THE CHICAGO COMMUNITY LOAN FUND AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

THE CHICAGO COMMUNITY LOAN FUND AND AFFILIATES
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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Chicago Community Loan Fund and Affiliates
Chicago, Illinois

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of The Chicago Community Loan Fund and Affiliates (CCLF), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CCLF as of December 31, 2021 and 2020, 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of CCLF 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 Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 and *Government Auditing Standards* 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 consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 CCLF'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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CCLF'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.

Emphasis-of-Matter Regarding Reporting Entity

As discussed in Note 1 to the consolidated financial statements, CCLF is including the assets, liabilities, and operations of affiliated organizations over which it has control in a consolidated presentation of its 2021 financial statements. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2022 on our consideration of CCLF's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CCLF's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CCLF's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Oak Brook, Illinois
April 27, 2022

THE CHICAGO COMMUNITY LOAN FUND AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 36,389,349	$ 19,520,404
Funds Held for Others	289,455	287,329
Investments	13,889,840	10,862,136
FHLB Stock	56,100	52,600
Grants and Contributions Receivables	95,558	150,980
Interest Receivable	731,067	511,676
Other Receivables	48,922	26,773
Notes Receivable, Net of Allowance of $533,841 in 2021 and $1,151,172 in 2020	34,865,576	24,085,954
Prepaids and Deposits	71,855	63,993
Total Current Assets	86,437,722	55,561,845
LONG-TERM ASSETS		
Notes Receivable, Net of Allowance of $7,380,848 in 2021 and $6,279,075 in 2020	54,511,391	65,328,663
Investment in Limited Liability Companies	1,438	1,450
Office Equipment, Net of Accumulated Depreciation of $467,953 in 2021 and $410,408 in 2020	122,290	172,096
Leasehold Improvements, Net of Accumulated Depreciation of $262,626 in 2021 and $226,087 in 2020	198,262	234,801
Total Long-Term Assets	54,833,381	65,737,010
Total Assets	$ 141,271,103	$ 121,298,855

See accompanying Notes to Consolidated Financial Statements.

THE CHICAGO COMMUNITY LOAN FUND AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2021 AND 2020

LIABILITIES AND NET ASSETS	2021	2020
CURRENT LIABILITIES		
Accounts Payable	$ 1,829,302	$ 2,232,431
Accrued Liabilities	386,619	282,517
Refundable Advances	6,648	65,148
Funds Held for Others	289,455	287,329
Interest Payable	61,504	39,000
Notes Payable - Current	1,078,561	1,055,359
Senior Loans Payable - Current	4,495,221	4,830,266
Subordinated Loans Payable - Current	4,100,000	5,000,000
Total Current Liabilities	12,247,310	13,792,050
LONG-TERM LIABILITIES		
Notes Payable, Less Current Portion	28,608,282	29,814,258
Senior Loans Payable, Less Current Portion	47,368,238	34,632,264
Subordinated Loans Payable, Less Current Portion	6,649,983	10,450,000
Investment from New Market Tax Credit (NMTC) Investor	4,542,545	-
Total Long-Term Liabilities	87,169,048	74,896,522
Total Liabilities	99,416,358	88,688,572
NET ASSETS		
Without Donor Restrictions:		
Undesignated	13,554,703	6,594,722
Board Designated	20,446,516	17,720,242
Total	34,001,219	24,314,964
With Donor Restrictions	7,853,526	8,295,319
Total Net Assets	41,854,745	32,610,283
Total Liabilities and Net Assets	$ 141,271,103	$ 121,298,855

See accompanying Notes to Consolidated Financial Statements.

THE CHICAGO COMMUNITY LOAN FUND AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	Operating							Lending Capital		
	Lending Operations		Economic Development		Technical Assistance					
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT										
Grants and Contributions	$ 1,965,134	$ 150,645	$ (25,000)	$ 350,000	$ 255,000	$ -	$ 2,695,779	$ 7,426,265	$ 66,500	$ 10,188,544
Donated Services	625,378	-	-	-	-	-	625,378	-	-	625,378
Notes Receivable Interest Income	5,741,491	-	-	-	-	-	5,741,491	-	1,494	5,742,985
Investment Income	297,661	-	-	-	-	-	297,661	-	-	297,661
Net Investment Unrealized/Realized Gain (Loss)	12,173	-	-	-	-	-	12,173	(305,751)	-	(293,578)
Loan Processing Income	497,691	-	-	-	-	-	497,691	-	-	497,691
Contracted Services and Workshops	-	-	-	-	-	-	-	4,319	-	4,319
Sub Allocation Revenue	90,000	-	-	-	-	-	90,000	-	-	90,000
Asset Management Fee	76,896	-	-	-	-	-	76,896	-	-	76,896
Special Events	227,000	-	-	-	-	-	227,000	-	-	227,000
Miscellaneous	45,486	-	-	-	-	-	45,486	-	-	45,486
Net Assets Transferred to Restricted	-	-	-	-	-	-	-	-	-	-
Net Assets Released from Restrictions - Satisfaction of Program Restrictions	294,620	(294,620)	544,438	(544,438)	-	-	-	171,374	(171,374)	-
Total Revenue and Support	9,873,530	(143,975)	519,438	(194,438)	255,000	-	10,309,555	7,296,207	(103,380)	17,502,382
EXPENSES										
Program	4,853,056	-	587,265	-	337,943	-	5,778,264	459,442	-	6,237,706
Administrative	1,643,444	-	-	-	-	-	1,643,444	-	-	1,643,444
Fundraising	420,770	-	-	-	-	-	420,770	-	-	420,770
Total Expenses	6,917,270	-	587,265	-	337,943	-	7,842,478	459,442	-	8,301,920
Change in Net Assets from Operations	2,956,260	(143,975)	(67,827)	(194,438)	(82,943)	-	2,467,077	6,836,765	(103,380)	9,200,462
NONOPERATING ACTIVITIES										
Recoveries on Previously Written Off Loans	44,000	-	-	-	-	-	44,000	-	-	44,000
CHANGE IN NET ASSETS	3,000,260	(143,975)	(67,827)	(194,438)	(82,943)	-	2,511,077	6,836,765	(103,380)	9,244,462
Transfers Between Funds	-	-	-	-	-	-	-	-	-	-
Net Assets (Deficit) - Beginning of Year	15,013,829	869,208	(138,341)	555,769	(1,623,523)	15,078	14,692,020	11,062,999	6,855,264	32,610,283
NET ASSETS (DEFICIT) - END OF YEAR	$ 18,014,089	$ 725,233	$ (206,168)	$ 361,331	$ (1,706,466)	$ 15,078	$ 17,203,097	$ 17,899,764	$ 6,751,884	$ 41,854,745

See accompanying Notes to Consolidated Financial Statements.

THE CHICAGO COMMUNITY LOAN FUND AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Operating							Lending Capital		
	Lending Operations		Economic Development		Technical Assistance					
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT										
Grants and Contributions	$ 2,540,772	$ 566,006	$ 30,000	$ 625,000	$ 50,000	$ 10,000	$ 3,821,778	$ 1,204,000	$ 241,500	$ 5,267,278
Donated Services	794,448	-	-	-	-	-	794,448	-	-	794,448
Notes Receivable Interest Income	4,892,224	-	-	-	-	-	4,892,224	-	7,427	4,899,651
Investment Income	380,504	-	-	-	-	-	380,504	-	-	380,504
Net Investment Unrealized/Realized Gain	131,391	-	-	-	-	-	131,391	149,757	-	281,148
Loan Processing Income	440,112	-	-	-	-	-	440,112	-	-	440,112
Contracted Services and Workshops	-	-	-	-	425	-	425	36,084	-	36,509
Asset Management Fee	75,000	-	-	-	-	-	75,000	-	-	75,000
Miscellaneous	20,325	-	-	-	-	-	20,325	-	-	20,325
Net Assets Transferred to Restricted	-	-	-	-	-	-	-	(631,860)	631,860	-
Net Assets Released from Restrictions - Satisfaction of Program Restrictions	171,375	(171,375)	358,664	(358,664)	10,000	(10,000)	-	50,000	(50,000)	-
Total Revenue and Support	9,446,151	394,631	388,664	266,336	60,425	-	10,556,207	807,981	830,787	12,194,975
EXPENSES										
Program	4,514,838	-	372,585	-	331,167	-	5,218,590	3,092,557	-	8,311,147
Administrative	1,539,722	-	-	-	-	-	1,539,722	-	-	1,539,722
Fundraising	184,326	-	-	-	-	-	184,326	-	-	184,326
Total Expenses	6,238,886	-	372,585	-	331,167	-	6,942,638	3,092,557	-	10,035,195
Change in Net Assets from Operations	3,207,265	394,631	16,079	266,336	(270,742)	-	3,613,569	(2,284,576)	830,787	2,159,780
NONOPERATING ACTIVITIES										
Recoveries on Previously Written Off Loans	-	-	-	-	-	-	-	-	-	-
CHANGE IN NET ASSETS	3,207,265	394,631	16,079	266,336	(270,742)	-	3,613,569	(2,284,576)	830,787	2,159,780
Transfers Between Funds	-	-	-	-	-	-	-	-	-	-
Net Assets (Deficit) - Beginning of Year	11,806,564	474,577	(154,420)	289,433	(1,352,781)	15,078	11,078,451	13,347,575	6,024,477	30,450,503
NET ASSETS (DEFICIT) - END OF YEAR	$ 15,013,829	$ 869,208	$ (138,341)	$ 555,769	$ (1,623,523)	$ 15,078	$ 14,692,020	$ 11,062,999	$ 6,855,264	$ 32,610,283

See accompanying Notes to Consolidated Financial Statements.

THE CHICAGO COMMUNITY LOAN FUND AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Lending Operations	Public Policy	Total Lending Operations and Public Policy	Lending Capital	Technical Assistance	Economic Development	Total Program	Administrative	Fundraising	Total
Salaries	$ 973,499	$ 137,323	$ 1,110,822	$ -	$ 180,803	$ 385,928	$ 1,677,553	$ 955,350	$ 139,827	$ 2,772,730
Payroll Taxes and Fringe Benefits	247,829	29,243	277,072	-	31,390	71,968	380,430	201,940	25,462	607,832
Professional Fees and Consultants	365,792	-	365,792	-	93,687	80,060	539,539	169,403	-	708,942
Donated Services	625,378	-	625,378	-	-	-	625,378	-	-	625,378
Rent, Utilities, and Related Charges	125,611	6,727	132,338	-	11,902	19,200	163,440	77,624	8,280	249,344
Telephone	3,205	300	3,505	-	729	2,400	6,634	13,345	1,200	21,179
Insurance	31,267	1,822	33,089	-	667	10,525	44,281	27,284	8,374	79,939
Equipment Rental and Maintenance	10,350	612	10,962	-	771	870	12,603	12,596	337	25,536
Supplies	-	-	-	-	-	-	-	3,082	157	3,239
Postage and Delivery	545	97	642	-	33	40	715	472	125	1,312
Printing	107	-	107	-	107	-	214	21,459	-	21,673
Marketing	22,574	-	22,574	-	10,000	-	32,574	55,958	5,000	93,532
Travel	1,643	-	1,643	-	(10)	805	2,438	590	-	3,028
Meetings	4,182	38	4,220	-	906	-	5,126	2,166	-	7,292
Staff Development	2,677	665	3,342	-	1,675	2,680	7,697	16,837	1,184	25,718
Dues and Subscriptions	40,076	2,140	42,216	-	462	921	43,599	46,281	1,696	91,576
Investment Management and Bank Fees	181,424	305	181,729	-	313	500	182,542	8,478	891	191,911
Depreciation	42,337	2,352	44,689	-	4,508	11,368	60,565	30,579	2,940	94,084
Interest	1,992,936	-	1,992,936	-	-	-	1,992,936	-	-	1,992,936
Loan Loss Allowance	-	-	-	459,442	-	-	459,442	-	-	459,442
Special Events	-	-	-	-	-	-	-	-	225,297	225,297
Total Functional Expenses	$ 4,671,432	$ 181,624	$ 4,853,056	$ 459,442	$ 337,943	$ 587,265	$ 6,237,706	$ 1,643,444	$ 420,770	$ 8,301,920

See accompanying Notes to Consolidated Financial Statements.

THE CHICAGO COMMUNITY LOAN FUND AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Lending Operations	Public Policy	Total Lending Operations and Public Policy	Lending Capital	Technical Assistance	Economic Development	Total Program	Administrative	Fundraising	Total
Salaries	$ 905,060	$ 87,712	$ 992,772	$ -	$ 194,982	$ 328,685	$ 1,516,439	$ 841,883	$ 126,520	$ 2,484,842
Payroll Taxes and Fringe Benefits	243,579	24,125	267,704	-	38,944	68,556	375,204	205,503	27,956	608,663
Professional Fees and Consultants	297,654	-	297,654	-	71,903	(78,325)	291,232	231,158	-	522,390
Donated Services	794,448	-	794,448	-	-	-	794,448	-	-	794,448
Rent, Utilities, and Related Charges	135,018	7,301	142,319	-	12,852	20,613	175,784	83,479	8,840	268,103
Telephone	2,820	-	2,820	-	1,200	2,200	6,220	15,100	1,200	22,520
Insurance	4,428	1,250	5,678	-	519	6,955	13,152	18,051	5,466	36,669
Equipment Rental and Maintenance	9,185	531	9,716	-	708	732	11,156	11,139	266	22,561
Supplies	1,294	-	1,294	-	-	123	1,417	5,575	-	6,992
Postage and Delivery	457	-	457	-	-	-	457	433	125	1,015
Printing	428	-	428	-	-	70	498	-	-	498
Marketing	9,200	-	9,200	-	250	500	9,950	56,060	2,500	68,510
Travel	4,525	1,292	5,817	-	-	(382)	5,435	4,794	1,216	11,445
Meetings	1,695	-	1,695	-	35	125	1,855	3,546	138	5,539
Staff Development	8,263	500	8,763	-	1,544	3,271	13,578	7,165	1,849	22,592
Dues and Subscriptions	64,972	900	65,872	-	4,511	2,420	72,803	20,204	2,567	95,574
Investment Management and Bank Fees	163,267	-	163,267	-	301	573	164,141	9,840	711	174,692
Depreciation	32,628	9,944	42,572	-	3,418	16,469	62,459	25,792	4,972	93,223
Interest	1,702,362	-	1,702,362	-	-	-	1,702,362	-	-	1,702,362
Loan Loss Allowance	-	-	-	3,092,557	-	-	3,092,557	-	-	3,092,557
Total Functional Expenses	$ 4,381,283	$ 133,555	$ 4,514,838	$ 3,092,557	$ 331,167	$ 372,585	$ 8,311,147	$ 1,539,722	$ 184,326	$ 10,035,195

See accompanying Notes to Consolidated Financial Statements.

THE CHICAGO COMMUNITY LOAN FUND AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 9,244,462	$ 2,159,780
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	94,084	93,223
Provision for Loan Losses	459,442	3,092,557
Net Realized and Unrealized (Gains) Losses on Investments	293,578	(281,148)
Forgiveness on PPP Loan	(6,171)	(293,007)
Effects of Changes in Operating Assets and Liabilities:		
Grants and Contributions Receivables	55,422	94,145
Interest Receivable	(219,391)	(11,010)
Other Receivables	(22,149)	6,561
Prepaids and Deposits	(7,862)	7,855
Accounts Payable and Accrued Expenses	(299,027)	168,191
Refundable Advances	(58,500)	(583,500)
Interest Payable	22,504	(4,799)
Net Cash Provided by Operating Activities	9,556,392	4,448,848
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Principal Paydowns on Investments	890,520	7,198,260
Purchase of Investments	(4,211,802)	(7,523,026)
Purchase of FHLB Stock	(3,500)	(500)
Distributions from CDE LLCs	12	12
Increase in Notes Receivable, Net of Repayment	(421,792)	(17,780,611)
Purchase of Office Equipment and Leasehold Improvements	(7,739)	(36,442)
Net Cash Used by Investing Activities	(3,754,301)	(18,142,307)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Senior Loans Payable	18,262,000	8,565,578
Proceeds from Subordinated Loans Payable	299,983	-
Proceeds from NMTC Investor	4,542,545	-
Proceeds from Notes Payable	-	10,965,024
Principal Payments on Notes Payable	(1,176,603)	(1,166,642)
Principal Repayment of Senior Loans Payable	(5,861,071)	(3,309,775)
Principal Repayment of Subordinated Loans Payable	(5,000,000)	-
Net Cash Provided by Financing Activities	11,066,854	15,054,185
NET INCREASE IN CASH AND CASH EQUIVALENTS	16,868,945	1,360,726
Cash and Cash Equivalents - Beginning of Year	19,520,404	18,159,678
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 36,389,349	$ 19,520,404
SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for:		
Interest Paid (Lending Operations Only)	$ 1,970,432	$ 1,707,161

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Chicago Community Loan Fund (CCLF) was incorporated on January 9, 1991, in the state of Illinois as a 501(c)(3) corporation exempt from income taxes under the Internal Revenue Code (IRC). It provides flexible, affordable, and responsible financing and technical assistance for community stabilization and development efforts and initiatives that benefit low- to moderate-income neighborhoods, families, and individuals throughout metropolitan Chicago. The Chicago Community Loan Fund is a federally certified Community Development Financial Institution (CDFI). The Chicago Community Loan Fund's programs are as follows:

Lending Operations and Capital – The Chicago Community Loan Fund operates as a revolving loan fund, providing financing through its loan pool of lending capital for affordable housing, nonprofit facility and office space, commercial and retail development, and other activities. These projects promise high social impact through the production and preservation of affordable housing, job creation and other services for low- to moderate-income individuals, families, and communities.

Technical Assistance – The Chicago Community Loan Fund's *Gateway to Community Development* program provides technical assistance to borrowers and nonborrowers through time sensitive development advice and referrals, a range of workshop topics, facilitated planning processes and support for sustainable building practices.

Public Policy – The Chicago Community Loan Fund supports independent, nonpartisan research and discussion on economic and social public issues to educate leaders in a course of action to improve tomorrow in the public laws and resource allocations of today.

Economic Development – The Chicago Community Loan Fund is historically a niche lender: one that meets the financing and technical assistance needs that are unmet in the low- to moderate-income communities. The 2017 - 2020 strategic plan directed a course of collaborative relationships, exploration of available programs new to The Chicago Community Loan Fund and the co-creation of programs to build and/or rehabilitate commercial real estate. This program is designed to research and finance such opportunities.

CCLF NMTC NFP was incorporated on July 10, 2015 in the state of Illinois as a nonprofit corporation. The Chicago Community Loan Fund is its sole corporate member. The primary purpose of CCLF NMTC NFP is to facilitate distributions to qualified exempt organizations including The Chicago Community Loan Fund.

CCLF SUB-CDE 5, LLC was incorporated on January 16, 2019 in the state of Illinois as a limited liability company. The Chicago Community Loan Fund serves as its managing member and holds a 0.01% ownership interest. CCLF NMTC NFP holds the remaining 99.99% ownership interest. CCLF SUB-CDE 5, LLC initiated operations during 2021. The primary purpose of CCLF SUB-CDE 5, LLC is to support The Chicago Community Loan Fund's purpose of individual and institutional investment in community development projects and its participation in the New Markets Tax Credit Program (NMTC). See Note 14.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Through CCLF SUB-CDE 5, LLC, The Chicago Community Loan Fund serves as a conduit CDE lender for a NMTC allocation provided by USB CDE, a subsidiary of US Bank, as part of the financing for notes receivable of $4,542,545, and all principal and interest payments on the loan are remitted to USB CDE for the same amount. As of December 31, 2021, the notes receivable and the investment from NMTC investor has an outstanding balance of $4,542,545.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of The Chicago Community Loan Fund and its affiliate organizations CCLF NMTC NFP and CCLF SUB-CDE 5, LLC (collectively referred to as CCLF).

Method of Accounting

The accounts and consolidated financial statements are maintained on the accrual basis of accounting and, accordingly, reflect all significant accounts receivable, accounts payable, and other liabilities.

Basis of Presentation

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenue, expenses, and gains and losses are classified based on the existence or absence of donor and board-imposed restrictions. CCLF is required to report information regarding its financial position and activities according to two classes of net assets – net assets without donor restrictions and net assets with donor restrictions.

Use of Estimates in Preparing Consolidated Financial Statements

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Significant estimates that are particularly susceptible to change in a short period of time relate to the determination of valuation of investments and the allowance for loan losses. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of demand deposits and money market accounts in federally insured and privately insured accounts. At December 31, 2021 and 2020, CCLF's cash balances exceeded federally insured limits by $16,642,015 and $10,528,032, respectively. There were also $3,058,483 and $3,354,442 of restricted cash pertaining to CCLF's Chicago Rebuild Grant, and $1,570,626 and $1,692,000 of restricted cash to be used exclusively for Bond Guarantee Program loan loss reserves as of December 31, 2021 and 2020, respectively.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (Continued)

For purposes of the consolidated statements of financial position and consolidated statements of cash flows, CCLF considers all highly liquid debt instruments, if any, purchased with an original maturity of less than three months to be cash equivalents.

Investments

Investments are carried at fair value. Realized and unrealized gains and losses are reflected in the consolidated statements of activities.

Investment in Unconsolidated Limited Liability Companies

CCLF accounts for its investment in unconsolidated limited liability companies (see Note 14) using the equity method of accounting. Under the equity method, the investment is recorded at cost, and increased or decreased by CCLF's share of the limited liability companies' income or losses, and increased or decreased by the amount of any contributions made or distributions received. CCLF holds a 0.01% membership interest in three limited liability companies created for the New Markets Tax Credit Program as of December 31, 2021 and 2020.

Notes Receivable

Notes receivable are stated at unpaid principal balances, less an allowance for loan losses. Interest on notes receivable is recognized over the term of the loan and is generally calculated using the simple-interest method on principal amounts outstanding.

Accrual of interest on a loan is discontinued when CCLF believes the collection of interest is doubtful. Income is subsequently recognized only to the extent cash payments are received until, in management's judgment, the borrower's ability to make periodic interest and principal payments is apparent, in which case the loan is returned to accrual status.

Allowance for Loan Losses

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the loans in light of historical experience, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available. The allowance is established through a provision for loan losses which is charged to expense. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to Lending Operations.

CCLF's allowance for loan losses is that amount considered adequate to absorb probable losses in the portfolio based on management's evaluations of the size and current risk characteristics of the loan portfolio. Such evaluations consider prior loss experience, the risk rating distribution of the portfolio, the impact of current internal and external influences on credit loss and the levels of nonperforming loans.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Loan Losses (Continued)

Specific allowances for loan losses are established for impaired loans on an individual basis. A loan is considered impaired when, based on current information and events, it is probable that CCLF will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. The specific allowance established for these loans is based on a thorough analysis of the most probable source of repayment or the estimated fair value of the underlying collateral.

General allowances are established for loans rated 1 through 4 (rating categories are 1 through 6). In this process, general allowance factors are based on an analysis of historical charge-off experience and expected losses given default derived from CCLF's internal risk rating process. These factors are developed and applied to the portfolio in terms of loan rating categories.

Under certain circumstances, CCLF will provide borrowers relief through loan restructurings. A restructuring of debt constitutes a troubled debt restructuring (TDR) if CCLF, for economic or legal reasons related to the borrower's financial difficulties, grants a concession to the borrower that it would not otherwise consider. TDR concessions may include reduction of interest rates, extension of maturity dates, forgiveness of principal and/or interest due, or acceptance of other assets in full or partial satisfaction of the debt. CCLF considers all aspects of the restructuring to determine whether it has granted a concession to the borrower.

An insignificant delay in payment resulting from a restructuring is not deemed to be a concession and would not be considered to be a TDR. In addition, extensions of credit for certain predevelopment and construction loan repayment delays are not considered to be a TDR.

CCLF has concluded that the impairment impact of troubled debt restructurings on its loan portfolio is not material to the consolidated financial statements. As such, these impairments are not individually tracked but rather are adequately included in the loss allowance provided on a pooled basis for the loan portfolio.

In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. In accordance with the Coronavirus Aid, Relief and Economic Security (CARES) Act, CCLF offered 3-month loan extensions or modifications to qualified borrowers impacted by the COVID-19 pandemic. These modifications are not considered troubled debt restructurings under the CARES Act.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Loan Losses (Continued)

CCLF maintains a general valuation allowance for different risk rating categories. Management evaluates these on a collective basis due to the nature of the portfolio. These portfolio segments and their risk characteristics are described as follows:

Pre-development – These loans are offered to eligible nonprofit organizations engaged in a community-based housing or economic development project and to for profit firms engaged in a housing or economic development project which would benefit low- to moderate-income families and individuals. The maximum term of these loans is two years. Collateral consists primarily of first mortgages (valid first lien on property), preferred and personal guaranties (generally unsecured), or other collateral such as cash, letters of credit, and a first or second position lien on other property. Risks associated with these loans include project and construction, market, repayment, collateral and security, and management risk.

Construction – These loans are offered to eligible nonprofit organizations engaged in a community-based housing or economic development project and to for profit firms engaged in a housing or economic development project which would benefit low- to moderate-income families and individuals. The maximum term of these loans is two years. Collateral consists primarily of first mortgages (valid first lien on property) and personal guaranties (generally unsecured), though other collateral such as cash, letters of credit, and second position property lien is accepted. Risks associated with these loans include project and construction, market, repayment, collateral and security, and management risk.

Mini-permanent mortgage – These loans are offered to eligible nonprofit organizations engaged in a community-based housing or economic development project and to for profit firms engaged in a housing or economic development project which would benefit low- to moderate-income families and individuals. The maximum term of these loans is 15 years (with up to a 30-year maximum amortization). Collateral consists primarily of first mortgages (valid first lien on property) and personal guaranties (generally unsecured). Other collateral such as cash, letters of credit, and a second position lien on property is accepted. Risks associated with these loans include market, repayment, collateral, security, and management risk.

Equipment and working capital – These loans are offered to eligible organizations engaged in a community-based social service, housing or economic development project, with a maximum loan term of five years. Collateral consists primarily of first priority liens on equipment or a combination of first or second position liens on property along with personal guaranties, and other collateral including cash and letters of credit. Risks associated with these loans include market, repayment, collateral, and security risks.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Loan Losses (Continued)

Permanent financing – These loans are offered to eligible organizations engaged in a community-based housing or economic development project and to for profit firms engaged in a housing or economic development project which would benefit low-to-moderate-income families and individuals. The maximum required term of these loans is 30 years. Collateral consists primarily of first mortgages (valid first lien on property) and personal guaranties (generally unsecured), although cash, letters of credit, and second position on property lien are also accepted. Risks associated with these loans include market, repayment, collateral, security, and management risk.

CCLF assigns a risk rating to loans and periodically performs detailed internal reviews of such loans over certain thresholds to reevaluate credit risks and to assess the overall collectability of the portfolio. During the internal reviews, management analyzes the financial condition of borrowers and guarantors, trends in the industries in which the borrowers operate and the fair values of collateral securing the loans. These credit quality indicators are used to assign a risk rating to each individual loan.

The risk ratings can be grouped into the following major categories, defined as follows:

1. *Minimal risk* – High degree of stability. Predictable cash flows and the statement of financial position shows excellent liquidity.
2. *Moderate risk* – Assets and cash flow are reasonably good. Demonstrated ability to repay debts with no negative trends.
3. *Acceptable risk* – Project is in development or has limited capital. Liquidity is lower than average. Primary and secondary sources of repayment are considered adequate to lower than average.
4. *Watch list/special mention* – Credits with potential short-term weaknesses that deserve management's close attention.
5. *Substandard* – Assets that are inadequately protected by net worth, paying capacity of the borrower or collateral pledged. Well-defined weakness jeopardizes the collection of the debt.
6. *Doubtful* – Assets in this grade exhibit serious risks that may hinder the collection of the full loan balance. It may not be possible to calculate exactly what the loss may be, but the probability of some loss is greater than 50%. All loans in this grade will be placed on nonaccrual.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment purchases of $500 or more are stated at cost. Expenditures for repairs and maintenance are charged to expense as incurred, whereas renewals and betterments that extend the lives of the property are capitalized. CCLF provides for depreciation on the straight-line method at rates designed to depreciate the costs of assets over estimated useful lives of 10 years or the remaining term of the lease for leasehold improvements and 3 to 10 years for hardware, software, and furniture and equipment.

Impairment of Long-Lived Assets

CCLF reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Support and Revenue

CCLF reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

CCLF reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations regarding how long those long-lived assets must be maintained, CCLF reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. For the years ended December 31, 2021 and 2020, there were no donated or acquired long-lived assets.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met and the gift becomes unconditional. Donor-restricted conditional gifts in which the condition and restriction is met in the period the gift is received are reported as revenue and net assets without donor restrictions. Contributions received with donor conditions are deferred until such conditions are met. For the years ended December 31, 2021 and 2020, conditional contributions total $10,526,648 and $365,148, respectively.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services

Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

During the years ended December 31, 2021 and 2020, CCLF received and recognized certain donated legal services valued at $625,378 and $794,448, respectively, for CCLF's lending operations.

In-Kind Contributions

In addition to receiving cash contributions, CCLF may receive in-kind contributions from donors. In accordance with generally accepted accounting principles, CCLF will record the estimated fair value of certain in-kind donations as an expense in its consolidated financial statements, and similarly record a corresponding donation by a like amount. For the years ended December 31, 2021 and 2020, CCLF did not receive any in-kind contributions.

Functional Allocation of Expenses

The consolidated statements of functional expenses report certain categories of expenses that are attributable to one or more programs or supporting functions. CCLF directly charges expenses to a program if it can be directly linked to the specified program. For expenses that cannot be linked back to a specific program, an allocation is required. During the budgeting process, each program manager reviews the current allocation of their and their staff's time based upon both the actuals for the past year and any anticipated changes in the staff person's responsibilities. A chart is constructed with each employee spread to create percentages of time for each program. These percentages are either used separately for such allocations as salary and benefits or collectively for rent. All allocations are applied consistently and on a reasonable basis. Adjustments are made at year-end, if the allocations are materially different than what was applied at the beginning of the year.

Income Tax Status

The Chicago Community Loan Fund and CCLF NMTC NFP are exempt from federal income tax under Section 501(c)(3) of the IRC. In addition, they qualify for the charitable contribution deduction under Section 170(b)(1)(A) and have been classified as organizations that are not private foundations. CCLF SUB-CDE 5, LLC is a pass-through entity for income tax purposes, whereby any income tax liabilities or benefits are attributable to its members. CCLF determined that it was not required to record a liability related to uncertain tax positions.

Deferred Rent Obligation

CCLF amortizes the deferred rent obligation using the straight-line method over the term of the lease. The difference between the rent expense recorded and the amount paid is charged to the deferred rent obligation reflected in Accrued Liabilities on the consolidated statements of financial position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Liquidity and Availability

As part of the CCLF's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. CCLF has board-designated net assets without donor restrictions that, while the Organization does not intend to spend, the amounts could be made available for current operations, if necessary.

Resources Available to Meet Liquidity Needs:

	December 31, 2021	December 31, 2020
Cash and Cash Equivalents	$ 36,389,349	$ 19,520,404
Marketable Investments	13,889,840	10,862,136
Accounts and Pledges Receivable	144,480	177,753
Net Notes Receivable (Current Portion)	34,865,576	24,085,954
Interest Receivable	731,067	511,676
Total Financial Revenues Available Within One Year	86,020,312	55,157,923
Less Amounts Unavailable for General Expenditures Within One Year Due to:		
Restricted by Donors With Proper Restrictions	7,853,526	8,295,319
Board Designation	20,446,516	17,720,242
Total Amounts Unavailable Within One Year for General Expenditures	28,300,042	26,015,561
Total Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 57,720,270	$ 29,142,362

Subsequent Events

Management has evaluated subsequent events through April 27, 2022, the date the consolidated financial statements were available to be issued. Events or transactions occurring after December 31, 2021, but prior to April 27, 2022, that provided additional evidence about conditions that existed at December 31, 2021, have been recognized in the consolidated financial statements for the year ended December 31, 2021. Events or transactions that provided evidence about conditions that did not exist at December 31, 2021, but arose before the consolidated financial statements were available to be issued have not been recognized in the consolidated financial statements for the year ended December 31, 2021.

NOTE 2 FAIR VALUE MEASUREMENT

Accounting principles generally accepted in the United States of America define fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in CCLF's principal or most advantageous market in an orderly transaction between market participants on the measurement date.

Accounting principles generally accepted in the United States of America establish a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

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

- *Level 2* – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

- *Level 3* – Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The fair value of debt and equity investments that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs) or by quoted market prices of similar securities with similar due dates or matrix pricing, which is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on securities' relationship to other benchmark quoted securities (Level 2 inputs).

NOTE 2 FAIR VALUE MEASUREMENT (CONTINUED)

Assets and Liabilities Measured on a Recurring Basis

Assets and liabilities measured at fair value on a recurring basis are summarized below:

December 31, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Total
Assets - Corporate Bonds	$ -	$ 2,620,678	$ -	$ 2,620,678
Assets - U.S. Agency Bonds	-	3,219,863	-	3,219,863
Assets - Municipal Bonds	-	7,783,197	-	7,783,197
Assets - Certificates of Deposit	-	266,102	-	266,102
Total	$ -	$ 13,889,840	$ -	$ 13,889,840
December 31, 2020				
Assets - Corporate Bonds	$ -	$ 1,768,565	$ -	$ 1,410,223
Assets - U.S. Agency Bonds	-	1,671,194	-	2,953,282
Assets - Municipal Bonds	-	7,158,147	-	5,628,486
Assets - Certificates of Deposit	-	264,230	-	264,230
Total	$ -	$ 10,862,136	$ -	$ 10,256,222

NOTE 3 LOAN COMMITMENTS AND CREDIT RISK

Loan Commitments

CCLF has loan commitments and undrawn portions of construction and pre-development loans of approximately $15,261,000 and $15,139,000 at December 31, 2021 and 2020, respectively. Since certain commitments to fund loans may expire without being used, the amount does not necessarily represent future cash commitments. CCLF evaluates each customer’s creditworthiness on a case by case basis. The amount of collateral obtained, if deemed necessary by CCLF upon extension of credit, is based on management’s credit evaluation. Collateral held varies but may include accounts receivable, inventory, property and equipment, and income producing commercial properties.

In addition, commitments to extend credit are agreements to lend as long as there is no violation of any condition established in the contract. These commitments are not reflected in the consolidated financial statements.

NOTE 3 LOAN COMMITMENTS AND CREDIT RISK (CONTINUED)

Concentration of Credit Risk

CCLF generally grants collateralized loans to borrowers as outlined in Note 1. Although CCLF has a diverse loan portfolio, a substantial portion of its debtor's ability to repay their obligations is dependent upon the local economic conditions.

NOTE 4 NOTES RECEIVABLE – LOAN FUND

Notes receivable at December 31, 2021 and 2020 are comprised of the following:

December 31, 2021	Current	Long Term	Total
Unpaid Principal Amount	$ 35,399,417	$ 61,892,239	$ 97,291,656
Allowance for Loan Losses	(533,841)	(7,380,848)	(7,914,689)
Net Notes Receivable	$ 34,865,576	$ 54,511,391	$ 89,376,967

December 31, 2020	Current	Long Term	Total
Unpaid Principal Amount	$ 25,237,126	$ 71,607,738	$ 96,844,864
Allowance for Loan Losses	(1,151,172)	(6,279,075)	(7,430,247)
Net Notes Receivable	$ 24,085,954	$ 65,328,663	$ 89,414,617

Expected repayment maturities of notes receivable as of December 31 are as follows:

	Principal Amount	
Maturity	2021	2020
Within One Year	$ 35,399,417	$ 25,237,126
One to Two Years	5,107,608	17,020,760
Two to Three Years	5,578,343	3,570,163
Three to Four Years	9,252,769	4,295,796
Four to Five Years	18,036,751	7,095,180
Thereafter	23,916,768	39,625,839
Total	$ 97,291,656	$ 96,844,864

NOTE 4 NOTES RECEIVABLE – LOAN FUND (CONTINUED)

The allowance for loan losses (ALL) activity by loan portfolio segment is as follows:

	Mini-Permanent Mortgage	Pre-Development	Construction	Equipment and Working Capital	Permanent Financing	Total
Allowance for Loan Losses						
Balance - January 1, 2020	$ 2,392,664	$ 515,798	$ 1,053,181	$ 45,034	$ 306,013	$ 4,312,690
Provision for (Benefit from) Loan Losses	1,865,127	450,962	208,008	411,526	181,934	3,117,557
Loans Charged-off		-	-	-	-	-
Balance - December 31, 2020	4,257,791	966,760	1,261,189	456,560	487,947	7,430,247
Provision for (Benefit from) Loan Losses	695,754	34,728	(273,639)	174,064	(146,465)	484,442
Loans Charged-off	-	-	-	-	-	-
Balance - December 31, 2021	$ 4,953,545	$ 1,001,488	$ 987,550	$ 630,624	$ 341,482	$ 7,914,689

The breakdown for the allowance for loan losses by loan portfolio segment at year-end is as follows:

December 31, 2021 ALL Evaluation	Mini-Permanent Mortgage	Pre-Development	Construction	Equipment and Working Capital	Permanent Financing	Total
Evaluated for Impairment:						
Risk Rating 1 - 4	$ 3,112,534	$ 1,001,488	$ 987,550	$ 620,044	$ 341,482	$ 6,063,098
Risk Rating 5 - 6	1,841,011	-	-	10,580	-	1,851,591
Balance - December 31, 2021	$ 4,953,545	$ 1,001,488	$ 987,550	$ 630,624	$ 341,482	$ 7,914,689

December 31, 2020 ALL Evaluation	Mini-Permanent Mortgage	Pre-Development	Construction	Equipment and Working Capital	Permanent Financing	Total
Evaluated for Impairment:						
Risk Rating 1 - 4	$ 2,691,255	$ 966,760	$ 1,261,189	$ 446,030	$ 487,947	$ 5,853,181
Risk Rating 5 - 6	1,566,536	-	-	10,530	-	1,577,066
Balance - December 31, 2020	4,257,791	$ 966,760	$ 1,261,189	$ 456,560	$ 487,947	$ 7,430,247

NOTE 4 NOTES RECEIVABLE – LOAN FUND (CONTINUED)

The associated loan balances in relation to the category breakdown for the allowance for loan losses at year-end is as follows:

December 31, 2021 Loan Balances in Relation to ALL Evaluation	Mini-Permanent Mortgage	Pre-Development	Construction	Equipment and Working Capital	Permanent Financing	Total
Evaluated for Impairment:						
Risk Rating 1 - 4	$ 45,871,891	$ 16,814,106	$ 20,629,720	$ 2,218,817	$ 8,132,390	$ 93,666,924
Risk Rating 5 - 6	3,524,732	-	-	100,000	-	3,624,732
Total - December 31, 2021	$ 49,396,623	$ 16,814,106	$ 20,629,720	$ 2,318,817	$ 8,132,390	$ 97,291,656

December 31, 2020 Loan Balances in Relation to ALL Evaluation	Mini-Permanent Mortgage	Pre-Development	Construction	Equipment and Working Capital	Permanent Financing	Total
Evaluated for Impairment:						
Risk Rating 1 - 4	$ 40,462,946	$ 17,969,125	$ 21,003,312	$ 1,755,576	$ 11,805,148	$ 92,996,107
Risk Rating 5 - 6	3,748,757	-	-	100,000	-	3,848,757
Total - December 31, 2020	$ 44,211,703	$ 17,969,125	$ 21,003,312	$ 1,855,576	$ 11,805,148	$ 96,844,864

The following table shows the loan portfolio allocated by management's internal risk ratings at December 31:

Risk Rating	2021	2020
1 - Minimal Risk	$ 5,692,943	$ 1,200,865
2 - Moderate Risk	16,600,971	24,218,724
3 - Acceptable Risk	64,843,778	61,908,951
4 - Watchlist/Special Mention	6,529,232	5,667,567
5 - Substandard	1,024,119	1,248,144
6 - Doubtful	2,600,613	2,600,613
Total	$ 97,291,656	$ 96,844,864

NOTE 4 NOTES RECEIVABLE – LOAN FUND (CONTINUED)

The following table shows the loan portfolio segments allocated by payment activity at December 31, 2021 and 2020. Loans are generally deemed performing if they are less than 90 days delinquent and still accruing interest.

	Credit Risk Profile by Payment Activity					
December 31, 2021	Mini-Permanent Mortgage	Pre-Development	Construction	Equipment and Working Capital	Permanent Financing	Total
Payment Activity:						
Performing	$ 46,896,010	$ 16,814,106	$ 20,629,720	$ 2,218,817	$ 8,132,390	$ 94,691,043
Nonperforming	2,500,613	-	-	100,000	-	2,600,613
Total	$ 49,396,623	$ 16,814,106	$ 20,629,720	$ 2,318,817	$ 8,132,390	$ 97,291,656
December 31, 2020						
Payment Activity:						
Performing	$ 40,462,946	$ 17,969,125	$ 21,003,312	$ 1,755,576	$ 11,805,148	$ 92,996,107
Nonperforming	3,748,757	-	-	100,000	-	3,848,757
Total	$ 44,211,703	$ 17,969,125	$ 21,003,312	$ 1,855,576	$ 11,805,148	$ 96,844,864

NOTE 4 NOTES RECEIVABLE – LOAN FUND (CONTINUED)

The following table shows an aging analysis of the loan portfolio by time past due at December 31, 2021 and 2020:

	Accruing Interest			Nonaccrual	
December 31, 2021	Current	30 - 89 Days Past Due	90 Days or More Past Due	90 Days or More Past Due	Total Loans
Mini-Permanent Mortgage	$ 46,896,010	$ -	$ -	$ 2,500,613	$ 49,396,623
Pre-Development	16,814,106	-	-	-	16,814,106
Construction	20,629,720	-	-	-	20,629,720
Equipment and Working Capital	2,218,817	-	-	100,000	2,318,817
Permanent Financing	8,132,390	-	-	-	8,132,390
Total	$ 94,691,043	$ -	$ -	$ 2,600,613	$ 97,291,656
December 31, 2020					
Mini-Permanent Mortgage	$ 40,917,937	$ 793,153	$ -	$ 2,500,613	$ 44,211,703
Pre-Development	17,969,125	-	-	-	17,969,125
Construction	21,003,312	-	-	-	21,003,312
Equipment and Working Capital	1,755,576	-	-	100,000	1,855,576
Permanent Financing	11,805,148	-	-	-	11,805,148
Total	$ 93,451,098	$ 793,153	$ -	$ 2,600,613	$ 96,844,864

Interest income forgone on nonaccrual loans totaled $490,774 and $336,892 for the years ended December 31, 2021 and 2020, respectively.

NOTE 4 NOTES RECEIVABLE – LOAN FUND (CONTINUED)

The following table presents information related to impaired loans (risk rating 5 – 6), including troubled debt restructurings, at December 31, 2021 and 2020:

December 31, 2021	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment
With an Allowance Recorded:				
Mini-Permanent Mortgage	$ 3,524,732	$ 3,524,732	$ 1,820,553	$ 3,592,015
Equipment and Working Capital	100,000	100,000	10,000	100,000
Total	$ 3,624,732	$ 3,624,732	$ 1,830,553	$ 3,692,015
December 31, 2020				
With an Allowance Recorded:				
Mini-Permanent Mortgage	$ 3,748,757	$ 3,748,757	$ 1,546,666	$ 3,830,891
Pre-Development	100,000	100,000	10,000	100,000
Total	$ 3,848,757	$ 3,848,757	$ 1,556,666	$ 3,930,891

Impaired loans include loans in troubled debt restructurings where concessions have been granted to borrowers experiencing financial difficulties. These concessions could include a reduction of interest rate on the loan, payment extensions, forbearance, or other actions intended to maximize collection.

The following table represents impaired loans classified as troubled debt restructurings for the years ended December 31, 2021 and 2020:

December 31, 2021	Number of Contracts	Pre-Modification Outstanding Recorded Investment	Post-Modification Outstanding Recorded Investment
Troubled Debt Restructurings:			
Mini-Permanent Mortgage	1	$ 2,500,613	$ 2,500,613
Total	1	$ 2,500,613	$ 2,500,613
December 31, 2020			
Troubled Debt Restructurings:			
Mini-Permanent Mortgage	1	$ 2,500,613	$ 2,500,613
Total	1	$ 2,500,613	$ 2,500,613

NOTE 4 NOTES RECEIVABLE – LOAN FUND (CONTINUED)

In accordance with the CARES Act, CCLF offered 3-month loan extensions or modifications to qualified borrowers impacted by the COVID-19 pandemic. These modifications are not considered troubled debt restructurings under the CARES Act. During 2021 and 2020, CCLF granted 4 and 29 loans with outstanding balances of $7,877,055 and $18,727,571 under this program, respectively. As of December 31, 2021 and 2020, there were 0 and 4 loans under this program with outstanding balances of $-0- and $8,114,407, respectively.

In response to the COVID-19 pandemic and related economic disruption to non-essential businesses and resulting increased unemployment, CCLF provided an additional $350,000 of general reserves in its Allowance for Loan Losses to account for the credit quality implications of these economic factors in 2020, and $350,000 of general reserves remains in the Allowance for Loans Losses in 2021. As the full impact of the pandemic and related economic disruption are still developing, the actual COVID-19 related losses may be higher or lower than this amount.

NOTE 5 LONG-TERM DEBT AND LINE OF CREDIT

CCLF enters into loan agreements with institutions and individuals to raise the capital necessary to issue loans for community development projects. While loans are generally unsecured, CCLF manages its capital according to stringent guidelines established by the Opportunity Finance Network (OFN), the national trade association for CDFIs.

Long-term debt consisted of the following:

December 31, 2021	Principal Amount	Interest Rate	Scheduled Maturity Dates
Senior Loans Payable:			
Private Foundations	$ 5,415,000	0% to 3%	May 2022 to June 2029
Financial Institutions and Corporations	41,857,004	1.31% to 3.50%	March 2022 to December 2028
Religious Organizations	425,000	1% to 3%	June 2023 to September 2025
Individuals	2,166,454	0% to 3%	April 2022 to October 2027
Other	2,000,000	2%	July 2026
Subtotal	51,863,458		
Less: Current Portion	(4,495,221)		
Net Long-Term, Senior Loans Payable	$ 47,368,238		

NOTE 5 LONG-TERM DEBT AND LINE OF CREDIT (CONTINUED)

December 31, 2020	Principal Amount	Interest Rate	Scheduled Maturity Dates
Senior Loans Payable:			
Private Foundations	$ 4,940,000	0% to 3%	May 2022 to June 2029
Financial Institutions and Corporations	29,942,152	2% to 3.75%	January 2021 to December 2028
Religious Organizations	2,150,000	1% to 3%	January 2021 to September 2025
Individuals	2,205,378	0% to 3%	February 2021 to October 2027
Other	225,000	3%	July 2021
Subtotal	39,462,530		
Less: Current Portion	(4,830,266)		
Net Long-Term, Senior Loans Payable	$ 34,632,264		

Subordinated Loans Payable

Since 1997, CCLF has entered into loan agreements with financial institutions and private foundations to enable CCLF to issue longer-term community loans. These loans are unsecured and are subordinate and junior in right of payment to all other obligations of CCLF.

Subordinated loans payable are as follows:

December 31, 2021	Principal Amount	Interest Rate	Scheduled Maturity Dates
Subordinated Loans Payable:			
Financial Institutions	$ 10,649,983	1% to 3%	September 2022 to April 2029
Individuals	100,000	2.75%	September 2022
Subtotal	10,749,983		
Less: Current Portion	(4,100,000)		
Net Long-Term, Subordinated Loans Payable	$ 6,649,983		
December 31, 2020			
Subordinated Loans Payable:			
Financial Institutions	$ 15,350,000	1% to 3%	June 2021 to April 2029
Individuals	100,000	2.75%	September 2022
Subtotal	15,450,000		
Less: Current Portion	(5,000,000)		
Net Long-Term, Subordinated Loans Payable	$ 10,450,000		

NOTE 5 LONG-TERM DEBT AND LINE OF CREDIT (CONTINUED)

Subordinated Loans Payable (Continued)

Future anticipated loan maturities at December 31, 2021 are as follows:

Year Ending December 31,	Senior	Subordinate	Total
2022	$ 4,495,221	$ 4,100,000	$ 8,595,221
2023	4,898,500	1,000,000	5,898,500
2024	7,214,154	5,100,000	12,314,154
2025	3,089,898	-	3,089,898
2026	13,215,685	299,983	13,515,668
Thereafter	18,950,000	250,000	19,200,000
Total	$ 51,863,458	$ 10,749,983	$ 62,613,441

CCLF is subject to certain debt covenants, as specified in the individual debt agreements. As of December 31, 2021 and 2020, CCLF had met their financial covenants or obtained waivers as needed.

During 2015, CCLF entered into a $5,000,000 term loan agreement with Federal Home Loan Bank of Chicago with a term of 10 years at an interest rate of 2.41%, maturing June 4, 2025. During 2018, the bank advanced an additional $2,000,000 under the same terms and maturity date. The agreement provides for an interest-only revolving term loan during the first ten years with interest payable quarterly. Outstanding principal shall be due on the maturity date. The funds will be used for commercial real estate, community facility, and affordable housing loan programs benefiting low to moderate communities and/or low to moderate individuals. As of December 31, 2021 and 2020, the outstanding balance was $7,000,000, with accrued interest totaling $-0-.

During 2016, CCLF entered into a $5,500,000 loan agreement with the Opportunity Finance Network through the CDFI Bond Guarantee Program with a term of 20 years at an interest rate of 2.21%, maturing June 16, 2036. The agreement provides for interest payable quarterly. The funds will be used for the lending program. As of December 31, 2021 and 2020, the outstanding balances were $4,444,868 and $4,702,171, respectively, with accrued interest totaling $-0-.

During 2017, CCLF entered into a $3,700,000 loan agreement with the Opportunity Finance Network through the CDFI Bond Guarantee Program with a term of 20 years at an interest rate of 2.86%, maturing June 15, 2037. The agreement provides for interest payable quarterly. The funds will be used for the lending program. As of December 31, 2021 and 2020, the outstanding balances were $3,069,912 and $3,225,173, respectively, with accrued interest totaling $-0-.

NOTE 5 LONG-TERM DEBT AND LINE OF CREDIT (CONTINUED)

Subordinated Loans Payable (Continued)

During 2018, CCLF entered into a $3,300,000 loan agreement with the Opportunity Finance Network through the CDFI Bond Guarantee Program with a term of 20 years at an interest rate of 3.39%, maturing June 15, 2038. The agreement provides for interest payable quarterly. The funds will be used for the lending program. As of December 31, 2021 and 2020, the outstanding balance was $2,850,812 and $2,977,783, respectively, with accrued interesting totaling $-0-.

During 2019, CCLF entered into a $3,000,000 loan agreement with the Opportunity Finance Network through the CDFI Bond Guarantee Program with a term of 20 years at an interest rate of 2.70%, maturing June 15, 2039. The agreement provides for interest payable quarterly. The funds will be used for the lending program. As of December 31, 2021 and 2020, the outstanding balance was $2,698,666 and $2,817,817, respectively, with accrued interesting totaling $-0-.

During 2020, CCLF entered into a $2,500,000 loan agreement with the Opportunity Finance Network through the CDFI Bond Guarantee Program with a term of 10 years at an interest rate of 1.198%, maturing March 15, 2030. The agreement provides for interest payable quarterly. The funds will be used for the lending program. As of December 31, 2021 and 2020, the outstanding balance was $2,348,205 and $2,435,300, respectively, with accrued interesting totaling $-0-.

During 2020, CCLF entered into a $1,600,000 loan agreement with the Opportunity Finance Network through the CDFI Bond Guarantee Program with a term of 10 years at an interest rate of 0.965%, maturing June 17, 2030. The agreement provides for interest payable quarterly. The funds will be used for the lending program. As of December 31, 2021 and 2020, the outstanding balance was $1,367,455 and $1,521,096, respectively, with accrued interesting totaling $-0-.

During 2020, CCLF entered into a $6,340,090 loan agreement with the Opportunity Finance Network through the CDFI Bond Guarantee Program with a term of 20 years at an interest rate of 1.425%, maturing June 15, 2040. The agreement provides for interest payable quarterly. The funds will be used for the lending program. As of December 31, 2021 and 2020, the outstanding balance was $5,906,924 and $6,184,106, respectively, with accrued interesting totaling $-0-.

NOTE 5 LONG-TERM DEBT AND LINE OF CREDIT (CONTINUED)

Subordinated Loans Payable (Continued)

During 2020, CCLF received a loan in the amount of $396,977 to cover various costs through the Paycheck Protection Program (the PPP Loan). The loan bears interest at a fixed rate of 1% per annum payable quarterly, with the first six months of interest deferred, has a term of two years, is guaranteed by the U.S. Small Business Administration, and matures on April 16, 2022. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender of if CCLF fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based upon the timing and use of these funds in accordance with the program. During 2021 and 2020, $6,171 and $293,007, respectively, were forgiven. As of December 31, 2021 and 2020, the outstanding balance was $-0- and $6,171, respectively, with accrued interesting totaling $-0-. The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on CCLF's financial position.

Future loan maturities at December 31, 2021 on the above notes payable are as follows:

Year Ending December 31,	Amount
2022	$ 1,078,561
2023	1,100,161
2024	1,120,230
2025	8,127,881
2026	1,304,304
Thereafter	16,955,706
Total	$ 29,686,843

NOTE 6 REFUNDABLE ADVANCES

During 2016, CCLF received a $3,490,000 Pro Neighborhoods grant from Chase Bank. During 2021 and 2020, $-0- and $642,000 were recognized as revenue, respectively. As of December 31, 2021 and 2020, $-0- remains as a refundable advance for both years.

During 2015, CCLF received a $125,000 grant from the Citibank Low Income Investment Fund to advance the Partners in Progress Quarterback Initiative. This grant is conditional upon restrictions set forth in the agreement. During 2021 and 2020, $-0- was recognized as revenue for both years. As of December 31, 2021 and 2020, $6,648 remains as a refundable advance for both years.

NOTE 6 REFUNDABLE ADVANCES (CONTINUED)

During 2020, CCLF received a $250,000 Resiliency Grant from the City of Chicago. This grant is conditional upon restrictions set forth in the agreement. During 2021 and 2020, $58,500 and $191,500 were recognized as revenue, respectively. As of December 31, 2021 and 2020, $-0- and $58,500 remains as a refundable advance, respectively.

During 2020, CCLF received a $93,843 BIG Grant from the state of Illinois. During 2021 and 2020, $-0- and $93,843 were recognized as revenue, respectively. As of December 31, 2021 and 2020, $-0- remains as refundable advance for both years.

NOTE 7 BOARD-DESIGNATED FUNDS

CCLF's board has elected to establish an operating reserve fund. At December 31, 2021 and 2020, net assets without donor restrictions of $1,957,049 and $1,735,659 , respectively, have been so designated, which represents 25% of total combined annual expenses of all funds excluding loan loss provisions and impairments on real estate owned. It is CCLF's intent to maintain this reserve at a minimum of 25% of total annual expenses.

Furthermore, the board has elected to establish an investment reserve fund. At December 31, 2021 and 2020, net assets without donor restrictions of $18,489,468 and $15,984,583 , respectively, have been so designated, which represents 15% of total lending capital to support existing note commitments. It is CCLF's intent to maintain this reserve at a minimum of 15% of total annual lending capital.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2021 and 2020, net assets with donor restrictions are restricted for the following purposes:

	2021	2020
Subject to Expenditure for Specified Purpose:		
Community Lending Programs	$ 520,353	$ 908,705
Loan Loss Reserves	2,866,851	2,921,725
Foreclosure Prevention	15,078	15,078
Better Understanding of Market Demands	30,000	30,000
Revolving Loan Fund	394,715	393,221
Chicago Neighborhood Rebuild Pilot Program	2,078,371	2,107,172
Hiring Executive Assistant	35,282	78,267
Total Subject to Expenditure for Specified Purpose	5,940,650	6,454,168
Subject to Passage of Time:		
PNC Bank Grant	-	40,000
Paypal Contribution	-	605
TCF Bank Contribution	-	10,000
Fidelity Contribution	-	1,000
City of Chicago CSBRF	-	13,250
Individual Contribution	14,558	978
MacArthur Foundation Trend	100,000	-
Chase Bank	10,000	-
Charles Schwab	5,000	-
NTG	2,000	-
MetroAlliance	1,000	-
Matanky	5,000	-
Total Subject to Passage of Time	137,558	65,833
Not Subject to Appropriation or Expenditure:		
Donations to the Lending Capital Fund	1,775,318	1,775,318
Total Net Assets with Donor Restrictions	$ 7,853,526	$ 8,295,319

Net assets with donor restrictions include donations to the lending capital fund, which are to be maintained as permanent lending capital. The permanent lending capital is not intended to be a permanent source of income for the maintenance of CCLF. Therefore, these net assets are not endowments and not subject to UPMIFA.

For the years ended December 31, 2021 and 2020, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Purpose and time restrictions accomplished are as follows for the years ended December 31:

	2021	2020
Satisfaction of Time Restrictions	$ 65,833	$ 370,125
Satisfaction of Specified Purpose	944,599	219,914
Total	$ 1,010,432	$ 590,039

NOTE 9 EMPLOYEE BENEFIT PLAN

CCLF offers a Simplified Employee Pension (SEP) plan as a benefit to its employees with more than one year of service. CCLF is not obligated to make contributions to the plan. At the board's discretion, it may make contributions within the limits permitted under federal income tax rules. CCLF's policy is to fund pension costs as accrued. For the years ended December 31, 2021 and 2020, CCLF contributed 6% of wages to this plan totaling $135,860 and $131,107, respectively.

NOTE 10 RELATED PARTY TRANSACTIONS

During the years ended December 31, 2021 and 2020, CCLF had senior and subordinated loans from the following organizations that employed a board member of CCLF when the loans were originated:

Board Members

As of December 31, 2021 and 2020, CCLF had a board member that was an individual investor with a $5,000 loan outstanding to CCLF at an interest rate of 0%. The loan matured on June 30, 2018 and renewed with a maturity date of June 30, 2023 with a final payment of $5,000.

On September 5, 2019, CCLF received a $2,500 loan from a board member of CCLF at an interest rate of 0%. The loan matures on September 5, 2024 with a final payment of $2,500.

On July 16, 2019, CCLF received a $1,500 loan from the President and board member of CCLF at an interest rate of 1%. The loan matures on July 16, 2024 with a final payment of $1,500. CCLF paid approximately $15 in interest expense during 2021 and 2020.

NOTE 10 RELATED PARTY TRANSACTIONS (CONTINUED)

Chase Bank

On December 7, 2018, CCLF received a senior loan from Chase Bank for $10,000,000 at an interest rate of 2%. The loan is scheduled to mature on December 7, 2028. A Program Manager at Chase Bank is a board member at CCLF. As of December 31, 2021 and 2020, the outstanding balance on this loan was $5,325,000. CCLF paid Chase Bank approximately $109,000 and $88,000 in interest expense during 2021 and 2020, respectively.

Wintrust Financial Corporation

Beginning on June 30, 2011, CCLF renewed and received senior loans from Wintrust Financial Corporation and its chartered banks for a total of $6,000,000 at interest rates of 1.50%. The loans were renewed on December 21, 2021 and scheduled to mature on December 20, 2026. The Chief Credit Officer of Wintrust Financial Corporation is a board member of CCLF. As of December 31, 2021 and 2020, the outstanding balance on this senior loan was $6,000,000 and $6,000,000, respectively. CCLF paid Wintrust Financial approximately $146,000 and $133,000 in interest expense during 2021 and 2020, respectively.

Bank of America

On October 12, 2018, CCLF received a senior loan from Bank of America for $4,000,000 at an interest rate of 3.5%. The loan has periodic scheduled principal payments throughout the life of the loan. The loan is scheduled to mature on December 3, 2028. On August 17, 2020, CCLF also received a $1,000,000 senior loan from Starbucks Corporation, funded by Bank of America, at an interest rate of 2% and is scheduled to mature on August 17, 2026. A Senior Vice President in the community-lending department at Bank of America is a board member of CCLF. As of December 31, 2021 and 2020, the outstanding balance on these senior loans was $5,000,000. CCLF paid Bank of America approximately $152,000 and $140,000 in interest expense during 2021 and 2020, respectively.

PNC Bank

On June 30, 2019, CCLF renewed a senior loan from PNC for $5,000,000 at an interest rate of 2.25%. The senior loan is scheduled to mature on September 30, 2026 with a final payment of $5,000,000. On January 5, 2021, CCLF received an additional senior loan from PNC for $10,000,000 at an interest rate of 1.31%, and is scheduled to mature on January 4, 2028. The loan is scheduled to mature on January 4, 2028. A Vice President of PNC Bank is a board member of CCLF. As of December 31, 2021 and 2020, the outstanding balance on this senior loan was $8,998,685 and $4,998,686, respectively. CCLF paid PNC Bank approximately $141,000 and $114,000 in interest expense during 2021 and 2020, respectively.

NOTE 10 RELATED PARTY TRANSACTIONS (CONTINUED)

Fifth Third Bank

On September 15, 2017 and October 16, 2019, CCLF received two subordinated loans from Fifth Third Bank for $1,000,000 and $250,000 at an interest rate of 2.5% and 3.0%, and scheduled to mature on September 15, 2022 and April 1, 2029, with a final payment of $1,000,000 and $250,000, respectively. The Vice President of Community Development of Fifth Third Bank is a board member of CCLF. As of December 31, 2021 and 2020, the outstanding balance on this subordinated loan was $1,250,000. CCLF paid Fifth Third approximately $33,000 in interest expense during 2021 and 2020.

Canadian Imperial Bank of Commerce (CIBC)

On June 30, 2014, CCLF received a senior loan from CIBC for $1,000,000 at an interest rate of 2.25%. The loan was scheduled to mature on June 30, 2019 with a final payment of $1,000,000. On July 1, 2019, CCLF renewed the senior loan for $1,500,000 at an interest rate of 2.25%. The loan is scheduled to mature September 30, 2024 with a final payment of $1,500,000. A managing director for CIBC is a board member of CCLF. As of December 31, 2021 and 2020, the outstanding balance on this senior loan was $1,500,000. CCLF paid CIBC approximately $34,000 in interest expense during 2021 and 2020.

NOTE 11 LEASES

CCLF leases its main office facility and certain equipment. CCLF amended the lease agreement for its main office facility on February 15, 2019. The lease term was effective as of July 1, 2019, and expires on July 31, 2029. During 2019, CCLF received a tenant improvement allowance of $158,628. As of December 31, 2021 and 2020, the tenant improvement allowance asset and related lease incentive liability had an amortized value of $118,971 and $134,834, respectively.

Under its office lease agreement, CCLF is responsible for their share of operating expenses and taxes. The rental expense for the leases totaled $237,231 and $260,153 for the years ended December 31, 2021 and 2020, respectively. Future rental commitments under the lease agreements in effect as of December 31, 2021 are as follows:

Year Ending December 31,	Amount
2022	$ 211,408
2023	215,685
2024	219,964
2025	224,241
2026	228,520
Thereafter	609,621
Total	$ 1,709,439

NOTE 12 SIGNIFICANT CONCENTRATIONS

During the years ended December 31, 2021 and 2020, CCLF received 17% and 11% of its grants and contributions from the CDFI Fund, respectively. During the year ended December 31, 2021, CCLF also received 19% and 48% of its grants and contributions from Wells Fargo Bank and The MacKenzie Scott Fund, respectively. During the year ended December 31, 2020, CCLF received 20% of its grants and contributions from Chase Bank. Future levels of program activities are dependent on continued funding as well as the continued support of private individuals, religious organizations, foundations, and corporations.

NOTE 13 BOND GUARANTEE PROGRAM

On September 28, 2015, CCLF was one of seven Community Development Financial Institutions (CDFIs) that closed on a multi-party bond totaling $127 million. The $127 million issue is part of the U.S. Treasury's CDFI Fund's Bond Guarantee Program. This was the fifth year of the program, which was designed to provide CDFIs with the long-term, reliable capital they need to spur development in low-income and under-resourced communities. CCLF closed on $28 million of the total bond and will use this new source of capital to expand its financing in the rental housing, charter schools, commercial real estate, and not-for-profit asset classes. As of December 31, 2021 and 2020, there were $22.7 million and $24.4 million outstanding balance, respectively.

NOTE 14 NEW MARKETS TAX CREDIT PROGRAM

CCLF has been granted status by the United States Department of the Treasury as a certified Community Development Entity (CDE), under the New Markets Tax Credit Program (NMTC) administered by the CDFI Fund. During 2015, CCLF received allocations totaling $15,000,000 for this program and formed four CDE's (collectively the CDE LLCs) for the NMTC allocations.

The CDE LLCs were formed as Illinois limited liability companies in which CCLF serves as the managing member with a 0.01% interest and unrelated investor members as regular members with a 99.99% interest. Two of the four CDE LLCs initiated operations during 2016. A third CDE LLC initiated operations during 2017. CCLF does not consolidate these entities due to the rights granted to the investor members as defined in the operating agreements. The investor members' rights overcome the presumption of control by the managing member.

CCLF SUB-CDE 5, LLC initiated operations during 2021. Through CCLF SUB-CDE 5, LLC, The Chicago Community Loan Fund serves as a conduit CDE lender for a NMTC allocation provided by USB CDE, a subsidiary of US Bank, as part of the financing for notes receivable of $4,542,545, and all principal and interest payments on the loan are remitted to USB CDE for the same amount. As of December 31, 2021, the notes receivable and the investment from NMTC investor has an outstanding balance of $4,542,545. CCLF SUB-CDE 5, LLC is consolidated with CCLF as CCLF serves as its managing member and holds a 0.01% ownership interest.

NOTE 14 NEW MARKETS TAX CREDIT PROGRAM (CONTINUED)

The active CDE LLCs make qualified low-income community investments (QLICIs) within the meaning of the NMTC programs and IRC Section 45D. Agreements with investor members provide for cumulative qualified equity investments (QEIs) to make the QLICI from the active CDE LLCs. By making QLICIs, the CDE LLCs enable investor members to claim new markets tax credits over a seven-year credit period. CCLF earns upfront fees upon obtaining the allocation, establishing the CDE LLCs, and making sub-allocation to the CDE LLCs.

As projects are initiated, agreement terms are established with Investor Members that require CCLF to maintain certain covenants to avoid recapture of the NMTC and possible reimbursement of a portion of upfront fees it may receive. Management believes that it was in compliance with all such covenants.

At December 31, 2021 and 2020, CCLF's total investment in the unconsolidated CDE LLCs is $1,438 and $1,450, respectively, and is reflected as investment in limited liability companies on the consolidated statements of financial position. During the years ended December 31, 2021 and 2020, CCLF recognized sub-allocation and asset management fee revenues of approximately $167,000 and $75,000 from the CDE LLCs, respectively.

NOTE 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* does not apply to revenue associated with financial instruments, including interest from loans and securities. In addition, revenue streams considered contributions are also not within the scope of Topic 606. Revenue streams considered to be within the scope of Topic 606 and significant to CCLF's consolidated financial statements are discussed below.

Asset Management Fee

CCLF earns fees from the New Markets Tax Program for asset management services. Revenue is recognized on a quarterly basis according to the fee schedule established by the signed operating agreement for a term of seven years.

Sub Allocation Revenue

CCLF earns fees from the New Markets Tax Program for originating and closing loans. Revenue is recognized upon closing on the New Markets Tax Credit deal.

NOTE 15 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

The following presents noninterest income, segregated by revenue streams in-scope and out-of-scope of Topic 606, for the years ended December 31, 2021 and 2020:

	2021	2020
In Scope of ASC 606:		
Asset Management Fee	$ 76,896	$ 75,000
Contracted Services and Workshop Fees	4,319	36,509
Sub Allocation Revenue	90,000	-
Miscellaneous Income	45,486	20,325
Noninterest Income in Scope of ASC 606	216,701	131,834
Noninterest Income not Within the Scope of ASC 606 (a)	11,040,922	6,061,726
Total Noninterest Income	$ 11,257,623	$ 6,193,560

(a) This revenue is not within the scope of ASC 606, and includes individual contributions, donated services, general operating and government grants.

CCLF does not typically enter into long-term revenue contracts with customers, and therefore, does not experience significant contract balances. As of December 31, 2021 and 2020, CCLF did not have any significant contract balances. As of December 31, 2021, CCLF did not capitalize any contract acquisition costs.

NOTE 16 OTHER MATTERS

The World Health Organization has declared the spread of the Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to CCLF, COVID-19 may impact various parts of its fiscal year 2021 and 2020 operations and financial results. Management believes CCLF is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.