TO OUR PARTNERS

Despite the calamitous economic and health impacts of COVID throughout the fiscal year, Capital for Change (C4C) continued to deliver on its mission to provide capital and services that create more equitable and sustainable communities. That mission is more important than ever in the wake of COVID and its racially disparate impacts. C4C responded quickly to COVID’s economic impacts by working closely with the borrowers we serve to help preserve the health of their financial condition by offering online payment deferrals, as needed.

While our direct lending activity declined due to market conditions, we pivoted quickly and helped develop and administer several urban programs that delivered millions of dollars in emergency grant funding to small businesses, largely BIPOC and women-owned in low- and moderate-income communities, and then assisted the state providing grants to landlords on behalf of renters to help avoid evictions and foreclosures. At the same time, we revisited these roots and rededicated our focus on racial and equity inclusion (RE&I) by holding retreats for board and staff in 2020 to open the conversation. This year we are diving deeper and reviewing all aspects of the company with a RE&I lens and the goal of improving our impact in this critical area.

Despite COVID, C4Cs commercial lending surpassed $60 million in Community Development originations over the last five years. Those 124 loans created or rehabilitated more than 2,500 units of affordable housing with 90% being affordable to moderate income (≤80% of area-median income) Connecticut households. Over 60% of the beneficiaries on these projects have been people of color. That said, C4C has always been focused on racial equity, starting with its creation in 1968 to help black families in Connecticut buy homes. That mission expanded to ensure that underserved, lower-income households have access to safe, clean and efficient affordable housing.

Similarly, our consumer energy efficiency financing programs were productive this past year issuing $25 million in new loans, bringing the five-year total of consumer lending to over $100 million. Much of this grow was through the Energize CT Heat Loan Program which converts costly oil and electric heating systems to more efficient natural gas heat. These consumer projects, as well as the commercial lending noted above, supported the creation of hundreds of local jobs.

None of this success is possible without your confidence and participation and we look forward to continuing to work with you to keep finding creative ways to help Connecticut families find their way to economic stability.
THE C4C COMMITMENT TO RACIAL EQUITY AND INCLUSION

From its roots in the 1960s fighting racism in housing, Capital for Change (C4C) and its Board of Directors have focused on being an industry leader positively impacting racial equity and inclusion. C4C was intentionally designed to address and work to correct systemic racism in community lending and community development. C4C is committed to reaching out to and providing fair and equitable financing opportunities in Black and Brown communities, to combat and correct years of disregard and biased rejection. C4C strives to be the lender of opportunity by ensuring access to capital for underserved communities of color that want to grow businesses and build strong communities.

In furtherance of this commitment, C4C’s Board of Directors has established the Racial Equity and Inclusion (RE&I) Committee to guarantee a long-term strategy to ensure racial equity, accountability, and inclusion.

OUR MISSION

“To provide flexible, creative and responsive financial products and services that support an inclusive and sustainable economy.”

OUR VISION

“To be Connecticut’s premier community development financial institution, offering capital solutions that will create and sustain lasting, positive change to low-income communities, including broadened social and economic participation, economic growth, and environmental sustainability.”

OUR PROGRAMS

COMMERCIAL LENDING
Capital for Change (C4C) assists developers creating affordable rental housing, supportive housing, mutual housing, cooperatives, homeownership and energy efficiency improvements. Loans may be for acquisition, bridge funding, construction /rehabilitation financing, or permanent terms. C4C expands economic opportunity by making loans to nonprofit organizations that contribute to the well-being of their communities.

CONSUMER LENDING
C4C helps homeowners conserve energy usage and decrease costs through audits, retrofits, and alternative / clean energy improvements. C4C offers a variety of loan programs to meet consumer needs, covering improvements from the basics like insulation and heating systems to more advanced products including solar panels and geothermal systems.

LOAN SERVICING
C4C provides comprehensive loan servicing for clients across Southern New England that finance affordable housing, small businesses/nonprofits and energy efficiency. C4C’s loan servicing clients include housing developers, non-profit/CDFI lenders, state and municipal government entities and utility companies.
IMPACT HIGHLIGHTS
for Fiscal Year 2020-2021

COMMERCIAL LENDING

7
NUMBER OF LOANS MADE

1,869,000
DOLLARS IN ORIGINATIONS

59
BENEFICIARIES
76% Low Income
5% Moderate Income
19% Other

19
AFFORDABLE HOUSING UNITS CREATED OR MAINTAINED

30
NUMBER OF JOBS CREATED

$1,321,965
DOLLARS LEVERAGED

CONSUMER LENDING

2,520
NUMBER OF LOANS MADE

498
NUMBER OF JOBS CREATED

1,829
CARS OFF THE ROAD

$3,308,567
ANNUAL UTILITY BILL SAVINGS

$24,908,452
DOLLARS IN ORIGINATIONS

LOAN SERVICING

28
ORGANIZATIONS AND GOVERNMENT AGENCIES FOR WHICH WE PROVIDE SUPPORT

Over the past five years, Capital for Change loans have permitted more than 2,500 housing units to be created or maintained while helping to create more than 750 jobs and providing homebuyer training and foreclosure counseling to 100s of families.

Serving Connecticut for over 50 years, C4C has invested more than $450 million in mission-driven capital statewide.
COMMUNITY PROJECTS
School Facility, Affordable Housing, Clean Energy and Job Opportunities

CHERRY STREET PROJECT
Location: Bridgeport, CT
Note: $3.5 Million Fuel Cell & $3.3 Million Tutor Housing
Scope of Project: Redevelop 3.5 acre industrial site in Bridgeport's West End

Development(s):
Greater Oaks Charter School: Home to 750 K-12 students
Cherry Street Lofts Apartments: 157 Affordable housing units (17 units house Greater Oaks tutors)
3.5 Million 440-Kilowatt Fuel Cell: Provides the newly constructed complex with clean and reliable energy

425+ POWER 157 JOBS

“This clean-energy project is the result of work by multiple partners in the private and public sectors, all striving for a common goal – improving the quality of life in our communities. After we explored a number of development models, this has turned out to be better than we anticipated. We’re always excited to see our mission carried out in such positive ways.”
- Calvin B. Vinal, President and CEO of Capital for Change

BARBOUR GARDENS PROJECT
Location: Hartford, CT
Note: $2.3 Million Affordable Housing
Scope of Project: Renovate apartment complex in Hartford's North End

Development:
Barbour Gardens Apartments: 74 housing units (48 units are Section 8 and 26 units are affordable housing)

74+ 74 JOBS

“A project such as this is core to our mission – to broaden access to affordable housing for underserved communities. The project is transformational for this neighborhood, with which we're familiar because the site is close to others where we've also invested.”
- Carla Weil, Director of Commercial Lending at Capital for Change
# Financials

Consolidated Statement of Financial Position as of March 31, 2021

<table>
<thead>
<tr>
<th>REVENUE + SUPPORT</th>
<th>WITHOUT DONOR RESTRICTIONS</th>
<th>WITH DONOR RESTRICTIONS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan interest activity</td>
<td>$3,916,433</td>
<td></td>
<td>$3,916,433</td>
</tr>
<tr>
<td>Loan servicing revenue</td>
<td>$1,714,753</td>
<td></td>
<td>$1,714,753</td>
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<tr>
<td>Loan fees</td>
<td>$690,751</td>
<td></td>
<td>$690,751</td>
</tr>
<tr>
<td>Grants and contributions</td>
<td>$1,092,576</td>
<td>$3,080,519</td>
<td>$4,173,095</td>
</tr>
<tr>
<td>Investment income</td>
<td>$118,307</td>
<td></td>
<td>$118,307</td>
</tr>
<tr>
<td>Recovery of loan losses</td>
<td>$16,522</td>
<td></td>
<td>$16,522</td>
</tr>
<tr>
<td>Tax credit revenue</td>
<td>$3,859,448</td>
<td></td>
<td>$3,859,448</td>
</tr>
<tr>
<td>Gain on sale of property and equipment</td>
<td>$388,457</td>
<td></td>
<td>$388,457</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>$1,947,815</td>
<td>($1,947,815)</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL REVENUE &amp; SUPPORT</strong></td>
<td><strong>$13,745,062</strong></td>
<td><strong>$1,132,704</strong></td>
<td><strong>$14,877,766</strong></td>
</tr>
</tbody>
</table>

| EXPENSES                                      | | | |
|-----------------------------------------------| | | |
| Program                                       | $11,286,590 |                         | $11,286,590 |
| General and administrative                     | $1,051,526  |                         | $1,051,526 |
| Fundraising                                    | $250,227    |                         | $250,227 |
| **TOTAL EXPENSES**                            | **$12,588,343** | | **$12,588,343** |

| ASSETS                                         | | | |
|-----------------------------------------------| | | |
| Changes in net assets                         | $1,156,719 | $1,132,704              | $2,289,423 |
| Net assets, beginning                         | $9,786,266 | $17,838,671            | $27,624,937 |
| **NET ASSETS, END**                           | **$10,942,985** | **$18,971,375** | **$29,914,360** |
# Consolidated Statement of Financial Position as of March 31, 2021

<table>
<thead>
<tr>
<th><strong>CURRENT ASSETS</strong></th>
<th></th>
<th><strong>CURRENT LIABILITIES</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$2,005,309</td>
<td>Accounts payable and accrued expenses $440,262</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>$9,707,656</td>
<td>Accrued interest payable $86,361</td>
</tr>
<tr>
<td>Investments</td>
<td>$1,008,496</td>
<td>Escrows $3,510,955</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>$1,519,221</td>
<td>Deferred revenue $293,530</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>$550,083</td>
<td>Current portion of long-term debt $11,410,929</td>
</tr>
<tr>
<td>Loans receivable, current</td>
<td>$6,532,370</td>
<td><strong>TOTAL CURRENT LIABILITIES</strong> $15,742,037</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>$93,443</td>
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</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td><strong>$21,416,578</strong></td>
<td></td>
</tr>
<tr>
<td>Property and equipment</td>
<td><strong>$3,648,146</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>OTHER ASSETS</strong></th>
<th></th>
<th><strong>LONG-TERM LIABILITIES</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans receivable, current</td>
<td>$82,173,357</td>
<td>Refundable advances $4,521,340</td>
</tr>
<tr>
<td>Loan loss reserves</td>
<td>($4,648,160)</td>
<td>Paycheck protection loan $669,130</td>
</tr>
<tr>
<td>Tax credit revenue reserves</td>
<td>($3,859,448)</td>
<td>Deferred revenue $2,285,338</td>
</tr>
<tr>
<td>Loan receivable - agency assets</td>
<td>$48,243,380</td>
<td>Notes payable, net of deferred financing fees $40,007,648</td>
</tr>
<tr>
<td><strong>TOTAL OTHER ASSETS</strong></td>
<td><strong>$121,909,129</strong></td>
<td>Notes payable - EQ2 $5,100,000</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$146,973,853</strong></td>
<td>Agency liabilities $48,734,000</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES** $117,059,493

**NET ASSETS** $29,914,360

**TOTAL LIABILITIES + NET ASSETS** $146,973,853
OUR PARTNERS

"You Help Make It Possible!"

SOCIAL IMPACT INVESTORS

Emily Aber & Robert Wechsler
Dorothy Adams & Josephus de Groot
Darcy Arcand
Annie F. Cheng
Stephanie Fitzgerald and Frank Cochran
Anne Connors & Keith Lawrence
Community Foundation Mission Investments, LLC
Daughters of the Holy Spirit Charitable Trust
Gideon & Erin Emmanuel
Frances Griffin
Robin S. Golden & David N. Berg
Foundation Source Charitable Foundation
William C. Graustein
The William Casper Graustein Memorial Fund
Ann T. Greene
Hartford Monthly Meeting of the Religious Society of Friends
Interfaith Volunteer Caregivers
Jeniam Foundation
Robert Johnston

Maria K. Lamberto
Benna Lehrer & David Dwyer
Leeway, Inc.
Mary Link & William Spademian
Charles Marlow
Robert W. & Isabel B. McEachern
Mercy Partnership Fund
Methot Irrevocable Trust
The Melville Charitable Trust
Sarah Miller & Lee Cruz
New England Yearly Meeting of Friends Pooled Funds
New Haven Monthly Meeting of the Religious Society of Friends
Frances & John Padilla
Maria Padilla
The Pikaart Family Trust
James A. Pittman, Jr.
Religious Communities Impact Fund (RCIF)
Jeffrey Robinson
Seton Enablement Fund

Sisters of Charity of St. Elizabeth
Sisters of St. Francis of Philadelphia
Marcus Stern, (In Memory of Ruth Stern)
Lee & Byron Stookey
Clients of the Sustainability Group
Julie Tamler Revocable Trust
Clients of Trillium Asset Management Corporation
Dr. Katie Trotta
Susan & C. Michael Tucker
Ursuline Sisters of Tildonk
Calvin B. Vinal
Nancy & Dr. Jerry Weil
Sally Willoughby
Yale Hunger and Homelessness Action Project

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Avangrid Foundation
J.W. Curran Foundation
ERJ Fund
Ion Bank Foundation
KeyBank, N.A.
M&T Charitable Foundation
People's United Community Foundation
Santander Bank
Synchrony Bank
TD Bank Charitable Foundation
Webster Bank
Wells Fargo Housing Foundation

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thanks for your support!