

**CHHAYA COMMUNITY DEVELOPMENT CORPORATION**  
**INDEPENDENT AUDITOR'S REPORT**  
**ON**  
**FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2020**  
**AND**  
**FOR THE YEAR THEN ENDED**  
**(WITH COMPARATIVE TOTALS FOR 2019)**

# CHHAYA COMMUNITY DEVELOPMENT CORPORATION

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MEMBERS  
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR’S REPORT**

To the Board of Directors  
Chhaya Community Development Corporation  
Jackson Heights, New York

We have audited the accompanying financial statements of Chhaya Community Development Corporation (a non-profit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

**Management’s Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chhaya Community Development Corporation as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter - Subsequent Events**

As discussed in Notes 6 and 13 to the financial statements, in 2020, Chhaya Community Development Corporation received an unsecured loan in the amount of \$188,867 due to the Small Business Administration ("SBA"), as part of the *Coronavirus Aid, Relief, and Economic Security Act* ("*CARES Act*") Paycheck Protection Program. In March 2021, Chhaya Community Development Corporation received another unsecured loan in the amount of \$218,397 from the SBA as part of the *CARES Act's* Payment Protection Plan, as amended by the *Consolidated Appropriations Act, 2021*. In April 2021, Chhaya Community Development Corporation received notification from the SBA that the first \$188,867 loan balance was forgiven. Our opinion is not modified with respect to these matters.

### **Report on Summarized Comparative Information**

We have previously audited Chhaya Community Development Corporation's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 11, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Winnie Lam & Co., P.C.*

New York, New York  
December 21, 2021

**CHHAYA COMMUNITY DEVELOPMENT CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2020**  
**(WITH COMPARATIVE TOTALS FOR 2019)**

	2020	2019
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash	\$ 832,912	\$ 485,477
Accounts receivable	14,158	7,019
Contract fees receivable	714,617	658,991
Grants and contributions receivable - Notes 2 and 4	88,883	105,590
Prepaid expenses	16,187	19,328
<b>Total Current Assets</b>	<b>1,666,757</b>	<b>1,276,405</b>
<b>Non-Current Assets</b>		
Fixed assets, at cost, net of accumulated depreciation and amortization of \$11,498 and \$4,614 in 2020 and 2019, respectively - Notes 2 and 5	31,608	33,214
Security deposits	17,900	17,900
<b>Total Assets</b>	<b>\$ 1,716,265</b>	<b>\$ 1,327,519</b>
 <b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current Liabilities</b>		
Loan payable - Notes 2 and 6	\$ 132,899	
Accounts and accrued expenses payable	70,503	\$ 46,500
Refundable advances - Note 2	65,423	-
Grant payable	-	5,000
<b>Total Current Liabilities</b>	<b>268,825</b>	<b>51,500</b>
<b>Non-Current Liabilities</b>		
Loan payable - Notes 2 and 6	55,768	-
Deferred rent payable - Notes 2 and 9	4,710	2,648
<b>Total Liabilities</b>	<b>329,303</b>	<b>54,148</b>
Commitments - Note 9		
Contingencies - Note 10		
<b>Net Assets</b>		
Net assets without donor restrictions	1,076,189	835,903
Net assets with donor restrictions - Note 8	310,773	437,468
<b>Total Net Assets</b>	<b>1,386,962</b>	<b>1,273,371</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,716,265</b>	<b>\$ 1,327,519</b>

See accompanying notes to financial statements.

**CHHAYA COMMUNITY DEVELOPMENT CORPORATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
**(WITH COMPARATIVE TOTALS FOR 2019)**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total All Funds</u>	
			<u>2020</u>	<u>2019</u>
<b><u>SUPPORT AND REVENUE</u></b>				
Grants, contributions and service fees	\$ 1,401,692	\$ 523,867	\$ 1,925,559	\$ 1,710,203
Special events, net of direct expenses of \$30,912 in 2019	2,057		2,057	1,175
Program revenue	42,310		42,310	78,360
In-kind contributions - Note 2			-	21,193
Interest income	655		655	334
Other income	<u>4,563</u>		<u>4,563</u>	<u>3,459</u>
<b>Total Support and Revenue</b>	<u>1,451,277</u>	<u>523,867</u>	<u>1,975,144</u>	<u>1,814,724</u>
Net assets released from restrictions - Note 7:				
Satisfaction of purpose restrictions	600,562	( 600,562)	-	-
Satisfaction of time restrictions	<u>50,000</u>	<u>( 50,000)</u>	<u>-</u>	<u>-</u>
	<u>650,562</u>	<u>( 650,562)</u>	<u>-</u>	<u>-</u>
<b>Total Support and Revenue</b>	<u>2,101,839</u>	<u>( 126,695)</u>	<u>1,975,144</u>	<u>1,814,724</u>
<b><u>EXPENSES</u></b>				
<b>Program Services</b>				
Housing Justice	502,442		502,442	411,472
Economic Justice	424,978		424,978	285,516
Civic Engagement	226,496		226,496	157,664
Immigration	133,403		133,403	114,472
Small Business	<u>150,810</u>		<u>150,810</u>	<u>157,332</u>
<b>Total Program Services</b>	<u>1,438,129</u>		<u>1,438,129</u>	<u>1,126,456</u>
<b>Supporting Services</b>				
Administrative and general	182,197		182,197	202,374
Fund raising	<u>241,227</u>		<u>241,227</u>	<u>191,917</u>
<b>Total Supporting Services</b>	<u>423,424</u>		<u>423,424</u>	<u>394,291</u>
<b>Total Expenses</b>	<u>1,861,553</u>		<u>1,861,553</u>	<u>1,520,747</u>
Change in Net Assets	240,286	( 126,695)	113,591	293,977
Net Assets at beginning of year	<u>835,903</u>	<u>437,468</u>	<u>1,273,371</u>	<u>979,394</u>
Net Assets at end of year	<u>\$ 1,076,189</u>	<u>\$ 310,773</u>	<u>\$ 1,386,962</u>	<u>\$ 1,273,371</u>

\*\* Reclassified for comparative purposes.

See accompanying notes to financial statements.

**CHHAYA COMMUNITY DEVELOPMENT CORPORATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
**(WITH COMPARATIVE TOTALS FOR 2019)**

	PROGRAM SERVICES					SUPPORTING SERVICES			Total Program and Supporting Services		
	Housing Justice	Economic Justice	Civic Engagement	Immigration	Small Business	Total	Administrative and General	Fund Raising	Total	2020	2019
Salaries	\$ 342,771	\$ 277,386	\$ 141,518	\$ 89,322	\$ 100,652	\$ 951,649	\$ 36,205	\$ 106,824	\$ 143,029	\$ 1,094,678	\$ 878,621
Fringe benefits	62,763	50,791	25,913	16,355	18,430	174,252	6,629	19,560	26,189	200,441	175,568
<b>Total Personnel costs</b>	405,534	328,177	167,431	105,677	119,082	1,125,901	42,834	126,384	169,218	1,295,119	1,054,189
Professional and consulting fees	29,579	28,061	16,661	12,450	13,825	100,576	103,348	77,248	180,596	281,172	181,472
Equipment rental and maintenance	6,964	5,635	2,875	1,814	2,045	19,333	736	2,170	2,906	22,239	17,273
Travel and meetings	1,870	720	14,421			17,011	3,495		3,495	20,506	14,968
Occupancy	37,808	30,596	15,610	9,852	11,102	104,968	3,993	11,783	15,776	120,744	112,202
Marketing and outreach	2,325		250			2,575	516	1,654	2,170	4,745	7,619
Membership, dues and subscriptions	4,000	4,570	750			9,320	3,708	2,421	6,129	15,449	14,982
Printing and publications	386		1,766		59	2,211	1,278		1,278	3,489	7,429
Staff training and development	115	328				443	1,028		1,028	1,471	1,941
Supplies and postage	6,285	5,083	3,382	1,636	1,843	18,229	3,809	1,956	5,765	23,994	22,494
Telephone and communications	4,381	3,545	1,808	1,142	1,286	12,162	463	1,365	1,828	13,990	11,668
Insurance	3,195	2,585	1,319	832	938	8,869	337	996	1,333	10,202	10,261
Grants and assistance		7,419				7,419				7,419	
Program expense		8,259			630	8,889				8,889	
Event expenses							1,650	15,250	16,900	16,900	26,831
Bank charges							2,225		2,225	2,225	910
Bad debt expense							5,197		5,197	5,197	27,001
Miscellaneous			223			223	696		696	919	5,391
<b>Total Expenses before Depreciation</b>	502,442	424,978	226,496	133,403	150,810	1,438,129	175,313	241,227	416,540	1,854,669	1,516,631
Depreciation							6,884		6,884	6,884	4,116
<b>Total Expenses 2020</b>	<u>\$ 502,442</u>	<u>\$ 424,978</u>	<u>\$ 226,496</u>	<u>\$ 133,403</u>	<u>\$ 150,810</u>	<u>\$ 1,438,129</u>	<u>\$ 182,197</u>	<u>\$ 241,227</u>	<u>\$ 423,424</u>	<u>\$ 1,861,553</u>	
<b>Total Expenses 2019</b>	<u>\$ 411,472</u>	<u>\$ 285,516</u>	<u>\$ 157,664</u>	<u>\$ 114,472</u>	<u>\$ 157,332</u>	<u>\$ 1,126,456</u>	<u>\$ 202,374</u>	<u>\$ 191,917</u>	<u>\$ 394,291</u>		<u>\$ 1,520,747</u>

See accompanying notes to financial statements.

**CHHAYA COMMUNITY DEVELOPMENT CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
**(WITH COMPARATIVE TOTALS FOR 2019)**

	2020	2019
<b><u>Cash Flows from Operating Activities</u></b>		
Change in Net Assets	\$ 113,591	\$ 293,977
Adjustments to reconcile change in Net Assets to net cash provided by operating activities:		
Depreciation and amortization	6,884	4,116
Change in assets and liabilities:		
(Increase)/decrease in accounts receivable	( 7,139)	20,214
Decrease in grants and contributions receivable	16,707	39,987
Increase in contract fees receivable	( 55,626)	( 214,867)
Decrease in prepaid expenses	3,141	8,630
Increase in security deposits	-	( 4,000)
Increase in accounts and accrued expenses payable	24,003	1,115
Increase in refundable advances	65,423	-
Decrease in grant payable	( 5,000)	-
Increase in deferred rent payable	2,062	2,060
<b>Net Cash Provided by Operating Activities</b>	50,455	151,232
<b><u>Cash Flows from Investing Activities</u></b>		
Acquisition of fixed assets	( 5,278)	( 9,533)
<b><u>Cash Flows from Financing Activities</u></b>		
Proceeds from loan	188,667	-
<b>Net Increase in Cash</b>	347,435	141,699
Cash at beginning of the year	485,477	343,778
Cash at end of the year	\$ 832,912	\$ 485,477
 <b><u>Supplemental disclosures of cash flow information:</u></b>		
Cash paid during the year for interest	\$ -	\$ -

See accompanying notes to financial statements.

**CHHAYA COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 ORGANIZATION**

Chhaya Community Development Corporation (“Chhaya”) was founded in 2001 to advocate for the housing needs of New York City’s South Asian origin communities. Chhaya’s mission is to build the power, housing stability, and economic well-being of South Asian and Indo-Caribbean communities in New York City.

Chhaya carries out this work in several ways, including free direct services, education and outreach, community organizing, and research and policy, as well as both local and state-wide coalition-building. Chhaya’s work encompasses tenant rights, financial capacity building, sustainable homeownership, foreclosure prevention, workforce development, civic engagement, and broader community building and research and advocacy around community needs.

Chhaya’s five programmatic areas aims to develop a framework that will achieve long-term stability and sustained well-being for New Yorkers of South Asian and Indo-Caribbean origin, giving them the tools, resources, and policy outcomes that will enable them to create positive, lasting change in their lives.

- **Housing Justice:** Aims to protect, preserve, and promote affordable housing in New York City’s low-to-moderate income neighborhoods.
- **Economic Justice:** Aims to provide its clients with the tools and information they need to achieve long-term economic independence through career development, financial capability and asset building.
- **Civic Engagement:** Works to educate community members about civic engagement, including helping community members to vote, encouraging voters to get out the vote, holding candidate forums to give the community the ability to ask questions to candidates for office, and advocating for regulations that make it easier for immigrants to vote.
- **Immigration:** Provides support to community members looking for immigration legal services by connecting them to an attorney that can guide and represent the member and helping them navigate the immigration process.
- **Small Business:** Works to promote and preserve the immigrant-owned and immigrant serving South Asian and Indo-Caribbean businesses in Queens through organizing and support for ongoing individual business issues.

Management and general activities include the functions necessary to provide support for Chhaya’s program activities. They include activities that provide governance (Board of Directors), oversight, business management, financial recordkeeping, budgeting, legal services, human resource management, and similar functions that ensure an adequate working environment and an equitable employment program.

(Continue)

**CHHAYA COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 ORGANIZATION** - (Continued)

Fund raising activities include publicizing and conducting fund raising campaigns; maintaining donor lists; and other activities involved with soliciting contributions from corporations, foundations, individuals, and others.

Chhaya is exempt from federal income taxes under Section 501(c)3 of the Internal Revenue Code (“IRC”) and similar provisions of the State code. Contributions to Chhaya are tax deductible to donors under Section 170 of the IRC. Chhaya is not classified as a private foundation.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Chhaya prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America for not-for-profit entities. The significant accounting and reporting policies used by Chhaya are described below to enhance the usefulness and understandability of the financial statements.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting.

Cash

Cash consists of cash held in checking and money market accounts and cash on hand. At year end and throughout the year, Chhaya’s cash balances were deposited in a high quality financial institution which, at times, may exceed the current insured amount under Federal Deposit Insurance Corporation (“FDIC”) protection. Management believes that Chhaya is not exposed to any significant credit risk on cash.

Support

Grants and contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Grants and contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Unconditional promises to give that are expected to be collected in less than one year are reflected as current promises to give and are reported at net realizable value.

(Continue)

**CHHAYA COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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

Unconditional promises to give that are expected to be collected in more than one year are reflected as long-term promises to give and are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue. The allowance for uncollectible receivables is determined based on management's evaluation of the collectibility of individual promises.

Fixed Assets

Chhaya capitalizes all significant expenditures for furniture and equipment, website costs and leasehold improvements. These assets are recorded at cost. Furniture and equipment and website costs was capitalized if it has a cost of \$1,000 or more and a useful life when acquired of more than 1 year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation of furniture and equipment are provided for on a straight line basis over the estimated useful lives of the assets. Leasehold improvements and website costs were amortized over their estimated lives or the remaining term of the lease, whichever is shorter.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Program Revenue

Program revenue are recognized as operating income in the period in which they are earned. Program revenue received in advance are recorded as refundable advances.

(Continue)

**CHHAYA COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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

In-Kind Contributions

Materials and other assets received as donations are recorded and reflected in the accompanying financial statements at their fair values at the date of receipt.

Grant Expenses

Contributions made and unconditional promises to give are recognized as expenses in the period made at their fair value.

Forgivable Loans

Chhaya's policy is to account for the forgivable loans received through the Small Business Administration ("SBA") under the *Coronavirus Aid, Relief, and Economic Security Act* ("CARES Act") Paycheck Protection Program ("PPP") as debt in accordance with Accounting Standards Codification (ASC) 470, *Debt*, and other related accounting pronouncements. The forgiveness of debt, in whole or in part, is recognized once the debt is extinguished, which occurs when Chhaya is legally released from the liability by the SBA. Any portion of debt forgiven, adjusted for accrued interest forgiven and unamortized debt issuance costs, is recorded as a gain on extinguishment of debt, and presented in the other income section on the statement of activities.

Debt Issuance Costs

Debt issuance costs incurred in connection with the issuance of long-term debt are capitalized and amortized to interest expense over the two-year term of the debt using a straight-line method, which approximates the effective interest method. The unamortized amount is presented as a reduction of long-term debt on the balance sheet.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, Chhaya's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. Chhaya's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Accounting for Uncertainty in Income Taxes

Chhaya adopted *Financial Accounting Standards Board* ("FASB") guidance on uncertain income tax positions in its financial statements. Chhaya recognizes the effect of tax positions only when they are more likely than not of being sustained. Management is not aware of any violation of its tax status as an organization exempt from income taxes.

(Continue)

**CHHAYA COMMUNITY DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Chhaya's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

**NOTE 3 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2020 are:

Financial Assets:	
Cash	\$ 832,912
Accounts receivable	14,158
Contract fees receivable	714,617
Grants and contributions receivable	<u>88,883</u>
Total Financial Assets	1,650,570
Less financial assets held to meet donor-imposed restrictions:	
Purpose-restricted net assets (Note 8)	( <u>260,773</u> )
Amount available for general Expenditures within one year	<u>\$ 1,389,797</u>

As part of the liquidity management plan, Chhaya invests cash in excess of daily requirements in a short-term money market account.

**NOTE 4 PROMISES TO GIVE**

Included in "Grants and Contributions receivable" are unconditional promises to give for the following:

Community Health and Empowerment	\$ 39,773
COVID-19 Immediate Response Fund	12,563
Fellowship	8,000
General Support	8,547
Housing Justice	<u>20,000</u>
Total	<u>\$ 88,883</u>

All unconditional promises to give are due in less than one year.

**CHHAYA COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 5 FIXED ASSETS**

As of December 31, 2020, the costs of the assets and the related accumulated depreciation and amortization were as follows:

Leasehold improvements	\$	14,530
Furniture and equipment		13,676
Website costs		<u>14,900</u>
		43,106
Less: accumulated depreciation and amortization	(	<u>11,498)</u>
Net		<u><u>\$ 31,608</u></u>

**NOTE 6 LOAN PAYABLE**

Loan payable as of December 31, 2020 was as follows:

<u>Year ending December 31</u>		
2021	\$	132,899
2022		<u>55,768</u>
Total		188,667
Current portion		<u>132,899</u>
Non-current portion		<u><u>\$ 55,768</u></u>

As of December 31, 2020, Chhaya has an unsecured loan outstanding in the amount of \$188,667 due to the Small Business Administration (“SBA”) and administered by a local bank, as part of the *Coronavirus Aid, Relief, and Economic Security Act* (“*CARES Act*”) Paycheck Protection Program (“PPP”). Under the terms of the note dated May 8, 2020, loan payments are deferred until Chhaya receives notification from the SBA as to the amount of the loan forgiven. Thereafter, monthly payments are due in the amount of \$1,689, including interest at 1% per annum, which approximates the effective interest rate. The note is due on May 8, 2022.

The loan terms provide that a portion or all of the loan is forgivable to the extent that Chhaya uses the loan proceeds to fund qualifying payroll and other expenses during a designated 24-week period. On April 2, 2021, Chhaya received notification from the SBA that the entire loan balance of \$188,667 has been forgiven.

**CHHAYA COMMUNITY DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 7 NET ASSETS RELEASED FROM RESTRICTIONS**

The amounts released from restrictions during the year ended December 31, 2020 are as follows:

Satisfaction of purpose restrictions:	
Basement Apartments Safe for Everyone Campaign \$	43,333
Capacity Building	45,000
Civic Engagement	146,000
Immigration	56,667
Community Health and Empowerment	112,884
COVID-19 Immediate Response Fund	71,178
Economic Justice	45,000
Fellowship	20,000
Housing Justice	<u>60,500</u>
	600,562
Satisfaction of time restrictions:	
General Support designated for 2020	<u>50,000</u>
Total	<u>\$ 650,562</u>

**NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS**

As of December 31, 2020, net assets with donor restrictions are available for the following:

Purpose restrictions, available for spending:	
Basement Apartments Safe for Everyone Campaign \$	13,334
Civic Engagement	16,000
Immigration	23,333
Community Health and Empowerment	83,957
COVID-19 Immediate Response Fund	12,482
Economic Justice	60,000
Housing Justice	<u>51,667</u>
Total purpose-restricted net assets	260,773
Time restrictions:	
Time restricted support, which are unavailable for spending until the time stipulated by donors	<u>50,000</u>
Total Net Assets with Donor Restrictions	<u>\$ 310,773</u>

**CHHAYA COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 COMMITMENTS**

Chhaya leases its premises under an operating lease expiring on July 31, 2022. In September 2018, Chhaya entered into a lease agreement for another location in Richmond Hill, Queens under an operating lease expiring on September 30, 2023.

Future minimum lease payments, exclusive of electricity and certain escalation costs, are as follows:

<u>Year ending December 31</u>	<u>Amount</u>
2021	\$ 109,601
2022	74,201
2023	<u>16,524</u>
Total	<u>\$ 200,326</u>

For financial statement purposes, total rent expenses are accounted for on a straight-line basis. Accordingly, the accompanying statement of financial position reflects the liability for deferred rent for the excess of the rent expense charged under generally accepted accounting principles over the rent paid pursuant to the lease term. Deferred rent payable as of December 31, 2020 was \$4,710.

**NOTE 10 CONTINGENCIES**

Chhaya receives State and City contracts and contracts with other organizations for its programs. These contracts may be subject to financial and compliance audits by the funding agencies. The amount of expenditures, if any, that may be disallowed by the funding agencies cannot be determined at this time. Hence, no provision for such disallowance has been reflected in the financial statements.

**NOTE 11 PENSION PLAN**

Chhaya sponsors a tax deferred pension plan that covers employees who have completed 3 months of service. Employees voluntarily make contributions to the retirement plan based on limits established under the Internal Revenue Code and Chhaya offers a discretionary matching contribution of 2% under the retirement plan. Pension expense for the year was \$6,829.

**CHHAYA COMMUNITY DEVELOPMENT CORPORATION**  
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**NOTE 12 FUNCTIONAL ALLOCATION OF EXPENSES**

The cost of providing Chhaya's services have been summarized on a functional basis in the statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefitted using a reasonable allocation method that is consistently applied.

Administrative and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization. Fund raising costs are expensed as incurred, even though they may result in contributions received in future years.

**NOTE 13 SUBSEQUENT EVENTS**

Chhaya has evaluated subsequent events through December 21, 2021, which is the date the financial statements were available to be issued.

In March 2021, Chhaya received a loan in the amount of \$218,397 from the SBA as part of the *CARES Act's* Payment Protection Plan, as amended by the *Consolidated Appropriations Act, 2021*. Under the terms of the loan, a portion or all of the loan is forgivable to the extent that loan proceeds are used to fund eligible expenses and that Chhaya satisfies other conditions. The term of the loan is five years and bears interest at a fixed rate of 1% per annum. The maturity date of this loan is March 2, 2026.