IFF and Subsidiaries

Consolidated Financial Report
December 31, 2015

Contents

RSM

RSM US LLP

Independent Auditor's Report

To the Board of Directors
IFF and Subsidiaries
Chicago, Illinois

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of IFF and Subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2015 and 2014, and the related consolidated statements of activities and cash flows for the years then ended and the related notes to the consolidated financial statements (collectively, financial statements).

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IFF and Subsidiaries as of December 31, 2015 and 2014, 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 Matter
Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Chicago, Illinois
April 29, 2016

IFF and Subsidiaries

Consolidated Statements of Financial Position
December 31, 2015 and 2014

	2015	2014
Assets		
Cash and cash equivalents	**$ 23,879,908**	$ 12,844,524
Other restricted cash and interest-bearing deposits in banks	**7,393,907**	12,696,853
Department of Education (DOE) restricted cash and interest-bearing deposits in banks	**17,986,010**	18,125,620
Grants receivable, other receivables, prepaids and deposits	**3,885,921**	4,729,582
Loans receivable, net	**244,479,364**	205,303,632
Accrued interest receivable	**1,063,908**	862,466
Properties owned by IFF and IFF's subsidiaries, net	**26,602,151**	16,644,053
Federal Home Loan Bank stock, at cost	**350,000**	350,000
Foreclosed assets, net	**1,900,100**	3,473,312
Furniture, equipment and leasehold improvements, net	**1,226,262**	505,710
Capitalized finance costs, net	**344,857**	329,801
Other assets	**220,524**	7,088
	$ 329,332,912	$ 275,872,641
Liabilities and Net Assets		
Liabilities:		
Accrued liabilities	**$ 2,985,596**	$ 1,996,215
Accrued interest payable	**1,302,433**	823,405
Deferred grant revenue	**13,455,515**	7,973,204
Investor Consortium collateral trust notes	**94,659,447**	68,099,734
Borrowings	**99,222,479**	100,401,635
Equity equivalent borrowings	**22,219,000**	17,144,000
Bond Guarantee Program borrowings	**11,726,950**	-
Loan participations payable	**988,579**	1,100,011
	246,559,999	197,538,204
Commitments and contingencies (Notes 5 and 12)		
Net assets:		
Unrestricted	**34,610,694**	24,694,801
Temporarily restricted	**48,162,219**	53,639,636
	82,772,913	78,334,437
	$ 329,332,912	$ 275,872,641

See notes to consolidated financial statements.

IFF and Subsidiaries

Consolidated Statements of Activities
Years Ended December 31, 2015 and 2014

	2015	2014
Unrestricted - operating:		
Support and revenue:		
Corporations, foundations, and individuals	**$ 368,743**	$ 1,849,232
Interest on loans	**11,637,230**	9,905,510
Consulting contract fees	**1,904,304**	1,245,246
Management and sponsor fees	**437,197**	184,275
Syndication fees	**2,100,000**	1,040,000
Loan fees	**316,430**	204,907
Other interest income	**31,050**	38,816
Rental income	**830,693**	504,101
Reimbursed professional fees	**178,673**	205,300
Realized gains on other assets	**-**	2,539
Unrealized (losses) gains on other assets and DOE restricted cash	**(44)**	513
Net assets released from restrictions	**2,082,336**	1,695,792
Net assets released from restrictions - NSP property	**-**	3,282,072
Net assets released from restrictions - Pass through Grants	**9,489,636**	6,004,973
	29,376,248	26,163,276
Expenses:		
Salaries and benefits	**7,374,233**	6,616,230
Professional fees	**1,337,453**	1,566,757
Occupancy and office	**2,298,354**	1,338,435
Printing and marketing	**86,749**	93,586
Interest	**6,031,166**	5,217,834
Other operating	**619,797**	501,945
Provision for losses on foreclosed assets	**-**	51,720
Pass through NSP property	**-**	3,282,072
Pass through grants	**5,820,522**	4,116,901
Meetings and travel	**455,601**	351,710
Depreciation and amortization	**589,771**	422,499
(Gain) loss on sale of property and equipment	**(203,946)**	85,450
Income tax expense (benefit)	**542**	(3,488)
	24,410,242	23,641,651
Increase in unrestricted net assets - operating	**4,966,006**	2,521,625
Unrestricted - capital:		
Support and revenue:		
Net assets released from restrictions - loan capital grants	**4,949,887**	-
Net assets released from restrictions - capital (provision for loan losses)	**233,065**	2,612,537
	5,182,952	2,612,537
Expenses:		
Provision for loan losses	**233,065**	2,612,537
Increase in unrestricted net assets - capital	**4,949,887**	-
Increase in unrestricted net assets	**9,915,893**	2,521,625

IFF and Subsidiaries

Consolidated Statements of Activities (Continued)
Years Ended December 31, 2015 and 2014

	2015	2014
Temporarily restricted:		
Program and operating grants	**$ 6,101,319**	$ 10,507,682
Loan capital grants	**5,150,000**	190,000
Interest income	**26,188**	41,415
Net assets released from restrictions - operating	**(2,082,336)**	(1,695,792)
Net assets released from restrictions - NSP property	**-**	(3,282,072)
Net assets released from restrictions - Pass through Grants	**(9,489,636)**	(6,004,973)
Net assets released from restrictions - loan capital grants	**(4,949,887)**	-
Net assets released from restrictions - capital (provision for loan losses)	**(233,065)**	(2,612,537)
Decrease in temporarily restricted net assets	**(5,477,417)**	(2,856,277)
Increase (decrease) in net assets	**4,438,476**	(334,652)
Net assets:		
Beginning of year	**78,334,437**	78,669,089
End of year	**$ 82,772,913**	$ 78,334,437

See notes to consolidated financial statements.

IFF and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended December 31, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
Increase (decrease) in net assets	$ 4,438,476	$ (334,652)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization expense	541,143	377,853
Amortization expense for capitalized finance costs	48,628	44,646
(Gain) loss on the sale of foreclosed assets	(203,346)	85,450
Provision for losses on foreclosed assets	-	51,720
Provision for loan losses	233,065	2,612,537
Unrealized loss (gain) on other assets and DOE restricted cash	44	(513)
Realized gain on other assets	-	(2,539)
Gain on sale of furniture, equipment and leasehold improvements	(600)	-
Pass through NSP property	-	3,282,072
Changes in assets and liabilities:		
Grants receivable, other receivables, prepaids and deposits	843,661	4,987,707
Accrued interest receivable	(201,442)	(74,430)
Other assets	(213,436)	8,483
Accrued liabilities	896,953	715,708
Accrued interest payable	479,028	(16,350)
Net cash provided by operating activities	6,862,174	11,737,692
Cash flows from investing activities:		
Net change in Department of Education restricted cash and interest-bearing deposits in banks	139,566	137,304
Net change in other restricted cash and interest-bearing deposits in banks	5,302,946	1,437,936
Purchases of Federal Home Loan Bank Stock	-	(143,100)
Loan disbursements	(80,561,992)	(59,600,363)
Loan principal payments received	42,817,096	34,362,675
Purchase of foreclosed assets	-	(689,088)
Sale of foreclosed assets	205,085	1,064,550
Purchases of equipment and leasehold improvements	(919,008)	(240,331)
Purchase of NSP property	-	(123,304)
Purchase of properties owned by IFF and subsidiaries	(10,300,185)	(9,368,508)
Net cash used in investing activities	(43,316,492)	(33,162,229)
Cash flows from financing activities:		
Proceeds from deferred revenue grants	5,772,823	3,125,877
Use of proceeds from deferred revenue grants	(290,512)	(136,429)
Proceeds from Investor Consortium collateral trust notes	37,622,277	15,195,249
Repayment of Investor Consortium collateral trust notes	(11,062,564)	(13,132,427)
Proceeds from borrowings, equity equivalent borrowings, bond guarantee borrowings and participations payable	47,957,221	28,583,032
Repayment of borrowings, equity equivalent borrowings, bond guarantee borrowings and participations payable	(32,445,859)	(18,185,814)
Finance costs paid	(63,684)	(45,145)
Net cash provided by financing activities	47,489,702	15,404,343
Increase (decrease) in cash and cash equivalents	11,035,384	(6,020,194)
Cash and cash equivalents:		
Beginning of year	12,844,524	18,864,718
End of year	$ 23,879,908	$ 12,844,524
Supplemental disclosure of cash flow information:		
Interest paid on borrowings	$ 5,552,137	$ 5,234,184
Supplemental schedule of noncash investing activities:		
Real estate acquired in settlement of loans	$ 240,100	$ 2,067,512
Sales of foreclosed assets financed by IFF	$ 1,904,001	$ -

See notes to consolidated financial statements.

Note 1. Nature of Activities and Significant Accounting Policies

IFF and Subsidiaries (IFF), an Illinois nonprofit corporation, is a community development financial institution (CDFI) serving nonprofit corporations currently in Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Ohio and Wisconsin. IFF makes below-market rate loans to nonprofit human service and community development agencies for the acquisition, construction, remodeling, and renovation of facilities. IFF is also engaged in real estate development for nonprofit corporations and provides development planning, financial, and technical assistance. In addition, IFF undertakes research and public policy activities on behalf of the nonprofit corporations in its target market. IFF brings all of its skills, expertise and resources in finance, real estate, research and policy, to a comprehensive community development approach in low-income communities. Activities are primarily conducted from IFF's headquarters in Chicago (Illinois) with additional offices in Columbus (Ohio), Detroit (Michigan), Indianapolis (Indiana), Milwaukee (Wisconsin), Minneapolis (Minnesota), and St. Louis (Missouri). IFF opened its Detroit (Michigan) office in January 2014, Minneapolis (Minnesota) office in November 2015 and the Columbus (Ohio) office in January 2016.

IFF conducts its activities in conjunction with its subsidiaries as follows:

IFF Real Estate Services, LLC
IFF Housing, LLC
IFF NMTC Senior Lender, LLC
Home First Illinois, LLC
IFF CILA Lease Program, LLC
IFF Pay for Success I, LLC (created in 2014)
IFF Waukegan Market LLC (created in 2014)
IFF Rockford Market LLC (created in 2014)
IFF Von Humboldt, LLC (created in 2015)
Home First, LLC
Community Living Initiative, LLC (created in 2014)
Access Peoria, LLC (created in 2014)
Access Housing I MM, LLC
Access Housing I, LLC (through August 30, 2015)
Access West Cook I MM, LLC (created in 2015)
Access West Cook I, LLC (created in 2015)

IFF is the sole corporate member of the subsidiaries. IFF and the subsidiaries included in the consolidated financial statements are referred to individually and collectively as "IFF."

In addition, IFF has ownership interest in the following limited liability companies:

IFF Capital II LLC (dissolved in December 2014)
IFF Capital III LLC
IFF Capital IV LLC
IFF Capital V LLC
IFF Capital VI LLC (active in 2014)
IFF Capital VII LLC (active in 2014)
IFF Capital VIII LLC (active in 2014)
IFF Capital IX LLC (active in 2014)
IFF Capital X LLC (active in 2015)
IFF Capital XI LLC (active in 2015)
IFF Capital XII LLC (active in 2015)
IFF Capital XIV LLC (active in 2015)

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

IFF Capital XV LLC (active in 2015)
IFF Capital XVI LLC (active in 2015)
Chase NMTC II LLC (dissolved in December 2014)
Chase NMTC Erie Elementary Investment Fund LLC
Access Housing I, LLC (starting August 31, 2015)

The accounts and activities of these limited liability companies are not included in these consolidated financial statements.

IFF Pay for Success I, LLC: This subsidiary serves as the program administrator for a Social Impact Bonds (SIBs) program with the City of Chicago to fund early childhood education services at Chicago Public School (CPS) sites. Social Impact Bonds allow government entities to write contracts that only pay out if specified target outcomes are achieved. Under the SIB model, investors provide the upfront capital necessary to operate a preventative intervention, in this case early childhood education services. The government then repays investors based on actual performance and observed success. The amount of the repayment is tied to the savings the government realizes from avoiding a negative or costly long-term outcome, in this case the cost of special education services. IFF serves as program administrator for the Social Impact Bond with a primary responsibility to oversee the flow of funds from investors to CPS, and coordinate repayment. IFF Pay for Success I is the borrowing entity that receives funds from the investors and lends these funds to City of Chicago under a loan and contract agreement. IFF Pay for Success I also manages the contracts for two third-party firms that will evaluate the success of the program and that will audit performance at each Child Parent Center (CPC) site. As of December 31, 2015 and 2014, the three investors have lent $5,108,221 and $1,831,000, respectively, of the $17,000,000 committed to the program, which is included in borrowings on the consolidated financial statements. These investors have no recourse to IFF Pay for Success I, only the “success payments” that are paid.

Significant accounting policies are described below.

Basis of accounting: These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenue and assets are recognized when earned, and expenses and liabilities are recognized when incurred. IFF follows accounting and reporting standards applicable to nonprofit organizations. For financial reporting purposes, IFF classifies its activities as unrestricted, temporarily, or permanently restricted based on the existence or absence of donor-imposed restrictions, as follows:

Unrestricted: Net assets that are not subject to donor-imposed restrictions. Items that affect (increase or decrease) this net asset category include revenue and expenses associated with the core activities of IFF. The statement of activities presents unrestricted support and revenue and expenses as either operating or capital, depending on the nature of the item. Capital activities are primarily related to grants intended or restricted for loans and provisions for loan losses.

Temporarily Restricted: IFF reports gifts of cash, grants, and other assets as temporarily restricted if they are received with donor stipulations limiting the use of the donated assets. When a restriction is satisfied, temporarily restricted net assets are transferred to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

Permanently Restricted: Net assets subject to donor-imposed restrictions which require that they be maintained permanently (in perpetuity) by IFF. IFF does not have any permanently restricted net assets.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Principles of consolidation: Accounting guidance on reporting of related entities requires nonprofit organizations with a controlling and economic interest in other organizations to consolidate those other organizations. Accordingly, the consolidated financial statements include the activities and accounts of the subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Various affiliated limited liability companies do not meet the criteria requiring consolidation and are therefore not included in the consolidated financial statements.

Accounting policies: IFF follows accounting standards established by the Financial Accounting Standards Board (FASB) to ensure consistent reporting of financial position, results of activities, and cash flows. References to generally accepted accounting principles in these disclosures are to the *FASB Accounting Standards Codification*™, sometimes referred to as the Codification or ASC.

Cash and cash equivalents: IFF considers all highly liquid deposit accounts in banks, including interest-bearing accounts with original maturities of three months or less at date of acquisition, to be cash and cash equivalents. IFF maintains bank deposit accounts that, at times, may exceed federally insured limits. IFF has not experienced any losses in such accounts. Management believes that IFF is not exposed to significant credit risk on cash and cash equivalents.

Department of Education restricted cash and interest-bearing deposits in banks: Restricted cash and interest-bearing deposits in banks related to the Department of Education Grant for Credit Enhancement are restricted for use in a certain program and are, therefore, included in temporarily restricted net assets. Restricted interest-bearing deposits in banks mature within two years and are generally recorded at cost, with the exception of certain certificates of deposit held that are recorded at fair market value.

Other restricted cash and interest-bearing deposits: Several grant and loan agreements require cash to be held in separate interest bearing accounts. This cash is restricted in its use and for those accounts that are from grant agreements, the interest earned on the cash becomes part of the restricted grant funds.

Grants and other receivables: Grants receivable are recorded in connection with amounts due from individuals, foundations, and governmental agencies. Other receivables are generally recorded in connection with consulting contract fees due from unaffiliated nonprofit corporations. No allowance for uncollected receivables has been established because management considers all grants and other receivables to be fully collectible.

Loans receivable: IFF makes below-market rate loans to nonprofit agencies for capital projects. The loan portfolio consists principally of first and second mortgages on real property. Loan maturities are generally up to 15 years. Loans are secured, when possible, by a mortgage and are repaid on a monthly basis based on a repayment schedule, which includes principal and/or interest. Loans are stated at the amount of unpaid principal, reduced by an allowance for loan losses. Interest on loans is accrued over the term of the loan based on the amount of principal outstanding.

The accrual of interest on loans is discontinued at the time the loan is 90 days past due unless the credit is well-secured and in the process of collection. Past due status is based on contractual terms of the loan. In all cases, loans are placed on nonaccrual of interest or charged-off at an earlier date if collection of principal or interest is considered doubtful.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

All interest accrued but not collected for loans that are placed on nonaccrual or charged off is reversed against interest income. The interest on these loans is accounted for on the cash basis or cost recovery method, until qualifying for return to accrual status. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured. Loans renegotiated in troubled debt restructurings are those loans on which concessions in terms have been granted because of a borrower's financial difficulty.

Allowance for loan losses: The allowance for loan losses is established as losses are estimated to occur through a provision for loan losses charged to earnings. Loans are charged against the allowance for loan losses when management believes the uncollectibility of the principal is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

The allowance consists of allocated and general components. The allocated component relates to loans that are specifically identified and classified as impaired. For those loans that are classified as impaired, an allowance is established when the discounted cash flows (or collateral value or observable market price) of the impaired loan is lower than the carrying value of that loan. The general component covers nonclassified loans and is based on historical charge-off experience and expected loss given default derived from IFF's internal risk rating process. Other adjustments may be made to the allowance for pools of loans after an assessment of internal or external influences on credit quality that are not fully reflected in the historical loss or risk rating data.

Loans are considered impaired when, based on current information and events, it is probable that IFF will not be able to collect all amounts due according to the contractual terms of the agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. The impairment is measured based on the present value of expected future cash flows or, alternatively, the observable market price of the loans or the fair value of the collateral. However, for those loans that are collateral-dependent and for which management has determined foreclosure is probable, the measure of impairment of those loans is to be based on the fair value of the collateral. The amount of impairment, if any, and any subsequent changes are included in the allowance for loan losses.

Troubled debt restructurings: A loan is classified as a troubled debt restructuring when a borrower is experiencing financial difficulties that leads to a borrower's inability to adhere to the terms of the loan agreement. In these instances, IFF grants concessions to the borrower which may include rate reductions, principal forgiveness, extension of maturity date, temporary adjustments for interest-only payments, capitalization of interest and/or other actions intended to minimize potential losses. Performance prior to the restructuring is considered when assessing whether the borrower can meet the new terms and may result in the loan being returned to accrual at the time of the restructuring or after a shorter performance period.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Transfers of financial assets: Transfers of financial assets are accounted for as sales only when the control over the financial assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from IFF - put presumptively beyond the reach of the transferor and its creditors, even in bankruptcy or other receivership, (2) the transferee obtains the right, free of conditions that constrain it from taking advantage of the right, to pledge or exchange the transferred assets, and (3) IFF does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity or the ability to unilaterally cause the holder to return specific assets.

Properties under development or owned by IFF subsidiaries: Aggregate property acquisitions and improvement costs in connection with IFF and IFF's subsidiaries of Home First Illinois, LLC, IFF CILA Lease Program, LLC, IFF Waukegan Market, LLC, IFF Rockford Market, LLC, Community Living Initiative, LLC, Access Peoria, LLC, Access Housing I, LLC (through August 30, 2015), and IFF Von Humboldt, LLC are capitalized on the consolidated statements of financial position as an asset. Depreciation will be computed using the straight-line method over the estimated useful lives of the properties, when placed in service.

Federal Home Loan Bank Stock: IFF, as a member of the Federal Home Loan Bank of Chicago (FHLBC), is required to maintain an investment in capital stock of the FHLBC. FHLBC stock does not have a readily determinable fair value as ownership is restricted and there is no ready market for sales of this stock. As a result, this stock is carried at cost and evaluated periodically by management for impairment. Management reviews for impairment based on the ultimate recoverability of the cost basis in the FHLBC stock. No impairment was noted as of December 31, 2015 and 2014.

Foreclosed assets: Assets acquired through or in lieu of loan foreclosure are held for sale and are initially recorded at fair value less cost to sell at the date of foreclosure establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less cost to sell. Revenue and expenses from operations and changes in the valuation allowance are included in operating expenses on the consolidated statements of activities.

Furniture, equipment, and leasehold improvements: Furniture, equipment and leasehold improvements are recorded at cost. Disbursements for additions and improvements to existing property in amounts over $1,500 are capitalized, while general maintenance and repairs are charged to expense. The cost and accumulated depreciation of items sold or retired are removed from the property and equipment account and any gain or loss upon disposition is recognized at that time. Provisions for depreciation are computed using the straight-line method over the five year estimated useful lives of the assets for furniture, equipment and software. The provision for depreciation of leasehold improvements has been computed using the lesser of the estimated useful life of the asset or the life of the lease.

Other assets: Capital contributions paid in exchange for managing member interests in certain limited liability companies are included in other assets on the consolidated statements of financial position, and are evaluated each quarter to adjust to IFF's equity balance in which IFF's share of the net income of the affiliates is recognized as income in IFF's consolidated statements of activities and added to the investment account, and distributions, if any, received from the affiliates are treated as a reduction of the investment account. IFF does not control these limited liability companies due to various rights held by other members.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Capitalized finance costs: Capitalized finance costs consist of loan fees and related costs from IFF borrowings which are amortized using the straight-line method over 2 to 22 years, depending on the term of the related loan. Costs are reported net of accumulated amortization of $256,117 and $291,172 at December 31, 2015 and 2014, respectively.

Sources of revenue: IFF receives a majority of its revenue from interest income on loans and from corporate, foundation and government grants. In accordance with the terms of the government grants, revenue is recognized as income in the contract period in which services are provided. IFF also receives consulting contract fees, which are in connection with providing real estate and research consulting services to nonprofits. These fees are recognized either when agreed-upon milestones per the contract are achieved or monthly on an expense reimbursement basis not to exceed the contract amount.

Unrestricted and restricted support and revenue: Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions, in the period commitments are made by the donor. Contributions restricted for use in the loan program are classified as temporarily restricted. When a restriction expires, temporarily restricted net assets are reported as net assets released from restrictions, and reclassified to unrestricted net assets.

Pass through grant revenue and expense: IFF has received several grants in which a portion of the grant proceeds have been passed through to developers or other agencies for acquisition and improvement costs or other professional fees. Grantors fund the costs of the acquisition and improvements and budgeted professional fees, and IFF records temporarily restricted grant revenue when proceeds are received from the grantors. Amounts are released from restrictions when disbursements are made to the developers or agencies and a corresponding expense is recorded on the consolidated statements of activities in Pass through Grants.

Functional expenses: Operating expenses directly identified with a functional area are charged to that area and, where these expenses affect more than one area, they are allocated on the basis of ratios estimated by management.

Rentals and expenses: Base rentals due under the IFF's leased facilities, net of rental incentives received, are recognized as rental expense on a ratable or straight-line basis over the lease term. The deferred rent liability, included in accrued liabilities on the consolidated statements of financial position, includes rental incentives received and is being amortized over the term of the lease as a reduction of rental expense.

Advertising: IFF expenses advertising costs as they are incurred. Advertising expenses, included in printing and marketing, were $27,714 and $45,072 for 2015 and 2014, respectively.

Income taxes: IFF is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and applicable state law, except for taxes pertaining to unrelated business income, if any.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

In accordance with the accounting standard on *Accounting for Uncertainty in Income Taxes*, IFF addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under this guidance, IFF may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of IFF and various positions related to the potential sources of unrelated business taxable income. There were no unrecognized unrelated business tax benefits identified or recorded as liabilities during 2015 and 2014. IFF is generally no longer subject to examination by the Internal Revenue Service and related state taxing authorities for years before 2012.

IFF files forms 990 in the U.S. federal jurisdiction and the state of Illinois. Access Peoria, LLC, Community Living Initiative, LLC, Home First, LLC, Home First Illinois, LLC, IFF CILA Lease Program, LLC, IFF Housing, LLC, IFF Pay for Success I, LLC, IFF Real Estate Services, LLC, IFF Rockford Market, LLC, IFF Von Humboldt LLC, and IFF Waukegan Market, LLC, are disregarded as separate entities for income tax purposes and are, therefore, included within IFF's forms 990.

IFF NMTC Senior Lender is taxed as a C-corporation and files forms 1120 in the U.S. federal jurisdiction and the state of Missouri and form E-234 in the city of St. Louis. Access Housing I MM, LLC is taxed as a C-corporation and files forms 1120 in the U.S. federal jurisdiction and the state of Illinois. Access Housing I, LLC, 100% owned by Access Housing I MM, LLC is consolidated and included on Access Housing I MM, LLC tax returns for 2014. In 2015, Access Housing I, LLC became a partnership, thus forms 1065 in the U.S. federal jurisdiction and the state of Illinois are filed. Access West Cook I MM, LLC is taxed as a C-corporation and files forms 1120 in the U.S. federal jurisdiction and the state of Illinois. Access West Cook I, LLC, 100% owned by Access West Cook I MM, LLC is consolidated and included on Access West Cook I MM, LLC tax returns.

Estimates: In preparing consolidated financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions affecting the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The determination of the allowance for loan losses and fair value of foreclosed assets are material estimates that are particularly susceptible to significant change in the near term.

Reclassification: Certain amounts in the 2015 consolidated financial statements have been reclassified to conform to the 2014 presentation, with no impact on changes in net assets.

Recent accounting pronouncements: In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606),* requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace the most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. Early adoption is not permitted. The updated standard will be effective for annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. IFF has not yet selected a transition method and the adoption of 2014-09 is not expected to have a material effect on IFF's consolidated financial statements or disclosures.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

In February 2015, the FASB issued ASU 2015-02, *Amendments to the Consolidation Analysis (Topic 810),* intending to improve targeted areas of consolidation guidance for legal entities such as limited partnerships, limited liability corporations, and securitization structures (collateralized debt obligations, collateralized loan obligations, and mortgage-backed security transactions). The requirements are effective for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning December 15, 2017. Early adoption is permitted, including adoption in an interim period. ASU 2015-02 may be applied retrospectively in previously issued financial statements for one or more years with a cumulative-effect adjustment to retained earnings as of beginning of the first year restated. The adoption of 2015-02 is not expected to have a material effect on IFF's consolidated financial statements or disclosures.

In April 2015, the FASB issued ASU 2015-03*, Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs.* This ASU requires that debt issuance costs related to a recognized debt liability be presented in the statement of financial position as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. This ASU will be effective for IFF for fiscal years beginning after December 15, 2015. The adoption of this standard is not expected to have a material effect on IFF's consolidated financial statements or disclosures.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities,* which makes limited amendments to the guidance on the classification and measurement of financial instruments. The new standard revises an entity's accounting related to (1) the classification and measurement of investments in equity securities and (2) the presentation of certain fair value changes for financial liabilities measured at fair value. It also amends certain disclosure requirements associated with the fair value of financial instruments. The amendments require equity investments to be measured at fair value, with changes in fair value recognized in net income. For financial liabilities that an entity has elected to measure at fair value in accordance with the fair value option, the amendments require an entity to present separately in other comprehensive income the portion of the change in fair value that results from a change in instrument-specific credit risk. IFF elected to early adopt for the year ended December 31, 2015 the amendment that no longer requires disclosure of fair value of financial instruments that are not measured at fair value and, as such, these disclosures are not included herein. The remainder of the guidance is effective for annual and interim periods beginning after December 15, 2018. Upon adoption, entities will be required to make a cumulative-effect adjustment to the statement of financial position as of the beginning of the first reporting period in which the guidance is effective. Adoption of the remainder of this standard is not expected to have a material effect on IFF's consolidated financial statements or disclosures.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This ASU which requires the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases. The guidance requires that a lessee recognized in the statement of financial positon a liability to make lease payments and the right-of-use asset representing its right to use the underlying asset for the lease term. The liability will be equal to the present value of lease payments. The asset will be based on the liability, subject to adjustment such as initial direct cost. For statement of activity purpose, the guidance still requires leases to be classified as either operating or finance. The guidance will be effective for IFF for fiscal years beginning after December 15, 2019 and early adoption is permitted. IFF is currently evaluating the impact on the adoption of this guidance on IFF's consolidated financial statements.

Subsequent events: IFF has evaluated subsequent events for potential recognition and/or disclosure through April 29, 2016, the date these consolidated financial statements were available for issuance.

Note 2. Other Restricted Cash and Interest-Bearing Deposits

Several grant and loan agreements require cash to be held in separate interest bearing accounts. This cash is restricted in its use and maintained in separate accounts, which were as follows at December 31, 2015 and 2014:

	2015	2014
Investor Consortium reserves	$ 2,331,386	$ 1,381,710
Energy efficient loan loss reserve	191,584	209,438
Bond risk share reserve	357,000	-
Home First Illinois, LLC property reserves	975,149	943,546
Access Peoria, LLC property reserves	431,502	-
Illinois Fresh Food Fund (IFFF)	1,036,426	8,123,299
Transit-Oriented Development Loan Fund (TOD)	2,070,860	2,038,860
Total	$ 7,393,907	$ 12,696,853

Investor Consortium reserves relates to Investor Consortium collateral trust notes, which are restricted for use as loss reserve in accordance with the Investor Consortium loan sales. Energy efficient loan loss reserve relates to the Chicago Metropolitan Agency for Planning (CMAP) Energy Efficiency program with IFF, which is restricted for loan loss reserves on qualified energy efficient loans made by IFF. Bond risk share reserve relates to the Bond Guarantee Program, which requires overcollateralization in a shared pool. Home First Illinois, LLC property reserves relates to the various reserve accounts maintained for the Illinois Accessible Housing Initiative Program with the Illinois Housing Development Authority (IHDA). Access Peoria, LLC property reserves relates to the various reserve accounts maintained for the Access Peoria program with the Illinois Housing Development Authority (IHDA). Illinois Fresh Food Fund (IFFF) includes proceeds received from the Illinois Department of Commerce and Economic Opportunity (DCEO) for this program. Transit-Oriented Development (TOD) Loan Fund relates to proceeds received from the Village of Oak Park and Housing and Urban Development (HUD) for establishing this fund. Restricted interest-bearing deposits are held in money market accounts and are carried at cost.

Note 3. Department of Education (DOE) Restricted Cash and Interest-Bearing Deposits in Banks

In 2005, IFF was awarded an $8,000,000 grant by the United States Department of Education (DOE) to enable IFF to facilitate long-term financing for charter schools. It also received a similar $10,000,000 grant in 2007. Grant funds are restricted for the purpose of providing credit enhancement support to bond or loan financing obligations of qualified charter schools. Performance agreements govern the use of the grants, set goals and objectives for the project, and permit IFF to recover certain personnel and administrative costs. Recoverable expenses for these grant projects in 2015 and 2014 were $153,256 and $155,711, respectively. Grant proceeds are maintained in DOE-permitted bank accounts. Interest earned on the grant proceeds are to be reinvested for future credit support. Interest earned was $13,646 and $18,866 in 2015 and 2014, respectively. The grant funds including interest thereon, as well as pledged amounts, are included in temporarily restricted net assets.

Note 3. Department of Education (DOE) Restricted Cash and Interest-Bearing Deposits in Banks (Continued)

Funds pledged by IFF for credit enhancement are associated with specific financing arrangements and are available to cure charter school payment defaults and delinquencies (if any), reducing the credit risk to the bond investor of any individual project. Unpledged funds have not yet been assigned to specific financing agreements and are available to be used to credit enhance future qualifying credits. Pledged and unpledged amounts under the grants, the cash for which is maintained in separate accounts, were as follows at December 31, 2015 and 2014:

	2015	2014
Pledged - $8 million DOE grant	$ 7,350,594	$ 7,946,382
Pledged - $10 million DOE grant	7,646,903	7,731,105
Total pledged	14,997,497	15,677,487
Unpledged - $8 million DOE grant	929,012	385,641
Unpledged - $10 million DOE grant	2,059,501	2,062,492
Total unpledged	2,988,513	2,448,133
Total	$ 17,986,010	$ 18,125,620

Recourse to IFF with regard to any bonds or loan financing issued is limited to the grant funds pledged in support of individual or pooled bond issues or loan financing (bonds or the loan financing are not an obligation of IFF). As of December 31, 2015, there have not been any payment defaults or delinquencies requiring utilization of the pledged funds.

Six certificates of deposit held as part of the DOE restricted cash and interest bearing deposits were recorded at fair value for the year ended December 31, 2014. All of the certificates mature within one year. For the year ended December 31, 2014, the cost basis of the six certificates of deposit was $1,294,341 and the fair market value was $1,294,523. There were none for the year ended December 31, 2015.

Note 4. Grants Receivable, Other Receivables, Prepaids and Deposits

The total grants receivable, other receivables, prepaids and deposits at December 31, 2015 and 2014, consisted of the following:

	2015	2014
Grants receivable	$ 1,928,089	$ 3,412,468
Contract and other receivables	1,133,202	813,954
Prepaids and deposits	824,630	503,160
	$ 3,885,921	$ 4,729,582

Note 4. Grants Receivable, Other Receivables, Prepaids and Deposits (Continued)

The anticipated collection or realization of receivables, prepaids, and deposits were as follows:

	2015	2014
Amounts receivable / realizable in less than one year	$ 2,954,446	$ 4,424,140
Amounts receivable / realizable in one to five years	331,425	250,961
Amounts receivable / realizable in over five years	600,050	54,481
	$ 3,885,921	$ 4,729,582

Note 5. Loans Receivable

Loans receivable at December 31, 2015 and 2014, were comprised of the following:

	2015	2014
Facility	$179,561,077	$148,803,094
Affordable housing	41,959,034	39,623,847
Equipment and vehicle	4,420,366	4,564,559
Pre-development	4,407,726	4,692,649
Other	23,930,850	17,732,850
	254,279,053	215,416,999
Allowance for loan losses	(9,799,689)	(10,113,367)
Loans receivable, net	$244,479,364	$205,303,632

All loans are underwritten after evaluating the borrower's operations. As part of the underwriting process IFF examines current and projected cash flows to determine the ability of the borrower to repay its obligations as agreed. All loans are primarily based on the identified cash flows of the borrower and though collateral is obtained to secure the loans; it is not a primary factor in the underwriting decision. The cash flows of the borrower, however, may not be as expected, and the collateral securing these loans may fluctuate in value. Most loans are secured by the assets being financed or other business assets such as accounts receivable or inventory. However, some short-term loans may be made on an unsecured basis.

Facility related loan credit is extended to borrowers for facility acquisition, construction, renovation/ rehabilitation, leased improvements and refinancing to expand programming. This also can be for facility improvement for major maintenance and repairs. Approximately 72 percent of outstanding facility loans are collateralized with mortgages in a first position lien and 12 percent are collateralized by mortgages with second position liens. The remaining 16 percent are collateralized by leasehold mortgages, UCCs and other liens.

Affordable housing loan credit is extended for the acquisition, construction, renovation/rehabilitation for single family or multi-family homes. Approximately 89 percent of outstanding affordable housing loans are collateralized with mortgages in a first position lien and 6 percent are collateralized by mortgages with second position liens. The remaining 5 percent are collateralized by other liens.

Equipment and vehicle loan credit is available for service owned vehicles, computers, furnishings, and medical equipment. IFF generally requires the borrower to have an existing loan relationship with IFF. These loans are often cross-collateralized with the other existing loans of the borrower held by IFF.

Note 5. Loans Receivable (Continued)

Approximately 89 percent outstanding equipment and vehicle housing loans are collateralized with a UCC or vehicle title, 3 percent are collateralized with mortgages in a first position lien and 4 percent are collateralized by mortgages with second position liens. The remaining 4 percent are collateralized by leasehold mortgage or not secured.

Pre-development credit is provided to affordable housing developers to finance up-front project requirements such as site control, architectural, legal, and financing costs. Approximately 27 percent of outstanding pre-development loans are collateralized with mortgages in a first position lien and 11 percent are collateralized by mortgages with second position liens. The remaining 62 percent are collateralized by other liens.

Other loans receivable consist of working capital loans and other short-term loans secured by mortgages and vehicles or other assets. IFF generally requires the borrower to have an existing loan relationship with IFF. These loans are often cross-collateralized with the other existing loans of the borrower held by IFF. Approximately 77 percent of outstanding other loans are collateralized by other liens and the remaining 22 percent are collateralized by first position liens.

The following table presents the contractual aging of the recorded investment in past due loans by loan segment as of December 31, 2015 and 2014:

	Current	31 - 60 Days Past Due	61 - 90 Days Past Due	90+ Days Past Due	Total	Nonaccruing Loans
December 31, 2015						
Facility	$ 178,429,837	$ 706,841	$ -	$ 424,399	$ 179,561,077	$ 3,713,482
Affordable housing	41,897,313	-	-	61,721	41,959,034	344,428
Equipment and vehicle	4,416,532	-	-	3,834	4,420,366	270,904
Pre-development	4,407,726	-	-	-	4,407,726	307,961
Other	23,930,850	-	-	-	23,930,850	91,872
	$ 253,082,258	$ 706,841	$ -	$ 489,954	$ 254,279,053	$ 4,728,647
Nonaccruing loans	$ 4,238,693	$ -	$ -	$ 489,954	$ 4,728,647	

	Current	31 - 60 Days Past Due	61 - 90 Days Past Due	90+ Days Past Due	Total	Nonaccruing Loans
December 31, 2014						
Facility	$ 145,682,213	$ 1,100,139	$ -	$ 2,020,742	$ 148,803,094	$ 2,981,363
Affordable housing	39,557,566	-	-	66,281	39,623,847	66,281
Equipment and vehicle	4,222,044	24,360	-	318,155	4,564,559	342,515
Pre-development	4,069,416	-	330,000	293,233	4,692,649	623,233
Other	17,627,944	-	-	104,906	17,732,850	104,906
	$ 211,159,183	$ 1,124,499	$ 330,000	$ 2,803,317	$ 215,416,999	$ 4,118,298
Nonaccruing loans	$ -	$ 984,981	$ 330,000	$ 2,803,317	$ 4,118,298	

IFF utilizes an internal asset classification system as a means of reporting problem and potential problem loans. Under its risk rating system, IFF classifies problem and potential problem loans as “Watch List,” “Substandard,” and “Doubtful” which correspond to risk ratings 4+, 4- and 5, respectively.

Note 5. Loans Receivable (Continued)

Substandard loans, or risk rating 4-, include those characterized by the distinct possibility that IFF will sustain some loss if the deficiencies are not corrected. Loans classified as Doubtful, or risk rating 5, have all the weaknesses inherent in those classified as Substandard with the added characteristic that the weaknesses present make collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable and improbable.

Loans that do not currently expose IFF to sufficient risk to warrant classification in one of the aforementioned categories, but possess an element of weakness that deserve management's close attention are deemed to be Watch List, or risk rating 4+. Risk ratings are updated any time the situation warrants.

The following tables present the risk category of loan segment based on the most recent analysis performed and the contractual aging as of December 31, 2015 and 2014:

	General Portfolio	Watch List (4+)	Substandard (4-)	Doubtful (5)	Total
December 31, 2015					
Facility	$ 160,451,088	$ 10,487,186	$ 5,888,331	$ 2,734,472	$ 179,561,077
Affordable housing	38,924,848	2,057,332	976,854	-	41,959,034
Equipment and vehicle	2,679,869	1,317,515	152,078	270,904	4,420,366
Pre-development	4,099,765	-	-	307,961	4,407,726
Other	23,583,978	255,000	-	91,872	23,930,850
	$ 229,739,548	$ 14,117,033	$ 7,017,263	$ 3,405,209	$ 254,279,053
Current	$ 229,739,548	$ 14,016,310	$ 6,349,424	$ 2,976,976	$ 253,082,258
Past Due 31-60 Days	-	100,723	606,118	-	706,841
Past Due 61-90 Days	-	-	-	-	-
Past Due 90 + Days	-	-	61,721	428,233	489,954
	$ 229,739,548	$ 14,117,033	$ 7,017,263	$ 3,405,209	$ 254,279,053

	General Portfolio	Watch List (4+)	Substandard (4-)	Doubtful (5)	Total
December 31, 2014					
Facility	$ 131,658,374	$ 10,683,080	$ 3,700,619	$ 2,761,021	$ 148,803,094
Affordable housing	36,196,329	2,820,775	606,743	-	39,623,847
Equipment and vehicle	3,627,345	594,698	24,361	318,155	4,564,559
Pre-development	4,069,416	-	-	623,233	4,692,649
Other	17,627,944	-	-	104,906	17,732,850
	$ 193,179,408	$ 14,098,553	$ 4,331,723	$ 3,807,315	$ 215,416,999
Current	$ 193,179,408	$ 14,098,553	$ 3,008,669	$ 872,553	$ 211,159,183
Past Due 31-60 Days	-	-	507,733	616,766	1,124,499
Past Due 61-90 Days	-	-	-	330,000	330,000
Past Due 90 + Days	-	-	815,321	1,987,996	2,803,317
	$ 193,179,408	$ 14,098,553	$ 4,331,723	$ 3,807,315	$ 215,416,999

Note 5. Loans Receivable (Continued)

Activity in the allowance for loan losses for the years ended December 31, 2015 and 2014 was as follows:

	Facility	Affordable Housing	Equipment and Vehicle	Pre-Development	Other	Total
December 31, 2015						
Beginning balance	$ 7,771,903	$ 795,613	$ 347,085	$ 1,142,579	$ 56,187	$ 10,113,367
Provision for loan losses	479,060	(84,097)	(97,486)	(95,105)	30,693	233,065
Charge-offs	(378,760)	-	-	(168,233)	-	(546,993)
Recoveries	250	-	-	-	-	250
Ending balance	$ 7,872,453	$ 711,516	$ 249,599	$ 879,241	$ 86,880	$ 9,799,689
Allowance for loan losses:						
Allocated	$ 1,521,608	$ -	$ 137,369	$ 307,961	$ 6,262	$ 1,973,200
General	6,350,845	711,516	112,230	571,280	80,618	7,826,489
	$ 7,872,453	$ 711,516	$ 249,599	$ 879,241	$ 86,880	$ 9,799,689
Loans:						
Impaired loans	$ 4,210,218	$ 406,396	$ 270,904	$ 307,961	$ 91,872	$ 5,287,351
Non-impaired loans	175,350,859	41,552,638	4,149,462	4,099,765	23,838,978	248,991,702
	$ 179,561,077	$ 41,959,034	$ 4,420,366	$ 4,407,726	$ 23,930,850	$ 254,279,053

	Facility	Affordable Housing	Equipment and Vehicle	Pre-Development	Other	Total
December 31, 2014						
Beginning balance	$ 7,375,876	$ 1,206,487	$ 221,037	$ 609,470	$ 171,805	$ 9,584,675
Provision for loan losses	2,285,763	(216,765)	126,048	533,109	(115,618)	2,612,537
Charge-offs	(1,929,133)	(194,109)	-	-	-	(2,123,242)
Recoveries	39,397	-	-	-	-	39,397
Ending balance	$ 7,771,903	$ 795,613	$ 347,085	$ 1,142,579	$ 56,187	$ 10,113,367
Allowance for loan losses:						
Allocated	$ 1,707,886	$ 8,968	$ 159,078	$ 623,233	$ 7,906	$ 2,507,071
General	6,064,017	786,645	188,007	519,346	48,281	7,606,296
	$ 7,771,903	$ 795,613	$ 347,085	$ 1,142,579	$ 56,187	$ 10,113,367
Loans:						
Impaired loans	$ 3,322,961	$ 446,396	$ 318,155	$ 623,233	$ 104,906	$ 4,815,651
Non-impaired loans	145,480,133	39,177,451	4,246,404	4,069,416	17,627,944	210,601,348
	$ 148,803,094	$ 39,623,847	$ 4,564,559	$ 4,692,649	$ 17,732,850	$ 215,416,999

Note 5. Loans Receivable (Continued)

Impaired loan information as of December 31, 2015 and 2014, is as follows:

	Unpaid Principal Balance	Recorded Investment	Allowance for Loan Losses Allocated	Average Recorded Investment	Interest Income Recognized	Cash Basis Interest Income Recognized
December 31, 2015						
With no related allowance recorded:						
Facility	$ 1,773,610	$ 1,773,610	$ -	$ 991,476	$ 82,786	$ 80,561
Affordable housing	406,396	406,396	-	389,462	5,519	5,519
Equipment and vehicle	-	-	-	-	-	-
Pre-development	-	-	-	-	-	-
Other	85,610	85,610	-	93,611	-	-
	2,265,616	2,265,616	-	1,474,549	88,305	86,080
With an allowance recorded:						
Facility	2,436,608	2,436,608	1,521,608	2,563,963	62,433	59,834
Affordable housing	-	-	-	-	-	-
Equipment and vehicle	270,904	270,904	137,369	295,154	16,102	16,102
Pre-development	307,961	307,961	307,961	394,878	1,421	1,421
Other	6,262	6,262	6,262	4,697	-	-
	3,021,735	3,021,735	1,973,200	3,258,692	79,956	77,357
	$ 5,287,351	$ 5,287,351	$ 1,973,200	$ 4,733,241	$ 168,261	$ 163,437

	Unpaid Principal Balance	Recorded Investment	Allowance for Loan Losses Allocated	Average Recorded Investment	Interest Income Recognized	Cash Basis Interest Income Recognized
December 31, 2014						
With no related allowance recorded:						
Facility	$ 144,290	$ 144,290	$ -	$ 570,416	$ 3,172	$ 3,172
Affordable housing	-	-	-	-	-	-
Equipment and vehicle	-	-	-	-	-	-
Pre-development	-	-	-	-	-	-
Other	-	-	-	-	-	-
	144,290	144,290	-	570,416	3,172	3,172
With an allowance recorded:						
Facility	3,178,671	3,178,671	1,707,886	3,639,628	111,574	102,205
Affordable housing	446,396	446,396	8,968	857,772	10,060	10,060
Equipment and vehicle	318,155	318,155	159,078	34,697	21,507	21,507
Pre-development	623,233	623,233	623,233	320,733	8,097	8,097
Other	104,906	104,906	7,906	112,023	-	-
	4,671,361	4,671,361	2,507,071	4,964,853	151,238	141,869
	$ 4,815,651	$ 4,815,651	$ 2,507,071	$ 5,535,269	$ 154,410	$ 145,041

Note 5. Loans Receivable (Continued)

Six loans and four loans were modified during the years ended December 31, 2015 and 2014, respectively, which were identified as troubled debt restructurings. These modifications resulted in one or a combination of the following: temporary adjustments for interest-only payments, capitalized interest and partial deferral of interest. The pre and post modification balance of the loans modified in 2015 were $1,522,444 and $1,551,352, respectively. The pre and post modification balance of the loans modified in 2014 were $576,614 and $577,057, respectively. There were no charge–offs recorded for the years ended December 31, 2015 and 2014 as a result of these modifications.

At December 31, 2015 and 2014, there were $3,837,100 and $2,565,555 of loans identified as troubled debt restructurings, respectively.

Loans carried at $121,107,899 and $79,365,530 were pledged to secure borrowings as of December 31, 2015 and 2014, respectively.

Scheduled loan receipts for the year ended December 31, 2015, are expected to be approximately $13,116,968.

IFF is party to financial instruments with off-balance-sheet risk in the normal course of operations to meet the financing needs of its borrowers. These financial instruments include commitments to extend credit. They involve, to varying degrees, elements of credit risk in excess of the amount recognized in the consolidated statements of financial condition. IFF's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit is represented by the contractual amount of those instruments. IFF uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments.

IFF's undisbursed loan commitments as of December 31, 2015 and 2014 were $76,819,593 and $63,237,537, respectively. See Notes 9 and 10 for a summary of undrawn debt commitments that would be used to fund undisbursed loans

Commitments to extend credit are agreements to lend to a borrower as long as there is no violation of any condition established in the loan contract. IFF evaluates each borrower’s creditworthiness on a case-by-case basis. The amount of collateral obtained is based on management's credit evaluation of the borrower.

Note 6. Properties Owned by IFF and IFF's Subsidiaries

Properties owned by IFF and IFF's subsidiaries at December 31, 2015 and 2014, were comprised of the following:

	1 - 4 Units	Group Homes	School Campus	Grocery Stores	Other	Total
December 31, 2015						
Home First Illinois, LLC	$ 13,373,116	$ -	$ -	$ -	$ -	$ 13,373,116
IFF CILA Lease Program, LLC	-	2,062,975	-	-	-	2,062,975
IFF Waukegan Market LLC	-	-	-	3,236,265	-	3,236,265
IFF Rockford Market LLC	-	-	-	2,940,497	-	2,940,497
Community Living Initiative, LLC	-	373,824	-	-	-	373,824
Access Peoria, LLC	1,869,796	-	-	-	-	1,869,796
IFF Von Humboldt, LLC	-	-	3,207,359	-	-	3,207,359
IFF (Hatchery project)	-	-	-	-	95,000	95,000
	15,242,912	2,436,799	3,207,359	6,176,762	95,000	27,158,832
Less accumulated depreciation	(429,627)	(101,921)	-	(25,133)	-	(556,681)
	$ 14,813,285	$ 2,334,878	$ 3,207,359	$ 6,151,629	$ 95,000	$ 26,602,151

	1 - 4 Units	Group Homes	School Campus	Grocery Stores	Other	Total
December 31, 2014						
Home First Illinois, LLC	$ 9,954,683	$ -	$ -	$ -	$ -	$ 9,954,683
IFF CILA Lease Program, LLC	-	2,062,975	-	-	-	2,062,975
IFF Waukegan Market LLC	-	-	-	1,048,417	-	1,048,417
IFF Rockford Market LLC	-	-	-	283,442	-	283,442
Community Living Initiative, LLC	-	24,188	-	-	-	24,188
Access Peoria, LLC	224,366	-	-	-	-	224,366
Access Housing I, LLC	3,260,576	-	-	-	-	3,260,576
	13,439,625	2,087,163	-	1,331,859	-	16,858,647
Less accumulated depreciation	(164,247)	(50,347)	-	-	-	(214,594)
	$ 13,275,378	$ 2,036,816	$ -	$ 1,331,859	$ -	$ 16,644,053

In 2011, Home First Illinois, LLC was awarded a $5,000,000 grant by IHDA to enable Home First Illinois to purchase and rehabilitate 20 properties under the Illinois Accessible Housing Initiative program. In 2013, it was awarded another $10,000,000 to purchase and rehabilitate 50 properties. Grant and regulatory agreements restrict the use of the funds, set objectives and requirements for the projects, and provide IFF with funds for its holding costs and direct costs. When improvements are complete, Home First Illinois will rent the units to qualified individuals and manage the properties through a management company.

Home First Illinois purchased 5 properties during 2015, bringing the total number of units purchased to 70. During 2015, 41 units were completed and rented while 16 units were rented during 2014, bringing the total to 57 rented units. Depreciation expense taken on the units rented for the years ended December 31, 2015 and 2014, was $265,380 and $136,249, respectively.

Note 6. Properties Owned by IFF and IFF's Subsidiaries (Continued)

IHDA grant funds are secured by a non-interest bearing mortgage on each property. Home First Illinois is required to comply with the terms of the grant and regulatory agreements, and grant amounts are required to be repaid to IHDA only upon the occurrence of a default, but otherwise are to be forgiven by IHDA on dates 30 years after property acquisition. Home First Illinois intends to hold and manage the properties for the 30-year term and believes there is reasonable assurance that it will meet the terms of the forgiveness which is to hold the properties for the thirty year period and use the facilities for the disadvantaged; therefore will recognize grant amounts as revenue ratably over the expected life of each property, once placed in service and in proportion to depreciation expense. The unamortized grant amounts are therefore recorded as a deferred revenue liability on the consolidated statements of financial position. Home First Illinois records grant amounts received, accumulating $11,569,986 and $7,913,085, as of December 31, 2015 and 2014, respectively, as deferred revenue and amortizes amounts to revenue ratably over the expected life of the properties, once placed in service. Amounts amortized into revenue for 2015 and 2014 were $265,380 and $136,429, respectively. Home First Illinois recorded temporarily restricted grant revenue in the years ended December 31, 2015 and 2014, totaling $381,492 and $483,395, respectively, for developing the properties, establishing reserves, and for other certain property and project costs. These amounts are released from restriction when utilized for the restricted purpose. For the years ended December 31, 2015 and 2014, $434,698 and $372,400, respectively, were released from restrictions.

IFF CILA (Community Integrated Living Arrangement) Lease Program, LLC works with a third party to acquire property to be used as group homes for people with developmental disabilities. An agreement to purchase up to 10 homes has been made. IFF Real Estate Services, LLC purchases and develops the homes and then sells them to IFF CILA Lease Program, LLC, who leases them to the third party, whose intent is to purchase the facilities when economically feasible. The affiliate is typically able to secure State of Illinois funding for all clients prior to beginning operations in a newly-purchased and renovated home. From the point of site purchase, the average time to securing funding and occupying a home is 90 days. Individuals receive assistance for all their activities of daily living from a professional in-home support team on a 24/7 basis. Clients living in the affiliate's residential homes receive funding from the State of Illinois Department of Human Services. This funding, combined with the client's public aid and social security income, comprises the affiliate's support for site operations and maintenance. Individuals utilizing the homes in this program experience the responsibilities of community living and enjoy ample opportunities for personal growth. Services and supports are tailored to meet each individual's specific needs and wishes.

IFF Real Estate Services Department had acquired and developed 6 group homes by the end of 2014, and these houses have been sold to IFF CILA Lease Program, LLC and leased to a third party, the group home operator. These properties will be depreciated over 40 years using the straight-line method. Depreciation expense taken on the group homes for the years ended December 31, 2015 and 2014, was $51,574 and $50,347, respectively. For the years ended December 31, 2015 and 2014, net property costs were $1,961,054 and $2,012,628, respectively.

IFF Waukegan Market, LLC is financing and developing a full service grocery store to provide access to healthy food in Waukegan, Illinois. It is using financing from IFF and grant funds received from the Illinois Department of Commerce and Economic Opportunity (DCEO) for the Illinois Fresh Food Fund (IFFF) program. Save-A-Lot and Save-A-Lot Licensee will lease and manage the grocery store. For the years ended December 31, 2015 and 2014, property costs incurred were $3,236,265 and $1,048,417, respectively. This property is depreciated over 39 years using the straight-line method. No depreciation expenses have been taken for the years ended December 31, 2015 and 2014 as the store opened in January 2016.

Note 6. Properties Owned by IFF and IFF's Subsidiaries (Continued)

IFF Rockford Market LLC is financing and developing a full service grocery store to provide access to healthy food in Rockford, Illinois. It is using financing from IFF and grant funds received from the Illinois Department of Commerce and Economic Opportunity (DCEO) for the Illinois Fresh Food Fund (IFFF) program. Save-A-Lot and Save-A-Lot Licensee will lease and manage the grocery store. For the years ended December 31, 2015 and 2014, property costs incurred was $2,940,497 and $283,442, respectively. This property is depreciated over 39 years using the straight-line method. Depreciation expense taken for the year ended December 31, 2015 was $25,133. No depreciation expense was taken for the year ended December 31, 2014. For the years ended December 31, 2015 and 2014, net property costs were $2,915,364 and $283,442, respectively. The store opened in September 2015.

Community Living Initiative LLC is financing, developing, and owning group homes throughout Illinois to lease them to State selected and monitored service providers. The first phase of this project will consist of 10 homes and will be funded from a loan from the Illinois Housing Development Authority and loans from IFF. For the year ended December 31, 2015, property costs incurred were $373,824. Two homes have been purchased and are still under development as of December 31, 2015.

Access Peoria, LLC is to develop eight accessible duplexes on vacant lots in Peoria, Illinois. Funding for this program will come from Local Initiatives Support Corporation (LISC) using National Foreclosure Settlement funds from the Illinois Attorney General, a Community Development Block Grant from the Illinois Housing Development Authority (IHDA), City of Peoria, and several other funders. IHDA grant funds are secured by a non-interest bearing mortgage on each property. Access Peoria is required to comply with the terms of the grant and regulatory agreements, and grant amounts are required to be repaid to IHDA only upon the occurrence of a default, but otherwise are to be forgiven by IHDA on dates 30 years after property acquisition. IHDA grants received in connection with the program are in effect forgivable loans. Access Peoria intends to hold and manage the properties for the 30-year term and believes there is reasonable assurance that it will meet the terms of the forgiveness. The unamortized grant amounts are therefore recorded as a deferred revenue liability on the consolidated statements of financial position. Access Peoria records grant amounts received, accumulating $1,840,288 and $224,366, as of December 31, 2015 and 2014, respectively, as deferred revenue and amortizes amounts to revenue ratably over the expected life of the properties, once placed in service. The unamortized grant amounts are therefore recorded as a deferred revenue liability on the consolidated statements of financial position. One unit in one duplex was rented by the end of December 31, 2015. Access Peoria recorded temporarily restricted grant revenue in the years ended December 31, 2015 and 2014, totaling $61,214 and $1,049,978, respectively, for developing the properties, establishing reserves, and for other certain property and project costs. These amounts are released from restriction when utilized for the restricted purpose. For the years ended December 31, 2015 and 2014, $24,871 and $29,706, respectively, were released from restrictions.

IFF Von Humboldt, LLC is financing, developing and owning and repurposing the former DeDuprey/Von Humboldt main school building site in Chicago. It is working with and identifying several partners for the project. Through a competitive real estate bid process with the Chicago Board of Education of the City of Chicago, IFF Von Humboldt LLC purchased this site for the purpose of repurposing the site into housing targeted to school teachers with a mix of studios, one- and two-bedroom units at an affordable rate with the balance made available to the general public. Other key components include space dedicated to educational uses aligned with the principles of the Community as a Campus model created by the PRCC/Alternative Schools Network and the Center for Educational Excellence Model created by the Seawall Development Group. As of December 31, 2015, IFF Von Humboldt had incurred acquisition and development cost of $3,207,359. The property is still under development.

Note 6. Properties Owned by IFF and IFF's Subsidiaries (Continued)

IFF (Hatchery project) is to develop and build a new food business incubator with two partners in Chicago's East Garfield Park community. Called the Hatchery, the 100,000-square-foot facility will be designed to serve 50-75 young or growing food and beverage companies in need of food-grade, flexible space. Funding sources will include its partners' equity, New Markets Tax Credits (NMTCs), Tax Increment Financing (TIF) money, debt, and donations. IFF will serve as developer for the two-year project. The public-private partnership, which brings together government, corporate, and nonprofit resources, will create jobs and provide tax revenue for the community. As of December 31, 2015, IFF has spent $95,000 on predevelopment costs.

Access Housing I, LLC was created when Home First, LLC was awarded an allocation of Low-Income Housing Tax Credits from IHDA to acquire and develop two- to four-flats for people with all types of disabilities. The project combines construction of approximately 10 new 2-unit or 3-unit buildings on vacant lots, and acquisition/rehabilitation of approximately 15 foreclosed 2-unit to 4-unit buildings. At least 10% of units will be accessible for wheelchair users, and all units will incorporate energy star appliances and other features to promote energy efficiency. The LIHTC deal with the Investor, PNC Bank, NA, closed on August 31, 2015. At this time the LLC became a partnership with Access Housing I MM, LLC owning .01% of this entity and PNC Bank the other 99.99%. Access Housing I was reimbursed for all cost associated with this entity while it was 100% owned by Access Housing I MM LLC. With this transition, at the end of December 31, 2015, Access Housing I, LLC is no longer consolidated in the financial statements of IFF. All of the properties are still under development.

Note 7. Foreclosed Assets

An analysis of foreclosed assets as of December 31, 2015 and 2014, was as follows:

	2015	2014
Foreclosed assets, beginning	$ 3,473,312	$ 1,918,432
Acquired through or in lieu of foreclosure	240,100	2,067,512
Purchase of foreclosed assets	-	689,088
Sale proceeds of foreclosed assets not financed by IFF	(205,085)	(1,064,550)
Sale proceeds of foreclosed assets financed by IFF	(1,904,001)	-
Gain (loss) on sales	203,346	(85,450)
Deferred gain on sales	92,428	-
Provision for losses on foreclosed assets	-	(51,720)
Foreclosed assets, ending	$ 1,900,100	$ 3,473,312

Three and five properties, respectively, make up the balances for the years ended December 31, 2015 and 2014. One and three new properties were added in 2015 and 2014, respectively, into foreclosed assets. Three properties each year were sold during 2015 and 2014, respectively. In 2014, IFF purchased the remaining 49% interest from a lender for one of the properties it holds, with the intent to sell the property in 2016. The cost of this purchase was $689,088. IFF recorded a net gain of $203,346 on the sale of foreclosed properties in 2015 and a net loss of $85,450 on the sale of properties in 2014. This gain (loss) is recorded in the consolidated statements of activities in (gain) loss on sale of property and equipment. IFF also recorded a deferred gain of $92,428 on the sale of one property in 2015. No deferred gain was recognized in 2014. This deferred gain in 2015 is recorded in the consolidated statements of financial position in accrued liabilities.

Note 7. Foreclosed Assets (Continued)

Activity in the valuation allowance as of December 31, 2015 and 2014 consisted of:

	2015	2014
Beginning balance	$ 121,720	$ 615,000
Provision for losses on foreclosed assets charged to expense	-	51,720
Reductions from sales proceeds not financed by IFF	(55,132)	(545,000)
Ending balance	$ 66,588	$ 121,720

The provision for losses on foreclosed assets involved two properties in 2014, one of which was sold in 2015. Rent collected on foreclosed assets for 2015 and 2014 was $160,731 and $131,527, respectively. These amounts are recorded in the consolidated statements of activities as rental income. Foreclosed asset expenses, which are recorded in the consolidated statements of activities in other operating expenses, were $88,478 and $141,840 for 2015 and 2014, respectively.

Note 8. Furniture, Equipment and Leasehold Improvements

Furniture, equipment, and leasehold improvements at December 31, 2015 and 2014, were comprised as follows:

	2015	2014
Furniture, equipment, and software	$ 3,490,491	$ 2,802,128
Leasehold improvements	662,646	441,706
	4,153,137	3,243,834
Less accumulated depreciation and amortization	(2,926,875)	(2,738,124)
	$ 1,226,262	$ 505,710

Depreciation and amortization expenses for 2015 and 2014 were $199,056 and $196,431, respectively. IFF retired furniture and equipment with a net book value of zero in 2015 totaling $10,305. IFF sold one piece of furniture and one piece of equipment which resulted in a gain of $600. This gain is recorded in the consolidated statements of activities in gain on sale of property and equipment. There were no retirements or sales of furniture and equipment for the year ended December 31, 2014.

Note 9. Borrowings, Equity Equivalent Borrowings, and Bond Guarantee Program Borrowings

Borrowings indicated with an * are secured by loans and/or other assets of IFF. All other borrowings are unsecured. Borrowings indicated with an ** are Equity Equivalent Investments and are subordinated to IFF's other borrowings. The interest rate as of December 31, 2015, is provided for borrowings where the Annual Rate is indicated as Variable. IFF borrowings consisted of the following:

		Scheduled Repayments				Principal Balance at December 31, 2015	Principal Balance at December 31, 2014
		Principal		Interest			
Lender	Maturity Date	Amount	Due	Annual Rate	Due		
Bank of America	11/07/2018	$ 2,500,000 2,500,000 3,000,000	11/07/16 11/07/17 11/07/18	3.750%	Quarterly	$ 8,000,000	$ 8,000,000
Bank of America	12/15/2020	$ 2,000,000 1,500,000 1,125,820	12/15/20 12/15/22 12/15/23	1.000%	Quarterly	4,625,820	5,000,000
The Blowitz-Ridgeway Foundation	10/01/2015	$ 5,000	Quarterly	2.750%	Quarterly	-	15,000
The Blowitz-Ridgeway Foundation	07/01/2016	$ 5,000	Quarterly	2.750%	Quarterly	10,000	30,000
The Blowitz-Ridgeway Foundation	07/01/2017	$ 5,000	Quarterly	2.750%	Quarterly	30,000	50,000
The Blowitz-Ridgeway Foundation	07/01/2018	$ 5,000	Quarterly	2.750%	Quarterly	50,000	70,000
The Blowitz-Ridgeway Foundation	07/31/2019	$ 5,000	Quarterly	2.750%	Quarterly	70,000	90,000
The Blowitz-Ridgeway Foundation	06/01/2020	$ 5,000	Quarterly	2.750%	Quarterly	85,000	-
Calvert Social Investment Foundation	06/19/2020	Balance	Maturity	2.750%	Quarterly	6,700,000	6,700,000
Central Bank of Kansas City CDE VIII, LLC	11/30/2033	Per schedule	Annually starting 12/1/18	5.10937%	Annually	7,767,096	7,767,096
Chase New Markets Corporation	04/28/2018	Balance	Maturity	4.000%	Monthly	9,500,000	9,500,000
Circle of Service Foundation	09/30/2020	Amortized over fifteen years	Quarterly	3.000%	Quarterly	458,050	546,470
Circle of Service Foundation	03/31/2021	Amortized over fifteen years	Quarterly	3.000%	Quarterly	502,425	589,505
		Total carried forward				37,798,391	38,358,071

Note 9. Borrowings, Equity Equivalent Borrowings, and Bond Guarantee Program Borrowings (Continued)

		Scheduled Repayments				Principal Balance at	Principal Balance at
		Principal		Interest			
Lender	Maturity Date	Amount	Due	Annual Rate	Due	December 31, 2015	December 31, 2014
		Total brought forward				$ 37,798,391	$ 38,358,071
Community First Fund Federal Home Loan Bank	10/08/2024	Balance	Maturity	2.350%	Monthly	10,000,000	5,000,000
Deaconess Foundation	12/31/2017	Balance	Maturity	3.000%	Quarterly	250,000	-
Everence Community Investments, Inc.	08/15/2016	Balance	Maturity	3.000%	Quarterly	500,000	500,000
*Federal Home Loan Bank	05/30/2023	Balance	Maturity	2.640%	Monthly	2,000,000	2,000,000
*Federal Home Loan Bank	01/16/2015	Balance	Maturity	0.170%	Monthly	-	5,000,000
Goldman Sachs Bank USA	04/30/2019	Per schedule	Quarterly	4.000%	Quarterly	-	5,000,000
Goldman Sachs Social Impact Fund, LP	12/31/2027	Per schedule	Maturity	5.000%	Per schedule	2,247,617	805,640
Harris Trust and Savings Bank (BMO Harris)	10/01/2019	$ 31,250	Quarterly	3.250%	Quarterly	500,000	625,000
Helen Bader Foundation	09/30/2015	$ 6,250	Quarterly	None	N/A	-	12,500
The Kresge Foundation	04/30/2022	Per Schedule	Quarterly	3.000%	Quarterly	3,706,089	4,214,914
Living Cities Catalyst Fund LLC	03/15/2018	$ 1,500,000 1,500,000	03/15/2017 03/15/2018	3.500%	Quarterly	3,000,000	3,000,000
Mercy Investment Services, Inc.	12/31/2018	Balance	Maturity	3.000%	Quarterly	1,000,000	1,000,000
The Northern Trust Company	01/03/2016	Balance	Maturity	2.000%	Quarterly	2,500,000	2,500,000
		Total carried forward				63,502,097	68,016,125

Note 9. Borrowings, Equity Equivalent Borrowings, and Bond Guarantee Program Borrowings (Continued)

		Scheduled Repayments				Principal Balance at	Principal Balance at
		Principal		Interest			
Lender	Maturity Date	Amount	Due	Annual Rate	Due	December 31, 2015	December 31, 2014
		Total brought forward				$ 63,502,097	$ 68,016,125
The Northern Trust Company	01/02/2017	Balance	Maturity	3.000%	Semi-annually	2,000,000	2,000,000
The Northern Trust Company	12/31/2027	Per schedule	Maturity	2.000%	Per schedule	1,634,631	585,920
Opportunity Finance Network	03/29/2019	Balance	Maturity	3.000%	Quarterly	5,000,000	5,000,000
PNC Bank	11/03/2021	Balance	Maturity	2.775%	Quarterly	4,000,000	4,000,000
Portico Benefit Services	11/01/2020	Balance	Maturity	2.750%	Quarterly	1,000,000	-
Pritzker Family Foundation	12/31/2027	Per schedule	Maturity	5.000%	Per schedule	1,225,973	439,440
Religious Communities Investment Fund, Inc.	03/15/2018	Balance	Maturity	3.000%	Quarterly	300,000	300,000
Seton Enablement Fund	04/01/2018	Per Schedule	Semi-annually	3.000%	Semi-annually	204,778	235,150
Sisters of Saint Dominic, Congregation of the Most Holy Rosary of Adrian, MI	08/15/2018	Balance	Maturity	3.000%	Quarterly	100,000	100,000
Sisters of Saint Dominic, Congregation of the Most Holy Rosary of Adrian, MI	09/30/2019	Balance	Maturity	3.000%	Quarterly	150,000	150,000
Sinsinawa Domincans Inc	06/30/2018	Balance	Maturity	1.000%	Annually	30,000	-
TIAA-CREF Trust Company, FSB	05/28/2018	Balance	Maturity	3.000%	Monthly	10,000,000	10,000,000
Trinity Health	06/30/2015	Balance	Maturity	3.000%	Quarterly	-	500,000
Trinity Health	06/30/2019	Balance	Maturity	2.500%	Quarterly	1,000,000	1,000,000
Trinity Health	06/14/2020	Balance	Maturity	2.500%	Quarterly	1,000,000	-
		Total carried forward				91,147,479	92,326,635

Note 9. Borrowings, Equity Equivalent Borrowings, and Bond Guarantee Program Borrowings (Continued)

Lender	Maturity Date	Scheduled Repayments: Principal Amount	Principal Due	Interest Annual Rate	Interest Due	Principal Balance at December 31, 2015	Principal Balance at December 31, 2014
		Total brought forward				$ 91,147,479	$ 92,326,635
Walton Family Foundation	12/17/2019	$ 1,000,000 2,000,000 2,000,000	12/31/17 12/31/18 12/31/19	None	N/A	5,000,000	5,000,000
Walton Family Foundation	11/30/2021	$ 1,000,000 2,000,000	11/30/20 11/30/21	None	N/A	3,000,000	3,000,000
Wisconsin Preservation Fund	10/01/2024	Balance	Maturity	None	N/A	75,000	75,000
Total borrowings:						$ 99,222,479	$ 100,401,635
**The Benedictine Sisters of Chicago	03/17/2019	Balance	Maturity	3.000%	Quarterly	$ 50,000	$ 50,000
**Thomas Bennigon	01/14/2018	Balance	Maturity	3.000%	Quarterly	100,000	-
**Cathay Bank	10/14/2021	Balance	Maturity	3.250%	Quarterly	500,000	500,000
**Evergreen Bank Group	03/08/2017	Balance	Maturity	3.000%	Quarterly	500,000	500,000
** Guaranty Bank	03/01/2017	Balance	Maturity	3.000%	Quarterly	250,000	250,000
** Guaranty Bank	03/01/2017	Balance	Maturity	3.000%	Quarterly	250,000	250,000
**Harris Trust and Savings Bank (BMO Harris)	12/15/2019	Balance	Maturity	3.250%	Quarterly	1,250,000	1,250,000
**Harris Trust and Savings Bank (BMO Harris)	06/30/2020	Balance	Maturity	2.000%	Quarterly	500,000	500,000
**Institute of the Blessed Virgin Mary	06/24/2018	Balance	Maturity	3.000%	Quarterly	50,000	50,000
**MacArthur Foundation	01/01/2022	Balance	Maturity	3.000%	Quarterly	750,000	750,000
**MacArthur	01/01/2022	Balance	Maturity	3.000%	Quarterly	1,000,000	1,000,000
		Total carried forward				5,200,000	5,100,000

Note 9. Borrowings, Equity Equivalent Borrowings, and Bond Guarantee Program Borrowings (Continued)

Lender	Maturity Date	Scheduled Repayments: Principal Amount	Principal Due	Interest Annual Rate	Interest Due	Principal Balance at December 31, 2015	Principal Balance at December 31, 2014
		Total brought forward				$ 5,200,000	$ 5,100,000
**MacArthur Foundation	01/01/2022	Balance	Maturity	3.000%	Quarterly	1,000,000	1,000,000
**M & I Community Development Corp. (BMO Harris)	04/09/2015	$ 25,000	Quarterly	4.000%	Quarterly	-	325,000
**Mount St. Scholastica	12/22/2020	Balance	Maturity	3.000%	Quarterly	50,000	-
**Nazareth Literacy Benevolent Institution/ dba Sisters of Charity of Nazareth	11/06/2018	Balance	Maturity	3.000%	Quarterly	100,000	100,000
**North Shore Bank FSB	05/09/2018	Balance	Maturity	3.000%	Quarterly	50,000	50,000
**Our Lady of Victory Missionary Sisters, Inc.	12/02/2018	Balance	Maturity	3.000%	Annually	25,000	25,000
**Sisters of Most Precious Blood/St. Mary's Institute of O'Fallon	09/27/2018	Balance	Maturity	3.000%	Quarterly	50,000	50,000
**Sisters of St. Francis Clinton, Iowa	06/01/2017	Balance	Maturity	3.000%	Quarterly	100,000	100,000
**Sisters of St. Francis Clinton, Iowa	06/05/2018	Balance	Maturity	3.000%	Quarterly	50,000	50,000
**Sisters of St. Joseph of Carondelet	06/30/2019	Balance	Maturity	3.000%	Quarterly	50,000	50,000
**Sisters of the Holy Names of Jesus and Mary U.S. - Ontario Province Corporation	04/27/2020	Balance	Maturity	3.000%	Quarterly	250,000	-
**Small Business Lending Fund US Treasury	09/15/2019	Balance	Maturity	2.000%	Quarterly	8,294,000	8,294,000
		Total carried forward				15,219,000	15,144,000

Note 9. Borrowings, Equity Equivalent Borrowings, and Bond Guarantee Program Borrowings (Continued)

		Scheduled Repayments				Principal	Principal
		Principal		Interest		Balance at	Balance at
	Maturity			Annual		December 31,	December 31,
Lender	Date	Amount	Due	Rate	Due	2015	2014
		Total brought forward				$ 15,219,000	$ 15,144,000
**Village Bank & Trust	09/19/2017	Balance	Maturity	3.250%	Quarterly	1,000,000	1,000,000
**Wells Fargo Bank	04/01/2018	Balance	Maturity	2.000%	Quarterly	1,000,000	1,000,000
**Wells Fargo Bank	12/24/2025	Balance	Maturity	2.500%	Quarterly	5,000,000	-
Total equity equivalent borrowings:						$ 22,219,000	$ 17,144,000
*U.S. Treasury CDFI Fund	06/15/2040	Per Schedule	Quarterly	2.829%	Quarterly	$ 5,391,742	$ -
*U.S. Treasury CDFI Fund	08/15/2040	Per Schedule	Quarterly	2.720%	Quarterly	6,335,208	-
Total bond guarantee program borrowings:						$ 11,726,950	$ -

IFF is subject to several loan covenants, which among other items, require minimum net asset, liquidity, allowance for loan losses, leverage, and collateral levels. IFF is in compliance with these covenants as of December 31, 2015 and 2014.

As of December 31, 2015, the required principal reduction of borrowings is as follows:

2016	$ 7,287,697
2017	9,150,369
2018	31,903,046
2019	20,439,341
2020	15,019,419
Thereafter	49,368,557
	$ 133,168,429

Undrawn commitments at December 31, 2015 and 2014, were $34,025,154 and $45,617,025, respectively.

Note 10. Investor Consortium Collateral Trust Notes

IFF entered into a borrowing agreement (the Investor Consortium Program) whereby investors purchase participation in trust notes collateralized by IFF loans which, in turn, are usually secured by a first or second mortgage on the underlying collateral. The interest rate is the blended interest rate as of December 31, 2015. Investor Consortium Collateral Trust Notes consisted of the following:

Investor Consortium [a] Series	Maturity Date	Interest Rate	Principal Balance at December 31, 2015	Principal Balance at December 31, 2014
Sale 2004-1	01/15/2020	3.000%	$ 881,189	$ 1,290,455
Sale 2005-1	10/15/2020	3.000%	1,424,711	2,608,938
Sale 2006-1	10/15/2021	3.000%	2,862,441	4,184,627
Sale 2007-1	10/15/2022	3.000%	2,888,730	3,551,849
Sale 2008-1	10/15/2023	3.000%	3,668,090	4,224,787
Sale 2009-1	10/15/2024	3.068%	4,633,036	6,201,776
Sale 2010-1	07/15/2025	3.628%	2,050,273	2,255,054
Sale 2011-1	07/15/2026	3.784%	6,062,766	6,671,999
Sale 2012-1	10/15/2027	3.042%	9,055,319	10,343,661
Sale 2013-1	01/15/2029	3.334%	10,455,935	11,571,339
Sale 2014-1	01/15/2030	3.038%	14,096,078	15,195,249
Sale 2015-1	04/15/2030	3.038%	16,293,413	-
Sale 2015-2	07/15/2030	3.340%	20,287,466	-
Total Investor Consortium collateral trust notes:			$ 94,659,447	$ 68,099,734

[a] Participating banks in the Investor Consortium are Advantage National Bank, American Chartered Bank, Bank of America, Barrington Bank and Trust, Beverly Bank and Trust, Busey Bank, Byline Bank, Charter One Bank (acquired by RBS Citizens), Citizens Bank, Cole Taylor Bank (acquired by MB Financial), Crystal Lake Bank and Trust, Evergreen Bank, First Bank, First Bank and Trust, First Eagle Bank, First Midwest Bank, First Savings Bank of Hegewisch, Harris Trust & Savings Bank (BMO Harris), Hinsdale Bank and Trust, Jacksonville Savings Bank, Lake Forest Bank and Trust, Libertyville Bank and Trust, M&I Community Development Corporation (acquired by BMO Harris), MB Financial, Midwest Bank and Trust Company (assumed by FDIC), Mission Investment Fund of the Evangelical Lutheran Church in America, The Northern Trust Bank, TIAA-CREF Trust Company, North Shore Community Bank and Trust, Northbrook Bank and Trust, Old Plank Trail Community Bank and Trust, Park National Bank and Trust (assumed by FDIC), PNC Bank, PrivateBank, RBS Citizens (acquired by Citizens), St. Charles Bank and Trust, State Bank of the Lakes, State Farm Bank, TIAA-CREF Trust Company FSB, Town Bank, US Bank, Village Bank and Trust, and Wheaton Bank and Trust.

Note 10. Investor Consortium Collateral Trust Notes (Continued)

Quarterly contractual repayment of each trust note series is limited to the proceeds of payments on IFF loans and a 2 percent cash reserve held, for each series, by the trustee. If the balance of the cash reserve falls below 2 percent for any series, IFF is required to contribute a portion of its servicing fees to the reserve each quarter until the reserve again reaches 2 percent. As of December 31, 2015, all of the reserves were at the required 2%. The reserve funds are maintained in money market accounts. The balance of the reserves for the collateral trust notes, included in other restricted cash and interest-bearing deposits, at December 31, 2015 and 2014, was $2,331,386 and $1,381,710 at cost, respectively, which represents fair value. Included in this amount at December 31, 2015 was $438,176 for a loan that was bought out of the consortium and paid to the investors subsequent to December 31, 2015.

There were no charge-offs and no losses were recorded by the investors for the years end December 31, 2015 and 2014.

As of December 31, 2015, the scheduled principal reduction of Investor Consortium collateral trust notes is as follows:

2016	$ 10,680,895
2017	7,735,335
2018	7,690,266
2019	7,734,588
2020	7,973,948
Thereafter	52,844,415
	$ 94,659,447

Undrawn commitments in the Investor Consortium Program at December 31, 2015 and 2014, were $26,097,638 and $32,748,907, respectively.

IFF was in the process of establishing an Investor Consortium Collateral Trust Note program for originated Healthy Food Access Loans. As of December 31, 2015, the unfunded pledges expired. Unfunded pledges for this program were $14,250,000 at December 31, 2014.

Note 11. Loan Participations Payable

IFF entered into participation agreements with Partners for the Common Good, Inc. (PCG) with respect to underlying notes, in which PCG purchased an interest in each loan. IFF has the obligation to pass through payments with respect to interest at various rates and all principal payments pursuant to such participation interest during the life of the agreements. Provided that no event of default exists on the underlying loan at the maturity of the agreement, IFF has a further obligation to purchase PCG's participation interest in the loan. The current balance of the loans receivable as of December 31, 2015 and 2014, was $2,546,726 and $2,806,118, respectively. IFF loan participations payable consisted of the following:

		Scheduled Repayments				Principal Balance at	Principal Balance at
		Principal		Interest			
Lender	Maturity Date	Amount	Due	Annual Rate	Due	December 31, 2015	December 31, 2014
Partners for the Common Good	07/26/2015	Per Schedule & Balance at Maturity	Monthly	5.875%	Monthly	$ -	$ 56,368
Partners for the Common Good	02/17/2016	Per Schedule & Balance at Maturity	Monthly	5.875%	Monthly	390,451	419,721
Partners for the Common Good	09/23/2016	Per Schedule & Balance at Maturity	Monthly	6.000%	Monthly	165,237	175,675
Partners for the Common Good	09/28/2016	Per Schedule & Balance at Maturity	Monthly	6.375%	Monthly	432,891	448,247
Total loan participations payable:						$ 988,579	$ 1,100,011

As of December 31, 2015, the scheduled principal reduction of loan participations payable is as follows:

2016	$ 988,579
	$ 988,579

Note 12. Operating Leases

IFF is obligated under leases for its new Chicago office space (through September 2030), its old Chicago office space (through June 2020), Detroit office space (through August 2022), and Minneapolis office space (through February 2019) which provides for base rentals (recognized on a straight-line basis) plus a prorated share of real estate taxes and operating expenses. In 2015, IFF also took a $648,258 charge to record the present value of the difference between the expected cash flow from sub-leasing its old Chicago office space and the remaining lease payments for that location. This charge is included in the occupancy and office line item of the consolidated statement of activities. A deferred rent liability, representing the cumulative amount by which rental expense recognized exceeds cash paid, totaled $1,057,047 and $231,286 at December 31, 2015 and 2014, respectively, and is included in accrued liabilities of the consolidated statement of financial position. IFF is also obligated under office leases in Indianapolis (through January 2018), St. Louis (through December 2017), Columbus (through April 2019) and Milwaukee (through December 2021). As of December 31, 2015, only the 6th floor of its old Chicago location had been sub-leased.

Future minimum lease payments (base rentals) by year are as follows:

2016	$ 587,531
2017	1,308,434
2018	1,365,298
2019	1,366,216
2020	1,133,382
Thereafter	8,832,093
	$ 14,592,954

The total rent expense for the years ended December 31, 2015 and 2014, were as follows:

	2015	2014
Chicago	$ 1,331,855	$ 479,393
Columbus (starts in February 2016)	-	-
Detroit	44,159	27,707
Indianapolis	13,677	12,809
Milwaukee	27,663	27,569
Minneapolis (started December 2015)	2,374	-
St. Louis	20,612	19,875
	$ 1,440,340	$ 567,353

Note 13. Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 2015 and 2014, were available for the following purposes:

	2015	2014
Department of Education Grant for Credit Enhancement	$ 17,986,010	$ 18,125,620
Loan Issuance	18,094,019	18,626,970
Grants for Specific Programs	12,082,190	16,887,046
	$ 48,162,219	$ 53,639,636

IFF receives certain capital grants whose purpose is to fund the issuance of loans and to help restore IFF for losses attributable to loans. Amounts received are recorded as temporarily restricted revenue, and are released from restrictions when IFF records loan provisions or disburses qualified loans. Grant amounts received which are not yet utilized are included in temporarily restricted net assets, listed above as Loan Issuance.

In 2015 and 2014, net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions as follows:

	2015	2014
Net assets released from restrictions:		
Time and performance restrictions (operating)	$ 2,082,336	$ 1,695,792
Performance restrictions - NSP property (operating)	-	3,282,072
Performance restrictions - Pass through Grants (operating)	9,489,636	6,004,973
Loan capital grants (capital)	4,949,887	-
Provision for loan losses (capital)	233,065	2,612,537
	$ 16,754,924	$ 13,595,374

Note 14. Employee Benefit Plan

The IFF 401(k) Profit Sharing Plan is a defined contribution retirement plan for the benefit of IFF’s employees. Full-time eligible employees may make discretionary contributions to the Plan, and IFF may make discretionary or matching contributions. IFF's contribution for the years ended December 31, 2015 and 2014, was $208,962 and $254,804, respectively.

Note 15. Functional Expense Classifications

IFF's unrestricted expenses for the years ended December 31, 2015 and 2014, reported on a functional basis are as follows:

	2015	2014
Program expenses:		
Capital Solutions (Lending)	$ 12,104,828	$ 12,936,780
Real Estate Services	9,023,824	10,135,388
Corporate Communications and Public Affairs	681,382	619,323
Community Strategies	687,172	583,525
Research	543,204	439,710
School Services	314,197	160,461
	23,354,607	24,875,187
Supporting services	1,288,700	1,379,001
	$ 24,643,307	$ 26,254,188

Note 16. Fair Value of Financial Instruments

The accounting guidance on fair value measurements and disclosures defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and sets out a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined under the guidance as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy under the guidance are described below:

Level 1. Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 assets primarily include equities and money market funds. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2. Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3. Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment’s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. IFF’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

IFF values the investments in the limited liability companies it has an ownership interest in. The following is a description of the valuation methodologies used for instruments at fair value:

Note 16. Fair Value of Financial Instruments (Continued)

Assets and liabilities recorded at fair value on a recurring basis: IFF measures certain assets and liabilities at fair value on a recurring basis in accordance with U.S. generally accepted accounting principles. These include assets that are measured at the fair market value at the end of the period. Assets measured at fair value on a recurring basis are included in the table below.

	Fair Value Measurements at December 31, 2015			
	Totals	Level 1	Level 2	Level 3
Investment in limited liability companies	$ 219,493	$ -	$ -	$ 219,493
	$ 219,493	$ -	$ -	$ 219,493

	Fair Value Measurements at December 31, 2014			
	Totals	Level 1	Level 2	Level 3
DOE restricted cash and interest-bearing deposits in banks	$ 1,294,523	$ -	$ 1,294,523	$ -
Investment in limited liability companies	6,057	-	-	6,057
	$ 1,300,580	$ -	$ 1,294,523	$ 6,057

As of December 31, 2015 and 2014, there were no transfers between the Levels.

DOE restricted cash and interest-bearing deposits in banks: Certain certificates of deposit in DOE restricted cash and interest-bearing deposits in banks are evaluated each month to adjust to the bank statements ending account balance. Fair value is measured based on the market value of certificate of deposit account statement provided by the bank and classified as a Level 2 in the fair value hierarchy.

Investments in Limited Liability Companies: Investments in limited liability companies are evaluated each quarter to adjust to IFF's equity balance, including other significant assumptions. Fair value is measured based on the value of IFF's equity percentage and classified as a Level 3 in the fair value hierarchy.

Note 16. Fair Value of Financial Instruments (Continued)

Assets and liabilities recorded at fair value on a nonrecurring basis: IFF may be required from time to time to measure certain assets and liabilities at fair value on a nonrecurring basis in accordance with U.S. generally accepted accounting principles. These include assets that are measured at the lower of cost or market that were recognized at fair value below cost at the end of the period. Assets measured at fair value on a nonrecurring basis are included in the table below.

	Fair Value Measurements at December 31, 2015			
	Totals	Level 1	Level 2	Level 3
Assets				
Impaired loans	$ 1,173,073	$ -	$ -	$ 1,173,073
Foreclosed assets	1,900,100	-	-	1,900,100
	$ 3,073,173	$ -	$ -	$ 3,073,173

	Fair Value Measurements at December 31, 2014			
	Totals	Level 1	Level 2	Level 3
Assets				
Impaired loans	$ 2,308,580	$ -	$ -	$ 2,308,580
Foreclosed assets	3,473,312	-	-	3,473,312
	$ 5,781,892	$ -	$ -	$ 5,781,892

Impaired loans: Impaired loans are evaluated and valued at the time the loan is identified as impaired, at the lower of cost or fair value. Impaired loans measured at fair value at December 31, 2015 and 2014, on the consolidated statements of financial position and included above represent those impaired loans where fair value was measured to be lower than the cost of the loan which represents impaired loans for which an allowance has been provided less the related allowance for loan losses or impaired loans that have been charged down to fair value. Fair value is measured based on the value of the collateral securing these loans or management's discounted cash flow analysis and is classified as a Level 3 in the fair value hierarchy.

Collateral is mostly real estate and is determined based on appraisals by qualified licensed appraisers or through other valuation sources. Appraised and reported values may be discounted based on management's historical knowledge, changes in market conditions from the time of valuation, and/or management's expertise and knowledge of the client and client's business.

Foreclosed assets: Foreclosed assets, upon initial recognition, are measured and reported at fair value less estimated costs to sell through a charge-off to the allowance for loan losses based upon the fair value of the foreclosed asset. The fair value of foreclosed assets less estimated costs to sell, upon initial recognition, is estimated using Level 3 inputs based on customized discounting criteria.

Note 17. Concentration of Credit Risk

IFF holds cash equivalents and investments in money market funds, certificates of deposit, and Treasury funds, which management believes subject IFF to limited credit risk. No collateral or other security has been pledged to support these cash equivalents and investments.

Approximately 35 and 36 percent of IFF's borrowers are located in the Chicago metropolitan area as of December 31, 2015 and 2014. A breakdown of the sector of borrowers at December 31, 2015 and 2014, were comprised of the following:

	2015		2014	
Charter school	$ 54,746,701	22%	$ 42,359,592	20%
Affordable housing	40,748,666	16%	36,242,337	17%
Multi-service	22,564,211	9%	22,098,846	10%
Health care	22,364,036	9%	20,101,238	9%
Supportive housing/Homeless services	19,166,831	7%	16,487,004	8%
Community development	16,919,631	7%	6,576,589	3%
Other	14,732,113	6%	14,146,611	6%
Special needs services	13,643,354	5%	13,774,733	6%
Youth services	11,779,717	5%	10,538,055	5%
Training and professional development	11,197,801	4%	8,418,388	4%
Child care	7,415,651	3%	7,899,646	4%
Sectors grouped together*	19,000,341	7%	16,773,960	8%
	$ 254,279,053	100%	$ 215,416,999	100%

*Includes arts and culture, healthy foods, job training, school (non-charter), and substance abuse

Note 18. Limited Liability Companies

In 2002, IFF was awarded $10,000,000 of federal tax credits from the New Markets Tax Credit Program of the U.S. Department of Treasury. It also received a $25,000,000 allocation in 2012, $43,000,000 allocation in 2014, and a $50,000,000 allocation in 2015. IFF also received a $5,000,000 Illinois New Market Tax Credit in 2015. Upon receiving these allocations, various for-profit limited liability companies (LLCs) were established to facilitate the New Markets Tax Credit Program. As of December 31, 2015, all of the allocations have been allocated except for $19,500,000 from the $50,000,000 federal award received in 2015. The remaining $19,500,000 has been allocated in 2016.

IFF is the managing member and has a stated ownership interest of .01% to .10% in these LLCs. IFF’s investment in these LLCs are recorded in the consolidated statements of financial position in other assets. As of December 31, 2015 and 2014, IFF’s ownership value in these LLCs was $10,700 and $6,057, respectively.

IFF provides certain asset management and compliance oversight services to the LLCs, as provided in the respective operating agreements. IFF receives management fees from these LLCs and are recorded on the consolidated statements of activities in management and sponsor fees. The total of this revenue for 2015 and 2014 was $437,197 and $184,275, respectively.

Note 18. Limited Liability Companies (Continued)

As managing member in the New Market Tax Credit LLCs, IFF is responsible for compliance with various regulations. Failure to comply could result in the recapture or loss of unallocated tax credits, as provided for in the Internal Revenue Code. IFF has indemnified the other investor members against all recapture liability and any other economic losses incurred by the members as a result of any such recapture event. As of December 31, 2015 and 2014, no liability is recorded because of such event.

In 2015, Access Housing I, LLC closed on the Low-Income Housing Tax Credit (LIHTC) deal with PNC Bank, National Association. This project assembled low-income housing tax credits, grants, and loans to develop 25 two-to four flats for people with all types of disabilities, referred via the State Referral Network. The project combines new construction and rehabilitation on foreclosed sites. As of December 31, 2015, all of the units are under construction.

IFF is the managing member and has a stated ownership interest of .01% in Access Housing I, LLC. IFF's investment in this LLC is recorded in the consolidated statements of financial position in other assets. As of December 31, 2015, IFF's ownership value in this LLC was $208,793.

IFF provides certain asset management and compliance oversight services to the LLC, as provided in the operating agreement. IFF received developer fee income of $280,731 in 2015 from this LLC which is recorded on the consolidated statements of activities in consulting contract fees. Management fees will not be earned until the units are rented.

As managing member in this LLC, IFF is responsible for compliance with various regulations. Failure to comply could result in the recapture or loss of unallocated tax credits, as provided for in the Internal Revenue Code. IFF has indemnified the other investor member against all recapture liability and any other economic losses incurred by the member as a result of any such recapture event.
As of December 31, 2015, no liability is recorded because of such event.

Supplementary Information

IFF and Subsidiaries

Consolidating Statement of Financial Position
December 31, 2015
(See Independent Auditor's Report)

	IFF*	IFF NMTC Senior Lender, LLC	Home First Illinois, LLC	IFF CILA Lease Program, LLC	IFF Pay for Success I, LLC	IFF Waukegan Market LLC	IFF Rockford Market LLC	IFF Von Humboldt, LLC	Home First, LLC	Community Living Initiative, LLC	Access Peoria, LLC	Access Housing I MM, LLC	**Access Housing I, LLC	Access West Cook I MM, LLC	Access West Cook I, LLC	Eliminations	Consolidated
Assets																	
Cash and cash equivalents	$ 22,051,098	$ 6,790	$ 119,399	$ 164,245	$ 321,162	$ 47,095	$ 85,546	$ -	$ 1,000,596	$ 62,080	$ 21,369	$ 528	$ -	$ -	$ -	$ -	$ 23,879,908
Other restricted cash and																	
interest-bearing deposits in banks	5,987,256	-	975,149	-	-	-	-	-	-	-	431,502	-	-	-	-	-	7,393,907
Department of Education restricted cash																	
and interest-bearing deposits in banks	17,986,010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,986,010
Grants receivable, other receivables,																	
prepaids and deposits	13,663,913	2,946	119,428	6,472	168,508	174,113	210,270	-	280,731	5,000	662,788	-	-	-	-	(11,408,248)	3,885,921
Loans receivable, net	235,707,827	6,809,432	-	-	5,108,221	-	-	-	-	-	-	-	-	-	-	(3,146,116)	244,479,364
Accrued interest receivable	1,080,212	28,230	-	-	-	-	-	-	-	-	-	-	-	-	-	(44,534)	1,063,908
Properties owned by IFF and IFF's subsidiaries, net	95,000	-	12,943,489	1,961,054	-	3,236,265	2,915,364	3,207,359	-	373,824	1,869,796	-	-	-	-	-	26,602,151
Federal Home Loan Bank stock, at cost	350,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	350,000
Foreclosed assets, net	1,900,100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,900,100
Furniture, equipment and leasehold improvements, net	1,226,262	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,226,262
Capitalized finance costs, net	344,857	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	344,857
Other assets	2,743,277	-	-	-	-	-	-	-	223,043	-	-	208,793	-	-	-	(2,954,589)	220,524
	$ 303,135,812	$ 6,847,398	$ 14,157,465	$ 2,131,771	$ 5,597,891	$ 3,457,473	$ 3,211,180	$ 3,207,359	$ 1,504,370	$ 440,904	$ 2,985,455	$ 209,321	$ -	$ -	$ -	$ (17,553,487)	$ 329,332,912
Liabilities and Net Assets																	
Liabilities:																	
Accrued liabilities	$ 2,522,193	$ 2,604	$ 1,009,965	$ 74,407	$ 181,595	$ 75,604	$ 4,763	$ 3,207,359	$ 367,328	$ 438,667	$ 83,132	$ 2,626	$ -	$ -	$ -	$ (4,984,647)	$ 2,985,596
Accrued interest payable	1,159,164	31,997	-	6,711	143,269	-	5,826	-	-	-	-	-	-	-	-	(44,534)	1,302,433
Deferred grant revenue	-	-	11,140,359	-	-	-	474,868	-	-	-	1,840,288	-	-	-	-	-	13,455,515
Investor Consortium collateral trust notes	94,659,447	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	94,659,447
Borrowings	94,114,259	4,102,530	1,321,070	1,947,795	5,108,221	-	1,198,321	-	1,000,000	-	-	-	-	-	-	(9,569,717)	99,222,479
Equity equivalent borrowings	22,219,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,219,000
Bond Guarantee Program borrowings	11,726,950	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,726,950
Loan participations payable	988,579	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	988,579
	227,389,592	4,137,131	13,471,394	2,028,913	5,433,085	75,604	1,683,778	3,207,359	1,367,328	438,667	1,923,420	2,626	-	-	-	(14,598,898)	246,559,999
Net assets (deficit):																	
Unrestricted	29,383,828	-	(110,737)	102,858	-	3,210,565	1,522,869	-	119,292	(263)	2,416	-	-	-	-	379,866	34,610,694
Temporarily restricted	46,362,392	-	796,808	-	164,806	170,304	3,533	-	-	-	1,056,619	-	-	-	-	(392,243)	48,162,219
Member's equity:																	
Capital contributions	-	2,711,796	-	-	-	1,000	1,000	-	17,750	2,500	3,000	217,543	-	-	-	(2,954,589)	-
Retained earnings	-	(1,529)	-	-	-	-	-	-	-	-	-	(10,848)	-	-	-	12,377	-
	75,746,220	2,710,267	686,071	102,858	164,806	3,381,869	1,527,402	-	137,042	2,237	1,062,035	206,695	-	-	-	(2,954,589)	82,772,913
	$ 303,135,812	$ 6,847,398	$ 14,157,465	$ 2,131,771	$ 5,597,891	$ 3,457,473	$ 3,211,180	$ 3,207,359	$ 1,504,370	$ 440,904	$ 2,985,455	$ 209,321	$ -	$ -	$ -	$ (17,553,487)	$ 329,332,912

* Includes IFF Real Estate Services, LLC and IFF Housing, LLC
** No longer consolidated in Financial Statements

IFF and Subsidiaries

Consolidating Statement of Financial Position
December 31, 2014
(See Independent Auditor's Report)

	IFF*	IFF NMTC Senior Lender, LLC	Home First Illinois, LLC	IFF CILA Lease Program, LLC	IFF Pay for Success I, LLC	IFF Waukegan Market LLC	IFF Rockford Market LLC	Home First, LLC	Community Living Initiative, LLC	Access Peoria, LLC	Access Housing I MM, LLC	Access Housing I, LLC	Eliminations	Consolidated
Assets														
Cash and cash equivalents	$ 11,563,320	$ 4,926	$ 160,849	$ 118,489	$ 253,295	$ 38,132	$ 37,481	$ 639	$ 419	$ 438,547	$ 423	$ 228,004	$ -	$ 12,844,524
Other restricted cash and interest-bearing deposits in banks	11,753,307	-	943,546	-	-	-	-	-	-	-	-	-	-	12,696,853
Department of Education restricted cash and interest-bearing deposits in banks	18,125,620	-	-	-	-	-	-	-	-	-	-	-	-	18,125,620
Grants receivable, other receivables, prepaids and deposits	13,698,017	3,489	170,862	15,498	433,541	35,040	18,352	-	-	863,108	-	312,388	(10,820,713)	4,729,582
Loans receivable, net	198,673,465	6,782,788	-	-	1,831,000	-	-	-	-	-	-	-	(1,983,621)	205,303,632
Accrued interest receivable	871,881	26,643	-	-	-	-	-	-	-	-	-	-	(36,058)	862,466
Properties owned by IFF and IFF's subsidiaries, net	-	-	9,790,436	2,012,628	-	1,048,417	283,442	-	24,188	224,366	-	3,260,576	-	16,644,053
Federal Home Loan Bank stock, at cost	350,000	-	-	-	-	-	-	-	-	-	-	-	-	350,000
Foreclosed assets, net	3,473,312	-	-	-	-	-	-	-	-	-	-	-	-	3,473,312
Furniture, equipment and leasehold improvements, net	505,710	-	-	-	-	-	-	-	-	-	-	-	-	505,710
Capitalized finance costs, net	329,801	-	-	-	-	-	-	-	-	-	-	-	-	329,801
Other assets	2,733,134	-	-	-	-	-	-	9,750	-	-	500	-	(2,736,296)	7,088
	$ 262,077,567	$ 6,817,846	$ 11,065,693	$ 2,146,615	$ 2,517,836	$ 1,121,589	$ 339,275	$ 10,389	$ 24,607	$ 1,526,021	$ 923	$ 3,800,968	$ (15,576,688)	$ 275,872,641
Liabilities and Net Assets														
Liabilities:														
Accrued liabilities	$ 1,612,748	$ 2,560	$ 2,029,295	$ 54,364	$ 323,812	$ 66,447	$ 50,075	$ 86	$ 24,271	$ 138,488	$ 2,583	$ 34,899	$ (2,343,413)	$ 1,996,215
Accrued interest payable	817,240	29,225	-	6,834	6,164	-	-	-	-	-	-	-	(36,058)	823,405
Deferred grant revenue	-	-	7,748,838	-	-	-	-	-	-	224,366	-	-	-	7,973,204
Investor Consortium collateral trust notes	68,099,734	-	-	-	-	-	-	-	-	-	-	-	-	68,099,734
Borrowings	98,570,635	4,073,306	502,304	1,983,621	1,831,000	-	-	-	-	134,982	-	3,766,708	(10,460,921)	100,401,635
Equity equivalent borrowings	17,144,000	-	-	-	-	-	-	-	-	-	-	-	-	17,144,000
Loan participations payable	1,100,011	-	-	-	-	-	-	-	-	-	-	-	-	1,100,011
	187,344,368	4,105,091	10,280,437	2,044,819	2,160,976	66,447	50,075	86	24,271	497,836	2,583	3,801,607	(12,840,392)	197,538,204
Net assets (deficit):														
Unrestricted	22,963,839	-	(64,748)	101,796	-	1,048,759	286,573	(1,947)	(1,164)	4,913	-	-	356,780	24,694,801
Temporarily restricted	51,769,360	-	850,004	-	356,860	5,383	1,627	-	-	1,020,272	-	-	(363,870)	53,639,636
Member's equity:														-
Capital contributions	-	2,711,796	-	-	-	1,000	1,000	12,250	1,500	3,000	5,250	500	(2,736,296)	-
Retained earnings	-	959	-	-	-	-	-	-	-	-	(6,910)	(1,139)	7,090	-
	74,733,199	2,712,755	785,256	101,796	356,860	1,055,142	289,200	10,303	336	1,028,185	(1,660)	(639)	(2,736,296)	78,334,437
	$ 262,077,567	$ 6,817,846	$ 11,065,693	$ 2,146,615	$ 2,517,836	$ 1,121,589	$ 339,275	$ 10,389	$ 24,607	$ 1,526,021	$ 923	$ 3,800,968	$ (15,576,688)	$ 275,872,641

* Includes IFF Real Estate Services, LLC and IFF Housing, LLC

IFF and Subsidiaries

Consolidating Statement of Activities
Year Ended December 31, 2015
(See Independent Auditor's Report)

	IFF*	IFF NMTC Senior Lender, LLC	Home First Illinois, LLC	IFF CILA Lease Program, LLC	IFF Pay for Success I, LLC	IFF Waukegan Market LLC	IFF Rockford Market LLC	IFF Von Humboldt, LLC	Home First, LLC	Community Living Initiative, LLC	Access Peoria, LLC	Access Housing I MM, LLC	**Access Housing I, LLC	Access West Cook I MM, LLC	Access West Cook I, LLC	Eliminations	Consolidated
Unrestricted - operating:																	
Support and revenue:																	
Corporations, foundations, and individuals	$ 159,950	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 208,793	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 368,743
Interest on loans	11,727,412	405,610	-	-	-	-	-	-	-	-	-	-	-	-	-	(495,792)	11,637,230
Consulting contract fees	2,375,500	-	-	-	177,105	-	-	-	280,731	4,000	-	-	-	-	-	(933,032)	1,904,304
Management and sponsor fees	488,488	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(51,291)	437,197
Syndication fees	2,100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,100,000
Loan fees	316,430	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	316,430
Other interest income	29,366	-	17	-	-	-	1,667	-	-	-	-	-	-	-	-	-	31,050
Rental income	162,231	-	461,035	165,786	-	-	40,572	-	-	-	1,069	-	-	-	-	-	830,693
Reimbursed professional fees	-	-	-	-	176,628	-	2,045	-	-	-	-	-	-	-	-	-	178,673
Unrealized losses on other assets and DOE restricted cas	(44)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(44)
Net assets released from restrictions	1,597,634	-	434,698	-	192,054	2,196,557	1,273,948	-	-	3,315	24,871	-	-	-	-	(3,640,741)	2,082,336
Net assets released from restrictions - Pass through Grants	9,489,636	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,489,636
	28,446,603	405,610	895,750	165,786	545,787	2,196,557	1,318,232	-	489,524	7,315	25,940	-	-	-	-	(5,120,856)	29,376,248
Expenses:																	
Salaries and benefits	7,924,938	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(550,705)	7,374,233
Professional fees	814,726	17,525	120,472	15,000	405,637	10,994	9,744	-	367,327	5,110	2,011	2,525	-	-	-	(433,618)	1,337,453
Occupancy and office	1,702,558	-	513,456	15,649	-	22,451	20,218	-	-	-	24,022	-	-	-	-	-	2,298,354
Printing and marketing	86,534	-	-	-	-	-	215	-	-	-	-	-	-	-	-	-	86,749
Interest	5,894,061	389,272	-	81,209	137,105	-	25,311	-	-	-	-	-	-	-	-	(495,792)	6,031,166
Other operating	564,709	759	42,431	1,292	3,045	1,306	1,315	-	958	1,304	2,404	1,413	(1,139)	-	-	-	619,797
Pass through Grants	9,489,636	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,669,114)	5,820,522
Meetings and travel	455,601	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	455,601
Depreciation and amortization	247,684	-	265,380	51,574	-	-	25,133	-	-	-	-	-	-	-	-	-	589,771
Gain on sale of property and equipment	(203,946)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(203,946)
Income tax	-	542	-	-	-	-	-	-	-	-	-	-	-	-	-	-	542
	26,976,501	408,098	941,739	164,724	545,787	34,751	81,936	-	368,285	6,414	28,437	3,938	(1,139)	-	-	(5,149,229)	24,410,242
Increase (decrease) in unrestricted net assets - operating	1,470,102	(2,488)	(45,989)	1,062	-	2,161,806	1,236,296	-	121,239	901	(2,497)	(3,938)	1,139	-	-	28,373	4,966,006
Unrestricted - capital:																	
Support and revenue:																	
Net assets released from restrictions - loan capital grants	4,949,887	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,949,887
Net assets released from restrictions - capital (provision for loan losses)	233,065	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	233,065
	5,182,952	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,182,952
Expenses:																	
Provision for loan losses	233,065	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	233,065
Increase in unrestricted net assets - capital	4,949,887	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,949,887
Increase (decrease) in unrestricted net assets	6,419,989	(2,488)	(45,989)	1,062	-	2,161,806	1,236,296	-	121,239	901	(2,497)	(3,938)	1,139	-	-	28,373	9,915,893

IFF and Subsidiaries

Consolidating Statement of Activities (Continued)
Year Ended December 31, 2015
(See Independent Auditor's Report)

	IFF*	IFF NMTC Senior Lender, LLC	Home First Illinois, LLC	IFF CILA Lease Program, LLC	IFF Pay for Success I, LLC	IFF Waukegan Market LLC	IFF Rockford Market LLC	IFF Von Humboldt, LLC	Home First, LLC	Community Living Initiative, LLC	Access Peoria, LLC	Access Housing I MM, LLC	**Access Housing I, LLC	Access West Cook I MM, LLC	Access West Cook I, LLC	Eliminations	Consolidated
Temporarily restricted:																	
Program and operating grants	$ 5,687,080	$ -	$ 381,492	$ -	$ -	$ 2,361,478	$ 1,275,854	$ -	$ -	$ 3,315	$ 61,214	$ -	$ -	$ -	$ -	$ (3,669,114)	$ 6,101,319
Loan capital grants	5,150,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,150,000
Interest income	26,174	-	10	-	-	-	-	-	-	-	4	-	-	-	-	-	26,188
Net assets released from restrictions - operating	(1,597,634)	-	(434,698)	-	(192,054)	(2,196,557)	(1,273,948)	-	-	(3,315)	(24,871)	-	-	-	-	3,640,741	(2,082,336)
Net assets released from restrictions - Pass through Grants	(9,489,636)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(9,489,636)
Net assets released from restrictions - loan capital grants	(4,949,887)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,949,887)
Net assets released from restrictions - capital (provision for loan losses)	(233,065)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(233,065)
(Decrease) increase in temporarily restricted net assets	(5,406,968)	-	(53,196)	-	(192,054)	164,921	1,906	-	-	-	36,347	-	-	-	-	(28,373)	(5,477,417)
Increase (decrease) in net assets	1,013,021	(2,488)	(99,185)	1,062	(192,054)	2,326,727	1,238,202	-	121,239	901	33,850	(3,938)	1,139	-	-	-	4,438,476
Net assets/retained earnings (deficit):																	
Beginning of year	74,733,199	959	785,256	101,796	356,860	1,054,142	288,200	-	(1,947)	(1,164)	1,025,185	(6,910)	(1,139)	-	-	-	78,334,437
End of year	$ 75,746,220	$ (1,529)	$ 686,071	$ 102,858	$ 164,806	$ 3,380,869	$ 1,526,402	$ -	$ 119,292	$ (263)	$ 1,059,035	$ (10,848)	$ -	$ -	$ -	$ -	$ 82,772,913

* Includes IFF Real Estate Services, LLC and IFF Housing, LLC
** No longer consolidated in Financial Statements

IFF and Subsidiaries

Consolidating Statement of Activities
Year Ended December 31, 2014
(See Independent Auditor's Report)

	IFF*	IFF NMTC Senior Lender, LLC	Home First Illinois, LLC	IFF CILA Lease Program, LLC	IFF Pay for Success I, LLC	IFF Waukegan Market LLC	IFF Rockford Market LLC	Home First, LLC	Community Living Initiative, LLC	Access Peoria, LLC	Access Housing I MM, LLC	Access Housing I, LLC	Eliminations	Consolidated
Unrestricted - operating:														
Support and revenue:														
Corporations, foundations, and individuals	$ 1,849,232	$ -	$ -	$ 60,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (60,000)	$ 1,849,232
Interest on loans	9,958,996	404,023	-	-	-	-	-	-	-	-	-	-	(457,509)	9,905,510
Consulting contract fees	1,724,046	-	-	-	81,164	-	-	-	-	-	-	-	(559,964)	1,245,246
Management and sponsor fees	199,275	-	-	-	-	-	-	-	-	-	-	-	(15,000)	184,275
Syndication fees	1,040,000	-	-	-	-	-	-	-	-	-	-	-	-	1,040,000
Loan fees	204,907	-	-	-	-	-	-	-	-	-	-	-	-	204,907
Other interest income	38,802	-	14	-	-	-	-	-	-	-	-	-	-	38,816
Rental income	131,528	-	231,786	139,394	-	-	743	-	-	-	-	650	-	504,101
Reimbursed professional fees	-	-	-	11,270	38,572	-	-	-	-	-	-	155,458	-	205,300
Realized gains on other assets	2,539	-	-	-	-	-	-	-	-	-	-	-	-	2,539
Unrealized gains on other assets and DOE restricted cash	513	-	-	-	-	-	-	-	-	-	-	-	-	513
Net assets released from restrictions	1,293,686	-	372,400	-	31,818	1,134,732	297,652	-	-	29,706	-	-	(1,464,202)	1,695,792
Net assets released from restrictions - NSP property	3,282,072	-	-	-	-	-	-	-	-	-	-	-	-	3,282,072
Net assets released from restrictions - Pass through Grants	6,004,973	-	-	-	-	-	-	-	-	-	-	-	-	6,004,973
	25,730,569	404,023	604,200	210,664	151,554	1,134,732	298,395	-	-	29,706	-	156,108	(2,556,675)	26,163,276
Expenses:														
Salaries and benefits	7,085,768	-	-	-	-	-	-	-	-	-	-	-	(469,538)	6,616,230
Professional fees	1,309,493	17,500	66,149	22,994	143,379	82,214	4,500	605	-	17,170	5,250	2,929	(105,426)	1,566,757
Occupancy and office	800,482	-	371,388	15,559	250	2,303	1,478	288	289	6,502	287	139,609	-	1,338,435
Printing and marketing	93,586	-	-	-	-	-	-	-	-	-	-	-	-	93,586
Interest	5,211,671	386,498	-	71,010	6,164	-	-	-	-	-	-	-	(457,509)	5,217,834
Other operating	425,959	323	46,892	907	1,761	1,127	5,844	1,054	875	1,121	1,373	14,709	-	501,945
Provision for losses on foreclosed assets	51,720	-	-	-	-	-	-	-	-	-	-	-	-	51,720
Pass through NSP property	3,282,072	-	-	-	-	-	-	-	-	-	-	-	-	3,282,072
Pass through Grants	6,004,973	-	-	-	-	-	-	-	-	-	-	-	(1,888,072)	4,116,901
Meetings and travel	351,381	-	-	-	-	329	-	-	-	-	-	-	-	351,710
Depreciation and amortization	241,077	-	136,429	44,993	-	-	-	-	-	-	-	-	-	422,499
Loss on sale of property and equipment	85,450	-	-	-	-	-	-	-	-	-	-	-	-	85,450
Income tax (benefit)	-	(3,488)	-	-	-	-	-	-	-	-	-	-	-	(3,488)
	24,943,632	400,833	620,858	155,463	151,554	85,973	11,822	1,947	1,164	24,793	6,910	157,247	(2,920,545)	23,641,651
Increase (decrease) in unrestricted net assets - operating	786,937	3,190	(16,658)	55,201	-	1,048,759	286,573	(1,947)	(1,164)	4,913	(6,910)	(1,139)	363,870	2,521,625
Unrestricted - capital:														
Support and revenue:														
Net assets released from restrictions - capital (provision for loan losses)	2,612,537	-	-	-	-	-	-	-	-	-	-	-	-	2,612,537
	2,612,537	-	-	-	-	-	-	-	-	-	-	-	-	2,612,537
Expenses:														
Provision for loan losses	2,612,537	-	-	-	-	-	-	-	-	-	-	-	-	2,612,537
Increase in unrestricted net assets - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in unrestricted net assets	786,937	3,190	(16,658)	55,201	-	1,048,759	286,573	(1,947)	(1,164)	4,913	(6,910)	(1,139)	363,870	2,521,625

IFF and Subsidiaries

Consolidating Statement of Activities (Continued)
Year Ended December 31, 2014
(See Independent Auditor's Report)

	IFF*	IFF NMTC Senior Lender, LLC	Home First Illinois, LLC	IFF CILA Lease Program, LLC	IFF Pay for Success I, LLC	IFF Waukegan Market LLC	IFF Rockford Market LLC	Home First, LLC	Community Living Initiative, LLC	Access Peoria, LLC	Access Housing I MM, LLC	Access Housing I, LLC	Eliminations	Consolidated
Temporarily restricted:														
Program and operating grants	$ 8,974,309	$ -	$ 483,395	$ -	$ 388,678	$ 1,140,115	$ 299,279	$ -	$ -	$ 1,049,978	$ -	$ -	$ (1,828,072)	$ 10,507,682
Loan capital grants	190,000	-	-	-	-	-	-	-	-	-	-	-	-	190,000
Interest income	41,408	-	7	-	-	-	-	-	-	-	-	-	-	41,415
Net assets released from restrictions - operating	(1,293,686)	-	(372,400)	-	(31,818)	(1,134,732)	(297,652)	-	-	(29,706)	-	-	1,464,202	(1,695,792)
Net assets released from restrictions - NSP property	(3,282,072)	-	-	-	-	-	-	-	-	-	-	-	-	(3,282,072)
Net assets released from restrictions - Pass through Grants	(6,004,973)	-	-	-	-	-	-	-	-	-	-	-	-	(6,004,973)
Net assets released from restrictions - capital (provision for loan losses)	(2,612,537)	-	-	-	-	-	-	-	-	-	-	-	-	(2,612,537)
(Decrease) increase in temporarily restricted net assets	(3,987,551)	-	111,002	-	356,860	5,383	1,627	-	-	1,020,272	-	-	(363,870)	(2,856,277)
(Decrease) increase in net assets	(3,200,614)	3,190	94,344	55,201	356,860	1,054,142	288,200	(1,947)	(1,164)	1,025,185	(6,910)	(1,139)	-	(334,652)
Net assets/retained earnings (deficit):														
Beginning of year	77,933,813	(2,231)	690,912	46,595	-	-	-	-	-	-	-	-	-	78,669,089
End of year	$ 74,733,199	$ 959	$ 785,256	$ 101,796	$ 356,860	$ 1,054,142	$ 288,200	$ (1,947)	$ (1,164)	$ 1,025,185	$ (6,910)	$ (1,139)	$ -	$ 78,334,437

* Includes IFF Real Estate Services, LLC and IFF Housing, LLC