

IFF and Subsidiaries

Consolidated Financial Report
December 31, 2025

Contents

Independent auditor's report	1-2
<hr/>	
Financial statements	
Consolidated statements of financial position	3
Consolidated statements of activities and changes in net assets	4-5
Consolidated statements of cash flows	6-7
Notes to consolidated financial statements	8-56
Supplementary information	
Consolidating statements of financial position	57-64
Consolidating statements of activities and changes in net assets	65-74

Independent Auditor's Report

Board of Directors
IFF

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, 2025 and 2024, 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, 2025 and 2024, 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 29, 2026

IFF and Subsidiaries

Consolidated Statements of Financial Position December 31, 2025 and 2024

	2025	2024
Assets		
Cash and cash equivalents	\$ 61,968,638	\$ 73,250,130
Other restricted cash and interest-bearing deposits in banks	7,636,340	8,367,183
Department of Education (DOE) restricted cash and interest-bearing deposits in banks	<u>22,705,412</u>	<u>22,075,838</u>
Total cash and cash equivalents including restricted cash	92,310,390	103,693,151
Grants receivable, other receivables, prepaids and deposits	25,986,844	26,155,820
Loans receivable, net of allowance for credit losses of \$30,753,109 and \$29,022,353, respectively	657,575,758	591,312,836
Accrued interest receivable	3,979,046	3,783,503
Properties owned by IFF and IFF's subsidiaries, net	44,742,149	52,455,960
Federal Home Loan Bank stock, at cost	1,867,783	1,030,783
Foreclosed assets, net	2,512,558	1,693,497
Furniture, equipment and leasehold improvements, net	1,017,546	754,438
Right-of-use assets, net	4,768,803	5,553,556
Capitalized finance costs, net	507,015	537,458
Other assets	<u>327,770</u>	<u>323,067</u>
	\$ 835,595,662	\$ 787,294,069
Liabilities and Net Assets		
Liabilities:		
Accrued liabilities	\$ 19,617,956	\$ 15,500,480
Accrued interest payable	6,382,009	5,285,351
Refundable advance grant revenue	11,976,377	12,452,630
Lease liabilities	5,670,513	6,595,018
Investor Consortium collateral trust notes, net	140,624,479	149,529,588
Borrowings, net	398,824,768	342,788,916
Equity equivalent borrowings	40,958,240	36,705,816
Bond Guarantee Program borrowings, net	16,757,097	17,854,517
Loan participations payable	<u>2,161,567</u>	<u>3,217,478</u>
	642,973,006	589,929,794
Net assets:		
Without donor restrictions	138,692,275	137,359,500
With donor restrictions	<u>53,930,381</u>	<u>60,004,775</u>
	192,622,656	197,364,275
	\$ 835,595,662	\$ 787,294,069

See notes to consolidated financial statements.

IFF and Subsidiaries

Consolidated Statements of Activities and Changes in Net Assets Years Ended December 31, 2025 and 2024

	2025	2024
Net assets without donor restrictions—operating:		
Support and revenue:		
Corporations, foundations and individuals	\$ 321,700	\$ 60,171,000
Interest on loans	38,578,886	35,318,391
Consulting contract fees	3,036,858	3,629,418
Developer fees	283,705	653,737
Management and sponsor fees	986,586	990,937
Syndication fees	1,634,250	806,923
Loan fees	247,935	195,839
Other interest income	1,940,895	2,123,087
Rental income	2,691,409	2,556,042
Reimbursed professional fees	943,178	683,989
Realized gains on other assets	2,786,580	116
Unrealized losses on other assets	(177)	-
Forgiveness of debt	189,745	189,745
Home sales	3,025,144	1,700,601
Direct costs of home sales	(2,924,340)	(1,700,601)
Net housing activity	100,804	-
Net assets released from restrictions	5,538,171	6,748,378
Net assets released from restrictions—pass through grants	4,330,591	18,998,393
	<u>63,611,116</u>	<u>133,065,995</u>
Expenses:		
Salaries and benefits	22,042,440	20,188,362
Professional fees	6,395,586	5,794,805
Occupancy and office	3,410,923	3,270,752
Sponsorships, advertising, and printing	254,230	265,474
Interest	17,886,982	16,745,383
Other operating	3,929,114	5,209,620
Provision for losses on assets	474,186	119,586
Pass through grants	4,329,173	18,813,493
Meetings and travel	1,327,219	1,007,369
Depreciation and amortization	1,960,234	1,825,518
Gain on sale of foreclosed assets	(4,134)	(3,903)
	<u>62,005,953</u>	<u>73,236,459</u>
Increase in net assets without donor restrictions—operating	<u>1,605,163</u>	<u>59,829,536</u>
Net assets without donor restrictions—capital:		
Support and revenue:		
Net assets released from restrictions—loan capital grants	5,000,000	-
	<u>5,000,000</u>	<u>-</u>
Expenses:		
Provision for credit losses	5,272,388	12,452,438
	<u>5,272,388</u>	<u>12,452,438</u>
Decrease in net assets without donor restrictions—capital	<u>(272,388)</u>	<u>(12,452,438)</u>
Increase in net assets without donor restrictions	<u>1,332,775</u>	<u>47,377,098</u>

(Continued)

IFF and Subsidiaries

Consolidated Statements of Activities and Changes in Net Assets (Continued) Years Ended December 31, 2025 and 2024

	2025	2024
Net assets with donor restrictions:		
Program and operating grants	\$ 6,885,224	\$ 25,745,468
Loan capital grants	1,232,510	763,808
Interest income	676,634	845,250
Net assets released from restrictions—operating	(5,538,171)	(6,748,378)
Net assets released from restrictions—pass through grants	(4,330,591)	(18,998,393)
Net assets released from restrictions—loan capital grants	(5,000,000)	-
(Decrease) increase in net assets with donor restrictions	(6,074,394)	1,607,755
(Decrease) increase in net assets	(4,741,619)	48,984,853
Net assets:		
Beginning of year	197,364,275	148,379,422
End of year	\$ 192,622,656	\$ 197,364,275

See notes to consolidated financial statements.

IFF and Subsidiaries

Consolidated Statements of Cash Flows Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
(Decrease) increase in net assets	\$ (4,741,619)	\$ 48,984,853
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities:		
Depreciation and amortization expense	1,829,266	1,605,092
Amortization expense for capitalized finance costs	130,968	220,426
Gain on the sale of foreclosed assets	(4,134)	(3,903)
Gain on the sale of housing assets	(100,804)	-
Provision for credit losses	5,272,388	12,452,438
Provision for losses on assets	474,186	119,586
Unrealized loss on other assets	177	-
Forgiveness of debt	(189,745)	(189,745)
Changes in assets and liabilities:		
Deferred loan fees	343,560	32,972
Grants receivable, other receivables, prepaids and deposits	168,976	4,474,349
Accrued interest receivable	(195,543)	(795,793)
Other assets	(4,880)	(100,948)
Accrued liabilities	4,085,593	9,180,418
Accrued interest payable	1,096,658	384,357
Net cash provided by operating activities	8,165,047	76,364,102
Cash flows from investing activities:		
Purchase of Federal Home Loan Bank Stock	(837,000)	(175,783)
Loan disbursements	(189,819,941)	(148,716,834)
Loan principal payments received	116,004,089	87,418,442
Proceeds from sale of foreclosed assets	540,000	765,000
Purchases of equipment and leasehold improvements	(635,768)	(72,233)
Purchase of properties owned by IFF's subsidiaries	(4,075,858)	(10,885,374)
Sale of properties owned by IFF's subsidiaries	10,464,310	1,700,601
Net cash used in investing activities	(68,360,168)	(69,966,181)
Cash flows from financing activities:		
Proceeds from deferred revenue grants	122,316	340,449
Use of proceeds from deferred revenue grants	(598,569)	(1,240,864)
Proceeds from Investor Consortium collateral trust notes	9,985,725	4,493,644
Repayment of Investor Consortium collateral trust notes	(18,886,339)	(18,911,653)
Proceeds from borrowings, equity equivalent borrowings, bond guarantee borrowings and participations payable	153,600,000	103,709,014
Repayment of borrowings, equity equivalent borrowings, bond guarantee borrowings and participations payable	(95,006,505)	(56,202,880)
Finance costs paid	(404,268)	(1,045,971)
Net cash provided by financing activities	48,812,360	31,141,739
(Decrease) increase in total cash and cash equivalents including restricted cash	(11,382,761)	37,539,660
Total cash and cash equivalents including restricted cash:		
Beginning of year	103,693,151	66,153,491
End of year	\$ 92,310,390	\$ 103,693,151

(Continued)

IFF and Subsidiaries

Consolidated Statements of Cash Flows (Continued) Years Ended December 31, 2025 and 2024

	2025	2024
Supplemental disclosures of cash flow information:		
Interest paid on borrowings	<u>\$ 16,790,324</u>	<u>\$ 16,361,026</u>
Cash paid during the year toward lease liabilities	<u>\$ 1,328,790</u>	<u>\$ 1,408,908</u>
Supplemental schedule of noncash investing activities:		
Real estate acquired in settlement of loans	<u>\$ 1,833,247</u>	<u>\$ -</u>

See notes to consolidated financial statements.

IFF and Subsidiaries

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 Chicago, Cleveland (Ohio), Columbus (Ohio) (physical office closed in 2025), Detroit (Michigan), Grand Rapids (Michigan), Indianapolis (Indiana), Kansas City (Missouri) and St. Louis (Missouri).

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

Access Health & Housing, LLC
Access Housing I MM, LLC
Access Madison County I MM, LLC (created in 2025)
Access Peoria, LLC
Access South Cook I MM, LLC
Access West Cook I MM, LLC
Community Development Solutions, LLC (created in 2024)
Community Living Initiative, LLC
Homan Gateway, LLC (created in 2025)
Homan Housing, LLC
Homan Square PSH, LLC
Home First, LLC
Home First Illinois, LLC
IFF Commercial, LLC (dissolved in 2025)
IFF Development, LLC
IFF ECE Detroit, LLC
IFF ECE Detroit 2, LLC
IFF ECE Grand Rapids, LLC
IFF EEC LLC (dissolved in 2025)
IFF Hatchery, LLC
IFF Housing, LLC (dissolved in 2025)
IFF Pay for Success I, LLC
IFF Pay for Success II, LLC
IFF Quality Seats – Broadway, LLC (dissolved in 2025)
IFF Real Estate Holdings, LLC
IFF Real Estate Services, LLC
IFF Rockford Market LLC
IFF Support Corporation
IFF Waukegan Market LLC (dissolved in 2025)
Illinois OREO, LLC
Indiana OREO, LLC
Minnesota OREO, LLC (created in 2025)
Missouri OREO, LLC
Neal School Development, LLC
Ohio OREO, LLC

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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

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.

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

New Markets Tax Credit LLCs:

IFF Capital 19 LLC (dissolved in 2025)
IFF Capital 20 LLC (dissolved in 2024)
IFF Capital 21 LLC (dissolved in 2024)
IFF Capital 22 LLC (dissolved in 2024)
IFF Capital 23 LLC (dissolved in 2024)
IFF Capital 24 LLC (dissolved in 2024)
IFF Capital 25 LLC (dissolved in 2025)
IFF Capital 26 LLC
IFF Capital 27 LLC (dissolved in 2025)
IFF Capital 28 LLC (dissolved in 2025)
IFF Capital 29 LLC (dissolved in 2025)
IFF Capital 31 LLC
IFF Capital 32 LLC
IFF Capital 33 LLC
IFF Capital 34 LLC
IFF Capital 35 LLC
IFF Capital 36 LLC
IFF Capital 37 LLC
IFF Capital 38 LLC (created in 2024)
IFF Capital 39 LLC (created in 2024)
IFF Capital 40 LLC (created in 2024)
IFF Capital 41 LLC (created in 2024)
IFF Capital 42 LLC (created in 2024)
IFF Capital 43 LLC (created in 2024)
IFF Capital 44 LLC (created in 2025)
IFF Capital 45 LLC (created in 2025)

Other limited liability companies:

Access Housing I, LLC
Access Madison County I, LLC (created in 2025)
Access South Cook I, LLC
Access West Cook I, LLC
Homan Square Apartments Phase IV, LLC (created in 2025)

The amounts and activities of these limited liability companies above are not included in these consolidated financial statements (see 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.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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 statements 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 (see 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.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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, and consultants. 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 credit 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. 41% and 45% of the loans receivable balance at December 31, 2025 and 2024, 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 modifications to borrowers experiencing financial difficulty are those loans on which concessions in terms have been granted because of a borrower's financial difficulty.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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

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

The allowance for credit losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the loans. A third-party model is used to analyze historical loss data from IFF as well as peers, correlates it with macro-economic indicators during a full economic cycle and uses that to inform current and forecasted credit loss experience. These models are utilized to forecast future expected credit losses based on expected future behavior of the same macroeconomic variables. Loans are segmented based on similar risk characteristics to obtain an accurate projection. Then, peers within those segments need to be identified to augment the historical analysis. Lastly, the relevant macroeconomic indicator of unemployment is embedded in the calculation.

IFF has segmented its loans into five segments, mainly based on the purpose/loan type of the loan. These segments are facility, affordable housing, equipment and vehicle, pre-development, and other. These segments are then broken down between pooled loans and individually evaluated loans. Pooled loans are those loans that generally fall under similar risk characteristics. The forecast of expected defaults for each segment is calculated using a regression formula relating historical peer defaults to historical data from selected economic data series. The regression-calculated loss rate is then adjusted by qualitative factors. Individually evaluated loans are those loans that do not share similar risk characteristics. For the regression model, management has elected to use the Discounted Cash Flow (Loss Rate, Expected Loss) approach after analysis and consideration. To reduce the complexity of the model, management has elected to perform cash flow modeling without the present value component. In other words, the reserve determined by the cash flow analysis is simply the sum of expected losses, rather than a comparison of the loan's basis to the present value of cash flows. No discounting is performed in the reserve calculation. Additionally, expected losses are calculated via a gross loss rate and recovery rate assumption instead of separate Probability of Default (PD) and Loss Given Default (LGD) inputs. By relating this IFF loan level data along with peer institution data from FFIEC Call Report filings to various economic data, regression formulas are then produced which provide IFF the ability to leverage the historical relationship between economic metrics (independent variable) and loan defaults – own or peer - (dependent variable) to develop a reasonable and supportable expectation of future loan defaults, based on forecasts of economic data derived from reputable sources.

IFF uses the Federal Open Market Committee (FOMC) Summary of Economic Projections for the Civilian Unemployment Rate to obtain various forecast scenarios to determine the loan portfolio's expected credit loss. IFF has elected to forecast the first four quarters of the credit loss estimate and revert on a straight-line basis. IFF also adjusts historical loss information to reflect the extent to which management expects reasonable and supportable forecasts to differ from the conditions that existed for the period over which historical information was evaluated. The qualitative adjustments used are IFF lending policies and procedures and strategies, economic conditions in regions IFF serves, changes in nature and volume of the portfolio, experience and depth of IFF lending staff, delinquency and net charge-off trends, loan review process, collateral value trends, portfolio concentration and regulatory and business environment.

The individually evaluated component relates to loans that are specifically identified and classified as substandard in IFF's risk rating process. For those loans that are classified as substandard, an allowance is established when the discounted cash flows (or collateral value or observable market price) of the substandard loan is lower than the carrying value of that loan.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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

Loans are considered substandard 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 individually evaluated loans 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 substandard. The individually evaluated loan reserve 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 credit loss of those loans is to be based on the fair value of the collateral less costs to sell. The amount of the reserve, if any, and any subsequent changes are included in the allowance for credit losses.

Modified loans: A loan is classified as modified 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.

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 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, IFF ECE Detroit 2, LLC, Homan Housing, LLC, and IFF Support Corporation 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, 2025 and 2024.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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

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 rental income, other operating expenses, or in provision for losses on foreclosed assets 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 five to 15 years, depending on the term of the related lease. Gross capitalized costs of \$573,934 for each of the years ended at December 31, 2025 and 2024 are reported net of accumulated amortization of \$66,919 and \$36,476 at December 31, 2025 and 2024, respectively.

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. IFF has elected the simultaneous release policy for grants, which allows IFF 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 expended in accordance with terms of the government grants or other grant agreements are reported as refundable advance grant revenue in the consolidated statements of financial position. IFF was notified in 2022 of a \$50,000,000 grant award and, in 2023, an additional \$9,500,000 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 and grant period ran through September 30, 2024. Grant funds were received on a reimbursement basis and were recognized as revenue in the period in which IFF incurred qualifying expenses and performed its duties under the terms of the grant agreement. IFF expended \$14,973,676 under the grant during 2024 and none during 2025.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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

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.

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. In the year ended December 31, 2024, IFF received a significant, one-time contribution. This contribution is recorded in the corporations, foundations and individuals line item on the consolidated statements of activities and changes in net assets.

Other sources of revenue: IFF'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 developer 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.

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 foreclosed on, developed or owns.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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

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 sponsorships, advertising and printing, were \$221,001 and \$208,820 for 2025 and 2024, 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.

Access Housing I MM, LLC, Access South Cook I MM, LLC, Access West Cook I MM, LLC and Access Madison County I MM, LLC are taxed as 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. IFF Support Corporation files a separate IRS Form 990 and Form AG990-IL for the state of Illinois.

Estimates: In preparing consolidated financial statements in conformity with U.S. GAAP, 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 credit losses is a material estimate that is particularly susceptible to significant change in the near term.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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

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 a third-party firm that will evaluate the success of the program and that will audit performance at each Child Parent Center (CPC) site. Three investors have lent \$16,349,484 of the \$17,000,000 committed to the program. No loan repayments were made for the year ended December 31, 2025, and \$194,661 were made for the year ended December 31, 2024. 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 developed the new Neal Middle School for North Chicago Community Unit School District No 187. The approximately 95,000 square foot new school accommodates 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.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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 through April 29, 2026, the date these consolidated financial statements were available to be issued.

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, 2025 and 2024:

	2025	2024
Investor Consortium reserves	\$ 2,988,073	\$ 3,287,159
United Power for Action & Justice reserve	666,049	1,426,862
Bond risk share reserve and collateralization reserve	1,256,024	1,033,942
Home First Illinois, LLC property reserves	1,608,253	1,468,175
Access Peoria, LLC property reserves	530,609	492,229
IFF ECE Detroit, LLC debt service reserve	118,546	118,546
Access Health & Housing property reserves	18,659	-
IFF Support Corporation LLC operating reserve	202,515	243,000
Community Living Initiative, LLC property reserves	247,612	297,270
Total	<u>\$ 7,636,340</u>	<u>\$ 8,367,183</u>

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 United Power for Action & Justice reserve is funds held by IFF as it acts as the fiscal agent for their housing subsidy program. 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. 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. The IFF ECE Detroit, LLC reserve relates to a debt service reserve held at JPMorgan Chase. The Access Health & Housing property reserves relates to the various reserve accounts maintained for the Access Health & Housing program with the IHDA. The IFF Support Corporation LLC reserve relates to an operating reserve held by Cinnaire Corporation. 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.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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 2025 and 2024 were \$47,060 and \$44,628, 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 \$676,634 and \$845,250 in 2025 and 2024, 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, 2025 and 2024:

	2025	2024
Pledged—\$8 million DOE grant	\$ 8,552,501	\$ 7,947,907
Pledged—\$10 million DOE grant	7,717,919	8,415,536
Pledged—\$2 million DOE grant	2,274,666	1,977,440
Total pledged	<u>18,545,086</u>	<u>18,340,883</u>
Unpledged—\$8 million DOE grant	1,020,357	1,344,876
Unpledged—\$10 million DOE grant	3,086,164	2,115,455
Unpledged—\$2 million DOE grant	53,805	274,624
Total unpledged	<u>4,160,326</u>	<u>3,734,955</u>
Total	<u>\$ 22,705,412</u>	<u>\$ 22,075,838</u>

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, 2025 and 2024, there have not been any payment defaults or delinquencies requiring utilization of the pledged funds.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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

The total grants receivable, other receivables, prepaids and deposits at December 31, 2025 and 2024, consisted of the following:

	2025	2024
Grants receivable	\$ 5,112,228	\$ 5,088,254
Contract receivables	6,721,270	6,795,606
Other receivables	13,409,610	13,479,638
Prepaids and deposits	743,736	792,322
	<u>\$ 25,986,844</u>	<u>\$ 26,155,820</u>

Contract receivables as of January 1, 2024, were \$10,495,204.

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

	2025	2024
Amounts receivable and deposits/realizable in less than one year	\$ 10,353,498	\$ 10,073,817
Amounts receivable and deposits/realizable in one to five years	1,605,188	1,899,870
Amounts receivable and deposits/realizable in over five years	13,409,660	13,614,290
	<u>25,368,346</u>	<u>25,587,977</u>
Prepaids	618,498	567,843
	<u>\$ 25,986,844</u>	<u>\$ 26,155,820</u>

Note 5. Loans Receivable

Loans receivable at December 31, 2025 and 2024, were comprised of the following:

	2025	2024
Facility	\$ 364,001,034	\$ 350,568,108
Affordable housing	247,471,007	201,054,953
Equipment and vehicle	2,172,094	3,177,223
Pre-development	21,680,613	16,598,582
Other	55,633,164	51,221,808
	<u>690,957,912</u>	<u>622,620,674</u>
Allowance for credit losses	(30,753,109)	(29,022,353)
Deferred loan fees, net	(2,629,045)	(2,285,485)
Loans receivable, net	<u>\$ 657,575,758</u>	<u>\$ 591,312,836</u>

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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 credit losses and any unamortized deferred fees or costs on originated loans. For the years ended December 31, 2025 and 2024, loan origination fees totaled \$1,708,737 and \$1,329,713, respectively, while the estimated cost to originate the loans was \$814,316 and \$713,081, respectively. IFF accreted \$550,861 and \$583,660 as a level yield adjustment for the years ended December 31, 2025 and 2024, 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, 2025, approximately 70% of outstanding facility loans are collateralized with mortgages in a first position lien and 5% are collateralized by mortgages with second position liens and 3% are not secured. The remaining 22% are collateralized by leasehold mortgages, assignment of TIFs, UCCs and other liens. At December 31, 2024, approximately 69% of outstanding facility loans are collateralized with mortgages in a first position lien and 4% are collateralized by mortgages with second position liens and 4% are not secured. The remaining 23% are collateralized by leasehold mortgages, assignment of TIFs, 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, 2025, approximately 83% 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 14% are collateralized by other liens, leasehold mortgages, assignment of TIFs, UCCs or unsecured. At December 31, 2024, approximately 85% 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 11% are collateralized by other liens, leasehold mortgages, assignment of TIFs, UCCs 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, 2025, approximately 64% of outstanding equipment and vehicle loans are collateralized with a UCC or vehicle title, 3% are collateralized with mortgages in a first position lien, 30% are collateralized by leasehold mortgages liens. The remaining 3% are not secured. At December 31, 2024, approximately 64% of outstanding equipment and vehicle loans are collateralized with a UCC or vehicle title, 12% are collateralized with mortgages in a first position lien, 21% are collateralized by leasehold mortgage liens. The remaining 3% are not secured.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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, 2025, approximately 52% of outstanding pre-development loans are collateralized with mortgages in a first position lien and 4% are collateralized by UCCs and other liens. The remaining 44% are unsecured. At December 31, 2024, approximately 53% of outstanding pre-development loans are collateralized with mortgages in a first position lien and 10% are collateralized by UCCs and other liens. The remaining 37% 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, 2025, approximately 58% of outstanding other loans are collateralized by other liens, 26% are collateralized by mortgages in a first position lien and the remaining 16% are collateralized by mortgages in second position lien, UCCs or unsecured. At December 31, 2024, approximately 68% of outstanding other loans are collateralized by other liens, 17% are collateralized by mortgages in a first position lien and the remaining 15% are collateralized by 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, 2025 and 2024:

	Current	31 - 60 Days Past Due	61 - 90 Days Past Due	90+ Days Past Due	Total	Nonaccruing Loans
December 31, 2025:						
Facility	\$ 354,471,910	\$ 404,337	\$ -	\$ 9,124,787	\$ 364,001,034	\$ 14,180,971
Affordable housing	245,971,007	-	-	1,500,000	247,471,007	1,596,026
Equipment and vehicle	2,172,094	-	-	-	2,172,094	-
Pre-development	21,180,392	-	150,221	350,000	21,680,613	2,099,483
Other	48,361,584	2,197,747	138,869	4,934,964	55,633,164	7,535,539
	<u>\$ 672,156,987</u>	<u>\$ 2,602,084</u>	<u>\$ 289,090</u>	<u>\$ 15,909,751</u>	<u>\$ 690,957,912</u>	<u>\$ 25,412,019</u>
Nonaccruing loans	<u>\$ 6,807,405</u>	<u>\$ 2,405,773</u>	<u>\$ 289,090</u>	<u>\$ 15,909,751</u>	<u>\$ 25,412,019</u>	
	Current	31 - 60 Days Past Due	61 - 90 Days Past Due	90+ Days Past Due	Total	Nonaccruing Loans
December 31, 2024:						
Facility	\$ 338,187,431	\$ 33,084	\$ 2,436,287	\$ 9,911,306	\$ 350,568,108	\$ 19,035,443
Affordable housing	199,554,953	-	-	1,500,000	201,054,953	1,782,137
Equipment and vehicle	2,600,194	-	-	577,029	3,177,223	577,029
Pre-development	16,598,582	-	-	-	16,598,582	1,261,556
Other	50,821,808	-	-	400,000	51,221,808	573,697
	<u>\$ 607,762,968</u>	<u>\$ 33,084</u>	<u>\$ 2,436,287</u>	<u>\$ 12,388,335</u>	<u>\$ 622,620,674</u>	<u>\$ 23,229,862</u>
Nonaccruing loans	<u>\$ 8,405,240</u>	<u>\$ -</u>	<u>\$ 2,436,287</u>	<u>\$ 12,388,335</u>	<u>\$ 23,229,862</u>	

IFF and Subsidiaries

Notes to Consolidated Financial Statements

Note 5. Loans Receivable (Continued)

The following tables present nonaccruing loans with and without an allowance for credit losses, the allowance for those loans with an allowance and loans past due 90+ days and still accruing by loan segment as of December 31, 2025 and 2024:

	Nonaccruing Loans with no Allowance for Credit Losses	Nonaccruing Loans with Allowance for Credit Losses	Allowance for Credit Losses on Nonaccruing Loans	Loans Past Due 90 + Days Still Accruing
December 31, 2025:				
Facility	\$ 3,029,765	\$ 11,151,206	\$ 5,263,081	\$ -
Affordable housing	96,026	1,500,000	1,275,000	-
Equipment and vehicle	-	-	-	-
Pre-development	497,259	1,602,224	535,724	-
Other	4,034,185	3,501,354	2,344,854	-
	<u>\$ 7,657,235</u>	<u>\$ 17,754,784</u>	<u>\$ 9,418,659</u>	<u>\$ -</u>
December 31, 2024:				
Facility	\$ 815,425	\$ 18,220,018	\$ 8,012,408	\$ -
Affordable housing	125,602	1,656,535	1,054,373	-
Equipment and vehicle	-	577,029	577,029	-
Pre-development	-	1,261,556	195,056	-
Other	50,000	523,697	523,697	-
	<u>\$ 991,027</u>	<u>\$ 22,238,835</u>	<u>\$ 10,362,563</u>	<u>\$ -</u>

IFF utilizes an internal asset classification system as a means of reporting problem and potential problem loans. In 2025, IFF reviewed and updated its internal asset classification system. There were no material changes to the classification except for the naming convention. For the year ended December 31, 2025, under its risk rating system, IFF classifies problem and potential problem loans as “Monitored,” “Special Mention” and “Substandard.” For the year ended December 31, 2024, IFF classified problem and potential problem loans as “Watch List”, “Problem Asset”, and “Doubtful”.

Monitored or 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, Monitored or Watch List loans can include a loan past due 30 days or which has a history of late payment. Loans classified as Special Mention or Problem Asset have all the weaknesses inherent in those classified as Monitored or 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. Loans classified as Substandard or Doubtful have all the weaknesses inherent in those classified as Special Mention or 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.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

Note 5. Loans Receivable (Continued)

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, 2025 and 2024:

	General Portfolio	Monitored	Special Mention	Substandard	Total
December 31, 2025:					
Facility	\$ 309,636,784	\$ 37,971,085	\$ 6,048,003	\$ 10,345,162	\$ 364,001,034
Affordable housing	240,491,615	2,350,630	3,032,736	1,596,026	247,471,007
Equipment and vehicle	2,172,094	-	-	-	2,172,094
Pre-development	19,581,130	-	-	2,099,483	21,680,613
Other	43,080,343	559,619	677,504	11,315,698	55,633,164
	<u>\$ 614,961,966</u>	<u>\$ 40,881,334</u>	<u>\$ 9,758,243</u>	<u>\$ 25,356,369</u>	<u>\$ 690,957,912</u>
Current	\$ 614,934,882	\$ 40,712,107	\$ 9,758,243	\$ 6,751,755	\$ 672,156,987
Past Due 31-60 Days	27,084	169,227	-	2,405,773	2,602,084
Past Due 61-90 Days	-	-	-	289,090	289,090
Past Due 90 + Days	-	-	-	15,909,751	15,909,751
	<u>\$ 614,961,966</u>	<u>\$ 40,881,334</u>	<u>\$ 9,758,243</u>	<u>\$ 25,356,369</u>	<u>\$ 690,957,912</u>
December 31, 2024:					
	General Portfolio	Watch List	Problem Asset	Doubtful	Total
Facility	\$ 287,407,009	\$ 34,832,303	\$ 15,341,304	\$ 12,987,492	\$ 350,568,108
Affordable housing	199,394,485	34,866	-	1,625,602	201,054,953
Equipment and vehicle	2,600,194	-	-	577,029	3,177,223
Pre-development	13,780,975	431,899	550,921	1,834,787	16,598,582
Other	43,168,078	2,168,125	2,422,405	3,463,200	51,221,808
	<u>\$ 546,350,741</u>	<u>\$ 37,467,193</u>	<u>\$ 18,314,630</u>	<u>\$ 20,488,110</u>	<u>\$ 622,620,674</u>
Current	\$ 546,317,657	\$ 37,467,193	\$ 17,314,630	\$ 6,663,488	\$ 607,762,968
Past Due 31-60 Days	33,084	-	-	-	33,084
Past Due 61-90 Days	-	-	-	2,436,287	2,436,287
Past Due 90 + Days	-	-	1,000,000	11,388,335	12,388,335
	<u>\$ 546,350,741</u>	<u>\$ 37,467,193</u>	<u>\$ 18,314,630</u>	<u>\$ 20,488,110</u>	<u>\$ 622,620,674</u>

The following table presents those loans at December 31, 2025, that were both experiencing financial difficulty and modified during the year ended December 31, 2025:

	Payment Delay	Combination Payment Delay and Term Extension	Combination Amortization Increase and Term Extension	Total
December 31, 2025:				
Facility	\$ 2,095,191	\$ 2,303,831	\$ 216,769	\$ 4,615,791
Affordable housing	3,017,081	457,665	-	3,474,746
Equipment and vehicle	-	-	-	-
Pre-development	-	-	-	-
Other	-	2,660,349	91,208	2,751,557
	<u>\$ 5,112,272</u>	<u>\$ 5,421,845</u>	<u>\$ 307,977</u>	<u>\$ 10,842,094</u>
Current	\$ 5,112,272	\$ 2,304,952	\$ 307,977	\$ 7,725,201
Past Due 31-60 Days	-	-	-	-
Past Due 61-90 Days	-	-	-	-
Past Due 90 + Days	-	3,116,893	-	3,116,893
	<u>\$ 5,112,272</u>	<u>\$ 5,421,845</u>	<u>\$ 307,977</u>	<u>\$ 10,842,094</u>

IFF and Subsidiaries

Notes to Consolidated Financial Statements

Note 5. Loans Receivable (Continued)

Activity in the allowance for credit losses for the years ended December 31, 2025 and 2024, was as follows:

	Facility	Affordable Housing	Equipment and Vehicle	Pre-Development	Other	Total
December 31, 2025:						
Beginning balance	\$ 17,996,919	\$ 6,621,102	\$ 644,362	\$ 1,232,651	\$ 2,527,319	\$ 29,022,353
Provision for credit losses	1,412,954	1,891,728	(14,792)	18,840	2,067,393	5,376,123
Charge-offs	(3,128,580)	-	(577,029)	-	-	(3,705,609)
Recoveries	41,272	-	18,970	-	-	60,242
Ending balance	<u>\$ 16,322,565</u>	<u>\$ 8,512,830</u>	<u>\$ 71,511</u>	<u>\$ 1,251,491</u>	<u>\$ 4,594,712</u>	<u>\$ 30,753,109</u>
Allowance for credit losses:						
Allocated	\$ 5,191,512	\$ 1,275,000	\$ -	\$ 535,724	\$ 3,768,669	\$ 10,770,905
General	11,131,053	7,237,830	71,511	715,767	826,043	19,982,204
	<u>\$ 16,322,565</u>	<u>\$ 8,512,830</u>	<u>\$ 71,511</u>	<u>\$ 1,251,491</u>	<u>\$ 4,594,712</u>	<u>\$ 30,753,109</u>
Loans:						
Individually evaluated loans	\$ 10,345,162	\$ 1,596,026	\$ -	\$ 2,099,483	\$ 11,315,698	\$ 25,356,369
Pooled loans	353,655,872	245,874,981	2,172,094	19,581,130	44,317,466	665,601,543
	<u>\$ 364,001,034</u>	<u>\$ 247,471,007</u>	<u>\$ 2,172,094</u>	<u>\$ 21,680,613</u>	<u>\$ 55,633,164</u>	<u>\$ 690,957,912</u>
December 31, 2024:						
Beginning balance	\$ 12,662,138	\$ 3,540,736	\$ 74,236	\$ 891,311	\$ 1,699,734	\$ 18,868,155
Provision for credit losses	7,401,409	3,080,366	570,126	341,340	827,585	12,220,826
Charge-offs	(2,086,628)	-	-	-	-	(2,086,628)
Recoveries	20,000	-	-	-	-	20,000
Ending balance	<u>\$ 17,996,919</u>	<u>\$ 6,621,102</u>	<u>\$ 644,362</u>	<u>\$ 1,232,651</u>	<u>\$ 2,527,319</u>	<u>\$ 29,022,353</u>
Allowance for credit losses:						
Allocated	\$ 7,832,823	\$ 1,050,000	\$ 577,029	\$ 768,288	\$ 1,695,607	\$ 11,923,747
General	10,164,096	5,571,102	67,333	464,363	831,712	17,098,606
	<u>\$ 17,996,919</u>	<u>\$ 6,621,102</u>	<u>\$ 644,362</u>	<u>\$ 1,232,651</u>	<u>\$ 2,527,319</u>	<u>\$ 29,022,353</u>
Loans:						
Individually evaluated loans	\$ 12,987,492	\$ 1,625,602	\$ 577,029	\$ 1,834,787	\$ 3,463,200	\$ 20,488,110
Pooled loans	337,580,616	199,429,351	2,600,194	14,763,795	47,758,608	602,132,564
	<u>\$ 350,568,108</u>	<u>\$ 201,054,953</u>	<u>\$ 3,177,223</u>	<u>\$ 16,598,582</u>	<u>\$ 51,221,808</u>	<u>\$ 622,620,674</u>

IFF and Subsidiaries

Notes to Consolidated Financial Statements

Note 5. Loans Receivable (Continued)

Individually evaluated loan information as of December 31, 2025 and 2024, is as follows:

	Unpaid Principal Balance	Recorded Investment	Allowance for Credit Losses Allocated	Average Recorded Investment	Interest Income Recognized	Cash Basis Interest Income Recognized
December 31, 2025:						
With no related allowance recorded:						
Facility	\$ 3,029,765	\$ 3,029,765	\$ -	\$ 2,007,470	\$ 64,957	\$ 64,957
Affordable housing	96,026	96,026	-	110,390	2,781	2,781
Equipment and vehicle	-	-	-	-	-	-
Pre-development	497,259	497,259	-	168,111	-	-
Other	5,007,936	5,007,936	-	1,745,769	121,016	115,016
	<u>8,630,986</u>	<u>8,630,986</u>	<u>-</u>	<u>4,031,740</u>	<u>188,754</u>	<u>182,754</u>
With an allowance recorded:						
Facility	7,315,397	7,315,397	5,191,512	10,132,026	65,013	63,609
Affordable housing	1,500,000	1,500,000	1,275,000	1,500,000	-	-
Equipment and vehicle	-	-	-	528,943	-	-
Pre-development	1,602,224	1,602,224	535,724	2,208,100	3,418	-
Other	6,307,762	6,307,762	3,768,669	4,366,664	255,100	255,100
	<u>16,725,383</u>	<u>16,725,383</u>	<u>10,770,905</u>	<u>18,735,733</u>	<u>323,531</u>	<u>318,709</u>
	<u>\$ 25,356,369</u>	<u>\$ 25,356,369</u>	<u>\$ 10,770,905</u>	<u>\$ 22,767,473</u>	<u>\$ 512,285</u>	<u>\$ 501,463</u>
December 31, 2024:						
With no related allowance recorded:						
Facility	\$ 815,425	\$ 815,425	\$ -	\$ 2,758,847	\$ 11,525	\$ 11,525
Affordable housing	125,602	125,602	-	115,674	6,530	6,530
Equipment and vehicle	-	-	-	65,000	-	-
Pre-development	-	-	-	-	-	-
Other	50,000	50,000	-	1,109,692	-	-
	<u>991,027</u>	<u>991,027</u>	<u>-</u>	<u>4,049,213</u>	<u>18,055</u>	<u>18,055</u>
With an allowance recorded:						
Facility	12,172,067	12,172,067	7,832,823	6,543,220	154,690	154,690
Affordable housing	1,500,000	1,500,000	1,050,000	145,535	-	-
Equipment and vehicle	577,029	577,029	577,029	528,943	-	-
Pre-development	1,834,787	1,834,787	768,288	1,382,894	40,437	36,622
Other	3,413,200	3,413,200	1,695,607	2,942,407	191,362	148,729
	<u>19,497,083</u>	<u>19,497,083</u>	<u>11,923,747</u>	<u>11,542,999</u>	<u>386,489</u>	<u>340,041</u>
	<u>\$ 20,488,110</u>	<u>\$ 20,488,110</u>	<u>\$ 11,923,747</u>	<u>\$ 15,592,212</u>	<u>\$ 404,544</u>	<u>\$ 358,096</u>

IFF and Subsidiaries

Notes to Consolidated Financial Statements

Note 5. Loans Receivable (Continued)

Individually evaluated loans, which are collateral dependent, the collateral type of these loans as of December 31, 2025 and 2024, is as follows:

	1st Mortgage	Subordinate Mortgage	Other	Assignment of TIF	UCC	Unsecured	Total
December 31, 2025:							
Facility	\$ 4,773,640	\$ 65,868	\$ 4,094,891	\$ 1,058,693	\$ 251,847	\$ 100,223	\$ 10,345,162
Affordable housing	1,578,739	-	-	-	-	17,287	1,596,026
Equipment and vehicle	-	-	-	-	-	-	-
Pre-development	1,599,262	-	-	-	-	500,221	2,099,483
Other	6,949,417	79,390	2,806,407	-	903,438	577,046	11,315,698
	<u>\$ 14,901,058</u>	<u>\$ 145,258</u>	<u>\$ 6,901,298</u>	<u>\$ 1,058,693</u>	<u>\$ 1,155,285</u>	<u>\$ 1,194,777</u>	<u>\$ 25,356,369</u>
December 31, 2024:							
Facility	\$ 7,807,966	\$ 88,673	\$ 4,094,890	\$ -	\$ 995,963	\$ -	\$ 12,987,492
Affordable housing	1,589,510	-	-	-	-	36,092	1,625,602
Equipment and vehicle	-	-	-	-	577,029	-	577,029
Pre-development	1,261,556	-	-	-	-	573,231	1,834,787
Other	-	83,095	2,806,408	-	13,188	560,509	3,463,200
	<u>\$ 10,659,032</u>	<u>\$ 171,768</u>	<u>\$ 6,901,298</u>	<u>\$ -</u>	<u>\$ 1,586,180</u>	<u>\$ 1,169,832</u>	<u>\$ 20,488,110</u>

At December 31, 2025, there were \$10,632,540 of loans that were added to the individually evaluated category. At December 31, 2025, the allowance for credit losses allocated for these newly added individually evaluated loans was \$2,364,598. At December 31, 2025, \$6,892,663 of these newly added individually evaluated loans are 90+ days delinquent.

At December 31, 2024, there were \$10,177,225 of loans that were added to the individually evaluated category. At December 31, 2024, the allowance for credit losses allocated to these newly added individually evaluated loans was \$5,697,085. At December 31, 2024, \$5,271,016 of these newly added individually evaluated loans are 90+ days delinquent.

Loans carried at \$248,800,500 and \$260,761,073 were pledged to secure borrowings as of December 31, 2025 and 2024, respectively.

At December 31, 2025, scheduled loan receipts due in the next year for the entire loan portfolio are expected to be \$105,521,636.

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 and Subsidiaries

Notes to Consolidated Financial Statements

Note 5. Loans Receivable (Continued)

IFF's undisbursed loan commitments as of December 31, 2025 and 2024, were \$161,664,413 and \$167,462,482, respectively. See Notes 10 and 11 for a summary of undrawn debt commitments that would be used to fund undisbursed loans. At December 31, 2025 and 2024, the allowance for credit losses for unfunded commitments totaled \$983,325 and \$1,087,060, respectively, and was included in accrued liabilities on IFF's consolidated statements of financial position. For the years ended December 31, 2025 and 2024, credit loss (release) expense for unfunded commitments was \$(103,735) and \$231,612, respectively, and was included in provision for credit loss expense on IFF's consolidated statements of activities and changes in net assets.

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, 2025 and 2024, were comprised of the following:

	1 - 4 Units	Group Homes	School Campus	Grocery Stores	Early Childhood Centers	Land	Total
December 31, 2025:							
Home First Illinois, LLC	\$ 14,476,023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,476,023
IFF Rockford Market LLC	-	-	-	3,009,872	-	-	3,009,872
Community Living Initiative, LLC	-	3,573,072	-	-	-	-	3,573,072
Access Peoria, LLC	3,409,247	-	-	-	-	-	3,409,247
IFF Hatchery, LLC	-	-	-	-	-	415,336	415,336
Access Health & Housing, LLC	9,404,649	-	-	-	-	-	9,404,649
Homan Housing, LLC	650,704	-	-	-	-	-	650,704
Homan Square PSH, LLC	10,380,757	-	-	-	-	-	10,380,757
IFF ECE Detroit 2, LLC	-	-	-	-	382,631	-	382,631
IFF Support Corporation	-	-	-	-	7,317,119	-	7,317,119
	<u>38,321,380</u>	<u>3,573,072</u>	<u>-</u>	<u>3,009,872</u>	<u>7,699,750</u>	<u>415,336</u>	<u>53,019,410</u>
Less accumulated depreciation	(6,128,613)	(696,229)	-	(803,919)	(648,500)	-	(8,277,261)
	<u>\$ 32,192,767</u>	<u>\$ 2,876,843</u>	<u>\$ -</u>	<u>\$ 2,205,953</u>	<u>\$ 7,051,250</u>	<u>\$ 415,336</u>	<u>\$ 44,742,149</u>
December 31, 2024:							
Home First Illinois, LLC	\$ 14,476,023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,476,023
IFF Waukegan Market LLC	-	-	-	3,285,875	-	-	3,285,875
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	-	-	-	-	-	403,303	403,303
IFF Quality Seats - Broadway, LLC	-	-	6,232,516	-	-	-	6,232,516
Access Health & Housing, LLC	9,066,168	-	-	-	-	-	9,066,168
Homan Housing, LLC	1,786,430	-	-	-	-	-	1,786,430
Homan Square PSH, LLC	9,527,630	-	-	-	-	-	9,527,630
IFF ECE Detroit 2, LLC	-	-	-	-	375,888	-	375,888
IFF Support Corporation	-	-	-	-	6,335,635	-	6,335,635
	<u>38,265,498</u>	<u>3,477,696</u>	<u>6,232,516</u>	<u>6,295,747</u>	<u>6,711,523</u>	<u>403,303</u>	<u>61,386,283</u>
Less accumulated depreciation	(5,377,796)	(607,057)	(1,227,053)	(1,512,618)	(205,799)	-	(8,930,323)
	<u>\$ 32,887,702</u>	<u>\$ 2,870,639</u>	<u>\$ 5,005,463</u>	<u>\$ 4,783,129</u>	<u>\$ 6,505,724</u>	<u>\$ 403,303</u>	<u>\$ 52,455,960</u>

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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

In 2011, Home First Illinois, LLC (HFI) 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.

HFI completed the renovations in 2016, and all 70 units were available to be rented. For the years ended December 31, 2025 and 2024, 65 units and 63 units, respectively, were rented out. Depreciation expense taken on the units rented for each of the years ended December 31, 2025 and 2024, was \$483,061 and \$483,062, respectively. As of December 31, 2025 and 2024, net property costs were \$9,401,916 and \$9,884,977, respectively. Accumulated depreciation on the properties for the years ended December 31, 2025 and 2024, was \$5,074,107 and \$4,591,046, respectively.

IHDA grant funds are secured by a non-interest-bearing mortgage on each property. HFI 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. HFI 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 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*, 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 refundable advance grant revenue liability on the consolidated statements of financial position. HFI has recorded the unamortized portion of grant amounts received, accumulating \$9,055,205 and \$9,544,067, as of December 31, 2025 and 2024, respectively, as refundable advance grant revenue. For each of the years ended December 31, 2025 and 2024, \$488,862 and \$488,861, respectively, was amortized into revenue. For each of the years ended December 31, 2025 and 2024, there was \$488,862 and \$488,861, respectively, release of restrictions.

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. Yellow Banana Licensee leases and manages the grocery store. In January 2025, the property was sold for \$2,500,000. For the year ended December 31, 2025, total accumulated property costs were zero. For the year ended December 31, 2024, total accumulated property costs were \$3,285,875. In 2024, the value of the property was written down by \$119,586 to \$2,500,000. This write down is recorded as an expense in the provision for losses on assets line item in the consolidated statements of activities and changes in net assets. This property is depreciated over 39 years using the straight-line method. No depreciation expense was taken on the grocery store for the year ended December 31, 2025. Depreciation expense taken on the grocery store for the year ended December 31, 2024, was \$87,319. As of December 31, 2025 and 2024, net property costs were zero and \$2,500,000, respectively. Accumulated depreciation on the property for the years ended December 31, 2025 and 2024, was zero and \$785,875, respectively.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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

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. Yellow Banana Licensee leases and manages the grocery store. For each of the years ended December 31, 2025 and 2024, 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, 2025 and 2024, was \$77,176 and \$77,177, respectively. As of December 31, 2025 and 2024, net property costs were \$2,205,953 and \$2,283,129, respectively. Accumulated depreciation on the property for the years ended December 31, 2025 and 2024, was \$803,919 and \$726,743, respectively.

Community Living Initiative, LLC financed, developed and owns group homes throughout Illinois to lease them to State selected and monitored service providers. The project consisted of seven homes, and was funded from a loan from IHDA and loans from IFF. The project incurred additional property costs of \$95,376 and zero for the years ended December 31, 2025 and 2024, respectively. For each of the years ended December 31, 2025 and 2024, total accumulated property costs were \$3,573,072 and \$3,477,696, respectively. The properties are depreciated over 39 years using the straight-line method. Depreciation expense taken for each of the years ended December 31, 2025 and 2024, was \$89,172. As of December 31, 2025 and 2024, net property costs were \$2,876,843 and \$2,870,639, respectively. Accumulated depreciation on the property for the years ended December 31, 2025 and 2024, was \$696,229 and \$607,057, respectively. As of December 31, 2025 and 2024, all seven homes have been rented out.

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 \$338,481 and \$872,104 for the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025 and 2024, total accumulated acquisition and development costs were \$9,404,649 and \$9,066,168, respectively. Depreciation expense taken on the properties for the year ended December 31, 2025 was \$180,430. No depreciation was taken for the year ended December 31, 2024. As of December 31, 2025 and 2024, net property costs were \$9,224,309 and \$9,066,168, respectively. Accumulated depreciation on the properties for the years ended December 31, 2025 and 2024, was \$180,340 and zero, respectively. For the years ended December 31, 2025 and 2024, 17 units and 20 units, respectively, were rented out.

IFF Hatchery, LLC developed and built a new food business incubator with two partners in Chicago's East Garfield Park community. Called the Hatchery, the 100,000-square-foot facility was designed to serve 50 to 75 young or growing food and beverage companies in need of food-grade, flexible space. Funding sources included its partners' equity, New Markets Tax Credits (NMTCs), Tax Increment Financing (TIF) money, debt and donations. IFF served as the developer. The public-private partnership, which brings together government, corporate and nonprofit resources, will create jobs and provide tax revenue for the community. After the successful development of the food business incubator, additional land was acquired for potential future expansion. Additional costs of \$12,033 and \$12,210 were incurred for the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025 and 2024, total accumulated acquisition and development costs were \$415,336 and \$403,303, respectively. No depreciation expense has been taken for the years ended December 31, 2025 and 2024, as the properties are land.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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 Peoria, 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 refundable advance grant 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 refundable advance grant revenue liability on the consolidated statements of financial position. Access Peoria, LLC has recorded the unamortized portion of grant amounts received, accumulating \$1,946,743 and \$2,054,895, as of December 31, 2025 and 2024, respectively, as refundable advance grant revenue. For the years ended December 31, 2025 and 2024, \$108,152 and \$108,153, respectively, was amortized into revenue. For the years ended December 31, 2025 and 2024, there was \$108,152 and \$108,153, respectively, release of restrictions. As of December 31, 2025 and 2024, total accumulated acquisition and development costs were \$3,409,247. For each of the years ended December 31, 2025 and 2024, all of the 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, 2025 and 2024, was \$87,416. As of December 31, 2025 and 2024, net property costs were \$2,535,081 and \$2,622,497, respectively. Accumulated depreciation on the properties for the years ended December 31, 2025 and 2024, was \$874,166 and \$786,750, respectively.

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-8 grades. The building was sold to the operator in 2025 and no gain or loss was recorded on the sale. No additional costs were incurred for the year ended December 31, 2025. Additional costs of \$116,227 were incurred for the year ended December 31, 2024. As of December 31, 2025 and 2024, total accumulated acquisition and development costs were zero and \$6,232,516, respectively. This property is depreciated over 39 years using the straight-line method. Depreciation expense taken for each of the years ended December 31, 2025 and 2024, was \$66,297 and \$159,112, respectively. As of December 31, 2025 and 2024, net property costs were zero and \$5,005,463, respectively. Accumulated depreciation on the property for the years ended December 31, 2025 and 2024, was zero and \$1,227,053, respectively. The school opened in the fall of 2016.

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 the owner of the property is IFF Support Corporation.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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

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 sublease the space to a high-quality early childhood provider with the goal of buying the property at the end of seven years. Construction was completed in 2025 and the provider moved into the space in 2025.

IFF Support Corporation was created in 2023 to be the owner of the building that will be leased to IFF Detroit ECE, LLC. The project is funded through a New Market Tax Credit (NMTC) transaction in which Cinnaire Lending Corporation provided debt and JPMorgan Chase provided equity into this NMTC. IFF Support Corporation incurred property costs of \$981,484 and \$4,244,862 for the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025 and 2024, total accumulated acquisition and development costs were \$7,317,119 and \$6,335,635, respectively. The property is depreciated over 30 years using the straight-line method. Depreciation expense taken for the years ended December 31, 2025 and 2024, was \$442,701 and \$194,853, respectively. As of December 31, 2025 and 2024, net property costs were \$6,668,619 and \$6,129,836, respectively. Accumulated depreciation on the property for the years ended December 31, 2025 and 2024, were \$648,500 and \$205,799, respectively.

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, LLC will act as developer and owner. Property costs of \$6,743 and \$375,888 were incurred for the years ended December 31, 2025 and 2024, respectively. 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 \$853,127 and \$2,511,623 were incurred for the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025 and 2024, total accumulated acquisition and development costs were \$10,380,757 and \$9,527,630, respectively. For the years ended December 31, 2025 and 2024, 17 units and 8 units, respectively, were rented out.

Homan Housing, LLC was created in 2022 to develop, finance, own and sell 20 modular single family affordable homes in the community of Homan Square in Chicago, Illinois. Funding for this program comes from IFF. Property costs of \$1,788,614 and \$2,752,460 were incurred for the years ended December 31, 2025 and 2024, respectively. For the years ended December 31, 2025 and 2024, sales of the units totaled \$3,025,144 and \$1,700,601, respectively. A gain of \$100,804 was recognized on the sale of the units for the year ended December 31, 2025. No gain was recognized on the sale of units for the year ended December 31, 2024. As of December 31, 2025 and 2024, total accumulated acquisition and development costs were \$650,704 and \$1,786,430, respectively. Seven and four homes were sold in the years ended December 31, 2025 and 2024, respectively. The remaining properties are still being developed.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

Note 7. Foreclosed Assets

An analysis of foreclosed assets as of December 31, 2025 and 2024, was as follows:

	2025	2024
Foreclosed assets, beginning of year	\$ 1,693,497	\$ 2,458,497
Acquired through or in lieu of foreclosure	1,833,247	-
Provision for losses on foreclosed assets	(474,186)	-
Sale proceeds of foreclosed assets not financed by IFF	(540,000)	(765,000)
Gain on sales	-	-
Foreclosed assets, end of year	<u>\$ 2,512,558</u>	<u>\$ 1,693,497</u>

Three and two properties make up the balances as of the years ended December 31, 2025 and 2024, respectively. Two new properties were added during 2025 and no properties in 2024 were added into foreclosed assets. One property was sold in the years 2025 and 2024. IFF recognized \$4,134 and \$3,903 in 2025 and 2024, 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 2025 and 2024 was \$157,307 and \$151,186, 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 \$729,704 and \$208,992 for 2025 and 2024, respectively.

Note 8. Furniture, Equipment and Leasehold Improvements

Furniture, equipment and leasehold improvements at December 31, 2025 and 2024, were comprised as follows:

	2025	2024
Furniture, equipment and software	\$ 1,718,961	\$ 2,609,221
Leasehold improvements	978,832	743,421
	<u>2,697,793</u>	<u>3,352,642</u>
Less accumulated depreciation and amortization	(1,680,247)	(2,598,204)
	<u>\$ 1,017,546</u>	<u>\$ 754,438</u>

Depreciation and amortization expenses for 2025 and 2024 were \$372,660 and \$396,538, respectively. IFF retired furniture and equipment and leasehold improvements in 2025 totaling \$929,209 and \$361,408, respectively. There was no retirement of furniture and leasehold improvements in 2024. No gains or losses were recorded in 2025 and 2024. New additions in 2025 and 2024 consisted of furniture and equipment of \$38,949 and \$28,810, respectively. New additions in 2025 and 2024 of leasehold improvements were \$596,819 and \$43,423, respectively.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

Note 9. Refundable Advance 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 refundable advance grant 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 refundable advance 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.

IFF recognized \$598,569 and \$1,240,864 as grant revenue as qualifying expenses were incurred for the years ended December 31, 2025 and 2024, respectively. 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.

IFF received conditional grant funds of \$122,316 and \$340,449 in 2025 and 2024, respectively, in which the grant agreements contained conditions and barriers that must be met before the grant can be recognized as revenue.

Refundable advance grant revenue at December 31, 2025 and 2024, was comprised of the following:

	IFF	Home First Illinois, LLC	IFF Rockford Market, LLC	Access Peoria, LLC	Neal School Development, LLC	Total
December 31, 2025:						
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	3,062,421	-	-	-	600,000	3,662,421
	16,587,421	12,614,170	500,000	2,577,638	600,000	32,879,229
Less accumulated amounts recognized as revenue	(15,889,595)	(3,558,965)	(263,685)	(630,895)	(559,712)	(20,902,852)
	\$ 697,826	\$ 9,055,205	\$ 236,315	\$ 1,946,743	\$ 40,288	\$ 11,976,377

IFF and Subsidiaries

Notes to Consolidated Financial Statements

Note 9. Refundable Advance Grant Revenue (Continued)

	IFF	Home First Illinois, LLC	IFF Rockford Market, LLC	Access Peoria, LLC	Neal School Development, LLC	Total
December 31, 2024:						
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	2,940,105	-	-	-	600,000	3,540,105
	16,465,105	12,614,170	500,000	2,577,638	600,000	32,756,913
Less accumulated amounts recognized as revenue	(15,888,040)	(3,070,103)	(263,685)	(522,743)	(559,712)	(20,304,283)
	<u>\$ 577,065</u>	<u>\$ 9,544,067</u>	<u>\$ 236,315</u>	<u>\$ 2,054,895</u>	<u>\$ 40,288</u>	<u>\$ 12,452,630</u>

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, 2025.

Capitalized finance costs, which are 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 \$165,519 and \$161,024 at December 31, 2025 and 2024, respectively. Amortization expense for the years ended December 31, 2025 and 2024, was \$20,248 and \$25,277, respectively. New finance costs incurred for the years ended December 31, 2025 and 2024, were \$24,743 and \$19,936, respectively. No retirements were made in 2025. Retirements in 2024 were \$36,471. Cumulative totals of finance costs, which are those not net of accumulated amortization, are \$315,309 and \$290,566 for the years ended December 31, 2025 and 2024, respectively.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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, 2025	Principal Balance at December 31, 2024
Sale 2012-1	10/15/2027	3.376%	\$ 340,851	\$ 614,749
Sale 2013-1	1/15/2029	4.005%	275,434	392,835
Sale 2014-1	1/15/2030	4.198%	1,254,744	1,598,329
Sale 2015-1	4/15/2030	3.989%	707,321	1,002,539
Sale 2015-2	7/15/2030	4.008%	2,295,776	3,280,467
Sale 2016-1	4/15/2031	3.604%	1,481,249	2,281,446
Sale 2016-2	10/15/2031	3.590%	2,178,916	2,422,824
Sale 2016-3	1/15/2032	3.307%	2,173,523	2,514,871
Sale 2017-1	7/15/2032	3.215%	1,142,825	2,181,943
Sale 2017-2	1/15/2033	3.101%	1,495,743	1,944,336
Sale 2018-1	4/15/2033	3.912%	1,327,186	2,308,427
Sale 2018-2	10/15/2033	4.083%	3,080,706	3,512,527
Sale 2019-1	7/15/2034	4.539%	6,480,131	7,412,360
Sale 2019-2	1/15/2035	4.489%	12,490,498	13,106,043
Sale 2021-1	1/15/2036	3.998%	10,025,598	12,233,997
Sale 2021-2	1/15/2037	3.769%	16,354,393	19,392,082
Sale 2022-1	7/15/2037	3.747%	21,865,011	23,929,260
Sale 2023-1	4/15/2038	4.251%	6,241,058	6,961,543
Sale 2023-2	10/15/2038	4.203%	15,780,980	16,517,235
Sale 2024-1	10/15/2039	4.302%	3,810,681	4,434,523
Single member Sale 2017-1	11/10/2031	3.000%	4,150,014	4,749,490
Single member Sale 2023-1	4/15/2030	3.742%	7,789,142	8,117,285
Single member Sale 2023-2	12/2/2036	3.323%	8,259,842	8,781,501
Single member Sale 2025-1	4/15/2032	4.229%	9,788,376	-
Total Investor Consortium collateral trust notes			140,789,998	149,690,612
Less accumulated unamortized financing fees			(165,519)	(161,024)
Total Investor Consortium collateral trust notes, net			<u>\$ 140,624,479</u>	<u>\$ 149,529,588</u>

- (a) Participating banks in the Investor Consortium are Associated Community Development Bank, Barrington Bank and Trust, BMO Harris Bank, Byline Bank, Carrollton Bank, CIBC Bank N.A., Citizens Bank, Commerce Bank, Crystal Lake Bank and Trust, 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, Midland States Bank, Midwest BankCentre, Mission Investment Fund of the Evangelical Lutheran Church in America, Northbrook Bank and Trust, The Northern Trust Bank, Old National Bank, Old Plank Trail Community Bank and Trust, Old Second National Bank, PNC Bank, Providence Bank & Trust, N.A., Schaumburg Bank and Trust Company, Simmons Bank, St. Charles Bank and Trust Company, State Farm Mutual, Stifel Bank & Trust, TD Bank N. A., TIAA-CREF Trust Company FSB, Town Bank, US Bank, Village Bank and Trust, Wheaton Bank and Trust and Wintrust Financial.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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 and 2023-2. If the balance of the cash reserve falls below 2% for any series or 3% in the single member note sale 2017-1 and 2023-2, 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, 2025 and 2024, all of the reserves were at the required 3% or 2%. The reserve funds are maintained in money market accounts. The balance of the reserves for the collateral trust notes, included in other restricted cash and interest-bearing deposits, at December 31, 2025 and 2024, was \$2,988,073 and \$3,287,159 at cost, respectively, which represents fair value.

As of December 31, 2025, the scheduled principal reduction of Investor Consortium collateral trust notes is as follows:

2026	\$ 18,387,228
2027	15,365,507
2028	13,024,283
2029	11,268,053
2030	10,515,254
Thereafter	72,229,673
	<u>\$ 140,789,998</u>

Undrawn commitments in the Investor Consortium Program at December 31, 2025 and 2024, were \$21,500,000 and \$10,470,807, 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, 2025, 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 are 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 three 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 \$809,835 and \$541,030 at December 31, 2025 and 2024, respectively. Amortization expense for the years ended December 31, 2025 and 2024, was \$110,720 and \$195,150, respectively. New finance costs incurred for the years ended December 31, 2025 and 2024, were \$379,525 and \$463,070, respectively. Retirements of capitalized finance costs in 2025 and 2024 were \$91,158 and \$136,295, respectively. Cumulative totals of finance costs, which are those not net of accumulated amortization, are \$1,009,325 and \$720,958 for the years ended December 31, 2025 and 2024, respectively.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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

IFF borrowings consisted of the following:

Lender	Maturity Date	Scheduled Repayments				Principal Balance at December 31, 2025	Principal Balance at December 31, 2024
		Principal		Interest			
		Amount	Due	Annual Rate	Due		
Adrian Dominican Sisters Inc.	8/15/2028	Balance	Maturity	3.000%	Quarterly	\$ 300,000	\$ 300,000
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	3,350,000	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
*Bank of America	5/28/2035	\$ 2,000,000	Annually starting 7/1/2031	2.000%	Quarterly	10,000,000	10,000,000
*Bank of America	12/21/2035	\$ 800,000	Annually starting 1/1/2032	1.730%	Quarterly	4,000,000	4,000,000
*Bank of America	2/28/2038	\$ 1,200,000	Annually starting 3/1/2034	4.840%	Quarterly	6,000,000	6,000,000
The Blowitz-Ridgeway Foundation	9/30/2025	\$ 5,000	Quarterly	2.750%	Quarterly	-	15,000
The Blowitz-Ridgeway Foundation	9/30/2026	\$ 5,000	Quarterly	2.400%	Quarterly	15,000	35,000
The Blowitz-Ridgeway Foundation	9/30/2027	\$ 5,000	Quarterly	2.400%	Quarterly	35,000	55,000
The Blowitz-Ridgeway Foundation	9/30/2028	\$ 5,000	Quarterly	2.400%	Quarterly	55,000	75,000
The Blowitz-Ridgeway Foundation	9/30/2029	\$ 5,000	Quarterly	2.400%	Quarterly	75,000	95,000
The Blowitz-Ridgeway Foundation	9/30/2030	\$ 5,000	Quarterly	2.400%	Quarterly	95,000	-
CareSource	12/13/2029	Balance	Maturity	4.500%	Quarterly	2,000,000	2,000,000
JPMorgan Chase Bank	9/10/2025	\$ 1,500,000	Quarterly starting 1/2024	2.698%	Monthly	-	24,000,000
JPMorgan Chase Bank	12/27/2028	\$ 500,000	Quarterly starting 1/5/2026	5.879%	Monthly	10,000,000	10,000,000
JPMorgan Chase Bank	8/8/2029	\$ 500,000	Quarterly starting 10/5/2026	5.640%	Monthly	10,000,000	10,000,000
JPMorgan Chase Bank	7/8/2030	1,300,000	Quarterly starting 10/5/2027	5.353%	Monthly	26,000,000	-
Chase New Markets Corporation	12/20/2034	\$ 1,875,000	Quarterly starting 3/31/2033	3.000%	Monthly	15,000,000	3,000,000
The Chicago Community Foundation	10/1/2027	Balance	Maturity	2.000%	Quarterly	350,000	350,000
Total carried forward						102,765,000	91,415,000

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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

Lender	Maturity Date	Scheduled Repayments				Principal Balance at December 31, 2025	Principal Balance at December 31, 2024
		Principal		Interest			
		Amount	Due	Annual Rate	Due		
Total brought forward						\$ 102,765,000	\$ 91,415,000
*Cinnaire CDE 54, LLC	6/1/2063	Per schedule	Starting 12/10/2030	1.000%	Quarterly	2,769,559	2,769,559
*Cinnaire CDE 54, LLC	6/1/2063	Per schedule	Starting 12/10/2030	1.000%	Quarterly	1,911,700	1,911,700
*Cinnaire CDE 54, LLC	9/30/2030	Balance	Maturity	1.000%	Quarterly	2,178,741	2,178,741
*Cinnaire Lending Corporation	9/1/2030	Per schedule	Starting 9/30/2024	6.500%	Monthly	1,730,425	1,871,843
*CNMC Sub-CDE 203. LLC	6/1/2063	Per schedule	Starting 12/10/2030	1.000%	Quarterly	761,090	761,090
*CNMC Sub-CDE 203. LLC	6/1/2063	Per schedule	Starting 12/10/2030	1.000%	Quarterly	338,910	338,910
Commonspirit Health Operating Investment Pool, LLC	10/31/2029	\$ 500,000	Quarterly starting 12/31/2027	2.500%	Quarterly	5,000,000	5,000,000
Community First Fund Federal Home Loan Bank	12/20/2034	Balance	Maturity	2.000%	Quarterly	10,000,000	10,000,000
Community First Fund Federal Home Loan Bank	6/2/2034	Balance	Maturity	2.000%	Quarterly	4,000,000	4,000,000
*Federal Home Loan Bank	8/25/2031	Balance	Maturity	2.570%	Monthly	5,000,000	5,000,000
*Federal Home Loan Bank	7/24/2034	Balance	Maturity	2.870%	Monthly	3,500,000	3,500,000
*Federal Home Loan Bank	5/30/2028	Balance	Maturity	4.030%	Monthly	2,000,000	2,000,000
*Federal Home Loan Bank	6/20/2025	Balance	Maturity	4.680%	Monthly	-	5,000,000
*Federal Home Loan Bank	8/4/2025	Balance	Maturity	4.630%	Monthly	-	2,400,000
*Federal Home Loan Bank	10/16/2034	Balance	Maturity	2.430%	Monthly	5,000,000	5,000,000
*Federal Home Loan Bank	9/4/2035	Balance	Maturity	4.480%	Monthly	10,000,000	-
*Federal Home Loan Bank	1/23/2026	Balance	Maturity	4.04364%	Monthly	15,000,000	-
*Federal Home Loan Bank	11/21/2035	Balance	Maturity	2.330%	Monthly	1,000,000	-
First Eagle Bank	11/15/2027	Balance	Maturity	3.500%	Quarterly	1,300,000	1,300,000
Max M. & Majorie S. Fisher Foundation	1/13/2025	Balance	Maturity	1.000%	Semi-annually	-	500,000
Grand Haven Area Community Foundation	4/23/2026	Balance	Maturity	2.000%	Semi-annually	1,500,000	1,500,000
Grand Haven Area Community Foundation	6/30/2031	Balance	Maturity	1.000%	Quarterly	1,500,000	1,500,000
Grand Rapids Community Foundation	1/13/2025	Balance	Maturity	2.750%	Semi - annually	-	500,000
Total carried forward						177,255,425	148,446,843

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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

Lender	Maturity Date	Scheduled Repayments				Principal Balance at December 31, 2025	Principal Balance at December 31, 2024
		Principal		Interest			
		Amount	Due	Annual Rate	Due		
Total brought forward						\$ 177,255,425	\$ 148,446,843
Grand Rapids Community Foundation	5/31/2030	Balance	Maturity	4.500%	Quarterly	500,000	-
Grand Traverse Regional Community Foundation	3/31/2029	Balance	Maturity	3.000%	Semi-annually	1,000,000	1,000,000
Goldman Sachs Social Impact Fund, LP	12/2/2025	Per schedule	Maturity	5.000%	Per schedule	5,612,421	5,612,421
Great Lakes Protection Fund	6/28/2030	Balance	Maturity	1.000%	Semi-annually	250,000	250,000
*Illinois Housing Development Authority	4/1/2033	To be forgiven	1/15 of Balance Annually	None	NA	1,391,464	1,581,209
*Illinois Housing Development Authority	6/1/2054	To be forgiven	1/29 of Balance Annually	None	NA	2,409,166	2,440,000
*Illinois Housing Development Authority	6/1/2054	\$ 744 131,795	monthly to be forgiven annually	None	NA	4,151,168	4,211,528
*Illinois Housing Development Authority	6/1/2055	To be forgiven	1/30 of Balance Annually	None	NA	3,500,000	3,500,000
*Illinois Housing Development Authority	6/1/2055	\$1,200 or greater of 25% Surplus Cash	Annually	None	NA	4,422,942	4,422,942
Illinois State Treasurer	3/6/2035	Balance	Maturity	3.000%	Quarterly	10,000,000	-
Kalamazoo Community Foundation	4/1/2028	Balance	Maturity	2.000%	Quarterly	500,000	500,000
W.K. Kellogg Foundation	7/31/2030	Balance	Maturity	1.000%	Quarterly	1,500,000	1,500,000
Kent County of Michigan	10/3/2053	Balance	Maturity	None	NA	17,500,000	17,500,000
KeyBank	10/10/2028	Balance	Maturity	5.000%	Monthly	10,000,000	-
The Kresge Foundation	9/27/2026	Per schedule	Quarterly	2.000%	Quarterly	750,000	1,500,000
The Kresge Foundation	6/1/2033	Per schedule	Quarterly	1.000%	Quarterly	2,275,000	2,275,000
Ann & Robert H. Lurie Children's Hospital of Chicago	1/1/2029	Balance	Maturity	3.000%	Quarterly	500,000	500,000
Mercy Investment Services, Inc.	12/31/2028	Balance	Maturity	3.500%	Quarterly	1,500,000	1,500,000
Michigan Strategic Fund	3/1/2046	Balance	Maturity	0.000%	NA	10,000,000	10,000,000
Missionary Sisters of the Sacred Heart	4/1/2025	Balance	Maturity	3.000%	Quarterly	-	250,000
Total carried forward						255,017,586	206,989,943

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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

Lender	Maturity Date	Scheduled Repayments				Principal Balance at December 31, 2025	Principal Balance at December 31, 2024
		Principal		Interest			
		Amount	Due	Annual Rate	Due		
Total brought forward						\$ 255,017,586	\$ 206,989,943
The Northern Trust Company	12/31/2027	Per schedule	Maturity	2.000%	Per schedule	3,659,037	3,659,037
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
The Northern Trust Company	5/15/2028	Balance	Maturity	0.250%	Semi-annually	10,000,000	10,000,000
The Northern Trust Company	11/7/2030	Balance	Maturity	3.000%	Semi-annually	10,000,000	-
Opportunity Finance Network	5/30/2028	Balance	Maturity	4.000%	Quarterly	3,750,000	3,750,000
Opportunity Finance Network	3/31/2031	Balance	Maturity	3.000%	Quarterly	10,000,000	10,000,000
Opportunity Finance Network	7/26/2029	Balance	Maturity	3.250%	Quarterly	200,000	200,000
Ottawa County of Michigan	12/22/2042	Balance	Maturity	None	NA	10,000,000	10,000,000
PNC Bank	4/1/2031	Per schedule	Quarterly	1.838%	Quarterly	10,000,000	10,000,000
PNC Bank	10/6/2029	Per schedule	Quarterly	5.000%	Quarterly	4,000,000	4,000,000
Pritzker Family Foundation	12/31/2027	Per schedule	Maturity	5.000%	Per schedule	3,924,020	3,924,020
Regions CDC	11/1/2027	Balance	Maturity	3.750%	Quarterly	5,000,000	5,000,000
Regions CDC	11/1/2027	Balance	Maturity	5.500%	Quarterly	5,000,000	5,000,000
Religious Communities Impact Fund, Inc.	3/15/2028	Balance	Maturity	3.000%	Quarterly	350,000	350,000
Rotary Charities of Traverse City	6/25/2028	Balance	Maturity	2.000%	Semi-annually	500,000	500,000
Rotary Charities of Traverse City	4/30/2029	Balance	Maturity	2.000%	Quarterly	1,000,000	1,000,000
Rush University Medical Center	8/22/2027	Balance	Maturity	2.500%	Quarterly	1,000,000	1,000,000
Rush University Medical Center	1/13/2027	Balance	Maturity	2.500%	Quarterly	2,000,000	2,000,000
Rush University Medical Center	12/13/2026	Balance	Maturity	2.500%	Quarterly	130,000	130,000
Rush University Medical Center	12/29/2028	Balance	Maturity	2.500%	Quarterly	1,000,000	-
Sinsinawa Dominicans Inc.	6/30/2027	Balance	Maturity	3.000%	Annually	30,000	30,000
Starbucks Corporation	6/30/2027	\$ 1,125,000	Annually starting 6/30/2025	2.000%	Annual	2,250,000	3,375,000
Starbucks Corporation	1/5/2032	Balance	Maturity	2.250%	Semi-annually	3,000,000	3,000,000
Starbucks Corporation	12/3/2035	Balance	Maturity	2.250%	Semi-annually	2,000,000	-
Total carried forward						353,310,643	293,408,000

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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

Lender	Maturity Date	Scheduled Repayments				Principal Balance at December 31, 2025	Principal Balance at December 31, 2024
		Principal		Interest			
		Amount	Due	Annual Rate	Due		
Total brought forward						\$ 353,310,643	\$ 293,408,000
Trinity Health	6/30/2025	Balance	Maturity	2.500%	Quarterly	-	1,000,000
Trinity Health	6/30/2030	Balance	Maturity	2.500%	Quarterly	1,000,000	-
Trinity Health	9/30/2051	Balance	Maturity	2.000%	Quarterly	642,000	642,000
University of Chicago	1/20/2025	Balance	Maturity	2.000%	Quarterly	-	300,000
U.S. Bank N.A.	6/3/2025	\$ 83,333	Monthly starting 6/1/2023	2.260%	Monthly	-	5,416,667
U.S. Bank N.A.	8/31/2026	Balance	Maturity	6.420%	Monthly	10,000,000	10,000,000
U.S. Bank N.A.	4/30/2027	Balance	Maturity	6.400%	Monthly	15,000,000	15,000,000
U.S. Bank N.A.	6/27/2028	Balance	Maturity	5.320%	Monthly	10,000,000	-
Walton Family Foundation	12/31/2025	\$ 4,000,000	Maturity	None	N/A	-	4,000,000
Walton Family Foundation	12/31/2025	\$ 3,000,000	Maturity	None	N/A	-	3,000,000
Walton Family Foundation	12/31/2025	\$ 1,000,000	Maturity	None	N/A	-	1,000,000
Wells Fargo Bank, N.A.	8/2/2030	\$ 500,000	Quarterly starting 10/1/2028	2.500%	Quarterly	4,000,000	4,000,000
Wells Fargo Bank, N.A.	9/27/2031	\$ 625,000	Quarterly starting 10/1/2029	3.00000%	Quarterly	5,000,000	5,000,000
Wisconsin Preservation Fund	4/1/2025	Balance	Maturity	None	N/A	-	75,000
Youthbridge Community Foundation	3/31/2026	Balance	Maturity	3.000%	Quarterly	300,000	300,000
Total borrowings						399,252,643	343,141,667
Less accumulated unamortized financing fees						(427,875)	(352,751)
Total borrowings, net						\$ 398,824,768	\$ 342,788,916

IFF equity equivalent borrowings consisted of the following:

Lender	Maturity Date	Scheduled Repayments				Principal Balance at December 31, 2025	Principal Balance at December 31, 2024
		Principal		Interest			
		Amount	Due	Annual Rate	Due		
The Benedictine Sisters of Chicago	3/17/2029	Balance	Maturity	3.000%	Quarterly	\$ 100,000	\$ 100,000
Benedictine Sisters of the Sacred Heart	8/1/2028	Balance	Maturity	3.000%	Quarterly	50,000	50,000
BMO Harris Bank	10/1/2028	Balance	Maturity	3.000%	Quarterly	1,750,000	1,750,000
Total carried forward						1,900,000	1,900,000

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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

Lender	Maturity Date	Scheduled Repayments				Principal Balance at December 31, 2025	Principal Balance at December 31, 2024
		Principal		Interest			
		Amount	Due	Annual Rate	Due		
Total brought forward						\$ 1,900,000	\$ 1,900,000
Cathay Bank	10/14/2033	Balance	Maturity	3.250%	Quarterly	500,000	500,000
Citizens Bank, N.A.	11/1/2028	\$ 600,000	Annually starting 11/1/2028	4.000%	Semi-annually	3,000,000	3,000,000
Citizens Bank, N.A.	4/2/2030	\$ 1,000,000	Annually starting 4/2/2030	3.000%	Semi-annually	5,000,000	-
Congregation of the Sisters of St. Joseph, Inc.	7/1/2028	Balance	Maturity	1.500%	Quarterly	100,000	100,000
Fifth Third CDC	9/30/2028	Balance	Maturity	2.000%	Quarterly	10,000,000	10,000,000
First Savings Bank of Hegewisch	8/30/2027	Balance	Maturity	3.000%	Quarterly	500,000	500,000
Goldman Family Foundation	1/28/2025	Balance	Maturity	1.000%	Quarterly	-	500,000
Greater Cincinnati Foundation	10/5/2032	Balance	Maturity	3.250%	Quarterly	1,000,000	1,000,000
Institute of the Blessed Virgin Mary	4/30/2028	Balance	Maturity	3.000%	Quarterly	100,000	100,000
Marquette Bank	5/31/2026	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	12/21/2030	Balance	Maturity	None	NA	50,000	50,000
Nazareth Literacy & Benevolent Institution/dba Sisters of Charity of Nazareth	11/6/2028	Balance	Maturity	0.500%	Quarterly	150,000	150,000
North Shore Bank FSB	5/1/2028	Balance	Maturity	3.000%	Quarterly	50,000	50,000
Opus Foundation	6/30/2027	Balance	Maturity	2.250%	Quarterly	750,000	750,000
PNC CDC	5/9/2029	Balance	Maturity	3.000%	Quarterly	7,500,000	7,500,000
St. Viator High School	4/27/2027	Balance	Maturity	3.000%	Quarterly	150,000	150,000
St. Viator High School	6/15/2028	Balance	Maturity	3.000%	Quarterly	150,000	150,000
Sisters of Charity of Leavenworth	1/15/2028	Balance	Maturity	2.000%	Quarterly	50,000	50,000
Sisters of Most Precious Blood/St. Mary's Institute of O'Fallon	9/27/2025	Balance	Maturity	1.000%	Quarterly	-	50,000
Sisters of Most Precious Blood/St. Mary's Institute of O'Fallon	2/14/2025	Balance	Maturity	0.500%	Quarterly	-	200,000
Sisters of St. Francis Clinton, Iowa	6/1/2027	Balance	Maturity	2.650%	Quarterly	100,000	100,000
Total carried forward						31,450,000	27,200,000

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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

Lender	Maturity Date	Scheduled Repayments				Principal Balance at December 31, 2025	Principal Balance at December 31, 2024
		Principal		Interest			
		Amount	Due	Annual Rate	Due		
Total brought forward						\$ 31,450,000	\$ 27,200,000
Sisters of St. Francis Clinton, Iowa	6/1/2028	Balance	Maturity	2.650%	Quarterly	200,000	200,000
Sisters of St. Joseph of Carondelet	6/30/2029	Balance	Maturity	3.000%	Quarterly	50,000	50,000
Sisters of the Holy Names of Jesus and Mary U.S.—Ontario Province Corporation	5/1/2030	Balance	Maturity	2.000%	Quarterly	250,000	250,000
Sisters, Servants of the Immaculate Heart of Mary	3/3/2027	Balance	Maturity	3.000%	Quarterly	50,000	50,000
U.S. Bancorp CDC	10/4/2027	Balance	Maturity	3.700%	Quarterly	2,000,000	2,000,000
Village Bank & Trust	9/19/2026	Balance	Maturity	3.250%	Quarterly	1,000,000	1,000,000
Wells Fargo Community Investment Holdings, LLC	6/19/2030	\$ 125,000	Quarterly starting 7/1/2028	2.000%	Quarterly	1,000,000	1,000,000
Wells Fargo Community Investment Holdings, LLC	2/26/2026	Balance	Maturity	2.500%	Quarterly	5,000,000	5,000,000
Total equity equivalent borrowings						41,000,000	36,750,000
Less accumulated unamortized financing fees						(41,760)	(44,184)
Total equity equivalent borrowings, net						\$ 40,958,240	\$ 36,705,816

IFF Bond Guarantee Program borrowings consisted of the following:

Lender	Maturity Date	Scheduled Repayments				Principal Balance at December 31, 2025	Principal Balance at December 31, 2024
		Principal		Interest			
		Amount	Due	Annual Rate	Due		
*U.S. Treasury CDFI Fund	6/15/2040	Per schedule	Quarterly	2.829%	Quarterly	\$ 3,627,606	\$ 3,827,623
*U.S. Treasury CDFI Fund	9/17/2040	Per schedule	Quarterly	2.720%	Quarterly	4,272,346	4,505,141
*U.S. Treasury CDFI Fund	3/15/2041	Per schedule	Quarterly	2.110%	Quarterly	2,176,707	2,296,641
*U.S. Treasury CDFI Fund	9/16/2041	Per schedule	Quarterly	2.381%	Quarterly	2,276,930	2,394,919
*U.S. Treasury CDFI Fund	9/16/2041	Per schedule	Quarterly	2.950%	Quarterly	3,561,108	3,736,645
*U.S. Treasury CDFI Fund	9/15/2042	Per schedule	Quarterly	2.738%	Quarterly	1,182,600	1,237,643
Total Bond Guarantee Program borrowings						17,097,297	17,998,612
Less accumulated unamortized financing fees						(340,200)	(144,095)
Total Bond Guarantee Program borrowings, net						\$ 16,757,097	\$ 17,854,517

IFF is subject to several quantitative loan covenants and was in compliance with these covenants as of December 31, 2025 and 2024.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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

As of December 31, 2025, the required principal reduction of all the above borrowings is as follows:

2026	\$ 55,098,672
2027	63,308,839
2028	76,208,325
2029	38,489,383
2030	38,817,296
Thereafter	185,427,425
	<u>\$457,349,940</u>

Included in the required principal reduction listed above is \$1,391,464 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 2033. Also included in this amount is \$6,560,334 of borrowings from IHDA who provided financing for the Access Health & Housing, LLC's homes. These interest-free loans are expected to be forgiven at various times through June 2054. Also included in this amount is \$3,500,000 of borrowings from IHDA who provided financing for the Homan Square PSH, LLC's homes. These interest-free loans are expected to be forgiven at various times through June 2055.

Undrawn commitments at December 31, 2025 and 2024, were \$130,395,235 and \$134,846,464, respectively.

Note 12. Loan Participations Payable

IFF entered into participation agreements with Partners for the Common Good (PCG), and Woodforest National Bank 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 plus extra principal paydowns 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. The current balance of the loans receivable as of December 31, 2025 and 2024, was \$6,621,641 and \$6,671,176, respectively. IFF loan participations payable consisted of the following:

Lender	Maturity Date	Scheduled Repayments				Principal Balance at December 31, 2025	Principal Balance at December 31, 2024
		Principal Amount	Due	Interest Annual Rate	Due		
Partners for the Common Good	3/1/2029	Per Schedule and Balance at Maturity	Monthly	7.000%	Monthly	\$ 1,373,680	\$ 1,423,779
Woodforest National Bank	6/30/2026	Per Schedule and Balance at Maturity	Monthly	6.750%	Monthly	787,887	1,793,699
Total loan participations payable						<u>\$ 2,161,567</u>	<u>\$ 3,217,478</u>

IFF and Subsidiaries

Notes to Consolidated Financial Statements

Note 12. Loan Participations Payable (Continued)

As of December 31, 2025, the scheduled principal reduction of loan participations payable is as follows:

2026	\$ 853,770
2027	62,258
2028	66,925
2029	1,178,614
	<u>\$ 2,161,567</u>

Note 13. Operating Leases

ASC 842, Leases, 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 is obligated under leases for its Chicago office spaces (through December 2026 and September 2030), Cleveland office space (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 September 2029), Kansas City office space (through April 2030), and St. Louis office space (through December 2031), which provides for base rentals (recognized on a straight-line basis) plus a prorated share of real estate taxes and operating expenses. The Columbus office lease was not renewed as staff work directly from their home.

IFF has recorded a right-of-use asset of \$4,768,803 and \$5,553,556 as of December 31, 2025 and 2024, respectively, included on the consolidated statements of financial position. A lease liability of \$5,670,513 and \$6,595,018 was recorded for the years ended December 31, 2025 and 2024, respectively, and is included in the lease liabilities on the consolidated statements of financial position.

At December 31, 2025 and 2024, the weighted average remaining lease term was 54 and 64 months, respectively, and the weighted-average discount rate used in the measurement was 2.85%. IFF utilized its 2022 weighted incremental borrowing rate for the calculation.

At December 31, 2025, future minimum lease payments (base rentals) by year are as follows:

2026	\$ 1,462,448
2027	1,349,372
2028	1,175,286
2029	1,168,196
2030	836,750
Thereafter	59,344
Total undiscounted lease payments	<u>6,051,396</u>
Less present value discount	<u>(380,883)</u>
Net lease liabilities	<u>\$ 5,670,513</u>

IFF and Subsidiaries

Notes to Consolidated Financial Statements

Note 13. Operating Leases (Continued)

The total rent expense for the years ended December 31, 2025 and 2024, was as follows:

	2025	2024
Chicago, net of sublease revenue	\$ 1,143,498	\$ 1,142,564
Cleveland	31,367	30,533
Columbus	25,953	40,866
Detroit, net of sublease revenue	290,744	269,309
Grand Rapids	83,121	62,573
Indianapolis	41,887	67,830
Kansas City	89,338	57,239
St. Louis	36,174	36,166
	<u>\$ 1,742,082</u>	<u>\$ 1,707,080</u>

Note 14. Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2025 and 2024, were available for the following purposes:

	2025	2024
Department of Education Grant for Credit Enhancement (Note 3)	\$ 22,705,412	\$ 22,075,838
Loan issuance	12,133,721	16,366,241
Grants for specific programs	19,091,248	21,562,696
	<u>\$ 53,930,381</u>	<u>\$ 60,004,775</u>

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 credit losses) or disburses qualified loans, depending on the specific grant. Release from restrictions are reversed when there are recoveries or reductions in loan provisions. Restricted grant amounts recognized which are not yet utilized are included in net assets with donor restrictions, listed above as loan issuance.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

Note 14. Net Assets with Donor Restrictions (Continued)

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. Grants for specific programs are as follows at December 31, 2025 and 2024:

	2025	2024
Net assets with donor restrictions for specific programs:		
Core Business Solutions:		
Capital Solution Programs	\$ 1,552,102	\$ 1,726,470
Core Business Executive Development	-	50,000
Real Estate Solutions Programs	10,042,083	8,449,369
Social Impact Accelerator (SIA):		
Community Data Insights	4,730	164,374
Program and Initiatives	4,312,538	10,070,358
Sector Strategies	265,000	-
SIA Executive	272,215	-
Strategic Insights	100,000	-
Core Operations	528,656	459,141
	<u>\$ 19,091,248</u>	<u>\$ 21,562,696</u>

In 2025 and 2024, net assets were released from donor restrictions by incurring expenses satisfying the purpose or expiration of time restrictions as follows:

	2025	2024
Net assets released from restrictions:		
Time and performance restrictions (operating)	\$ 5,538,171	\$ 6,748,378
Performance restrictions—pass through grants (operating)	4,330,591	18,998,393
Loan capital grants (capital)	5,000,000	-
	<u>\$ 14,868,762</u>	<u>\$ 25,746,771</u>

In 2025 and 2024, activity in net assets with donor restrictions was made up of the following:

	2025	2024
Net assets with donor restrictions, beginning of year	\$ 60,004,775	\$ 58,397,020
Additions to net assets with donor restrictions	8,794,368	27,354,526
Net assets released from restrictions	(14,868,762)	(25,746,771)
Net assets with donor restrictions, end of year	<u>\$ 53,930,381</u>	<u>\$ 60,004,775</u>

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, 2025 and 2024, were \$751,877 and \$703,192, respectively.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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), Community Development Solutions, Home First, and Real Estate Solutions (consulting). Social Impact Accelerator (SIA) programs include Community Data Insights, Community Engagement, Comprehensive Based Placed Initiatives, EDI, Hope Starts Here, Organizational Learning, Performance and Impact, Program & Initiatives, Sector Strategies, SIA Executive, and Strategic Insights. SIA leverages our knowledge, expertise, and experience in service to our customers by advancing equity and system change through more intentional innovation. SIA magnifies our role as industry thought leaders and knowledge sharers by connecting the dots across geographies, business units and sectors.

IFF's expenses without donor restrictions for the years ended December 31, 2025 and 2024, 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, 2025:								
Salaries and benefits	\$ 14,427,794	\$ 3,709,872	\$ 1,070,080	\$ 19,207,746	\$ 2,439,615	\$ 395,079	\$ 2,834,694	\$ 22,042,440
Professional fees	4,195,372	1,593,944	274,095	6,063,411	299,768	32,407	332,175	6,395,586
Occupancy and office	2,395,106	370,533	88,691	2,854,330	497,961	58,632	556,593	3,410,923
Sponsorships, advertising, and printing	177,321	31,999	13,796	223,116	28,078	3,036	31,114	254,230
Interest	17,886,982	-	-	17,886,982	-	-	-	17,886,982
Other operating	3,123,530	284,106	99,992	3,507,628	378,781	42,705	421,486	3,929,114
Provision for losses on assets	474,186	-	-	474,186	-	-	-	474,186
Pass through grants	765,610	3,563,563	-	4,329,173	-	-	-	4,329,173
Meetings and travel	879,438	233,509	72,463	1,185,410	121,854	19,955	141,809	1,327,219
Depreciation and amortization	1,803,931	54,272	13,025	1,871,228	80,322	8,684	89,006	1,960,234
Gain on sale of foreclosed assets	(4,134)	-	-	(4,134)	-	-	-	(4,134)
Total expenses (operating)	46,125,136	9,841,798	1,632,142	57,599,076	3,846,379	560,498	4,406,877	62,005,953
Provision for credit losses	5,272,388	-	-	5,272,388	-	-	-	5,272,388
Total expenses	\$ 51,397,524	\$ 9,841,798	\$ 1,632,142	\$ 62,871,464	\$ 3,846,379	\$ 560,498	\$ 4,406,877	\$ 67,278,341

IFF and Subsidiaries

Notes to Consolidated Financial Statements

Note 16. Functional Expense Classifications (Continued)

	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, 2024:								
Salaries and benefits	\$ 13,382,312	\$ 3,866,830	\$ 954,143	\$ 18,203,285	\$ 1,640,144	\$ 344,933	\$ 1,985,077	\$ 20,188,362
Professional fees	3,766,516	1,661,600	175,289	5,603,405	173,171	18,229	191,400	5,794,805
Occupancy and office	2,200,924	408,105	90,958	2,699,987	512,296	58,469	570,765	3,270,752
Sponsorships, advertising, and printing	143,084	60,719	37,302	241,105	22,048	2,321	24,369	265,474
Interest	16,745,383	-	-	16,745,383	-	-	-	16,745,383
Other operating	4,527,509	303,665	76,247	4,907,421	272,040	30,159	302,199	5,209,620
Provision for losses on assets	119,586	-	-	119,586	-	-	-	119,586
Pass through grants	332,252	18,481,241	-	18,813,493	-	-	-	18,813,493
Meetings and travel	626,503	228,773	52,094	907,370	76,318	23,681	99,999	1,007,369
Depreciation and amortization	1,648,166	63,847	14,188	1,726,201	89,858	9,459	99,317	1,825,518
Gain on sale of foreclosed assets	(3,903)	-	-	(3,903)	-	-	-	(3,903)
Total expenses (operating)	43,488,332	25,074,780	1,400,221	69,963,333	2,785,875	487,251	3,273,126	73,236,459
Provision for credit losses	12,452,438	-	-	12,452,438	-	-	-	12,452,438
Total expenses	\$ 55,940,770	\$ 25,074,780	\$ 1,400,221	\$ 82,415,771	\$ 2,785,875	\$ 487,251	\$ 3,273,126	\$ 85,688,897

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 at December 31, 2025 and 2024:

	2025	2024
Cash and cash equivalents	\$ 61,968,638	\$ 73,250,130
Current portion of grants receivable, other receivables and deposits	10,353,498	10,073,817
Current portion of loans receivable	105,521,636	104,797,599
Accrued interest receivable	3,979,046	3,783,503
	<u>181,822,818</u>	<u>191,905,049</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions—loan issuance	(12,133,721)	(16,366,241)
	<u>\$ 169,689,097</u>	<u>\$ 175,538,808</u>

A portion of the financial assets above include certain amounts restricted by donors for various purposes which uses are considered by IFF 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 12-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.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

Note 17. Liquidity and Availability of Financial Resources (Continued)

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 weekly 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 \$151,895,235 and \$145,317,271 as of December 31, 2025 and 2024, respectively (see 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:

IFF and Subsidiaries

Notes to Consolidated Financial Statements

Note 18. Fair Value of Financial Instruments (Continued)

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

	Fair Value Measurements at December 31, 2025			
	Totals	Level 1	Level 2	Level 3
Investment in limited liability companies	\$ 326,757	\$ -	\$ -	\$ 326,757
	\$ 326,757	\$ -	\$ -	\$ 326,757

	Fair Value Measurements at December 31, 2024			
	Totals	Level 1	Level 2	Level 3
Investment in limited liability companies	\$ 322,055	\$ -	\$ -	\$ 322,055
	\$ 322,055	\$ -	\$ -	\$ 322,055

As of December 31, 2025 and 2024, there were no transfers between the levels.

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, 2025			
	Totals	Level 1	Level 2	Level 3
Assets:				
Individually evaluated loans	\$ 5,954,477	\$ -	\$ -	\$ 5,954,477
Foreclosed assets	2,512,558	-	-	2,512,558
	\$ 8,467,035	\$ -	\$ -	\$ 8,467,035

	Fair Value Measurements at December 31, 2024			
	Totals	Level 1	Level 2	Level 3
Assets:				
Individually evaluated loans	\$ 7,573,336	\$ -	\$ -	\$ 7,573,336
Foreclosed assets	1,693,497	-	-	1,693,497
	\$ 9,266,833	\$ -	\$ -	\$ 9,266,833

IFF and Subsidiaries

Notes to Consolidated Financial Statements

Note 18. Fair Value of Financial Instruments (Continued)

Individually evaluated loans: Individually evaluated loans are evaluated and valued at the time the loan is identified as being individually evaluated, at the lower of cost or fair value. Individually evaluated loans measured at fair value at December 31, 2025 and 2024, on the consolidated statements of financial position and included above represent those individually evaluated loans where fair value was measured to be lower than the cost of the loan which represents individually evaluated loans for which an allowance has been provided less the related allowance for credit losses and individually evaluated 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 credit 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 32% and 36% of IFF's borrowers are located in the Chicago metropolitan area as of December 31, 2025 and 2024, respectively. A breakdown of the industry sector of borrowers at December 31, 2025 and 2024, were comprised of the following:

	2025		2024	
Affordable housing	\$240,671,721	35%	\$198,106,719	32%
Community development	95,246,972	14%	87,659,542	14%
Charter school	83,748,453	12%	78,594,332	13%
Health care	44,508,239	6%	40,351,709	7%
Arts and culture	38,353,706	6%	37,280,636	6%
Housing (other)	33,186,111	5%	16,888,599	3%
Education—other	29,752,353	4%	27,749,501	4%
Multi-service	24,895,091	4%	21,147,992	3%
Early childhood education (child care)	24,157,957	3%	20,637,292	3%
Other	18,501,788	3%	30,083,537	5%
Education—private (non charter)	14,923,158	2%	20,368,062	3%
Youth services	14,509,015	2%	15,334,430	2%
Workforce development (job training)	11,269,746	2%	10,104,876	2%
Universal access services	10,217,614	1%	8,649,608	1%
Healthy foods	7,015,988	1%	9,663,839	2%
	<u>\$690,957,912</u>	<u>100%</u>	<u>\$622,620,674</u>	<u>100%</u>

IFF and Subsidiaries

Notes to Consolidated Financial Statements

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, \$80,000,000 allocation in 2016, a \$50,000,000 allocation in 2021, and a \$55,000,000 allocation in 2023. IFF also received a \$5,000,000 Illinois New Markets Tax Credit in 2015 and \$20,000,000 in 2024, a \$1,000,000 Ohio New Markets Tax Credit in 2022 and \$2,564,103 in 2024, and a \$241,313 Kentucky New Markets Tax Credit in 2024. 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, 2025, all of the allocations have been used. IFF received notice in 2025 that it would be receiving a \$85,000,000 allocation in 2026.

IFF is the managing member and has a stated ownership interest of .01% 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, 2025 and 2024, IFF's ownership value in these New Markets Tax Credit LLCs was \$10,808 and \$11,866, respectively.

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 2025 and 2024 was \$656,623 and \$638,034, 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 2025 and 2024 was \$1,634,250 and \$806,923, 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. Total possible recapture liability was \$53,184,112 and \$58,254,112 as of December 31, 2025 and 2024, respectively. As of December 31, 2025 and 2024, 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, 2025 and 2024, IFF's ownership value in this LLC was \$208,280 and \$208,352, respectively.

IFF provides certain services to the LLC, as provided in the operating agreement. For the years ended December 31, 2025 and 2024, IFF received a developer fee of \$88,963 and \$228,652, respectively. This fee income is recorded on the consolidated statements of activities and changes in net assets in developer fees. For the year ended December 31, 2025, IFF did not receive a management fee. For the year ended December 31, 2024, IFF received a management fee of \$9,962. This fee income is recorded on the consolidated statements of activities and changes in net assets in management and sponsor fees.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

Note 20. Limited Liability Companies (Continued)

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, 2025 and 2024, 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, 2025 and 2024, IFF's ownership value in this LLC was \$171 and \$276, respectively.

IFF provides certain services to the LLC, as provided in the operating agreement. For the years ended December 31, 2025 and 2024, IFF received a developer fee of \$40,235 and \$58,124, respectively. This fee income is recorded on the consolidated statements of activities and changes in net assets in developer fees. IFF did not receive a management fee for the year ended December 31, 2025. For the year ended December 31, 2024, IFF received a management fee of \$7,091. 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, 2025 and 2024, no liability is recorded because of such event.

Access South Cook I, LLC: In 2024, Access South Cook 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 44 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 South Cook I, LLC. IFF's investment is recorded in the consolidated statements of financial position in other assets. As of December 31, 2025 and 2024, IFF's ownership value in this LLC was \$107,498 and \$101,561, respectively.

IFF provides certain services to the LLC, as provided in the operating agreement. For the year ended December 31, 2025, no developer fee was received. For the year ended December 31, 2024, IFF received a developer fee of \$366,961. This fee income is recorded on the consolidated statements of activities and changes in net assets in developer fees. No management fees were earned for the years ended December 31, 2025 and 2024.

IFF and Subsidiaries

Notes to Consolidated Financial Statements

Note 20. Limited Liability Companies (Continued)

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, 2025 and 2024, no liability is recorded because of such event.

Access Madison County I, LLC: In 2025, Access Madison County I, LLC (LLC) received an award of Low-Income Housing Tax Credit (LIHTC) from the Illinois Housing Development Authority. The project will combine low-income housing tax credits, grants and loans to develop 28 units of rental housing for people with disabilities and working families earning under 60% area median income (AMI). No transactions occurred in 2025 and finance closings are expected to occur in 2026.

Supplementary Information

IFF and Subsidiaries

Consolidating Statement of Financial Position

December 31, 2025

(See Independent Auditor's Report)

	IFF*	IFF Pay for Success I, LLC	IFF Pay for Success II, LLC	IFF Support Corporation	Combined IFF Real Estate Holdings LLCs	Eliminations	Consolidated
Assets							
Cash and cash equivalents	\$ 42,142,544	\$ 90,156	\$ 224	\$ 430,001	\$ 19,305,713	\$ -	\$ 61,968,638
Other restricted cash and interest-bearing deposits in banks	4,910,146	-	-	202,515	2,523,679	-	7,636,340
Department of Education restricted cash and interest-bearing deposits in banks	22,705,412	-	-	-	-	-	22,705,412
Total cash and cash equivalents including restricted cash	69,758,102	90,156	224	632,516	21,829,392	-	92,310,390
Grants receivable, other receivables, prepaids and deposits	12,248,451	3,487,055	-	1,050	13,813,292	(3,563,004)	25,986,844
Loans receivable, net	645,883,027	13,195,478	-	-	-	(1,502,747)	657,575,758
Accrued interest receivable	3,985,946	-	-	-	33,209	(40,109)	3,979,046
Properties owned by IFF and IFF's subsidiaries, net	-	-	-	6,668,619	38,073,530	-	44,742,149
Federal Home Loan Bank stock, at cost	1,867,783	-	-	-	-	-	1,867,783
Foreclosed assets, net	2,512,558	-	-	-	-	-	2,512,558
Furniture, equipment and leasehold improvements, net	1,017,546	-	-	-	-	-	1,017,546
Right-of-use assets, net	4,768,803	-	-	-	-	-	4,768,803
Capitalized finance costs, net	3,474	-	-	503,541	-	-	507,015
Other assets	24,746,015	-	-	-	20,235,279	(44,653,524)	327,770
	\$ 766,791,705	\$ 16,772,689	\$ 224	\$ 7,805,726	\$ 93,984,702	\$ (49,759,384)	\$ 835,595,662
Liabilities and Net Assets							
Liabilities:							
Accrued liabilities	\$ 16,236,149	\$ 90,156	\$ 224	\$ 29,074	\$ 3,626,624	\$ (364,271)	\$ 19,617,956
Accrued interest payable	2,885,393	3,487,055	-	-	49,670	(40,109)	6,382,009
Refundable advance grant revenue	697,826	-	-	-	11,278,551	-	11,976,377
Lease liabilities	5,670,513	-	-	-	-	-	5,670,513
Investor Consortium collateral trust notes, net	140,624,479	-	-	-	-	-	140,624,479
Borrowings, net	355,673,625	13,195,478	-	7,960,000	26,697,145	(4,701,480)	398,824,768
Equity equivalent borrowings, net	40,958,240	-	-	-	-	-	40,958,240
Bond Guarantee Program borrowings, net	16,757,097	-	-	-	-	-	16,757,097
Loan participation payable	2,161,567	-	-	-	-	-	2,161,567
	581,664,889	16,772,689	224	7,989,074	41,651,990	(5,105,860)	642,973,006
Net assets (deficit):							
Without donor restrictions	131,901,902	-	-	(614,797)	6,745,270	659,900	138,692,275
With donor restrictions	53,224,914	-	-	-	1,365,367	(659,900)	53,930,381
Member's equity:							
Capital contributions	-	-	-	431,449	44,222,075	(44,653,524)	-
	185,126,816	-	-	(183,348)	52,332,712	(44,653,524)	192,622,656
	\$ 766,791,705	\$ 16,772,689	\$ 224	\$ 7,805,726	\$ 93,984,702	\$ (49,759,384)	\$ 835,595,662

* Includes IFF Real Estate Services, LLC, Illinois OREO, LLC, Indiana OREO, LLC, Minnesota OREO, LLC, Missouri OREO, LLC, and Ohio OREO, LLC

IFF Real Estate Holdings Combined Subsidiaries

Consolidating Statement of Financial Position

December 31, 2025

(See Independent Auditor's Report)

	Neal School Development, LLC	IFF Real Estate Holdings LLC	Home First Development LLCs Combined	Community Development Solutions LLCs Combined	IFF Real Estate Holdings LLCs Combined
Assets					
Cash and cash equivalents	\$ 75,187	\$ 10,788,071	\$ 6,415,162	\$ 2,027,293	\$ 19,305,713
Other restricted cash and interest-bearing deposits in banks	-	-	2,405,133	118,546	2,523,679
Total cash and cash equivalents including restricted cash	75,187	10,788,071	8,820,295	2,145,839	21,829,392
Grants receivable, other receivables, prepaids and deposits	-	3,802,106	557,417	9,453,769	13,813,292
Accrued interest receivable	-	33,209	-	-	33,209
Properties owned by IFF and IFF's subsidiaries, net	-	-	34,418,906	3,654,624	38,073,530
Other assets	-	17,061,925	2,774,110	399,244	20,235,279
	\$ 75,187	\$ 31,685,311	\$ 46,570,728	\$ 15,653,476	\$ 93,984,702
Liabilities and Net Assets					
Liabilities:					
Accrued liabilities	\$ 1,621,943	\$ 131,158	\$ 1,695,214	\$ 178,309	\$ 3,626,624
Accrued interest payable	-	-	13,391	36,279	49,670
Refundable advance grant revenue	40,288	-	11,001,948	236,315	11,278,551
Borrowings, net	-	3,775,000	18,981,741	3,940,404	26,697,145
	1,662,231	3,906,158	31,692,294	4,391,307	41,651,990
Net assets (deficit):					
Without donor restrictions	(1,587,044)	3,049,358	3,879,912	1,403,044	6,745,270
With donor restrictions	-	-	-	1,365,367	1,365,367
Member's equity:					
Capital contributions	-	24,729,795	10,998,522	8,493,758	44,222,075
	(1,587,044)	27,779,153	14,878,434	11,262,169	52,332,712
	\$ 75,187	\$ 31,685,311	\$ 46,570,728	\$ 15,653,476	\$ 93,984,702

IFF Real Estate Holdings Subsidiaries - Home First

Consolidating Statement of Financial Position

December 31, 2025

(See Independent Auditor's Report)

	Home First, LLC	Home First Illinois, LLC	Access Housing I MM, LLC	Access West Cook I MM, LLC	Access South Cook I MM, LLC	Access Peoria, LLC	Community Living Initiative, LLC	Access Health & Housing, LLC	Homan Square PSH, LLC	Home First Development LLCs Combined (1)
Assets										
Cash and cash equivalents	\$ 5,385,131	\$ 290,479	\$ 1,925	\$ 2,121	\$ -	\$ 211,802	\$ 150,176	\$ 254,281	\$ 119,247	\$ 6,415,162
Other restricted cash and interest-bearing deposits in banks	-	1,608,253	-	-	-	530,609	247,612	18,659	-	2,405,133
Total cash and cash equivalents including restricted cash	5,385,131	1,898,732	1,925	2,121	-	742,411	397,788	272,940	119,247	8,820,295
Grants receivable, other receivables, prepaids and deposits	395,036	81,258	-	1,006	-	13,151	11,013	36,473	19,480	557,417
Properties owned by IFF and IFF's subsidiaries, net	-	9,401,916	-	-	-	2,535,081	2,876,843	9,224,309	10,380,757	34,418,906
Other assets	2,458,161	-	208,280	171	107,498	-	-	-	-	2,774,110
	<u>\$ 8,238,328</u>	<u>\$ 11,381,906</u>	<u>\$ 210,205</u>	<u>\$ 3,298</u>	<u>\$ 107,498</u>	<u>\$ 3,290,643</u>	<u>\$ 3,285,644</u>	<u>\$ 9,533,722</u>	<u>\$ 10,519,484</u>	<u>\$ 46,570,728</u>
Liabilities and Net Assets										
Liabilities:										
Accrued liabilities	\$ -	\$ 122,389	\$ -	\$ 580	\$ -	\$ 67,322	\$ 61,018	\$ 158,861	\$ 1,285,044	\$ 1,695,214
Accrued interest payable	-	-	-	-	-	-	3,831	9,560	-	13,391
Refundable advance grant revenue	-	9,055,205	-	-	-	1,946,743	-	-	-	11,001,948
Borrowings, net	-	989,533	-	-	-	-	2,157,731	7,202,336	8,632,141	18,981,741
	<u>-</u>	<u>10,167,127</u>	<u>-</u>	<u>580</u>	<u>-</u>	<u>2,014,065</u>	<u>2,222,580</u>	<u>7,370,757</u>	<u>9,917,185</u>	<u>31,692,294</u>
Net assets (deficit):										
Without donor restrictions	197,967	1,214,779	(27,838)	(7,282)	-	1,273,578	1,062,064	67,845	98,799	3,879,912
With donor restrictions	-	-	-	-	-	-	-	-	-	-
Member's equity:										
Capital contributions	8,040,361	-	238,043	10,000	107,498	3,000	1,000	2,095,120	503,500	10,998,522
	<u>8,238,328</u>	<u>1,214,779</u>	<u>210,205</u>	<u>2,718</u>	<u>107,498</u>	<u>1,276,578</u>	<u>1,063,064</u>	<u>2,162,965</u>	<u>602,299</u>	<u>14,878,434</u>
	<u>\$ 8,238,328</u>	<u>\$ 11,381,906</u>	<u>\$ 210,205</u>	<u>\$ 3,298</u>	<u>\$ 107,498</u>	<u>\$ 3,290,643</u>	<u>\$ 3,285,644</u>	<u>\$ 9,533,722</u>	<u>\$ 10,519,484</u>	<u>\$ 46,570,728</u>

(1) There are no balances in Access Madison County I MM, LLC, and IFF Housing, LLC, thus not shown on this statement.

IFF Real Estate Holdings - Community Development Solutions Subsidiaries

Consolidating Statement of Financial Position

December 31, 2025

(See Independent Auditor's Report)

	IFF Waukegan Market LLC	IFF Rockford Market LLC	IFF Quality Seats - Broadway, LLC	IFF Hatchery, LLC	IFF ECE Grant Rapids, LLC	IFF ECE Detroit, LLC	IFF ECE Detroit 2, LLC	Homan Housing, LLC	Community Development Solutions LLCs Combined (1)
Assets									
Cash and cash equivalents	\$ -	\$ 212,967	\$ -	\$ 294	\$ 177,715	\$ 68,310	\$ -	\$ 1,568,007	\$ 2,027,293
Other restricted cash and interest-bearing deposits in banks	-	-	-	-	-	118,546	-	-	118,546
Total cash and cash equivalents including restricted cash	-	212,967	-	294	177,715	186,856	-	1,568,007	2,145,839
Grants receivable, other receivables, prepaids and deposits	-	169,311	-	-	3,575,068	5,709,390	-	-	9,453,769
Properties owned by IFF and IFF's subsidiaries, net	-	2,205,953	-	415,336	-	-	382,631	650,704	3,654,624
Other assets	-	-	-	-	-	399,244	-	-	399,244
	<u>\$ -</u>	<u>\$ 2,588,231</u>	<u>\$ -</u>	<u>\$ 415,630</u>	<u>\$ 3,752,783</u>	<u>\$ 6,295,490</u>	<u>\$ 382,631</u>	<u>\$ 2,218,711</u>	<u>\$ 15,653,476</u>
Liabilities and Net Assets									
Liabilities:									
Accrued liabilities	\$ -	\$ 75,768	\$ -	\$ -	\$ 73,225	\$ 3,426	\$ -	\$ 25,890	\$ 178,309
Accrued interest payable	-	3,069	-	-	-	33,210	-	-	36,279
Refundable advance grant revenue	-	236,315	-	-	-	-	-	-	236,315
Borrowings, net	-	736,479	-	-	1,500,000	1,703,925	-	-	3,940,404
	<u>-</u>	<u>1,051,631</u>	<u>-</u>	<u>-</u>	<u>1,573,225</u>	<u>1,740,561</u>	<u>-</u>	<u>25,890</u>	<u>4,391,307</u>
Net assets (deficit):									
Without donor restrictions	-	1,535,600	-	(4,706)	(172,048)	36,277	-	7,921	1,403,044
With donor restrictions	-	-	-	-	320,098	860,369	-	184,900	1,365,367
Member's equity:									
Capital contributions	-	1,000	-	420,336	2,031,508	3,658,283	382,631	2,000,000	8,493,758
	<u>-</u>	<u>1,536,600</u>	<u>-</u>	<u>415,630</u>	<u>2,179,558</u>	<u>4,554,929</u>	<u>382,631</u>	<u>2,192,821</u>	<u>11,262,169</u>
	<u>\$ -</u>	<u>\$ 2,588,231</u>	<u>\$ -</u>	<u>\$ 415,630</u>	<u>\$ 3,752,783</u>	<u>\$ 6,295,490</u>	<u>\$ 382,631</u>	<u>\$ 2,218,711</u>	<u>\$ 15,653,476</u>

(1) There are no balances in Community Development Solutions, LLC, Homan Gateway, LLC, IFF Commercial, LLC, and IFF EEC LLC, thus not shown on this statement.

IFF and Subsidiaries

Consolidating Statement of Activities and Changes in Net Assets Year Ended December 31, 2025 (See Independent Auditor's Report)

	IFF*	IFF Pay for Success I, LLC	IFF Pay for Success II, LLC	IFF Support Corporation	Combined IFF Real Estate Holdings LLCs	Eliminations	Consolidated
Net assets without donor restrictions—operating:							
Support and revenue:							
Corporations, foundations and individuals	\$ 321,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 321,700
Interest on loans	38,667,112	-	-	-	136,570	(224,796)	38,578,886
Consulting contract fees	3,021,858	15,000	-	-	-	-	3,036,858
Developer fees	810,988	-	-	-	54,507	(581,790)	283,705
Management and sponsor fees	1,061,902	-	-	-	-	(75,316)	986,586
Syndication fees	1,634,250	-	-	-	-	-	1,634,250
Loan fees	247,935	-	-	-	-	-	247,935
Other interest income	1,705,974	-	-	15,041	219,880	-	1,940,895
Rental income	157,307	-	-	91,050	2,534,102	(91,050)	2,691,409
Reimbursed professional fees	-	557,642	385,536	-	-	-	943,178
Realized gains on other assets	2,786,580	-	-	-	-	-	2,786,580
Unrealized loss on other assets	-	-	-	-	(177)	-	(177)
Forgiveness of debt	-	-	-	-	238,465	(48,720)	189,745
Home sales	-	-	-	-	3,025,144	-	3,025,144
Direct costs of home sales	-	-	-	-	(2,924,340)	-	(2,924,340)
Net housing activity	-	-	-	-	100,804	-	100,804
Net assets released from restrictions	4,818,708	-	-	-	720,881	(1,418)	5,538,171
Net assets released from restrictions—pass through grants	4,033,151	-	-	-	297,440	-	4,330,591
	<u>59,267,465</u>	<u>572,642</u>	<u>385,536</u>	<u>106,091</u>	<u>4,302,472</u>	<u>(1,023,090)</u>	<u>63,611,116</u>
Expenses:							
Salaries and benefits	22,624,230	-	-	-	-	(581,790)	22,042,440
Professional fees	4,954,228	8,158	384,714	43,300	1,129,222	(124,036)	6,395,586
Occupancy and office	2,510,696	-	-	-	991,277	(91,050)	3,410,923
Sponsorships, advertising & printing	253,795	-	-	-	435	-	254,230
Interest	17,086,153	557,642	-	79,600	388,383	(224,796)	17,886,982
Other operating	2,080,110	6,842	822	-	1,841,340	-	3,929,114
Provision for losses on assets	474,186	-	-	-	-	-	474,186
Pass through grants	4,033,151	-	-	-	297,440	(1,418)	4,329,173
Meetings and travel	1,323,825	-	-	-	3,394	-	1,327,219
Depreciation and amortization	504,359	-	-	472,413	983,462	-	1,960,234
Gain on sale of foreclosed assets	(4,134)	-	-	-	-	-	(4,134)
	<u>55,840,599</u>	<u>572,642</u>	<u>385,536</u>	<u>595,313</u>	<u>5,634,953</u>	<u>(1,023,090)</u>	<u>62,005,953</u>
Increase (decrease) in net assets without donor restrictions—operating	<u>3,426,866</u>	<u>-</u>	<u>-</u>	<u>(489,222)</u>	<u>(1,332,481)</u>	<u>-</u>	<u>1,605,163</u>
Net assets without donor restrictions—capital:							
Support and revenue:							
Net assets released from restrictions—loan capital grants	5,000,000	-	-	-	-	-	5,000,000
	<u>5,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>
Expenses:							
Provision for credit losses	5,272,388	-	-	-	-	-	5,272,388
	<u>5,272,388</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,272,388</u>
Decrease in net assets without donor restrictions—capital	<u>(272,388)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(272,388)</u>
Increase (decrease) in net assets without donor restrictions	<u>3,154,478</u>	<u>-</u>	<u>-</u>	<u>(489,222)</u>	<u>(1,332,481)</u>	<u>-</u>	<u>1,332,775</u>

(Continued)

IFF and Subsidiaries

Consolidating Statement of Activities and Changes in Net Assets (Continued) Year Ended December 31, 2025 (See Independent Auditor's Report)

	IFF*	IFF Pay for Success I, LLC	IFF Pay for Success II, LLC	IFF Support Corporation	Combined IFF Real Estate Holdings LLCs	Eliminations	Consolidated
Net assets with donor restrictions:							
Program and operating grants	\$ 5,828,259	\$ -	\$ -	\$ -	\$ 1,058,383	\$ (1,418)	\$ 6,885,224
Loan capital grants	1,232,510	-	-	-	-	-	1,232,510
Interest income	676,634	-	-	-	-	-	676,634
Net assets released from restrictions— operating	(4,818,708)	-	-	-	(720,881)	1,418	(5,538,171)
Net assets released from restrictions— pass through grants	(4,033,151)	-	-	-	(297,440)	-	(4,330,591)
Net assets released from restrictions— loan capital grants	(5,000,000)	-	-	-	-	-	(5,000,000)
(Decrease) increase in net assets with donor restrictions	(6,114,456)	-	-	-	40,062	-	(6,074,394)
Decrease in net assets	(2,959,978)	-	-	(489,222)	(1,292,419)	-	(4,741,619)
Net assets/retained earnings (deficit):							
Beginning of year	188,086,794	-	-	(125,575)	9,403,056	-	197,364,275
End of year	<u>\$ 185,126,816</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (614,797)</u>	<u>\$ 8,110,637</u>	<u>\$ -</u>	<u>\$ 192,622,656</u>

* Includes IFF Real Estate Services, LLC, Illinois OREO, LLC, Indiana OREO, LLC, Minnesota OREO, LLC, Missouri OREO, LLC, and Ohio OREO, LLC

IFF Real Estate Holdings Combined Subsidiaries

Consolidating Statement of Activities and Changes in Net Assets Year Ended December 31, 2025 (See Independent Auditor's Report)

	Neal School Development, LLC	IFF Real Estate Holdings LLC	Home First Development LLCs Combined	Community Development Solutions LLCs Combined	IFF Real Estate Holdings LLCs Combined (1)
Net assets without donor restrictions—operating:					
Support and revenue:					
Interest on loans	\$ -	\$ 57,209	\$ -	\$ 79,361	\$ 136,570
Developer fee	-	-	-	54,507	54,507
Other interest income	-	115,562	104,318	-	219,880
Rental income	38,447	-	1,724,826	770,829	2,534,102
Unrealized gains on other assets	-	-	(177)	-	(177)
Forgiveness of debt	-	-	238,465	-	238,465
Home sales	-	-	-	3,025,144	3,025,144
Direct costs of home sales	-	-	-	(2,924,340)	(2,924,340)
Net housing activity	-	-	-	100,804	100,804
Net assets released from restrictions	-	-	703,745	17,136	720,881
Net assets released from restrictions— pass through grants	-	-	-	297,440	297,440
	<u>38,447</u>	<u>172,771</u>	<u>2,771,177</u>	<u>1,320,077</u>	<u>4,302,472</u>
Expenses:					
Professional fees	26,943	208,822	514,559	378,898	1,129,222
Occupancy and office	-	805	727,608	262,864	991,277
Sponsorships, advertising, & printing	-	-	435	-	435
Interest	-	37,750	55,973	294,660	388,383
Other operating	1,595,792	440	237,193	7,915	1,841,340
Provision for assets	-	-	-	-	-
Pass through grants	-	-	-	297,440	297,440
Meetings and travel	-	-	3,394	-	3,394
Depreciation and amortization	-	-	839,989	143,473	983,462
	<u>1,622,735</u>	<u>247,817</u>	<u>2,379,151</u>	<u>1,385,250</u>	<u>5,634,953</u>
(Decrease) increase in net assets without donor restrictions—operating	<u>(1,584,288)</u>	<u>(75,046)</u>	<u>392,026</u>	<u>(65,173)</u>	<u>(1,332,481)</u>
Net assets with donor restrictions:					
Program and operating grants	-	-	703,745	354,638	1,058,383
Net assets released from restrictions— operating	-	-	(703,745)	(17,136)	(720,881)
Net assets released from restrictions— pass through grants	-	-	-	(297,440)	(297,440)
Increase in net assets with donor restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,062</u>	<u>40,062</u>
(Decrease) increase in net assets	<u>(1,584,288)</u>	<u>(75,046)</u>	<u>392,026</u>	<u>(25,111)</u>	<u>(1,292,419)</u>
Net assets/retained earnings (deficit):					
Beginning of year	(2,756)	(35,041)	3,487,886	5,952,967	9,403,056
Equity transfer	-	3,159,445	-	(3,159,445)	-
End of year	<u>\$ (1,587,044)</u>	<u>\$ 3,049,358</u>	<u>\$ 3,879,912</u>	<u>\$ 2,768,411</u>	<u>\$ 8,110,637</u>

(1) There are no balances in Access Madison County I MM, LLC, Access South Cook I MM, LLC, Community Development Solutions, LLC, IFF ECE Detroit 2, LLC, IFF EEC LLC, and IFF Housing, LLC, thus not shown on this statement.

IFF Real Estate Holdings Subsidiaries - Home First

Consolidating Statement of Activities and Changes in Net Assets Year Ended December 31, 2025 (See Independent Auditor's Report)

	Home First, LLC	Home First Illinois, LLC	Access Housing I MM, LLC	Access West Cook I MM, LLC	Access Peoria, LLC	Community Living Initiative, LLC	Access Health & Housing, LLC	Homan Square PSH, LLC	Home First Development LLCs (1)
Net assets without donor restrictions—operating:									
Support and revenue:									
Other interest income	\$ -	\$ 64,240	\$ -	\$ -	\$ 21,477	\$ 12,935	\$ 5,517	\$ 149	\$ 104,318
Rental income	-	1,004,682	-	-	151,166	104,999	252,852	211,127	1,724,826
Reimbursed professional fees	-	-	-	-	-	-	-	-	-
Unrealized gains on other assets	-	-	(72)	(105)	-	-	-	-	(177)
Forgiveness of debt	-	48,720	-	-	-	189,745	-	-	238,465
Net assets released from restrictions	-	488,862	-	-	108,152	-	106,731	-	703,745
	-	1,606,504	(72)	(105)	280,795	307,679	365,100	211,276	2,771,177
Expenses:									
Professional fees	4,442	233,944	580	580	22,250	7,998	141,398	103,367	514,559
Occupancy and office	-	552,105	-	-	43,869	15,147	81,319	35,168	727,608
Sponsorships, advertising, & printing	-	13	-	-	-	-	97	325	435
Interest	-	-	-	-	-	46,413	9,560	-	55,973
Other operating	-	78,816	-	-	96,022	23,445	36,549	2,361	237,193
Meetings and travel	-	2,519	-	-	-	-	658	217	3,394
Depreciation and amortization	-	483,061	-	-	87,416	89,172	180,340	-	839,989
	4,442	1,350,458	580	580	249,557	182,175	449,921	141,438	2,379,151
(Decrease) increase in net assets without donor restrictions—operating	(4,442)	256,046	(652)	(685)	31,238	125,504	(84,821)	69,838	392,026
Net assets with donor restrictions:									
Program and operating grants	-	488,862	-	-	108,152	-	106,731	-	703,745
Net assets released from restrictions—operating	-	(488,862)	-	-	(108,152)	-	(106,731)	-	(703,745)
Increase in net assets with donor restrictions	-	-	-	-	-	-	-	-	-
Increase (decrease) in net assets	(4,442)	256,046	(652)	(685)	31,238	125,504	(84,821)	69,838	392,026
Net assets/retained earnings (deficit):									
Beginning of year	202,409	958,733	(27,186)	(6,597)	1,242,340	936,560	152,666	28,961	3,487,886
End of year	\$ 197,967	\$ 1,214,779	\$ (27,838)	\$ (7,282)	\$ 1,273,578	\$ 1,062,064	\$ 67,845	\$ 98,799	\$ 3,879,912

(1) There are no balances in Access Madison County I MM, LLC, Access South Cook I MM, LLC, and IFF Housing, LLC, thus not shown on this statement.

IFF Real Estate Holdings - Community Development Solutions Subsidiaries

Consolidating Statement of Activities and Changes in Net Assets Year Ended December 31, 2025 (See Independent Auditor's Report)

	IFF Waukegan Market LLC	IFF Rockford Market LLC	IFF Quality Seats - Broadway, LLC	IFF Hatchery, LLC	IFF ECE Grant Rapids, LLC	IFF ECE Detroit, LLC	Homan Housing, LLC	Community Development Solutions LLCs Combined (1)
Net assets without donor restrictions—operating:								
Support and revenue:								
Interest on loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,361	\$ -	\$ 79,361
Developer fee	-	-	-	-	-	-	54,507	54,507
Rental income	5,833	182,644	210,456	-	30,257	341,639	-	770,829
Home sales	-	-	-	-	-	-	3,025,144	3,025,144
Direct costs of home sales	-	-	-	-	-	-	(2,924,340)	(2,924,340)
Net housing activity	-	-	-	-	-	-	100,804	100,804
Net assets released from restrictions	-	-	-	-	15,718	-	1,418	17,136
Net assets released from restrictions— pass through grants	-	-	-	-	297,440	-	-	297,440
	5,833	182,644	210,456	-	343,415	421,000	156,729	1,320,077
Expenses:								
Professional fees	165,733	16,872	59,568	-	18,402	33,000	85,323	378,898
Occupancy and office	3,923	69,435	491	-	51,982	109,956	27,077	262,864
Interest	-	37,574	83,600	-	15,000	158,486	-	294,660
Other operating	4,768	965	500	-	1,682	-	-	7,915
Provision for assets	-	-	-	-	-	-	-	-
Pass through grants	-	-	-	-	297,440	-	-	297,440
Meetings and travel	-	-	-	-	-	-	-	-
Depreciation and amortization	-	77,176	66,297	-	-	-	-	143,473
	174,424	202,022	210,456	-	384,506	301,442	112,400	1,385,250
(Decrease) increase in net assets without donor restrictions—operating	(168,591)	(19,378)	-	-	(41,091)	119,558	44,329	(65,173)
Net assets with donor restrictions:								
Program and operating grants	-	-	-	-	267,183	86,037	1,418	354,638
Net assets released from restrictions— operating	-	-	-	-	(15,718)	-	(1,418)	(17,136)
Net assets released from restrictions— pass through grants	-	-	-	-	(297,440)	-	-	(297,440)
	-	-	-	-	(45,975)	86,037	-	40,062
(Decrease) increase in net assets with donor restrictions	-	-	-	-	(45,975)	86,037	-	40,062
(Decrease) increase in net assets	(168,591)	(19,378)	-	-	(87,066)	205,595	44,329	(25,111)
Net assets/retained earnings (deficit):								
Beginning of year	3,000,840	1,554,978	327,196	(4,706)	235,116	691,051	148,492	5,952,967
Equity transfer	(2,832,249)	-	(327,196)	-	-	-	-	(3,159,445)
End of year	\$ -	\$ 1,535,600	\$ -	\$ (4,706)	\$ 148,050	\$ 896,646	\$ 192,821	\$ 2,768,411

(1) There are no balances in Community Development Solutions, LLC, IFF ECE Detroit 2, LLC, and IFF EEC LLC, thus not shown on this statement.

IFF and Subsidiaries

Consolidating Statement of Financial Position

December 31, 2024

(See Independent Auditor's Report)

	IFF*	IFF Pay for Success I, LLC	IFF Pay for Success II, LLC	IFF Support Corporation	Combined IFF Real Estate Holdings LLCs	Eliminations	Consolidated
Assets							
Cash and cash equivalents	\$ 61,356,749	\$ 96,960	\$ 1,040	\$ 1,359,378	\$ 10,436,003	\$ -	\$ 73,250,130
Other restricted cash and interest-bearing deposits in banks	5,747,964	-	-	243,000	2,376,219	-	8,367,183
Department of Education restricted cash and interest-bearing deposits in banks	22,075,838	-	-	-	-	-	22,075,838
Total cash and cash equivalents including restricted cash	89,180,551	96,960	1,040	1,602,378	12,812,222	-	103,693,151
Grants receivable, other receivables, prepaids and deposits	12,794,444	2,929,413	30,583	9,506	14,209,781	(3,817,907)	26,155,820
Loans receivable, net	582,837,264	13,195,478	-	-	-	(4,719,906)	591,312,836
Accrued interest receivable	3,807,122	-	-	-	-	(23,619)	3,783,503
Properties owned by IFF and IFF's subsidiaries, net	-	-	-	6,129,836	46,326,124	-	52,455,960
Federal Home Loan Bank stock, at cost	1,030,783	-	-	-	-	-	1,030,783
Foreclosed assets, net	1,693,497	-	-	-	-	-	1,693,497
Furniture, equipment and leasehold improvements, net	754,438	-	-	-	-	-	754,438
Right-of-use assets, net	5,553,556	-	-	-	-	-	5,553,556
Capitalized finance costs, net	4,205	-	-	533,253	-	-	537,458
Other assets	20,261,793	-	-	-	15,034,895	(34,973,621)	323,067
	\$ 717,917,653	\$ 16,221,851	\$ 31,623	\$ 8,274,973	\$ 88,383,022	\$ (43,535,053)	\$ 787,294,069
Liabilities and Net Assets							
Liabilities:							
Accrued liabilities	\$ 13,790,163	\$ 96,960	\$ 31,623	\$ 4,268	\$ 2,857,119	\$ (1,279,653)	\$ 15,500,480
Accrued interest payable	2,345,798	2,929,413	-	-	33,759	(23,619)	5,285,351
Refundable advance grant revenue	577,065	-	-	-	11,875,565	-	12,452,630
Lease liabilities	6,595,018	-	-	-	-	-	6,595,018
Investor Consortium collateral trust notes, net	149,529,588	-	-	-	-	-	149,529,588
Borrowings, net	299,215,416	13,195,478	-	7,960,000	29,676,182	(7,258,160)	342,788,916
Equity equivalent borrowings, net	36,705,816	-	-	-	-	-	36,705,816
Bond Guarantee Program borrowings, net	17,854,517	-	-	-	-	-	17,854,517
Loan participation payable	3,217,478	-	-	-	-	-	3,217,478
	529,830,859	16,221,851	31,623	7,964,268	44,442,625	(8,561,432)	589,929,794
Net assets:							
Without donor restrictions	128,747,424	-	-	(125,575)	8,077,751	659,900	137,359,500
With donor restrictions	59,339,370	-	-	-	1,325,305	(659,900)	60,004,775
Member's equity:							
Capital contributions	-	-	-	436,280	34,537,341	(34,973,621)	-
	188,086,794	-	-	310,705	43,940,397	(34,973,621)	197,364,275
	\$ 717,917,653	\$ 16,221,851	\$ 31,623	\$ 8,274,973	\$ 88,383,022	\$ (43,535,053)	\$ 787,294,069

* Includes IFF Development, LLC, IFF Real Estate Services, LLC, Illinois OREO, LLC, Indiana OREO, LLC, Missouri OREO, LLC, and Ohio OREO LLC

IFF Real Estate Holdings Combined Subsidiaries

Consolidating Statement of Financial Position

December 31, 2024

(See Independent Auditor's Report)

	Neal School Development, LLC	IFF Real Estate Holdings LLC	Home First Development LLCs Combined	Community Development Solutions LLCs Combined	IFF Real Estate Holdings LLCs Combined (1)
Assets					
Cash and cash equivalents	\$ 39,599	\$ 7,036,248	\$ 2,100,312	\$ 1,259,844	\$ 10,436,003
Other restricted cash and interest-bearing deposits in banks	-	-	2,257,673	118,546	2,376,219
Total cash and cash equivalents including restricted cash	39,599	7,036,248	4,357,985	1,378,390	12,812,222
Grants receivable, other receivables, prepaids and deposits	-	3,686,411	622,741	9,900,629	14,209,781
Properties owned by IFF and IFF's subsidiaries, net	-	-	33,971,911	12,354,213	46,326,124
Other assets	-	12,131,231	2,504,420	399,244	15,034,895
	\$ 39,599	\$ 22,853,890	\$ 41,457,057	\$ 24,032,476	\$ 88,383,022
Liabilities and Net Assets					
Liabilities:					
Accrued liabilities	\$ 67	\$ 577,762	\$ 1,987,447	\$ 291,843	\$ 2,857,119
Accrued interest payable	-	-	3,911	29,848	33,759
Refundable advance grant revenue	40,288	-	11,598,962	236,315	11,875,565
Borrowings, net	-	3,775,000	18,617,919	7,283,263	29,676,182
	40,355	4,352,762	32,208,239	7,841,269	44,442,625
Net assets (deficit):					
Without donor restrictions	(2,756)	(35,041)	3,487,886	4,627,662	8,077,751
With donor restrictions	-	-	-	1,325,305	1,325,305
Member's equity:					
Capital contributions	2,000	18,536,169	5,760,932	10,238,240	34,537,341
	(756)	18,501,128	9,248,818	16,191,207	43,940,397
	\$ 39,599	\$ 22,853,890	\$ 41,457,057	\$ 24,032,476	\$ 88,383,022

(1) There is no activity in IFF Commercial, LLC, IFF Development LLC, and IFF Housing, LLC, thus not shown on this statement.

IFF Real Estate Holdings Subsidiaries - Home First

Consolidating Statement of Financial Position

December 31, 2024

(See Independent Auditor's Report)

	Home First, LLC	Home First Illinois, LLC	Access Housing I MM, LLC	Access West Cook I MM, LLC	Access South Cook I MM, LLC	Access Peoria, LLC	Community Living Initiative, LLC	Access Health & Housing, LLC	Homan Square PSH, LLC	Home First Development LLCs Combined
Assets										
Cash and cash equivalents	\$ 1,300,616	\$ 213,550	\$ 2,656	\$ 2,225	\$ -	\$ 241,000	\$ 156,992	\$ 143,991	\$ 39,282	\$ 2,100,312
Other restricted cash and interest-bearing deposits in banks	-	1,468,175	-	-	-	492,229	297,269	-	-	2,257,673
Total cash and cash equivalents including restricted cash	1,300,616	1,681,725	2,656	2,225	-	733,229	454,261	143,991	39,282	4,357,985
Grants receivable, other receivables, prepaids and deposits	274,263	100,038	-	1,006	-	14,191	28,643	180,157	24,443	622,741
Properties owned by IFF and IFF's subsidiaries, net	-	9,884,977	-	-	-	2,622,497	2,870,639	9,066,168	9,527,630	33,971,911
Other assets	2,194,231	-	208,352	276	101,561	-	-	-	-	2,504,420
	\$ 3,769,110	\$ 11,666,740	\$ 211,008	\$ 3,507	\$ 101,561	\$ 3,369,917	\$ 3,353,543	\$ 9,390,316	\$ 9,591,355	\$ 41,457,057
Liabilities and Net Assets										
Liabilities:										
Accrued liabilities	\$ -	\$ 125,686	\$ 151	\$ 104	\$ -	\$ 69,682	\$ 48,877	\$ 106,995	\$ 1,635,952	\$ 1,987,447
Accrued interest payable	-	-	-	-	-	-	3,911	-	-	3,911
Refundable advance grant revenue	-	9,544,067	-	-	-	2,054,895	-	-	-	11,598,962
Borrowings, net	-	1,038,254	-	-	-	-	2,363,195	7,293,528	7,922,942	18,617,919
	-	10,708,007	151	104	-	2,124,577	2,415,983	7,400,523	9,558,894	32,208,239
Net assets (deficit):										
Without donor restrictions	202,409	958,733	(27,186)	(6,597)	-	1,242,340	936,560	152,666	28,961	3,487,886
With donor restrictions	-	-	-	-	-	-	-	-	-	-
Member's equity:										
Capital contributions	3,566,701	-	238,043	10,000	101,561	3,000	1,000	1,837,127	3,500	5,760,932
	3,769,110	958,733	210,857	3,403	101,561	1,245,340	937,560	1,989,793	32,461	9,248,818
	\$ 3,769,110	\$ 11,666,740	\$ 211,008	\$ 3,507	\$ 101,561	\$ 3,369,917	\$ 3,353,543	\$ 9,390,316	\$ 9,591,355	\$ 41,457,057

IFF Real Estate Holdings - Community Development Solutions Subsidiaries

Consolidating Statement of Financial Position

December 31, 2024

(See Independent Auditor's Report)

	IFF Waukegan Market LLC	IFF Rockford Market LLC	IFF Quality Seats - Broadway, LLC	IFF Hatchery, LLC	IFF ECE Grant Rapids, LLC	IFF ECE Detroit, LLC	IFF ECE Detroit 2, LLC	Homan Housing, LLC	Community Development Solutions LLCs Combined (1)
Assets									
Cash and cash equivalents	\$ 574,054	\$ 306,032	\$ 141,048	\$ 294	\$ 183,241	\$ 55,175	\$ -	\$ -	\$ 1,259,844
Other restricted cash and interest-bearing deposits in banks	-	-	-	-	-	118,546	-	-	118,546
Total cash and cash equivalents including restricted cash	574,054	306,032	141,048	294	183,241	173,721	-	-	1,378,390
Grants receivable, other receivables, prepaids and deposits	315	51,804	121,420	-	3,648,508	5,716,520	-	362,062	9,900,629
Properties owned by IFF and IFF's subsidiaries, net	2,500,000	2,283,129	5,005,463	403,303	-	-	375,888	1,786,430	12,354,213
Other assets	-	-	-	-	-	399,244	-	-	399,244
	\$ 3,074,369	\$ 2,640,965	\$ 5,267,931	\$ 403,597	\$ 3,831,749	\$ 6,289,485	\$ 375,888	\$ 2,148,492	\$ 24,032,476
Liabilities and Net Assets									
Liabilities:									
Accrued liabilities	\$ 72,529	\$ 76,547	\$ 48,885	\$ -	\$ 65,125	\$ 28,757	\$ -	\$ -	\$ 291,843
Accrued interest payable	-	3,204	16,505	-	-	10,139	-	-	29,848
Refundable advance grant revenue	-	236,315	-	-	-	-	-	-	236,315
Borrowings, net	-	768,921	3,168,999	-	1,500,000	1,845,343	-	-	7,283,263
	72,529	1,084,987	3,234,389	-	1,565,125	1,884,239	-	-	7,841,269
Net assets (deficit):									
Without donor restrictions	3,000,840	1,554,978	327,196	(4,706)	(130,957)	(83,281)	-	(36,408)	4,627,662
With donor restrictions	-	-	-	-	366,073	774,332	-	184,900	1,325,305
Member's equity:									
Capital contributions	1,000	1,000	1,706,346	408,303	2,031,508	3,714,195	375,888	2,000,000	10,238,240
	3,001,840	1,555,978	2,033,542	403,597	2,266,624	4,405,246	375,888	2,148,492	16,191,207
	\$ 3,074,369	\$ 2,640,965	\$ 5,267,931	\$ 403,597	\$ 3,831,749	\$ 6,289,485	\$ 375,888	\$ 2,148,492	\$ 24,032,476

(1) There are no balances in Community Development Solutions, LLC and IFF EEC LLC, thus not shown on this statement.

IFF and Subsidiaries

Consolidating Statement of Activities and Changes in Net Assets Year Ended December 31, 2024 (See Independent Auditor's Report)

	IFF*	IFF Pay for Success I, LLC	IFF Pay for Success II, LLC	IFF Support Corporation	Combined IFF Real Estate Holdings LLCs	Eliminations	Consolidated
Net assets without donor restrictions—operating:							
Support and revenue:							
Corporations, foundations and individuals	\$ 60,171,000	\$ -	\$ -		\$ -	\$ -	\$ 60,171,000
Interest on loans	35,528,154	-	-		109,360	(319,123)	35,318,391
Consulting contract fees	3,611,918	15,000	2,500		-	-	3,629,418
Developer fees	829,356	-	-		-	(175,619)	653,737
Management and sponsor fees	1,076,024	-	-		-	(85,087)	990,937
Syndication fees	806,923	-	-		-	-	806,923
Loan fees	195,839	-	-		-	-	195,839
Other interest income	1,940,738	-	-	72,770	109,579	-	2,123,087
Rental income	151,186	-	-	52,500	2,404,856	(52,500)	2,556,042
Reimbursed professional fees	-	592,611	91,378		-	-	683,989
Realized gains on other assets	116	-	-		-	-	116
Unrealized loss on other assets	-	-	-		-	-	-
Forgiveness of debt	-	-	-		3,656,983	(3,467,238)	189,745
Home sales	-	-	-		1,700,601	-	1,700,601
Direct costs of home sales	-	-	-		(1,700,601)	-	(1,700,601)
Net housing activity	-	-	-		-	-	-
Net assets released from restrictions	6,154,893	-	-		593,485	-	6,748,378
Net assets released from restrictions—pass through grants	18,882,502	-	-		115,891	-	18,998,393
	<u>129,348,649</u>	<u>607,611</u>	<u>93,878</u>	<u>125,270</u>	<u>6,990,154</u>	<u>(4,099,567)</u>	<u>133,065,995</u>
Expenses:							
Salaries and benefits	20,363,981	-	-		-	(175,619)	20,188,362
Professional fees	8,704,309	37,808	92,700	23,300	489,013	(3,552,325)	5,794,805
Occupancy and office	2,469,826	-	-	26	853,400	(52,500)	3,270,752
Sponsorships, advertising & printing	265,355	-	-		119	-	265,474
Interest	15,948,384	562,684	-	39,800	513,638	(319,123)	16,745,383
Other operating	1,562,438	7,119	1,178		3,638,885	-	5,209,620
Provision for losses on assets	-	-	-		119,586	-	119,586
Pass through grants	18,882,502	-	-		115,891	(184,900)	18,813,493
Meetings and travel	1,004,609	-	-		2,760	-	1,007,369
Depreciation and amortization	617,696	-	-	224,564	983,258	-	1,825,518
Gain on sale of foreclosed assets	(3,903)	-	-		-	-	(3,903)
	<u>69,815,197</u>	<u>607,611</u>	<u>93,878</u>	<u>287,690</u>	<u>6,716,550</u>	<u>(4,284,467)</u>	<u>73,236,459</u>
Increase in net assets without donor restrictions—operating	<u>59,533,452</u>	<u>-</u>	<u>-</u>	<u>(162,420)</u>	<u>273,604</u>	<u>184,900</u>	<u>59,829,536</u>
Net assets without donor restrictions—capital:							
Expenses:							
Provision for credit losses	12,452,438	-	-		-	-	12,452,438
Decrease in net assets without donor restrictions—capital	<u>(12,452,438)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,452,438)</u>
Increase (decrease) in net assets without donor restrictions	<u>47,081,014</u>	<u>-</u>	<u>-</u>	<u>(162,420)</u>	<u>273,604</u>	<u>184,900</u>	<u>47,377,098</u>

(Continued)

IFF and Subsidiaries

Consolidating Statement of Activities and Changes in Net Assets (Continued) Year Ended December 31, 2024 (See Independent Auditor's Report)

	IFF*	IFF Pay for Success I, LLC	IFF Pay for Success II, LLC	IFF Support Corporation	Combined IFF Real Estate Holdings LLCs	Eliminations	Consolidated
Net assets with donor restrictions:							
Program and operating grants	\$ 24,012,122	\$ -	\$ -	\$ -	\$ 1,918,246	\$ (184,900)	\$ 25,745,468
Loan capital grants	763,808	-	-	-	-	-	763,808
Interest income	845,250	-	-	-	-	-	845,250
Net assets released from restrictions— operating	(6,154,893)	-	-	-	(593,485)	-	(6,748,378)
Net assets released from restrictions— pass through grants	(18,882,502)	-	-	-	(115,891)	-	(18,998,393)
Increase (decrease) increase in net assets with donor restrictions	583,785	-	-	-	1,208,870	(184,900)	1,607,755
Increase (decrease) in net assets	47,664,799	-	-	(162,420)	1,482,474	-	48,984,853
Net assets/retained earnings (deficit):							
Beginning of year	140,421,995	-	-	36,845	7,920,582	-	148,379,422
End of year	<u>\$ 188,086,794</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (125,575)</u>	<u>\$ 9,403,056</u>	<u>\$ -</u>	<u>\$ 197,364,275</u>

* Includes IFF Development, LLC, IFF Real Estate Services, LLC, Illinois OREO, LLC, Indiana OREO, LLC, Missouri OREO, LLC, and Ohio OREO LLC

IFF Real Estate Holdings Combined Subsidiaries

Consolidating Statement of Activities and Changes in Net Assets Year Ended December 31, 2024 (See Independent Auditor's Report)

	Neal School Development, LLC	IFF Real Estate Holdings LLC	Home First Development LLCs Combined	Community Development Solutions LLCs Combined	IFF Real Estate Holdings LLCs Combined (1)
Net assets without donor restrictions—operating:					
Support and revenue:					
Interest on loans	\$ -	\$ 30,000	\$ -	\$ 79,360	\$ 109,360
Other interest income	-	-	109,579	-	109,579
Rental income	-	-	1,551,259	853,597	2,404,856
Reimbursed professional fees	-	-	-	-	-
Forgiveness of debt	3,418,518	-	238,465	-	3,656,983
Home sales	-	-	-	1,700,601	1,700,601
Direct costs of home sales	-	-	-	(1,700,601)	(1,700,601)
Net housing activity	-	-	-	-	-
Net assets released from restrictions	-	-	597,014	(3,529)	593,485
Net assets released from restrictions— pass through grants	-	-	-	115,891	115,891
	<u>3,418,518</u>	<u>30,000</u>	<u>2,496,317</u>	<u>1,045,319</u>	<u>6,990,154</u>
Expenses:					
Professional fees	-	-	349,885	139,128	489,013
Occupancy and office	-	-	659,375	194,025	853,400
Sponsorships, advertising, & printing	-	-	119	-	119
Interest	-	35,614	47,331	430,693	513,638
Other operating	3,419,230	957	186,287	32,411	3,638,885
Provision for assets	-	-	-	119,586	119,586
Pass through grants	-	-	-	115,891	115,891
Meetings and travel	-	-	2,410	350	2,760
Depreciation and amortization	-	-	659,650	323,608	983,258
	<u>3,419,230</u>	<u>36,571</u>	<u>1,905,057</u>	<u>1,355,692</u>	<u>6,716,550</u>
(Decrease) increase in net assets without donor restrictions—operating	<u>(712)</u>	<u>(6,571)</u>	<u>591,260</u>	<u>(310,373)</u>	<u>273,604</u>
Net assets with donor restrictions:					
Program and operating grants	-	-	597,014	1,321,232	1,918,246
Net assets released from restrictions— operating	-	-	(597,014)	3,529	(593,485)
Net assets released from restrictions— pass through grants	-	-	-	(115,891)	(115,891)
Increase in net assets with donor restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,208,870</u>	<u>1,208,870</u>
(Decrease) increase in net assets	<u>(712)</u>	<u>(6,571)</u>	<u>591,260</u>	<u>898,497</u>	<u>1,482,474</u>
Net assets/retained earnings (deficit):					
Beginning of year	(2,044)	(28,470)	2,896,626	5,054,470	7,920,582
End of year	<u>\$ (2,756)</u>	<u>\$ (35,041)</u>	<u>\$ 3,487,886</u>	<u>\$ 5,952,967</u>	<u>\$ 9,403,056</u>

(1) There is no activity in IFF Commercial, LLC, IFF Development LLC, and IFF Housing, LLC, thus not shown on this statement.

IFF Real Estate Holdings Subsidiaries - Home First

Consolidating Statement of Activities and Changes in Net Assets Year Ended December 31, 2024 (See Independent Auditor's Report)

	Home First, LLC	Home First Illinois, LLC	Access Housing I MM, LLC	Access West Cook I MM, LLC	Access South Cook I MM, LLC	Access Peoria, LLC	Community Living Initiative, LLC	Access Health & Housing, LLC	Homan Square PSH, LLC	Home First Development LLCs Combined
Net assets without donor restrictions—operating:										
Support and revenue:										
Other interest income	\$ -	\$ 70,232	\$ -	\$ -	\$ -	\$ 24,200	\$ 14,895	\$ 229	\$ 23	\$ 109,579
Rental income	-	957,517	-	-	-	144,800	119,889	285,281	43,772	1,551,259
Forgiveness of debt	-	48,720	-	-	-	-	189,745	-	-	238,465
Net assets released from restrictions	-	488,861	-	-	-	108,153	-	-	-	597,014
	-	1,565,330	-	-	-	277,153	324,529	285,510	43,795	2,496,317
Expenses:										
Professional fees	-	230,895	555	555	-	22,914	6,069	81,559	7,338	349,885
Occupancy and office	-	548,804	-	-	-	40,204	17,972	49,271	3,124	659,375
Sponsorships, advertising, & printing	-	91	-	-	-	-	-	26	2	119
Interest	-	-	-	-	-	-	47,331	-	-	47,331
Other operating	-	56,108	1,812	1,241	-	78,256	31,522	14,510	2,838	186,287
Meetings and travel	-	1,766	-	-	-	-	-	644	-	2,410
Depreciation and amortization	-	483,062	-	-	-	87,416	89,172	-	-	659,650
	-	1,320,726	2,367	1,796	-	228,790	192,066	146,010	13,302	1,905,057
Increase (decrease) in net assets without donor restrictions—operating	-	244,604	(2,367)	(1,796)	-	48,363	132,463	139,500	30,493	591,260
Net assets with donor restrictions:										
Program and operating grants	-	488,861	-	-	-	108,153	-	-	-	597,014
Net assets released from restrictions—operating	-	(488,861)	-	-	-	(108,153)	-	-	-	(597,014)
	-	-	-	-	-	-	-	-	-	-
Increase in net assets with donor restrictions	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in net assets	-	244,604	(2,367)	(1,796)	-	48,363	132,463	139,500	30,493	591,260
Net assets/retained earnings (deficit):										
Beginning of year	202,409	714,129	(24,819)	(4,801)	-	1,193,977	804,097	13,166	(1,532)	2,896,626
End of year	\$ 202,409	\$ 958,733	\$ (27,186)	\$ (6,597)	\$ -	\$ 1,242,340	\$ 936,560	\$ 152,666	\$ 28,961	\$ 3,487,886

IFF Real Estate Holdings - Community Development Solutions Subsidiaries

Consolidating Statement of Activities and Changes in Net Assets Year Ended December 31, 2024 (See Independent Auditor's Report)

	IFF Waukegan Market LLC	IFF Rockford Market LLC	IFF Quality Seats - Broadway, LLC	IFF Hatchery, LLC	IFF ECE Grant Rapids, LLC	IFF ECE Detroit, LLC	IFF ECE Detroit 2, LLC	Homan Housing, LLC	Community Development Solutions LLCs Combined (1)
Net assets without donor restrictions—operating:									
Support and revenue:									
Interest on loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,360	\$ -	\$ -	\$ 79,360
Rental income	140,000	180,890	418,827	-	-	113,880	-	-	853,597
Home sales	-	-	-	-	-	-	-	1,700,601	1,700,601
Direct costs of home sales	-	-	-	-	-	-	-	(1,700,601)	(1,700,601)
Net housing activity	-	-	-	-	-	-	-	-	-
Net assets released from restrictions	-	-	-	-	(3,529)	-	-	-	(3,529)
Net assets released from restrictions— pass through grants	-	-	-	-	115,891	-	-	-	115,891
	<u>140,000</u>	<u>180,890</u>	<u>418,827</u>	<u>-</u>	<u>112,362</u>	<u>193,240</u>	<u>-</u>	<u>-</u>	<u>1,045,319</u>
Expenses:									
Professional fees	63,764	16,068	16,068	-	(3,529)	19,249	-	27,508	139,128
Occupancy and office	63,182	61,161	5,906	-	-	54,876	-	8,900	194,025
Interest	-	39,160	202,632	-	30,000	158,901	-	-	430,693
Other operating	22,602	6,309	3,500	-	-	-	-	-	32,411
Provision for assets	119,586	-	-	-	-	-	-	-	119,586
Pass through grants	-	-	-	-	115,891	-	-	-	115,891
Meetings and travel	350	-	-	-	-	-	-	-	350
Depreciation and amortization	87,319	77,177	159,112	-	-	-	-	-	323,608
	<u>356,803</u>	<u>199,875</u>	<u>387,218</u>	<u>-</u>	<u>142,362</u>	<u>233,026</u>	<u>-</u>	<u>36,408</u>	<u>1,355,692</u>
(Decrease) increase in net assets without donor restrictions—operating	<u>(216,803)</u>	<u>(18,985)</u>	<u>31,609</u>	<u>-</u>	<u>(30,000)</u>	<u>(39,786)</u>	<u>-</u>	<u>(36,408)</u>	<u>(310,373)</u>
Net assets with donor restrictions:									
Program and operating grants	-	-	-	-	362,000	774,332	-	184,900	1,321,232
Net assets released from restrictions— operating	-	-	-	-	3,529	-	-	-	3,529
Net assets released from restrictions— pass through grants	-	-	-	-	(115,891)	-	-	-	(115,891)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>249,638</u>	<u>774,332</u>	<u>-</u>	<u>184,900</u>	<u>1,208,870</u>
Increase in net assets with donor restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>249,638</u>	<u>774,332</u>	<u>-</u>	<u>184,900</u>	<u>1,208,870</u>
Increase (decrease) in net assets	<u>(216,803)</u>	<u>(18,985)</u>	<u>31,609</u>	<u>-</u>	<u>219,638</u>	<u>734,546</u>	<u>-</u>	<u>148,492</u>	<u>898,497</u>
Net assets/retained earnings (deficit):									
Beginning of year	<u>3,217,643</u>	<u>1,573,963</u>	<u>295,587</u>	<u>(4,706)</u>	<u>15,478</u>	<u>(43,495)</u>	<u>-</u>	<u>-</u>	<u>5,054,470</u>
End of year	<u>\$ 3,000,840</u>	<u>\$ 1,554,978</u>	<u>\$ 327,196</u>	<u>\$ (4,706)</u>	<u>\$ 235,116</u>	<u>\$ 691,051</u>	<u>\$ -</u>	<u>\$ 148,492</u>	<u>\$ 5,952,967</u>

(1) There are no balances in Community Development Solutions, LLC and IFF EEC LLC, thus not shown on this statement.