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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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.

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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.

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)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ 832,912</td>
<td>$ 485,477</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>14,158</td>
<td>7,019</td>
</tr>
<tr>
<td>Contract fees receivable</td>
<td>714,617</td>
<td>658,991</td>
</tr>
<tr>
<td>Grants and contributions receivable - Notes 2 and 4</td>
<td>88,883</td>
<td>105,590</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>16,187</td>
<td>19,328</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>1,666,757</strong></td>
<td><strong>1,276,405</strong></td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed assets, at cost, net of accumulated depreciation and amortization of $11,498 and $4,614 in 2020 and 2019, respectively - Notes 2 and 5</td>
<td>31,608</td>
<td>33,214</td>
</tr>
<tr>
<td>Security deposits</td>
<td>17,900</td>
<td>17,900</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$ 1,716,265</strong></td>
<td><strong>$ 1,327,519</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES AND NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan payable - Notes 2 and 6</td>
<td>$ 132,899</td>
<td></td>
</tr>
<tr>
<td>Accounts and accrued expenses payable</td>
<td>70,503</td>
<td>$ 46,500</td>
</tr>
<tr>
<td>Refundable advances - Note 2</td>
<td>65,423</td>
<td>-</td>
</tr>
<tr>
<td>Grant payable</td>
<td>-</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>268,825</strong></td>
<td><strong>51,500</strong></td>
</tr>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan payable - Notes 2 and 6</td>
<td></td>
<td>55,768</td>
</tr>
<tr>
<td>Deferred rent payable - Notes 2 and 9</td>
<td>4,710</td>
<td>2,648</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>329,303</strong></td>
<td><strong>54,148</strong></td>
</tr>
<tr>
<td>Commitments - Note 9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingencies - Note 10</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets without donor restrictions</td>
<td>1,076,189</td>
<td>835,903</td>
</tr>
<tr>
<td>Net assets with donor restrictions - Note 8</td>
<td>310,773</td>
<td>437,468</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td><strong>1,386,962</strong></td>
<td><strong>1,273,371</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td><strong>$ 1,716,265</strong></td>
<td><strong>$ 1,327,519</strong></td>
</tr>
</tbody>
</table>

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)

<table>
<thead>
<tr>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total All Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
</tbody>
</table>

**SUPPORT AND REVENUE**

- 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  
  655  
  655  
  334

- Interest income  
  4,563  
  4,563  
  3,459

**Total Support and Revenue**  
1,451,277  
523,867  
1,975,144  
1,814,724

Net assets released from restrictions
- Note 7:
  - Satisfaction of purpose restrictions  
    600,562 (600,562) - -
  - Satisfaction of time restrictions  
    50,000 (50,000) - -

**Total Support and Revenue**  
2,101,839 (126,695) 1,975,144 1,814,724

**EXPENSES**

Program Services
- 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  
  150,810  
  150,810  
  157,332

**Total Program Services**  
1,438,129  
1,438,129  
1,126,456

Supporting Services
- Administrative and general  
  182,197  
  182,197  
  202,374

- Fund raising  
  241,227  
  241,227  
  191,917

**Total Supporting Services**  
423,424  
423,424  
394,291

**Total Expenses**  
1,861,553  
1,861,553  
1,520,747

Change in Net Assets  
240,286 (126,695) 113,591 293,977

Net Assets at beginning of year  
835,903  
437,468  
1,273,371

Net Assets at end of year  
$1,076,189 $310,773 $1,386,962 $1,273,371

** 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)

<table>
<thead>
<tr>
<th>PROGRAM SERVICES</th>
<th>SUPPORTING SERVICES</th>
<th>Total Program and Supporting Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Housing</strong></td>
<td><strong>Economic</strong></td>
<td><strong>Civic</strong></td>
</tr>
<tr>
<td>Salaries</td>
<td>$342,771</td>
<td>$277,386</td>
</tr>
<tr>
<td>Fringe benefits</td>
<td>62,763</td>
<td>50,791</td>
</tr>
<tr>
<td><strong>Total Personnel costs</strong></td>
<td>405,534</td>
<td>328,177</td>
</tr>
<tr>
<td>Professional and consulting fees</td>
<td>29,579</td>
<td>28,061</td>
</tr>
<tr>
<td>Equipment rental and maintenance</td>
<td>6,964</td>
<td>5,635</td>
</tr>
<tr>
<td>Travel and meetings</td>
<td>1,870</td>
<td>720</td>
</tr>
<tr>
<td>Occupancy</td>
<td>37,808</td>
<td>30,596</td>
</tr>
<tr>
<td>Marketing and outreach</td>
<td>2,325</td>
<td>250</td>
</tr>
<tr>
<td>Membership, dues and subscriptions</td>
<td>4,000</td>
<td>4,570</td>
</tr>
<tr>
<td>Printing and publications</td>
<td>386</td>
<td>1,766</td>
</tr>
<tr>
<td>Staff training and development</td>
<td>115</td>
<td>328</td>
</tr>
<tr>
<td>Supplies and postage</td>
<td>6,285</td>
<td>5,083</td>
</tr>
<tr>
<td>Telephone and communications</td>
<td>4,381</td>
<td>3,545</td>
</tr>
<tr>
<td>Insurance</td>
<td>3,195</td>
<td>2,585</td>
</tr>
<tr>
<td>Grants and assistance</td>
<td>7,419</td>
<td>7,419</td>
</tr>
<tr>
<td>Program expense</td>
<td>8,259</td>
<td>630</td>
</tr>
<tr>
<td><strong>Event expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Bank charges</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Bad debt expense</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenses before Depreciation</strong></td>
<td>502,442</td>
<td>424,978</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenses 2020</strong></td>
<td>$502,442</td>
<td>$424,978</td>
</tr>
<tr>
<td><strong>Total Expenses 2019</strong></td>
<td>$411,472</td>
<td>$285,516</td>
</tr>
</tbody>
</table>

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)

Cash Flows from Operating Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in Net Assets</td>
<td>$ 113,591</td>
<td>$ 293,977</td>
</tr>
<tr>
<td>Adjustments to reconcile change in Net Assets to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>6,884</td>
<td>4,116</td>
</tr>
<tr>
<td>Change in assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase)/decrease in accounts receivable</td>
<td>(7,139)</td>
<td>20,214</td>
</tr>
<tr>
<td>Decrease in grants and contributions receivable</td>
<td>16,707</td>
<td>39,987</td>
</tr>
<tr>
<td>Increase in contract fees receivable</td>
<td>(55,626)</td>
<td>(214,867)</td>
</tr>
<tr>
<td>Decrease in prepaid expenses</td>
<td>3,141</td>
<td>8,630</td>
</tr>
<tr>
<td>Increase in security deposits</td>
<td>-</td>
<td>(4,000)</td>
</tr>
<tr>
<td>Increase in accounts and accrued expenses payable</td>
<td>24,003</td>
<td>1,115</td>
</tr>
<tr>
<td>Increase in refundable advances</td>
<td>65,423</td>
<td>-</td>
</tr>
<tr>
<td>Decrease in grant payable</td>
<td>(5,000)</td>
<td>-</td>
</tr>
<tr>
<td>Increase in deferred rent payable</td>
<td>2,062</td>
<td>2,060</td>
</tr>
</tbody>
</table>

Net Cash Provided by Operating Activities                         | 50,455 | 151,232 |

Cash Flows from Investing Activities

Acquisition of fixed assets                                      | (5,278) | (9,533) |

Cash Flows from Financing Activities

Proceeds from loan                                               | 188,667 | - |

Net Increase in Cash                                             | 347,435 | 141,699 |

Cash at beginning of the year                                    | 485,477 | 343,778 |

Cash at end of the year                                          | $ 832,912 | $ 485,477 |

Supplemental disclosures of cash flow information:

Cash paid during the year for interest                          | $ - | $ - |

See accompanying notes to financial statements.

Winnie Tam & Co., P.C.
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-Carribean 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.
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)
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.
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)
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 88,883
- Total Financial Assets 1,650,570

Less financial assets held to meet donor-imposed restrictions:
- Purpose-restricted net assets (Note 8) (260,773)

Amount available for general Expenditures within one year $ 1,389,797

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 20,000

- Total $ 88,883

All unconditional promises to give are due in less than one year.
NOTE 5  FIXED ASSETS

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

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>$14,530</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>$13,676</td>
</tr>
<tr>
<td>Website costs</td>
<td>$14,900</td>
</tr>
<tr>
<td></td>
<td>$43,106</td>
</tr>
<tr>
<td>Less: accumulated depreciation and amortization</td>
<td>$(11,498)</td>
</tr>
<tr>
<td></td>
<td>$31,608</td>
</tr>
</tbody>
</table>

NOTE 6  LOAN PAYABLE

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

<table>
<thead>
<tr>
<th>Year ending December 31</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$132,899</td>
</tr>
<tr>
<td>2022</td>
<td>$55,768</td>
</tr>
<tr>
<td>Total</td>
<td>$188,667</td>
</tr>
<tr>
<td>Current portion</td>
<td>$132,899</td>
</tr>
<tr>
<td>Non-current portion</td>
<td>$55,768</td>
</tr>
</tbody>
</table>

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.
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 60,500

Total 600,562

Satisfaction of time restrictions:
- General Support designated for 2020 50,000

Total $ 650,562

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 51,667

Total purpose-restricted net assets 260,773

Time restrictions:
- Time restricted support, which are unavailable for spending until the time stipulated by donors 50,000

Total Net Assets with Donor Restrictions $ 310,773
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:

<table>
<thead>
<tr>
<th>Year ending December 31</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$ 109,601</td>
</tr>
<tr>
<td>2022</td>
<td>74,201</td>
</tr>
<tr>
<td>2023</td>
<td>16,524</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$200,326</strong></td>
</tr>
</tbody>
</table>

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.
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.