<u>\$ 415,397</u>

Rent expense for the years ended June 30, 2025 and 2024 amounted to \$161,916, and is included in occupancy costs, net of refunds in the accompanying statements of functional expenses.

**NOTE 15 – COMMITMENTS AND CONTINGENCIES**

**A. *Contingencies for Future Audits by Governmental Funding Sources***

Pursuant to NYCEEC's contractual relationships with its governmental funding sources, governmental agencies have the right to examine NYCEEC's books and records involving transactions relating to these contracts. The accompanying financial statements make no provision for possible disallowances.

**B. *Income Taxes***

NYCEEC believes it had no uncertain tax positions as of June 30, 2025 and 2024 in accordance with FASB ASC Topic 740 ("Income Taxes"), which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

**NOTE 16 – NET ASSETS WITH DONOR RESTRICTIONS**

For the years ended June 30, 2025 and 2024, net assets with donor restrictions amounted to \$21,083,442 and \$21,898,861, respectively. Of this amount, \$863,324 and \$536,329, respectively, has been received from private sources to fund future NYCEEC operations and \$20,220,118 and \$21,362,532, respectively, is intended to fund the revolving loan fund and loan loss reserve fund.

Net assets with donor restrictions were restricted for the following as of June 30:

	<u>2025</u>	<u>2024</u>
Revolving loan and loan loss reserve fund	\$ 20,220,118	\$ 21,362,532
Time restrictions	<u>863,324</u>	<u>536,329</u>
Net book value	<u>\$ 21,083,442</u>	<u>\$ 21,898,861</u>

During the years ended June 30, 2025 and 2024, \$1,518,476 and \$4,263,879, respectively, in allowable expenditures satisfied donor restrictions. During the years ended June 30, 2025 and 2024, these amounts included approximately \$0.6 and \$2.6 million, respectively, in funding released to cover the provision for credit losses on anticipated uncollectible loans receivable. Such amounts are recorded as net assets released from restrictions in the accompanying statements of activities and changes in net assets.

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**NOTE 17 – RETIREMENT PLAN**

NYCEEC maintains a contributory, defined-contribution 401(k) plan covering all employees who meet specific eligibility requirements. The plan is an elective, deferred-salary arrangement. NYCEEC makes safe-harbor contributions matching employee contributions up to 3% of salary and half of employee contributions between 3% and 5%. Employee contributions and employer safe-harbor contributions are considered fully vested. NYCEEC may elect to make additional matching contributions on behalf of employees. Additional matching contributions are considered fully vested after six years of service. During the years ended June 30, 2025 and 2024, NYCEEC contributions into the 401(k) plan on behalf of active employees totaled \$97,093 and \$96,252, respectively, and are included in payroll taxes and employee benefits in the accompanying financial statements.

**NOTE 18 – SUBSEQUENT EVENTS**

NYCEEC has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through October 30, 2025, the date the financial statements were available to be issued.