ASIAN AMERICANS FOR EQUALITY, INC.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
(TOGETHER WITH INDEPENDENT AUDITORS' REPORT)

For the Years Ended December 31, 2025 and 2024

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CBIZ CPAs P.C.

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Independent Auditors' Report

The Board of Directors of
Asian Americans for Equality, Inc. and Subsidiaries

Opinion

We have audited the consolidated financial statements of Asian Americans for Equality, Inc. and Subsidiaries (collectively, the "Agency"), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

We did not audit the financial statements of Norfolk Apartments Limited Partnership ("Norfolk"), an affiliate of Asian American Housing Development Fund Company, Inc. ("AAHDFC"), whose statements reflect total assets of $1,702,228 and $1,823,925 as of December 31, 2025 and 2024, respectively, and total revenues of $365,168 and $331,858, respectively, for the years then ended, or 0.8% and 1% for 2025, and 0.9% and 0.8% for 2024, respectively, for the years then ended. We also did not audit the financial statements of Norfolk II Apartments Limited Partnership ("Norfolk II"), an affiliate of AAHDFC, whose statements reflect total assets of $3,555,972 and $3,770,346 as of December 31, 2025 and 2024, respectively, and total revenues of $731,819 and $708,710, respectively, for the years then ended, or 1.6% and 2.4% for 2025 and 1.8% and 1.6% for 2024, respectively, for the years then ended. We also did not audit the financial statements of Downtown Manhattan Community Development Corporation ("DMCDC"), a subsidiary, whose statements reflect total assets of $1,997,935 and $2,208,157 as of December 31, 2025 and 2024, respectively, and total revenues of $867,339 and $852,353, or 0.9% and 3.0% for 2025, and 1.1% and 2.0% for 2024, respectively, for the years then ended. We also did not audit the financial statements of East Village Homes Owner LLC ("EVHO"), a subsidiary, whose statements reflect total assets of $26,360,713 and $27,097,933 as of December 31, 2025 and 2024, respectively, and total revenues of $1,057,775 and $892,360, or 11.8% and 4.0% for 2025, and 13.1% and 2.1% for 2024, respectively, for the years then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these entities, is based solely on the reports of the other auditors.

In our opinion, based on our audits and the reports of other auditors, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Agency as of December 31, 2025 and 2024, and the changes in its consolidated net assets and its consolidated 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 Consolidated Financial Statements* section of our report. We are required to be independent of the Agency 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 the Agency'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 consolidated financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency'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.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information (shown on pages 49-53) is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, net assets, and cash flows of the individual organizations, and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects when considered in relation to the consolidated financial statements as a whole.

CBIZ CPAs P.C.

New York, New York
July 2, 2026

ASIAN AMERICANS FOR EQUALITY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents (Notes 2, 3 and 17)	$ 12,444,096	$ 14,739,406
Cash - designated for lending to small businesses (Notes 2, 3 and 17)	5,744,057	6,669,926
Cash - designated for lending (Notes 2, 3 and 17)	642,164	523,466
Cash - designated for lending to affiliates (Notes 2, 3 and 17)	1,971,036	1,352,015
Restricted cash (Notes 2 and 17)	1,135,965	2,519,186
Investments (Notes 2 and 4)	11,491,755	10,530,292
Grants and contributions receivable, net (Notes 2 and 5)	4,066,756	3,833,807
Rent and other receivables, net (Note 2)	2,191,958	542,831
Loans receivable, net (Notes 2, 6 and 17)	4,477,753	3,351,374
Cash - designated for credit loss reserve (Notes 2, 3, 6 and 17)	1,634,086	1,356,284
Real estate held for sale, at cost (Notes 2 and 7)	-	861,040
Prepaid expenses and other assets	1,033,408	916,220
Total Current Assets	46,833,034	47,195,847
Restricted cash (Notes 2 and 17)	4,631,672	2,087,571
Restricted reserve accounts (Notes 2, 10, 11 and 17)	16,932,064	16,338,920
Tenants' security deposits	986,150	951,922
Loans receivable, net (Notes 2, 6 and 17)	7,918,504	8,021,464
Right-of-use asset - operating (Note 16)	2,616,341	2,299,829
Other assets	1,099,959	993,988
Investments in affiliates (Notes 4 and 8)	3,343,202	3,332,423
Property and equipment, net (Notes 2 and 9)	138,421,910	123,936,508
Total Assets	$ 222,782,836	$ 205,158,472

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

ASIAN AMERICANS FOR EQUALITY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

December 31, 2025 and 2024

	2025	2024
Liabilities		
Current Liabilities		
Accounts payable and accrued expenses	$ 5,645,418	$ 2,942,938
Loans payable, net (Note 11)	21,865,515	30,355,311
Mortgages payable, net (Notes 2 and 13)	4,900,708	7,255,301
Lease liability - operating (Note 16)	619,148	657,983
Other liability	876,629	478,040
Total Current Liabilities	33,907,418	41,689,573
Mortgages payable, net (Notes 2 and 13)	99,115,130	87,625,230
Loans payable, net (Note 11)	24,772,933	8,528,947
Bank lines of credit (Note 12)	3,615,195	3,469,518
Refundable advances (Note 2)	2,267,115	2,652,885
Tenants' security deposits	986,150	951,922
Lease liability - operating (Note 16)	2,087,672	1,709,665
Deferred and other payables (Note 2)	3,776,117	3,994,637
Total Liabilities	170,527,730	150,622,377
Commitments and Contingencies (Note 15)		
Net Assets (Note 2)		
Without donor restrictions:		
Non-controlling member's interest	(2,638,025)	(1,281,217)
Undesignated	39,167,307	42,714,698
Board-designated fund for future use	2,250,000	-
Designated for lending activities	11,159,397	10,755,484
Total Net Assets Without Donor Restrictions	49,938,679	52,188,965
With donor restrictions (Notes 2 and 14)	2,316,427	2,347,130
Total Net Assets	52,255,106	54,536,095
Total Liabilities and Net Assets	$ 222,782,836	$ 205,158,472

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

ASIAN AMERICANS FOR EQUALITY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2025 and 2024

	For the Year Ended December 31, 2025			For the Year Ended December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total 2025	Without Donor Restrictions	With Donor Restrictions	Total 2024
Public Support, Revenue and Other						
Contributions and grants	$ 1,160,716	$ 1,075,750	$ 2,236,466	$ 1,203,784	$ 1,002,864	$ 2,206,648
Grants from government agencies (Note 2)	7,489,975	-	7,489,975	7,173,615	-	7,173,615
Real estate sales (net of cost of real estate sales of $861,040 in 2025 and $14,416,933 in 2024) (Notes 2 and 7)	438,960	-	438,960	17,683,067	-	17,683,067
Interest on loans and investments (Notes 2 and 6)	1,947,982	-	1,947,982	1,496,429	-	1,496,429
Management, consulting, and marketing fees	1,693,624	-	1,693,624	1,027,285	-	1,027,285
Rental income (net of vacancy loss of $205,341 in 2025 and $258,605 in 2024)	11,891,272	-	11,891,272	10,871,605	-	10,871,605
Program service, incentives and fees	348,760	-	348,760	1,143,829	-	1,143,829
Special event income (net of expenses of $83,218 in 2025 and $239,070 in 2024)	160,250	-	160,250	178,376	-	178,376
Other income	2,221,813	-	2,221,813	1,274,601	-	1,274,601
Net assets released from restrictions (Note 14)	1,106,453	(1,106,453)	-	2,048,272	(2,048,272)	-
Total Public Support, Revenue and Other	28,459,805	(30,703)	28,429,102	44,100,863	(1,045,408)	43,055,455
Expenses (Note 2)						
Program services:						
Community outreach and education	2,724,711	-	2,724,711	2,912,535	-	2,912,535
Housing, immigration and social services	1,065,510	-	1,065,510	1,453,422	-	1,453,422
Planning and development	1,364,802	-	1,364,802	2,751,997	-	2,751,997
Single family housing development	120,692	-	120,692	184,813	-	184,813
Homeownership loans	351,631	-	351,631	283,159	-	283,159
Homeownership counseling	550,007	-	550,007	473,496	-	473,496
Small business technical assistance and education	2,383,895	-	2,383,895	1,749,984	-	1,749,984
Small business loans	2,575,503	-	2,575,503	2,308,252	-	2,308,252
Affordable housing program services	12,604,622	-	12,604,622	11,878,313	-	11,878,313
Total Program Services	23,741,373	-	23,741,373	23,995,971	-	23,995,971
Supporting services:						
Management and general	5,920,014	-	5,920,014	6,213,125	-	6,213,125
Fundraising	1,062,040	-	1,062,040	668,150	-	668,150
Total Expenses	30,723,427	-	30,723,427	30,877,246	-	30,877,246
Change in Net Assets Before Change in and Transfer of Interest in affiliates	(2,263,622)	(30,703)	(2,294,325)	13,223,617	(1,045,408)	12,178,209
Change in valuation of investment in affiliate	10,379	-	10,379	(249,069)	-	(249,069)
Change in non-controlling interest	2,957	-	2,957	(47,914)	-	(47,914)
Transfer of limited partner's interest in Norfolk II	-	-	-	29,959	-	29,959
Contributions - members' capital	-	-	-	1,573,073	-	1,573,073
Change in Net Assets	(2,250,286)	(30,703)	(2,280,989)	14,529,666	(1,045,408)	13,484,258
Net Assets - Beginning	52,188,965	2,347,130	54,536,095	37,659,299	3,392,538	41,051,837
Net Assets - Ending	$ 49,938,679	$ 2,316,427	$ 52,255,106	$ 52,188,965	$ 2,347,130	$ 54,536,095

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

ASIAN AMERICANS FOR EQUALITY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2025 (With Comparative Totals for 2024)

	For the Year Ended December 31, 2025														
	Program Services														
	Community Outreach and Education	Housing, Immigration and Social Services	Planning and Development	Single Family Housing Development	Homeownership Loans	Homeownership Counseling	Small Business Technical Assistance and Education	Small Business Loans	Affordable Housing Program Services	Total Program Services	Management and General	Fundraising	Consolidating Eliminations	Total 2025	Total 2024
Salaries	$ 1,555,232	$ 639,360	$ 617,074	$ -	$ 131,920	$ 273,548	$ 1,207,835	$ 698,384	$ 2,447,277	$ 7,570,630	$ 2,165,576	$ 410,103	$ -	$ 10,146,309	$ 10,749,374
Payroll taxes and employee benefits (Note 18)	472,962	191,436	162,304	-	41,858	43,438	348,366	201,429	808,538	2,270,331	713,096	116,078	-	3,099,505	2,984,596
Total Salaries and Related Costs	2,028,194	830,796	779,378	-	173,778	316,986	1,556,201	899,813	3,255,815	9,840,961	2,878,672	526,181	-	13,245,814	13,733,970
Consultants and contractual services	145,431	14,856	129,720	405	15,696	16,289	465,491	154,728	348,640	1,291,256	760,955	280,077	-	2,332,288	1,993,382
Stipends	69,042	2,750	-	-	-	-	-	-	-	71,792	-	-	-	71,792	101,474
Supplies	28,888	3,148	451	-	1,898	1,969	148,338	85,771	30,928	301,391	60,744	-	-	362,135	230,710
Postage	-	-	-	-	56	59	469	271	-	855	771	-	-	1,626	5,957
Printing	941	800	-	-	28	29	4,990	2,885	-	9,673	3,187	1,821	-	14,681	21,217
Marketing and outreach	6,845	1,271	307	-	-	-	52,162	30,161	3,040	93,786	17,519	93,023	-	204,328	63,286
Program equipment	59,355	23,338	16,647	-	-	-	-	-	4,922	104,262	134,130	12,604	-	250,996	368,401
Equipment and rental	18,940	5,780	6,569	-	1,650	1,713	3,222	1,863	43,667	83,404	20,763	3,099	-	107,266	106,549
Repairs and maintenance	26,825	10,329	27,798	31,934	33,126	34,377	36,764	21,257	1,102,345	1,324,755	40,668	1,674	(497,926)	869,171	769,880
Rent	186,209	124,029	337,178	-	8,090	8,395	108,696	62,849	280,203	1,115,649	249,205	5,739	(1,059,098)	311,495	280,563
Travel and conference	18,440	1,332	5,801	-	958	994	17,676	16,992	-	62,193	23,776	306	(36,585)	49,690	77,562
Insurance	41,358	14,559	14,612	6,937	8,127	8,434	20,828	12,043	943,401	1,070,299	166,425	3,855	-	1,240,579	1,224,817
Utilities	27,636	12,311	6,409	-	13,140	13,636	10,618	6,139	2,294,207	2,384,096	21,277	1,842	-	2,407,215	2,009,240
Donations / grants	--	-	105,539	1,400,000	-	-	-	-	-	1,505,539	148,005	-	(1,543,283)	110,261	12,191
Public relations	113	28,791	-	-	-	-	-	-	-	28,904	-	1,750	-	30,654	34,437
Dues and subscriptions	257	450	2,905	-	-	-	-	-	-	3,612	12,235	-	-	15,847	18,022
Telephone and internet	-	-	-	-	12,620	13,097	11,112	6,425	55,658	98,912	30,301	-	-	129,213	102,924
Interest expense (Notes 2, 11 and 13)	-	-	45,506	-	37,350	89,233	14,612	250,261	1,355,712	1,792,674	233,966	-	(221,391)	1,805,249	2,404,945
Administration fees	1,583	948	2,605	-	4,957	5,144	52,648	30,442	2,415,661	2,513,988	1,227,781	145,276	(4,009,656)	(122,611)	23,436
Meetings and conferences	13,039	8,850	1,698	-	-	-	-	-	-	23,587	14,105	857	-	38,549	42,047
Fees	-	-	15,390	1,208	945	284	6,883	5,083	177,455	207,248	4,711	-	-	211,959	65,858
Real estate taxes	-	-	3,321	13,826	22,577	23,430	29,311	16,948	627,802	737,215	10,123	-	-	747,338	832,743
Bad debt	-	-	-	-	-	-	-	817,860	90,029	907,889	272,347	-	-	1,180,236	1,374,856
Depreciation and amortization (Notes 2 and 9)	30,818	12,050	12,946	64,812	41,128	42,681	11,198	3,322	2,702,651	2,921,606	918,976	7,480	-	3,848,062	4,022,362
Other	210,221	43,198	5,547	1,570	845	877	96,763	296,314	415,995	1,071,330	211,808	59,674	-	1,342,812	1,195,487
Total Expenses - Before Eliminations	2,914,135	1,139,586	1,520,327	1,520,692	376,969	577,627	2,647,982	2,721,427	16,148,131	29,566,876	7,462,450	1,145,258	(7,367,939)	30,806,645	31,116,316
Less: cost of direct benefit to donors	-	-	-	-	-	-	-	-	-	-	-	(83,218)	-	(83,218)	(239,070)
Allocation of Eliminations	(189,424)	(74,076)	(155,525)	(1,400,000)	(25,338)	(27,620)	(264,087)	(145,924)	(3,543,509)	(5,825,503)	(1,542,436)	-	7,367,939	-	-
Total Expenses	$ 2,724,711	$ 1,065,510	$ 1,364,802	$ 120,692	$ 351,631	$ 550,007	$ 2,383,895	$ 2,575,503	$ 12,604,622	$ 23,741,373	$ 5,920,014	$ 1,062,040	$ -	$ 30,723,427	$ 30,877,246

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

ASIAN AMERICANS FOR EQUALITY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2024

For the Year Ended December 31, 2024

	Program Services													
	Community Outreach and Education	Housing, Immigration and Social Services	Planning and Development	Single Family Housing Development	Homeownership Loans	Homeownership Counseling	Small Business Technical Assistance and Education	Small Business Loans	Affordable Housing Program Services	Total Program Services	Management and General	Fundraising	Consolidating Eliminations	Total
Salaries	$ 1,538,649	$ 787,132	$ 958,260	$ -	$ 117,943	$ 272,723	$ 1,074,789	$ 861,198	$ 2,411,518	$ 8,022,212	$ 2,376,746	$ 350,416	$ -	$ 10,749,374
Payroll taxes and employee benefits (Note 18)	416,974	199,490	215,455	-	40,241	48,454	308,521	247,209	717,312	2,193,656	705,287	85,653	-	2,984,596
Total Salaries and Related Costs	1,955,623	986,622	1,173,715	-	158,184	321,177	1,383,310	1,108,407	3,128,830	10,215,868	3,082,033	436,069	-	13,733,970
Consultants and contractual services	76,201	88,804	208,436	800	12,309	14,821	148,767	171,357	425,143	1,146,638	900,185	112,670	(166,111)	1,993,382
Stipends	98,724	2,750	-	-	-	-	-	-	-	101,474	-	-	-	101,474
Supplies	57,717.00	4,576.00	3,388	-	11	12	53,242	42,662	36,673	198,281	32,402	27	-	230,710
Postage	-	-	4,277	-	52	63	447	358	5	5,202	755	-	-	5,957
Printing	563	440	2,314	-	155	187	5,051	4,046	-	12,756	8,461	-	-	21,217
Marketing and outreach	-	-	1,213	-	-	-	24,162	19,360	-	44,735	11,736	6,815	-	63,286
Program equipment	155,198	69,106	18,009	-	-	-	-	-	1,291	243,604	116,727	8,070	-	368,401
Equipment and rental	11,010	2,111	434	-	1,638	1,972	3,139	2,515	53,592	76,411	29,920	218	-	106,549
Repairs and maintenance	16,903	8,547	460,205	41,442	750	903	24,192	19,385	561,133	1,133,460	72,365	743	(436,688)	769,880
Rent	272,563	170,692	172,945	-	7,441	8,960	89,310	71,562	258,778	1,052,251	193,594	4,658	(969,940)	280,563
Travel and conference	34,731	794	102	-	1,316	1,584	9,842	9,814	-	58,183	19,379	-	-	77,562
Insurance	33,412	18,743	113,641	4,492	6,640	7,996	20,477	16,408	825,160	1,046,969	176,609	1,239	-	1,224,817
Utilities	24,010	10,085	34,924	-	10,860	13,077	8,595	6,887	1,892,235	2,000,673	27,122	1,482	(20,037)	2,009,240
Donations / grants	1,960	11,133,065	-	-	-	-	-	-	-	11,135,025	2,408,465	691	(13,531,990)	12,191
Public relations	7,813	23,624	-	-	-	-	-	-	-	31,437	3,000	-	-	34,437
Dues and subscriptions	3,405	385	1,165	-	-	-	-	-	-	4,955	13,067	-	-	18,022
Telephone and internet	-	-	3,652	-	10,283	12,383	8,133	6,517	43,633	84,601	27,187	-	(8,864)	102,924
Interest expense (Notes 2H, 11 and 13)	-	79,389	394,816	60,614	27,361	57,539	--	192,498	1,641,482	2,453,699	361,174	692	(410,620)	2,404,945
Administration fees	22,762	9,667	8,283	-	2,721	3,277	51,284	41,092	1,717,115	1,856,201	1,349,987	86,377	(3,269,129)	23,436
Meetings and conferences	21,800	3,940	912	-	-	-	-	-	-	26,652	15,395	-	-	42,047
Fees	-	1,384	12,698	13,554	1,660	642	8,056	6,454	146,290	190,738	7,426	-	(132,306)	65,858
Real estate taxes	-	-	73,056	-	21,389	25,755	27,890	22,347	550,236	720,673	128,325	-	(16,255)	832,743
Bad debt	40,141	-	66,316	-	17,561	-	-	741,128	134,163	999,309	375,547	-	-	1,374,856
Depreciation and amortization (Notes 2G and 9)	3,614	-	176,055	64,810	38,711	46,612	28,926	23,177	2,667,169	3,049,074	973,288	-	-	4,022,362
Other	268,182	30,117	53,420	14,204	3,560	4,285	12,897	10,334	352,624	749,623	198,395	247,469	-	1,195,487
Total Expenses - Before Eliminations	3,106,332	12,644,841	2,983,976	199,916	322,602	521,245	1,907,720	2,516,308	14,435,552	38,638,492	10,532,544	907,220	(18,961,940)	31,116,316
Less: cost of direct benefit to donors	-	-	-	-	-	-	-	-	-	-	-	(239,070)	-	(239,070)
Allocation of Eliminations	(193,797)	(11,191,419)	(231,979)	(15,103)	(39,443)	(47,749)	(157,736)	(208,056)	(2,557,239)	(14,642,521)	(4,319,419)	-	18,961,940	-
Total Expenses	$ 2,912,535	$ 1,453,422	$ 2,751,997	$ 184,813	$ 283,159	$ 473,496	$ 1,749,984	$ 2,308,252	$ 11,878,313	$ 23,995,971	$ 6,213,125	$ 668,150	$ -	$ 30,877,246

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

ASIAN AMERICANS FOR EQUALITY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Change in net assets	$ (2,280,989)	$ 13,484,258
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	3,848,062	4,022,362
Amortization of deferred financing costs	55,562	48,823
Bad debt	1,180,236	1,374,856
Loss on disposal of property	52,438	-
Gain on sale of real estate	(438,960)	(17,683,067)
Right-of-use asset amortization	706,150	679,088
Subtotal	3,122,499	1,926,320
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Tenants' security deposits	(34,228)	(198,281)
Grants and contributions receivable	(595,325)	(2,772,886)
Rent and other receivables	(1,649,127)	1,084,059
Investments in affiliates	(10,779)	(2,588,315)
Prepaid expenses and other assets	(117,188)	(26,699)
Other assets	(105,971)	99,264
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	2,702,480	(575,658)
Tenants' security deposits	34,228	198,281
Refundable advances	(385,770)	(1,312,786)
Operating lease liabilities	(683,490)	(668,348)
Other liability	398,589	385,707
Deferred and other payables	(218,520)	196,605
Net Cash Provided by (Used in) Operating Activities	2,457,398	(4,252,737)
Cash Flows From Investing Activities		
Collection of loans receivable	4,959,619	5,061,037
Disbursement of loans	(6,800,898)	(7,958,975)
Proceeds from sales of investments	4,101,547	-
Purchase of investments	(5,063,010)	(10,530,292)
Proceeds from sales of real estate and property	1,300,000	32,100,000
Purchases of property and equipment	(18,385,902)	(21,517,319)
Net Cash Used in Investing Activities	$ (19,888,644)	$ (2,845,549)

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

ASIAN AMERICANS FOR EQUALITY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows From Financing Activities		
Proceeds from loans	$ 9,205,727	$ 11,034,264
Repayments of loans	(1,451,537)	(10,582,492)
Proceeds from lines of credit	145,677	326,595
Proceeds from mortgages payable	22,144,590	13,354,470
Repayments of mortgages payable	(13,064,845)	(2,308,315)
Net Cash Provided by Financing Activities	16,979,612	11,824,522
Net (Decrease) Increase in Cash, Cash Equivalents, Designated Cash and Restricted Cash	(451,634)	4,726,236
Cash, Cash Equivalents, Designated Cash and Restricted Cash - Beginning	45,586,774	40,860,538
Cash, Cash Equivalents, Designated Cash and Restricted Cash - Ending	$ 45,135,140	$ 45,586,774
Supplemental Disclosure of Cash Flow Information		
Interest paid during the year	$ 1,532,555	$ 1,959,007
Non-cash ROU assets obtained in exchange for new liabilities - operating leases	$ 1,023,642	$ 848,749

The amounts reported as cash, cash equivalents, designated cash and restricted cash consist of the following amounts reported in the consolidated statements of financial position:

	2025	2024
Cash and cash equivalents	$ 12,444,096	$ 14,739,406
Cash - designated for lending to small businesses	5,744,057	6,669,926
Cash - designated for lending	642,164	523,466
Cash - designated for lending to affiliates	1,971,036	1,352,015
Cash - designated for credit loss reserve	1,634,086	1,356,284
Restricted cash	5,767,637	4,606,757
Restricted reserve accounts	16,932,064	16,338,920
	$ 45,135,140	$ 45,586,774

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

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

The consolidated financial statements include the accounts of Asian Americans for Equality, Inc. (“AAFE”) and subsidiaries (collectively, the “Agency”) by consolidating the following entities in which AAFE is the sole shareholder or member and/or has a controlling interest maintained through the right to appoint a majority of the entities’ Boards of Directors:

- AAFE Community Development Fund, Inc. (“AAFE CDF”)
- Asian American Housing Development Fund Company, Inc., and Affiliates (“AAHDFC”)
- Chinatown Preservation Housing Development Fund Company, Inc. (“CPHDFC”)
- Community Homes Housing Development Fund Company, Inc., and Affiliates (“CHHDFC”)
- East Village Homes Owner LLC (“EVHO”)
- Queens Housing and Immigration Center Corporation, Inc. (“QHICC”)
- Renaissance Economic Development Corporation, Inc. (“REDC”)
- Rivington Housing Development Fund Company, Inc. (“Rivington HDFC”)
- Stanton Norfolk, Inc. (“Stanton”)
- East Chinatown Housing Development Fund Company, Inc. (“ECHDFC”)
- Hardesty Renaissance Economic Development Corporation, Inc. (“Hardesty”)
- Community Renewal Housing Development Fund Company, Inc. (“CRHDFC”)
- Montgomery Housing Development Fund Company, Inc. (“MHDFC”)
- Flushing 106, LLC (“Flushing”)
- El Caribe Housing Development Fund Company, Inc. (“El Caribe”)
- Madison Street Housing Development Fund Company, Inc. (“Madison”)
- Lower East Side Housing Development Fund Company, Inc. (“LESHDFC”)
- Golden Allen, LLC (“Golden”)
- 4 NYC Housing, Inc. (“4 NYC”)
- AAFE Fair Housing Center, Inc. (“AAFE Fair Housing”)
- Downtown Manhattan Community Development Corporation (“DMCDC”)
- Bremond King Davis Limited Liability Company (“BKD LLC”)
- Chelsea Apartments Housing Development Fund Corporation (“Chelsea HDFC”)
- 345 Ovington Avenue Housing Development Fund Corporation (“Ovington HDFC”)
- 73 Loisaida Avenue Housing Development Fund Corporation (“Loisaida”)

Upon consolidation, all significant intercompany balances and transactions are eliminated.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (CONTINUED)

Founded in 1974, AAFE is a 501(c)(3) organization (exempt from federal, state and local taxes) that advances the rights of Asian Americans and all those in need through advocacy for civil rights, affordable housing and economic development. AAFE seeks to empower the communities it serves and strives to foster understanding and unity among diverse communities through building coalitions and the formation of collaborations.

As a nonprofit organization, the Agency works in partnership with public and private sectors to provide services and programs that cater to the needs of its targeted communities and achieves its mission by:

- providing immigrant assistance, education related support and social services to minority and low-income communities;
- planning, developing and managing affordable housing for low-to-moderate income families;
- providing financial assistance and counseling for minority, immigrant, and low to moderate-income individuals in the areas of home ownership and business ownership;
- advocating for greater representation and financial support for immigrants and low-income constituents on the issues that most greatly affect those communities; and
- providing economic development in low-income/high immigrant areas to meet community needs and create jobs.

Descriptions of the Agency’s major programs are as follows:

COMMUNITY OUTREACH AND EDUCATION

The Agency empowers community residents, stakeholders and supporters by providing education and information that encourages civic participation by registering voters and mobilizing the Asian American community city-wide to speak out on immigrant housing and quality of life issues. Other program opportunities for ages ranging from elementary school youth to seniors include college readiness initiatives, open access to computers; service learning; computer classes in English, Mandarin, Cantonese, and Spanish; and social activities that bring community members together.

HOUSING, IMMIGRATION AND SOCIAL SERVICES

Housing, immigration and social services form the backbone of the Agency to the community. Available at storefront locations in Chinatown/Lower East Side and Flushing, these services include housing legal assistance and representation, immigration assistance and naturalization preparation, healthcare access, public assistance benefits counseling, and other services that assist low-income immigrant clients to stabilize their lives.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (CONTINUED)

PLANNING AND DEVELOPMENT

AAFE began developing affordable housing in 1986 with the construction of New York City's first Low-Income Housing Tax Credit project called Equality Houses. Since then, the Planning and Development team has leveraged close to $100 million in financing to produce over six hundred units of housing for low-income residents. AAFE successfully continues to work at revitalizing New York City neighborhoods through the preservation of existing low to moderate-income housing stock. In 2012, the program was extended to include economic development.

HOMEOWNERSHIP LOANS

The Agency provides an affordable loan program to first time homebuyers throughout New York City, which lowers the loan-to-value ratio of their primary mortgage. Other products offered include: Emergency Repair Loans, which enable low and moderate-income families, seniors, the disabled and families living with the disabled, to complete emergency repairs on their homes in a timely and affordable manner, thereby preventing them from becoming predatory lending targets; Rehabilitation Loans, which allow homeowners to complete the rehabilitation of dilapidated and deteriorated homes; and Conversion Loans, which allow homeowners to convert single-family dwellings into legal, safe two and three family dwellings.

HOMEOWNERSHIP COUNSELING

Offering Full-Cycle Homeownership Counseling, AAFE CDF enhances homeownership opportunities for low and moderate-income Asian American, immigrant residents and other minorities in New York City. Among the services offered are: first-time homebuyers training; mortgage referral and origination; homeownership retention; landlord counseling; mortgage delinquency and default resolution; and foreclosure prevention and counseling.

SINGLE FAMILY HOUSING DEVELOPMENT

This program was created to increase and improve New York City's affordable housing stock, while promoting and advancing homeownership to minority, immigrant, low and moderate-income and underserved populations. The Agency initially acquired 36 properties from the City of New York in 2000 and continues to rehabilitate or build new one-to-four family homes. With a strong belief that homeownership will help families build equity as well as generate wealth in the communities, the homes are targeted to be sold to families earning at or below the median income in the area.

SMALL BUSINESS TECHNICAL ASSISTANCE AND EDUCATION

REDC offers technical assistance to low- income, minority, women and immigrant entrepreneurs, both in concert with, and independent of, its small business loan program. Through individual counseling, group seminars and workshops, and counseling clinics with legal and financial professionals, REDC provides technical assistance on issues such as small business management, financial recordkeeping, marketing, taxation and contract procurement. Over the course of its history, REDC has trained or assisted more than 3,000 clients; the vast majority being minority or women entrepreneurs.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (CONTINUED)

SMALL BUSINESS LOANS

This small business loan program is a low-cost flexible loan program for pre-revenue start-up and existing businesses that have working capital or start up budget needs. This loan program is especially helpful to those who are not able to access traditional bank financing. Loan funds are flexible and can be used for renovations, inventory, marketing, debt refinance, and working capital.

AFFORDABLE HOUSING PROGRAM SERVICES

This program comprises the preservation, maintenance, and management of real estate acquired to provide affordable rental accommodation in New York City. These include essential capital improvements to apartment buildings, high quality and timely maintenance of properties, tenant support services, and effective asset management resulting in providing safe, stable, and good quality homes to AAFE rental clients.

The following subsidiaries are exempt organizations pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code.

- ***AAFE COMMUNITY DEVELOPMENT FUND, INC.*** ("AAFE CDF") – a community-based development financial institution that provides targeted technical assistance and affordable second mortgage loans to enhance homeownership opportunities for low and moderate-income Asian American and other minority and immigrant residents of New York City.

- ***ASIAN AMERICAN HOUSING DEVELOPMENT FUND COMPANY, INC. AND AFFILIATES*** ("AAHDFC") – set up for the purposes of affordable housing development and preservation. This is achieved by AAHDFC becoming the replacement partner once the investor limited partners ("ILP") exit from certain limited partnerships with 15-year low-income housing tax credit projects. Subsequent to becoming the replacement partner, AAHDFC enters into agreements with government agencies to reposition the former tax-credit projects: transferring limited partnership assets and liabilities to the direct ownership of AAHDFC and extending affordability periods out for the long-term. On December 31, 2014, the Limited Partner of Norfolk transferred its 99.9% interest to AAHDFC, a related entity of the General Partner. On December 31, 2019, the Limited Partner of Norfolk II transferred its 99.9% interest to AAHDFC, a related entity of the General Partner.

- ***CHINATOWN PRESERVATION HOUSING DEVELOPMENT FUND COMPANY, INC.*** ("CPHDFC") – was incorporated in 2006 for the purpose of developing and preserving affordable housing projects. CPHDFC was initially organized upon the approval of the New York City Department of Housing Preservation and Development ("HPD") for a project under the Lower Manhattan Development Corporation's ("LMDC") Chinatown/Lower East Side Acquisition Program. Under this program, buildings are purchased at market price for improvement and stabilization as long-term affordable rental housing.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (CONTINUED)

- ***COMMUNITY HOMES HOUSING DEVELOPMENT FUND COMPANY, INC. AND AFFILIATE*** ("CHHDFC") – seeks to increase and improve New York City's affordable housing stock, while promoting and advancing home ownership for minority, immigrant, low and moderate-income, and underserved populations.

- ***QUEENS HOUSING AND IMMIGRATION CENTER CORPORATION, INC.*** ("QHICC") – provides immigrant housing and social services to the Asian American community and other minority and immigrant groups in Queens, New York.

- ***MONTGOMERY HOUSING DEVELOPMENT FUND COMPANY, INC.*** ("MHDFC") – A property (lot) was acquired in Brooklyn, NY for the purpose of creating affordable housing. Potential rehabilitation is being explored to determine the best course of action.

- ***RENAISSANCE ECONOMIC DEVELOPMENT CORPORATION, INC.*** ("REDC") – works to provide affordable loans and targeted technical assistance to low-income entities, minority, women and immigrant entrepreneurs and small business owners in New York City to help them overcome traditional impediments to business growth and success. REDC is a community development financial institution through the U.S. Department of Treasury's Community Development Financial Institutions Fund and is a Small Business Administration-approved ("SBA") Micro-Lender. REDC is also in the SBA Community Advantage Program.

- ***RIVINGTON HOUSING DEVELOPMENT FUND COMPANY, INC.*** ("Rivington HDFC") – was incorporated in 2006, with AAFE being the sole member, for the purpose of developing a housing project for low-income families. Rivington HDFC was organized by AAFE in anticipation of its designation as the owner and developer of a property on 87 Rivington Street, New York through HPD's Third-Party Transfer Program ("TPT"). The purpose of the city program is to take abandoned or neglected buildings on the City's lien list and transfer them to responsible housing developers. As conditions of the transfer, AAFE has performed a gut-rehabilitation of the physical structure and afterwards maintained affordable rents for the existing tenants. Rivington HDFC received a final certificate of occupancy in October 2012 and currently has commercial and residential tenants.

- ***STANTON NORFOLK, INC.*** ("Stanton") – manages the Agency's entire affordable housing portfolio. Currently, Stanton oversees 1,044 affordable housing units located in Lower Manhattan and Queens. AAFE's subsidiaries have entered into several property management agreements with Stanton to provide for, among other matters, tenant services, property administration and rental management and building maintenance.

- ***EAST CHINATOWN HOUSING DEVELOPMENT FUND COMPANY, INC.*** ("ECHDFC") – was established to provide low-income housing in New York City and promote affordable housing by assisting tenants to obtain and maintain qualification for government and private housing assistance programs, acting as liaison between tenants and building owners, and crafting solutions to allow tenants with financial or other problems to avoid eviction. The buildings consist of 53 residential units.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (CONTINUED)

- ***HARDESTY RENAISSANCE ECONOMIC DEVELOPMENT CORPORATION, INC.*** ("Hardesty") – is a Missouri nonprofit corporation formed in 2011. The overarching vision is to complete a long-term development of a former Federal Complex at Hardesty and Independence Avenues, Kansas City, Missouri, that will meet the needs of the community and create jobs. Hardesty was filed to be dissolved on January 21, 2025 and is currently in process to be terminated.

- ***COMMUNITY RENEWAL HOUSING DEVELOPMENT FUND COMPANY, INC.*** ("CRHDFC") – was incorporated on December 11, 2012 and started operations on January 1, 2013, with AAFE being the sole member, for the purpose of rehabilitating and conversion to cooperative ownership, on a non-profit basis, a housing project for persons of low-income.

- ***EL CARIBE HOUSING DEVELOPMENT FUND COMPANY, INC.*** ("El Caribe") – was formed in February 2016 as a New York not-for-profit corporation duly organized as a housing development fund company. El Caribe acquired from a partnership a low-income project consisting of five buildings with 49 residential rental dwellings and six commercial units.

- ***MADISON STREET HOUSING DEVELOPMENT FUND COMPANY, INC.*** ("Madison") – was formed in February 2016 as a New York not-for-profit corporation duly organized as a housing development fund company. On August 17, 2016, AAHDFC, a related party, transferred the rights of 81 Madison Street. The building is comprised of 20 residential rental dwellings.

- ***LOWER EAST SIDE HOUSING DEVELOPMENT FUND COMPANY, INC.*** ("LESHDFC") – was formed in May 2016 as a New York not-for-profit corporation duly organized as a housing development fund company.

- ***AAFE FAIR HOUSING CENTER, INC.*** ("AAFE Fair Housing") – is a not-for-profit corporation that was formed in 1998 to lease office space in the Jackson Heights neighborhood of Queens.

- ***DOWNTOWN MANHATTAN COMMUNITY DEVELOPMENT CORPORATION*** ("DMCDC") – was incorporated in July 1994 and changed to its current legal name in 2002. DMCDC conducts educational activities that address slum living and blight employment conditions that affect residents of the Lower East Side and Chinatown neighborhoods of Manhattan. DMCDC is also involved in developing, rebuilding and preserving its community.

- ***4 NYC HOUSING, INC.*** ("4 NYC") – was established in May 2017 to promote common good and welfare and economic development in New York.

- ***EAST VILLAGE HOMES OWNER LLC*** ("East Village Homes") – was formed on September 4, 2018 under Section 2023 of the New York State Limited Liability Company Law for the purpose of developing and operating a residential housing project in compliance with the Section 42 of the Internal Revenue Code. It has a managing member with 0.1% ownership and investor member with 99.99% ownership.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (CONTINUED)

- ***BREMOND KING DAVIS LIMITED LIABILITY COMPANY*** ("BKD LLC") - formed on May 29, 2015 as a New York not-for-profit corporation duly organized as a housing development fund company pursuant to the provisions of Article XI of the Private Finance Housing Law of the State of New York. Asian Americans for Equality is the majority owner of Bremond King Davis HDFC.

- ***CHELSEA APARTMENTS HOUSING DEVELOPMENT FUND CORPORATION*** ("Chelsea HDFC") – formed on January 10, 2022 as a New York not-for-profit corporation duly organized as a housing development fund corporation pursuant to the provisions of Article XI of the Private Finance Housing Law of the State of New York. Asian Americans for Equality is the sole member of the corporation.

- ***345 OVINGTON AVENUE HOUSING DEVELOPMENT FUND CORPORATION*** ("Ovington") – formed on May 16, 2024 as a New York not-for-profit corporation duly organized as a housing development fund corporation pursuant to the provisions of Article XI of the Private Finance Housing Law of the State of New York. Asian Americans for Equality is the sole member of the corporation.

- ***73 LOISAIDA HOUSING DEVELOPMENT FUND CORPORATION ("LOISAIDA")*** – formed on August 25, 2023 as a New York not-for-profit corporation duly organized as a housing development fund corporation pursuant to the provisions of Article XI of the Private Finance Housing Law of the State of New York. Asian Americans for Equality is the sole member of the corporation.

The following subsidiaries are for-profit organizations established by AAFE to support its mission:

- ***ONE HARDESTY, LLC D/B/A HARDESTY STORAGE*** ("One Hardesty") – is a Missouri Limited Liability Company formed in 2016. It purchased the land, building and equipment, as well as the storage business, at Hardesty and Independence Avenues in Kansas City, MO on June 30, 2016. It began operations D/B/A Hardesty Storage, a month-to-month storage rental operation and a U-Haul rental business on July 1, 2016. One Hardesty was terminated on February 4, 2025.

- ***FLUSHING 106, LLC*** ("Flushing") – was established on November 29, 2017 under Section 203 of the Limited Liability Company Law for the purpose of being the transferee/grantee entity of the property from Harmony. Flushing is a single member LLC and is 100% owned by CHHDFC. Flushing will continue the renovation of the transferred property and the support of the housing development projects run by CHHDFC.

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (CONTINUED)

- ***LOWER EAST SIDE 8TH STREET LLC*** ("LES 8th Street LLC") – was established on August 21, 2017 pursuant to Section 802 of the Limited Liability Company Law of the State of New York for the purpose of developing a housing project for low-income families. Asian Americans for Equality is the sole member of the corporation.

- ***GOLDEN ALLEN, LLC*** ("Golden") – was formed in November 2016 as a New York Limited Liability Company. The purpose of the organization is to acquire the 2nd floor condominium at 2 Allen Street in New York City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING AND USE OF ESTIMATES
The Agency's consolidated financial statements have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") as established by the Financial Accounting Standards Board (the "FASB"). The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS AND RESTRICTED CASH
The Agency considers all liquid debt instruments purchased with maturities of three months or less to be cash equivalents, except for restricted cash.

Restricted cash consists of cash that is subject to legal or contractual restrictions as to its use. Restricted cash is not available for general organizational purposes until the restrictions are satisfied or removed. The Agency's restricted cash primarily relates to funds received under grant agreements and loans issued to the Agency, which are restricted for use in specific programs.

NET ASSETS
Net assets and revenues are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

(i) *Net Assets Without Donor Restrictions* – represents resources not subject to donor restrictions. The Board of AAFE CDF and REDC has designated an amount for lending activities or future operating deficits and other projects.

Non-controlling members' interest is shown as a component of net assets without donor restrictions and in the consolidated statements of financial position. The share of the income or loss of the consolidated subsidiaries attributed to the non-controlling members' interest is included as other income in the accompanying consolidated statements of activities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET ASSETS (CONTINUED)

(ii) *Net Assets With Donor Restrictions* – represents net assets resulting from contributions and other inflows of assets whose use by the Agency is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Agency pursuant to those stipulations. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reported in the consolidated statements of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the gift is received, the Agency reports the support as without donor restrictions.

GRANTS AND CONTRIBUTIONS AND ALLOWANCE FOR UNCOLLECTIBLE AMOUNTS

Grants and contributions are nonexchange transactions and accounted for under Accounting Standards Codification ("ASC") 958-605. Unconditional promises to give are recorded as income when the Agency is formally notified of the grants or contributions by the respective donors. Unconditional promises to give that are expected to be collected within one year are recorded at their fair value based upon the present value of their estimated future cash flows. The discounts on those amounts, if material, are computed using risk adjusted interest rates applicable to the years in which the promises are received. The outstanding grants and other receivables as of December 31, 2025 and 2024 are scheduled to be collected within the next year.

As of December 31, 2025 and 2024, the Agency determined that an allowance for uncollectible amounts of $74,933 and $74,934, respectively, was necessary for grants and contributions receivable. Such estimate is based on management's evaluation of the creditworthiness of its donors and grantors, as well as current economic conditions and historical information.

LOANS RECEIVABLE

AAFE CDF and REDC report loans receivable at their outstanding unpaid principal balances, reduced by an allowance for credit losses. AAFE CDF and REDC determine the allowance based on a combination of factors, such as historical bad debt experience, factors related to specific borrowers' ability to pay and current economic trends.

AAFE CDF maintains an allowance for credit losses of 5% of the total loan portfolio, which amounted to $35,424 and $38,331 as of December 31, 2025 and 2024, respectively. REDC maintains an allowance for credit losses of approximately 5% - 15% of the total loan portfolio, which amounted to $1,467,745 and $1,376,384 as of December 31, 2025 and 2024, respectively. REDC's estimated allowance for credit losses is based on the following assumptions: an appreciable percentage of REDC's outstanding loan portfolio is comprised of loans that are larger than its previous loans; a significant portion of the borrowers are located in lower Manhattan south of 14th Street, constituting some geographical risk; a portion of the portfolio is comprised of loans to small businesses that are fairly new with limited repayment histories. In addition, REDC has increased the deployment of its emergency loan fund to assist businesses impacted by local disasters where these borrowers may require deferment of their loan repayments.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LOANS RECEIVABLE (CONTINUED)

Furthermore, AAFE CDF and REDC perform ongoing credit evaluations of their borrowers and an evaluation for potential credit losses. AAFE CDF and REDC write-off loans receivable against the allowance when a balance is determined to be uncollectible. Loans receivable are considered past due starting at 30 days after the payment due date. AAFE CDF and REDC discontinue their accrual of interest on loans that are 120 days past due and were forwarded to attorneys for appropriate legal action. AAFE CDF and REDC apply payments received on past due loans not yet written off against the outstanding loan balances and resume their accrual of interest. Payments on loans already written off are recorded as other income upon receipt. Interest on loans is computed using the effective interest method. Interest earned on loans is considered without donor restrictions revenue and can be used for general operations.

REAL ESTATE HELD FOR SALE AND REAL ESTATE SALES

Real estate held for sale is measured at the lower of its carrying amount and fair value less costs to sell and is not depreciated. Rehabilitation costs are capitalized directly to each property. Interest costs on acquisition/construction loans are capitalized and included as cost of real estate held for sale. Interest costs incurred after the completion of construction/rehabilitation of property are recognized as expenses.

Sales of real estate generally are accounted for under the accrual method. Under that method, a sale is recognized when title passes to the buyer and all of the following conditions are met: (a) a sale is consummated, (b) a significant down payment is received, (c) the earnings process is complete, and (d) the collection of any remaining receivables is reasonably assured. Buyers typically finance their purchases with loans from third-party financial institutions.

PROPERTY AND EQUIPMENT

Property and equipment is stated at cost less accumulated depreciation or amortization. These amounts do not purport to represent replacement or realizable values. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. The Agency capitalizes all owned property and equipment having a useful life of greater than one year and a cost of $5,000. There may be instances where certain expenditures for property and equipment are included in the consolidated financial statements as expenses because the cost of these items was reimbursed by certain governmental funding sources and the contractual agreement specifies that title to these assets rests with the funding sources rather than the Agency. Leasehold improvements are amortized over the lesser of the useful lives of the improvements or the term of the applicable lease.

The Agency reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. There are no assets considered impaired as of December 31, 2025 and 2024.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEFERRED FINANCING COSTS

The costs incurred to obtain financing and fees, as well as certain closing costs, have been deferred. Deferred costs amounting to $926,478 and $982,040 as of December 31, 2025 and 2024, respectively, are amortized using the straight-line method ranging from ten to thirty-five years, which is not materially different from the interest method. For the years ended December 31, 2025 and 2024, amortization of debt issuance costs of $55,562 and $48,823, respectively, is reported as interest expense in the accompanying consolidated financial statements and is amortized on the straight-line basis. In 2025, a mortgage was paid off early which resulted in a loss of defeasance of debt totaling $15,040, which is included in the accompanying consolidated statements of activities.

REVENUE RECOGNITION

Development and other fees are recognized as revenue in the period in which the underlying services are provided or the fees are earned. Development costs are recognized based on construction progress and actual costs incurred. The Agency may enter site development and management agreements to manage/develop operations of the property and to conduct and to manage redevelopment of the property as the owner's representative. Certain agreements may create contingencies that could significantly reduce the maximum possible fees ultimately earned by the Agency.

Property management and residential fees income, and restoration and repair charges are recognized when the performance obligations of providing the service are met (i.e. when the service has been provided). Organizations for which services are provided are invoiced monthly. The opening balance of accounts receivable for the year ended December 31, 2024 was $0.

RENT RECEIVABLE

Rental income is recognized for apartment rentals as it accrues, reduced by an allowance for doubtful accounts, amounting to approximately $794,000 and $884,000 for the years ended December 31, 2025 and 2024, respectively. The Agency estimates the allowance for bad debt based on historical uncollectible leases, factors related to specific tenants' ability to pay and current economic trends. The Agency writes off leases and other receivables against the allowance when a balance is determined to be uncollectible. Advance receipts of rental income are deferred and classified as liabilities until earned.

GOVERNMENT GRANTS AND OTHER GRANTS

Government and other grants are nonexchange transactions and accounted for under U.S. GAAP. Government and other grants are recognized as revenue when barriers within the contract are overcome and there is no right of return. As of December 31, 2025 and 2024, the Agency received conditional grants and contracts from government agencies in the aggregate amounts of $3,958,000 and $4,800,000, respectively, that have not been recorded in the accompanying consolidated financial statements. 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 the Agency may be required to return the funds already remitted. In addition, from time-to-time, the Agency receives one-time grants and other income as a result of special projects.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis. The consolidated statements of functional expenses represent the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited as determined by management. Expenses that can be identified with a specific program are charged directly to the particular program according to their natural expense classification. The Agency uses a step-by-step methodology to allocate costs. First, indirect costs that benefit all program services, but cannot be charged directly to a particular program are pooled together and allocated to the Agency's various programs based on each program's proportionate share of direct costs.

Through several years of experience, a general and administrative rate has been determined for all expense categories which, when combined, total approximately 50 percent. Thus, 50 percent of pooled general and administrative costs are allocated to the program services and fundraising functions based on each function's proportionate share of the total of direct costs and indirect costs allocated in the first step. Finally, audit expenses are allocated among the administrative and general, program services, and fundraising functions based on each function's proportionate share of costs after performing the first two steps.

RELATED-PARTY TRANSACTIONS

Certain subsidiaries receive and make loans with stated rates of interest that are lower than the prevailing market rates for commercial loans. The Agency accounts for these loans at the stated rates. U.S. GAAP requires that loans with below market interest rates be restated for financial reporting purposes at amounts that reflect the expected cash flows discounted at market rates, with certain exceptions. The management of the Agency believes that certain exceptions are applicable to the Agency, and accordingly, interest rates have not been restated.

ELIMINATIONS

In preparation of the accompanying consolidated financial statements, all material inter-entity accounts and transactions have been eliminated.

INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments in equity and debt securities with readily determinable fair values are reported at fair value based upon quoted or published market values as of the reporting date. Security transactions are recorded on a trade-date basis. Realized gains and losses on sales of investments are determined on a specific identification basis and are included in investment activity in the statements of activities along with unrealized gains and losses, interest income, and management and custodial fees. Interest income is recognized when earned, and dividend income is recorded on the ex-dividend date.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

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 reporting date. The Agency discloses fair value measurements by level in a hierarchy within the scope of U.S. GAAP that maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair value are:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Agency has the ability to access.

Level 2 Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the assets or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Inputs to the valuation methodology are unobservable.

The fair value of investments in affiliates has been estimated using the net asset value (“NAV”). U.S. GAAP guidance provides for the use of NAV as a “practical expedient” for estimating fair value of investments in affiliates. NAV, member’s capital, partner’s capital, or any investor ownership amount reported by the investment in affiliates is used as a practical expedient to estimate the fair value of the Agency’s interest therein.

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 December 31, 2025 and 2024, there were no transfers in or out of Levels 1, 2 or 3.

INTEREST RATE SWAPS

The Agency is subject to risk from adverse fluctuations in interest rates affecting its payments under the mortgage payable at a variable rate. The Agency manages this risk by the use of derivative financial instruments, primarily an interest rate swap. The counterparty to this contract is a financial institution. The Agency is exposed to credit loss in the event of nonperformance by the counterparty. The Agency does not use derivative instruments for trading or speculative purposes. If material, the Agency records the interest rate swap agreement at fair value in the consolidated statements of financial position with the related gain or loss reflected in the consolidated statements of activities (see Note 13).

NOTE 3 – LIQUIDITY AND AVAILABILITY

The Agency regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Agency has various sources of liquidity at its disposal, including cash and cash equivalents and lines of credit that provide funding for operations and capital expenditures as needed.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Agency considers all expenditures related to its ongoing activities. For REDC and CDF, they consider all expenses related to their ongoing activities of providing lending capital. In addition to financial assets available to meet general expenditures over the next 12 months, the Agency expects to operate at a surplus and anticipates collecting sufficient revenue to cover general expenditures.

As of December 31, the financial assets available to meet general expenditures over the next 12 months were as follows:

	2025	2024
Cash and cash equivalents	$ 12,444,096	$ 14,739,406
Cash – designated for credit loss reserve	1,634,086	1,356,284
Cash – designated for lending to small businesses	5,744,057	6,669,926
Cash – designated for lending to affiliates	1,971,036	1,352,015
Cash – designated for lending	642,164	523,466
Investments	11,491,755	10,530,292
Rent and other receivables	2,191,958	542,831
Loans receivable, due in one year	4,477,753	3,351,374
Grants and contributions receivable, net	4,066,756	3,833,807
Total financial assets	44,663,661	42,899,401
Less: Net assets with donor restrictions	(2,316,427)	(2,347,130)
	$ 42,347,234	$ 40,552,271

In addition, as of December 31, 2025 and 2024, the Agency has lines of credit totaling $5,750,000 and $5,000,000, respectively, which can be drawn upon if needed (see Note 12).

NOTE 4 – FAIR VALUE MEASUREMENTS

Financial assets carried at fair value as of December 31, 2025 are classified as follows:

	Level 1	2025 Total
Investments:		
Mutual funds	$ 11,491,755	$ 11,491,755
Total investments	$ 11,491,755	$ 11,491,755
Investments in affiliates using NAV as a practical expedient		$ 3,343,202

NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)

Financial assets carried at fair value as of December 31, 2024 are classified as follows:

	Level 1	2024 Total
Investments:		
Mutual funds	$ 10,530,292	$ 10,530,292
Total investments	$ 10,530,292	$ 10,530,292
Investments in affiliates using NAV as a practical expedient		$ 3,332,423

The following table sets forth additional disclosures of the Agency's investments in affiliates whose fair value is estimated using NAV per share (or its equivalent) as of December 31, 2025.

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investments in affiliates using NAV as a practical expedient	$ 3,343,202	$ -	Unknown	Unknown

The following table sets forth additional disclosures of the Agency's investments in affiliates whose fair value is estimated using NAV per share (or its equivalent) as of December 31, 2024.

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investments in affiliates using NAV as a practical expedient	$ 3,332,423	$ -	Unknown	Unknown

NOTE 5 – GRANTS AND CONTRIBUTIONS RECEIVABLE, NET

Grants and contributions receivable, net consist of the following as of December 31:

	2025	2024
Government grants	$ 1,134,724	$ 1,163,752
Contributions and other receivables	3,006,965	2,744,989
	4,141,689	3,908,741
Less: provision for bad debt	(74,933)	(74,934)
	$ 4,066,756	$ 3,833,807

All grants and contributions receivable are due in full within one year.

NOTE 6 – LOANS RECEIVABLE, NET

The outstanding loans receivable as of December 31 were funded as follows:

Funding Source	2025	2024	Number of Loans Outstanding 2025 AAFE CDF	Number of Loans Outstanding 2025 REDC	Number of Loans Outstanding 2024 AAFE CDF	Number of Loans Outstanding 2024 REDC
Funding from loans:						
Capital One NA	$ 7,246	$ 12,819	1	-	1	-
East West Bank	33,213	53,135	5	-	5	-
Federal - Community Development Financial Institutions Fund ("CDFI")	15,275	22,870	1	-	3	-
State Bank of India	256,525	5,131	-	10	-	2
Empire State Development Corp.	2,925,062	2,383,891	-	123	-	92
ESBRLF COVID-19 (**a**)	237,313	221,766	-	11	-	6
ESD MRLF NEW	79,489	-	-	4	-	-
Cathay Bank	338,356	263,700	9	-	6	-
NYCB EQ2 RLF	303,051	-	-	11	-	-
US Bank EQ2	380,793	-	-	15	-	-
REDC NJ Cap Access	1,111,906	569,377	-	19	-	10
NJEDA Main St.	478,991	-	-	11	-	-
REDC NYFLF2	356,148	150,000	-	5	-	2
Small Business Administration	3,351,359	3,572,795	-	169	-	175
	9,874,727	7,255,484	16	378	15	287
Funding from grants:						
Federal CDFI Cap Lending	-	918,451	-	-	-	41
NeighborWorks	314,385	414,103	18	-	21	-
Chase PRO Neighborhood	-	224,631	-	-	-	10
Federal CDFI ERP 2023	-	1,790,696	-	-	-	43
	314,385	3,347,881	18	-	21	94
Funding from cash designated for lending:						
REDC NYC Opp Loan (**b**)	188,892	285,882	-	104	-	118
REDC Loan Fund	1,320,267	1,680,636	-	80	-	84
REDC Loan Fund 2	2,016,808	-	-	76	-	-
REDC Intermediary Lending Progra	184,347	217,670	-	3	-	3
	3,710,314	2,184,188	-	263	-	205
Gross loans receivable	13,899,426	12,787,553	34	641	36	586
Less: allowance for credit losses	(1,503,169)	(1,414,715)				
Loans Receivable, Net	$ 12,396,257	$ 11,372,838				

NOTE 6 – LOANS RECEIVABLE, NET (CONTINUED)

AAFE CDF loans range from $6,400 to $63,500 and carry interest rates ranging from 2.5% to 6%. AAFE CDF holds a second lien position on the property held as collateral for these loans. REDC loans range from $5,000 to $250,000 with interest rates ranging from 0% to 11%. Repayment terms on these loans range from 24 to 60 months. Personal guarantees from business owners who have significant ownership in the businesses and a security interest in the customer's business assets are held as security for the loans.

a. On March 27, 2020, due to the novel coronavirus ("COVID-19") pandemic, REDC launched an Emergency Small Business Relief Loan Fund ("ESBRLF") providing small businesses impacted by the pandemic with immediate working capital. The ESBRLF was initially capitalized with REDC net assets without donor restrictions and then later with debt instruments from New York Community Bank ("NYCB") and Industrial and Commercial Bank of China ("ICBC"), designated specifically for COVID-19 relief. These emergency loans have a dedicated cash loan loss reserve of 30% due to the high-risk nature of these loans during the time of the pandemic.

b. In 2023, REDC was one of the 8 CDFI organizations that participated in the NYC Small Business Opportunity Fund, which was NYC's Mayor Eric Adams creation of a $75 million Small Business loan fund. Participating CDFI would originate the small business loan, close and fund the loan, then sell 95% of the loan to NYC. The participating CDFI would retain 5% of the loan on their balance sheet. REDC funded these loans using their unrestricted net assets. Participating CDFI would also get a 4% loan origination fee and 1.25% loan servicing fee per annum or a minimum servicing fee of $500 per annum. For the years ended December 31, 2025 and 2024, REDC recognized $66,245 and $206,653, respectively, in loan origination fees, which is included in other income in the consolidated statement of activities. The NYC Small Business Opportunity Fund product term was loan amounts up to $250,000 at a 4% fixed interest rate up to 72-month terms for small businesses located in NYC.

Aging of loan receivables as classified per credit risk exposure, based on payment activity, as of December 31 is as follows:

	2025	2024
Performing		
Current	$ 13,891,168	$ 12,683,378
1-30 days	49	11,593
31-60 days	7,548	51,723
61-90 days	661	35,379
Nonperforming		
Over 90 days	-	5,480
	$ 13,899,426	$ 12,787,553

NOTE 6 – LOANS RECEIVABLE, NET (CONTINUED)

The Agency had no loans on nonaccrual status as of December 31, 2025 and 2024. As of both December 31, 2025 and 2024, the Agency had no loans over 120 days past due, that are still accruing interest.

An analysis of the credit loss allowance as of December 31 is as follows:

	2025	2024
Balance at beginning of year	$ 1,414,715	$ 1,082,829
Provisions for credit losses	817,860	758,688
Less: loans written off	(729,406)	(426,802)
	$ 1,503,169	$ 1,414,715

As required by certain lenders, AAFE CDF maintains credit loss reserves equivalent to 10% to 25% of the outstanding loans receivable balance in separate cash accounts. As a standard practice, AAFE CDF estimates that 5% of unbilled loans receivable will be classified as bad debt. Historically, there have been no write-offs and internally it was discussed that 5% would be the best option. The estimation originates from the internal budget submitted along with the approved contract. As of December 31, 2025 and 2024, the credit loss reserve funds for AAFE CDF amounted to $99,404 and $99,375, respectively.

REDC's lending policy for monitoring the adequacy of its allowance includes a credit loss reserve process. The credit loss reserves are adjusted as needed based upon loan performance evaluation ratings. Under this policy, the initial cash reserve amounts are based on stipulated percentages ranging from 7% to 15% of the approved loan amounts. In accordance with the SBA agreement, REDC is required to maintain a credit loss reserve fund at a minimum of 15% of the total outstanding principal balance due on all SBA microloan loans receivable, current to 120 days, made under the SBA Microloan Program. As of December 31, 2025 and 2024, the credit loss reserve account (including the amount held in escrow) had a balance of $1,534,682 and $1,256,909, respectively. Such amounts are reflected as cash – designated for credit loss reserve in the accompanying consolidated statements of financial position. In addition, REDC is in compliance with the credit loss reserve amount requirements under the SBA Community Advantage Program ("CAP"). As of December 31, 2025 and 2024, REDC has one and three loans applicable to the SBA Community Advantage amounting to $0 and $104,099, respectively, and applicable credit loss reserves of $3,358 included as part of overall credit loss reserve.

NOTE 6 – LOANS RECEIVABLE, NET (CONTINUED)

Loans receivable are due as follows for the years ending after December 31, 2025:

2026	$ 4,477,753
2027	3,794,101
2028	2,926,077
2029	1,750,948
2030	706,734
Thereafter	243,813
	13,899,426
Less: credit loss allowance	(1,503,169)
	$ 12,396,257

NOTE 7 – SALES AND REAL ESTATE HELD FOR SALE

QHICC held a parcel of land with buildings for sale to be developed for affordable housing. The property was sold on February 20, 2024 with an aggregate sale price of $19,300,000. Total acquisition, rehabilitation and other costs of the sold unit amounted to $4,441,402 and are included as costs of real estate sales in the accompanying consolidated statement of activities.

Hardesty held two parcels of land with buildings for sale to be developed for affordable housing and other commercial uses. Both parcels were sold on October 15, 2024 with an aggregate sale price of $6,300,000. Total acquisition, rehabilitation and other costs of the sold units amounted to $5,060,538 and are included as costs of real estate sales in the accompanying consolidated statement of activities.

One Hardesty held a parcel of land with buildings for sale to be developed for affordable housing and other commercial uses. The property was sold October 15, 2024 with an aggregate sale price of $6,500,000. Total acquisition, rehabilitation and other costs of the sold units amounted to $4,914,993 and are included as costs of real estate sales in the accompanying consolidated statement of activities.

Real estate held for sale relates to REDC's Brooklyn office condominium unit that was listed for sale during the fiscal year ended December 31, 2024. As of December 31, 2024, REDC's Brooklyn office condominium unit had a carrying value of $861,040. On May 28, 2025, REDC sold such property for $1,300,000, resulting in a gain of $438,960, which is included in the accompanying consolidated statement of activities.

NOTE 8 – INVESTMENTS IN AFFILIATES

INVESTMENT IN A JOINT VENTURE

The Agency has a 50% ownership interest in the development of Magnolia Gardens, an affordable housing project located in Flushing, Queens, New York, and funded by the New York City Department of Homeless Services. Pursuant to the Magnolia Gardens development agreement, the Agency made a capital contribution of $2,600,000 to the project.

The Agency's investment represents its ownership interest in the joint development venture and is reflected in the accompanying consolidated statements of financial position as an investment in joint venture. As of December 31, 2025 and 2024, the carrying value of the investment was $2,600,000. Management evaluates the investment for impairment and determined that no impairment charge was necessary as of December 31, 2025.

INVESTMENT IN A LIMITED PARTNERSHIP

The Agency has limited partnership interest in One Flushing NP LLC, and it accounts for the investments using the equity method. Under the terms of the equity partnership agreements, the Agency is to be allocated 51% of net income or losses and cash flow, if any.

The following is a summary of selected financial information from the audited financial statements of the underlying equity partnerships in which the Agency has an investment with.

	Revenues	Net Loss	Allocated Share of Income
One Flushing NP LLC	$ 288,955	$ 21,133	$ 10,778

Investment in One Flushing NP LLC at 12/31/24	$ 732,423
Allocated Loss	10,778
Investment in One Flushing NP LLC at 12/31/25	$ 743,201

Investments in affiliate consisted of the following as of December 31:

	2025	2024
Magnolia Gardens	$ 2,600,000	$ 2,600,000
One Flushing NP, LLC	743,202	732,423
	$ 3,343,202	$ 3,332,423

NOTE 9 – PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following as of December 31:

	2025	2024	Estimated Useful Life
Land	$ 7,564,089	$ 7,564,089	
Buildings and improvements	109,581,682	109,351,458	27 ½-40 Years
Leasehold improvements	826,185	826,185	5-10 Years
Lease assignment	55,000	55,000	3 Years
Computers	4,500	4,500	5 Years
Software	183,749	183,749	3 Years
Furniture and equipment	2,706,895	2,571,083	5-7 Years
Construction in progress	66,438,204	48,544,736	
	187,360,304	169,100,800	
Less: accumulated depreciation and amortization	(48,938,394)	(45,164,292)	
Net book value	$ 138,421,910	$ 123,936,508	

Depreciation and amortization expense amounted to $3,848,062 and $4,022,362 for the years ended December 31, 2025 and 2024, respectively. During the year ended December 31, 2025, REDC disposed of property and equipment with an original cost of $126,398 and accumulated depreciation of $73,960, which resulted in a loss on disposal of property of $52,438.

Construction in progress related to QHICC and 4NYC was transferred to Magnolia Gardens HDFC in February 2024, and construction of the Magnolia Gardens project was completed and placed in service on December 31, 2025. LESHDFC's construction project has been substantially completed and is expected to convert to permanent financing by December 2026. AAHDFC's construction in progress relates primarily to exterior façade work on three buildings and is expected to be completed by December 2026. Montgomery HDFC's construction project is expected to be completed in 2029 with an estimated cost of completion of $65 million. Chelsea Apartments' construction project was completed in June 2026. Ovington's construction in progress consists primarily of roof replacement and minor mechanical improvements and is expected to be completed by August 2026 with an estimated cost of completion of $100,000. Construction in progress at 73 Loisaida is expected to be completed by December 2026 with an estimated cost of completion of $3.2 million.

NOTE 10 – RESTRICTED RESERVE ACCOUNTS

As provided for in the mortgage agreements, the Agency is required to maintain certain escrow deposits and reserve funds. The reserve requirements have been funded in accordance with the mortgage agreements for the years ended December 31, 2025 and 2024.

As of December 31 the balances consist of the following:

	2025	2024
Replacement reserve	$ 6,023,350	$ 5,734,011
Operating reserve	10,034,970	9,559,307
Mortgage escrow	873,744	1,045,602
	$ 16,932,064	$ 16,338,920

NOTE 11 – LOANS PAYABLE, NET

Loans payable, net consist of the following as of December 31:

Description	2025	2024	Year(s) of Maturity
REDC:			
To the Empire State Development Corporation at an interest rate of 1%. Interest on outstanding principal balance to be paid annually. After the fifth year, any remaining balance will be converted to a 5-year term loan, to be fully amortized at a rate of 1%. After 5 years, monthly principal and interest payments will be $6,406. This Minority Revolving Loan Fund (MRLF) is unsecured with the principal payment due based on the term of loan.	$ 200,990	$ 250,000	2029
To the Small Business Administration at an interest rate of 1.50% during which the first 12 months from the date of the loan interest will be brought down by 2%. No payments of principal or interest are required during the first 12 months from the date of the loan. Payments on the loan, based on the 2% buy down, will be $6,944. The balance of the loan is due at maturity. The loan is secured by REDC's SBA Microloan fund assets and its restricted cash for SBA credit loss reserve.	-	32,016	2025
To the Small Business Administration at an interest rate of 1.25% during which the first 12 months from the date of the loan interest will be brought down by 2%. No payments of principal or interest are required during the first 12 months from the date of the loan. Payments on the loan, based on the 2% buy down, will be $11,574. The balance of the loan is due at maturity. The loan is secured by REDC's SBA Microloan fund assets and its restricted cash for SBA credit loss reserve. During 2025, the Agency repaid the outstanding of the loan in full.	-	226,449	2026
To the U.S. Small Business Administration. During the first through the twelfth month, interest will be brought down by 2 percentage points so that interest will accrue on the outstanding balance of the loan at a rate of 2.125% per annum. In the ninth month after the note date, the portfolio performance will be evaluated. If the average size of microloans is equal to $10,000 or less, the interest will be at a rate of 2.125% per annum. If the average size of the microloans exceed $10,000, the interest will be calculated at a base rate of 4.125% minus a buy down of 1¼ for an accrual rate of 2.875%. Recalculation of the interest will take place. Payment based on the 2% buy down will be $8,555.	753,382	800,000	2034

NOTE 11 – LOANS PAYABLE, NET (CONTINUED)

Description	2025	2024	Year(s) of Maturity
REDC (Continued):			
To the U.S. Bancorp Community Development Corporation at a fixed interest rate of 3.7%, with a principal sum of $500,000. Interest will be calculated on a 360-day year consisting of twelve 30-day months and REDC will make quarterly interest payments on the last day of each calendar quarter commencing on the last day of the calendar quarter.	$ 500,000	$ 500,000	2027
To the Small Business Administration at an interest rate of 2% during which the first 12 months from the date of the loan interest will be brought down by 2%. No payments of principal or interest are required during the first 12 months from the date of the loan. Payments on the loan, based on the 2% buy down, will be $11,574. The balance of the loan is due at maturity. The loan is secured by REDC's SBA Microloan fund assets and its restricted cash for SBA credit loss reserve.	222,978	376,821	2027
To the Small Business Administration at an interest rate of 2.75% during which the first 12 months from the date of the loan interest will be brought down by 2%. No payments of principal or interest are required during the first 12 months from the date of the loan. Payments on the loan, based on the 2% buy down, will be $5,615. The balance of the loan is due at maturity. The loan was secured by REDC's SBA Microloan fund assets and its restricted cash for SBA credit loss reserve.	210,870	280,589	2028
To the Small Business Administration at an interest rate of 1.875% during which the first 12 months from the date of the loan interest will be brought down by 2%. No payments of principal or interest are required during the first 12 months from the date of the loan. Payments on the loan, based on the 2% buy down, will be $11,111. The balance of the loan is due at maturity. The loan is secured by REDC's SBA Microloan fund assets and its restricted cash for SBA credit loss reserve.	501,860	636,678	2029
To New York Community Bank at an interest rate of 2%. This is an Equity Equivalent Investment (EQ2). Interest-only payments beginning on the disbursement date shall be payable on a quarterly basis for the ten-year term of the loan. Outstanding principal balance and accrued unpaid interest shall be due on the maturity date.	500,000	500,000	2030

NOTE 11 – LOANS PAYABLE, NET (CONTINUED)

Description	2025	2024	Year(s) of Maturity
REDC (Continued):			
To the Empire State Development Corporation Small Business Revolving Loan Fund 2.0 (SBRLF) at an interest rate of 1%. The principal repayment will commence 7 years from the date of the loan. There is an option to renew for another 3 years. Principal repayment will be on an annual basis equivalent to 33.33% of the principal outstanding balance. For the year ended December 31, 2025, REDC was in compliance with its financial covenants.	$ 4,000,000	$ 2,666,668	2030
To the Small Business Administration at an interest rate of .75% during which the first 12 months from the date of the loan interest will be brought down by 2% to 0%. No payments of principal or interest are required during the first 12 months from the date of the loan. Payments on the loan, based on the 2% buy down, will be $9,259 with the balance of the loan due at maturity. The loan is secured by REDC's SBA Microloan fund assets and its restricted cash for SBA credit loss reserve.	657,408	768,519	2031
To the Small Business Administration at an interest rate of 4.00% per annum. During the first through the twelfth month, interest will be brought down by 2 points so that interest will accrue on the outstanding balance of the loan at 2.00% per annum. Payments on the note, based on the 2% buy down, will be $10,629. The balance of the loan will be due at maturity.	848,652	949,430	2033
To Valley National Bank at an interest rate of 4.42%. The interest rate and the amount of the monthly payment will be adjusted on the first day every 60th month after the initial payment date based on index (weekly average yield on U.S. Treasury Securities adjusted to a constant maturity of five years) plus 3.6%. The monthly principal payment is $4,762 with the balance due at maturity. The loan is collateralized by REDC's mortgaged property at 4721 8th Avenue, Brooklyn, NY. The loan was repaid on May 30, 2025 when this property was sold.	-	589,632	2033
To the Joe and Claira Tsai Foundation at a fixed interest rate of 1%, with a principal sum of $500,000. Interest will be calculated on a 360-day year consisting of twelve 30-day months and REDC will make quarterly interest payments on the last day of each calendar quarter commencing on the last day of the calendar quarter. The balance of the loan will be due at maturity.	500,000	-	2030

NOTE 11 – LOANS PAYABLE, NET (CONTINUED)

Description	2025	2024	Year(s) of Maturity
REDC (Continued):			
To the U.S. Small Business Administration. During the first through the twelfth month, interest will be brought down by 2 percentage points so that interest will accrue on the outstanding balance of the loan at a rate of 1.5% per annum. In the ninth month after the note date, the portfolio performance will be evaluated. If the average size of microloans is equal to $10,000 or less, the interest will be at a rate of 3.50% per annum. If the average size of the microloans exceed $10,000, the interest will be calculated at a base rate of 3.50% minus a buy down of 1¼ for an accrual rate of 2.250%. Recalculation of the interest will take place. Payment based on the 2% buy down will be $8,034.	$ 800,000	$ -	2035
Chelsea:			
In June 2022, Chelsea HDFC secured an interest-only construction loan from Enterprise Community Loan Fund ("Enterprise") with a maximum borrowing power of $24,236,639, originally maturing in 30 months and subsequently extended by 18 months with a maturity date of June 30, 2026. As of the date of the auditors' report, Chelsea HDFC is in discussions with Enterprise to negotiate a further extension of the loan's maturity date. This loan consists of two parts - $8,171,294 from Enterprise at 5.5% interest per annum, and $16,065,345 from HPD at 0.25% interest per annum. No payments are due.	21,071,147	14,980,591	2026
4NYC			
In December 2025, 4NYC obtained an interest-only construction loan from the Our Neigborhoods Captal ("ONC") Fund for $350,000 maturing in 36 months. This loan consists of $350,000 from ONC at 4.25% interest per annum.	350,000	-	2028
Lower East Side:			
In June 2021, Lower East Side HDFC obtained an interest-only construction loan from the Local Initiatives Support Corporation for $18,684,230, originally maturing in 36 months and subsequently extended with a maturity in 2027. This loan consists of $9,667,000 from LISC at 5.62% interest per annum, and $9,017,360 from HPD at 0.25% interest per annum.	15,521,161	15,342,704	2027
	46,638,448	38,900,097	
Various affiliates incurred financing costs which are being amortized over the life of the loans using the straight-line basis.	-	(15,839)	
	$ 46,638,448	$ 38,884,258	

NOTE 11 – LOANS PAYABLE, NET (CONTINUED)

Future approximate annual principal repayments are as follows for the five years ending after December 31, 2025 and thereafter:

2026	$ 21,865,515
2027	16,231,315
2028	2,309,136
2029	1,862,414
2030	1,998,276
Thereafter	2,371,792
	$ 46,638,448

The proceeds from these loans enabled the Agency to make loans to individuals and businesses and expand the Agency's activities. The Agency is required to adhere to certain financial covenants.

The Agency is guided by FASB ASC Topic 470, *Debt*. Based on the guidance in FASB ASC 470, the loans would remain recorded as a liability until they are in part or wholly forgiven and legal release is received or the entity pays off the loan. Once the loan is forgiven in part or wholly, and legal release is received, each entity will reduce the liability by the amount forgiven.

NOTE 12 – BANK LINES OF CREDIT

In 2016, the State Bank of India provided REDC with a $3,000,000 unsecured revolving credit line for purposes of lending to small businesses in targeted economic areas. The line is considered unsecured, although the underlying loans are collateralized by REDC's own borrowers. The line bears interest at the fixed rate of 3% per annum. As of both December 31, 2025 and 2024, the outstanding borrowings on the credit line amounted to $3,000,000. The line of credit was originally due for maturity on June 28, 2021, however the maturity date was subsequently extended through March 30, 2024 and afterwards through February 28, 2030.

In 2025, HSBC Bank USA, National Association provided REDC with a $750,000 unsecured revolving line of credit for the purpose of lending to small businesses in targeted economic areas. While the line of credit is considered unsecured, the underlying loans are collateralized by REDC's borrowers. The line bears interest at a fixed rate of 2% per annum. Interest payments are due quarterly, on the first day of each calendar quarter. As of December 31, 2025, there were no outstanding borrowings on the line of credit. The line of credit matures on September 30, 2030.

Enterprise EPF Growth fund provided AAFE with a $2,000,000 line of credit at a fixed rate of 5% annum. As of December 31, 2025 and 2024, the outstanding borrowings on the line of credit amounted to $615,195 and $469,518, respectively.

NOTE 13 – MORTGAGES PAYABLE, NET

Mortgages payable as of December 31 consist of the following:

Description	2025	2024	Year(s) of Maturity
AAHDFC:			
To HPD at interest rate of 1.25% – Mortgage with interest and service fee payable on a monthly basis. Principal is due at maturity. The initial maturity date can be extended for an additional 15 years plus an additional three years based on compliance with the regulatory agreement, making its possible future maturity in 2038.	$ 3,102,418	$ 3,102,418	2038
To HPD at interest rate of 1.00% – Second mortgage with monthly principal and interest payments of $421. Annual minimum principal repayments are $10, and the balance is due at the maturity date. The initial maturity date can be extended for an additional 15 years plus an additional three years based on compliance with the regulatory agreement, making its possible future maturity in 2038.	503,880	503,894	2038
To New York State Housing Trust Fund ("HTF") – Third mortgage payable in full at the maturity date plus accrued interest. Accrued interest payable as of both December 31, 2024 and 2023 amounted to $73,446. The Company began to pay the interest in 2010. The initial maturity date can be extended for an additional 15 years plus an additional 3 years based on compliance with the regulatory agreement, making its possible future maturity in 2038.	545,440	545,440	2038
To HPD at interest rate of 1.00% – Equal monthly installments of interest only in the amount of $1,583 commencing on the first installment date, January 1, 2009, and continuing to the maturity date. The principal amount and any and all other amounts of the indebtedness are due at maturity.	2,223,623	2,223,623	2039
To HPD at interest rate of 1.25% – Equal monthly installments of interest only in the amount of $1,442 commencing on the first installment date, August 1, 2008, and continuing to the maturity date. The principal amount and any and all other amounts of the indebtedness are due at maturity.	1,384,684	1,384,684	2039
To HPD at interest rate of 0.25% – Installment of interest only was due on January 1, 2012. A monthly installment of principal and interest in the amount of $417 was due on February 1, 2012 and continuing to the maturity date.	621,633	625,084	2042
To HPD – No regular payments of principal or interest. At the end of the term, the principal amount shall be reduced in its entirety and deemed satisfied if the Mortgagor is in compliance with the terms and conditions of the Regulatory Agreement.	47,177	70,764	2027
To CPC at interest rate of 7.13% – Principal and interest of $1,802 is due monthly commencing on the first installment due date, February 1, 2012, and continuing to the maturity date.	206,043	212,710	2042

NOTE 13 – MORTGAGES PAYABLE, NET (CONTINUED)

Description	2025	2024	Year(s) of Maturity
AAHDFC (Continued):			
To HTF at interest rate of 1.00% – Pursuant to an agreement with the State of New York, acting through its Division of Housing and Community Renewal ("DHCR") and New York State Housing Trust ("HTF"). HTF has committed to provide a loan to finance the construction of Norfolk's building. The interest rate for the loan is 1%. Interest payment is due annually and is paid from excess income as defined in the mortgage agreement.	$ 1,800,000	$ 1,800,000	2030
To HTF at interest rate of 1.00% – Pursuant to an agreement with the State of New York, acting through its Division of Housing and Community Renewal ("DHCR") and New York State Housing Trust ("HTF"). HTF has committed to provide a loan to finance the construction of Norfolk II's building. The interest rate for the loan is 1%. Interest payment is due annually and is paid from excess income as defined in the mortgage agreement.	1,800,000	1,800,000	2034
CPHDFC:			
To Bellwether – This loan is secured by the real property of the Company. Principal and an interest payment of $54,036 is due monthly, with any outstanding balance due in full at maturity. The loan was refinanced in July 2021 to reduce the interest rate. This loan is serviced by Bellwether but was issued by The Department of Housing and Urban Development.	10,995,266	11,363,803	2048
To HPD – First mortgage consisting of four separate mortgages that require no payment of principal or interest. Will be deemed satisfied at maturity if the Company is in compliance with the terms and conditions of the regulatory agreement.	14,250,000	14,250,000	2036
To HPD – Second mortgage requires monthly interest accrual only. Will be deemed satisfied at maturity if the Company is in compliance with the terms and conditions of the regulatory agreement. The mortgage is fully matured and the forgiveness of the obligation will be satisfied upon approval from HPD. As of March 31, 2025, the Company has not received forgiveness on the mortgage.	-	667,748	2025
To HPD – Third mortgage with interest and principal payable in full at maturity date. Will be deemed satisfied at maturity if the Company is in compliance with the terms and conditions of the regulatory agreement.	831,950	831,950	2027

NOTE 13 – MORTGAGES PAYABLE, NET (CONTINUED)

Description	2025	2024	Year(s) of Maturity
ECHDFC:			
To New York City HDC at interest rate of 1.25% – the note requires no monthly payments of principal until the note becomes due in 2046. Interest is due and payable in equal monthly installments commencing on July 1, 2016. A service fee in the amount of .25% of the principal amount or $60 monthly is also due and payable commencing on July 1, 2016.	$ 287,091	$ 287,091	2046
To HPD Building Loan – the note requires no monthly payments of principal or interest and will be forgiven at the end of the term provided there have been no defaults thereunder and the project has met all applicable requirements.	334,332	334,332	2045
First mortgage to the Housing Trust Fund Corporation ("HTFC") at interest rate of 1.00% – the note requires no monthly payments of principal until the note becomes due. Interest is payable annually on the principal balance advanced and outstanding, commencing on the 30th day of June 2011, and continuing annually thereafter until June 30, 2046. Interest payments shall be due and payable on an annual basis solely to the extent of net cash flow as defined in the promissory note.	2,290,000	2,290,000	2046
Rivington HDFC:			
To CPC at interest rate of 7.44% – First mortgage loan with principal and interest payable monthly commencing July 2014 and on the first day of each and every month thereafter until maturity.	703,007	740,733	2037
To HPD at interest rate of 1.00% – Second mortgage loan. Beginning on July 1, 2014, an installment of principal and interest in the amount of approximately $880 is due, and a like installment is due on the first day of each month thereafter until and including June 1, 2037. Beginning July 1, 2037, installment of principal and interest in the amount of approximately $8,510 is due, and a like installment is due on the first day of each month thereafter until and including June 1, 2042.	564,438	569,320	2042
To HPD – No payments of principal or interest. At the end of the term, the principal amount shall be reduced in its entirety and deemed satisfied if the mortgagor is in compliance with the terms and conditions of the Regulatory Agreement.	527,000	527,000	2044
Madison HDFC:			
First mortgage to the Enterprise Community at interest rate of 5.25% – the borrower shall make a principal and interest payment of $7,017 due the first date of each month until maturity. Effective September 2020, payments were deferred by Enterprise and resumed January 2021.	1,049,441	1,076,998	2043
Second mortgage to HPD – no payments of principal or interest. At the end of the term, the principal amount shall be reduced in its entirety and deemed satisfied if the mortgagor is in compliance with the terms and conditions of the Regulatory Agreement.	2,000,000	2,000,000	2042

NOTE 13 – MORTGAGES PAYABLE, NET (CONTINUED)

Description	2025	2024	Year(s) of Maturity
Madison HDFC (Continued):			
Third mortgage to HPD – the borrower shall make interest payments of 1% inclusive of a 0.25% servicing fee. No payments of principal shall be payable by the borrower. Monthly interest payments in the amount of $685 are payable by the borrower. The principal balance and any accrued interest will be due upon maturity.	$ 802,977	$ 802,977	2046
Fourth mortgage to HPD – the borrower shall have no payments of principal. Servicing fee shall be payable at 0.25%. This loan is forgivable if the mortgagor is in compliance with the terms and conditions of the Regulatory Agreement.	131,787	131,787	2046
El Caribe HDFC:			
First mortgage to HPD – The loan shall be due and payable on December 1, 2045. No interest shall be due or payable on the loan.	1,754,543	1,754,543	2045
Second mortgage to HPD – The loan shall be due and payable on December 1, 2045. No interest shall be due and payable on the Community Development Block Grants Loan.	210,000	210,000	2045
Third mortgage to HDC at interest rate of 1.00% – The Article 8 loan shall be due and payable on September 25, 2029. Interest on the Article 8 Loan shall be payable at the rate of 0.75% per annum in equal monthly installments of interest only in the amount of $385 on the first day of each and every month, together with a servicing fee in the amount of 0.25% per annum on the Article 8 Loan and payable monthly in the amount of $128.	716,100	716,100	2029
Fourth mortgage to HDC at interest rate of 1.00% – The Article 8 loan shall be due and payable on May 31, 2028. Interest on the Article 8 Loan shall be payable at the rate of 0.75% per annum in equal monthly installments of interest only in the amount of $18,305 on the first day of each and every month, together with a servicing fee in the amount of 0.25% per annum on the Article 8 Loan and payable monthly in the amount of $61.	292,885	292,885	2028
Golden Allen:			
To TD Bank at interest rate of 4.10%. This mortgage is secured by the real property located at 2 Allen Street, New York, NY, with monthly principal and interest payments of $18,763.	2,143,535	2,224,527	2027
Montgomery:			
To Neighborhood Partnership Housing Development Fund Company, Inc. This is a standing loan that does not bear interest or require the payment of installments. The principal balance is due in full at maturity.	495,000	495,000	2044

NOTE 13 – MORTGAGES PAYABLE, NET (CONTINUED)

Description	2025	2024	Year(s) of Maturity
DMCDC:			
To Republic First Bank - In May 2022, DMCDC obtained a mortgage in the amount of $2,750,000. The mortgage will mature June 1, 2029 and carries an interest rate of 3.875% per year. It also requires monthly payment of interest and principal in the amount of $14,412. The real property, rents and leases of DMCDC serve as collateral for the mortgage.	$ 2,507,329	$ 2,574,402	2029
CDF:			
To Cathay Bank - principal amount of $1,513,912 and a maturity date of January 1, 2030. The annual interest rate for the initial five year period is a fixed rate equal to 4.01%. The annual interest rate for the five year period following the initial term will be a floating rate, changing daily, equal to 50 basis points above the Prime Rate as published in The Wall Street Journal. The mortgage loan is amortized using a 25-year amortization schedule over a 10- year period with monthly principal and interest payments in the amount of $8,048 commenced on February 1, 2020, and will continue to January 1, 2025. After which, the borrower shall make payments consisting of monthly payments at the subsequent interest rate and principal as set forth above for the remaining mortgage term commencing on February 1, 2025 through and including January 1, 2030 ("Maturity Date"), when the unpaid principal amount, together with all accrued interest and other charges shall be paid by the borrower in full. AAFE CDF met the bank's debt service coverage ratio for the years ended December 31, 2025 and 2024.	1,294,787	1,323,961	2030
LES:			
To Local Initiatives Support Corporation (LISC) at interest rate of 5.62% - Loan issued to finance the construction of three properties of the Lower East Housing Development Financing Corporation and is secured by those properties. Interest is paid monthly. Maturity occurs at the earlier of the first day of the first month after construction completion or the initial maturity date of July 1, 2024.	4,104,669	3,942,287	2026
EVHO:			
To HPD secured by a second deed of trust. The loan bears interest at a rate of 2.25% during the construction period and 2.00% after permanent closing, with all interest deferred and compounded monthly.	8,128,890	7,970,270	2057
To Low Income Investment Fund at interest rate of 6.30%. The construction loan is secured by the property at 302 East 2nd Street NY, NY, and was paid down by $6,537,000 in 2023.	7,502,433	7,580,000	2057
On December 24, 2024, the Company obtained a loan from New York City Housing Preservation Department (HPD) in the amount of $1,128,730, the loan is secured by a third deed of trust. The loan bears interest at a rate of 2.00%. All outstanding principal and accrued interest will be due at maturity. The loan matures in September 2057.	1,151,193	1,128,730	2057

NOTE 13 – MORTGAGES PAYABLE, NET (CONTINUED)

Description	2025	2024	Year(s) of Maturity
BKD LLC:			
To HDC – Mortgage with interest payable on a monthly basis. Principal is due at maturity on July 1, 2025.	$ 1,996,084	$ 1,996,084	A
To HDC at interest rate of 1.25% – Mortgage with interest payable on a monthly basis. Principal is due at maturity on June 1, 2022. Based on the letter received in March 2023, it is HDC's intention to extend the loan currently due beyond its existing maturity date.	249,511	249,511	A
To HPD at interest rate of 1.00% – The Home Permanent loan bears interest at the rate of 1% per annum. Principal is due at maturity on October 31, 2031.	644,623	644,623	2031
To HPD – No regular payments of principal, interest or servicing fees shall be payable on the construction loan. At the end of the term, the principal amount shall be reduced in its entirety and deemed satisfied if the borrower is in compliance with terms and conditions of the regulatory agreement.	2,947,422	2,947,422	2029
Ovington:			
The Project Loan Mortgage dated May 23, 2024, secures a $2,595,000 loan from New York City Acquisition Fund LLC to 345 Ovington Avenue Housing Development Fund Corporation. It encumbers the property at 345 Ovington Avenue, Brooklyn, NY, and covers all associated improvements, rents, and rights. The agreement requires compliance with loan terms, maintenance of insurance, timely tax payments, financial reporting, and prohibits unauthorized transfers or alterations. The loan matures on May 23, 2026. The loan was repaid on July 2, 2025.	-	2,174,870	2026
This mortgage secures a $9,495,000 acquisition loan made by New York City Acquisition Fund LLC to 345 Ovington Avenue Housing Development Fund Corporation, a not-for-profit entity, for the property located at 345 Ovington Avenue, Brooklyn, NY (Block 5872, Lot 68). The mortgage encumbers the property, its improvements, leases, rents, development rights, and insurance proceeds. The maximum secured principal under this instrument is $2,595,000. The loan matures on May 23, 2027. The loan was repaid on July 2, 2025.	-	9,495,000	2027
The Project Loan Mortgage dated July 2, 2025, secures a total $13,620,139 loan from Local Initiatives Support Corporation ("LISC") with the Co-lenders to 345 Ovington Avenue Housing Development Fund Corporation. It encumbers the property and covers all associated a not-for-profit entity, for the property located at 345 Ovington Avenue, Brooklyn, NY (Block 5872, Lot 68). The project loan mortgage encumbers the property, its constructions, improvements, leases, rents, development rights, and insurance proceeds. The loan matures on June 28, 2028.	14,273,233	-	2028

NOTE 13 – MORTGAGES PAYABLE, NET (CONTINUED)

Description	2025	2024	Year(s) of Maturity
Loisaida			
The Construction and Project Loan Mortgage dated March 26, 2025. secures loan from CPC FUNDING SPE 1 LLC, to 73 Loisaida Housing Development Fund Corporation. It encumbers the property at 73-75 Avenue C, NY, NY, and covers all associated in the aggregate original maximum principal amount for Financing loan $3,050,000, Building loan $6,033,535 and Project loan $2,602,642. The loans mature March 31, 2055.	$ 7,527,892	$ -	2055
	104,942,316	95,862,571	
Less: unamortized debt issuance costs	(926,478)	(982,040)	
	$ 104,015,838	$ 94,880,531	

(A) The loan has reached its stated maturity date; however, HPD, has historically extended the loan multiple times and has indicated its intent to extend it beyond the current maturity. Agency is in compliance with the related regulatory agreements. Based on these facts, management has classified the mortgage as long term liability.

Golden Allen, LLC entered into a derivative transaction ("swap") with a notional amount that changes over time to correspond to the outstanding principal based on the agreed schedule for the mortgage. The notional amount of the derivative is the basis for calculating the volume of the transactions and does not represent the amount at risk. The market values of the swap can vary depending on movements in interest rates. The transaction creates off-balance sheet risk in that Golden Allen, LLC could potentially lose more on the swaps than the amounts at which these instruments are carried in the consolidated statements of financial position. The transaction had not been designated as a hedge. The counterparty is a New York financial institution. Golden Allen, LLC was obligated to pay an effective fixed interest rate of 3.11% on the notional amount (same as the principal balance). When taken together with the mortgage payable, the effect of the derivative transaction is to substantially convert the variable rate (subject to the risk of going to a level higher than the current fixed rate) to a fixed rate mortgage payable that is subject to a 4.2% maximum rate. Effective April 1, 2023, the fixed rate paid remained unchanged except the floating rate option is USD-SOFR CME Term with a designated maturity of one month and the spread is original spread plus 7bps.

As of December 31, 2025 and 2024, the estimated fair value of the swap agreement amounted to $42,485 and $65,755, which was deemed immaterial to the consolidated financial statements taken as a whole. Accordingly, the accompanying consolidated financial statements did not reflect such amounts.

NOTE 13 – MORTGAGES PAYABLE (CONTINUED)

Future approximate mortgage repayments for the five years ending after December 31, 2025 and thereafter are as follows:

2026	$ 4,900,708
2027	17,051,258
2028	1,021,296
2029	3,660,655
2030	697,987
Thereafter	77,610,412
	$ 104,942,316

NOTE 14 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes as of December 31:

	2025	2024
With donor restrictions:		
Loan loss reserve	$ 1,000,000	$ 1,000,000
Small business lending and technical assistance	407,575	482,801
Other programs (including COVID-19 related)	908,852	864,329
	$ 2,316,427	$ 2,347,130

During the years ended December 31, 2025 and 2024, net assets with donor restrictions which amounted to $1,106,453 and $2,048,272, respectively, were released from donor restrictions by incurring expenses (or the passage of time), thus satisfying the donor restrictions.

The Agency's net assets with donor restrictions include funds received from NeighborWorks America ("NWA") restricted for use as a revolving loan and capital projects fund.

The investment of funds received from NWA is governed by the NeighborWorks America Investment and Grant Agreement (the "Agreement"). Under the Agreement, the restricted capital grant funds shall be used for purposes that will build assets for the Agency and the community in which it operates. As noted above, the funds received from NWA were used as capital lending funds and for the rehabilitation of residential multifamily rental buildings. Interest on loans as well as proceeds on capital projects in excess of the total amount of restricted capital grant funds provided by NWA invested or otherwise used to fund such projects may be transferred to net assets without donor restrictions, to be used for purposes of furthering the Agency's mission. Cash from any restricted capital funds provided by NWA, and not expended according to the terms of the agreement, shall be fully invested in securities either of the United States government or that are guaranteed by the United States government, or exclusively deposited in federally insured or state insured accounts. For the years ended December 31, 2025 and 2024, there were no unspent capital funds.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

A. Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying consolidated financial statements.

B. REDC is involved in several legal actions to recover monetary losses resulting from the default on loans by certain borrowers. No amounts for estimated recoveries have been included in the accompanying consolidated financial statements. REDC will recognize other income in the event any recoveries are made.

C. As the developer and a member in the East Village Homes Owner LLC mixed use affordable housing development AAFE is obligated under certain financial and non-financial guarantees associated with the developing and operation of the project. Such guarantees are not reflected in the accompanying consolidated financial statements as they appear to be administrative in nature and deemed immaterial.

D. Madison HDFC had a net deficit of $808,031 and $666,242 as of December 31, 2025 and 2024, respectively, because of the nature of their operations concentrated in rent-regulated tenants. The net deficit primarily relates to rental rates allowed by HPD and the United States Department of Housing and Urban Development ("HUD") that are designed to be sufficient to reimburse project owners for reasonable operating costs of which depreciation expense is not reimbursed.

E. CPHDFC had a net deficit of $2,987,266 and $3,357,977 as of December 31, 2025 and 2024, respectively, because of the nature of their operations concentrated in rent regulated tenants. The net deficit primarily relates to rental rates allowed by HPD and HUD that are designed to be sufficient to reimburse project owners for reasonable operating costs of which depreciation expense is not reimbursed.

F. The Agency believes it had no uncertain income tax positions as of December 31, 2025 and 2024, in accordance with ASC Topic 740, *Income Taxes,* which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

G. The Agency subleases real property to tenants at 176-180 Eldridge Street, 1 Pike Street, 111 Norfolk Street, 133-04 39th Avenue and 108 Norfolk Street in New York City. Rental income from subleases amounted to $965,410 and $1,008,637 for the years ended December 31, 2025 and 2024, respectively. Sublease income related to these leases is reported in the consolidated statements of activities as leases.

NOTE 15 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Future approximate minimum payments for non-cancelable subleases for the years ending after December 31, 2025 and thereafter are as follows:

2026	$ 911,000
2027	579,000
2028	274,000
2029	149,000
2030	71,000
Thereafter	23,000
Total Sublease Payments	$ 2,007,000

NOTE 16 – LEASES

AAFE and Stanton are obligated pursuant to various lease agreements.

As of December 31, 2025, the right-of-use ("ROU") asset and lease liability had balances of $2,616,341 and $2,706,820, respectively, as shown in the consolidated statements of financial position. As of December 31, 2024, the right-of-use ("ROU") asset and lease liability had balances of $2,299,829 and $2,367,648, respectively, as shown in the consolidated statements of financial position. The ROU asset and liability were calculated utilizing risk-free rates (ranging from 1.04%-4.58%) for both years, according to AAFE's and Stanton's elected policy. There is no option to renew the leases beyond their stated terms.

The following summarizes the line items in the consolidated statements of functional expenses which include the components of lease expense for the years ended December 31:

	2025	2024
Operating lease expense included in occupancy costs	$ 150,937	$ 150,937

The following summarizes cash flow information related to leases for the years ended December 31:

	2025	2024
Cash paid for amounts included in measurement of lease		
Operating cash flows from operating leases	$ 807,821	$ 757,452
Noncash financing and investing cash flow		
ROU assets obtained in exchange for new lease liabilities		
Operating leases	$ 1,023,642	$ 848,749

As of December 31, 2025 and 2024, the weighted average of the remaining lease term is approximately 6.60 years and 6.19 years, respectively. The weighted average discount rate is 3.90% and 3.25% for the years ended December 31, 2025 and 2024, respectively.

NOTE 16 – LEASES (CONTINUED)

Future approximate minimum payments for non-cancelable operating leases for the years ending after December 31, 2025 and thereafter are as follows:

2026	$ 619,148
2027	535,246
2028	533,914
2029	398,957
2030	200,217
Thereafter	897,544
Total lease payments	3,185,026
Less: present value discount	(478,206)
Lease Obligations	$ 2,706,820

NOTE 17 – CONCENTRATIONS

A. Cash and cash equivalents that potentially subject the Agency to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits by approximately $21,171,000 and $24,495,000 as of December 31, 2025 and 2024, respectively. Cash accounts with participating banks are insured up to $250,000 per depositor.

B. REDC lends money to small businesses in its target communities. Many of these small business borrowers operate businesses in the retail, wholesale, restaurant and certain personal service industries with their primary business operations located in Manhattan, Queens and Brooklyn. Funding for these loans is obtained by REDC in the form of loans, grants and credit lines from various organizations.

C. For the years ended December 31, 2025 and 2024, ECHDFC received approximately 12% and 10% of its residential revenue from 10 of its residential units in the form of Section 8 subsidies and the Senior Citizen Rent Increase Exemption program subsidies administered by HPD and the New York City Department of Finance, respectively. The balance of the rent is received from tenants, many of whom receive public assistance.

D. For the years ended December 31, 2025 and 2024, AAHDFC received approximately 22% of its residential income in the form of Section 8 subsidies and the Senior Citizen Rent Increase Exemption program subsidies administered by HPD and the New York City Department of Finance, respectively. The balance of the rent is received from tenants, many of whom receive public assistance.

NOTE 17 – CONCENTRATIONS (CONTINUED)

E. For the years ended December 31, 2025 and 2024, El Caribe received approximately 17% and 18%, respectively, of its residential income in the form of Section 8 subsidies and the Senior Citizen Rent Increase Exemption program subsidies administered by HPD and the New York City Department of Finance. The balance of the rent is received from tenants, many of whom receive public assistance.

F. For the years ended December 31, 2025 and 2024, BKD LLC received approximately 17% and 16%, respectively, of its residential income in the form of Section 8 subsidies and the Senior Citizen Rent Increase Exemption program subsidies administered by HPD and the New York City Department of Finance, respectively. The balance of the rent is received from tenants, many of whom receive public assistance.

For both years ended December 31, 2025 and 2024, Rivington received approximately 41% of its commercial rent from one tenant.

NOTE 18 – PENSION PLAN

In 2016, the Agency established a 403(b) plan (the "Plan"). All employees over age 21 of AAFE, or any affiliate who has adopted the Plan, with three consecutive months of continuous service are eligible to participate. The Plan has a discretionary match, which is a maximum of 2% for those employees contributing a minimum of 2% to the Plan. In addition, the Plan provides a 1% employer annual contribution for each participant who meets the following requirements:

- Employees who have worked at least 500 hours for the year, OR
- Employees who are still in "active" employee status at the end of the Plan year

Effective January 1, 2021, the Plan was amended to reflect revised eligibility requirements for the 1% employer annual contribution as follows:

- Employees who have worked at least 500 hours for the year, AND
- Employees who are still in "active" employee status at the end of the Plan year

The employer match is deposited to the Plan every pay period while the employer annual contribution is deposited to the Plan after the end of the Plan year. On January 1, 2023, the employer matching contribution increased from 2% to 3% and the annual discretionary contribution remained at 1%. For the years ended December 31, 2025 and 2024, total employer contributions amounted to $301,239 and $332,479, respectively.

NOTE 19 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through July 2, 2026, the date the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

ASIAN AMERICANS FOR EQUALITY, INC. AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

December 31, 2025 (With Comparative Totals for 2024)

	Asian Americans for Equality, Inc.	Renaissance Economic Development Corporation, Inc.	AAFE Community Development Fund, Inc.	Queens Housing and Immigration Center Corporation, Inc.	Hardesty Renaissance Economic Development Corporation, Inc.	4 NYC Housing, Inc.	Lower East Side Housing Development Fund Company, Inc.	Community Renewal Housing Development Fund Company, Inc.	Montgomery Housing Development Fund Company, Inc.	Community Homes Housing Development Fund Company, Inc. and its Affiliates	One Hardesty, LLC DBA Hardesty Storage	Golden Allen, LLC	Stanton Norfolk, Inc.	Asian American Housing Development Fund Company, Inc. and its Affiliates	Chinatown Preservation Housing Development Fund Company, Inc.
Assets															
Current Assets															
Cash and cash equivalents	$ 685,591	$ 3,904,339	$ 760,571	$ -	$ -	$ 578,088	$ 160,015	$ -	$ 34,990	$ 545,642	$ -	$ 31,879	$ 568,736	$ 635,067	$ 887,941
Cash - designated for credit loss reserve	-	1,534,682	99,404	-	-	-	-	-	-	-	-	-	-	-	-
Cash - designated for lending to small businesses	-	5,744,057	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash - designated for lending to affiliates	-	1,971,036	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash - designated for lending	-	-	642,164	-	-	-	-	-	-	-	-	-	-	-	-
Restricted cash	-	1,135,965	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	3,308,847	-	1,500,000	-	-	-	-	-	-	3,644,988	-	-	3,037,920	-	-
Grants and contributions receivable, net	2,867,369	1,035,668	163,719	-	-	-	-	-	-	-	-	-	-	-	-
Rent and other receivables, net	673,211	-	-	-	-	-	120,770	-	-	-	-	-	145,808	55,137	-
Loans receivable, net	-	4,343,038	134,715	-	-	-	-	-	-	-	-	-	-	-	-
Loans receivable from affiliates	-	40,435	-	-	-	39,966	-	-	-	120,000	-	-	-	-	-
Due from affiliates	1,901,484	397,020	52,745	-	-	439,568	-	-	-	600,000	-	110,022	1,268,021	-	-
Real estate held for sale, at cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	191,097	57,688	4,577	-	-	-	-	-	1,336	12,050	-	6,162	84,675	185,874	196,391
Total Current Assets	9,627,599	20,163,928	3,357,895	-	-	1,057,622	280,785	-	36,326	4,922,680	-	148,063	5,105,160	876,078	1,084,332
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted cash	-	4,631,672	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted reserve accounts	9,447	-	-	-	-	-	-	-	-	-	-	500	-	9,467,881	1,497,934
Tenants' security deposits	-	-	-	-	-	-	5,100	-	-	18,210	-	-	156,475	233,861	257,261
Loans receivable, net	-	7,380,168	538,336	-	-	-	-	-	-	-	-	-	-	-	-
Loans receivable from affiliates	2,338,299	2,246,544	-	-	-	-	-	-	-	2,372,294	-	-	-	65,740	-
Due from affiliates	2,639,641	-	-	-	-	-	-	-	-	528,481	-	-	-	-	-
Investments in affiliates	3,906,162	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property and equipment, net	1,553,308	236,476	2,823,676	-	-	1,054,295	20,349,028	-	581,442	1,990,995	-	3,223,028	34,265	6,846,622	20,500,657
Right-of-use asset - operating	1,809,905	-	-	-	-	-	-	-	-	-	-	-	806,436	-	-
Other assets	766,497	-	-	-	-	-	76,103	-	-	39,471	-	-	50,137	-	-
Total Assets	$ 22,650,858	$ 34,658,788	$ 6,719,907	$ -	$ -	$ 2,111,917	$ 20,711,016	$ -	$ 617,768	$ 9,872,131	$ -	$ 3,371,591	$ 6,152,473	$ 17,490,182	$ 23,340,184
Liabilities															
Current Liabilities															
Accounts payable and accrued expenses	$ 776,606	$ 711,562	$ 97,267	$ -	$ -	$ 29,869	$ 8,526	$ -	$ 2,105	$ 23,831	$ -	$ 10,326	$ 315,785	$ 265,663	$ 260,457
Loans payable to affiliates	1,547,985	-	40,544	-	-	-	-	-	-	-	-	2,240,486	-	-	-
Due to affiliates	992,978	-	5,691	-	-	-	129,018	-	-	-	-	-	144,307	-	-
Loans payable, net	-	794,368	-	-	-	-	-	-	-	-	-	-	-	-	-
Mortgages payable, net	-	-	46,257	-	-	-	4,104,669	-	-	-	-	93,170	-	34,171	377,071
Lease liability - operating	379,692	-	-	-	-	-	-	-	-	-	-	-	239,456	-	--
Other liability	813,233	-	-	-	-	-	-	-	-	-	-	-	-	31,106	17,184
Total Current Liabilities	4,510,494	1,505,930	189,759	-	-	29,869	4,242,213	--	2,105	23,831	-	2,343,982	699,548	330,940	654,712
Mortgages payable, net	-	-	1,248,530	-	-	-	-	-	495,000	-	-	1,842,558	-	12,199,368	25,400,039
Loans payable to affiliates	-	-	848,450	-	-	1,141,877	360,149	-	286,840	-	-	-	-	-	-
Due to affiliates	-	-	-	-	-	252,487	110,000	8,771	54,535	-	-	368,670	-	655,363	15,438
Loans payable, net	-	8,901,772	-	-	-	350,000	15,521,161	-	-	-	-	-	-	-	-
Bank lines of credit	615,195	3,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Refundable advances	-	2,267,115	-	-	-	-	-	-	-	-	-	-	-	-	-
Tenants' security deposit	-	-	-	-	-	-	5,100	-	-	18,210	-	-	156,475	233,861	257,261
Lease liability - operating	1,506,978	-	-	-	-	-	-	-	-	-	-	-	580,694	-	-
Deferred and other payables	2,639,641	-	-	-	-	-	453,306	-	-	-	-	-	-	-	-
Total Liabilities	9,272,308	15,674,817	2,286,739	-	-	1,774,233	20,691,929	8,771	838,480	42,041	-	4,555,210	1,436,717	13,419,532	26,327,450
Net Assets (Deficit)															
Without donor restrictions:															
Non-controlling member's interest	-	-	-	-	-	-	-	-	-	-	-	-	-	206,921	-
Undesignated	12,469,698	7,574,324	3,275,843	-	-	337,684	19,087	(8,771)	(220,712)	7,580,090	-	(1,183,619)	4,715,756	3,863,729	(2,987,266)
Board designated fund for future use	-	-	-	-	-	-	-	-	-	2,250,000	-	-	-	-	-
Designated for lending activities	-	10,002,072	1,157,325	-	-	-	-	-	-	-	-	-	-	-	-
Total Net Assets (Deficit) Without Donor Restrictions	12,469,698	17,576,396	4,433,168	-	-	337,684	19,087	(8,771)	(220,712)	9,830,090	-	(1,183,619)	4,715,756	4,070,650	(2,987,266)
With donor restrictions	908,852	1,407,575	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Net Assets (Deficit)	13,378,550	18,983,971	4,433,168	-	-	337,684	19,087	(8,771)	(220,712)	9,830,090	-	(1,183,619)	4,715,756	4,070,650	(2,987,266)
Total Liabilities and Net Assets (Deficit)	$ 22,650,858	$ 34,658,788	$ 6,719,907	$ -	$ -	$ 2,111,917	$ 20,711,016	$ -	$ 617,768	$ 9,872,131	$ -	$ 3,371,591	$ 6,152,473	$ 17,490,182	$ 23,340,184

See independent auditors' report.

ASIAN AMERICANS FOR EQUALITY, INC. AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

December 31, 2025 (With Comparative Totals for 2024)

	East Chinatown Housing Development Fund Company, Inc.	Rivington Housing Development Fund Company, Inc.	Madison Street Housing Development Fund Company, Inc.	El Caribe Housing Development Fund Company, Inc.	AAFE Fair Housing Center, Inc.	East Village Homes Owner LLC	Downtown Manhattan Community Development Corporation	Bremond King Davis LLC	Chelsea Apartments Housing Development Fund Corporation	345 Ovington Avenue Housing Development Fund Corporation	73 Loisaida Housing Development Fund Corporation	Consolidating Eliminations	Consolidated Total 2025	Consolidated Total 2024
Assets														
Current Assets														
Cash and cash equivalents	$ 226,926	$ 323,283	$ 38,360	$ 387,727	$ 5,911	$ 28,435	$ 471,295	$ 71,999	$ 1,471,514	$ 93,439	$ 532,348	$ -	$ 12,444,096	$ 14,739,406
Cash - designated for credit loss reserve	-	-	-	-	-	-	-	-	-	-	-	-	1,634,086	1,356,284
Cash - designated for lending to small businesses	-	-	-	-	-	-	-	-	-	-	-	-	5,744,057	6,669,926
Cash - designated for lending to affiliates	-	-	-	-	-	-	-	-	-	-	-	-	1,971,036	1,352,015
Cash - designated for lending	-	-	-	-	-	-	-	-	-	-	-	-	642,164	523,466
Restricted cash	-	-	-	-	-	-	-	-	-	-	-	-	1,135,965	2,519,186
Investments	-	-	-	-	-	-	-	-	-	-	-	-	11,491,755	10,530,292
Grants and contributions receivable, net	-	-	-	-	-	-	-	-	-	-	-	-	4,066,756	3,833,807
Rent and other receivables, net	3,809	4,186	2,616	9,816	-	47,567	1,677	88,072	5,997	135,149	898,143	-	2,191,958	542,831
Loans receivable, net	-	-	-	-	-	-	-	-	-	-	-	-	4,477,753	3,351,374
Loans receivable from affiliates	-	-	-	-	-	-	-	-	-	-	-	(200,401)	-	-
Due from affiliates	-	-	-	191	-	-	2,732	-	80	-	-	(4,771,863)	-	-
Real estate held for sale, at cost	-	-	-	-	-	-	-	-	-	-	-	-	-	861,040
Prepaid expenses and other assets	26,719	4,147	7,546	35,726	-	23,754	76,983	91,708	-	26,975	-	-	1,033,408	916,220
Total Current Assets	257,454	331,616	48,522	433,460	5,911	99,756	552,687	251,779	1,477,591	255,563	1,430,491	(4,972,264)	46,833,034	47,195,847
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-	-	-	-	-	4,631,672	2,087,571
Restricted reserve accounts	2,188,995	48,918	48,018	1,783,438	-	576,349	-	1,310,584	-	-	-	-	16,932,064	16,338,920
Tenants' security deposits	44,879	35,007	20,854	53,507	-	56,437	34,129	70,430	-	-	-	-	986,150	951,922
Loans receivable, net	-	-	-	-	-	-	-	-	-	-	-	-	7,918,504	8,021,464
Loans receivable from affiliates	-	-	-	-	-	-	1,126,189	-	-	-	-	(8,149,066)	-	-
Due from affiliates	-	-	-	-	-	-	-	-	7,800	-	-	(3,175,922)	-	-
Investments in affiliates	-	-	-	-	-	-	-	-	-	-	-	(562,960)	3,343,202	3,332,423
Property and equipment, net	1,410,413	1,522,452	3,297,268	1,432,311	50,329	25,486,730	284,930	1,059,326	22,181,721	14,943,948	7,558,690	-	138,421,910	123,936,508
Right-of-use asset - operating	-	-	-	-	-	-	-	-	-	-	-	-	2,616,341	2,299,829
Other assets	-	-	-	-	24,000	141,441.00	-	-	-	2,310	-	-	1,099,959	993,988
Total Assets	$ 3,901,741	$ 1,937,993	$ 3,414,662	$ 3,702,716	$ 80,240	$ 26,360,713	$ 1,997,935	$ 2,692,119	$ 23,667,112	$ 15,201,821	$ 8,989,181	$ (16,860,212)	$ 222,782,836	$ 205,158,472
Liabilities														
Current Liabilities														
Accounts payable and accrued expenses	$ 325,365	$ 34,206	$ 62,776	$ 58,070	$ -	$ 89,167	$ 61,879	$ 109,460	$ 2,506,923	$ 291,238	$ 146,050	$ (541,713)	$ 5,645,418	$ 2,942,938
Loans payable to affiliates	-	-	-	-	-	-	-	-	-	-	-	(3,829,015)	-	-
Due to affiliates	-	1,904	204,254	-	-	-	7,617	-	-	1,521	-	(1,487,290)	-	-
Loans payable, net	-	-	-	-	-	-	-	-	21,071,147	-	-	-	21,865,515	30,355,311
Mortgages payable, net	-	45,562	41,896	-	-	81,738	76,174	-	-	-	-	-	4,900,708	7,255,301
Lease liability - operating	-	-	-	-	-	-	-	-	-	-	-	-	619,148	657,983
Other liability	-	-	-	-	-	-	4,947	10,159	-	-	-	-	876,629	478,040
Total Current Liabilities	325,365	81,672	308,926	58,070	-	170,905	150,617	119,619	23,578,070	292,759	146,050	(5,858,018)	33,907,418	41,689,573
Mortgages payable, net	2,902,866	1,706,106	3,892,913	2,973,528	-	16,460,577	2,394,383	5,798,137	-	14,273,233	7,527,892	-	99,115,130	87,625,230
Loans payable to affiliates	-	-	-	-	-	-	-	-	229,445	724,619	-	(3,591,380)	-	-
Due to affiliates	7,970	-	-	13,437	91,660	1,352,967	-	1,100,642	74,000	-	408,774	(4,514,714)	-	-
Loans payable, net	-	-	-	-	-	-	-	-	-	-	-	-	24,772,933	8,528,947
Bank lines of credit	-	-	-	-	-	-	-	-	-	-	-	-	3,615,195	3,469,518
Refundable advances	-	-	-	-	-	-	-	-	-	-	-	-	2,267,115	2,652,885
Tenants' security deposit	44,879	35,007	20,854	53,507	-	56,437	34,129	70,430	-	-	-	-	986,150	951,922
Lease liability - operating	-	-	-	-	-	-	-	-	-	-	-	-	2,087,672	1,709,665
Deferred and other payables	-	-	-	-	-	3,299,000	-	-	22,472	250	1,089	(2,639,641)	3,776,117	3,994,637
Total Liabilities	3,281,080	1,822,785	4,222,693	3,098,542	91,660	21,339,886	2,579,129	7,088,828	23,903,987	15,290,861	8,083,805	(16,603,753)	170,527,730	150,622,377
Net Assets (Deficit)														
Without donor restrictions:														
Non-controlling member's interest	-	-	-	-	-	49,538	-	(2,638,025)	-	-	-	(256,459)	(2,638,025)	(1,281,217)
Undesignated	620,661	115,208	(808,031)	604,174	(11,420)	4,971,289	(581,194)	(1,758,684)	(236,875)	(89,040)	905,376	-	39,167,307	42,714,698
Board designated fund for future use	-	-	-	-	-	-	-	-	-	-	-	-	2,250,000	-
Designated for lending activities	-	-	-	-	-	-	-	-	-	-	-	-	11,159,397	10,755,484
Total Net Assets (Deficit) Without Donor Restrictions	620,661	115,208	(808,031)	604,174	(11,420)	5,020,827	(581,194)	(4,396,709)	(236,875)	(89,040)	905,376	(256,459)	49,938,679	52,188,965
With donor restrictions	-	-	-	-	-	-	-	-	-	-	-	-	2,316,427	2,347,130
Total Net Assets (Deficit)	620,661	115,208	(808,031)	604,174	(11,420)	5,020,827	(581,194)	(4,396,709)	(236,875)	(89,040)	905,376	(256,459)	52,255,106	54,536,095
Total Liabilities and Net Assets (Deficit)	$ 3,901,741	$ 1,937,993	$ 3,414,662	$ 3,702,716	$ 80,240	$ 26,360,713	$ 1,997,935	$ 2,692,119	$ 23,667,112	$ 15,201,821	$ 8,989,181	$ (16,860,212)	$ 222,782,836	$ 205,158,472

See independent auditors' report.

ASIAN AMERICANS FOR EQUALITY, INC. AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF ACTIVITIES

For the Year Ended December 31, 2025 (With Comparative Totals for 2024)

	Year Ended December 31, 2025								
	Asian Americans for Equality, Inc.	Renaissance Economic Development Corporation, Inc.	AAFE Community Development Fund, Inc.	Queens Housing and Immigration Center Corporation, Inc.	4 NYC Housing, Inc.	Lower East Side Housing Development Fund Company, Inc.	Community Renewal Housing Development Fund Company, Inc.	Montgomery Housing Development Fund Company, Inc.	Community Homes Housing Development Fund Company, Inc. and its Affiliates
Public Support, Revenue and Other									
Contributions and grants	$ 450,108	$ 136,358	$ 550,662	$ -	$ -	$ -	$ -	$ -	$ -
Grants from government agencies	3,303,495	4,178,680	-	-	-	-	-	-	-
Real estate sales (net of cost of real estate sales of $861,040 in 2025 and $14,416,933 in 2024)	-	438,960	-	-	-	-	-	-	-
Interest on loans and investments	140,386	1,106,854	41,127	-	-	-	-	-	261,386
Management, consulting, and marketing fees	697,884	-	-	-	-	-	-	-	-
Rental income (net of vacancy loss of $205,341 in 2025 and $258,605 in 2024)	292,489	-	159,120	-	-	320,757	-	-	110,431
Program service, incentives and fees	1,557,628	-	-	-	-	-	-	-	-
Special event income (net of expenses of $83,218 in 2025 and $239,070 in 2024)	160,250	-	-	-	-	-	-	-	-
Other income	1,516,843	392,469	162,581	-	21,313	1,892	1,572	-	-
Net assets released from restrictions	464,581	505,226	-	-	-	-	-	-	-
Total Public Support, Revenue and Other	8,583,664	6,758,547	913,490	-	21,313	322,649	1,572	-	371,817
Expenses									
Program services:									
Community outreach and education	2,914,135	-	-	-	-	-	-	-	-
Housing, immigration and social services	1,139,586	-	-	-	-	-	-	-	-
Planning and development	1,224,455	-	-	-	175,638	-	-	-	-
Single family housing development	-	-	-	-	-	-	-	-	1,520,692
Homeownership loans	-	-	376,969	-	-	-	-	-	-
Homeownership counseling	-	-	440,981	-	-	-	-	-	-
Small business technical assistance and education	-	2,647,982	-	-	-	-	-	-	-
Small business loans	-	2,721,427	-	-	-	-	-	-	-
Affordable housing program services	-	-	-	-	-	303,787	-	-	-
Total Program Services	5,278,176	5,369,409	817,950	-	175,638	303,787	-	-	1,520,692
Supporting services:									
Management and general	2,257,435	855,118	64,083	1,585	-	-	199	10,334	47,646
Fundraising	624,190	437,850	-	-	-	-	-	-	-
Total Expenses	8,159,801	6,662,377	882,033	1,585	175,638	303,787	199	10,334	1,568,338
Change in Net Assets Before Change in and Transfer of Interest in affiliates	423,863	96,170	31,457	(1,585)	(154,325)	18,862	1,373	(10,334)	(1,196,521)
Change in valuation of investment in affiliate	10,379	-	-	-	-	-	-	-	-
Change in non-controlling interest	-	-	-	-	-	-	-	-	-
Transfer of limited partner's interest in Norfolk II	-	-	-	-	-	-	-	-	-
Contributions - members' capital	-	-	-	-	-	-	-	-	-
Change in Net Assets (Deficit) Without Donor Restrictions	434,242	96,170	31,457	(1,585)	(154,325)	18,862	1,373	(10,334)	(1,196,521)
Net Assets (Deficit) Without Donor Restrictions - Beginning	12,035,456	17,480,226	4,401,711	1,585	492,009	225	(10,144)	(210,378)	11,026,611
Net Assets (Deficit) Without Donor Restrictions - Ending	12,469,698	17,576,396	4,433,168	-	337,684	19,087	(8,771)	(220,712)	9,830,090
Changes in Net Assets With Donor Restrictions									
Contributions	509,104	430,000	-	-	-	-	-	-	-
Net assets released from restrictions	(464,581)	(505,226)	-	-	-	-	-	-	-
Change in Net Assets (Deficit) With Donor Restrictions	44,523	(75,226)	-	-	-	-	-	-	-
Net Assets With Donor Restrictions - Beginning	864,329	1,482,801	-	-	-	-	-	-	-
Net Assets With Donor Restrictions - Ending	908,852	1,407,575	-	-	-	-	-	-	-
Total Net Assets (Deficit) - Ending	$ 13,378,550	$ 18,983,971	$ 4,433,168	$ -	$ 337,684	$ 19,087	$ (8,771)	$ (220,712)	$ 9,830,090
	-	-	-	-	-	-	-	-	-

See independent auditors' report.

ASIAN AMERICANS FOR EQUALITY, INC. AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF ACTIVITIES (CONTINUED)

For the Year Ended December 31, 2025 (With Comparative Totals for 2024)

	Year Ended December 31, 2025								
	One Hardesty, LLC DBA Hardesty Storage	Golden Allen, LLC	Stanton Norfolk Inc.	Asian American Housing Development Fund Company, Inc. and Affiliates	Chinatown Preservation Housing Development Fund Company, Inc.	East Chinatown Housing Development Fund Company, Inc.	Rivington Housing Development Fund Company, Inc.	Madison Street Housing Development Fund Company, Inc.	El Caribe Housing Development Fund Company, Inc.
Public Support, Revenue and Other									
Contributions and grants	$ -	$ -	$ -	$ 23,588	$ -	$ -	$ -	$ -	$ -
Grants from government agencies	-	-	-	-	-	-	-	-	-
Real estate sales (net of cost of real estate sales of $861,040 in 2025 and $14,416,933 in 2024)	-	-	-	-	-	-	-	-	-
Interest on loans and investments	-	-	121,641	296,071	10,690	51,851	11,908	-	36,554
Management, consulting, and marketing fees	-	-	4,088,389	-	-	-	-	-	-
Rental income (net of vacancy loss of $205,341 in 2025 and $258,605 in 2024)	-	152,000	865,008	3,080,380	2,410,566	628,740	266,158	271,813	657,257
Program service, incentives and fees	-	-	-	-	-	-	-	-	-
Special event income (net of expenses of $83,218 in 2025 and $239,070 in 2024)	-	-	-	-	-	-	-	-	-
Other income	-	-	600,287	187,460	719,854	42,205	-	20,654	77,175
Net assets released from restrictions	-	-	-	-	-	-	-	-	-
Total Public Support, Revenue and Other	-	152,000	5,675,325	3,587,499	3,141,110	722,796	278,066	292,467	770,986
Expenses									
Program services:									
Community outreach and education	-	-	-	-	-	-	-	-	-
Housing, immigration and social services	-	-	-	-	-	-	-	-	-
Planning and development	-	-	-	-	-	-	-	-	-
Single family housing development	-	-	-	-	-	-	-	-	-
Homeownership loans	-	-	-	-	-	-	-	-	-
Homeownership counseling	-	-	-	-	-	-	-	-	-
Small business technical assistance and education	-	-	-	-	-	-	-	-	-
Small business loans	-	-	-	-	-	-	-	-	-
Affordable housing program services	-	-	3,762,637	3,556,371	2,524,641	630,985	230,293	378,358	751,972
Total Program Services	-	-	3,762,637	3,556,371	2,524,641	630,985	230,293	378,358	751,972
Supporting services:									
Management and general	1,130	366,841	1,416,103	502,685	245,758	95,542	31,009	55,898	120,852
Fundraising	-	-	-	-	-	-	-	-	-
Total Expenses	1,130	366,841	5,178,740	4,059,056	2,770,399	726,527	261,302	434,256	872,824
Change in Net Assets Before Change in and Transfer of Interest in affiliates	(1,130)	(214,841)	496,585	(471,557)	370,711	(3,731)	16,764	(141,789)	(101,838)
Change in valuation of investment in affiliate	-	-	-	-	-	-	-	-	-
Change in non-controlling interest	-	-	-	2,957	-	-	-	-	-
Transfer of limited partner's interest in Norfolk II	-	-	-	-	-	-	-	-	-
Contributions - members' capital	-	-	-	-	-	-	-	-	-
Change in Net Assets (Deficit) Without Donor Restrictions	(1,130)	(214,841)	496,585	(468,600)	370,711	(3,731)	16,764	(141,789)	(101,838)
Net Assets (Deficit) Without Donor Restrictions - Beginning	1,130	(968,778)	4,219,171	4,539,250	(3,357,977)	624,392	98,444	(666,242)	706,012
Net Assets (Deficit) Without Donor Restrictions - Ending	-	(1,183,619)	4,715,756	4,070,650	(2,987,266)	620,661	115,208	(808,031)	604,174
Changes in Net Assets With Donor Restrictions									
Contributions	-	-	-	-	-	-	-	-	-
Net assets released from restrictions	-	-	-	-	-	-	-	-	-
Change in Net Assets (Deficit) With Donor Restrictions	-	-	-	-	-	-	-	-	-
Net Assets With Donor Restrictions - Beginning	-	-	-	-	-	-	-	-	-
Net Assets With Donor Restrictions - Ending	-	-	-	-	-	-	-	-	-
Total Net Assets (Deficit) - Ending	$ -	$ (1,183,619)	$ 4,715,756	$ 4,070,650	$ (2,987,266)	$ 620,661	$ 115,208	$ (808,031)	$ 604,174

See independent auditors' report.

ASIAN AMERICANS FOR EQUALITY, INC. AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF ACTIVITIES (CONTINUED)

For the Year Ended December 31, 2025 (With Comparative Totals for 2024)

	Year Ended December 31, 2025									
	AAFE Fair Housing Center, Inc.	East Village Homes Owner LLC	Downtown Manhattan Community Development Corporation	Bremond King Davis LLC	Chelsea Apartments Housing Development Fund Corporation	345 Ovington Avenue Housing Development Fund Corporation	73 Loisaida Housing Development Fund Corporation	Consolidating Eliminations	Consolidated Total 2025	Consolidated Total 2024
Public Support, Revenue and Other										
Contributions and grants	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,160,716	$ 1,203,784
Grants from government agencies	-	-	-	-	7,800	-	-	-	7,489,975	7,173,615
Real estate sales (net of cost of real estate sales of $861,040 in 2025 and $14,416,933 in 2024)	-	-	-	-	-	-	-	-	438,960	17,683,067
Interest on loans and investments	-	-	40,951	49,954	-	-	-	(221,391)	1,947,982	1,496,429
Management, consulting, and marketing fees	-	-	-	-	-	-	-	(3,092,649)	1,693,624	1,027,285
Rental income (net of vacancy loss of $205,341 in 2025 and $258,605 in 2024)	-	1,057,775	571,245	887,568	14,832	302,400	901,831	(1,059,098)	11,891,272	10,871,605
Program service, incentives and fees	-	-	112,760	129,890	-	-	-	(1,451,518)	348,760	1,143,829
Special event income (net of expenses of $83,218 in 2025 and $239,070 in 2024)	-	-	-	-	-	-	-	-	160,250	178,376
Other income	25	3,445	5,737	-	-	90	11,018	(1,542,807)	2,221,813	1,274,601
Net assets released from restrictions	-	-	136,646	-	-	-	-	-	1,106,453	2,048,272
Total Public Support, Revenue and Other	25	1,061,220	867,339	1,067,412	22,632	302,490	912,849	(7,367,463)	28,459,805	44,100,863
Expenses										
Program services:										
Community outreach and education	-	-	-	-	-	-	-	(189,424)	2,724,711	2,912,535
Housing, immigration and social services	-	-	-	-	-	-	-	(74,076)	1,065,510	1,453,422
Planning and development	-	-	112,761	-	-	-	7,473	(155,525)	1,364,802	2,751,997
Single family housing development	-	-	-	-	-	-	-	(1,400,000)	120,692	184,813
Homeownership loans	-	-	-	-	-	-	-	(25,338)	351,631	283,159
Homeownership counseling	-	-	136,646	-	-	-	-	(27,620)	550,007	473,496
Small business technical assistance and education	-	-	-	-	-	-	-	(264,087)	2,383,895	1,749,984
Small business loans	-	-	-	-	-	-	-	(145,924)	2,575,503	2,308,252
Affordable housing program services	-	1,974,120	658,254	963,958	7,705	405,050	-	(3,543,509)	12,604,622	11,878,313
Total Program Services	-	1,974,120	907,661	963,958	7,705	405,050	7,473	(5,825,503)	23,741,373	23,995,971
Supporting services:										
Management and general	360	-	92,536	1,297,336	-	-	-	(1,542,436)	5,920,014	6,213,125
Fundraising	-	-	-	-	-	-	-	-	1,062,040	668,150
Total Expenses	360	1,974,120	1,000,197	2,261,294	7,705	405,050	7,473	(7,367,939)	30,723,427	30,877,246
Change in Net Assets Before Change in and Transfer of Interest in affiliates	(335)	(912,900)	(132,858)	(1,193,882)	14,927	(102,560)	905,376	476	(2,263,622)	13,223,617
Change in valuation of investment in affiliate	-	-	-	-	-	-	-	-	10,379	(249,069)
Change in non-controlling interest	-	-	-	-	-	-	-	-	2,957	(47,914)
Transfer of limited partner's interest in Norfolk II	-	-	-	-	-	-	-	-	-	29,959
Contributions - members' capital	-	-	-	-	-	-	-	-	-	1,573,073
Change in Net Assets (Deficit) Without Donor Restrictions	(335)	(912,900)	(132,858)	(1,193,882)	14,927	(102,560)	905,376	476	(2,250,286)	14,529,666
Net Assets (Deficit) Without Donor Restrictions - Beginning	(11,085)	5,933,727	(448,336)	(3,202,827)	(251,802)	13,520	-	(256,935)	52,188,965	37,659,299
Net Assets (Deficit) Without Donor Restrictions - Ending	(11,420)	5,020,827	(581,194)	(4,396,709)	(236,875)	(89,040)	905,376	(256,459)	49,938,679	52,188,965
Changes in Net Assets With Donor Restrictions										
Contributions	-	-	136,646	-	-	-	-	-	1,075,750	1,002,864
Net assets released from restrictions	-	-	(136,646)	-	-	-	-	-	(1,106,453)	(2,048,272)
Change in Net Assets (Deficit) With Donor Restrictions	-	-	-	-	-	-	-	-	(30,703)	(1,045,408)
Net Assets With Donor Restrictions - Beginning	-	-	-	-	-	-	-	-	2,347,130	3,392,538
Net Assets With Donor Restrictions - Ending	-	-	-	-	-	-	-	-	2,316,427	2,347,130
Total Net Assets (Deficit) - Ending	$ (11,420)	$ 5,020,827	$ (581,194)	$ (4,396,709)	$ (236,875)	$ (89,040)	$ 905,376	$ (256,459)	$ 52,255,106	$ 54,536,095

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