IFF and Subsidiaries

Consolidated Financial Report
December 31, 2022

Contents

RSM US LLP

Independent Auditor's Report

Board of Directors
IFF

Report on the Audit of the Financial Statements

Opinion
We have audited the consolidated financial statements of IFF and Subsidiaries (IFF), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, the related consolidated statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of IFF as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of IFF and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about IFF's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 IFF’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about IFF’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information
Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position and changes in net assets, of the individual entities 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 consolidating information has been subjected to the auditing procedures applied in the audit 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.

Other Information Included in the Annual Report
Management is responsible for the other information included in the annual report. The other information comprises the summarized financial information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

RSM US LLP

Chicago, Illinois
April 21, 2023

IFF and Subsidiaries

Consolidated Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	**$ 32,566,931**	$ 66,613,374
Other restricted cash and interest-bearing deposits in banks	**14,038,965**	13,360,988
Department of Education (DOE) restricted cash and interest-bearing deposits in banks	**20,481,112**	20,317,445
Total cash and cash equivalents including restricted cash	**67,087,008**	100,291,807
Grants receivable, other receivables, prepaids and deposits	**22,084,967**	21,286,714
Loans receivable, net	**432,822,945**	413,971,533
Accrued interest receivable	**2,268,511**	2,149,705
Properties owned by IFF and IFF's subsidiaries, net	**32,634,640**	29,501,657
Federal Home Loan Bank stock, at cost	**631,766**	631,766
Foreclosed assets, net	**2,295,000**	1,941,289
Furniture, equipment and leasehold improvements, net	**1,241,413**	1,060,745
Other assets	**222,680**	226,314
Rights of use assets	**7,312,740**	-
Capitalized finance costs, net	**5,668**	6,399
	$ 568,607,338	$ 571,067,929
Liabilities and Net Assets		
Liabilities:		
Accrued liabilities	**$ 5,365,838**	$ 8,753,764
Accrued interest payable	**4,197,383**	3,722,318
Deferred grant revenue	**16,129,282**	18,988,568
Lease liabilities	**8,556,831**	-
Investor Consortium collateral trust notes, net	**143,234,440**	145,784,082
Borrowings, net	**206,755,539**	207,791,105
Equity equivalent borrowings	**19,400,000**	21,000,000
Bond Guarantee Program borrowings, net	**19,673,781**	20,502,041
Loan participations payable	**-**	309,774
	423,313,094	426,851,652
Commitments and contingencies (Notes 5 and 13)		
Net assets:		
Without donor restrictions	**85,568,998**	79,924,492
With donor restrictions	**59,725,246**	64,291,785
	145,294,244	144,216,277
	$ 568,607,338	$ 571,067,929

See notes to consolidated financial statements.

IFF and Subsidiaries

Consolidated Statements of Activities and Changes in Net Assets
Years Ended December 31, 2022 and 2021

	2022	2021
Net assets without donor restrictions - operating:		
Support and revenue:		
Corporations, foundations and individuals	**$ 84,425**	$ 115,083
Interest on loans	**23,854,116**	24,173,943
Consulting contract fees	**3,245,193**	4,360,012
Developer fees	**223,922**	1,004,682
Management and sponsor fees	**1,339,988**	1,483,303
Syndication fees	**1,183,000**	200,000
Loan fees	**198,532**	122,399
Other interest income	**178,628**	54,016
Rental income	**1,886,216**	2,056,006
Reimbursed professional fees	**135,404**	165,775
Realized gains on other assets	**385**	17
Unrealized gains on other assets	**266**	(128)
Forgiveness of debt	**189,745**	970,591
Net assets released from restrictions	**4,821,780**	2,705,806
Net assets released from restrictions - pass through grants	**23,346,854**	24,320,309
	60,688,454	61,731,814
Expenses:		
Salaries and benefits	**16,107,296**	15,743,998
Professional fees	**3,745,512**	4,478,740
Occupancy and office	**2,442,745**	2,548,239
Printing and marketing	**100,846**	68,012
Interest	**10,958,789**	10,759,491
Other operating	**1,275,564**	1,314,955
Provision for foreclosed assets	**-**	400,000
Pass through grants	**23,346,854**	24,282,949
Meetings and travel	**767,956**	345,246
Depreciation and amortization	**1,467,481**	1,427,852
Gain on sale of foreclosed assets	**(33,329)**	(308,151)
Gain on sale of properties, furniture and equipment	**(12,161)**	(56,008)
Income tax benefit	**-**	(5,239)
	60,167,553	61,000,084
Increase in net assets without donor restrictions - operating	**520,901**	731,730
Net assets without donor restrictions - capital:		
Support and revenue:		
Net assets released from restrictions - loan capital grants	**5,123,605**	3,099,985
Net assets released from restrictions - capital provision for loan losses	**2,903,091**	(826,809)
	8,026,696	2,273,176
Expenses:		
Provision for loan losses	**2,903,091**	(826,809)
Increase in net assets without donor restrictions - capital	**5,123,605**	3,099,985
Increase in net assets without donor restrictions	**5,644,506**	3,831,715

(Continued)

IFF and Subsidiaries

Consolidated Statements of Activities and Changes in Net Assets (Continued)
Years Ended December 31, 2022 and 2021

	2022	2021
Net assets with donor restrictions:		
Program and operating grants	**$ 27,735,270**	$ 38,010,066
Loan capital grants	**3,729,607**	8,674,999
Interest income	**163,914**	8,187
Net assets released from restrictions - operating	**(4,821,780)**	(2,705,806)
Net assets released from restrictions - pass through grants	**(23,346,854)**	(24,320,309)
Net assets released from restrictions - loan capital grants	**(5,123,605)**	(3,099,985)
Net assets released from restrictions - capital provision for loan losses	**(2,903,091)**	826,809
(Decrease) increase in net assets with donor restrictions	**(4,566,539)**	17,393,961
Increase in net assets	**1,077,967**	21,225,676
Net assets:		
Beginning of year	**144,216,277**	122,990,601
End of year	**$ 145,294,244**	$ 144,216,277

See notes to consolidated financial statements.

IFF and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Increase in net assets	**$ 1,077,967**	$ 21,225,676
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization expense	**1,421,243**	1,372,975
Amortization expense for capitalized finance costs	**46,238**	54,877
Gain on the sale of foreclosed assets	**(33,329)**	(308,151)
Provision for loan losses	**2,903,091**	(826,809)
Provision for losses on foreclosed assets	**-**	400,000
Unrealized (gain) loss on other assets	**(266)**	128
Forgiveness of debt	**(189,745)**	(970,591)
Changes in assets and liabilities:		
Deferred loan fees	**188,852**	275,755
Grants receivable, other receivables, prepaids and deposits	**(798,253)**	(6,617,017)
Accrued interest receivable	**(118,806)**	(255,123)
Other assets	**(98,751)**	685
Accrued liabilities	**(2,027,547)**	4,481,379
Accrued interest payable	**475,065**	772,751
Net cash provided by operating activities	**2,845,759**	19,606,535
Cash flows from investing activities:		
Purchase of Federal Home Loan Bank Stock	**-**	(1,766)
Loan disbursements	**(99,975,576)**	(102,512,096)
Loan principal payments received	**76,997,221**	85,918,695
Sale of foreclosed assets	**700,981**	2,832,833
Net purchases of equipment and leasehold improvements	**(611,571)**	(134,086)
Purchase of properties owned by IFF's subsidiaries	**(4,673,771)**	(360,598)
Sale of properties owned by IFF's subsidiaries	**551,179**	1,384,243
Net cash used in investing activities	**(27,011,537)**	(12,872,775)
Cash flows from financing activities:		
Proceeds from deferred revenue grants	**1,078,420**	398,826
Use of proceeds from deferred revenue grants	**(3,937,706)**	(2,770,563)
Proceeds from Investor Consortium collateral trust notes	**27,843,205**	44,573,287
Repayment of Investor Consortium collateral trust notes	**(30,380,203)**	(31,238,106)
Proceeds from borrowings, equity equivalent borrowings, bond guarantee borrowings and participations payable	**23,183,377**	42,895,000
Repayment of borrowings, equity equivalent borrowings, bond guarantee borrowings and participations payable	**(26,767,249)**	(23,959,298)
Finance costs paid	**(58,865)**	(37,287)
Net cash (used in) provided by financing activities	**(9,039,021)**	29,861,859
(Decrease) increase in total cash and cash equivalents including restricted cash	**(33,204,799)**	36,595,619
Total cash and cash equivalents including restricted cash:		
Beginning of year	**100,291,807**	63,696,188
End of year	**$ 67,087,008**	$ 100,291,807
Supplemental schedule of noncash operating activities:		
Initial recognition of operating lease right of use asset:	**$ 7,370,213**	$ -
Initial recognition of operating lease liabilities:	**$ 8,716,955**	**$ -**
Supplemental disclosure of cash flow information:		
Interest paid on borrowings	**$ 10,483,724**	$ 9,986,739
Supplemental schedule of noncash investing activities:		
Real estate acquired in settlement of loans	**$ 1,035,000**	$ -

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 in Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Ohio and Wisconsin. IFF makes affordable loans to nonprofit human service and community development agencies for the acquisition, construction, remodeling and renovation of facilities. IFF also makes loans to for-profit housing developers in which there is an affordable housing component. 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), Grand Rapids (Michigan), Indianapolis (Indiana), Kansas City (Missouri), Milwaukee (Wisconsin) and St. Louis (Missouri).

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

2819 Highland, LLC
5326 Hillside, LLC (dissolved in 2022)
Access Health & Housing, LLC
Access Housing I MM, LLC
Access Peoria, LLC
Access South Cook I MM, LLC (created in 2022)
Access West Cook I MM, LLC
Community Living Initiative, LLC
Detroit Learning Lab Northwest, LLC (dissolved in 2022)
Homan Housing, LLC (created in 2022)
Homan Square PSH, LLC (created in 2021)
Home First, LLC
Home First Illinois, LLC
IFF CILA Lease Program, LLC (dissolved in 2022)
IFF Development, LLC
IFF ECE, LLC (created in 2022)
IFF ECE Detroit, LLC
IFF ECE Detroit 2, LLC (created in 2021)
IFF ECE Grand Rapids, LLC
IFF Hatchery, LLC
IFF Pay for Success I, LLC
IFF Pay for Success II, LLC
IFF Quality Seats – Broadway, LLC
IFF Real Estate Holdings, LLC
IFF Real Estate Services, LLC
IFF Rockford Market LLC
IFF Waukegan Market LLC
Illinois OREO, LLC
Missouri OREO, LLC
Neal School Development, LLC
Ohio OREO, LLC

IFF is the sole corporate member of the subsidiaries. "IFF" as used herein refers to IFF individually and collectively with its subsidiaries, as the context may require.

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

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

New Markets Tax Credit LLCs:
IFF Capital VI LLC (dissolved in 2021)
IFF Capital VII LLC (dissolved in 2022)
IFF Capital VIII LLC (dissolved in 2022)
IFF Capital IX LLC (dissolved in 2022)
IFF Capital X LLC (dissolved in 2022)
IFF Capital XI LLC (dissolved in 2022)
IFF Capital XII LLC (dissolved in 2022)
IFF Capital XIII LLC
IFF Capital XIV LLC (dissolved in 2022)
IFF Capital XV LLC (dissolved in 2022)
IFF Capital XVI LLC (dissolved in 2022)
IFF Capital XVII LLC
IFF Capital XVIII LLC
IFF Capital 19 LLC
IFF Capital 20 LLC
IFF Capital 21 LLC
IFF Capital 22 LLC
IFF Capital 23 LLC
IFF Capital 24 LLC
IFF Capital 25 LLC
IFF Capital 26 LLC
IFF Capital 27 LLC
IFF Capital 28 LLC
IFF Capital 29 LLC
IFF Capital 31 LLC (created in 2021)
IFF Capital 32 LLC (created in 2022)
IFF Capital 33 LLC (created in 2022)
IFF Capital 34 LLC (created in 2022)
IFF Capital 35 LLC (created in 2022)

Other limited liability companies:

Access Housing I, LLC
Access South Cook I, LLC (created in 2022)
Access West Cook I, LLC

The accounts and activities of these limited liability companies above are not included in these consolidated financial statements. (Note 20)

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 (U.S. GAAP). 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.

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

For financial reporting purposes, IFF classifies its activities as net assets without donor restrictions, or net assets with donor restrictions based on the existence or absence of donor-imposed restrictions, as follows:

Without donor restrictions: Net assets that are not subject to donor-imposed restrictions are reported as net assets without donor restrictions. Items that affect (increase or decrease) this net asset category include revenue and expenses associated with the core activities of IFF. The consolidated statements of activities and changes in net assets present net assets without donor restrictions' support and revenue and expenses as operating activities.

With donor restrictions: IFF reports gifts of cash, grants and other assets as net assets with donor restrictions if they are received with donor stipulations limiting the use of the donated assets. When a restriction is satisfied, net assets with donor restrictions are transferred to net assets without donor restrictions and are reported in the consolidated statement of activities and changes in net assets as increases to net assets released from restrictions.

IFF classifies net assets with donor restrictions into four subcategories (Note 14):

Department of Education Grant for Credit Enhancement - net assets include grant funds received from the Department of Education restricted for the credit enhancement program activities.

Loan issuance - net assets include capital grants whose purpose is to fund the issuance of loans and to help restore IFF for losses attributable to loans.

Grants for Specific Programs - net assets include amounts restricted for program activities or grant funds with donor-imposed time restrictions.

Perpetual in nature - net assets include grant funds that are to be held in perpetuity. IFF does not have any perpetual in nature net assets with donor restrictions.

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.

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

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. Management believes that IFF is not exposed to significant credit risk on these balances in excess of federally insured limits.

Department of Education (DOE) 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 net assets with donor restrictions. Restricted interest-bearing deposits in banks mature within one year and are generally recorded at cost. Management believes that IFF is not exposed to significant credit risk on these balances in excess of federally insured limits.

Grants receivable, other receivables, prepaids and deposits: Grants receivable are recorded in connection with amounts which are not conditional and are 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. Prepaids are expenditures paid for in one accounting period, but for which the underlying assets will not be consumed until a future period. IFF's prepaids consist of rent, insurance premiums, postage, maintenance contracts, lease commissions, subscriptions, consultants and taxes. Deposits are security deposits IFF has made to landlords for the various office spaces IFF rents per the lease agreements.

Loans receivable: IFF makes affordable 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, and any unamortized deferred fees or costs on originated loans. Loan origination fees, net of certain direct origination costs, are deferred and amortized as a level yield adjustment over the respective term of the loan. Interest on loans is accrued over the term of the loan based on the amount of principal outstanding. 40% and 37% of the loans receivable balance at December 31, 2022 and 2021, respectively, consisted of borrowers making monthly interest-only payments.

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.

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 returning to accrual status. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current, the borrower has made at least six consecutive payments in accordance with terms of its agreement 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.

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

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 all non-impaired 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 less costs to sell. 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 lead 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.

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.

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

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, IFF Quality Seats – Broadway, LLC, IFF Hatchery, LLC, Community Living Initiative, LLC, Access Peoria, LLC, Neal School Development, LLC, Access Health & Housing, LLC, IFF ECE Detroit, LLC, IFF ECE Grand Rapids, LLC, Homan Square PSH, LLC, and IFF ECE Detroit 2, LLC are capitalized on the consolidated statements of financial position as an asset. Depreciation is 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, 2022 and 2021.

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 and changes in net assets.

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 changes in net assets 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.

Capitalized finance costs: Capitalized finance costs consist of legal fees and related costs from IFF leases which are amortized using the straight-line method over 5 to 15 years, depending on the term of the related lease. Net capitalized costs of $5,668 and $6,399 at December 31, 2022 and 2021, respectively, are reported net of accumulated amortization of $5,302 and $4,570 at December 31, 2022 and 2021, respectively.

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

Grant revenue: Government grants are generally considered to be conditional contributions and revenue is recognized in the period in which qualifying expenses are incurred and other grant requirements are met, in accordance with Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contribution Made.* ASU 2018-08 clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., contribution) and for distinguishing between conditional and unconditional contributions. The Organization has elected the simultaneous release policy for grants, which allows the Organization to recognize restricted conditional contributions directly in net assets without donor restrictions when the condition is met, which is generally when qualifying expenditures have been incurred. Amounts received but not yet expensed in accordance with terms of the government grants or other grant agreements are reported as deferred grant revenue in the consolidated statements of financial position. IFF was notified in 2022 of a $50,000,000 conditional grant award from the Michigan Department of Education/Office of Great Start (MDE/OGS) which primary purpose is to increase or expand childcare providers across the state. The funding period runs through September 30, 2024. Grant funds are received on a reimbursement basis and are recognized as revenue in the period in which IFF incurs qualifying expenses and performs its duties under the terms of the grant agreement. IFF expended $290,417 under the grant during 2022.

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 professional fees. Grantors fund the costs of the acquisition and improvements and budgeted professional fees, and IFF records grant revenue in net assets with donor restrictions 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 and changes in net assets in pass through grants. Pass through grant revenue and expenses also includes unconditional grants to organizations whose mission concerns BIPOC-related art. Such amounts totaled $14,630,000 during 2021. Pass through grant revenue and expense also includes a grant and project involving IFF subsidiary, Neal School Development, LLC. Related agreements are structured to make grant beneficiary, a school district, the owner of the improvements. These amounts totaled $21,404,857 and $7,483,397 for 2022 and 2021, respectively.

Support and revenue: Contributions from corporations, foundations and individuals are recorded as increases to net assets with donor restrictions or to net assets without donor restriction, depending on the existence or absence of donor restrictions, in the period received. Contributions restricted for use in the loan program are classified as net assets with donor restrictions – loan issuance. When a restriction expires, amounts in net assets with donor restrictions are reported as net assets released from restrictions, and reclassified as increases to net assets without donor restrictions. Conditional contributions are not recognized until the conditions on which they depend are substantially met.

Other sources of revenue: The Company's revenue is significantly comprised of interest income on loans. In addition to interest income, IFF also has the following sources of revenue.

Consulting contract fees and developers fees: IFF provides real estate and research consulting services to other nonprofit organizations. The contracts include multiple promises which management reviews to determine where they represent multiple performance obligations. This review consists of determining where promises or groups of promises are capable of being distinct and distinct within the context of the contract. Most of IFF's contracts are considered to have a single performance obligation because IFF provides a significant service of integrating a set of tasks and components into a single contract. Revenue is recognized as a series over time as either customer is simultaneously consuming and receiving benefit, enhancing an asset the customer controls or there is no alternative use and IFF has an enforceable right to payment. 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.

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

Management and sponsor fees and syndication fees: IFF provides normal and routine management functions and coordinates the day-to-day business for various entities. IFF determines that the promise in these contracts is the overall management service and that the service performed each day is distinct and substantially the same. Although the individual activities that comprise the performance obligation vary throughout the day and from day to day, the nature of the overall promise to provide management service is the same from day to day. Therefore, revenue is recognized as a series of daily services that are individually satisfied over time because IFF provides benefits that are simultaneously received and consumed and uses a time-based measure of progress to recognize revenue as the performance obligation is satisfied.

Rental income: IFF also receives rental income on the properties it has developed and owns.

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 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 included in occupancy and office expense on the consolidated statements of activities and changes in net assets. The rent liability, included in lease liabilities on the consolidated statements of financial position, includes rental incentives received and the lease obligations 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 $71,244 and $22,301 for 2022 and 2021, 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.

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. 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 for the reporting periods presented herein. In 2021, IFF received a refund of unrelated business income taxes paid in 2019 from the State of Illinois. This expense recovery is recorded in the consolidated statements of activities and change in net assets as an income tax benefit.

Access Housing I MM, LLC, Access South Cook I MM, LLC and Access West Cook I MM, LLC are taxed as a C-corporations and each files a form 1120 in the U.S. federal jurisdiction and the state of Illinois.

Various LLC’s are disregarded as separate entities for income tax purposes and are, therefore, included within IFF’s Internal Revenue Service (IRS) Form 990. IFF files Form 990 in the U.S. federal jurisdiction and Form AG990-IL for the state of Illinois.

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

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.

Adopted accounting pronouncements: In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This ASU requires the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases. The guidance requires that a lessee recognize in the statement of financial position 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 is equal to the present value of lease payments. The asset is based on the liability, subject to adjustment such as initial direct cost. For statement of activity purposes, the guidance still requires leases to be classified as either operating or finance. IFF adopted this pronouncement in 2022 and recorded a right of use asset and lease liability of approximately $7.37 million and $8.72 million, respectively, on January 1, 2022.

Pending accounting pronouncements: In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU requires that credit losses on available-for-sale debt securities be presented as an allowance rather than as a direct write-down. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the statement of activities as the amounts expected to be collected change. With the subsequent issuance of ASU 2019-10, *Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815) and Leases (Topic 842) Effective Dates,* in November 2019, ASU 2016-13 is effective for fiscal years beginning after December 15, 2022, including interim periods within that fiscal year. ASU 2016-13 is effective for IFF's year ending December 31, 2023. IFF will apply the amendments in this update through a cumulative-effect adjustment to net assets as of the beginning of the first reporting period in which the guidance is effective (that is, a modified-retrospective approach). The company selected a third party vender to provide allowance software as well as advisory services in developing a new methodology that would be compliant with the amendments of ASU 2016-13. Based upon preliminary modeling results, Management estimates the allowance related to loans will increase and expects to recognize a one-time cumulative effect adjustment through net assets at the date of adoption. IFF intends to estimate losses using forecasted unemployment rates over an approximate one year period, and then revert to long term average historical unemployment rates for the remainder of the forecast period. This includes a qualitative adjustment to the allowance for credit losses related to loans and an allowance on unfunded loan commitments.

In March 2022, the FASB issued ASU 2022-02, *Financial Instruments – Credit Losses (topic 326): Trouble Debt Restructuring and Vintage Disclosures*. The ASU applies to creditors who have adopted ASU2016 -13 and eliminates the accounting guidance for TDR's and requires the entity to evaluate whether the modification represents a new loan or a continuation of an existing loan. The ASU will be effective for IFF beginning on January 1, 2023.

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

In July 2018, the FASB issued ASU 2018-09, *Codification Improvements*, which makes changes to clarify the Codification, corrects unintended application of guidance, and makes minor improvements to the Codification that are not expected to have a significant effect on current accounting practice. The transition and effective date guidance in ASU 2018-09 is based on the facts and circumstances of each amendment.

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, LLC is the borrowing entity that receives funds from the investors and lends these funds to the City of Chicago under a loan and contract agreement. IFF Pay for Success I, LLC 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 and for the years ended December 31, 2022 and 2021, the three investors have lent $16,349,484 of the $17,000,000 committed to the program. Loan repayments of $38,373 were made for the year ended December 31, 2022. No loan repayments were made for the year ended December 31, 2021. These amounts are included in borrowings on the consolidated statements of financial position. These investors have no recourse to IFF Pay for Success I, LLC except for only the “success payments” that are paid by the city.

IFF Pay for Success II, LLC: This subsidiary serves as the program administrator for a SIBs program with the Spectrum Health Hospitals and the State of Michigan Department of Health and Human Services to fund the Spectrum Health Strong Beginnings project which is to improve and promote the health and well-being of low income, high-risk mothers and their children, improving parental skills, and overall engagement, thereby reducing the incidences of preterm birth, infant mortality, special education usage and improving the productivity and lifetime earning potential of parents and children. Social Impact Bonds allow government entities to write contracts that only pay out if specified target outcomes are achieved. Under this SIB model, investors and grantors provide the upfront capital necessary to operate a preventative intervention, in this case incidences of preterm births, infant mortality and special education usage. The government then repays investors and Spectrum Health Hospitals 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 health care and 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 and Spectrum Health Hospitals, and coordinate repayment. IFF Pay for Success II, LLC is the borrowing entity that receives funds from the investors and gives these funds to Spectrum Health Hospitals under pay for success agreement. A $1,500,000 financing vehicle had been established. This expired in June 2020. There were no draws on this financing. This investor has no recourse to IFF Pay for Success II, LLC except for only the “success payments” that are paid by the state. IFF Pay for Success II, LLC also manages the contracts for a third-party firm that will evaluate the success of the program.

Neal School Development, LLC: This subsidiary is developing the new Neal Middle School for North Chicago Community Unit School District No 187. The approximately 95,000 square foot new school will accommodate up to 625 students and replaces part of an existing middle school located at 1905 Argonne Drive, North Chicago, Illinois. The new school opened in the Fall of 2022, while its expected that the remaining rehab of the existing building will be completed by the Fall of 2023.

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

IFF Real Estate Holdings, LLC: This subsidiary is the parent LLC under which properties owned by IFF and IFF Subsidiaries will be organized. IFF Real Estate Holdings, LLC aggregates capital sources which, in turn, are invested as loans or equity in development projects in existing or to be formed LLCs.

Subsequent events: IFF has evaluated subsequent events for potential recognition and/or disclosure through April 21, 2023, 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, 2022 and 2021:

	2022	2021
Investor Consortium reserves	$ 2,944,843	$ 2,988,562
Energy efficient loan loss reserve	3,746	5,848
Bond risk share reserve and collateralization reserve	5,243,070	6,129,981
Chicago Federal Home Loan Bank reserve	3,992,574	2,392,574
Home First Illinois, LLC property reserves	1,191,633	1,105,935
Access Peoria, LLC property reserves	413,522	501,260
Community Living Initiative, LLC property reserves	249,577	236,828
Total	$ 14,038,965	$ 13,360,988

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. The 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. The bond risk share reserve and collateralization reserve relates to the Bond Guarantee Program, which requires overcollateralization in a shared pool and cash collateral when loans' pledges are less than the outstanding borrowings. The Chicago Federal Home Loan Bank reserve relates to cash collateral when loans' pledges are less than the outstanding borrowings. 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 IHDA. Community Living Initiative, LLC property reserves relates to the various reserve accounts maintained for the Community Living Initiative program with the IHDA. 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 and a $2,000,000 grant in 2018. 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 2022 and 2021 were $225 and $371, 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 $163,892 and $8,185 in 2022 and 2021, respectively. The grant funds including interest thereon, as well as pledged amounts, are included in net assets with donor restrictions.

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 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, 2022 and 2021:

	2022	2021
Pledged - $8 million DOE grant	$ 8,202,519	$ 7,794,597
Pledged - $10 million DOE grant	7,354,117	7,328,407
Pledged - $2 million DOE grant	1,985,961	2,016,350
Total pledged	17,542,597	17,139,354
Unpledged - $8 million DOE grant	376,844	711,173
Unpledged - $10 million DOE grant	2,475,807	2,430,166
Unpledged - $2 million DOE grant	85,864	36,752
Total unpledged	2,938,515	3,178,091
Total	$ 20,481,112	$ 20,317,445

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, 2022, there have not been any payment defaults or delinquencies requiring utilization of the pledged funds.

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

The total grants receivable, other receivables, prepaids and deposits at December 31, 2022 and 2021, consisted of the following:

	2022	2021
Grants receivable	$ 10,001,558	$ 11,933,939
Contract and other receivables	11,326,815	8,597,442
Prepaids and deposits	756,594	755,333
	$ 22,084,967	$ 21,286,714

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

	2022	2021
Amounts receivable and deposits / realizable in less than one year	$ 14,915,678	$ 11,462,487
Amounts receivable and deposits / realizable in one to five years	2,258,621	4,916,000
Amounts receivable and deposits / realizable in over five years	4,427,522	4,473,392
	21,601,821	20,851,879
Prepaids	483,146	434,835
	$ 22,084,967	$ 21,286,714

A foundation grant which provides funding to support construction of the Neal Middle School in North Chicago, Illinois is conditional upon qualifying expenses being incurred. Conditional amounts expected to be received but not yet recognized as grant revenue total approximately $6,000,000 and $27,000,000 at December 31, 2022 and 2021, respectively.

Note 5. Loans Receivable

Loans receivable at December 31, 2022 and 2021, were comprised of the following:

	2022	2021
Facility	$ 268,968,248	$ 272,955,031
Affordable housing	111,493,282	90,977,558
Equipment and vehicle	3,599,965	2,491,982
Pre-development	12,200,115	13,405,676
Other	54,589,190	49,919,571
	450,850,800	429,749,818
Allowance for loan losses	(16,484,006)	(14,423,288)
Deferred loan fees, net	(1,543,849)	(1,354,997)
Loans receivable, net	$ 432,822,945	$ 413,971,533

Note 5. Loans Receivable (Continued)

Loans that management has the intent to hold for the foreseeable future or until maturity or pay-off generally are reported at their outstanding unpaid principal balances adjusted for the allowance for loan losses and any unamortized deferred fees or costs on originated loans. For the years ended December 31, 2022 and 2021, loan origination fees totaled $1,161,773 and $1,072,245, respectively, while the estimated cost to originate the loans was $615,136 and $439,976, respectively. IFF accreted $357,785 and $356,514, respectively, as a level yield adjustment for the years ended December 31, 2022 and 2021, respectively. The yield adjustment is recorded in the consolidated statements of activities and changes in net assets in interest on loans.

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. At December 31, 2022, approximately 69% of outstanding facility loans are collateralized with mortgages in a first position lien and 5% are collateralized by mortgages with second position liens and 1% are not secured. The remaining 25% are collateralized by leasehold mortgages, UCCs and other liens. At December 31, 2021, approximately 66% of outstanding facility loans are collateralized with mortgages in a first position lien and 7% are collateralized by mortgages with second position liens and 1% are not secured. The remaining 26% 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. At December 31, 2022, approximately 95% of outstanding affordable housing loans are collateralized with mortgages in a first position lien and 3% are collateralized by mortgages with second position liens. The remaining 2% are collateralized by other liens or unsecured. At December 31, 2021, approximately 90% of outstanding affordable housing loans are collateralized with mortgages in a first position lien and 4% are collateralized by mortgages with second position liens. The remaining 6% are collateralized by other liens or unsecured.

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. At December 31, 2022, approximately 55% of outstanding equipment and vehicle loans are collateralized with a UCC or vehicle title, 23% are collateralized with mortgages in a first position lien and 19% are collateralized by mortgages with second position liens. The remaining 3% are not secured. At December 31, 2021, approximately 62% of outstanding equipment and vehicle loans are collateralized with a UCC or vehicle title, 26% are collateralized with mortgages in a first position lien and 10% are collateralized by mortgages with second position liens. The remaining 2% are not secured.

Note 5. Loans Receivable (Continued)

Pre-development credit is provided to affordable housing developers to finance up-front project requirements such as site control, architectural, legal and financing costs. At December 31, 2022, approximately 35% of outstanding pre-development loans are collateralized with mortgages in a first position lien and 2% are collateralized by other liens. The remaining 63% are unsecured. At December 31, 2021, approximately 42% of outstanding pre-development loans are collateralized with mortgages in a first position lien and 56% are collateralized by other liens. The remaining 2% are unsecured.

Other loans receivable consists of working capital loans, leverage loans for New Markets Tax Credit transactions 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. At December 31, 2022, approximately 80% of outstanding other loans are collateralized by other liens, 13% are collateralized by mortgages in a first position lien and the remaining 7% are collateralized by mortgages in second position lien, leasehold mortgages, UCCs or unsecured. At December 31, 2021, approximately 81% of outstanding other loans are collateralized by other liens, 12% are collateralized by mortgages in a first position lien and the remaining 7% are collateralized by mortgages in second position lien, leasehold mortgages, UCCs or unsecured.

The following tables present the contractual aging of the recorded investment in past due loans by loan segment as of December 31, 2022 and 2021:

	Current	31 - 60 Days Past Due	61 - 90 Days Past Due	90+ Days Past Due	Total	Nonaccruing Loans
December 31, 2022:						
Facility	$ 263,406,003	$ 1,810,000	$ -	$ 3,752,245	$ 268,968,248	$ 7,523,766
Affordable housing	111,493,282	-	-	-	111,493,282	163,957
Equipment and vehicle	3,599,965	-	-	-	3,599,965	-
Pre-development	10,706,896	-	-	1,493,219	12,200,115	1,493,219
Other	54,509,190	-	-	80,000	54,589,190	1,675,372
	$ 443,715,336	$ 1,810,000	$ -	$ 5,325,464	$ 450,850,800	$ 10,856,314
Nonaccruing loans	$ 4,774,215	$ 1,250,000	$ -	$ 4,832,099	$ 10,856,314	

	Current	31 - 60 Days Past Due	61 - 90 Days Past Due	90+ Days Past Due	Total	Nonaccruing Loans
December 31, 2021:						
Facility	$ 272,770,737	$ 184,294	$ -	$ -	$ 272,955,031	$ 6,656,026
Affordable housing	90,977,558	-	-	-	90,977,558	191,016
Equipment and vehicle	2,491,982	-	-	-	2,491,982	127,564
Pre-development	13,405,676	-	-	-	13,405,676	-
Other	49,919,571	-	-	-	49,919,571	1,731,942
	$ 429,565,524	$ 184,294	$ -	$ -	$ 429,749,818	$ 8,706,548
Nonaccruing loans	$ 8,706,548	$ -	$ -	$ -	$ 8,706,548	

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”, “Problem Asset” and “Doubtful”.

Note 5. Loans Receivable (Continued)

Watch List loans include those characterized by the distinct possibility that IFF will sustain some loss if the deficiencies are not corrected. These loans are in default due to non-payment or other events such as one or more changes in borrower's financial performance, management or programs for which if uncorrected can put the borrower at financial risk. Further, Watch List loans can include a loan past due 30 days or which has a history of late payment. Loans classified as Problem Asset have all the weaknesses inherent in those classified as Watch List with the added characteristic that the weaknesses present make collection or liquidation in full, based on currently existing facts, conditions and values, highly questionable and improbable. Loans classified as Doubtful have all the weaknesses inherent in those classified as Problem Asset with added characteristic that loans are 90 days past due or have a history of late payments, full payoff is doubtful and the borrower is not responsive or does not follow an acceptable workout plan which can include the sale of the collateral, deed in lieu or a forbearance agreement.

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, 2022 and 2021:

	General Portfolio	Watch List	Problem Asset	Doubtful	Total
December 31, 2022:					
Facility	$ 247,668,603	$ 9,058,410	$ 268,696	$ 11,972,539	$ 268,968,248
Affordable housing	111,284,152	45,173	-	163,957	111,493,282
Equipment and vehicle	3,200,213	275,000	78,000	46,752	3,599,965
Pre-development	9,713,042	993,854	-	1,493,219	12,200,115
Other	46,121,577	3,595,833	-	4,871,780	54,589,190
	$ 417,987,587	$ 13,968,270	$ 346,696	$ 18,548,247	$ 450,850,800
Current	$ 417,139,354	$ 13,968,270	$ 141,564	$ 12,466,148	$ 443,715,336
Past Due 31-60 Days	560,000	-	-	1,250,000	1,810,000
Past Due 61-90 Days	-	-	-	-	-
Past Due 90 + Days	288,233	-	205,132	4,832,099	5,325,464
	$ 417,987,587	$ 13,968,270	$ 346,696	$ 18,548,247	$ 450,850,800

	General Portfolio	Watch List	Problem Asset	Doubtful	Total
December 31, 2021:					
Facility	$ 249,881,117	$ 11,023,140	$ 1,476,500	$ 10,574,274	$ 272,955,031
Affordable housing	89,105,114	1,626,411	55,018	191,015	90,977,558
Equipment and vehicle	2,269,448	-	-	222,534	2,491,982
Pre-development	12,411,821	993,855	-	-	13,405,676
Other	41,069,592	4,307,453	4,176	4,538,350	49,919,571
	$ 394,737,092	$ 17,950,859	$ 1,535,694	$ 15,526,173	$ 429,749,818
Current	$ 394,552,798	$ 17,950,859	$ 1,535,694	$ 15,526,173	$ 429,565,524
Past Due 31-60 Days	184,294	-	-	-	184,294
Past Due 61-90 Days	-	-	-	-	-
Past Due 90 + Days	-	-	-	-	-
	$ 394,737,092	$ 17,950,859	$ 1,535,694	$ 15,526,173	$ 429,749,818

Note 5. Loans Receivable (Continued)

Activity in the allowance for loan losses for the years ended December 31, 2022 and 2021, was as follows:

	Facility	Affordable Housing	Equipment and Vehicle	Pre-Development	Other	Total
December 31, 2022:						
Beginning balance	$ 11,464,552	$ 966,199	$ 221,847	$ 136,791	$ 1,633,899	$ 14,423,288
Provision for loan losses	2,246,699	(35,382)	(67,541)	769,286	(9,971)	2,903,091
Charge-offs	(773,661)	-	(123,712)	-	-	(897,373)
Recoveries	55,000	-	-	-	-	55,000
Ending balance	$ 12,992,590	$ 930,817	$ 30,594	$ 906,077	$ 1,623,928	$ 16,484,006
Allowance for loan losses:						
Allocated	$ 4,566,576	$ 24,144	$ -	$ 426,719	$ 624,315	$ 5,641,754
General	8,426,014	906,673	30,594	479,358	999,613	10,842,252
	$ 12,992,590	$ 930,817	$ 30,594	$ 906,077	$ 1,623,928	$ 16,484,006
Loans:						
Impaired loans	$ 11,972,539	$ 163,957	$ 46,752	$ 1,493,219	$ 4,871,780	$ 18,548,247
Non-impaired loans	256,995,709	111,329,325	3,553,213	10,706,896	49,717,410	432,302,553
	$ 268,968,248	$ 111,493,282	$ 3,599,965	$ 12,200,115	$ 54,589,190	$ 450,850,800

	Facility	Affordable Housing	Equipment and Vehicle	Pre-Development	Other	Total
December 31, 2021:						
Beginning balance	$ 15,205,406	$ 686,897	$ 212,353	$ 45,971	$ 220,297	$ 16,370,924
Provision for loan losses	(2,620,027)	279,302	9,494	90,820	1,413,602	(826,809)
Charge-offs	(1,679,217)	-	-	-	-	(1,679,217)
Recoveries	558,390	-	-	-	-	558,390
Ending balance	$ 11,464,552	$ 966,199	$ 221,847	$ 136,791	$ 1,633,899	$ 14,423,288
Allowance for loan losses:						
Allocated	$ 2,310,823	$ 38,256	$ 131,940	$ -	$ 679,315	$ 3,160,334
General	9,153,729	927,943	89,907	136,791	954,584	11,262,954
	$ 11,464,552	$ 966,199	$ 221,847	$ 136,791	$ 1,633,899	$ 14,423,288
Loans:						
Impaired loans	$ 10,574,274	$ 191,016	$ 222,534	$ -	$ 4,538,349	$ 15,526,173
Non-impaired loans	262,380,757	90,786,542	2,269,448	13,405,676	45,381,222	414,223,645
	$ 272,955,031	$ 90,977,558	$ 2,491,982	$ 13,405,676	$ 49,919,571	$ 429,749,818

Note 5. Loans Receivable (Continued)

Impaired loan information as of December 31, 2022 and 2021, 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, 2022:						
With no related allowance recorded:						
Facility	$ 4,851,350	$ 4,851,350	$ -	$ 5,304,597	$ 345,945	$ 325,342
Affordable housing	102,912	102,912	-	108,899	5,499	5,499
Equipment and vehicle	46,752	46,752	-	69,086	4,059	3,830
Pre-development	-	-	-	-	-	-
Other	1,985,372	1,985,372	-	1,809,686	172,144	157,307
	6,986,386	6,986,386	-	7,292,268	527,647	491,978
With an allowance recorded:						
Facility	7,121,189	7,121,189	4,566,576	5,561,653	101,756	100,288
Affordable housing	61,045	61,045	24,144	67,513	-	-
Equipment and vehicle	-	-	-	116,292	-	-
Pre-development	1,493,219	1,493,219	426,719	871,609	26,911	26,911
Other	2,886,408	2,886,408	624,315	2,813,074	170,496	170,496
	11,561,861	11,561,861	5,641,754	9,430,141	299,163	297,695
	$ 18,548,247	$ 18,548,247	$ 5,641,754	$ 16,722,409	$ 826,810	$ 789,673

	Unpaid Principal Balance	Recorded Investment	Allowance for Loan Losses Allocated	Average Recorded Investment	Interest Income Recognized	Cash Basis Interest Income Recognized
December 31, 2021:						
With no related allowance recorded:						
Facility	$ 6,524,163	$ 6,524,163	$ -	$ 7,848,207	$ 704,637	$ 686,903
Affordable housing	115,859	115,859	-	143,055	24,208	24,208
Equipment and vehicle	-	-	-	-	-	-
Pre-development	-	-	-	-	-	-
Other	1,731,942	1,731,942	-	1,887,955	168,547	155,413
	8,371,964	8,371,964	-	9,879,217	897,392	866,524
With an allowance recorded:						
Facility	4,050,111	4,050,111	2,310,823	3,476,461	461,255	450,396
Affordable housing	75,157	75,157	38,256	81,574	-	-
Equipment and vehicle	222,534	222,534	131,940	143,783	29,719	29,254
Pre-development	-	-	-	-	-	-
Other	2,806,407	2,806,407	679,315	2,338,673	168,384	168,384
	7,154,209	7,154,209	3,160,334	6,040,491	659,358	648,034
	$ 15,526,173	$ 15,526,173	$ 3,160,334	$ 15,919,708	$ 1,556,750	$ 1,514,558

Note 5. Loans Receivable (Continued)

Four loans and three loans were modified during the years ended December 31, 2022 and 2021, 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, release of collateral and partial deferral of interest. The pre and post modification balance of the loans modified in 2022 were $5,036,490 and $5,151,123, respectively. The pre and post modification balance of the loans modified in 2021 were $1,694,609, respectively. There were no charge-offs recorded for the years ended December 31, 2022 and 2021, as a result of these modifications.

At December 31, 2022 and 2021, there were $10,011,073 and $8,429,696 of loans identified as troubled debt restructurings, respectively. At December 31, 2022 and 2021, the allowance for loan losses allocated for troubled debt restructurings was $3,366,819 and $1,960,706, respectively. At December 31, 2022, $3,258,881 of these troubled debt restructurings are 90 + days delinquent. At December 31, 2021 none of these troubled debt restructurings are delinquent.

Loans carried at $183,828,188 and $191,055,170 were pledged to secure borrowings as of December 31, 2022 and 2021, respectively.

At December 31, 2022, scheduled loan receipts due in the next year for the entire loan portfolio are expected to be approximately $52,277,569.

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 position. 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, 2022 and 2021, were $135,456,525 and $104,485,025, respectively. See Notes 10 and 11 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, 2022 and 2021, were comprised of the following:

	1 - 4 Units	Group Homes	School Campus	Grocery Stores	Early Childhood Education Centers	Land	Total
December 31, 2022:							
Home First Illinois, LLC	$ 14,476,023	$ -	$ -	$ -	$ -	$ -	$ 14,476,023
IFF Waukegan Market LLC	-	-	-	3,405,461	-	-	3,405,461
IFF Rockford Market LLC	-	-	-	3,009,872	-	-	3,009,872
Community Living Initiative, LLC	-	3,477,696	-	-	-	-	3,477,696
Access Peoria, LLC	3,409,247	-	-	-	-	-	3,409,247
IFF Hatchery, LLC	-	-	-	-	-	378,252	378,252
IFF Quality Seats - Broadway, LLC	-	-	6,116,289	-	-	-	6,116,289
Access Health & Housing, LLC	3,718,478	-	-	-	-	-	3,718,478
IFF ECE Detroit, LLC	-	-	-	-	314,001	-	314,001
Homan Square PSH, LLC	1,087,329	-	-	-	-	-	1,087,329
	22,691,077	3,477,696	6,116,289	6,415,333	314,001	378,252	39,392,648
Less accumulated depreciation	(4,236,840)	(428,713)	(908,829)	(1,183,626)	-	-	(6,758,008)
	$ 18,454,237	$ 3,048,983	$ 5,207,460	$ 5,231,707	$ 314,001	$ 378,252	$ 32,634,640

	1 - 4 Units	Group Homes	School Campus	Grocery Stores	Early Childhood Education Centers	Land	Total
December 31, 2021:							
Home First Illinois, LLC	$ 14,476,023	$ -	$ -	$ -	$ -	$ -	$ 14,476,023
IFF CILA Lease Program, LLC	-	381,135	-	-	-	-	381,135
IFF Waukegan Market LLC	-	-	-	3,405,461	-	-	3,405,461
IFF Rockford Market LLC	-	-	-	3,009,872	-	-	3,009,872
Community Living Initiative, LLC	-	3,477,696	-	-	-	-	3,477,696
Access Peoria, LLC	3,409,247	-	-	-	-	-	3,409,247
IFF Hatchery, LLC	-	-	-	-	-	328,905	328,905
IFF Quality Seats - Broadway, LLC	-	-	6,116,289	-	-	-	6,116,289
Access Health & Housing, LLC	313,371	-	-	-	-	-	313,371
IFF ECE Detroit, LLC	-	-	-	-	182,013	-	182,013
IFF ECE Grand Rapids, LLC	-	-	-	-	248,633	-	248,633
IFF ECE Detroit 2, LLC	-	-	-	-	3,197		3,197
	18,198,641	3,858,831	6,116,289	6,415,333	433,843	328,905	35,351,842
Less accumulated depreciation	(3,666,362)	(414,975)	(749,717)	(1,019,131)	-	-	(5,850,185)
	$ 14,532,279	$ 3,443,856	$ 5,366,572	$ 5,396,202	$ 433,843	$ 328,905	$ 29,501,657

In 2011, Home First Illinois, LLC (LLC) was awarded a $5,000,000 grant by the IHDA to enable LLC 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, LLC will rent the units to qualified individuals and manage the properties through a management company.

LLC completed the renovations in 2016 and all 70 units were available to be rented. For the years ended December 31, 2022 and 2021, 59 units and 66 units, respectively, were rented out. Depreciation expense taken on the units rented for each of the years ended December 31, 2022 and 2021, was $483,061. As of December 31, 2022 and 2021, net property costs were $10,851,100 and $11,334,161, respectively. Accumulated depreciation on the properties for the years ended December 31, 2022 and 2021, was $3,624,923 and $3,141,862, 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. LLC is required to comply with the terms of the grant and regulatory agreements, and grant amounts are required to be repaid to the IHDA only upon the occurrence of a default, but otherwise are to be formally forgiven by IHDA on dates 30 years after property acquisition. LLC 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 30-year period and use the facilities for the disadvantaged; therefore, prior to 2019, LLC recognized grant amounts as revenue ratably over the expected life of each property, once placed in service and generally in proportion to depreciation expense. With the adoption of ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contribution Made,* in 2019, grant revenue was no longer recognized ratably and remaining amounts (included in deferred revenue) would not be recognized until the end of the 30-year forgiveness period. In 2022, the IHDA grant agreement was amended to reflect that the recapture amount (which is the grant amount to be repaid in the event of a default) is to be reduced proportionately over the remaining term of the mortgage, in effect representing forgiveness over the 30-year period. Thus these grant amounts are now recognized ratably over the remaining life of the property. The unamortized grant amounts are recorded as a deferred revenue liability on the consolidated statements of financial position. LLC has recorded the unamortized portion of grant amounts received, accumulating $10,521,789 and $11,010,650, as of December 31, 2022 and 2021, respectively, as deferred revenue. For the year ended December 31, 2022, $488,861 was amortized into revenue. No amounts were amortized into revenue 2021. For the year ended December 31, 2022 there was $488,861 release of restrictions. For the year ended December 31, 2021 there were no release of 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. In 2022, the last remaining property was sold for net proceeds of $311,510, resulting in a gain of $12,161. In 2021, 5 of the properties were sold for net proceeds of $1,438,251, resulting in a gain of $54,006. Depreciation expense taken on the group homes was $6,353 and $13,044 for the years ended December 31, 2022 and 2021, respectively. As of December 31, 2021 net property costs was $305,702. Accumulated depreciation on the property for the year ended December 31, 2021 was $75,433.

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

IFF Waukegan Market LLC financed and developed a full-service grocery store to provide access to healthy food in Waukegan, Illinois. It used 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 lease and manage the grocery store. For each of the years ended December 31, 2022 and 2021, total accumulated property costs were $3,405,461. This property is depreciated over 39 years using the straight-line method. Depreciation expense taken on the grocery store for the years ended December 31, 2022 and 2021, was $87,319 and $87,320, respectively. As of December 31, 2022 and 2021, net property costs were $2,794,225 and $2,881,544, respectively. Accumulated depreciation on the property for the years ended December 31, 2022 and 2021, was $611,236 and $523,917, respectively.

IFF Rockford Market LLC financed and developed a full-service grocery store to provide access to healthy food in Rockford, Illinois. It used financing from IFF and grant funds received from the DCEO for the IFFF program and from the City of Rockford. Save-A-Lot and Save-A-Lot Licensee lease and manage the grocery store. For each of the years ended December 31, 2022 and 2021, total accumulated property costs were $3,009,872. This property is depreciated over 39 years using the straight-line method. Depreciation expense taken for each of the years ended December 31, 2022 and 2021, was $77,176. As of December 31, 2022 and 2021, net property costs were $2,437,482 and $2,514,658, respectively. Accumulated depreciation on the property for the years ended December 31, 2022 and 2021, was $572,390 and $495,214, respectively.

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 7 homes and will be funded from a loan from IHDA and loans from IFF. For each of the years ended December 31, 2022 and 2021, total accumulated property costs were $3,477,696. As of December 31, 2022 and 2021, all seven homes have been rented out. The properties are depreciated over 39 years using the straight-line method. Depreciation expense taken for the years ended December 31, 2022 and 2021, was $89,171 and $89,172, respectively. As of December 31, 2022 and 2021, net property costs were $3,048,983 and $3,138,154, respectively. Accumulated depreciation on the property for the years ended December 31, 2022 and 2021, was $428,713 and $339,542, respectively.

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

Access Peoria, LLC developed eight accessible duplexes on vacant lots in Peoria, Illinois. Funding for this program came from Local Initiatives Support Corporation (LISC) using National Foreclosure Settlement funds from the Illinois Attorney General, a Community Development Block Grant from IHDA, City of Peoria, and several other funders. IHDA grant funds are secured by a non-interest-bearing mortgage on each property. Access Peoria, LLC 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 formally forgiven by IHDA on dates 30 years after property acquisition. IHDA grants received in connection with the program are in effect forgivable loans. Access Peroira, LLC 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 30-year period and use the facilities for the disadvantaged; therefore, prior to 2019, Access Peoria, LLC recognized grant amounts as revenue ratably over the expected life of each property, once placed in service and generally in proportion to depreciation expense. With the adoption of ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contribution Made,* in 2019, grant revenue was no longer recognized ratably and remaining amounts (included in deferred revenue) would not be recognized until the end of the 30-year forgiveness period. In 2022, the IHDA grant agreement was amended to reflect that the recapture amount (which is the grant amount to be repaid in the event of a default) is to be reduced proportionately over the remaining term of the mortgage, in effect representing forgiveness over the 30-year period. Thus these grant amounts are now recognized ratably over the remaining life of the property. The unamortized grant amounts are recorded as a deferred revenue liability on the consolidated statements of financial position. LLC has recorded the unamortized portion of grant amounts received, accumulating $2,271,205 and $2,379,358, as of December 31, 2022 and 2021, respectively, as deferred revenue. For the year ended December 31, 2022, $108,153 was amortized into revenue. No amounts were amortized into revenue in 2021. For the year ended December 31, 2022 there was $108,153 release of restrictions. For the year ended December 31, 2021 there were no release of restrictions. For each of the years ended December 31, 2022 and 2021, 16 units were rented out. The properties are depreciated over 39 years using the straight-line method. Depreciation expense taken for each of the years ended December 31, 2022 and 2021, was $87,417. As of December 31, 2022 and 2021, net property costs were $2,797,330 and $2,884,747, respectively. Accumulated depreciation on the properties for the years ended December 31, 2022 and 2021, was $611,917 and $524,500, respectively.

IFF Hatchery, LLC 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. The public-private partnership, which brings together government, corporate and nonprofit resources, will create jobs and provide tax revenue for the community. Additional costs of $49,347 were incurred for the year ended December 31, 2022. No additional costs were incurred for the year ended December 31, 2021. As of December 31, 2022 and 2021, total accumulated acquisition and development costs were $378,252 and $328,905, respectively. No depreciation expense has been taken for the years ended December 31, 2022 and 2021, as the properties are land.

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

IFF Quality Seats – Broadway, LLC was created in 2016 to finance and own a former office building that it rehabbed into a charter school located in Kansas City, Missouri. The 38,750 square foot building was built in 1954 as a three-story office building with a finished lower level. The building is leased to a charter school operator and is currently serving students in the K-5 grades. No additional costs were incurred for each of the years ended December 31, 2022 and 2021. As of December 31, 2022 and 2021, total accumulated acquisition and development costs were $6,116,289, respectively. This property is depreciated over 39 years using the straight-line method. Depreciation expense taken for each of the years ended December 31, 2022 and 2021, was $159,112. As of December 31, 2022 and 2021, net property costs were $5,207,460 and $5,366,572, respectively. Accumulated depreciation on the property for the years ended December 31, 2022 and 2021, was $908,829 and $749,717, respectively. The school opened in the fall of 2016.

Access Health & Housing, LLC was created in 2020 to create 20 units of permanent supportive housing in the Community of Maywood, Illinois. Funding was committed by the Illinois Housing Development in January 2020 to provide majority funding for the development of the project. Additional funds will be committed from Trinity Health, the Harry and Jeannette Weinberg Foundation and other sources. Access Health & Housing incurred property costs of $3,405,107 and $145,546 for the years ended December 31, 2022 and 2021, respectively. As of December 31, 2022 and 2021, total accumulated acquisition and development costs were $3,718,478 and $313,371, respectively. The properties are still being developed.

IFF ECE Detroit, LLC was created in 2020 to develop and build a new early childhood education center in Detroit, Michigan. IFF ECE Detroit will act as developer and landlord leasing the space to a high-quality early childhood provider with the goal of selling the property to the provider tenant within a ten-year period as the provider strengthens financial and operational wherewithal over time. Property costs of $131,988 and $129,370 were incurred for the years end December 31, 2022 and 2021, respectively. As of December 31, 2022 and 2021, total accumulated acquisition and development costs were $314,001 and $182,013, respectively. The property is still being developed.

IFF ECE Grand Rapids, LLC was created in 2020 to develop and build a new early childhood education center in Grand Rapids, Michigan. IFF ECE Grand Rapids will act as developer and master tenant, and will sub lease the space to a high-quality early childhood provider with the goal of buying the property at the end of 7 years. Since the ownership structure of the property has changed and the LLC is not the owner of the property, no property costs were incurred for the year ended December 31, 2022. The previous property costs incurred of $248,633 as of December 31, 2021 were reversed in 2022 and recorded as a pass through grant expense in the consolidated statements of activities and changes in net assets. The project is still being developed.

IFF ECE Detroit 2, LLC was created in 2021 to develop and build a new early childhood education center in Detroit, Michigan. IFF ECE Detroit 2 will act as developer. As the ownership structure has not been finalized, the accumulated acquisition and development costs as of December 31, 2021 of $3,197 was reversed in 2022. As of December 31, 2022, there are no assets, liabilities, and net assets in this LLC. As of December 31, 2021, there was $233,750 of assets and $233,750 of liabilities recorded for this LLC. These amounts were reversed out in 2022. The project is still being developed.

Homan Square PSH, LLC was created in 2022 to develop and build 21 units of permanently supportive affordable housing for people with disabilities in the community of Homan Square in Chicago, Illinois. Funding for this program is coming from IHDA and other funders in the form of debt, grants, and equity. Property costs of $1,087,329 were incurred for the year end December 31, 2022. The properties are still being developed.

Note 7. Foreclosed Assets

An analysis of foreclosed assets as of December 31, 2022 and 2021, was as follows:

	2022	2021
Foreclosed assets, beginning of year	$ 1,941,289	$ 4,899,081
Acquired through or in lieu of foreclosure	1,035,000	-
Provision for losses on foreclosed assets	-	(400,000)
Sale proceeds of foreclosed assets not financed by IFF	(700,981)	(2,832,833)
Gain on sales	19,692	275,041
Foreclosed assets, end of year	$ 2,295,000	$ 1,941,289

Two and three properties make up the balances as of ended December 31, 2022 and 2021, respectively. One new property was added during 2022 and no properties were added in 2021 into foreclosed assets. Two and four properties were sold during the years 2022 and 2021, respectively. IFF recorded a net gain of $19,692 and $275,041 on the sale of foreclosed properties in 2022 and 2021. The gain is recorded in the consolidated statements of activities and changes in net assets in gain on sale of foreclosed assets. IFF recognized $13,637 and $33,110 in 2022 and 2021, respectively, from deferred gains. The gain is recorded in the consolidated statements of activities and changes in net assets in gain on sale of foreclosed assets.

Rent collected on foreclosed assets for 2022 and 2021 was $47,756 and $184,699, respectively. These amounts are recorded in the consolidated statements of activities and changes in net assets as rental income. Foreclosed asset expenses, which are recorded in the consolidated statements of activities and changes in net assets in other operating expenses, were $188,051 and $249,064 for 2022 and 2021, respectively.

Note 8. Furniture, Equipment and Leasehold Improvements

Furniture, equipment and leasehold improvements at December 31, 2022 and 2021, were comprised as follows:

	2022	2021
Furniture, equipment and software	$ 2,829,863	$ 2,263,446
Leasehold improvements	752,001	706,847
	3,581,864	2,970,293
Less accumulated depreciation and amortization	(2,340,451)	(1,909,548)
	$ 1,241,413	$ 1,060,745

Depreciation and amortization expenses for 2022 and 2021 were $430,903 and $375,942, respectively. There was no retirement of furniture and leasehold improvements in 2022. IFF retired furniture and leasehold improvements in 2021 totaling $116,020 and $49,862, respectively. No gains or losses were recorded in 2022. A gain of $2,000 was recorded in 2021. These gains are recorded in the consolidated statements of activities and changes in net assets in gain on sale of properties, furniture and equipment. New additions in 2022 and 2021 consisted of furniture and equipment of $566,417 and $134,086, respectively. New additions in 2022 and 2021 of leasehold improvements was $45,154 and $0, respectively.

Note 9. Deferred Grant Revenue

IFF's subsidiaries have received grant funds from IHDA and the City of Rockford to help finance various properties. Grant and regulatory agreements restrict the use of the funds, set objectives and requirements for the projects. Grant funds are secured by a non-interest-bearing mortgage on each property. IFF's subsidiaries are required to comply with the terms of the grant and regulatory agreements, and grant amounts are required to be repaid to IHDA or the City of Rockford only upon the occurrence of a default, but otherwise are to be forgiven by IHDA on dates 30 years after property acquisition or by the City of Rockford once real estate taxes matching the grant award are paid to the city. IFF's subsidiaries intend to hold and manage the properties for the 30-year term and tax period and believe there is reasonable assurance that they will meet the terms of the forgiveness which is to hold the properties for the 30-year period and tax period and use the facilities for the disadvantaged; therefore, prior to 2019, IFF's subsidiaries recognized grant amounts as revenue ratably over the expected life of each property, once placed in service and generally in proportion to depreciation expense. With the adoption of ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contribution Made,* in 2019, grant revenue was no longer recognized ratably and remaining amounts (included in deferred revenue) would not be recognized until the end of the tax period or 30-year forgiveness period. Grants received in connection with the program are in effect forgivable loans. The unamortized grant amounts are therefore recorded as a deferred revenue liability on the consolidated statements of financial position. In 2022, the IHDA grant agreement was amended to reflect that the recapture amount (which is the grant amount to be repaid in the event of a default) is to be reduced proportionately over the remaining term of the mortgage, in effect representing forgiveness over the 30-year period. Thus, these grant amounts are now recognized ratably over the remaining life of the property.

In 2022, IFF received conditional grant funds of $1,078,420 from two grantors in which the grant agreements contained conditions and barriers that must be met before the grant can be recognized as revenue. IFF recognized $3,937,706 as grant revenue as qualifying expenses were incurred. This recognition of grant revenue is recorded in the consolidated statements of activities and changes in net assets in loan capital grants or program and operating grants.

In 2021, IFF received conditional grant funds of $398,826 from one other grantor in which the grant agreements contained conditions and barriers that must be met before the grant can be recognized as revenue. IFF recognized $2,770,563 as grant revenue as qualifying expenses were incurred. This recognition of grant revenue is recorded in the consolidated statements of activities and changes in net assets in loan capital grants or program and operating grants.

Note 9. Deferred Grant Revenue (Continued)

Deferred grant revenue at December 31, 2022 and 2021, was comprised of the following:

	IFF	Home First Illinois, LLC	IFF Rockford Market, LLC	Access Peoria, LLC	Neal School Development, LLC	Total
December 31, 2022:						
IHDA deferred grant revenue	$ -	$ 12,614,170	$ -	$ 2,577,638	$ -	$ 15,191,808
City of Rockford deferred grant revenue	-	-	500,000	-	-	500,000
U.S. Treasury - CDFI Fund deferred grant revenue	13,525,000	-	-	-	-	13,525,000
Other grantors deferred grant revenue	2,024,621	-	-	-	600,000	2,624,621
	15,549,621	12,614,170	500,000	2,577,638	600,000	31,841,429
Less accumulated amounts recognized as revenue	(13,049,648)	(2,092,381)	(263,685)	(306,433)	-	(15,712,147)
	$ 2,499,973	$ 10,521,789	$ 236,315	$ 2,271,205	$ 600,000	$ 16,129,282

	IFF	Home First Illinois, LLC	IFF Rockford Market, LLC	Access Peoria, LLC	Neal School Development, LLC	Total
December 31, 2021:						
IHDA deferred grant revenue	$ -	$ 12,614,170	$ -	$ 2,577,638	$ -	$ 15,191,808
City of Rockford deferred grant revenue	-	-	500,000	-	-	500,000
U.S. Treasury - CDFI Fund deferred grant revenue	13,525,000	-	-	-	-	13,525,000
Other grantors deferred grant revenue	1,546,201	-	-	-	-	1,546,201
	15,071,201	12,614,170	500,000	2,577,638	-	30,763,009
Less accumulated amounts recognized as revenue	(9,708,956)	(1,603,520)	(263,685)	(198,280)	-	(11,774,441)
	$ 5,362,245	$ 11,010,650	$ 236,315	$ 2,379,358	$ -	$ 18,988,568

Note 10. Investor Consortium Collateral Trust Notes

IFF entered into borrowing agreements (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, 2022.

Capitalized finance costs, which is a contra-liability amount, consist of legal fees and related costs incurred in acquiring the loans payable. These costs are amortized using the straight-line method over 15 years, which is the term of each Investor Consortium Trust Note. Notes are reported net of the net cost of the financing fees of $172,597 and $159,953 at December 31, 2022 and 2021, respectively. Amortization expense for the years ended December 31, 2022 and 2021, was $18,547 and $25,472, respectively. New finance costs incurred for the years ended December 31, 2022 and 2021, were $31,191 and $18,957, respectively. No retirements were made in 2022. IFF retired $43,669 of fully amortized capitalized finance cost in 2021, as the corresponding investor consortium collateral trust notes were paid off by IFF. Cumulative totals of finance costs, which are those not net of accumulated amortization, are $303,770 and $272,579 for the years ended December 31, 2022 and 2021, respectively.

Note 10. Investor Consortium Collateral Trust Notes (Continued)

Investor Consortium Collateral Trust Notes consisted of the following:

Investor Consortium [(a)] Series	Maturity Date	Interest Rate	Principal Balance at December 31, 2022	Principal Balance at December 31, 2021
Sale 2008-1	10/15/2023	3.000%	$ -	$ 267,462
Sale 2009-1	10/15/2024	3.000%	454,556	790,606
Sale 2010-1	7/15/2025	3.000%	-	373,676
Sale 2012-1	10/15/2027	3.443%	1,162,407	1,963,954
Sale 2013-1	1/15/2029	3.250%	2,338,458	3,292,097
Sale 2014-1	1/15/2030	3.352%	2,382,616	2,908,030
Sale 2015-1	4/15/2030	3.124%	2,121,365	2,527,595
Sale 2015-2	7/15/2030	3.161%	5,237,484	6,166,439
Sale 2016-1	4/15/2031	3.000%	3,873,634	5,277,647
Sale 2016-2	10/15/2031	3.091%	3,343,852	4,983,071
Sale 2016-3	1/15/2032	3.168%	3,373,967	4,593,156
Sale 2017-1	7/15/2032	3.143%	4,096,706	7,962,824
Sale 2017-2	1/15/2033	3.257%	5,622,239	6,600,570
Sale 2018-1	4/15/2033	3.673%	2,673,658	4,832,210
Sale 2018-2	10/15/2033	3.652%	4,273,178	7,570,776
Sale 2019-1	7/15/2034	3.899%	8,848,736	14,850,754
Sale 2019-2	1/15/2035	3.921%	14,501,007	15,770,390
Sale 2021-1	1/15/2036	3.839%	17,209,461	19,001,940
Sale 2021-2	1/15/2037	3.680%	23,022,827	24,314,715
Sale 2022-1	7/15/2037	3.634%	27,617,684	-
Single member Sale 2017-1	11/10/2031	3.000%	5,913,873	6,408,958
Single member Sale 2019-1	7/15/2026	3.180%	5,339,329	5,487,165
Total Investor Consortium collateral trust notes			143,407,037	145,944,035
Less accumulated unamortized financing fees			(172,597)	(159,953)
Total Investor Consortium collateral trust notes, net			$ 143,234,440	$ 145,784,082

(a) Participating banks in the Investor Consortium are Advantage National Bank, American Chartered Bank, Associated Community Development Bank, Barrington Bank and Trust, Beverly Bank and Trust, BMO Harris Bank, Byline Bank, Carrollton Bank, CIBC Bank N.A., Citizens Bank, Commerce Bank, Crystal Lake Bank and Trust, Evergreen Bank Group, Fifth Third Bank CDC, First Bank Chicago, First Eagle Bank, First Merchants Bank, First National Nebraska CDC, First Savings Bank of Hegewisch, Hinsdale Bank and Trust, The Huntington Community Development Corporation, Lake Forest Bank and Trust, Lakeside Bank, Libertyville Bank and Trust, Midland States Bank, Midwest BankCentre, Mission Investment Fund of the Evangelical Lutheran Church in America, MUFG Union Bank, Northbrook Bank and Trust, The Northern Trust Bank, North Shore Community Bank and Trust, Old National Bank, Old Plank Trail Community Bank and Trust, PNC Bank, Providence Bank & Trust, N.A., Simmons Bank, St. Charles Bank and Trust, State Bank of the Lakes, State Farm Mutual, Stifel Bank & Trust, TD Bank, TIAA-CREF Trust Company FSB, Town Bank, Twain XX LLC, US Bank, Village Bank and Trust, Wheaton Bank and Trust, and Wintrust Financial.

Note 10. Investor Consortium Collateral Trust Notes (Continued)

Quarterly contractual repayment of each trust note series is limited to the proceeds of payments on the collateralized IFF loans and a 2% cash reserve held, for each series, by the trustee. A 3% cash reserve is held by the investor in the single member note sale 2017-1. If the balance of the cash reserve falls below 2% for any series or 3% in the single member note sale 2017-1, IFF is required to contribute a portion of its servicing fees to the reserve each quarter until the reserve again reaches the 2% or 3%. As of December 31, 2022 and 2021, all of the reserves were at the required 2 or 3%. 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, 2022 and 2021, was $2,944,843 and $2,988,562 at cost, respectively, which represents fair value.

As of December 31, 2022, the scheduled principal reduction of Investor Consortium collateral trust notes is as follows:

2023	$ 19,450,717
2024	14,288,746
2025	11,755,750
2026	9,580,668
2027	9,764,937
Thereafter	78,566,219
	$ 143,407,037

Undrawn commitments in the Investor Consortium Program at December 31, 2022 and 2021, were $35,706,043 and $26,549,248, respectively.

Note 11. Borrowings, Equity Equivalent Borrowings and Bond Guarantee Program Borrowings

Borrowings and bond guarantee program borrowings indicated with an * are secured by loans and/or other assets of IFF. All other borrowings are unsecured. Equity equivalent borrowings are subordinated to IFF's other borrowings. The interest rate as of December 31, 2022, is listed for borrowings where the Annual Rate is a variable. Per the borrowing agreements, if the interest payment date or maturity date is on a Saturday, Sunday, or public holiday, then such payment may be made on the next succeeding business day.

Capitalized finance costs, which is a contra liability amount, consist of legal fees and related costs incurred in acquiring the loans payable. These costs are amortized using the straight-line method over 3 to 25 years, depending on the term of the related loans payable. Borrowings are reported net of the net cost of the financing fees of $167,826 and $167,843 at December 31, 2022 and 2021, respectively. Amortization expense for the years ended December 31, 2022 and 2021, was $27,691 and $29,405, respectively. New finance costs incurred for the years ended December 31, 2022 and 2021, was $27,674 and $18,330, respectively. There were no retirements of capitalized finance costs in 2022. IFF retired $39,674 of fully amortized capitalized finance cost in 2021 as the corresponding borrowings and equity equivalent borrowings were paid off by IFF. Cumulative totals of finance costs, which are those not net of accumulated amortization, are $268,479 and $240,805 for the years ended December 31, 2022 and 2021, respectively.

Note 11. Borrowings, Equity Equivalent Borrowings and Bond Guarantee Program Borrowings (Continued)

IFF borrowings consisted of the following:

Lender	Maturity Date	Scheduled Repayments Principal Amount	Principal Due	Interest Annual Rate	Interest Due	Principal Balance at December 31, 2022	Principal Balance at December 31, 2021
Advocate Aurora Health, Inc	4/15/2026	Balance	Maturity	2.000%	Quarterly	$ 5,000,000	$ 5,000,000
Ann Arbor Area Community Foundation	1/21/2026	Balance	Maturity	1.500%	Semi-annually	490,000	490,000
ARC Chicago, LLC (Benefit Chicago)	8/3/2027	$ 1,650,000 1,650,000 1,700,000	8/3/2025 8/3/2026 8/3/2027	3.000%	Quarterly	5,000,000	5,000,000
ARC Chicago, LLC (Benefit Chicago)	11/1/2029	$ 3,300,000 3,300,000 3,400,000	11/1/2027 11/1/2028 11/1/2029	3.000%	Quarterly	10,000,000	10,000,000
American Medical Association	1/13/2025	Balance	Maturity	2.500%	Quarterly	1,000,000	1,000,000
Bank of America	12/15/2023	$ 1,500,000 1,125,820	12/15/2022 12/15/2023	1.000%	Quarterly	1,125,820	2,625,820
*Bank of America	5/28/2035	$ 2,000,000	Annually Starting 1/1/2031	2.000%	Quarterly	10,000,000	10,000,000
*Bank of America	12/21/2035	$ 800,000	Annually Starting 1/1/2031	1.730%	Quarterly	4,000,000	4,000,000
The Blowitz-Ridgeway Foundation	6/30/2022	$ 5,000	Quarterly	2.750%	Quarterly	-	10,000
The Blowitz-Ridgeway Foundation	9/30/2023	$ 5,000	Quarterly	2.750%	Quarterly	15,000	35,000
The Blowitz-Ridgeway Foundation	8/31/2024	$ 5,000	Quarterly	2.750%	Quarterly	30,000	50,000
The Blowitz-Ridgeway Foundation	9/30/2025	$ 5,000	Quarterly	2.750%	Quarterly	55,000	75,000
The Blowitz-Ridgeway Foundation	9/30/2026	$ 5,000	Quarterly	2.400%	Quarterly	75,000	95,000
The Blowitz-Ridgeway Foundation	9/30/2027	$ 5,000	Quarterly	2.400%	Quarterly	95,000	-
JPMorgan Chase Bank	9/10/2025	$ 1,500,000	Monthly starting 12/5/2022	2.698%	Monthly	30,000,000	30,000,000
The Chicago Community Foundation	10/1/2024	Balance	Maturity	2.000%	Quarterly	300,000	300,000
		Total carried forward				67,185,820	68,680,820

Note 11. Borrowings, Equity Equivalent Borrowings and Bond Guarantee Program Borrowings (Continued)

Lender	Maturity Date	Scheduled Repayments – Principal – Amount	Scheduled Repayments – Principal – Due	Scheduled Repayments – Interest – Annual Rate	Scheduled Repayments – Interest – Due	Principal Balance at December 31, 2022	Principal Balance at December 31, 2021
		Total brought forward				$ 67,185,820	$ 68,680,820
Commonspirit Health Operating Investment Pool, LLC	10/31/2029	$ 500,000	Quarterly starting 12/31/2027	2.500%	Quarterly	5,000,000	-
Community First Fund Federal Home Loan Bank	10/8/2024	Balance	Maturity	2.350%	Monthly	10,000,000	10,000,000
*Federal Home Loan Bank	5/30/2023	Balance	Maturity	2.640%	Monthly	2,000,000	2,000,000
*Federal Home Loan Bank	8/25/2031	Balance	Maturity	2.570%	Monthly	5,000,000	5,000,000
*Federal Home Loan Bank	7/23/2024	Balance	Maturity	2.050%	Monthly	3,500,000	3,500,000
*Federal Home Loan Bank	7/24/2034	Balance	Maturity	2.870%	Monthly	3,500,000	3,500,000
Max M. & Majorie S. Fisher Foundation	1/13/2025	Balance	Maturity	1.000%	Semi-annually	500,000	500,000
Grand Haven Area Community Foundation	4/23/2026	Balance	Maturity	2.000%	Semi-annually	1,500,000	1,500,000
Grand Rapids Community Foundation	1/13/2025	Balance	Maturity	2.750%	Semi-annually	500,000	500,000
Goldman Sachs Social Impact Fund, LP	8/2/2023	Per schedule	Maturity	5.000%	Per schedule	5,612,421	5,612,421
Illinois Housing Development Authority	4/1/2033	To be forgiven	1/15 of Balance Annually starting 4/1/2019	None	NA	1,960,699	2,150,444
Illinois Housing Development Authority	6/1/2054	$ 744 131,795	Monthly to be forgiven annually	None	NA	2,547,547	-
Illinois Housing Development Authority	6/1/2055	$1,200 or greater of 25% Surplus Cash	Annually	None	NA	1,085,830	-
W.K. Kellogg Foundation	7/31/2030	Balance	Maturity	1.000%	Quarterly	1,500,000	1,500,000
The Kresge Foundation	4/30/2022	Per schedule	Quarterly	3.000%	Quarterly	-	312,043
The Kresge Foundation	9/27/2026	Per schedule	Quarterly	2.000%	Quarterly	3,000,000	3,000,000
Ann & Robert H. Lurie Children's Hospital of Chicago	12/13/2023	Balance	Maturity	2.500%	Quarterly	130,000	130,000
Mercy Investment Services, Inc.	12/31/2023	Balance	Maturity	2.500%	Quarterly	1,500,000	1,500,000
		Total carried forward				116,022,317	109,385,728

Note 11. Borrowings, Equity Equivalent Borrowings and Bond Guarantee Program Borrowings (Continued)

		Scheduled Repayments					
		Principal		Interest			
Lender	Maturity Date	Amount	Due	Annual Rate	Due	Principal Balance at December 31, 2022	Principal Balance at December 31, 2021
		Total brought forward				$ 116,022,317	$ 109,385,728
Missionary Sisters of the Sacred Heart	4/1/2025	Balance	Maturity	3.000%	Quarterly	250,000	250,000
The Northern Trust Company	12/31/2027	Per schedule	Maturity	2.000%	Per schedule	4,044,422	4,082,795
The Northern Trust Company	8/7/2022	Balance	Maturity	0.250%	Semi-annually	-	5,000,000
The Northern Trust Company	6/25/2026	Balance	Maturity	2.000%	Semi-annually	4,500,000	4,500,000
The Northern Trust Company	11/19/2026	Balance	Maturity	2.000%	Semi-annually	5,000,000	5,000,000
Opportunity Finance Network	3/31/2025	Balance	Maturity	3.000%	Quarterly	3,750,000	3,750,000
Opportunity Finance Network	3/31/2031	Balance	Maturity	3.000%	Quarterly	10,000,000	10,000,000
PNC Bank	2/8/2022	Balance	Maturity	2.775%	Monthly	-	4,000,000
PNC Bank	4/1/2031	$ 500,000	Quarterly starting 4/5/2026	1.838%	Quarterly	10,000,000	10,000,000
Pritzker Family Foundation	12/31/2027	Per schedule	Maturity	5.000%	Per schedule	3,924,020	3,924,020
Religious Communities Impact Fund, Inc.	3/15/2023	Balance	Maturity	3.000%	Quarterly	300,000	300,000
Rotary Charities of Traverse City	6/25/2023	Balance	Maturity	2.000%	Semi-annually	500,000	500,000
Rush University Medical Center	12/13/2023	Balance	Maturity	2.500%	Quarterly	130,000	130,000
Rush University Medical Center	8/22/2024	Balance	Maturity	2.000%	Quarterly	1,000,000	1,000,000
Rush University Medical Center	1/13/2025	Balance	Maturity	2.500%	Quarterly	2,000,000	2,000,000
Seton Enablement Fund	4/1/2023	Per schedule	Semi-annually	3.000%	Semi-annually	13,330	39,401
Sinsinawa Dominicans Inc.	6/30/2024	Balance	Maturity	2.000%	Annually	30,000	30,000
Sisters of Saint Dominic, Congregation of the Most Holy Rosary of Adrian, MI	8/15/2023	Balance	Maturity	2.000%	Quarterly	250,000	250,000
Starbucks Corporation	6/30/2027	$ 1,125,000	Annually Starting 6/30/2025	2.000%	Annual	3,375,000	3,375,000
		Total carried forward				165,089,089	167,516,944

Note 11. Borrowings, Equity Equivalent Borrowings and Bond Guarantee Program Borrowings (Continued)

		Scheduled Repayments					
		Principal		Interest		Principal Balance at	Principal Balance at
Lender	Maturity Date	Amount	Due	Annual Rate	Due	December 31, 2022	December 31, 2021
		Total brought forward				$ 165,089,089	$ 167,516,944
Starbucks Corporation	1/5/2032	Balance	Maturity	2.250%	Semi-annually	3,000,000	-
Trinity Health	6/30/2024	Balance	Maturity	2.500%	Quarterly	1,000,000	1,000,000
University of Chicago	1/1/2025	Balance	Maturity	2.000%	Quarterly	300,000	-
U.S. Bank N.A.	10/5/2023	$ 119,048	Monthly starting 11/1/2021	4.750%	Monthly	7,333,333	8,761,905
U.S. Bank N.A.	8/2/2024	$ 119,048	Monthly starting 9/1/2022	3.620%	Monthly	8,523,809	9,000,000
U.S. Bank N.A.	6/3/2025	$ 83,333	Monthly starting 6/1/2023	2.260%	Monthly	7,000,000	7,000,000
Walton Family Foundation	12/31/2025	$ 4,000,000	Maturity	None	N/A	4,000,000	4,000,000
Walton Family Foundation	12/31/2025	$ 3,000,000	Maturity	None	N/A	3,000,000	3,000,000
Walton Family Foundation	12/31/2025	$ 1,000,000	Maturity	None	N/A	1,000,000	1,000,000
Wells Fargo Bank, N.A.	8/2/2030	$ 500,000	Quarterly starting 10/1/2028	2.50000%	Quarterly	4,000,000	4,000,000
Wisconsin Preservation Fund	10/1/2024	Balance	Maturity	None	N/A	75,000	75,000
Woodforest National Bank	6/5/2023	Balance	Maturity	3.000%	Quarterly	2,300,000	2,300,000
Youthbridge Community Foundation	3/31/2023	Balance	Maturity	3.000%	Quarterly	250,000	250,000
Total borrowings						206,871,231	207,903,849
Less accumulated unamortized financing fees						(115,692)	(112,744)
Total borrowings, net						$ 206,755,539	$ 207,791,105

Note 11. Borrowings, Equity Equivalent Borrowings and Bond Guarantee Program Borrowings (Continued)

IFF equity equivalent borrowings consisted of the following:

		Scheduled Repayments					
		Principal		Interest			
Lender	Maturity Date	Amount	Due	Annual Rate	Due	Principal Balance at December 31, 2022	Principal Balance at December 31, 2021
The Benedictine Sisters of Chicago	3/17/2024	Balance	Maturity	3.000%	Quarterly	$ 100,000	$ 100,000
Benedictine Sisters of the Sacred Heart	8/15/2023	Balance	Maturity	None	NA	50,000	50,000
BMO Harris Bank	10/1/2028	Balance	Maturity	3.000%	Quarterly	1,750,000	1,750,000
Cathay Bank	10/14/2023	Balance	Maturity	3.250%	Quarterly	500,000	500,000
Citizens Bank, N.A.	11/1/2025	Balance	Maturity	2.000%	Semi-annually	3,000,000	3,000,000
Congregation of the Sisters of St. Joseph, Inc.	7/1/2023	Balance	Maturity	0.750%	Quarterly	100,000	100,000
Evergreen Bank Group	3/8/2022	Balance	Maturity	3.000%	Quarterly	-	500,000
First Savings Bank of Hegewisch	8/30/2024	Balance	Maturity	3.000%	Quarterly	400,000	400,000
Goldman Family Foundation	12/31/2024	Balance	Maturity	1.000%	Quarterly	500,000	500,000
Greater Cincinnati Foundation	10/5/2032	Balance	Maturity	3.250%	Quarterly	1,000,000	-
Institute of the Blessed Virgin Mary	4/30/2023	Balance	Maturity	3.000%	Quarterly	100,000	100,000
MacArthur Foundation	1/1/2022	Balance	Maturity	3.000%	Quarterly	-	250,000
MacArthur Foundation	1/1/2022	Balance	Maturity	3.000%	Quarterly	-	1,000,000
MacArthur Foundation	1/1/2022	Balance	Maturity	3.000%	Quarterly	-	1,000,000
Marquette Bank	5/31/2024	Balance	Maturity	2.000%	Quarterly	200,000	200,000
Risa & Timothy McMahon	4/1/2026	Balance	Maturity	2.650%	Quarterly	200,000	200,000
Mount St. Scholastica	12/22/2025	Balance	Maturity	None	NA	50,000	50,000
Nazareth Literacy Benevolent Institution/ dba Sisters of Charity of Nazareth	11/6/2023	Balance	Maturity	0.500%	Quarterly	150,000	150,000
North Shore Bank FSB	5/1/2023	Balance	Maturity	3.000%	Quarterly	50,000	50,000
Opus Foundation	6/10/2027	$ 250,000	Annually starting 6/30/2024	2.250%	Quarterly	1,000,000	1,000,000
		Total carried forward				9,150,000	10,900,000

Note 11. Borrowings, Equity Equivalent Borrowings and Bond Guarantee Program Borrowings (Continued)

		Scheduled Repayments				Principal	Principal
		Principal		Interest		Balance at	Balance at
Lender	Maturity Date	Amount	Due	Annual Rate	Due	December 31, 2022	December 31, 2021
		Total brought forward				$ 9,150,000	$ 10,900,000
St. Viator High School	4/27/2027	Balance	Maturity	3.000%	Quarterly	150,000	150,000
St. Viator High School	6/15/2023	Balance	Maturity	3.000%	Quarterly	150,000	150,000
Sisters of Charity of Leavenworth	1/16/2023	Balance	Maturity	None	NA	50,000	50,000
Sisters of Most Precious Blood/St. Mary's Institute of O'Fallon	9/27/2023	Balance	Maturity	0.500%	Quarterly	50,000	50,000
Sisters of Most Precious Blood/St. Mary's Institute of O'Fallon	2/14/2025	Balance	Maturity	0.500%	Quarterly	200,000	50,000
Sisters of St. Francis Clinton, Iowa	1/1/2023	Balance	Maturity	1.000%	Quarterly	150,000	150,000
Sisters of St. Francis Clinton, Iowa	6/5/2023	Balance	Maturity	1.000%	Quarterly	50,000	50,000
Sisters of St. Francis Clinton, Iowa	6/1/2027	Balance	Maturity	2.650%	Quarterly	100,000	100,000
Sisters of St. Joseph of Carondelet	6/30/2024	Balance	Maturity	3.000%	Quarterly	50,000	50,000
Sisters of the Holy Names of Jesus and Mary U.S. - Ontario Province Corporation	5/1/2025	Balance	Maturity	2.000%	Quarterly	250,000	250,000
Sisters, Servants of the Immaculate Heart of Mary	3/3/2025	Balance	Maturity	2.000%	Quarterly	50,000	50,000
U.S. Bancorp CDC	10/4/2024	Balance	Maturity	3.000%	Quarterly	2,000,000	2,000,000
Village Bank & Trust	9/19/2024	Balance	Maturity	3.250%	Quarterly	1,000,000	1,000,000
Wells Fargo Community Investment Holdings, LLC	6/19/2030	$ 125,000	Quarterly starting 10/1/2028	2.000%	Quarterly	1,000,000	1,000,000
Wells Fargo Community Investment Holdings, LLC	12/18/2025	Balance	Maturity	2.500%	Quarterly	5,000,000	5,000,000
Total equity equivalent borrowings						$ 19,400,000	$ 21,000,000

Note 11. Borrowings, Equity Equivalent Borrowings and Bond Guarantee Program Borrowings (Continued)

		Scheduled Repayments				Principal Balance at December 31,	Principal Balance at December 31,
		Principal		Interest			
Lender	Maturity Date	Amount	Due	Annual Rate	Due	2022	2021
IFF Bond Guarantee Program borrowings consist of:							
*U.S. Treasury CDFI Fund	6/15/2040	Per schedule	Quarterly	2.829%	Quarterly	$ 4,209,985	$ 4,393,537
*U.S. Treasury CDFI Fund	9/17/2040	Per schedule	Quarterly	2.720%	Quarterly	4,950,919	5,165,252
*U.S. Treasury CDFI Fund	3/15/2041	Per schedule	Quarterly	2.110%	Quarterly	2,528,551	2,641,034
*U.S. Treasury CDFI Fund	9/16/2041	Per schedule	Quarterly	2.381%	Quarterly	2,622,049	2,731,794
*U.S. Treasury CDFI Fund	9/16/2041	Per schedule	Quarterly	2.950%	Quarterly	4,071,447	4,231,920
*U.S. Treasury CDFI Fund	9/15/2042	Per schedule	Quarterly	2.738%	Quarterly	1,342,964	1,393,603
Total Bond Guarantee Program borrowings						19,725,915	20,557,140
Less accumulated unamortized financing fees						(52,134)	(55,099)
Total Bond Guarantee Program borrowings, net						$ 19,673,781	$ 20,502,041

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, 2022 and 2021.

As of December 31, 2022, the required principal reduction of all the above borrowings is as follows:

2023	$ 32,745,132
2024	36,525,630
2025	53,329,650
2026	23,255,951
2027	10,170,860
Thereafter	89,969,923
	$ 245,997,146

Included in this amount is $1,960,699 of borrowings from IHDA who provided financing for the Community Living Initiatives, LLC's group homes. These interest-free loans are expected to be forgiven at various times through April 2034. Also included in this amount is $2,547,547 of borrowings from IHDA who provided financing for the Access Heatlh & Housing, LLC's homes. These interest-free loans are expected to be forgiven at various times through June 2054.

Undrawn commitments at December 31, 2022 and 2021, were $28,313,200 and $13,213,613, respectively.

Note 12. Loan Participations Payable

IFF entered into participation agreements with Nonprofits Assistance Fund (NAF), Cincinnati Development Fund (CDF), Partners for the Common Good (PCG), and Chicago Community Loan Fund (CCLF) with respect to underlying notes, in which one of the partners 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 the partner's participation interest in the loan. All of the participations were repaid in 2022. The current balance of the loans receivable as of December 31, 2021 was $1,877,457. IFF loan participations payable consisted of the following:

		Scheduled Repayments				Principal	Principal
		Principal		Interest		Balance at	Balance at
Lender	Maturity Date	Amount	Due	Annual Rate	Due	December 31, 2022	December 31, 2021
Cincinnati Development Fund	1/1/2022	Per schedule & Balance at Maturity	Monthly	5.375%	Monthly	$ -	$ 1,112
Cincinnati Development Fund	5/1/2022	Per schedule & Balance at Maturity	Monthly	5.375%	Monthly	-	16,662
Partners for the Common Good	1/1/2023	Per schedule & Balance at Maturity	Quarterly	7.000%	Quarterly	-	116,800
Chicago Community Loan Fund	1/1/2023	Per schedule & Balance at Maturity	Quarterly	7.125%	Quarterly	-	175,200
Total loan participations payable						$ -	$ 309,774

Note 13. Operating Leases

Accounting Standards Codification (ASC) 842, Leases (ASC 842) establishes a right of use model that requires a lessee to record a right of use asset and a lease liability for all leases with terms longer than 12 months. IFF adopted this codification effective January 1, 2022. IFF is obligated under leases for its Chicago office spaces (through July 2024 and September 2030), Cleveland office space starting in March 2023 (through April 2028), Columbus office space (through July 2025), Detroit office space (through August 2027), Grand Rapids office space (through May 2031), Indianapolis office space (through May 2024), Kansas City office space (through May 2025), and St. Louis office space (through June 2024), which provides for base rentals (recognized on a straight-line basis) plus a prorated share of real estate taxes and operating expenses. The Milwaukee office space lease ended December 31, 2022 and was not renewed.

IFF has recorded a right of use asset of $7,312,740 as of December 31, 2022 and is included in right of use assets on the consolidated statements of financial position. A lease liability of $8,556,831 was recorded for the year ended December 31, 2022 and is included in the lease liabilities on the consolidated statements of financial position. A deferred rent liability, representing the cumulative amount by which rental expense recognized exceeds cash paid, totaled $1,346,742 at December 31, 2021, and is included in accrued liabilities on the consolidated statements of financial position.

Note 13. Operating Leases (Continued)

At December 31, 2022, the weighted average remaining lease term was 86 months and the weighted-average discount rate used in the measurement was 2.85%. IFF utilized its 2022 weighted rate incremental borrowing rate for the calculation.

At December 31, 2022, future minimum lease payments (base rentals) by year are as follows:

2023	$ 1,395,522
2024	1,377,435
2025	1,296,752
2026	1,274,904
2027	1,208,208
Thereafter	2,935,327
Total undiscounted lease payments	9,488,148
Less: present value discount	(931,317)
Net lease liabilities	$ 8,556,831

The total rent expense for the years ended December 31, 2022 and 2021, was as follows:

	2022	2021
Chicago, net of sub-lease revenue	$ 937,315	$ 929,460
Columbus	37,346	36,570
Detroit, net of sub-lease revenue	248,351	258,709
Grand Rapids	32,726	2,600
Indianapolis	58,643	60,545
Kansas City	48,552	48,552
Milwaukee, net of sub-lease revenue	24,908	36,921
St. Louis	29,790	23,569
	$ 1,417,631	$ 1,396,926

Note 14. Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2022 and 2021, were available for the following purposes:

	2022	2021
Department of Education Grant for Credit Enhancement	$ 20,481,112	$ 20,317,445
Loan issuance	15,856,877	20,178,966
Grants for Specific Programs	23,387,257	23,795,374
	$ 59,725,246	$ 64,291,785

Department of Education Grant for Credit Enhancement involves those funds received from the Department of Education restricted for the credit enhancement program activities, see Note 3.

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 revenue with donor restrictions, and are released from restrictions when IFF records loan provisions (allowance for loan losses) or disburses qualified loans, depending on the specific grant. Release from restrictions are reversed when there are recoveries or reductions in loan provisions. Grant amounts received which are not yet utilized are included in net assets with donor restrictions, listed above as Loan issuance.

Grants for specific programs are restricted to cover program delivery expenses and general operating functions of IFF, which could include salary and benefits, program costs, overhead and other expenses. These net assets may be restricted for the program delivery expenses of a particular program or may be general operating support which carries a time restriction. Grant for Specific Programs are as follows at December 31, 2022 and 2021:

	2022	2021
Net assets with donor restrictions for specific programs:		
Core Business Solutions		
Capital Solution Programs	$ 323,363	$ 382,100
Core Business Executive	3,000	-
Real Estate Solutions Programs	2,566,275	1,767,390
Social Impact Accelerator (SIA)		
Development	4,260,782	5,303,058
Early Childhood Services	4,123,781	5,180,410
Research and Evaluation	9,695,652	11,026,692
School Services	5,150	14,225
SIA Executive	25,000	10,500
Hope Starts Here	2,384,254	-
Corporate Communications	-	110,999
	$ 23,387,257	$ 23,795,374

Note 14. Net Assets with Donor Restrictions (Continued)

In 2022 and 2021, net assets were released from donor restrictions by incurring expenses satisfying the purpose or expiration of time restrictions as follows:

	2022	2021
Net assets released from restrictions:		
Time and performance restrictions (operating)	$ 4,821,780	$ 2,705,806
Performance restrictions - Pass through Grants (operating)	23,346,854	24,320,309
Loan capital grants (capital)	5,123,605	3,099,985
Increase (Decrease) to provision for loan losses (capital)	2,903,091	(826,809)
	$ 36,195,330	$ 29,299,291

Note 15. 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 contributions for the years ended December 31, 2022 and 2021, were $513,577 and $572,419, respectively.

Note 16. Functional Expense Classifications

The costs of providing program and other activities have been summarized below on a functional basis. The schedule below presents the natural classification of expenses by function, including supporting services. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that cannot be directly attributed to a specific program area are charged to individual program areas based on the most appropriate allocation base. IFF bases the allocation of these expenses on a full time equivalent (FTE) count and for personnel costs, on the basis of the employee's time dedicated to each program. Core Business Solutions programs include Core Solutions Executive, Capital Solutions (lending) and Real Estate Solutions (consulting). Social Impact Accelerator (SIA) programs include Development, Early Childhood Services, Hope Starts Here, Research and Evaluation, School Services, SIA Executive and Universal Access.

Note 16. Functional Expense Classifications (Continued)

IFF's expenses without donor restrictions for the years ended December 31, 2022 and 2021, reported on a functional basis are as follows:

	Program Services				Support Services			
	Core Business Solutions	SIA	External Affairs and Corporate Communication	Total Program Services	Management and General	Resource Development (fundraising)	Total Support Services	Total
December 31, 2022:								
Salaries and benefits	$ 9,726,525	$ 4,468,919	$ 566,917	$ 14,762,361	$ 1,071,469	$ 273,466	$ 1,344,935	$ 16,107,296
Professional fees	993,711	2,280,886	232,412	3,507,009	215,639	22,864	238,503	3,745,512
Occupancy and office	999,410	820,660	50,759	1,870,829	522,788	49,128	571,916	2,442,745
Printing and marketing	36,404	26,908	25,711	89,023	10,864	959	11,823	100,846
Interest	10,946,289	12,500	-	10,958,789	-	-	-	10,958,789
Other operating	807,984	196,662	48,800	1,053,446	203,672	18,446	222,118	1,275,564
Pass through grants	125,236	23,221,618	-	23,346,854	-	-	-	23,346,854
Meetings and travel	425,331	229,161	14,633	669,125	90,818	8,013	98,831	767,956
Depreciation and amortization	242,538	1,091,859	9,981	1,344,378	113,122	9,981	123,103	1,467,481
Gain on sale of foreclosed assets	(33,329)	-	-	(33,329)	-	-	-	(33,329)
Gain on sale of properties, furniture and equipment	-	(12,161)	-	(12,161)	-	-	-	(12,161)
Total expenses (operating)	24,270,099	32,337,012	949,213	57,556,324	2,228,372	382,857	2,611,229	60,167,553
Provision for loan losses	2,903,091	-	-	2,903,091	-	-	-	2,903,091
Total expenses	$ 27,173,190	$ 32,337,012	$ 949,213	$ 60,459,415	$ 2,228,372	$ 382,857	$ 2,611,229	$ 63,070,644

	Program Services				Support Services			
	Core Business Solutions	SIA	External Affairs and Corporate Communication	Total Program Services	Management and General	Resource Development (fundraising)	Total Support Services	Total
December 31, 2021:								
Salaries and benefits	$ 9,001,641	$ 4,594,522	$ 557,207	$ 14,153,370	$ 1,310,594	$ 280,034	$ 1,590,628	$ 15,743,998
Professional fees	3,316,086	868,063	155,681	4,339,830	124,017	14,893	138,910	4,478,740
Occupancy and office	931,706	1,040,485	46,685	2,018,876	483,313	46,050	529,363	2,548,239
Printing and marketing	16,481	7,652	37,431	61,564	5,655	793	6,448	68,012
Interest	10,744,491	15,000	-	10,759,491	-	-	-	10,759,491
Other operating	749,363	328,809	28,306	1,106,478	191,315	17,162	208,477	1,314,955
Provisions for foreclosed assets	400,000	-	-	400,000	-	-	-	400,000
Pass through grants	845,736	23,405,713	31,500	24,282,949	-	-	-	24,282,949
Meetings and travel	137,169	141,513	7,107	285,789	54,636	4,821	59,457	345,246
Depreciation and amortization	215,792	1,099,211	8,464	1,323,467	95,921	8,464	104,385	1,427,852
Gain on sale of foreclosed assets	(308,151)	-	-	(308,151)	-	-	-	(308,151)
Gain on sale of properties, furniture and equipment	-	(54,008)	-	(54,008)	(2,000)	-	(2,000)	(56,008)
Income tax benefit	-	-	-	-	(5,239)	-	(5,239)	(5,239)
Total expenses (operating)	26,050,314	31,446,960	872,381	58,369,655	2,258,212	372,217	2,630,429	61,000,084
Release of loan losses	(826,809)	-	-	(826,809)		-	-	(826,809)
Total expenses	$ 25,223,505	$ 31,446,960	$ 872,381	$ 57,542,846	$ 2,258,212	$ 372,217	$ 2,630,429	$ 60,173,275

Note 17. Liquidity and Availability of Financial Resources

Financial assets available for general operating use within one year of the consolidated statement of financial position date, comprise the following for years ended December 31, 2022 and 2021:

	2022	2021
Cash and cash equivalents	$ 32,566,931	$ 66,613,374
Current portion of grants receivable, other receivables, prepaids and deposits	14,915,678	11,462,487
Current portion of loans receivable	52,277,569	47,413,146
Accrued interest receivable	2,268,511	2,149,706
	102,028,689	127,638,713
Less amounts not available to be used within one year:		
Net assets with donor restrictions - loan issuance	(15,856,877)	(20,178,966)
	$ 86,171,812	$ 107,459,747

A portion of the financial assets above include certain amounts restricted by donors for various purposes which uses are considered by the Organization to be part of its general expenditures.

As part of IFF’s internal cash management process, IFF aims to maintain operating liquidity balances of at least three months of operating expenses. In addition, IFF regularly monitors the availability of resources required to manage liquidity, using a rolling six-month cash reconciliation and forecast model encompassing, but not limited to, operating expenses, loan disbursements projections, debt servicing requirements, including maturing borrowings, and incoming loan principal and interest payments.

The cash reconciliation and forecasting model helps to support the management of the timing and use of commitments available to IFF, including its Investor Consortium note issuance program. This report is reviewed bi-monthly by management to manage liquidity judiciously.

This is further supported by IFFs annual budgeting process and five year forecast which project financing activity with detailed deployment and capital assumptions.

To supplement liquidity for mission related financing, IFF currently has available undrawn commitments totaling $64,019,243 as of December 31, 2022 (Notes 10 and 11).

Other sources of liquidity include participation strategy. When considering larger loans, IFF will engage other CDFIs and organizations to participate in co-lending arrangements.

Note 18. 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:

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, 2022			
	Totals	Level 1	Level 2	Level 3
Investment in limited liability companies	$ 221,667	$ -	$ -	$ 221,667
	$ 221,667	$ -	$ -	$ 221,667

	Fair Value Measurements at December 31, 2021			
	Totals	Level 1	Level 2	Level 3
Investment in limited liability companies	$ 225,301	$ -	$ -	$ 225,301
	$ 225,301	$ -	$ -	$ 225,301

As of December 31, 2022 and 2021, there were no transfers between the levels.

Note 18. Fair Value of Financial Instruments (Continued)

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 Level 3 in the fair value hierarchy.

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, 2022			
	Totals	Level 1	Level 2	Level 3
Assets				
Impaired loans	$ 12,906,493	$ -	$ -	$ 12,906,493
Foreclosed assets	2,295,000	-	-	2,295,000
	$ 15,201,493	$ -	$ -	$ 15,201,493

	Fair Value Measurements at December 31, 2021			
	Totals	Level 1	Level 2	Level 3
Assets				
Impaired loans	$ 12,365,839	$ -	$ -	$ 12,365,839
Foreclosed assets	1,941,289	-	-	1,941,289
	$ 14,307,128	$ -	$ -	$ 14,307,128

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, 2022 and 2021, 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 and 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 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 19. Concentration of Credit Risk

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

Approximately 41% and 38% of IFF's borrowers are located in the Chicago metropolitan area as of December 31, 2022 and 2021, respectively. A breakdown of the sector of borrowers at December 31, 2022 and 2021, were comprised of the following:

	2022		2021	
Affordable housing	$ 127,466,083	28%	$ 109,352,923	25%
Charter school	88,021,554	19%	93,958,518	22%
Community development	37,070,665	8%	15,841,014	4%
Education - other	27,879,785	6%	24,804,206	6%
Arts and culture	27,820,933	6%	11,111,638	3%
Health care	27,197,785	6%	36,833,481	9%
Multi-service	21,648,822	5%	29,480,501	7%
Other	18,486,385	4%	34,729,795	8%
Youth services	14,904,963	3%	14,070,112	3%
Education - private (non charter)	14,402,705	3%	5,721,298	1%
Housing (other)	10,734,703	3%	10,882,964	2%
Workforce development (job training)	10,726,419	3%	10,763,485	2%
Universal access services	10,715,144	3%	12,710,282	3%
Early childhood education (child care)	8,862,610	2%	11,722,788	3%
Healthy foods	4,912,244	1%	7,766,813	2%
	$ 450,850,800	100%	$ 429,749,818	100%

Note 20. Limited Liability Companies

New Markets Tax Credit LLCs:

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, $50,000,000 allocation in 2015, and an $80,000,000 allocation in 2016, and a $50,000,000 allocation in 2021. IFF also received a $5,000,000 Illinois New Markets Tax Credit in 2015 and a $1,000,000 Ohio New Markets Tax Credit in 2022. Upon receiving these allocations, various for-profit limited liability companies (New Markets Tax Credit LLCs) were established to facilitate the New Markets Tax Credit Program. As of December 31, 2022 all of the allocations have been allocated except for $15,425,000 of the 2021 allocation. It is expected that this remaining allocation will be allocated in 2023.

IFF is the managing member and has a stated ownership interest of .01% to .10% in these New Markets Tax Credit LLCs. IFF’s investment in these LLCs are recorded in the consolidated statements of financial position in other assets. As of December 31, 2022 and 2021, IFF’s ownership value in these New Markets Tax Credit LLCs was $12,942 and $16,842, respectively.

Note 20. Limited Liability Companies (Continued)

IFF provides certain asset management and compliance oversight services to the New Markets Tax Credit LLCs, as provided in the respective operating agreements. IFF receives management fees from these New Markets Tax Credit LLCs and these are recorded on the consolidated statements of activities and changes in net assets in management and sponsor fees. The total of this revenue for 2021 and 2020 was $904,899 and $1,003,250, respectively. IFF receives a syndication fee when the tax credits are allocated out and these are recorded on the consolidated statements of activities and changes in net assets in syndication fees. The total of this revenue for 2022 and 2021 was $1,183,000 and $200,000, respectively.

As managing member in the New Markets 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, 2022 and 2021, no liability is recorded because of such event.

Access Housing I, LLC:

In 2015, Access Housing I, LLC (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.

IFF is the managing member and has a stated ownership interest of .01% in Access Housing I, LLC. IFF's investment is recorded in the consolidated statements of financial position in other assets. As of December 31, 2022 and 2021, IFF's ownership value in this LLC was $208,402 and $208,159, respectively.

IFF provides certain services to the LLC, as provided in the operating agreement. For the years ended December 31, 2022 and 2022, IFF received a developer fee of $98,958 and $83,093, respectively. This fee income is recorded on the consolidated statements of activities and changes in net assets in developer fees. For the years ended December 31, 2022 and 2021, IFF received a management fee of $9,390 and $9,117, respectively. This fee income is recorded on the consolidated statements of activities and changes in net assets in management and sponsor fees.

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, 2022 and 2021, no liability is recorded because of such event.

Access West Cook I, LLC:

In 2018, Access Housing I, LLC (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 50 units of integrated rental housing for people with disabilities, referred via the State Referral Network. The project combines new construction and rehabilitation on foreclosed sites.

IFF is the managing member and has a stated ownership interest of 0.01% in Access West Cook I, LLC. IFF's investment is recorded in the consolidated statements of financial position in other assets. As of December 31, 2022, IFF's ownership value in this LLC was $323. There was no investment recorded in 2021.

Note 20. Limited Liability Companies (Continued)

IFF provides certain services to the LLC, as provided in the operating agreement. For the years ended December 31, 2022 and 2021, IFF received a developer fee of $116,863 and $684,119, respectively. This fee income is recorded on the consolidated statements of activities and changes in net assets in developer fees. For the years ended December 31, 2022 and 2021, IFF received a management fee of $6,684 and $6,489, respectively. This fee income is recorded on the consolidated statements of activities and changes in net assets in management and sponsor fees.

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, 2022 and 2021, no liability is recorded because of such event.

Access South Cook I, LLC:

In 2022, Access South Cook I, LLC (LLC) was created for a future Low-Income Housing Tax Credit (LIHTC) deal. There was no activity in this LLC for 2022.

Supplementary Information

IFF and Subsidiaries

Consolidating Statement of Financial Position
December 31, 2022
(See Independent Auditor's Report)

	IFF*	IFF Pay for Success I, LLC	IFF Pay for Success II, LLC	Combined Development LLCs	Eliminations	Consolidated
Assets						
Cash and cash equivalents	$ 27,109,440	$ 258,432	$ 59,290	$ 5,139,769	$ -	$ 32,566,931
Other restricted cash and				-		
interest-bearing deposits in banks	12,184,233	-	-	1,854,732	-	14,038,965
Department of Education restricted cash				-		
and interest-bearing deposits in banks	20,481,112	-	-	-	-	20,481,112
Total cash and cash equivalents including restricted cash	59,774,785	258,432	59,290	6,994,501	-	67,087,008
Grants receivable, other receivables,				-		
prepaids and deposits	22,078,919	2,620,555	-	3,652,409	(6,266,916)	22,084,967
Loans receivable, net	424,356,940	13,580,863	-	-	(5,114,858)	432,822,945
Accrued interest receivable	2,294,118	-	-	-	(25,607)	2,268,511
Properties owned by IFF and IFF's subsidiaries, net	-	-	-	32,634,640	-	32,634,640
Federal Home Loan Bank stock, at cost	631,766	-	-	-	-	631,766
Foreclosed assets, net	2,295,000	-	-	-	-	2,295,000
Furniture, equipment and leasehold improvements, net	1,236,645	-	-	4,768	-	1,241,413
Right of use assets	7,312,740	-	-	-	-	7,312,740
Capitalized finance costs, net	5,668	-	-	-	-	5,668
Other assets	3,409,464	-	-	1,936,690	(5,123,474)	222,680
	$ 523,396,045	$ 16,459,850	$ 59,290	$ 45,223,008	$ (16,530,855)	$ 568,607,338
Liabilities and Net Assets						
Liabilities:						
Accrued liabilities	$ 4,727,763	$ 258,432	$ 59,290	$ 2,951,575	$ (2,631,222)	$ 5,365,838
Accrued interest payable	1,573,078	2,620,555	-	29,357	(25,607)	4,197,383
Deferred grant revenue	2,499,973	-	-	13,629,309	-	16,129,282
Lease liabilities	8,556,831	-	-	-	-	8,556,831
Investor Consortium collateral trust notes, net	143,234,440	-	-	-	-	143,234,440
Borrowings, net	186,080,600	13,580,863	-	15,844,628	(8,750,552)	206,755,539
Equity equivalent borrowings, net	19,400,000	-	-	-	-	19,400,000
Bond Guarantee Program borrowings, net	19,673,781	-	-	-	-	19,673,781
	385,746,466	16,459,850	59,290	32,454,869	(11,407,381)	423,313,094
Net assets:						
Without donor restrictions	77,640,293	-	-	7,453,705	475,000	85,568,998
With donor restrictions	60,009,286	-	-	190,960	(475,000)	59,725,246
Member's equity:						
Capital contributions	-	-	-	5,123,474	(5,123,474)	-
	137,649,579	-	-	12,768,139	(5,123,474)	145,294,244
	$ 523,396,045	$ 16,459,850	$ 59,290	$ 45,223,008	$ (16,530,855)	$ 568,607,338

* Includes IFF Development, LLC, IFF Real Estate Services, LLC , Illinois OREO, LLC, Missouri OREO, LLC, Ohio OREO , LLC, 2819 Highland, LLC, and 5326 Hillside, LLC

IFF and Subsidiaries

Consolidating Statement of Financial Position
December 31, 2021
(See Independent Auditor's Report)

	IFF*	IFF Pay for Success I, LLC	IFF Pay for Success II, LLC	Combined Development LLCs	Eliminations	Consolidated
Assets						
Cash and cash equivalents	$ 61,760,132	$ 292,603	$ 61,213	$ 4,499,426	$ -	$ 66,613,374
Other restricted cash and				-		
interest-bearing deposits in banks	11,516,965	-	-	1,844,023	-	13,360,988
Department of Education restricted cash				-		
and interest-bearing deposits in banks	20,317,445	-	-	-	-	20,317,445
Total cash and cash equivalents including restricted cash	93,594,542	292,603	61,213	6,343,449		100,291,807
Grants receivable, other receivables,				-		
prepaids and deposits	20,760,604	2,136,288	1,038,246	2,050,780	(4,699,204)	21,286,714
Loans receivable, net	405,951,807	13,619,236	-	1,500,000	(7,099,510)	413,971,533
Accrued interest receivable	2,177,298	-	-	-	(27,593)	2,149,705
Properties owned by IFF and IFF's subsidiaries, net	-	-	-	29,501,657	-	29,501,657
Federal Home Loan Bank stock, at cost	631,766	-	-	-	-	631,766
Foreclosed assets, net	1,941,289	-	-	-	-	1,941,289
Furniture, equipment and leasehold improvements, net	1,036,905	-	-	23,840	-	1,060,745
Capitalized finance costs, net	6,399	-	-	-	-	6,399
Other assets	2,283,372	-	-	630,515	(2,687,573)	226,314
	$ 528,383,982	$ 16,048,127	$ 1,099,459	$ 40,050,241	$ (14,513,880)	$ 571,067,929
Liabilities and Net Assets						
Liabilities:						
Accrued liabilities	$ 7,038,160	$ 292,603	$ 1,099,459	$ 2,838,333	$ (2,514,791)	$ 8,753,764
Accrued interest payable	1,586,030	2,136,288	-	27,593	(27,593)	3,722,318
Deferred grant revenue	5,362,245	-	-	13,626,323	-	18,988,568
Investor Consortium collateral trust notes, net	145,784,082	-	-	-	-	145,784,082
Borrowings, net	190,521,425	13,619,236	-	12,934,367	(9,283,923)	207,791,105
Equity equivalent borrowings, net	21,000,000	-	-	-	-	21,000,000
Bond Guarantee Program borrowings, net	20,502,041	-	-	-	-	20,502,041
Loan participations payable	309,774	-	-	-	-	309,774
	392,103,757	16,048,127	1,099,459	29,426,616	(11,826,307)	426,851,652
Net assets:						
Without donor restrictions	71,989,176	-	-	7,460,316	475,000	79,924,492
With donor restrictions	64,291,049	-	-	475,736	(475,000)	64,291,785
Member's equity:						
Capital contributions	-	-	-	2,687,573	(2,687,573)	-
	136,280,225	-	-	10,623,625	(2,687,573)	144,216,277
	$ 528,383,982	$ 16,048,127	$ 1,099,459	$ 40,050,241	$ (14,513,880)	$ 571,067,929

* Includes IFF Development, LLC, IFF Real Estate Services, LLC , Illinois OREO, LLC, Missouri OREO, LLC, Ohio OREO , LLC, 2819 Highland, LLC, and 5326 Hillside, LLC

Development Subsidiaries

Consolidating Statement of Financial Position
December 31, 2022
(See Independent Auditor's Report)

	Home First, LLC	Access Housing I MM, LLC	Access West Cook I MM, LLC	Access Peoria, LLC	Community Living Initiative, LLC	Access Health & Housing, LLC	Home First Illinois, LLC	IFF Waukegan Market LLC	IFF Rockford Market LLC
Assets									
Cash and cash equivalents	$ 1,000,616	$ 868	$ 326	$ 231,559	$ 180,873	$ 801	$ 90,937	$ 532,036	$ 227,278
Other restricted cash and interest-bearing deposits in banks	-	-	-	413,522	249,577	-	1,191,633	-	-
Total cash and cash equivalents including restricted cash	1,000,616	868	326	645,081	430,450	801	1,282,570	532,036	227,278
Grants receivable, other receivables, prepaids and deposits	-	-	27,904	417	6,897	-	55,202	11,667	48,281
Properties owned by IFF and IFF's subsidiaries, net	-	-	-	2,797,330	3,048,983	3,718,478	10,851,100	2,794,225	2,437,482
Furniture, equipment and leasehold improvements, net	-	-	-	-	-	-	-	-	-
Other assets	1,410,464	208,402	323	-	-	-	-	-	-
	$ 2,411,080	$ 209,270	$ 28,553	$ 3,442,828	$ 3,486,330	$ 3,719,279	$ 12,188,872	$ 3,337,928	$ 2,713,041
Liabilities and Net Assets									
Liabilities:									
Accrued liabilities	$ -	$ 1,126	$ 27,005	$ 62,545	$ 63,778	$ 4,274	$ 60,738	$ 73,897	$ 66,805
Accrued interest payable	-	-	-	-	4,054	-	-		3,454
Deferred grant revenue	-	-	-	2,271,205	-	-	10,521,789	-	236,315
Borrowings, net	1,000,000	-	-	-	2,771,438	2,547,547	1,135,694	-	829,144
	1,000,000	1,126	27,005	2,333,750	2,839,270	2,551,821	11,718,221	73,897	1,135,718
Net assets (deficit):									
Without donor restrictions	202,409	(22,399)	(2,952)	1,106,078	646,060	(1,463)	470,651	3,263,031	1,576,323
With donor restrictions	-	-	-	-	-	-	-	-	-
Member's equity:									
Capital contributions	1,208,671	230,543	4,500	3,000	1,000	1,168,921	-	1,000	1,000
	1,411,080	208,144	1,548	1,109,078	647,060	1,167,458	470,651	3,264,031	1,577,323
	$ 2,411,080	$ 209,270	$ 28,553	$ 3,442,828	$ 3,486,330	$ 3,719,279	$ 12,188,872	$ 3,337,928	$ 2,713,041

	IFF Quality Seats - Broadway, LLC	IFF Hatchery, LLC	Neal School Development, LLC	IFF Real Estate Holdings, LLC	IFF ECE Grand Rapids, LLC	IFF ECE Detroit, LLC	Homan Square PSH, LLC	Total Development LLCs Combined (1)
Assets								
Cash and cash equivalents	$ 231,089	$ 931	$ 601,598	$ 1,820,785	$ 219,189	$ 142	$ 741	$ 5,139,769
Other restricted cash and interest-bearing deposits in banks	-	-	-	-	-	-	-	1,854,732
Total cash and cash equivalents including restricted cash	231,089	931	601,598	1,820,785	219,189	142	741	6,994,501
Grants receivable, other receivables, prepaids and deposits	177,203	-	89,713	1,535,125	1,700,000	-	-	3,652,409
Properties owned by IFF and IFF's subsidiaries, net	5,207,460	378,252	-	-	-	314,001	1,087,329	32,634,640
Furniture, equipment and leasehold improvements, net	4,768	-	-	-	-	-	-	4,768
Other assets	-	-	-	317,501	-	-	-	1,936,690
	$ 5,620,520	$ 379,183	$ 691,311	$ 3,673,411	$ 1,919,189	$ 314,143	$ 1,088,070	$ 45,223,008
Liabilities and Net Assets								
Liabilities:								
Accrued liabilities	$ 42,722	$ 378,358	$ 89,705	$ 1,814,001	$ 266,383	$ 152	$ 86	$ 2,951,575
Accrued interest payable	18,099	-	-	3,750	-	-	-	29,357
Deferred grant revenue	-	-	600,000	-	-	-	-	13,629,309
Borrowings, net	3,474,975	-	-	1,500,000	1,500,000	-	1,085,830	15,844,628
	3,535,796	378,358	689,705	3,317,751	1,766,383	152	1,085,916	32,454,869
Net assets (deficit):								
Without donor restrictions	265,657	(4,175)	(1,120)	(3,111)	(37,428)	(3,510)	(346)	7,453,705
With donor restrictions	-		726	-	190,234	-	-	190,960
Member's equity:								
Capital contributions	1,819,067	5,000	2,000	358,771	-	317,501	2,500	5,123,474
	2,084,724	825	1,606	355,660	152,806	313,991	2,154	12,768,139
	$ 5,620,520	$ 379,183	$ 691,311	$ 3,673,411	$ 1,919,189	$ 314,143	$ 1,088,070	$ 45,223,008

(1) - There is no balances in Detroit Learning Lab Northwest, LLC, IFF CILA Lease Program, LLC and IFF ECE Detroit 2, LLC, thus not shown on this statement.

Development Subsidiaries

Consolidating Statement of Financial Position
December 31, 2021
(See Independent Auditor's Report)

	Home First, LLC	Access Housing I MM, LLC	Access West Cook I MM, LLC	Access Peoria, LLC	Community Living Initiative, LLC	Access Health & Housing, LLC	Home First Illinois, LLC	IFF CILA Lease Program, LLC	IFF Waukegan Market LLC	IFF Rockford Market LLC	IFF Quality Seats - Broadway, LLC	IFF Hatchery, LLC	Neal School Development, LLC	IFF Real Estate Holdings, LLC	IFF ECE Grand Rapids, LLC	IFF ECE Detroit, LLC	IFF ECE Detroit 2, LLC	Total Development LLCs Combined (1)
Assets																		
Cash and cash equivalents	$ 1,001,139	$ 1,697	$ 1,615	$ 88,345	$ 149,106	$ -	$ 138,813	$ 199,424	$ 504,504	$ 199,027	$ 310,143	$ 1,220	$ 890	$ 1,632,984	$ 270,047	$ 472	$ -	$ 4,499,426
Other restricted cash and interest-bearing deposits in banks	-	-	-	501,260	236,829	-	1,105,934	-	-	-	-	-	-	-	-	-	-	1,844,023
Grants receivable, other receivables, prepaids and deposits	-	-	27,904	9,498	12,381	-	87,780	992	4,951	61,095	93,001	-	-	22,625	1,500,000	-	230,553	2,050,780
Loans receivable, net	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500,000	-	-	-	1,500,000
Properties owned by IFF and IFF's subsidiaries, net	-	-	-	2,884,747	3,138,154	313,371	11,334,161	305,702	2,881,544	2,514,658	5,366,572	328,905	-	-	248,633	182,013	3,197	29,501,657
Furniture, equipment and leasehold improvements, net	-	-	-	-	-	-	-	-	-	-	23,840	-	-	-	-	-	-	23,840
Other assets	238,043	208,459	-	-	-	-	-	-	-	-	-	-	-	184,013	-	-	-	630,515
	$ 1,239,182	$ 210,156	$ 29,519	$ 3,483,850	$ 3,536,470	$ 313,371	$ 12,666,688	$ 506,118	$ 3,390,999	$ 2,774,780	$ 5,793,556	$ 330,125	$ 890	$ 3,339,622	$ 2,018,680	$ 182,485	$ 233,750	$ 40,050,241
Liabilities and Net Assets																		
Liabilities:																		
Accrued liabilities	$ 116	$ 628	$ 26,506	$ 54,716	$ 49,885	$ 313,371	$ 63,425	$ 15,162	$ 74,167	$ 58,201	$ 41,916	$ 360,744	$ 154	$ 1,500,173	$ 45,266	$ 153	$ 233,750	$ 2,838,333
Accrued interest payable	-	-	-	-	4,120	-	-	1,078		3,571	18,824	-	-	-	-	-	-	27,593
Deferred grant revenue	-	-	-	2,379,358	-	-	11,010,650	-	-	236,315	-	-	-	-	-	-	-	13,626,323
Borrowings, net	1,000,000	-	-	-	2,974,319	-	1,184,414	304,320	-	857,075	3,614,239	-	-	1,500,000	1,500,000	-	-	12,934,367
	1,000,116	628	26,506	2,434,074	3,028,324	313,371	12,258,489	320,560	74,167	1,155,162	3,674,979	360,744	154	3,000,173	1,545,266	153	233,750	29,426,616
Net assets (deficit):																		
Without donor restrictions	202,816	(20,015)	(1,487)	1,046,776	507,146	-	408,199	185,558	3,315,832	1,618,618	237,323	(34,619)	-	(2,564)	(1,586)	(1,681)	-	7,460,316
With donor restrictions	-	-	-	-	-	-	-	-	-	-	-		736	-	475,000	-	-	475,736
Member's equity:																		
Capital contributions	36,250	229,543	4,500	3,000	1,000	-	-	-	1,000	1,000	1,881,254	4,000	-	342,013	-	184,013	-	2,687,573
	239,066	209,528	3,013	1,049,776	508,146	-	408,199	185,558	3,316,832	1,619,618	2,118,577	(30,619)	736	339,449	473,414	182,332	-	10,623,625
	$ 1,239,182	$ 210,156	$ 29,519	$ 3,483,850	$ 3,536,470	$ 313,371	$ 12,666,688	$ 506,118	$ 3,390,999	$ 2,774,780	$ 5,793,556	$ 330,125	$ 890	$ 3,339,622	$ 2,018,680	$ 182,485	$ 233,750	$ 40,050,241

(1) - There has been no activity in Detroit Learning Lab Northwest, LLC, thus not shown on this statement.

IFF and Subsidiaries

Consolidating Statement of Activities and Changes in Net Assets
Year Ended December 31, 2022
(See Independent Auditor's Report)

	IFF*	IFF Pay for Success I, LLC	IFF Pay for Success II, LLC	Combined Development LLCs	Eliminations	Consolidated
Net assets without donor restrictions - operating:						
Support and revenue:						
Corporations, foundations and individuals	$ 84,425	$ -	$ -	$ -	$ -	$ 84,425
Interest on loans	24,175,900	-	-	12,500	(334,284)	23,854,116
Consulting contract fees	2,893,977	590,808	15,833	-	(255,425)	3,245,193
Developer fees	223,922	-	-	-	-	223,922
Management and sponsor fees	1,430,601	-	-	-	(90,613)	1,339,988
Syndication fees	1,183,000	-	-	-	-	1,183,000
Loan fees	198,532	-	-	-	-	198,532
Other interest income	172,493	-	-	6,135	-	178,628
Rental income	47,756	-	-	1,838,460	-	1,886,216
Reimbursed professional fees	-	9,200	88,669	37,535	-	135,404
Realized gains on other assets	199,156	-	-	-	(198,771)	385
Unrealized gains on other assets	-	-	-	266	-	266
Forgiveness of debt	-	-	-	238,465	(48,720)	189,745
Net assets released from restrictions	4,224,766	-	-	597,014	-	4,821,780
Net assets released from restrictions - pass through grants	1,657,231	-	-	21,689,623	-	23,346,854
	36,491,759	600,008	104,502	24,419,998	(927,813)	60,688,454
Expenses:						
Salaries and benefits	16,340,096	-	-	-	(232,800)	16,107,296
Professional fees	2,988,644	28,432	103,744	764,025	(139,333)	3,745,512
Occupancy and office	2,050,023	-	-	392,722	-	2,442,745
Printing and marketing	100,846	-	-	-	-	100,846
Interest	10,380,481	565,808	-	369,409	(356,909)	10,958,789
Other operating	1,253,499	5,768	758	15,539	-	1,275,564
Pass through grants	1,657,231	-	-	21,689,623	-	23,346,854
Meetings and travel	767,956	-	-	-	-	767,956
Depreciation and amortization	458,800	-	-	1,008,681	-	1,467,481
Gain on sale of foreclosed assets	(33,329)	-	-	-	-	(33,329)
Gain on sale of properties and furniture	-	-	-	(12,161)	-	(12,161)
	35,964,247	600,008	104,502	24,227,838	(729,042)	60,167,553
Increase (decrease) in net assets without donor restrictions - operating	527,512	-	-	192,160	(198,771)	520,901
Net assets without donor restrictions - capital:						
Support and revenue:						
Net assets released from restrictions - loan capital grants	5,123,605	-	-	-	-	5,123,605
Net assets released from restrictions - capital provision for loan losses	2,903,091	-	-	-	-	2,903,091
	8,026,696	-	-	-	-	8,026,696
Expenses:						
Provision for loan losses	2,903,091	-	-	-	-	2,903,091
Increase in net assets without donor restrictions - capital	5,123,605	-	-	-	-	5,123,605
Increase (decrease) in net assets without donor restrictions	5,651,117	-	-	192,160	(198,771)	5,644,506

(Continued)

IFF and Subsidiaries

Consolidating Statement of Activities and Changes in Net Assets (Continued)
Year Ended December 31, 2022
(See Independent Auditor's Report)

	IFF*	IFF Pay for Success I, LLC	IFF Pay for Success II, LLC	Combined Development LLCs	Eliminations	Consolidated
Net assets with donor restrictions:						
Program and operating grants	$ 5,733,409	$ -	$ -	$ 22,001,861	$ -	$ 27,735,270
Loan capital grants	3,729,607	-	-	-	-	3,729,607
Interest income	163,914	-	-	-	-	163,914
Net assets released from restrictions - operating	(4,224,766)	-	-	(597,014)	-	(4,821,780)
Net assets released from restrictions - pass through grants	(1,657,231)	-	-	(21,689,623)	-	(23,346,854)
Net assets released from restrictions - loan capital grants	(5,123,605)	-	-	-	-	(5,123,605)
Net assets released from restrictions - capital provision for loan losses	(2,903,091)	-	-	-	-	(2,903,091)
(Decrease) increase in net assets with donor restrictions	(4,281,763)	-	-	(284,776)	-	(4,566,539)
Increase in net assets	1,369,354	-	-	(92,616)	(198,771)	1,077,967
Net assets/retained earnings:						
Beginning of year	136,280,225	-	-	7,936,052	-	144,216,277
End of year	137,649,579	-	-	7,843,436	(198,771)	145,294,244
Member's equity (capital contribution)	-	-	-	5,123,474	(5,123,474)	-
	$ 137,649,579	$ -	$ -	$ 12,966,910	$ (5,322,245)	$ 145,294,244

* Includes IFF Development, LLC, IFF Real Estate Services, LLC , Illinois OREO, LLC, Missouri OREO, LLC, Ohio OREO , LLC, 2819 Highland, LLC, and 5326 Hillside, LLC

IFF and Subsidiaries

Consolidating Statement of Activities and Changes in Net Assets
Year Ended December 31, 2021
(See Independent Auditor's Report)

	IFF*	IFF Pay for Success I, LLC	IFF Pay for Success II, LLC	Combined Development LLCs	Eliminations	Consolidated
Net assets without donor restrictions - operating:						
Support and revenue:						
Corporations, foundations and individuals	$ 115,083	$ -	$ -	$ -	$ -	$ 115,083
Interest on loans	24,515,507	-	-	20,125	(361,689)	24,173,943
Consulting contract fees	2,065,106	591,234	1,766,032	-	(62,360)	4,360,012
Developer fees	1,004,682	-	-	-	-	1,004,682
Management and sponsor fees	1,576,905	-	-	-	(93,602)	1,483,303
Syndication fees	200,000					200,000
Loan fees	122,399	-	-	-	-	122,399
Other interest income	53,126	-	-	890	-	54,016
Rental income	184,699	-	-	1,871,307	-	2,056,006
Reimbursed professional fees	-	8,400	83,977	73,398	-	165,775
Realized gains on other assets	17	-	-	-	-	17
Unrealized losses on other assets	-			(128)		(128)
Forgiveness of debt	780,846	-	-	238,465	(48,720)	970,591
Net assets released from restrictions	2,704,327	-	-	1,479	-	2,705,806
Net assets released from restrictions - pass through grants	16,836,912	-	-	- 7,483,397	-	24,320,309
	50,159,609	599,634	1,850,009	9,688,933	(566,371)	61,731,814
Expenses:						
Salaries and benefits	15,826,483	-	-	-	(82,485)	15,743,998
Professional fees	2,442,063	28,314	1,848,640	302,045	(142,322)	4,478,740
Occupancy and office	1,893,462	-	-	654,777	-	2,548,239
Printing and marketing	68,012	-	-	-	-	68,012
Interest	10,178,257	566,234	-	356,564	(341,564)	10,759,491
Other operating	1,131,467	5,086	1,369	177,033	-	1,314,955
Provision for foreclosed assets	400,000	-		-		400,000
Pass through grants	16,836,912	-	-	7,483,397	(37,360)	24,282,949
Meetings and travel	345,246	-	-	-	-	345,246
Depreciation and amortization	399,171	-	-	1,028,681	-	1,427,852
Gain on sale of foreclosed assets	(308,151)					(308,151)
Gain on sale properties and equipment	(2,000)			(54,008)		(56,008)
Income tax benefit	(5,239)	-	-	-	-	(5,239)
	49,205,683	599,634	1,850,009	9,948,489	(603,731)	61,000,084
Increase (decrease) in net assets without donor restrictions - operating	953,926	-	-	(259,556)	37,360	731,730
Net assets without donor restrictions - capital:						
Support and revenue:						
Net assets released from restrictions - loan capital grants	3,099,985	-	-	-	-	3,099,985
Net assets released from restrictions - capital provision for loan losses	(826,809)	-	-	-	-	(826,809)
	2,273,176	-	-	-	-	2,273,176
Expenses:						
(Release of) provision for loan losses	(826,809)	-	-	-	-	(826,809)
Increase in net assets without donor restrictions - capital	3,099,985	-	-	-	-	3,099,985
Increase (decrease) in net assets without donor restrictions	4,053,911	-	-	(259,556)	37,360	3,831,715

(Continued)

IFF and Subsidiaries

Consolidating Statement of Activities and Changes in Net Assets (Continued)
Year Ended December 31, 2021
(See Independent Auditor's Report)

	IFF*	IFF Pay for Success I, LLC	IFF Pay for Success II, LLC	Combined Development LLCs	Eliminations	Consolidated
Net assets with donor restrictions:						
Program and operating grants	$ 30,526,669	$ -	$ -	$ 7,520,757	$ (37,360)	$ 38,010,066
Loan capital grants	8,674,999	-	-	-	-	8,674,999
Interest income	8,187	-	-	-	-	8,187
Net assets released from restrictions - operating	(2,704,327)	-	-	(1,479)	-	(2,705,806)
Net assets released from restrictions - pass through grants	(16,836,912)	-	-	(7,483,397)	-	(24,320,309)
Net assets released from restrictions - loan capital grants	(3,099,985)	-	-	-	-	(3,099,985)
Net assets released from restrictions - capital provision for loan losses	826,809	-	-	-	-	826,809
Increase (decrease) in net assets with donor restrictions	17,395,440	-	-	35,881	(37,360)	17,393,961
Increase (decrease) in net assets	21,449,351	-	-	(223,675)	-	21,225,676
Net assets/retained earnings:						
Beginning of year	114,830,874	-	-	8,159,727	-	122,990,601
End of year	136,280,225	-	-	7,936,052	-	144,216,277
Member's equity (capital contribution)	-	-	-	2,687,573	(2,687,573)	-
	$ 136,280,225	$ -	$ -	$ 10,623,625	$ (2,687,573)	$ 144,216,277

* Includes IFF Development, LLC, IFF Real Estate Services, LLC , Illinois OREO, LLC, Missouri OREO, LLC, Ohio OREO , LLC, 2819 Highland, LLC, and 5326 Hillside, LLC

Development Subsidiaries

Consolidating Statement of Activities and Changes in Net Assets
Year Ended December 31, 2022
(See Independent Auditor's Report)

	Home First, LLC	Access Housing I MM, LLC	Access West Cook I MM, LLC	Access Peoria, LLC	Community Living Initiative, LLC	Access Health & Housing, LLC	Home First Illinois, LLC	IFF CILA Lease Program, LLC	IFF Waukegan Market LLC	IFF Rockford Market LLC	IFF Quality Seats - Broadway, LLC	IFF Hatchery, LLC	Neal School Development, LLC	IFF Real Estate Holdings, LLC	IFF ECE Grand Rapids, LLC	IFF ECE Detroit, LLC	Homan Square PSH, LLC	Total Development LLCs Combined (1)
Net assets without donor restrictions - operating:																		
Support and revenue:																		
Interest on loans	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,500	$ -	$ -	$ -	$ 12,500
Other interest income	-	-	-	3,527	2,608	-	-	-	-	-	-	-	-	-	-	-	-	6,135
Rental income	-	-	-	130,260	119,888	-	847,760	22,260	140,000	128,250	450,042	-	-	-	-	-	-	1,838,460
Reimbursed professional fees	-	-	-	-	-	-	-	-	-	35,534	2,001	-	-	-	-	-	-	37,535
Unrealized gains on other assets	-	(57)	323	-	-		-	-	-	-	-	-	-	-	-	-	-	266
Forgiveness of debt	-	-	-	-	189,745	-	48,720	-	-	-	-	-	-	-	-	-	-	238,465
Net assets released from restrictions	-	-	-	108,153	-	-	488,861	-	-	-	-	-	-	-	-	-	-	597,014
Net assets released from restrictions - pass through grants	-	-	-	-	-	-	-	-	-	-	-	-	21,404,857	-	284,766	-	-	21,689,623
	-	(57)	323	241,940	312,241	-	1,385,341	22,260	140,000	163,784	452,043	-	21,404,857	12,500	284,766	-	-	24,419,998
Expenses:																		
Professional fees	-	500	500	24,441	5,994	-	685,411	2,520	15,141	15,141	15,141	(764)	-	-	-	-	-	764,025
Occupancy and office	-	-	-	68,857	28,752	-	154,417	2,070	89,775	70,855	8,736	(30,740)	-	-	-	-	-	392,722
Interest	-	-	-	-	49,010	-	-	9,451	-	42,103	221,220	-	-	12,500	35,125	-	-	369,409
Other operating	407	1,827	1,288	1,923	400	1,463	-	814	566	804	428	1,060	1,120	547	717	1,829	346	15,539
Pass through grants	-	-	-	-	-	-	-	-	-	-	-	-	21,404,857	-	284,766	-	-	21,689,623
Depreciation and amortization	-	-	-	87,417	89,171	-	483,061	6,353	87,319	77,176	178,184	-	-	-	-	-	-	1,008,681
Gain on Sale of properties and furniture	-	-	-	-	-	-	-	(12,161)	-	-	-	-	-	-	-	-	-	(12,161)
	407	2,327	1,788	182,638	173,327	1,463	1,322,889	9,047	192,801	206,079	423,709	(30,444)	21,405,977	13,047	320,608	1,829	346	24,227,838
(Decrease) increase in net assets without donor restrictions - operating	(407)	(2,384)	(1,465)	59,302	138,914	(1,463)	62,452	13,213	(52,801)	(42,295)	28,334	30,444	(1,120)	(547)	(35,842)	(1,829)	(346)	192,160
Net assets with donor restrictions:																		
Program and operating grants	-	-	-	108,153	-	-	488,861	-	-	-	-	-	21,404,847	-	-	-	-	22,001,861
Net assets released from restrictions - operating	-	-	-	(108,153)	-	-	(488,861)	-	-	-	-	-	-	-	-	-	-	(597,014)
Net assets released from restrictions - pass through grants	-	-	-	-	-	-	-	-	-	-	-	-	(21,404,857)	-	(284,766)	-	-	(21,689,623)
Increase in net assets with donor restrictions	-	-	-	-	-	-	-	-	-	-	-	-	(10)	-	(284,766)	-	-	(284,776)
Increase (decrease) in net assets	(407)	(2,384)	(1,465)	59,302	138,914	(1,463)	62,452	13,213	(52,801)	(42,295)	28,334	30,444	(1,130)	(547)	(320,608)	(1,829)	(346)	(92,616)
Net assets/retained earnings (deficit):																		
Beginning of year	202,816	(20,015)	(1,487)	1,046,776	507,146	-	408,199	185,558	3,315,832	1,618,618	237,323	(34,619)	736	(2,564)	473,414	(1,681)	-	7,936,052
End of year	202,409	(22,399)	(2,952)	1,106,078	646,060	(1,463)	470,651	198,771	3,263,031	1,576,323	265,657	(4,175)	(394)	(3,111)	152,806	(3,510)	(346)	7,843,436
Member's equity (capital contribution)	1,208,671	230,543	4,500	3,000	1,000	1,168,921	-	-	1,000	1,000	1,819,067	5,000	2,000	358,771	-	317,501	2,500	5,123,474
	$ 1,411,080	$ 208,144	$ 1,548	$ 1,109,078	$ 647,060	$ 1,167,458	$ 470,651	$ 198,771	$ 3,264,031	$ 1,577,323	$ 2,084,724	$ 825	$ 1,606	$ 355,660	$ 152,806	$ 313,991	$ 2,154	$ 12,966,910

(1) - There has been no activity in Detroit Learning Lab Northwest, LLC and IFF ECE Detroit 2, LLC, thus not shown on this statement.

Development Subsidiaries

Consolidating Statement of Activities and Changes in Net Assets
Year Ended December 31, 2021
(See Independent Auditor's Report)

	Home First, LLC	Access Housing I MM, LLC	Access West Cook I MM, LLC	Access Peoria, LLC	Community Living Initiative, LLC	Access Health & Housing, LLC	Home First Illinois, LLC	IFF CILA Lease Program, LLC	IFF Waukegan Market LLC	IFF Rockford Market LLC	IFF Quality Seats - Broadway, LLC	IFF Hatchery, LLC	Neal School Development, LLC	IFF Real Estate Holdings, LLC	IFF ECE Grand Rapids, LLC	IFF ECE Detroit, LLC	IFF ECE Detroit 2, LLC	Total Development LLCs Combined (1)
Net assets without donor restrictions - operating:																		
Support and revenue:																		
Interest on loans	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 20,125	$ -	$ -	$ -	$ 20,125
Other interest income	-	-	-	47	19	-	824	-	-	-	-	-	-	-	-	-	-	890
Rental income	-	-	-	147,129	119,888	-	825,375	41,591	140,000	128,250	469,074	-	-	-	-	-	-	1,871,307
Reimbursed professional fees	-	-	-	-	4,545	-	9,236	-	3,273	56,344	-	-	-	-	-	-	-	73,398
Unrealized losses on other assets	-	(128)			-		-											(128)
Forgiveness of debt	-	-	-	-	189,745	-	48,720	-	-	-	-	-	-	-	-	-	-	238,465
Net assets released from restrictions	-	-	-	-	-	-	-	-	-	-	-	-	1,479	-	-	-	-	1,479
Net assets released from restrictions -																		-
pass through grants	-	-	-	-	-	-	-	-	-	-	-	-	7,483,397	-	-	-	-	7,483,397
	-	(128)	-	147,176	314,197	-	884,155	41,591	143,273	184,594	469,074	-	7,484,876	20,125	-	-	-	9,688,933
Expenses:																		
Professional fees	-	475	-	23,991	5,994	-	224,822	2,663	14,700	14,700	14,700	-	-	-	-	-	-	302,045
Occupancy and office	-	-	-	20,946	11,158	-	471,355	4,857	80,701	56,332	-	9,428	-	-	-	-	-	654,777
Interest	-	-	-	-	49,777	-	-	18,639	-	43,468	229,680	-	-	15,000	-	-	-	356,564
Other operating	1,449	1,914	1,487	52,098	24,393	-	66,459	1,946	6,265	5,088	1,259	7,894	1,479	2,035	1,586	1,681	-	177,033
Pass through grants	-	-	-	-	-	-	-	-	-	-	-	-	7,483,397	-	-	-	-	7,483,397
Meetings and travel	-	-	-	87,417	89,172	-	483,061	13,044	87,320	77,176	191,491	-	-	-	-	-	-	1,028,681
Depreciation and amortization	-	-	-	-	-	-	-	(54,008)	-	-	-	-	-	-	-	-	-	(54,008)
	1,449	2,389	1,487	184,452	180,494	-	1,245,697	(12,859)	188,986	196,764	437,130	17,322	7,484,876	17,035	1,586	1,681	-	9,948,489
(Decrease) increase in net assets without donor restrictions - operating	(1,449)	(2,517)	(1,487)	(37,276)	133,703	-	(361,542)	54,450	(45,713)	(12,170)	31,944	(17,322)	-	3,090	(1,586)	(1,681)	-	(259,556)
Net assets with donor restrictions:																		
Program and operating grants	-	-	-	-	-	-	-	-	-	-	-	-	7,483,397	-	37,360	-	-	7,520,757
Net assets released from restrictions - operating	-	-	-	-	-	-	-	-	-	-	-	-	(1,479)	-	-	-	-	(1,479)
Net assets released from restrictions - pass through grants	-	-	-	-	-	-	-	-	-	-	-	-	(7,483,397)	-	-	-	-	(7,483,397)
Increase in net assets with donor restrictions	-	-	-	-	-	-	-	-	-	-	-	-	(1,479)	-	37,360	-	-	35,881
(Decrease) increase in net assets	(1,449)	(2,517)	(1,487)	(37,276)	133,703	-	(361,542)	54,450	(45,713)	(12,170)	31,944	(17,322)	(1,479)	3,090	35,774	(1,681)	-	(223,675)
Net assets/retained earnings (deficit):																		
Beginning of year	204,265	(17,498)	-	1,084,052	373,443	-	769,741	131,108	3,361,545	1,630,788	205,379	(17,297)	2,215	(5,654)	437,640	-	-	8,159,727
End of year	202,816	(20,015)	(1,487)	1,046,776	507,146	-	408,199	185,558	3,315,832	1,618,618	237,323	(34,619)	736	(2,564)	473,414	(1,681)	-	7,936,052
Member's equity (capital contribution)	36,250	229,543	4,500	3,000	1,000	-	-	-	1,000	1,000	1,881,254	4,000	-	342,013	-	184,013	-	2,687,573
	$ 239,066	$ 209,528	$ 3,013	$ 1,049,776	$ 508,146	$ -	$ 408,199	$ 185,558	$ 3,316,832	$ 1,619,618	$ 2,118,577	$ (30,619)	$ 736	$ 339,449	$ 473,414	$ 182,332	$ -	$ 10,623,625

(1) - There has been no activity in Detroit Learning Lab Northwest, LLC, thus not shown on this statement.