COMMUNITY DEVELOPMENT CORPORATION of BROWNSVILLE (dba: cdcb | come dream. come build.) AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS and SUPPLEMENTARY INFORMATION

September 30, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Community Development Corporation
of Brownsville and Affiliates
Brownsville, Texas

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Community Development Corporation of Brownsville (dba: cdcb | come dream. come build.) and Affiliates (a nonprofit organization, collectively the "cdcb"), which comprise the consolidated statements of financial position as of September 30, 2021 and 2020, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of cdcb as of September 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Schedules of Loan Delinquency and Aging – Unaudited are presented for purposes of additional analysis and are not a required part of the consolidated financial statements.

The Schedules of Loan Delinquency and Aging – Unaudited have not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2021, on our consideration of cdcb's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of cdcb's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering cdcb's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C

CARR, RIGGS & INGRAM, LLC

Brownsville, Texas
December 22, 2021

Community Development Corporation of Brownsville (dba: cdcb | come dream. come build.) and Affiliates
Consolidated Statements of Financial Position

September 30,	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 7,794,990	$ 8,001,009
Investments in marketable securities	-	251,015
Receivables		
Mortgage loans receivable	857,934	654,689
Grants	1,424,484	776,403
Notes receivable	125,000	233,730
Interest receivable	35,974	28,139
Other	64,474	25,825
Prepaid and other assets	676,215	335,044
Current investment in homes and land development projects	1,360,884	1,670,339
Current investment in homes and land development projects- NMTC	760,483	-
Restricted cash and cash equivalents	4,380,802	939,820
Total current assets	17,481,240	12,916,013
Noncurrent assets		
Mortgage loans receivable	10,792,085	10,660,036
Notes receivable	1,650,603	1,263,603
Developer fee receivable	3,235,980	2,395,545
Investment in homes and land development projects	13,495,130	10,319,332
Investment in homes and land development projects- NMTC	2,859,379	-
Receivables - other - long-term	288,209	443,533
Rental properties - net	4,152,484	4,305,757
Long-term investments	8,628,335	3,552,682
Property and equipment - net	500,994	543,600
Total noncurrent assets	45,603,199	33,484,088
Total assets	$ 63,084,439	$ 46,400,101

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

September 30,	2021	2020
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 501,860	$ 714,598
Accrued expenses	220,495	200,696
Refundable advances- current portion	4,225,690	3,665,214
Current portion of long-term debt	3,571,027	2,870,767
Revolving fund	816,263	768,570
Other liabilities	-	90,935
Escrow deposits	534,678	596,344
Total current liabilities	9,870,013	8,907,124
Noncurrent liabilities		
Refundable advances	375,229	375,229
Long-term debt	27,838,701	15,887,617
Revolving fund	98,257	96,695
Other liabilities	3,602,397	2,522,624
Total noncurrent liabilities	31,914,584	18,882,165
Total liabilities	41,784,597	27,789,289
NET ASSETS		
Net assets without donor restrictions	20,711,199	18,026,022
Net assets with donor restrictions	588,643	584,790
Total net assets	21,299,842	18,610,812
Total liabilities and net assets	$ 63,084,439	$ 46,400,101

Community Development Corporation of Brownsville (dba: cdcb | come dream. come build.) and Affiliates
Consolidated Statement of Activities

For the year ended September 30, 2021	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Sales - home and lot	$ 2,887,239	$ -	$ 2,887,239
Net fees	177,341	-	177,341
Grants	4,096,205	3,991,512	8,087,717
Interest and investment income	513,206	3,853	517,059
Developer fee revenue	939,927	-	939,927
Management fees	505,304	-	505,304
Rental income	575,990	-	575,990
Other earned income	640,726	17,111	657,837
SBA PPP loan income	480,700	-	480,700
Net assets released from restrictions - restrictions satisfied by payments	4,008,623	(4,008,623)	-
Total revenue and support	14,825,261	3,853	14,829,114
Expenses			
Program services:			
Home ownership	5,140,307	-	5,140,307
Financial security	381,434	-	381,434
Youthbuild	706,880	-	706,880
Rental management	3,370,742	-	3,370,742
Real estate development	201,140	-	201,140
Special service	1,265,090	-	1,265,090
Support services:			
General and administration expenses	1,074,491	-	1,074,491
Total expenses	12,140,084	-	12,140,084
Change in net assets	2,685,177	3,853	2,689,030
Net assets – beginning of year	18,026,022	584,790	18,610,812
Net assets – end of year	$ 20,711,199	$ 588,643	$ 21,299,842

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

Community Development Corporation of Brownsville (dba: cdcb | come dream. come build.) and Affiliates
Consolidated Statement of Activities

For the year ended September 30, 2020	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Sales - home and lot	$ 1,912,858	$ -	$ 1,912,858
Net fees	218,376	-	218,376
Grants	701,651	2,446,821	3,148,472
Contributions	17,500	-	17,500
Interest and investment income	545,450	4,258	549,708
Developer fee revenue	795,142	-	795,142
Management fees	440,452	-	440,452
Rental income	555,299	-	555,299
Other earned income	792,050	-	792,050
SBA PPP loan income	531,699		531,699
Net assets released from restrictions - restrictions satisfied by payments	2,417,424	(2,417,424)	-
Total support and revenue	8,927,901	33,655	8,961,556
Expenses			
Program services:			
Single family	3,579,466	-	3,579,466
Youthbuild	615,909	-	615,909
Preservation	1,005,928	-	1,005,928
La Puerta	322,294	-	322,294
Multifamily	1,230,301	-	1,230,301
Special service	623,590	-	623,590
Support services:			
General and administrative expenses	1,435,554	-	1,435,554
Total expenses	8,813,042	-	8,813,042
Change in net assets	114,859	33,655	148,514
Net assets – beginning of year	17,911,163	551,135	18,462,298
Net assets – end of year	$ 18,026,022	$ 584,790	$ 18,610,812

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

Community Development Corporation of Brownsville (dba: cdcb | come dream. come build.) and Affiliates
Consolidated Statements of Cash Flows

For the years ended September 30,	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 2,689,030	$ 148,514
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation - rental properties	165,418	150,436
Depreciation - property and equipment	58,033	60,732
(Increase) decrease:		
Receivables:		
Grants	(648,081)	220,653
Developer fee receivable	(840,435)	(795,142)
Receivables - other - long-term	108,841	148,653
Prepaid and other assets	(341,171)	165,918
Increase (decrease):		
Accounts payable	(212,738)	287,696
Accrued expenses	19,799	61,256
Refundable advances	560,476	2,747,389
Revolving fund	49,255	47,737
Escrow deposits	(61,666)	(2,845)
Other liabilities	988,838	224,675
Net cash provided by operating activities	2,535,599	3,465,672

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

For the years ended September 30,	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Investment in homes and land development projects	$ 18,114,918	$ 11,271,189
Payments for investment in homes and land development projects	(24,601,123)	(12,460,222)
Proceeds from maturity of investments	251,015	500,302
Payments for investment in NMTC	(5,075,653)	-
Purchases of property and equipment	(15,427)	(35,115)
Purchases of rental property	(12,145)	(221,683)
Issuance of notes receivable	(512,000)	-
Collections from notes receivable	233,729	19,755
Issuance of mortgage loans	(948,797)	(2,067,192)
Collections from mortgage loans	613,503	2,226,186
Net cash (used in) investing activities	(11,951,980)	(766,780)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	13,852,524	2,777,208
Payments made on notes payable	(1,201,180)	(911,748)
Net cash provided by financing activities	12,651,344	1,865,460
Net increase in cash and cash equivalents	3,234,963	4,564,352
Beginning cash and cash equivalents	8,940,829	4,376,477
Ending cash and cash equivalents	$ 12,175,792	$ 8,940,829
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	$ 495,290	$ 373,277

Cash and cash equivalents and restricted cash consist of:

	September 30, 2021	September 30, 2020
Cash and cash equivalents	$ 7,794,990	$ 8,001,009
Restricted cash and cash equivalents	4,380,802	939,820
	$ 12,175,792	$ 8,940,829

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

NOTE 1: DESCRIPTION OF THE ORGANIZATION

The Community Development Corporation of Brownsville (dba: cdcb | come dream. come build) and Affiliates (collectively, “cdcb”) is a private, Section 501(c) (3) nonprofit community housing development organization. Founded in 1974, cdcb has been providing affordable housing primarily to the citizens of southern Cameron County, Texas. cdcb is one of the largest nonprofit producers of single-family affordable housing for homeownership in the state of Texas. cdcb is governed by 13-person community-based board of directors that serves on a volunteer basis to determine policy for cdcb.

cdcb assists low-income families to grow wealth through the development of affordable housing for homeowners and renters, education through YouthBuild and Financial training, and lending through the origination of safe and secure lending products. cdcb’s mission statement reads, “cdcb is a multi-faceted affordable housing organization devoted to utilizing collaborative partnerships to create sustainable communities across the Rio Grande Valley through quality education, model financing, efficient home design, and superior construction.”cdcb is not considered a component unit of the City of Brownsville, Texas or Cameron County, Texas.

Affiliates (Partnerships)

The accompanying consolidated financial statements include the following: RGV Casitas, Inc. (“RGV Casitas”), which was formed on April 25, 2012 and Every Step Counts (“Every Step Counts”), which was formed on April 23, 2018.

RGV Casitas was formed for the purpose of providing real estate brokerage services for low-to moderate-income level families. RGV Casitas is 100% owned by cdcb and its financial results are consolidated with cdcb’s financial statements.

Every Step Counts was formed for the purpose of providing rent services for low-to-moderate-income level families. Every Step Counts is 100% owned by cdcb and its financial results are consolidated with cdcb’s financial statements.

Other affiliates accounted for using the equity method of accounting include the following:

Paloma Living (wholly owned by cdcb) was formed to be the general partner of cdcb/CCHA Paloma, LC (the “Paloma Partnership”), which was formed on February 25, 2011. The Paloma Partnership was formed to develop, construct, lease, maintain, and operate a multifamily apartment complex consisting of 56 single-family homes intended for rental to persons of low and moderate income, to be known as La Hacienda Casitas. The Paloma Partnership was also formed in order to obtain housing tax credits from the Texas Department of Housing and Community Affairs. The housing tax credits are given to encourage the development and preservation of appropriate types of rental housing for households that have difficulty finding suitable, accessible, and affordable rental property in the private marketplace. The limited partners are Hudson SLP, LLC (the Paloma special limited partner); Hudson La Hacienda, LLC (the Paloma investor limited partner); and Sandra Williams (the Class A limited partner). The Paloma Partnership will operate until December 31, 2072, or until its earlier dissolution or termination. Profits and losses from operations and low-income tax credits in any one year are allocated 99.97% to the investor limited partner and 0.01% to each other partner.

NOTE 1: DESCRIPTION OF THE ORGANIZATION (Continued)

Affiliates (Partnerships) (Continued)

Paloma Living's investment in the Paloma Partnership is accounted for using the equity method of accounting since the limited partners have substantive participating rights and, therefore, the general partner does not fully control the Paloma Partnership. Under the equity method of accounting, the Paloma Partnership's accounts are not reflected within cdcb's consolidated statements of financial position and consolidated statements of activities; however, Paloma Living's share of the earnings or losses of the Paloma Partnership is reflected as investment income (loss) in the consolidated statements of activities.

Los Olmos GP, LLC (wholly owned by cdcb) was formed to be the general partner of Los Olmos, LP (the "Los Olmos Partnership"), which was formed on September 15, 2014. The Los Olmos Partnership was formed to develop, construct, lease, maintain, and operate a multifamily apartment complex consisting of 80 single-family homes intended for rental to persons of low and moderate income, to be known as Casitas Los Olmos. The Los Olmos Partnership was also formed in order to obtain housing tax credits from the Texas Department of Housing and Community Affairs. The housing tax credits are given to encourage the development and preservation of appropriate types of rental housing for households that have difficulty finding suitable, accessible, and affordable rental property in the private marketplace. The limited partners are Hudson SLP, LLC (the Los Olmos special limited partner) and Hudson Casitas, LLC (the Los Olmos investor limited partner). The Los Olmos Partnership will operate until dissolution or termination. Profits and losses from operations and low-income tax credit in any one year are allocated 99.99% to the Los Olmos investor limited partner and 0.01% to each other partner.

Los Olmos GP, LLC's investment in the Los Olmos Partnership is accounted for using the equity method of accounting since the limited partners have substantive participating rights and, therefore, the general partner does not fully control the Los Olmos Partnership. Under the equity method of accounting, the Los Olmos Partnership's accounts are not reflected within cdcb's consolidated statements of financial position and consolidated statements of activities; however, Los Olmos GP, LLC's share of the earnings or losses of the Los Olmos Partnership is reflected as investment income (loss) in the consolidated statements of activities.

Casitas Azucar GP, LLC (wholly owned by cdcb) was formed to be the general partner of Casitas Azucar, LP (the "Casitas Azucar Partnership"), which was formed on August 8, 2018. The Casitas Azucar Partnership was formed to develop, construct, lease, maintain, and operate a multifamily apartment complex consisting of 50 single-family homes intended for rental to persons of low and moderate income, to be known as Casitas Azucar. The Casitas Azucar Partnership was also formed in order to obtain housing tax credits from the Texas Department of Housing and Community Affairs. The housing tax credits are given to encourage the development and preservation of appropriate types of rental housing for households that have difficulty finding suitable, accessible, and affordable rental property in the private marketplace. The limited partner is NEF Assignment Corporation (the Casitas Azucar limited partner). The Casitas Azucar Partnership will operate until dissolution or termination. Profits and losses from operations and low-income tax credits in any one year are allocated 99.99% to the Casitas Azucar limited partner and 0.01% to the general partner.

NOTE 1: DESCRIPTION OF THE ORGANIZATION (Continued)

Affiliates (Partnerships) (Continued)

The Casitas Azucar GP, LLC's investment in the Casitas Azucar Partnership is accounted for using the equity method of accounting since the limited partner has substantive participating rights and, therefore, the general partner does not fully control the Casitas Azucar Partnership. Under the equity method of accounting, the Casitas Azucar Partnership's accounts are not reflected within cdcb's consolidated statements of financial position and consolidated statement of activities; however, Casitas Azucar GP, LLC's share of the earnings or losses of the Casitas Azucar Partnership is reflected as investment income (loss) in the consolidated statements of activities.

Casitas Lantana GP, LLC (wholly owned by cdcb) was formed to be the general partner of Casitas Lantana, LP (the "Partnership"), which was formed on November 19, 2019. The Casitas Partnership was formed to develop, construct, lease, maintain, and operate a multifamily apartment complex consisting of 80 single-family homes intended for rental to persons of low and moderate income, to be known as Casitas Lantana. The Casitas Lantana Partnership was also formed in order to obtain housing tax credits from the Texas Department of Housing and Community Affairs. The housing tax credits are given to encourage the development and preservation of appropriate types of rental housing for households that have difficulty finding suitable, accessible, and affordable rental property in the private marketplace. The limited partner is MS Single Investor Fund VII, LLC (The Casitas Lantana investor limited partner). The Casitas Lantana Partnership will operate until dissolution or termination. Profits and Losses from operations and low-income tax credits in any one year are allocated 99.99% to the Casitas Lantana limited partner and 0.01% to the general partner.

The Casitas Lantana GP, LLC's investment in the Casitas Lantana Partnership is accounted for using the equity method of accounting since the limited partner has substantive participating rights and, therefore, the general partner does not fully control the Casitas Lantana Partnership. Under the equity method of accounting, the Casitas Lantana Partnership's accounts are not reflected within cdcb's consolidated statements of financial position and consolidated statement of activities; however, Casitas Lantana GP, LLC's share of the earnings or losses of the Casitas Lantana Partnership is reflected as investment income (loss) in the consolidated statements of activities.

A summary of the significant accounting policies followed by cdcb in the preparation of the accompanying consolidated financial statements is set forth below.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, cdcb considers cash in bank deposit accounts, certificates of deposit with original maturities of three months or less, repurchase agreements, and money market accounts to be cash and cash equivalents.

cdcb entered into agreements with various banks, which allow excess cash funds to be transferred from cdcb's deposit accounts at the banks into overnight repurchase agreements. Transactions under these agreements are completed by the next business morning. As these short-term investments have original maturities of three months or less, these investments are considered to be cash equivalents.

Restricted Cash

Amounts included in restricted cash represent those required to be set aside by contractual agreements. Restricted cash and cash equivalents are escrow accounts relating to mortgage loans and cash held for deposit for property tax assessments for the La Hacienda Casitas apartment complex.

Mortgage Loans, Grants, and Other Receivables

Mortgage loans, grants receivable and other receivables are stated at the amount management expects to collect from outstanding balances. All mortgage loans are secured by first and/or second liens on the properties.

Receivables are stated at unpaid balances, less an allowance for doubtful accounts. The allowance for doubtful accounts is evaluated on a regular basis by management and is based on historical experience and specifically identified questionable receivables. Receivables are written off when deemed uncollectible. Subsequent recoveries, if any, are credited to the allowance. The evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available.

As of September 30, 2021, and 2020, an allowance for doubtful accounts was not established for mortgage loans, grants, and other receivables outstanding as management believes these amounts to be fully collectible.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Developer Fee Receivable

cdcb uses the percentage-of-completion method for multi-family construction projects. The company recognizes revenues, expenses, and profit each period during the life of the contract in proportion to the amount of the contract completed during the period. It also increases the value of the inventory, so that inventory is reported at the costs incurred plus the profit recognized to date (minus any partial billings).

Investments

cdcb reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Investment in Homes and Land Development Projects

Investment in homes and land development projects is reported at cost. A substantial portion of the costs capitalized pertain to the cost paid to acquire and develop the land. Other costs include interest capitalized during the development period and interim construction advances to homebuilders for home construction.

Property and Equipment

Property and equipment acquisitions are capitalized at cost when purchased, or, if donated, at the approximate fair value at the date of donation. Depreciation is calculated on the straight-line method based on the following estimated useful lives: building and improvements – 25 to 30 years; vehicles – 3 years; computer equipment – 3 to 5 years; and furniture and fixtures – 3 to 10 years. cdcb follows a capitalization policy for fixed assets of $5,000.

Impairment of Long-Lived Assets

cdcb reviews the carrying value of assets for impairment whenever events and circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected cash flows are less than the carrying value, impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, and the effects of obsolescence, demand, completion, and other economic factors. cdcb did not recognize an impairment loss during the years ended September 30, 2021 and 2020.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PPP Loan/PPP Loan Revenue

cdcb received a loan in the amount of $480,700 and $531,700 on February 18, 2021 and April 20, 2020, respectively, under the Paycheck Protection Program (PPP) pursuant to the CARES Act and administered by the U.S. Small Business Administration (the SBA). (See Note 24).

cdcb is recognizing revenue from the PPP loan following the guidance under FASB ASC 958-605, government grant model. PPP loan funds are considered a conditional contribution and recorded as a refundable advance on the consolidated statements of financial position until the barriers to entitlement are met. cdcb considers the barriers to entitlement to include the incurrence of qualifying expenses and maintaining specified levels of payroll and employment. Revenue is recognized once conditions have been substantially met or explicitly waived. cdcb does not consider the administrative process of filing for forgiveness to be a condition to recognize the PPP loan as revenue.

Net Assets

cdcb reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the cdcb, 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 subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor for resources to be maintained in perpetuity.

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 consolidated financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and Grants

In accordance with the *Not-for-Profit Entities* topic of the ASC, contributions received are recorded as support with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of time or purpose restrictions.

cdcb recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

A portion of cdcb's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. These benefits received by the public as a result of the assets transferred is not equivalent to commensurate value received by the federal, state, or local agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Amounts received are recognized as revenue when cdcb has incurred expenditures in compliance with specific contract or grant provisions.

Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position. cdcb received grants with advance payments of $4,600,919 that have not been recognized at September 30, 2021 ($4,040,443 in 2020) because qualifying expenditures have not yet been incurred are recognized in the consolidated statements of financial position as refundable advances.

Revenue Recognition

Home and lot sales, net fees, management fees and payments under developer fee agreements are accounted for under ASC Topic 606, *Revenue from Contracts with Customers (ASC 606)*, recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied. Prior to the adoption of ASC 606, cdcb recognized revenue when persuasive evidence of an arrangement existed, delivery of products or services had occurred, the sales price was fixed or determinable and collectability was reasonably assured. The accompanying consolidated statements of activities show those disaggregated revenue streams for the year ended September 30, 2021 and 2020.

Revenue related to home and lot sales and net fees are generally recognized when the performance obligation is met, which is considered to be satisfied at a point in time of the closing of the sale, when title to and possession of the property are transferred to the buyer. Management fees and payments under developer fee agreements are recognized when the performance obligation are met, which are considered to be satisfied over time as services are rendered.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Differences in the timing of revenue recognition and contractual billing and payment terms result in the recognition of contract assets and liabilities. Contract assets primarily result from developer fee contracts and represent revenues recognized for performance obligations that have been satisified but for which amounts have not been billed. Contract liabilities or deferred revenue primarily represent cash received that is in excess of revenues recognized and is contingent upon the satisfaction of performance obligations. Any amounts from home and lot sales, net fees, management fees and payments under various contracts that are received in advance are deferred and recognized upon satisfaction of performance obligations. No contract assets or liabilities were reported as of September 30, 2021 and 2020.

Rental income related to rent services for low-to-moderate income families is accounted for under Accounting Standards Codification (ASC) 840, *Leases*. Rental income is recorded on a monthly basis through the terms of rental agreements.

Functional Allocation of Costs

The costs of providing the program and other activities have been summarized based on programs administered by cdcb in the consolidated statements of activities. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area. Expenses related to maintenance and upkeep of facilities are allocated across functional areas based on a fixed percentage.

Annual and Personal Leave

Annual and personal leave is provided to all full-time employees. The amount of annual and personal days earned by and paid to the employee is based upon the number of years of service. Annual leave days earned range from 5 to 15 days. Personal leave days earned range from 0 to 8 days. At the end of each fiscal year, cdcb will pay the employee for any unused annual leave up to a maximum of 10 days and unused personal leave up to a maximum of 8 days. Accordingly, no accrual is reflected in the accompanying consolidated financial statements.

Income Taxes

cdcb is exempt from federal income taxes pursuant to provisions of Section 501(c)(3) of the Internal Revenue Code ("IRC"). Therefore, no provision for income taxes has been made in the consolidated financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

cdcb utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the consolidated financial statements when it is more-likely-than-not the positions will be sustained upon examination by the taxing authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of September 30, 2021, and 2020, cdcb has no uncertain tax provisions that qualify for recognition or disclosure in the consolidated financial statements. cdcb believes it is no longer subject to income tax examinations for years prior to 2017.

Reclassifications

Certain reclassifications were made to prior year balances to conform with current year presentation.

Subsequent Events

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, December 22, 2021 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

Newly Adopted Accounting Pronouncement

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance specified that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU and its amendments supersede the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry specific guidance.

Effective October 1, 2020 cdcb adopted ASC 606 using the modified retrospective method. This method allows the standard to be adopted retrospectively through a cumulative adjustment recognized upon adoption. There were no significant changes to the cdcb’s financial position as a result of ASC 606.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements

In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize right to use assets and lease liabilities on the consolidated statements of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statements of activities. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. cdcb is currently evaluating the effect the standard will have on its consolidated financial statements.

NOTE 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects cdcb's financial assets as of the consolidated statements of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions, within one year of the consolidated statements of financial position date.

September 30,	2021	2020
Cash and cash equivalents	$ 7,794,990	$ 8,001,009
Restricted cash and cash equivalents	4,380,802	939,820
Investments in marketable securities	-	251,015
Receivables		
Grants	1,424,484	776,403
Financial assets, at year end	$ 13,600,276	$ 9,968,247
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions		
Net assets with donor restrictions	(588,643)	(584,790)
Cash restricted for NMTC, AFI and ESC	(3,924,821)	(410,615)
Escrow deposits	(455,981)	(529,205)
Financial assets available to meet cash needs for general expenditures within one year	$ 8,630,831	$ 8,443,637

NOTE 4: CASH AND CASH EQUIVALENTS

A summary of cash and cash equivalents is as follows:

September 30,	2021	2020
Bank deposits	$ 5,032,798	$ 1,267,028
Certificates of deposit	1,278,731	1,272,753
Repurchase agreements	5,804,039	6,340,824
Tax guarantee reserve	60,224	60,224
Total	$ 12,175,792	$ 8,940,829

Restricted cash and cash equivalents represent escrow accounts relating to mortgage loans and cash held for deposit for property tax assessments for the La Hacienda Casitas apartment complex.

NOTE 5: MORTGAGE LOANS RECEIVABLE

cdcb services different in-house loan products, including the Affordable Housing Loan Program ("AHLP"), the Rural and Colonia Loan Program ("RCLP"), Neighborhood Stabilization Program ("NSP2"), the MiCASiTA Loan and the CASA Loan ("CASA").

AHLP, CASA, and RCLP loan products are made to low-income individuals seeking new or replacement housing in conjunction with Rio Grande Valley MultiBank (RGVMB), a United States Treasury Certified Community Development Financial Institution (CDFI) through which 9 stockholder institutions provide up to 70% to 85% of the permanent mortgage financing for each AHLP and CASA loan and 50% for each RCLP loan originated, with public funds providing the remaining 15% to 50% depending on the loan product. NSP2 loans are 0%, 30-year loans originated by cdcb utilizing NSP2 funds. All loans were for clients earning less than 50% of the area median family income. MiCASiTA Loans are funded through a line of credit with Texas State Affordable Housing Corporation and other public and private financing.

cdcb ensures all security loan documentation is prepared correctly by its attorney and all records of individual home mortgage loans are set up on its computerized loan ledger system. All loan servicing, including receiving/recording payments, escrow collection, escrow tax and insurance payments, assessments, statements, and reconciliations are performed by cdcb. In addition, a Loan Servicing Administrator of cdcb, in conjunction with a HUD- certified housing counselor, issues letters of delinquency and negotiates special circumstance payment situations.

AHLP and CASA notes payable to participating financial institutions or the RGVMB CDFI are collateralized by whole mortgage loans, or first lien mortgage loans, based on 100% of the loan amount, of which financial institutions or the RGVMB funds 70% to 85% of the loan amount. On AHLP and RCLP, the federal, state, or local funds that provide for the other 20% of the mortgage to 50% of the mortgage funds is repayable, but the repayment is deferred until the financial institution has been paid. The financial institution receives all principal and interest from the payment stream first and an assignment of all collateral. Upon payoff of the financial institution's interest, the collateral is transferred back to cdcb for collection of the remaining balance. On the CASA, the 30% to 15% is fully repayable over the full 30-year amortization of the loan.

NOTE 5: MORTGAGE LOANS RECEIVABLE (Continued)

RCLP offers the borrower a 3.5%, twenty-year, fixed-rate loan. Four financial institutions, through RGVMB, each purchase participation shares in each loan pool, equal to 12.5% of the 50.0% of each loan pool. Each loan pool is secured by the real estate collateral. In addition, each loan pool carries a fully funded “loan loss reserve” equal to 12% of the 50% of the financial institution’s share in each pool, as well as a “payment reserve” equal to three months of principal and interest on each individual loan held in the pool. These reserves are held by RGVMB, as detailed in the program agreement.

The MiCASiTA Loan is funded in part by a $1,000,000 line of credit with the Texas State Affordable Housing Corporation (TSAHC) for loans in the rural and colonia areas of the border. TSAHC funds up to 95% or less of each mortgage at 3% to 3.75% for 30 years.

During 2018, cdcb was approved as a seller/servicer to sell and service mortgages for Freddie Mac. Accordingly, cdcb has recorded these as mortgage loans receivable and a corresponding liability. The mortgage loans receivable on these homes as of September 30, 2021 totaled $1,033,588 ($618,758 in 2020). During 2020, cdcb was approved as a seller/servicer to sell and service mortgages for Fannie Mae. Accordingly, cdcb has recorded these as mortgage loans receivable and a corresponding liability. The mortgage loans receivable on these homes as of September 30, 2021 totaled $411,993 ($0 in 2020).

Mortgage loans outstanding are as follows:

September 30,	2021	2020
NeighborWorks	$ 256,551	$ 248,541
AHLP	213,110	504,327
Mi Casita	549,093	562,039
Fannie Mae	411,993	-
Lots receivable	369,776	517,254
NSP2	1,848,981	1,957,559
CASA	7,146,739	7,203,646
Revolving loan fund	89,651	119,932
Freddie Mac	1,033,588	618,758
RCLP	18,746	26,202
Mortgage loans	$ 11,938,228	$ 11,758,258

NOTE 6: INVESTMENTS IN MARKETABLE SECURITIES

Investments in marketable securities consist of the market participation certificates of deposit. As of September 30, 2021 these investments reported a cost and market value of $0 and $0, respectively ($248,000 and $251,015 for 2020)

NOTE 7: INVESTMENT IN HOMES AND LAND DEVELOPMENT PROJECTS

Rural and urban affordable housing subdivisions are developed by cdcb through raw land acquisition and infrastructure development, or cdcb acquiring improved lots from private-sector developers through multiphase purchase agreements. Interim construction financing made available to cdcb is re-loaned by cdcb to its subdivision homebuilders at cdcb’s pass-through interest rate. Investment in homes and land development projects is reported at cost. A substantial portion of the costs capitalized pertain to the cost paid to acquire and develop the land. Other costs include interest capitalized during the development period, grant advances, and interim construction advances to homebuilders for home construction.

NOTE 7: INVESTMENT IN HOMES AND LAND DEVELOPMENT PROJECTS (Continued)

Investment in home and land development projects is as follows:

September 30,	2021	2020
California Crossing	$ 563,725	$ 437,799
Caterpillar Grove	431,406	-
Cicada Grove	540,462	-
El Naranjal III	83,163	136,551
El Naranjal Subdivision, Section IV	405,516	507,810
French River Valley Subdivision II	1,240,482	1,465,184
Campo Real Subdivision II	336,088	336,088
Cisneros Estates	28,827	27,603
City of Brownsville Homes	-	4,400
Colonias Rehabilitation	21,666	149,953
NSP3 Naranjal	-	40,907
Sweat Equity Program	-	92,755
Mi Casita 202	114,413	1,500
Casitas Azucar	26,860	2,338
325 W Levee	395,158	58,094
HOP Homeownership Program	27,901	26,349
Inwood Subdivision II	56,503	56,099
Inwood Subdivision III	35,938	40,684
Mesquite Gardens Subdivision	208,716	182,911
Harlingen CHDO HMS 187	67,694	66,710
Nonassisted lending	133,325	480,007
North Austin subdivision I	32,917	195,415
OCC Homes	(193)	2,444
North Austin subdivision II	599,794	593,584
Corpus Christi Homes	83,613	79,150
Los Olmos and Tangelo Project Homes	572,629	572,629
Predevelopment Projects	1,810,986	766,211
Butterfly Groves	3,746,829	4,923,106
Campo Real Phase I	19,003	18,898
TSACH Olmito Estates	440,185	253,387
Tradition Estates Subdivision	-	13,983
Villa Del Sur Subdivision II	690	51,395
Villa Del Sur Subdivision III	289,554	289,554
Commercial lots	46,497	116,173
Dragonfly	289,978	-
Grasshopper Grove	339,140	-
Honeybee Grove	298,435	-
Jackson Cottages	555,294	-
Mi Casita	92,154	-
Palo Alto Casitas	433,281	-
Palo Alto Reserve	487,484	-
Trent Fund	(99)	-
Total Investments	14,856,014	11,989,671
Less current portion	1,360,884	1,670,339
Long-term Investment	$ 13,495,130	$ 10,319,332

NOTE 7: INVESTMENT IN HOMES AND LAND DEVELOPMENT PROJECTS (Continued)

Management has determined that $1,360,884 are homes and lots currently in the process of being sold by the year ending September 30, 2022.

Pre development costs of $3,619,862 represent homes and land development projects funded under the New Market Tax Credit. Management has determined that $760,483 are homes and lots currently in the process of being sold by the year ending September 30, 2022.

NOTE 8: INVESTMENT IN PARTNERSHIPS

Pursuant to the Paloma Partnership, Los Olmos Partnership, Casitas Azucar Partnership, and Casitas Lantana Partnership agreements described in Note 1, cdcb did not receive a capital distribution from the Partnerships as of September 30, 2021 and 2020.

Investment in partnerships is accounted for under the equity method. The investment is initially recorded at cost, and is then increased or decreased by the proportionate share of the partnership's net earnings or losses.

Guarantees

As also described in Note 1, cdcb is the sole member of Paloma Living. In accordance with the Paloma Partnership agreement, cdcb has the following guarantees:

- Funds necessary to pay operating deficits of no more than $200,000 ($0 in 2021 and 2020).
- Permanent loan in the amount of $900,000 ($656,947 and $669,490, respectively, outstanding at September 30, 2021 and 2020).

As also described in Note 1, cdcb is the sole member of Los Olmos Partnership. In accordance with the Los Olmos Partnership agreement, cdcb has the following guarantees:

- Payment of excess development costs.
- Funds necessary to pay operating deficits of no more than $352,353 ($0 outstanding as of September 30, 2021 and 2020).
- Bridge loan in the amount of $118,368 ($0 outstanding as of September 30, 2021 and 2020).
- Permanent loan in the amount of $2,525,000 ($2,407,477 and $2,431,995, respectively, outstanding at September 30, 2021 and 2020).
- NeighborWorks loan in the amount of $180,000 ($180,000 outstanding as of September 30, 2021 and 2020).
- NSP Sponsor loan in the amount of $131,800 ($131,800 outstanding at September 30, 2021 and 2020).
- Seller loan in the amount of $286,200 ($286,200 outstanding at September 30, 2021 and 2020).

NOTE 8: INVESTMENT IN PARTNERSHIPS (Continued)

As also described in Note 1, cdcb is the sole member of Casitas Azucar. In accordance with the Casita Azucar Partnership Agreement, cdcb has the following guarantees:

- Operating Deficit Guaranty. The General Partner shall be required, upon the reduction of the Operating Reserve Account to zero, to promptly provide funds to the Partnership from time to time as needed in an amount up to the Operating Deficit Guaranty Amount for Operating Deficits occurring during the Operating Deficit Guaranty Period. Repayment of any letters of credit or other borrowings arranged by the General Partner to meet its obligations under this Section 6.4.6(ii) shall be the sole obligation of the General Partner. Subject to the last sentence of this section, funds made available by the General Partner to fulfill its obligations pursuant to this Section 6.4.6(ii) shall be accounted for as unsecured loans to the Partnership by the General Partner and may be reimbursed to the General Partner, without interest, in accordance with Section 5.1 hereof, or out of the proceeds of refinancing or sale pursuant to Section 5.2 hereof. If the Operating Deficits overruns are due to the gross negligence or willful misconduct of the General Partner, then any guaranty advances made by the General Partner to cover such costs shall be deemed to be capital contributions.

  One Hundred Sixty-Two Thousand One Hundred Twenty-One and No/100 Dollars ($162,121.00) - is the operating reserve cdcb guarantees.

- BBVA Construction loan in the amount of $4,807,837 ($4,807,837 and $3,811,229, respectively, outstanding as of September 30, 2021 and 2020) and TDHCA Home loan in the amount of $1,600,007 ($899,866 and $180,667, respectively, outstanding as of September 30, 2021 and 2020).

As also described in Note 1, cdcb is the sole member of Casitas Lantana. In accordance with the Casita Lantana Partnership Agreement, cdcb has the following guarantees:

- Sponsor loan in the amount of $387,000 ($387,000 outstanding at September 30, 2021).
- Payment of excess development costs
- Funds necessary to pay operating deficits of no more than $306,508 ($0 outstanding as of September 30, 2021 and 2020.
- Permanent loan in the amount of $9,738,000 ($0 outstanding as of September 30, 2021 and 2020)

NOTE 9: INVESTMENT IN JOINT VENTURES

Community Development Corporation of Brownsville invested, along with two other Housing Partnership Network, Inc. members, in a partnership (HPN Leverage II, LLC) with 33.33% ownership to take advantage of New Market Tax Credit (NMTC) financing. NMTC financing allows an entity to receive a loan or investment capital from outside investors, who will receive new market tax credits to be applied against their federal tax liability. As a result, the cdcb has invested $3,352,682 and was able to secure a 20-year loan in the amount of $4,875,000 payable to a community development entity. The loan proceeds are to be used solely for the purpose of acquiring, rehabbing, and/or constructing single-family homes in qualified census tracts and selling at least 60% of such homes to low-income persons. The loan accrues interest only for years 1 through 7 at a reduced rate of 0.688% per year. Beginning in year 8 through year 20, the principal balance of the loan is reduced by a twelve-year amortization at the same rate of 0.688%.

Community Development Corporation of Brownsville invested, along with three other Housing Partnership Network, Inc. members, in a partnership (HPN Leverage VII, LLC) with 25% ownership to take advantage of New Market Tax Credit (NMTC) financing. NMTC financing allows an entity to receive a loan or investment capital from outside investors, who will receive new markets tax credits to be applied against their federal tax liability. As a result, the cdcb has invested $5,075,653 and was able to secure two 20-year loans each in the amount of $3,412,500 payable to a community development entity. The qualified census tract (QCT) loan proceeds are to be used solely for the purpose of acquiring, rehabbing and/or constructing single-family homes in QCTs and selling at least 20% of such homes to low-income persons. The targeted population (TP) loan proceeds are to be used solely for the purpose of acquiring, rehabbing and/or constructing single-family homes and selling at least 60% of such homes to low-income persons. The loan accrues interest only for years 1 through 7 at a reduced rate of 0.743760% per year. Beginning in year 8 through year 20 the principal balance of the loan is reduced by a twelve-year amortization at the same rate of 0.743760%.

Investment in HPN Leverage VII, LLC

In 2021 cdcb participated in a New Markets Tax Credit (NMTC) program. The program provides funds to eligible organizations for investment in “qualified low-income community investment”. Program compliance requirements included creation of a promissory note and investment in a qualified community development entity (CDE). Tax credit recapture is required if compliance requirements are not met over a seven-year period.

In 2021 cdcb has recorded its 25% investment in HPN Leverage VII, LLC at the cost of $5,075,653. In June 2028, Twain Investment Fund 554, LLC (the Fund), and the upstream effective owner of HPN NMTC VII, LLC (holder of the promissory note due from cdcb) is expected to exercise its put option. Under the terms of the put option agreement HPN Leverage VII, LLC is expected to purchase the ownership interest of the Fund. Exercise of the option will effectively allow cdcb to extinguish its outstanding debt owed to the Fund.

NOTE 10: LONG-TERM INVESTMENTS

Long-term investments consist of the following:

September 30,	2021	2020
Investment in HPN Leverage II, L.L.C.		
(New Market Tax Credit Joint Venture)	$ 3,352,682	$ 3,352,682
Investment in HPN Leverage VII, L.L.C.		
(New Market Tax Credit Joint Venture)	5,075,653	-
RGV Multibank Stock 95,538 shares	200,000	200,000
Long-term investments	$ 8,628,335	$ 3,552,682

NOTE 11: PROPERTY AND EQUIPMENT, NET AND RENTAL PROPERTIES, NET

Property and equipment, net consists of the following:

September 30,	2021	2020
Building and Improvements	$ 1,323,195	$ 1,323,195
Land	66,000	66,000
Vehicles	151,161	135,733
Computer Equipment	267,951	267,951
Furniture and Fixtures	17,279	17,279
	1,825,586	1,810,158
Less accumulated depreciation	1,324,592	1,266,558
Property and equipment, net	$ 500,994	$ 543,600

Rental properties, net consists of the following:

September 30,	2021	2020
Building and Improvements	$ 4,198,502	$ 4,198,502
Land	394,353	394,353
Furniture and Fixtures	71,505	59,491
	4,664,360	4,652,346
Less accumulated depreciation	511,876	346,589
Rental properties, net	$ 4,152,484	$ 4,305,757

Total depreciation expense for the years ended September 30, 2021 and 2020 was $223,451 and $211,168, respectively.

NOTE 12: NOTES RECEIVABLES

In June of 2014, cdcb entered into a note receivable totaling $253,488 for the sale of commercial property. The note is due June 2020 with an interest rate of 6.00%. The balance as of September 30, 2021 totaled $0 ($233,730 in 2020).

At December 31, 2013, cdcb entered into a note receivable totaling $665,603 as part of a match for a Community Development Financial Institution Program with an interest rate of 0.00%, which is due in December of 2043. The balance as of September 30, 2021 totaled $665,603 ($665,603 in 2020).

In November of 2015, cdcb entered into a note receivable totaling $286,200, as part of the Los Olmos Partnership agreement. The note is due in December of 2057 with an interest rate of 2.57%. The balance as of September 30, 2021 totaled $286,200 ($286,200 in 2020).

In November of 2015, cdcb entered into a note receivable totaling $180,000, as part of the Los Olmos Partnership agreement with an interest rate of 0.00% and due in December of 2057. The balance as of September 30, 2021 totaled $180,000 ($180,000 in 2020).

In November of 2015, cdcb entered into a note receivable totaling $131,800 as part of the Los Olmos Partnership agreement with an interest rate of 0.00% and is due in December of 2057. The balance as of September 30, 2021 totaled $131,800 ($131,800 in 2020).

In October of 2020, cdcb entered into a note receivable totaling $387,000 as part of the Casitas Lantana Partnership agreement with an interest rate of 0.00% and is due in October of 2040. The balance as of September 30, 2021 totaled $387,000 ($0 in 2020).

In February of 2021, cdcb entered into a note receivable totaling $150,000 for purposes of providing working capital to borrower with an interest rate of prime with a 4.25% ceiling and a floor of 2% and is due in February 2022. The balance as of September 30, 2021 totaled $125,000 ($0 in 2020).

NOTE 13: DEVELOPER FEE RECEIVABLES

cdcb was the developer of La Hacienda Casitas apartment complex. Construction has been completed as of September 30, 2021. The total developer fee was $926,733, which is payable by the Paloma Partnership in accordance with the development agreement dated September 12, 2012. Total developer fee receivable was $431,426 at September 30, 2021 ($431,426 in 2020).

cdcb is the developer of Los Olmos Casitas apartment complex. Construction has been completed as of September 30, 2021. The total developer fee is $1,095,849, which is payable by the Los Olmos Partnership in accordance with the development agreement dated September 15, 2014. Total developer fee receivable was $1,095,849 at September 30, 2021 and 2020.

cdcb is the developer of the Casitas Azucar apartment complex. Construction has been completed as of September 30, 2020. The total developer fee is $933,000, which is payable by the Casitas Azucar Partnership in accordance with the development agreement dated July 25, 2019. Total developer fee receivable was $818,278 at September 30, 2021 ($818,278 in 2020).

NOTE 13: DEVELOPER FEE RECEIVABLES (Continued)

cdcb is the developer of the Casitas Lantana apartment complex. Construction has not been completed as of September 30, 2021. The total developer fee is $1,509,198, which is payable by the Casitas Lantana Partnership in accordance with the development agreement dated October 1, 2020. Total developer fee receivable was $890,427 at September 30, 2021 ($49,992 in 2020).

NOTE 14: OTHER ASSETS

Other assets consists of the following as of September 30:

September 30,	2021	2020
Refundable deposits	$ -	$ 29,400
Prepaid expenses	27,821	12,923
Other	10,153	43,903
New Market Tax Credits:		
Affiliate guarantee fee, net	292,664	103,814
Transaction costs, net	129,577	55,004
Recapture guaranty, net	216,000	90,000
Total	$ 676,215	$ 335,044

Other assets related to the new market tax credit transactions are amortized, straight-line over the life of the new market tax credit compliance period. The total accumulated amortization at September 30, 2021 and 2020 was $196,533 and $138,620, respectively.

NOTE 15: NET ASSETS

A summary of net assets without donor restrictions follows:

September 30,	2021	2020
Undesignated	$ 20,711,199	$ 18,026,022

Net assets with donor restrictions consist of the following:

September 30,	2021	2020
Time restricted	$ 29,397	$ 29,397
Purpose restricted		
Neighbor Works capital grant	510,000	510,000
Colonia revolving	49,246	45,393
Total net assets with donor restrictions	$ 588,643	$ 584,790

NOTE 15: NET ASSETS (Continued)

Net assets released from restrictions consist of the following:

Years ended September 30,	2021	2020
Fulfillment of use restrictions	$ 4,008,623	$ 2,417,424

NOTE 16: LONG-TERM DEBT

Area banks and RGVMB supply cdcb with various types of financing for its housing programs. For land acquisition of raw land or improved lots, the financial institutions provide funds for land/lot purchase (acquisition notes payable). For infrastructure development on raw land, the financial institutions provide infrastructure development financing (development notes payable), and for interim construction financing for the construction of new, single-family homes, the financial institutions provide interim construction financing (interim construction notes payable).

September 30,	2021	2020
Lines of Credit		
The cdcb maintains a line of credit agreement with BBVA Compass. Available borrowings related to the agreement are $500,000 with an interest rate based on the BBVA USA Prime Rate index less .0450 percentage points. Current interest is at 3.00%. The line of credit is secured by the real and personal property of cdcb. The credit line expires in June of each year and renews annually.	$ -	$ 26,071
The cdcb maintains a line of credit agreement with Rio Grande Valley Multibank. Available borrowings related to the agreement are $8,000,000 with an interest rate at the FHLB 20-30 year rate plus 2.00%. Each advance is to be evidenced by an individual promissory note executed by cdcb and secured by the assignment of mortgage loans.	5,756,453	5,791,656
The cdcb maintains a line of credit agreement with Texas State Affordable Housing Corporation. Available borrowings related to the agreement are $1,000,000 with an interest rate of 1.50%, secured by the assignment of program loans. Interest is paid quarterly. All outstanding principal and accrued interest shall be payable on the maturity date, April 16, 2022.	545,865	559,932
The cdcb maintains a line of credit agreement with Housing Partnership Fund, Inc. Available borrowings related to the agreement are $1,500,000, with an interest rate of 4.75%. The line of credit is unsecured. All outstanding principal and interest is due and payable on May 20, 2025.	1,500,000	1,500,000
The cdcb maintains a line of credit agreement with International Bank of Commerce. Available borrowings related to the agreement are $1,000,000 with an interest rate at the New York Prime Rate as it fluctuates from time to time. The current interest rate is 4.25%. The note is collateralized by an assignment of mortgage notes receivable. The credit line expires on October 23, 2022.	104,767	489,513

NOTE 16: LONG-TERM DEBT (Continued)

September 30,		2021		2020
The cdcb maintains a line of credit agreement with Frost Bank. Available borrowings related to the agreement are $3,767,023, with an interest rate of 3.68%, secured by real property. On November 10,2020, (the "Conversion Date") this loan converted to a "Permanent Loan". During the two-year repayment term of the Permanent Loan, interest only shall be due monthly as it accrues beginning December 10, 2020 and continuing each month thereafter. The principal balance shall be due and payable in seven quarterly payments of $471,000 each, payable in February, May, August and November, beginning with a principal payment due on February 10, 2021 and continuing quarterly there after until August 10, 2022 and in a final installment due on November 10, 2022, when the entire amount of principal and interest then remaining unpaid, shall be due and payable. CDCB has agreed to pay the lender a $28,846 partial release fee each time cdcb sells one or more of the 129 residential lots it will develop on the property. cdcb will get a dollar for dollar credit against the next accruing principal payment for all amounts cdcb pays the lender in partial release fees.		1,960,693		571,569
Total lines of credit	$	9,867,778	$	8,938,741

September 30,		2021		2020
Notes payable				
$466,866 promissory note payable to TDHCA, at no interest. Payments are due in monthly installments through May 1, 2024, when the note matures. The loan is unsecured.	$	406,076	$	-
$117,985 promissory note payable to Frost Bank, with interest at 3.5%. Payments are due in monthly installments through August 26, 2023. The loan is unsecured.		-		39,559
$250,000 promissory note payable to First Community Bank, with interest at 1.5%. It is secured by the certificate of deposit maintained at First Community Bank. The note matures on September 18, 2022.		250,000		250,000
$487,342 promissory note payable to TDHCA, at no interest. Payments due as properties are sold under the note agreement. Note is secured by a Deed of Trust. Note matures on August 31, 2023.		299,903		-

NOTE 16: LONG-TERM DEBT (Continued)

September 30,	2021	2020
Note payable HPN NMTC II, LLC, due August 2037, interest only through August 2024 at 0.6877985%. Collateralized by all assets acquired by cdcb through the New Market Tax Credit Program. (See Note 9 and 17 for further details.)	$ 4,875,000	$ 4,875,000
Note payable HPN NMTC VII, LLC QCT loan due June 2041, interest only through June 2028 at 0.743760%. Collateralized by all assets acquired by cdcb through the New Market Tax Credit Program. (See Note 9 and 17 for further details.)	3,412,500	-
Note payable HPN NMTC VII, LLC TP loan due June 2041, interest only through June 2028 at 0.743760%. Collateralized by all assets acquired by cdcb through the New Market Tax Credit Program. (See Note 9 and 17 for further details.)	3,412,500	-
$410,000 permanent loan for Vista Luna Apartments, 605 East Price Road. The outstanding loan bears an interest rate of 5.75%. Payments are due and payable in monthly installments first day of each month. Payments are calculated based on a 30 year amortization of loan principal. Principal is due 120 months following the closing of the Loan, May 10, 2029. It is collateralized by the first position Deed of Trust and assignment of rents on La Vista Apartments.	396,855	397,248
$380,000 permanent Loan for Las Posada Apartments, 1356 La Posada Dr. The outstanding loan bears an interest rate of 5.75%. Payments are calculated based on a 30 year amortization of loan principal. Principal and interest are due and payable in monthly installments on the first day of each month until maturity. Principal is due 120 months following the closing of the Loan, June 27, 2028. It is collateralized by the first position Deed of Trust and assignment of rents on La Posada Apartments.	363,751	369,339
$2,578,000 permanent Loan for La Ceiba Apartments, 4858 Rentfro Blvd. The outstanding loan bears an interest rate of 5.75%. Principal and interest are due and payable in monthly installments on the first day of each month. Payments are calculated based on a 30 year amortization of loan principal. Principal is due 120 months following the closing of the Loan, September 24, 2028. It is collateralized by the first position Deed of Trust and assignment of rents on La Ceiba Apartments.	2,477,243	2,512,931

NOTE 16: LONG-TERM DEBT (Continued)

September 30,	2021	2020
$1,395,960 promissory note payable to Rio Grande Valley Multibank Corporation. The annual interest rate is 4.78%. Principal and interest are due and payable in three hundred twenty-one (321) monthly installments. The first three hundred twenty (320) installments are in the amount of $7,710 each, and one last and final installment in the amount of all principal and accrued interest remaining unpaid. The first installment of principal and accrued interest is due and payable on January 24, 2020 and a like installment will be due and payable on the same day of each succeeding calendar month thereafter until the maturity date. The note is collateralized by an assignment of mortgage notes receivable.	$ 1,347,230	$ 1,375,566
$50,000 promissory note payable to Texas Community Capital, with interest at 1%. Interest only payments are due in monthly installments. The loan matures on . January 29, 2022. The loan is unsecured.	50,000	-
$2,036,892 promissory note payable to Rhodes Enterprises, Inc, with interest at 3.5%. Principal and interest are due in 6 monthly installements starting January 31, 2022 through June 31, 2022. Loan is collateralized by the security described in a the Deed of Trust, Pledge Agreement, and Secured Promissory Note.	2,036,892	-
$2,214,000 promissory note payable to The Housing Partnership Fund, Inc , with interest at 4.25%. Principal and interest are due in monthly installments starting July 1, 2021 through July 1, 2023, maturity date. Loan is secured by the Security agreement and UCC Financing Statements filed with the State of Texas.	2,214,000	-
Total notes payable	21,541,950	9,819,643
Total long-term debt	31,409,728	18,758,384
Less current maturities	3,571,027	2,870,767
Total long-term portion of lines of credit and notes payable	$ 27,838,701	$ 15,887,617

Aggregate maturities required on long-term debt at September 30, 2021 are as follows:

Year ending September 30,	
2022	$ 3,571,027
2023	1,561,451
2024	282,631
2025	5,159,129
2026	284,129
Thereafter	20,551,361
	$ 31,409,728

NOTE 17: NOTES PAYABLE HPN NMTC II, LLC

Included in long-term debt in Note 16 is the note to HPN NMTC II, LLC, of $4,875,000. This debt requires interest only payments until August of 2024 at 0.6877985%. The loan matures in August of 2037. The loan is secured by substantially all the assets acquired by the cdcb from the project loan proceeds. Debt has a put option feature that is exercisable in August of 2024.

Included in long-term debt in Note 16 is the note to HPN NMTC VII, LLC, QCT Loan of $3,412,500 and TP loan of $3,412,500. This debt requires interest only payments until June of 2028 at 0.743760%. The loan matures in June of 2041. The loan is secured by substantially all the assets acquired by the cdcb from the project loan proceeds. Debt has a put option feature that is exercisable in June of 2028.

NOTE 18: OTHER LIABILITIES

cdcb received NSP2 monies for acquisition and rehabilitation of foreclosed homes. These NSP2 funds then provide mortgage financing for low-income families. Accordingly, cdcb has recorded these as mortgage loans and a corresponding liability. The other liabilities on these homes as of September 30, 2021 totaled $1,851,862 ($1,960,439 in 2020).

During 2018, cdcb was approved as a seller/servicer to sell and service mortgages for Freddie Mac. Accordingly, cdcb has recorded these as mortgage loans and a corresponding liability. The other liabilities on these homes as of September 30, 2021 totaled $1,039,604 ($549,305 in 2020).

During 2020, cdcb was approved as a seller/servicer to sell and service mortgages for Fannie Mae. Accordingly, cdcb has recorded these as mortgage loans and a corresponding liability. The other liabilities on these homes as of September 30, 2021 totaled $418,267 ($0 in 2020).

Other liabilities of $292,664 as of September 30, 2021 ($103,814 in 2020) consist of unamortized guarantee fees paid by tax credit entities under the NMTC transactions entered into by cdcb. These fees are amortized over the life of the loan.

NOTE 19: REVOLVING FUND

cdcb received monies from various sources, which were originally recorded as grant income. These monies were subsequently loaned to cdcb clients and recorded as mortgage loans and other liabilities in accordance with cdcb's RCLP. RCLP provides mortgage financing for low-income persons residing in rural and colonia areas in combination with funds provided through RGVMB. Collection of these mortgage loans will commence after RGVMB's participation debt has been satisfied. Revolving fund liabilities for this program at September 30, 2021 totaled $369,388 ($328,910 for 2020).

NOTE 19: REVOLVING FUND (Continued)

cdcb received a Community Development Block Grant – State of Texas passed through Cameron County, Texas to fund minor repairs of homes for low-income families living in colonia areas. The funds were subsequently granted or loaned, with the loan amounts to be repaid over various maturities (five to ten years), interest-free. These funds, when repaid, are recorded in a revolving fund account. Accordingly, cdcb has recorded these as mortgage loans and a corresponding liability. Revolving fund liabilities at September 30, 2021 totaled $189,805 ($189,805 for 2020).

NOTE 20: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that be used to measure fair values:

Level 1 Inputs – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 Inputs – Significant other observable inputs other than Level 1 prices, such as

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
    - Observable; or
    - Can be corroborated by observable market data

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2021 and 2020.

NOTE 20: FAIR VALUE MEASUREMENTS (Continued)

Market Participation Certificates of Deposit: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although cdcb believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Assets and liabilities measured at fair value on a recurring basis, are summarized for the year ended September 30, 2020:

September 30, 2020	Level 1	Level 2	Level 3	Total
Market Participation Certificates of Deposit	$ -	$ 251,015	$ -	$ 251,015

NOTE 21: RETIREMENT PLAN

cdcb has a defined contribution plan that covers all employees who have completed two years of service, as defined in the plan agreement. Contributions to the plan are at the discretion of the Board of Directors, subject to the maximum amount allowable pursuant to the provisions of the IRC. During the year ended September 30, 2021, contributions to the plan totaled $179,081 ($166,039 in 2020).

NOTE 22: CONCENTRATION OF CREDIT RISK

Cash balances are maintained by cdcb at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to a maximum of $250,000. At September 30, 2021, cash deposits exceeded this coverage limit by approximately $250,000 (approximately $250,000 in 2020).

Mortgage loans to purchase homes are made to low-income families located in Cameron County and Willacy County, Texas. To secure the mortgage loans, cdcb will accept a lien against the home. The borrower’s ability to repay the mortgage loans and the value of the collateral are contingent upon a variety of economic factors affecting the area.

NOTE 23: COMMITMENTS AND CONTINGENCIES

General – In the ordinary course of business, cdcb may be subject to asserted and unasserted claims by third-party borrowers, vendors, and grantors. Should these matters arise, management will consult with legal counsel to determine the effects, if any, these claims may have on the consolidated financial statements. Further, liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties, and other sources are recorded when it is probable a liability has been incurred and the amount can be reasonably estimated. Management is of the opinion that no material liability will result from any unasserted or asserted claims.

NOTE 23: COMMITMENTS AND CONTINGENCIES (Continued)

Grants – cdcb receives a portion of its funding from federal programs that are governed by various rules and regulations of the grantors. The ultimate determination of amounts received under these programs is generally based upon allowable costs reported to the government. Until such reviews have been completed and final settlement reached, there exists a contingency to refund an amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such reviews.

Other – As of September 30, 2021, cdcb has $11,938,228 in mortgage loans receivable outstanding ($11,758,258 in 2020), $14,249,958 in investment in homes and land development projects ($11,989,671 in 2020) and $3,619,862 in investment in homes and land development projects- NMTC ($0 in 2020). Management is of the opinion that the net realizable values have not been impaired.

NOTE 24: PPP LOAN REVENUE

cdcb received loans in the amount of $480,700 and $531,700 on February 18, 2021 and April 20, 2020, respectively, under the PPP pursuant to the CARES Act and administered by the SBA. The PPP provides for forgivable loans to qualifying businesses. The loan and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll costs, rent and utilities and the borrower maintains specified levels of payroll and employment.

cdcb has incurred $480,700 and $531,700 as of September 30, 2021 and 2020, respectively, of qualified expenses under the PPP loan and has recognized PPP loan revenue related to these qualifying expenses. Both loans have been forgiven by the SBA.

NOTE 25: RELATED PARTY TRANSACTIONS

On March 9, 2017, cdcb purchased 95,538 shares of RGVMB, essentially purchasing 6.7% of the company for $200,000.

The cdcb services the loans the RGVMB owns and receives management and servicing fees during the year for that service. In 2021, cdcb received a total of $505,304 for management and fees from RGVMB ($440,452 for 2020).

NOTE 26: FUNCTIONAL EXPENSES

The costs of providing the various programs and supporting activities have been summarized on a functional basis below. Accordingly, costs have been allocated among the programs and supporting services benefitted. The expenses that are allocated are compensation, which are allocated on the basis of actual time and effort, travel, equipment, supplies, contractual work, depreciation and costs of homes and lots.

For the year ended September 30, 2021	Home Ownership	Financial Security	Youthbuild	Rental Management	Real Estate Development	Special Service	General and Administrative	Total
EXPENSES								
Salaries	$ 446,303	$ 216,301	$ 427,602	$ 241,364	$ 140,261	$ 396,863	$ 496,347	$ 2,365,041
Fringe benefits	134,203	61,481	123,179	77,998	36,709	104,413	113,925	651,908
Travel	8,067	5	3,905	2,743	1,596	8,095	7,048	31,459
Equipment	6,205	5,529	11,507	253	-	464	12,274	36,232
Supplies	5,628	2,348	2,325	2,105	752	4,921	6,944	25,023
Contractual	75,184	50,580	11,771	61,427	8,798	677,260	85,218	970,238
Other	404,569	45,190	126,591	521,410	13,024	73,074	242,985	1,426,843
Interest Expense	443,573	-	-	-	-	-	51,717	495,290
Cost of Home & Lot Sales	2,633,832	-	-	-	-	-	-	2,633,832
Grants - Homes	982,743	-	-	2,298,024	-	-	-	3,280,767
Depreciation Expense		-	-	165,418	-	-	58,033	223,451
TOTAL EXPENSES	$ 5,140,307	$ 381,434	$ 706,880	$ 3,370,742	$ 201,140	$ 1,265,090	$ 1,074,491	$ 12,140,084

For the year ended September 30, 2020	Single Family	Youthbuild	Preservation	La Puerta	Multi-Family	Special Service	General and Administrative	Total
EXPENSES								
Salaries	$ 365,648	$ 338,299	$ 133,994	$ 195,473	$ 287,132	$ 377,707	$ 513,496	$ 2,211,749
Student salaries & stipends	-	46,540	-	-	-	-	-	46,540
Fringe benefits	111,046	110,062	43,323	61,878	84,380	100,383	132,271	643,343
Travel	7,356	660	3,182	1,826	2,633	-	8,220	23,877
Equipment	4,373	9,426	-	1,686	-	318	7,398	23,201
Supplies	6,176	3,316	1,095	2,336	1,178	4,565	5,596	24,262
Contractual	39,011	13,783	8,242	6,921	12,480	13,253	30,799	124,489
Other	306,024	93,823	60,156	52,174	517,199	127,364	303,765	1,460,505
Interest Expense	-	-	-	-	-	-	373,277	373,277
Cost of Home & Lot Sales	2,070,351	-	-	-	-	-	-	2,070,351
Grants - Homes	669,481	-	755,936	-	174,863	-	-	1,600,280
Depreciation Expense	-	-	-	-	150,436	-	60,732	211,168
TOTAL EXPENSES	$ 3,579,466	$ 615,909	$ 1,005,928	$ 322,294	$ 1,230,301	$ 623,590	$ 1,435,554	$ 8,813,042

The cdcb renamed and added lines of business in the 2021 fiscal year. La Puerta was renamed to Financial Security to best describe the program services. Preservation and Single family were combined in order to group activity that relates to Homeownership into one line of business. Single Family consisted of new homebuyers and Preservation focused on current homeowners rebuilding their current sub-standard home, however, they both relate to Homeownership.

Real Estate Development and Rental Management, presented as Multi Family line of business in prior years, were split due to the expansion of the rental unit portfolio thus, Rental Management, becoming its own line of business. Real Estate development's activity relates to all the work needed to produce a unit. This includes subdivision development, rental housing construction, etc.

Community Development Corporation of Brownsville (dba: cdcb | come dream. come build.) and Affiliates
Schedule of Loan Delinquency and Aging - Unaudited
Year Ended September 30, 2020

Loan Portfolio Products	Outstanding Principal Balance	Amount Delinquent	Percent Delinquent
AHLP	$ 157,420	$ 59,502	37.80%
CASA loan	7,141,977	498,185	6.98%
RCLP	5,059	-	0.00%
COLONIA	103,397	13,904	13.45%
MICASITA	549,093	77,135	14.05%
FREDDIE MAC	1,033,588	-	0.00%
FANNIE MAE	411,993		
NSP2	1,848,981	236,292	12.78%
Lots/other	369,776	28,739	7.77%
cdcb	35,528	-	0.00%
Totals	$ 11,656,812	$ 913,757	7.84%

Bucket	Loan Count	Current Principal Amount	Delinquency Percent
Current loans	251	$ 10,743,055	N/A
Over 30 days delinquent	17	570,274	4.89%
Over 60 days delinquent	2	122,475	1.05%
Over 90 days delinquent	13	221,008	1.90%
Totals	283	$ 11,656,812	7.84%

Community Development Corporation of Brownsville (dba: cdcb | come dream. come build.) and Affiliates
Schedule of Loan Delinquency and Aging - Unaudited
Year Ended September 30, 2020

Loan Portfolio Products	Outstanding Principal Balance	Amount Delinquent	Percent Delinquent
AHLP	$ 433,987	$ 53,774	12.39%
CASA loan	7,198,883	597,300	8.30%
RCLP	162,069	34,214	21.11%
COLONIA	118	-	0.00%
MICASITA	562,039	-	0.00%
FREDDIE MAC	618,758	-	0.00%
NSP2	1,957,559	168,001	8.58%
Lots/other	554,553	47,435	8.55%
Commercial property	233,730	-	0.00%
Totals	$ 11,721,696	$ 900,724	7.68%

Bucket	Loan Count	Current Principal Amount	Delinquency Percent
Current loans	294	$ 10,820,972	N/A
Over 30 days delinquent	17	589,835	5.03%
Over 60 days delinquent	7	118,608	1.01%
Over 90 days delinquent	8	192,281	1.64%
Totals	326	$ 11,721,696	7.68%