THE CHICAGO COMMUNITY LOAN FUND AND AFFILIATES

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

THE CHICAGO COMMUNITY LOAN FUND AND AFFILIATES
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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, 2024 and 2023, 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, 2024 and 2023, 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.

Board of Directors
The Chicago Community Loan Fund and Affiliates

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2025 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 23, 2025

THE CHICAGO COMMUNITY LOAN FUND AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 51,116,518	$ 39,630,637
Funds Held for Others	300,234	818,273
Investments	15,021,797	14,414,231
FHLB Stock	65,300	56,100
Grants and Contributions Receivables	928,849	337,286
Interest Receivable	858,566	667,214
Other Receivables	96,164	47,949
Notes Receivable, Net of Allowance of $2,942,254 in 2024 and $1,960,062 in 2023	44,897,984	25,544,197
Prepaids and Deposits	158,731	174,218
Total Current Assets	113,444,143	81,690,105
LONG-TERM ASSETS		
Notes Receivable, Net of Allowance of $3,442,380 in 2024 and $7,343,508 in 2023	91,416,053	96,901,301
Investment in Limited Liability Companies	-	484
Office Equipment, Net of Accumulated Depreciation of $627,687 in 2024 and $569,011 in 2023	77,526	113,361
Leasehold Improvements, Net of Accumulated Depreciation of $350,781 in 2024 and $325,277 in 2023	110,107	135,611
Right-of-Use Asset	956,045	1,154,886
Total Long-Term Assets	92,559,731	98,305,643
Total Assets	$ 206,003,874	$ 179,995,748

See accompanying Notes to Consolidated Financial Statements.

THE CHICAGO COMMUNITY LOAN FUND AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2024 AND 2023

LIABILITIES AND NET ASSETS	2024	2023
CURRENT LIABILITIES		
Accounts Payable	$ 3,064,564	$ 2,171,920
Accrued Liabilities	1,368,903	303,354
Refundable Advances	11,248,113	4,996,428
Funds Held for Others	300,234	818,273
Interest Payable	86,987	69,988
Notes Payable - Current	8,278,585	1,249,032
Senior Loans Payable - Current	7,332,691	11,352,111
Subordinated Loans Payable - Current	6,499,965	7,500,000
Total Current Liabilities	38,180,042	28,461,106
LONG-TERM LIABILITIES		
Notes Payable, Less Current Portion	17,732,361	26,010,946
Senior Loans Payable, Less Current Portion	79,633,991	62,951,749
Subordinated Loans Payable, Less Current Portion	4,249,984	4,249,983
Investment from New Market Tax Credit (NMTC) Investor	4,542,545	4,542,545
Lease Liability	1,022,467	1,223,973
Total Long-Term Liabilities	107,181,348	98,979,196
Total Liabilities	145,361,390	127,440,302
NET ASSETS		
Without Donor Restrictions:		
Undesignated	21,820,409	18,145,432
Board-Designated	29,153,134	26,028,465
Total	50,973,543	44,173,897
With Donor Restrictions	9,668,941	8,381,549
Total Net Assets	60,642,484	52,555,446
Total Liabilities and Net Assets	$ 206,003,874	$ 179,995,748

See accompanying Notes to Consolidated Financial Statements.

THE CHICAGO COMMUNITY LOAN FUND AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

	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	$ 368,025	$ 1,435,000	$ 41,667	$ 50,000	$ 487,094	$ 219,049	$ 2,600,835	$ 5,415,815	$ 600,000	$ 8,616,650
Donated Services	1,197,018	-	-	-	-	-	1,197,018	-	-	1,197,018
Notes Receivable Interest Income	7,937,250	-	-	-	-	-	7,937,250	-	-	7,937,250
Investment Income	1,441,540	93	-	-	-	-	1,441,633	-	44,162	1,485,795
Net Investment Unrealized/Realized Gain	52,245	-	-	-	-	-	52,245	163,158	-	215,403
Loan Processing Income	613,170	-	-	-	-	-	613,170	-	-	613,170
Contracted Services and Workshops	1,385	87,300	-	-	-	-	88,685	-	-	88,685
Asset Management Fee	16,472	-	-	-	-	-	16,472	-	-	16,472
Miscellaneous	13,266	-	-	-	-	-	13,266	-	-	13,266
Net Assets Transferred to Restricted	-	-	-	-	-	-	-	-	-	-
Net Assets Released from Restrictions - Satisfaction of Program Restrictions	644,590	(644,590)	306,666	(306,666)	188,956	(188,956)	-	8,000	(8,000)	-
Total Revenue and Support	12,284,961	877,803	348,333	(256,666)	676,050	30,093	13,960,574	5,586,973	636,162	20,183,709
EXPENSES										
Program	7,705,780	-	728,192	-	818,685	-	9,252,657	(379,991)	-	8,872,666
Administrative	2,664,052	-	-	-	-	-	2,664,052	-	-	2,664,052
Fundraising	559,953	-	-	-	-	-	559,953	-	-	559,953
Total Expenses	10,929,785	-	728,192	-	818,685	-	12,476,662	(379,991)	-	12,096,671
Change in Net Assets from Operations	1,355,176	877,803	(379,859)	(256,666)	(142,635)	30,093	1,483,912	5,966,964	636,162	8,087,038
CHANGE IN NET ASSETS	1,355,176	877,803	(379,859)	(256,666)	(142,635)	30,093	1,483,912	5,966,964	636,162	8,087,038
Transfers Between Funds	-	-	-	-	-	-	-	-	-	-
Net Assets (Deficit) - Beginning of Year	22,156,918	585,395	(695,681)	438,347	(2,740,485)	285,864	20,030,358	25,453,145	7,071,943	52,555,446
NET ASSETS (DEFICIT) - END OF YEAR	$ 23,512,094	$ 1,463,198	$ (1,075,540)	$ 181,681	$ (2,883,120)	$ 315,957	$ 21,514,270	$ 31,420,109	$ 7,708,105	$ 60,642,484

See accompanying Notes to Consolidated Financial Statements.

THE CHICAGO COMMUNITY LOAN FUND AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	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	$ 589,865	$ 565,000	$ -	$ 272,500	$ -	$ 195,786	$ 1,623,151	$ 5,219,794	$ -	$ 6,842,945
Donated Services	972,220	-	-	-	-	-	972,220	-	-	972,220
Notes Receivable Interest Income	6,714,984	-	-	-	-	-	6,714,984	-	212	6,715,196
Investment Income	1,214,825	-	-	-	-	-	1,214,825	-	76,049	1,290,874
Net Investment Unrealized/Realized Loss	6,713	-	-	-	-	-	6,713	414,897	-	421,610
Loan Processing Income	715,544	-	-	-	-	-	715,544	-	-	715,544
Asset Management Fee	81,389	-	-	-	-	-	81,389	-	-	81,389
Miscellaneous	12,748	-	-	-	-	-	12,748	-	-	12,748
Net Assets Transferred to Restricted	-	-	-	-	-	-	-	-	-	-
Net Assets Released from Restrictions -	-	-	-	-	-	-	-	-	-	-
Satisfaction of Program Restrictions	628,917	(628,917)	404,959	(404,959)	-	-	-	114,931	(114,931)	-
Total Revenue and Support	10,937,205	(63,917)	404,959	(132,459)	-	195,786	11,341,574	5,749,622	(38,670)	17,052,526
EXPENSES										
Program	6,083,399	-	596,521	-	506,077	-	7,185,997	1,438,266	-	8,624,263
Administrative	2,143,441	-	-	-	-	-	2,143,441	-	-	2,143,441
Fundraising	432,043	-	-	-	-	-	432,043	-	-	432,043
Total Expenses	8,658,883	-	596,521	-	506,077		9,761,481	1,438,266	-	11,199,747
Change in Net Assets from Operations	2,278,322	(63,917)	(191,562)	(132,459)	(506,077)	195,786	1,580,093	4,311,356	(38,670)	5,852,779
CHANGE IN NET ASSETS	2,278,322	(63,917)	(191,562)	(132,459)	(506,077)	195,786	1,580,093	4,311,356	(38,670)	5,852,779
Transfers Between Funds	-	-	-	-	-	-	-	-	-	-
Net Assets (Deficit) - Beginning of Year	19,878,596	649,312	(504,119)	570,806	(2,234,408)	90,078	18,450,265	21,141,789	7,110,613	46,702,667
NET ASSETS (DEFICIT) - END OF YEAR	$ 22,156,918	$ 585,395	$ (695,681)	$ 438,347	$ (2,740,485)	$ 285,864	$ 20,030,358	$ 25,453,145	$ 7,071,943	$ 52,555,446

See accompanying Notes to Consolidated Financial Statements.

THE CHICAGO COMMUNITY LOAN FUND AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Lending Operations	Public Policy	Total Lending Operations and Public Policy	Lending Capital	Technical Assistance	Economic Development	Total Program	Administrative	Fundraising	Total
Salaries	$ 1,747,139	$ 353,843	$ 2,100,982	$ -	$ 436,247	$ 503,782	$ 3,041,011	$ 1,588,702	$ 410,123	$ 5,039,836
Payroll Taxes and Fringe Benefits	402,924	59,912	462,836	-	137,524	77,883	678,243	359,885	77,933	1,116,061
Professional Fees and Consultants	521,862	-	521,862	-	147,057	85,250	754,169	344,306	-	1,098,475
Pass Through Expenses	15,815	-	15,815	-	45,000	-	60,815	-	-	60,815
Donated Services	1,197,018	-	1,197,018	-	-	-	1,197,018	-	-	1,197,018
Rent, Utilities, and Related Charges	141,514	12,962	154,476	-	16,031	21,816	192,323	70,576	13,167	276,066
Telephone	11,821	1,200	13,021	-	1,940	2,400	17,361	18,238	1,200	36,799
Insurance	103,813	2,833	106,646	-	3,577	5,582	115,805	21,350	4,174	141,329
Equipment Rental and Maintenance	6,051	407	6,458	-	1,337	763	8,558	10,121	367	19,046
Supplies	853	110	963	-	34	153	1,150	8,501	-	9,651
Postage and Delivery	515	-	515	-	-	-	515	774	-	1,289
Printing	-	-	-	-	-	-	-	-	-	-
Marketing	22,696	395	23,091	-	3,044	483	26,618	98,965	3,000	128,583
Travel	24,995	11,743	36,738	-	6,860	11,191	54,789	25,398	6,078	86,265
Meetings	13,180	327	13,507	-	9,621	620	23,748	16,511	444	40,703
Staff Development	20,019	2,873	22,892	-	4,374	4,165	31,431	17,565	4,546	53,542
Dues and Subscriptions	116,839	9,493	126,332	-	614	6,562	133,508	52,241	3,202	188,951
Investment Management and Bank Fees	170,657	-	170,657	-	465	500	171,622	9,309	651	181,582
Depreciation	42,480	4,021	46,501	-	4,960	7,042	58,503	21,610	4,068	84,181
Interest	2,677,470	-	2,677,470	-	-	-	2,677,470	-	-	2,677,470
Uncollectible Accounts Receivable	8,000	-	8,000	-	-	-	8,000	-	31,000	39,000
(Credit) for Credit Losses	-	-	-	(429,991)	-	-	(429,991)	-	-	(429,991)
Miscellaneous Expense	-	-	-	50,000	-	-	50,000	-	-	50,000
Total Expenses by Function	$ 7,245,661	$ 460,119	$ 7,705,780	$ (379,991)	$ 818,685	$ 728,192	$ 8,872,666	$ 2,664,052	$ 559,953	$ 12,096,671

See accompanying Notes to Consolidated Financial Statements.

THE CHICAGO COMMUNITY LOAN FUND AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Lending Operations	Public Policy	Total Lending Operations and Public Policy	Lending Capital	Technical Assistance	Economic Development	Total Program	Administrative	Fundraising	Total
Salaries	$ 1,283,530	$ 226,817	$ 1,510,347	$ -	$ 309,275	$ 330,197	$ 2,149,819	$ 1,158,848	$ 231,304	$ 3,539,971
Payroll Taxes and Fringe Benefits	342,404	50,920	393,324	-	90,028	65,674	549,026	330,856	64,287	944,169
Professional Fees and Consultants	276,023	-	276,023	-	72,000	140,885	488,908	269,091	-	757,999
Pass Through Expenses	-	-	-	-	-	-	-	-	75,000	75,000
Donated Services	972,220	-	972,220	-	-	-	972,220	-	-	972,220
Rent, Utilities, and Related Charges	141,539	7,649	149,188	-	13,496	21,569	184,253	87,510	9,393	281,156
Telephone	4,621	1,200	5,821	-	1,204	2,400	9,425	13,828	1,200	24,453
Insurance	26,451	2,952	29,403	-	4,198	6,977	40,578	28,675	7,254	76,507
Equipment Rental and Maintenance	4,466	512	4,978	-	1,193	597	6,768	13,493	256	20,517
Supplies	454	151	605	-	18	224	847	7,865	289	9,001
Postage and Delivery	538	-	538	-	-	-	538	270	19	827
Printing	65	-	65	-	-	-	65	580	-	645
Marketing	10,377	2,138	12,515	-	662	5,031	18,208	58,161	32,580	108,949
Travel	17,478	14,774	32,252	-	2,544	6,048	40,844	16,664	1,660	59,168
Meetings	7,904	20	7,924	-	3,357	1,761	13,042	11,206	-	24,248
Staff Development	6,198	3,049	9,247	-	3,276	3,057	15,580	56,762	2,723	75,065
Dues and Subscriptions	111,578	13,444	125,022	-	419	1,119	126,560	51,428	2,696	180,684
Investment Management and Bank Fees	162,970	-	162,970	-	250	500	163,720	10,008	671	174,399
Depreciation	39,039	2,169	41,208	-	4,157	10,482	55,847	28,196	2,711	86,754
Interest	2,349,749	-	2,349,749		-	-	2,349,749	-	-	2,349,749
Provision for Credit Losses	-	-	-	1,438,266	-	-	1,438,266	-	-	1,438,266
Total Expenses by Function	$ 5,757,604	$ 325,795	$ 6,083,399	$ 1,438,266	$ 506,077	$ 596,521	$ 8,624,263	$ 2,143,441	$ 432,043	$ 11,199,747

See accompanying Notes to Consolidated Financial Statements.

THE CHICAGO COMMUNITY LOAN FUND AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 8,087,038	$ 5,852,779
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	84,180	86,752
(Credit) Provision for Credit Losses	(429,991)	1,438,266
Net Realized and Unrealized Gains on Investments	(215,403)	(421,610)
Effects of Changes in Operating Assets and Liabilities:		
Grants and Contributions Receivables	(591,563)	(197,686)
Interest Receivable	(191,352)	(100,439)
Other Receivables	(48,215)	(14,583)
Prepaids and Deposits	15,487	(66,710)
Accounts Payable and Accrued Expenses	1,958,193	218,591
Refundable Advances	6,251,685	4,989,780
Interest Payable	16,999	(6,521)
Leases	(2,665)	1,615
Net Cash Provided by Operating Activities	14,934,393	11,780,234
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Principal Paydowns on Investments	3,738,559	2,650,954
Purchase of Investments	(4,130,722)	(3,000,497)
Purchase of FHLB Stock	(9,200)	-
Distributions from CDE LLCs	484	943
Increase in Notes Receivable, Net of Repayment	(13,438,548)	(20,214,397)
Purchase of Office Equipment and Leasehold Improvements	(22,841)	(10,360)
Net Cash Used by Investing Activities	(13,862,268)	(20,573,357)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Senior Loans Payable	16,845,259	16,633,644
Proceeds from Subordinated Loans Payable	-	2,700,000
Principal Payments on Notes Payable	(1,249,032)	(1,225,903)
Principal Repayment of Senior Loans Payable	(4,182,437)	(6,735,820)
Principal Repayment of Subordinated Loans Payable	(1,000,034)	(1,700,000)
Net Cash Provided by Financing Activities	10,413,756	9,671,921
NET INCREASE IN CASH AND CASH EQUIVALENTS	11,485,881	878,798
Cash and Cash Equivalents - Beginning of Year	39,630,637	38,751,839
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 51,116,518	$ 39,630,637
SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for:		
Interest Paid (Lending Operations Only)	$ 2,660,471	$ 2,356,270

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Chicago Community Loan Fund (CCLF or the Company) 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, 2024 and 2023, 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 (U.S. GAAP). 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 U.S. GAAP 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 credit 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, 2024 and 2023, CCLF's cash balances exceeded federally insured limits by $24,677,037 and $13,480,502, respectively. There were $4,973,965 and $4,989,780 of restricted cash pertaining to the Shared Homeownership Preservation Fund. Additionally, there were $250,000 of restricted cash related to CCLF's Chicago Rebuild Grant, $1,490,576 of restricted cash to be used exclusively for Bond Guarantee Program loan loss reserves, and $1,025,534 of restricted cash related to payroll expenses as of December 31, 2024 and 2023.

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 one limited liability companies created for the New Markets Tax Credit Program as of December 31, 2024.

Notes Receivable

Notes receivable are stated at unpaid principal balances, less an allowance for credit 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. CCLF has determined the application of guidance in the nonrefundable fees and other costs standard regarding the deferral of loan origination fees and direct loan origination costs, does not have a material effect on its consolidated financial statements. As such, these fees and costs have been recognized during the period they are collected and incurred, respectively.

Allowance for Credit Losses on Loans

The allowance for credit losses on loans is a valuation account that is deducted from the amortized cost basis of loans to present the net amount expected to be collected. The allowance for credit losses on loans is adjusted through the provision for credit losses to the amount of amortized cost basis not expected to be collected at the balance sheet date. Loan losses are charged off against the allowance for credit losses on loans when the Company determines the loan balance to be uncollectible. Cash received on previously charged off amounts, if any, are credited to the allowance.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Credit Losses on Loans (Continued)

The measurement of expected credit losses encompasses information about historical events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. Qualitative adjustments to historical loss information are made for differences in current loan-specific risk characteristics such as differences in underwriting standards, portfolio mix, or delinquencies, as well as for changes in environmental conditions, such as changes in unemployment rates, and property values, or other relevant factors.

Expected credit losses are estimated on a collective basis for groups of loans that share similar risk characteristics. Factors that may be considered in aggregating loans for this purpose include but are not necessarily limited to, product or collateral type, geography, and internal risk ratings. For loans that do not share similar risk characteristics with other loans such as collateral dependent loans, expected credit losses are estimated on an individual basis.

Expected credit losses are estimated over the contractual terms of the loans, adjusted for expected prepayments. The contractual term excludes expected extensions, renewals, and modifications unless the extension or renewal options are included in the original or modified contract at the reporting date and are not unconditionally cancellable by the Company.

The allowance for credit losses on loans estimate incorporates a reasonable and supportable economic forecast through the use of externally developed macroeconomic scenarios applied in the model. The model includes both current and forecasted unemployment rates. The length of the reasonable and supportable forecast period is evaluated at each reporting period and adjusted if deemed necessary. Currently, the Company uses a one-year reasonable and supportable forecast period in estimating the allowance for credit losses on loans. After the reasonable and supportable forecast period, the models effectively revert to long-term mean loss on a straight-line basis over 12 months.

The Company used the weighted average remaining maturity (WARM) method for all loans. The WARM method considers an estimate of expected credit losses over the remaining life of the financial assets and uses average annual charge-off rates to estimate the allowance for credit losses. For amortizing assets, the remaining contractual life is adjusted by the expected scheduled payments and prepayments. The average annual charge-off rate is applied to the amortization-adjusted remaining life to determine the unadjusted lifetime historical charge-off rate.

The Company’s expected loss estimate is anchored in historical credit loss experience, with an emphasis on all available portfolio data. The Company’s historical look–back period includes January 2002 through the current period, on an annual basis. When historical credit loss experience is not sufficient for a specific portfolio, the Company may supplement its own portfolio data with external models or data.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Credit Losses on Loans (Continued)

Qualitative reserves reflect management's overall estimate of the extent to which current expected credit losses on collectively evaluated loans will differ from historical loss experience. The analysis takes into consideration other analytics performed within the Company, such as enterprise and concentration management, along with other credit–related analytics as deemed appropriate. Management attempts to quantify qualitative reserves whenever possible. The CECL methodology applied focuses on evaluation of qualitative and environmental factors, including but not limited to: (i) Existence, growth, and effect of any concentrations of credit; (ii) Existence, growth, and effect of any concentrations of credit; (iii) Volume and severity of past due financial assets, the volume of nonaccrual assets, and the volume and severity of adversely classified or graded assets; (iv) Volume and severity of past due financial assets, the volume of nonaccrual assets, and the volume and severity of adversely classified or graded assets; (v) Institutions lending policies and procedures, including changes in underwriting standards, collections, write-offs, and recoveries; (vi) Quality of the Company's credit review function; (vii) Experience, ability and depth of the Company's lending, investment, collection , and other relevant management and staff; (viii) Actual and expected changes in international, national, regional, and local economic conditions and developments in which the Company operates that affect collectibility of financial assets.

The Company's CECL estimate applies a forecast that incorporates macroeconomic trends and other environmental factors. Management utilized various environmental factors, as well as management judgment, as the basis for the forecast period. The historical loss rate was utilized as the base rate, and qualitative adjustments were utilized to reflect the forecast and other relevant factors.

CCLF's portfolio segments and their risk characteristics are described as follows:

Pre-development – 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 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 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Credit Losses on Loans (Continued)

Mini-permanent mortgage – 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 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.

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 collectibility 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Credit Losses on Loans (Continued)

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.

Although management believes the allowance for credit losses on loans to be adequate, ultimate losses may vary from its estimates. At least quarterly, the board of directors reviews the adequacy of the allowance for credit losses on loans, including consideration of the relevant risks in the portfolio, current economic conditions, and other factors.

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.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, 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. We report conditional contributions restricted by donors simultaneously in the reporting period.

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, 2024 and 2023, 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, 2024 and 2023, conditional contributions total $11,248,113 and $4,996,428, 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, 2024 and 2023, CCLF received and recognized certain donated legal services valued at $1,197,018 and $972,220, respectively, for CCLF's lending operations. Donated legal services are recorded as revenue and expense at the lesser of the value of legal services provided at an hour rate of a similar market or 10% of the outstanding loan balance, as this is what CCLF would have paid had the legal services not been donated.

In-Kind Contributions

In addition to receiving cash contributions, CCLF may receive in-kind contributions from donors. In accordance with U.S. GAAP, 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, 2024 and 2023, 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

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 Company does not intend to spend, the amounts could be made available for current operations, if necessary.

Resources Available to Meet Liquidity Needs:

	December 31, 2024	December 31, 2023
Cash and Cash Equivalents	$ 51,116,508	$ 39,630,627
Marketable Investments	15,021,797	14,414,231
Accounts and Pledges Receivable	1,025,013	385,235
Net Notes Receivable (Current Portion)	34,090,788	25,544,197
Interest Receivable	858,566	667,214
Total Financial Revenues Available Within One Year	102,112,672	80,641,504
Less Amounts Unavailable for General Expenditures Within One Year Due to:		
Restricted by Donors With Proper Restrictions	9,668,941	8,381,549
Board Designation	29,153,134	26,028,465
Total Amounts Unavailable Within One Year for General Expenditures	38,822,075	34,410,014
Total Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 63,290,597	$ 46,231,490

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Off-Statement of Financial Position Credit Related Financial Instruments

In the ordinary course of business, the Company has entered into commitments to extend credit, including commitments under credit arrangements. Such financial instruments are recorded when they are funded. Expected credit losses related to off-balance sheet credit exposures are estimated over the contractual period for which the Company is exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Company. Expected credit losses are estimated using similar methodologies employed to estimate expected credit losses on loans, taking into consideration the likelihood and extent of additional amounts expected to be funded over the terms of the commitments.

Reclassification

Certain amounts in the prior year consolidated financial statements have been reclassified to conform to the current year presentation.

Subsequent Events

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through April 23, 2025, the date the financial statements were available to be issued.

NOTE 2 FAIR VALUE MEASUREMENT

U.S. GAAP defines 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.

U.S. GAAP establishes 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.

NOTE 2 FAIR VALUE MEASUREMENT (CONTINUED)

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).

Assets and Liabilities Measured on a Recurring Basis

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

December 31, 2024	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	$ -	$ 2,471,212	$ -	$ 2,471,212
Assets - Mutual Funds	800,294	-	-	800,294
Assets - Government and U.S. Agency Bonds	-	4,574,752	-	4,574,752
Assets - Municipal Bonds	-	7,175,539	-	7,175,539
Assets - Certificates of Deposit	-	-	-	-
Total	$ 800,294	$ 14,221,503	$ -	$ 15,021,797
December 31, 2023				
Assets - Corporate Bonds	$ -	$ 2,173,472	$ -	$ 2,173,472
Assets - Mutual Funds	714,231	-	-	714,231
Assets - Government and U.S. Agency Bonds	-	3,890,315	-	3,890,315
Assets - Municipal Bonds	-	7,463,073	-	7,463,073
Assets - Certificates of Deposit	-	173,140	-	173,140
Total	$ 714,231	$ 13,700,000	$ -	$ 14,414,231

NOTE 3 LOAN COMMITMENTS AND CREDIT RISK

Loan Commitments

CCLF has loan commitments and undrawn portions of construction and pre-development loans of approximately $30,694,000 and $34,423,000 at December 31, 2024 and 2023, 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.

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, 2024 and 2023 are comprised of the following:

December 31, 2024	
Mini-Permanent Mortgage	$ 65,737,228
Pre-Development	29,100,845
Construction	34,090,788
Equipment and Working Capital	1,633,444
Permanent Financing	12,136,366
Total	$ 142,698,671
December 31, 2023	
Mini-Permanent Mortgage	$ 59,180,402
Pre-Development	28,279,803
Construction	30,276,934
Equipment and Working Capital	2,028,287
Permanent Financing	11,983,642
Total	$ 131,749,068

CCLF elected to exclude accrued interest receivable from the amortized cost basis of loans. As of December 31, 2024 and 2023, accrued interest receivable for loans totaled $766,364 and $588,290, respectively, and is included in accrued interest receivable on the consolidated statements of financial position.

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

	Principal Amount	
Maturity	2024	2023
Within One Year	$ 65,737,228	$ 27,504,259
One to Two Years	24,832,954	23,006,515
Two to Three Years	18,365,077	24,407,246
Three to Four Years	4,066,671	16,744,173
Four to Five Years	4,358,986	4,014,053
Thereafter	25,337,755	36,072,822
Total	$ 142,698,671	$ 131,749,068

NOTE 4 NOTES RECEIVABLE – LOAN FUND (CONTINUED)

A summary of activity in the allowance for credit losses on a portfolio segment basis for the year ended December 31, are as follows.

	Mini-Permanent Mortgage	Pre-Development	Construction	Equipment and Working Capital	Permanent Financing	Total
Allowance for Credit Losses						
Balance - January 1, 2023	$ 5,053,171	$ 1,151,118	$ 923,714	$ 496,397	$ 314,230	$ 7,938,630
Provision for (Benefit from) Loan Losses	(1,142,838)	983,043	948,623	259,876	389,562	1,438,266
Loans Charged-Off	-	-	-	(73,326)	-	(73,326)
Balance - December 31, 2023	3,910,333	2,134,161	1,872,337	682,947	703,792	9,303,570
Provision for (Benefit from) Credit Losses	660,926	(935,151)	112,513	(279,520)	11,241	(429,991)
Change in Investor Designated Allowance	(107,057)	(51,158)	(54,770)	(3,669)	(21,678)	(238,332)
Loans Charged-Off	(2,250,613)	-	-	-	-	(2,250,613)
Balance - December 31, 2024	$ 2,213,589	$ 1,147,852	$ 1,930,080	$ 399,758	$ 693,355	$ 6,384,634

The provision for credit losses is determined by CCLF as the amount to be added to the allowance for credit losses for various types of financial instruments including loans and unfunded commitments after net charge-offs have been deducted to bring the allowance for credit losses to a level that, in management's judgment, is necessary to absorb expected credit losses over the lives of the respective financial instruments. CCLF determined that the unfunded commitments as year-end is considered unconditionally cancellable. Therefore, CCLF did not establish an allowance for credit losses on unfunded commitments as of year-end.

A loan is considered to be collateral dependent when, based upon management’s assessment, the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. For collateral dependent loans, expected credit losses are based on the estimated fair value of the collateral at the balance sheet date, with consideration for estimated selling costs if satisfaction of the loan depends on the sale of the collateral.

NOTE 4 NOTES RECEIVABLE – LOAN FUND (CONTINUED)

CCLF considers the following to be collateral dependent loans as of December 31, 2024 and 2023:

December 31, 2024 Loan Balances	Mini-Permanent Mortgage	Pre-Development	Construction	Equipment and Working Capital	Permanent Financing	Total
Collateral Dependent Loans						
Risk Rating 1 - 4	$ 984,792	$ 1,524,312	$ 339,751	$ 274,598	$ -	$ 3,123,453
Risk Rating 5 - 6	1,429,682	-	-	87,700	-	1,517,382
Balance - December 31, 2024	$ 2,414,474	$ 1,524,312	$ 339,751	$ 362,298	$ -	$ 4,640,835

December 31, 2024 ACL	Mini-Permanent Mortgage	Pre-Development	Construction	Equipment and Working Capital	Permanent Financing	Total
Collateral Dependent Loans						
Risk Rating 1 - 4	$ 233,309	$ 169,199	$ 2,854	$ 137,299	$ -	$ 542,661
Risk Rating 5 - 6	380,779	-	-	9,954	-	390,733
Balance - December 31, 2024	$ 614,088	$ 169,199	$ 2,854	$ 147,253	$ -	$ 933,394

December 31, 2023 Loan Balances	Mini-Permanent Mortgage	Pre-Development	Construction	Equipment and Working Capital	Permanent Financing	Total
Collateral Dependent Loans						
Risk Rating 1 - 4	$ 1,396,637	$ 1,428,829	$ 74,238	$ -	$ -	$ 2,899,704
Risk Rating 5 - 6	2,500,613	-	-	-	-	2,500,613
Total - December 31, 2023	$ 3,897,250	$ 1,428,829	$ 74,238	$ -	$ -	$ 5,400,317

December 31, 2023 ACL	Mini-Permanent Mortgage	Pre-Development	Construction	Equipment and Working Capital	Permanent Financing	Total
Collateral Dependent Loans						
Risk Rating 1 - 4	$ 229,419	$ 142,883	$ 7,424	$ -	$ -	$ 379,726
Risk Rating 5 - 6	2,070,613	-	-	-	-	2,070,613
Total - December 31, 2023	$ 2,300,032	$ 142,883	$ 7,424	$ -	$ -	$ 2,450,339

NOTE 4 NOTES RECEIVABLE – LOAN FUND (CONTINUED)

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

December 31, 2024	Mini-Permanent Mortgage	Pre-Development	Construction	Equipment and Working Capital	Permanent Financing	Total
1 - Minimal Risk	$ 844,097	$ -	$ 4,542,545	$ -	$ 777,037	$ 6,163,679
2 - Moderate Risk	17,082,890	-	-	-	5,780,797	22,863,687
3 - Acceptable Risk	40,524,545	25,576,533	29,208,492	1,545,744	5,578,532	102,433,846
4 - Watchlist/Special Mention	5,356,398	3,524,312	339,751	-	-	9,220,461
5 - Substandard	898,093	-	-	-	-	898,093
6 - Doubtful	1,031,205	-	-	87,700	-	1,118,905
Total	$ 65,737,228	$ 29,100,845	$ 34,090,788	$ 1,633,444	$ 12,136,366	$ 142,698,671

December 31, 2023	Mini-Permanent Mortgage	Pre-Development	Construction	Equipment and Working Capital	Permanent Financing	Total
1 - Minimal Risk	$ 109,860	$ -	$ 4,542,545	$ -	$ 802,885	$ 5,455,290
2 - Moderate Risk	13,722,563	-	3,993,570	-	5,557,943	23,274,076
3 - Acceptable Risk	35,635,611	24,119,530	21,666,581	1,928,287	5,622,814	88,972,823
4 - Watchlist/Special Mention	6,430,550	4,160,273	74,238	-	-	10,665,061
5 - Substandard	-	-	-	-	-	-
6 - Doubtful	3,281,818	-	-	100,000	-	3,381,818
Total	$ 59,180,402	$ 28,279,803	$ 30,276,934	$ 2,028,287	$ 11,983,642	$ 131,749,068

NOTE 4 NOTES RECEIVABLE – LOAN FUND (CONTINUED)

The following table shows the loan portfolio segments allocated by payment activity at December 31, 2024 and 2023. 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, 2024	Mini-Permanent Mortgage	Pre-Development	Construction	Equipment and Working Capital	Permanent Financing	Total
Payment Activity:						
Performing	$ 65,487,228	$ 29,100,845	$ 34,090,788	$ 1,545,744	$ 12,136,366	$ 142,360,971
Nonperforming	250,000	-	-	87,700	-	337,700
Total	$ 65,737,228	$ 29,100,845	$ 34,090,788	$ 1,633,444	$ 12,136,366	$ 142,698,671
December 31, 2023						
Payment Activity:						
Performing	$ 55,898,584	$ 28,279,803	$ 30,276,934	$ 1,928,287	$ 11,983,642	$ 128,367,250
Nonperforming	3,281,818	-	-	100,000	-	3,381,818
Total	$ 59,180,402	$ 28,279,803	$ 30,276,934	$ 2,028,287	$ 11,983,642	$ 131,749,068

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, 2024 and 2023:

	Accruing Interest			Nonaccrual	
December 31, 2024	Current	30 - 89 Days Past Due	90 Days or More Past Due	90 Days or More Past Due	Total Loans
Mini-Permanent Mortgage	$ 62,144,702	$ 715,460	$ 2,627,066	$ 250,000	$ 65,737,228
Pre-Development	29,100,845	-	-	-	29,100,845
Construction	32,764,164	239,795	1,086,829	-	34,090,788
Equipment and Working Capital	1,464,089	-	81,655	87,700	1,633,444
Permanent Financing	12,136,366	-	-	-	12,136,366
Total	$ 137,610,166	$ 955,255	$ 3,795,550	$ 337,700	$ 142,698,671
December 31, 2023					
Mini-Permanent Mortgage	$ 53,493,934	$ 365,412	$ 2,039,238	$ 3,281,818	$ 59,180,402
Pre-Development	28,279,803	-	-	-	28,279,803
Construction	30,276,934	-	-	-	30,276,934
Equipment and Working Capital	1,833,231	56,390	38,666	100,000	2,028,287
Permanent Financing	11,983,642	-	-	-	11,983,642
Total	$ 125,867,544	$ 421,802	$ 2,077,904	$ 3,381,818	$ 131,749,068

Interest income forgone on nonaccrual loans totaled $880,558 and $759,093 for the years ended December 31, 2024 and 2023, respectively.

Modifications to borrowers experiencing financial difficulty may include interest rate reductions, principal or interest forgiveness, forbearances, term extensions, and other actions intended to minimize economic loss and to avoid foreclosure or repossession of collateral. During 2024, there was one new loan modification made to borrower experiencing financial difficulty that resulted in a 6-month extension on payments and maturity. During 2023, there were no loan modifications made to borrowers experiencing financial difficulty.

During 2024 and 2023, there were no loan modifications made to borrowers experiencing financial difficulty that defaulted (within 12-months of making the modification). CCLF has no commitments to loan additional funds to the borrowers whose loans have been determined to be nonperforming.

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, 2024	Principal Amount	Interest Rate	Scheduled Maturity Dates
Senior Loans Payable:			
Private Foundations	$ 15,839,500	0% to 3%	April 2025 to June 2029
Financial Institutions and Corporations	62,273,542	1.25% to 3.50%	May 2025 to June 2034
Religious Organizations	850,000	1% to 3%	June 2025 to December 2029
Individuals	3,003,640	0% to 3%	January 2025 to December 2029
Other	5,000,000	2% to 3%	July 2026 to December 2031
Subtotal	86,966,682		
Less: Current Portion	(7,332,691)		
Net Long-Term, Senior Loans Payable	$ 79,633,991		

December 31, 2023	Principal Amount	Interest Rate	Scheduled Maturity Dates
Senior Loans Payable:			
Private Foundations	$ 15,839,500	0% to 3%	April 2024 to June 2029
Financial Institutions and Corporations	53,133,583	1.25% to 3.50%	March 2024 to February 2029
Religious Organizations	850,000	1% to 3%	June 2024 to June 2028
Individuals	2,480,777	0% to 3%	January 2024 to March 2029
Other	2,000,000	2%	July 2026
Subtotal	74,303,860		
Less: Current Portion	(11,352,111)		
Net Long-Term, Senior Loans Payable	$ 62,951,749		

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

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, 2024	Principal Amount	Interest Rate	Scheduled Maturity Dates
Subordinated Loans Payable:			
Financial Institutions	$ 10,749,949	2% to 3%	March 2025 to December 2028
Subtotal	10,749,949		
Less: Current Portion	(6,499,965)		
Net Long-Term, Subordinated Loans Payable	$ 4,249,984		
December 31, 2023			
Subordinated Loans Payable:			
Financial Institutions	$ 11,749,983	1% to 3%	March 2024 to April 2029
Subtotal	11,749,983		
Less: Current Portion	(7,500,000)		
Net Long-Term, Subordinated Loans Payable	$ 4,249,983		

Future anticipated loan maturities at December 31, 2024 are as follows:

Year Ending December 31,	Senior	Subordinate	Total
2025	$ 7,332,691	$ 6,499,966	$ 13,832,657
2026	24,213,032	-	24,213,032
2027	8,259,959	2,299,983	10,559,942
2028	19,832,500	-	19,832,500
2029	21,738,500	1,700,000	23,438,500
Thereafter	5,590,000	250,000	5,840,000
Total	$ 86,966,682	$ 10,749,949	$ 97,716,631

CCLF is subject to certain debt covenants, as specified in the individual debt agreements. As of December 31, 2024 and 2023, CCLF had met their financial covenants or obtained waivers as needed.

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

Notes Payable

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 2.31%, 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 10 years with interest payable quarterly. Outstanding principal shall be due on the maturity date. The funds were 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, 2024 and 2023, 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 were used for the lending program. As of December 31, 2024 and 2023, the outstanding balances were $3,638,476 and $3,912,909, 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, 2024 and 2023, the outstanding balances were $2,577,055 and $2,745,764, respectively, with accrued interest totaling $-0-.

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, 2024 and 2023, the outstanding balance was $2,443,618 and $2,583,636, 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, 2024 and 2023, the outstanding balance was $2,321,721 and $2,450,523, 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, 2024 and 2023, the outstanding balance was $2,080,730 and $2,170,862, respectively, with accrued interesting totaling $-0-.

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

Notes Payable (Continued)

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, 2024 and 2023, the outstanding balance was $897,600 and $1,055,693 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, 2024 and 2023, the outstanding balance was $5,051,746 and $5,340,591, respectively, with accrued interesting totaling $-0-.

Future loan maturities at December 31, 2024 on the above notes payable are as follows:

Year Ending December 31,	Amount
2025	$ 8,278,585
2026	1,304,304
2027	1,331,749
2028	1,358,927
2029	1,387,022
Thereafter	12,350,359
Total	$ 26,010,946

NOTE 6 REFUNDABLE ADVANCES

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 2024 and 2023, $-0- was recognized as revenue for both years. As of December 31, 2024 and 2023, $6,648 remains as a refundable advance for both years.

During 2023, CCLF received a $5,000,000 Shared Ownership Housing Preservation Fund Grant from the City of Chicago. The grant is conditional upon restrictions set forth in the agreement. During 2024 and 2023, $15,815 and $10,220 was recognized as revenue. As of December 31, 2024 and 2023, $4,973,965 and $4,989,780 remains as a refundable advance.

NOTE 6 REFUNDABLE ADVANCES (CONTINUED)

During 2024, CCLF received a $6,000,000 Rebuild Grant from the City of Chicago. The grant is conditional upon restrictions set forth in the agreement. During 2024, $-0- was recognized as revenue. As of December 31, 2024, $6,000,000 remains as a refundable advance.

During 2024, CCLF received a $150,000 Metlife Grant. The grant is conditional upon restrictions set forth in the agreement. During 2024, $45,000 was recognized as revenue. As of December 31, 2024, $105,000 remains as a refundable advance.

During 2024, CCLF received two grants from NCRC for a total of $162,500. The grants are conditional upon restrictions set forth in the agreement. During 2024, $-0- was recognized as revenue. As of December 31, 2024, $162,500 remains as a refundable advance.

NOTE 7 BOARD-DESIGNATED FUNDS

CCLF's board has elected to establish an operating reserve fund. At December 31, 2024 and 2023, net assets without donor restrictions of $3,073,226 and $2,426,247, 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, 2024 and 2023, net assets without donor restrictions of $26,079,908 and $23,602,218, 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, 2024 and 2023, net assets with donor restrictions are restricted for the following purposes:

	2024	2023
Subject to Expenditure for Specified Purpose:		
Community Lending Programs	$ 637,378	$ 665,393
Loan Loss Reserves	2,988,581	2,952,326
Foreclosure Prevention	15,078	15,078
Better Understanding of Market Demands	30,000	30,000
Revolving Loan Fund	497,963	497,963
Chicago Neighborhood Rebuild Pilot Program	2,564,844	2,016,185
Total Subject to Expenditure for Specified Purpose	6,733,844	6,176,945
Subject to Passage of Time:		
Wintrust Grant	30,000	30,000
Individual Contribution	2,300	2,500
PNC Bank	-	25,000
Citi Foundation	600,000	-
US Bank	25,000	-
JPM Chase	137,500	-
BMO Harris	50,000	-
Bank of Hope Grant	15,000	-
City of Chicago - CWEB	69,048	37,286
MacArthur Foundation - Opportunity Zones	97,431	200,000
City of Chicago - Chicago Rebuild	133,500	133,500
MetroAlliance	-	1,000
Total Subject to Passage of Time	1,159,779	429,286
Not Subject to Appropriation or Expenditure:		
Donations to the Lending Capital Fund	1,775,318	1,775,318
Total Net Assets with Donor Restrictions	$ 9,668,941	$ 8,381,549

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 Uniform Prudent Management of Institutional Funds Act (UPMIFA).

For the years ended December 31, 2024 and 2023, 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:

	2024	2023
Satisfaction of Time Restrictions	$ 198,355	$ 100,600
Satisfaction of Specified Purpose	949,857	5,758,001
Total	$ 1,148,212	$ 5,858,601

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, 2024 and 2023, CCLF contributed 6% of wages to this plan totaling $201,128 and $171,707, respectively.

NOTE 10 RELATED PARTY TRANSACTIONS

During the years ended December 31, 2024 and 2023, 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, 2024 and 2023, 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, 2023 with a final payment of $5,000 and pending renewal.

On September 5, 2024, CCLF received a $2,500 loan from a board member of CCLF at an interest rate of 0%. The loan matures on September 5, 2029 with a final payment of $2,500.

On July 16, 2024, CCLF received a $1,500 loan from a board member of CCLF at an interest rate of 1%. The loan matures on July 16, 2029 with a final payment of $1,500. CCLF paid approximately $15 in interest expense during 2024 and 2023.

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. On July 2, 2024, CCLF received another senior loan from Chase Bank for $10,000,000 at an interest rate of 3%, of which $2,590,000 was drawn. The loan is scheduled to mature on June 30, 2034. A Program Manager at Chase Bank is a board member at CCLF. As of December 31, 2024 and 2023, the outstanding balance on these loans was $12,590,000 and $10,000,000, respectively. CCLF paid Chase Bank approximately $203,000 and $209,000 in interest expense during 2024 and 2023, respectively.

NOTE 10 RELATED PARTY TRANSACTIONS (CONTINUED)

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 $9,250,000 at interest rates of 1.50%. The loans were renewed on December 21, 2021 and scheduled to mature on December 20, 2026. Beginning on September 1, 2024, CCLF entered into two $1,000,000 senior loans at 3.5% and 4% interest rates that matures December 20, 2026. The Chief Credit Officer, Community & Business Banking of Wintrust Financial Corporation is a board member of CCLF. As of December 31, 2024 and 2023, the outstanding balance on these senior loans were $11,250,000 and $9,250,000, respectively. CCLF paid Wintrust Financial approximately $160,000 and $104,000 in interest expense during 2024 and 2023, respectively.

Canadian Imperial Bank of Commerce (CIBC)

On June 30, 2024, 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 was scheduled to mature on September 30, 2024 with a final payment of $1,500,000. On July 1, 2024, CCLF received a senior loan from CIBC for $2,000,000 at an interest rate of 3%. The loan is scheduled to mature on June 30, 2027 with a final payment of $2,000,000. A managing director for CIBC is a board member of CCLF. As of December 31, 2024 and 2023, the outstanding balance on this senior loan was $1,999,959 and $1,500,000, respectively. CCLF paid CIBC approximately $47,000 and $34,000 in interest expense during 2024 and 2023, respectively.

Huntington National Bank

On March 18, 2019, CCLF received a subordinated loan from Huntington National Bank for $500,000 at an interest rate of 2.5%. The loan is scheduled to mature on March 18, 2025 with a final payment of $500,000. The Business Development Officer of Huntington National Bank is a board member of CCLF. As of December 31, 2024 and 2023, the outstanding balance on this subordinated loan was $499,965 and $500,000, respectively. CCLF paid Huntington National Bank approximately $17,000 and $13,000 in interest expense during 2024 and 2023, respectively.

BMO Harris N.A.

On December 31, 2007, CCLF received a subordinated loan from BMO Harris N.A. for $2,000,000 at an interest rate of 2.5%. The loan was scheduled to mature on December 31, 2022 with a final payment of $2,000,000. On December 31, 2022, CCLF renewed the subordinated loan for $2,000,000 at an interest rate of 2.5%. The loan matured on December 31, 2023 and renewed with a maturity date of December 31, 2024 with a final payment of $2,000,000. On December 31, 2024, the loan was renewed with a maturity date of December 31, 2025 with a final payment of $2,000,000. The Director of Economic Equity Advisory Group of BMO Harris N.A. is a board member of CCLF. As of December 31, 2024 and 2023, the outstanding balance on this subordinated loan was $2,000,000. CCLF paid BMO Harris N.A. approximately $50,000 in interest expense during 2024 and 2023.

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, 2024 and 2023, the tenant improvement allowance asset and related lease incentive liability had an amortized value of $71,383 and $87,245, respectively.

Under its office lease agreement, CCLF is responsible for their share of operating expenses and taxes. The rental expense for the leases was approximately $220,000 for the years ended December 31, 2024 and 2023.

The following table summarizes other information related to CCLF's office lease for the year ending December 31, 2024 and 2023:

	2024	2023
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Operating Lease	$ 219,964	$ 194,009
Weighted-Average Remaining Lease Term - Operating Lease, in Years	4.58	5.58
Weighted-Average Discount Rate - Operating Lease	1.63%	1.63%

A maturity analysis of annual discounted cash flows for lease liabilities as of December 31, 2024 is as follows:

Year Ending December 31,	Amount
2025	$ 224,241
2026	228,520
2027	232,797
2028	237,076
Thereafter	139,748
Total Payments	1,062,382
Less: Imputed Interest	(39,915)
Total	$ 1,022,467

NOTE 12 SIGNIFICANT CONCENTRATIONS

During the years ended December 31, 2024 and 2023, CCLF received 58% and 77% of its grants and contributions from the MacKenzie Scott grant and the CDFI Fund, respectively. 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, 2024 and 2023, there were $19.0 million and $20.3 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, CCLF serves as a conduit CDE lender for a NMTC allocation provided by USB CDE, a subsidiary of U.S. 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, 2024 and 2023, 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.

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.

NOTE 14 NEW MARKETS TAX CREDIT PROGRAM (CONTINUED)

At December 31, 2024 and 2023, CCLF's total investment in the unconsolidated CDE LLCs is $-0- and $484, respectively, and is reflected as investment in limited liability companies on the consolidated statements of financial position. During the years ended December 31, 2024 and 2023, CCLF recognized asset management fee revenues of approximately $16,000 and $81,000 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.

The following presents noninterest income, segregated by revenue streams in-scope and out-of-scope of Topic 606, for the years ended December 31, 2024 and 2023:

	2024	2023
In Scope of ASC 606:		
Asset Management Fee	$ 16,472	$ 81,389
Contracted Services and Workshop Fees	88,685	-
Miscellaneous Income	13,266	12,748
Noninterest Income in Scope of ASC 606	118,423	94,137
Noninterest Income Not Within the Scope of ASC 606 (a)	9,813,668	7,815,165
Total Noninterest Income	$ 9,932,091	$ 7,909,302

(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, 2024 and 2023, CCLF did not have any significant contract balances. As of December 31, 2024, CCLF did not capitalize any contract acquisition costs.