National Community Investment Fund and Subsidiaries

Consolidated Financial Report
with Supplemental Information
December 31, 2023

Contents

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Independent Auditor's Report

To the Board of Trustees
National Community Investment Fund and Subsidiaries

Report on the Audits of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of National Community Investment Fund and Subsidiaries (NCIF), which comprise the consolidated statement of financial position as of December 31, 2023 and 2022 and the related consolidated statements of activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of NCIF as of December 31, 2023 and 2022 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 *Auditor's Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are required to be independent of NCIF and to meet our 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.

Emphasis of Matter

As described in Note 2 to the consolidated financial statements, NCIF adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments*, as of January 1, 2023. Our opinion is not modified with respect to this matter.

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 NCIF's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

To the Board of Trustees
National Community Investment Fund and Subsidiaries

Auditor's Responsibilities for the Audits 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits 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 audits in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 NCIF'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 NCIF'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2024 on our consideration of NCIF's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 NCIF'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 NCIF's internal control over financial reporting and compliance.

Plante & Moran, PLLC

April 22, 2024

Consolidated Statement of Financial Position

December 31, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 8,634,788	$ 10,894,053
Restricted cash (Note 3)	10,232,655	8,453,399
Investments (Note 4)	14,733,660	13,163,954
Other receivables	133,749	126,974
Prepaid expenses and other assets	71,038	67,963
Notes receivable - Net (Note 6)	28,043,533	25,141,327
Property and equipment - Net (Note 7)	26,756	39,023
Total assets	**$ 61,876,179**	**$ 57,886,693**
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 825,721	$ 667,680
Notes payable - Net (Note 9)	25,933,199	26,683,658
Total liabilities	26,758,920	27,351,338
Net Assets		
Without donor restrictions	34,667,259	30,046,580
With donor restrictions (Note 8)	450,000	488,775
Total net assets	35,117,259	30,535,355
Total liabilities and net assets	**$ 61,876,179**	**$ 57,886,693**

Consolidated Statement of Activities

Years Ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support						
New Markets Tax Credit fees	$ 1,421,373	$ -	$ 1,421,373	$ 1,831,168	$ -	$ 1,831,168
Grants and contributions	5,778,010	-	5,778,010	2,000	701,530	703,530
Interest income	2,118,559	-	2,118,559	1,191,763	-	1,191,763
Net investment income	1,015,064	-	1,015,064	1,452,880	-	1,452,880
Other	80,260	-	80,260	161,422	-	161,422
Net assets released from restrictions	38,775	(38,775)	-	775,994	(775,994)	-
Total revenue, gains, and other support	10,452,041	(38,775)	10,413,266	5,415,227	(74,464)	5,340,763
Expenses						
Program services	3,409,080	-	3,409,080	2,673,969	-	2,673,969
Support services:						
Management and general	1,012,879	-	1,012,879	892,546	-	892,546
Fundraising	130,727	-	130,727	107,419	-	107,419
Total expenses	4,552,686	-	4,552,686	3,673,934	-	3,673,934
Increase (Decrease) in Net Assets - Before unrealized losses on investments	5,899,355	(38,775)	5,860,580	1,741,293	(74,464)	1,666,829
Unrealized Losses on Investments	(1,179,496)	-	(1,179,496)	(7,188,346)	-	(7,188,346)
Increase (Decrease) in Net Assets	**$ 4,719,859**	**$ (38,775)**	**$ 4,681,084**	**$ (5,447,053)**	**$ (74,464)**	**$ (5,521,517)**

See notes to consolidated financial statements.

Consolidated Statement of Changes in Net Assets

Year Ended December 31, 2023 and 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Balance - January 1, 2022	$ 35,493,633	$ 563,239	$ 36,056,872
Net decrease	(5,447,053)	(74,464)	(5,521,517)
Balance - December 31, 2022	30,046,580	488,775	30,535,355
Cumulative effect of change in accounting principle - Adoption of ASC No. 326	(99,180)	-	(99,180)
Net increase (decrease)	4,719,859	(38,775)	4,681,084
Balance - December 31, 2023	**$ 34,667,259**	**$ 450,000**	**$ 35,117,259**

Consolidated Statement of Functional Expenses

Year Ended December 31, 2023

	Program Services			Support Services		
	Fund Advisory and Investing	Grant Related and Special Projects	Total	Management and General	Fundraising	Total
Adjustment of allowance for credit losses	$ -	$ -	$ -	$ 57,878	$ -	$ 57,878
Depreciation and amortization	8,955	368	9,323	2,576	368	12,267
Insurance	42,803	1,759	44,562	12,314	1,759	58,635
Interest	801,201	-	801,201	-	-	801,201
Membership dues and fees	88,947	3,655	92,602	25,587	3,655	121,844
Grants	-	25,000	25,000	-	-	25,000
Occupancy	95,991	3,945	99,936	27,614	3,945	131,495
Office and administrative	48,923	2,011	50,934	14,081	2,011	67,026
Personnel	1,675,661	68,863	1,744,524	482,037	68,865	2,295,426
Professional services	118,883	299,595	418,478	280,688	45,288	744,454
Technology	54,849	2,254	57,103	15,778	2,254	75,135
Travel	62,835	2,582	65,417	18,076	2,582	86,075
Trustees' fees	-	-	-	76,250	-	76,250
Total functional expenses	**$ 2,999,048**	**$ 410,032**	**$ 3,409,080**	**$ 1,012,879**	**$ 130,727**	**$ 4,552,686**

Consolidated Statement of Functional Expenses

Year Ended December 31, 2022

	Program Services			Support Services		
	Fund Advisory and Investing	Grant Related and Special Projects	Total	Management and General	Fundraising	Total
Adjustment of allowance for loan losses	$ -	$ -	$ -	$ 154,775	$ -	$ 154,775
Depreciation and amortization	8,605	233	8,838	2,442	349	11,629
Insurance	42,269	1,142	43,411	11,995	1,714	57,120
Interest	555,913	-	555,913	-	-	555,913
Membership dues and fees	106,326	2,874	109,200	30,173	4,310	143,683
Grants	-	25,000	25,000	-	-	25,000
Occupancy	94,479	2,554	97,033	26,812	3,830	127,675
Office and administrative	34,141	923	35,064	9,689	1,384	46,137
Personnel	1,460,649	39,477	1,500,126	414,508	59,215	1,973,849
Professional services	98,234	101,475	199,709	133,333	32,682	365,724
Technology	47,136	1,274	48,410	13,377	1,911	63,698
Travel	49,916	1,349	51,265	14,165	2,024	67,454
Trustees' fees	-	-	-	81,277	-	81,277
Total functional expenses	**$ 2,497,668**	**$ 176,301**	**$ 2,673,969**	**$ 892,546**	**$ 107,419**	**$ 3,673,934**

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Increase (decrease) in net assets	$ 4,681,084	$ (5,521,517)
Adjustments to reconcile increase (decrease) in net assets to net cash from operating activities:		
Depreciation and amortization	12,267	11,629
Net realized and unrealized loss on investments	551,184	6,053,069
Changes in operating assets and liabilities that (used) provided cash:		
Other receivables	(6,775)	17,777
Prepaid expenses and other assets	(3,075)	840
Accounts payable and accrued expenses	79,231	(309,997)
Deposits	-	(25,000)
Net cash provided by operating activities	5,313,916	226,801
Cash Flows from Investing Activities		
Net increase in notes receivable	(2,922,576)	(8,067,167)
Purchases of investments	(3,500,000)	-
Proceeds from sales and maturities of investments	1,379,110	1,330,373
Purchases of property and equipment	-	(6,693)
Net cash used in investing activities	(5,043,466)	(6,743,487)
Cash Flows (Used in) Provided by Financing Activities - Net (decrease) increase in notes payable	(750,459)	13,666,045
Net (Decrease) Increase in Cash and Restricted Cash	(480,009)	7,149,359
Cash and Restricted Cash - Beginning of year	19,347,452	12,198,093
Cash and Restricted Cash - End of year	**$ 18,867,443**	**$ 19,347,452**
Consolidated Statement of Financial Position Classification of Cash and Restricted Cash		
Cash and cash equivalents	$ 8,634,788	$ 10,894,053
Restricted cash	10,232,655	8,453,399
Total cash and restricted cash	**$ 18,867,443**	**$ 19,347,452**

Note 1 - Nature of Business

National Community Investment Fund, a 501(c)(4) trust, was founded in December 1995. Its mission is to increase the flow of financial products and services in low- and moderate-income communities. National Community Investment Fund generates financial, social, and environmental returns for its investors and funders and contributes to their success by aggregating capital and knowledge and leveraging opportunities. National Community Investment Fund meets its mission through four related activities: investing, lending, New Markets Tax Credit (NMTC), and research.

National Community Investment Fund's wholly owned management entity, NCIF Management, Inc., employs staff and provides services to National Community Investment Fund and Subsidiaries.

NCIF Capital, LLC is a wholly owned subsidiary of National Community Investment Fund and is the managing member in limited liability companies, certified as Community Development Entities (CDEs), that are or will be set up for raising and deploying capital under CDFI Fund's NMTC program.

NCIF Credit Strategies Fund LLC (CSF) is a wholly owned subsidiary of National Community Investment Fund. CSF provides financial products and services in underserved markets nationally.

NCIF NFP, Inc. was formed in January 2021 as a 501(c)(3) supporting organization of National Community Investment Fund. National Community Investment Fund controls NCIF NFP, Inc. through a common board of trustees and common management.

Note 2 - Significant Accounting Policies

Basis of Presentation

The consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP).

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of National Community Investment Fund; NCIF Management, Inc.; NCIF Capital, LLC; NCIF Credit Strategies Fund LLC; and NCIF NFP, Inc. (collectively referred as NCIF). All intercompany balances and transactions have been eliminated in consolidation.

Classification of Net Assets

Net assets of NCIF are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of NCIF.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of NCIF or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity. There were no net assets with donor restrictions that are required to be maintained in perpetuity by NCIF as of December 31, 2023 and 2022.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

Tax Status

National Community Investment Fund is generally exempt from federal income tax pursuant to Section 501(c)(4) of the Internal Revenue Code.

NCIF Management, Inc. is a corporation subject to federal and state income taxes.

Note 2 - Significant Accounting Policies (Continued)

NCIF Capital, LLC is a limited liability company that has elected to be treated as a taxable corporation.

NCIF Credit Strategies Fund LLC is a single-member limited liability company disregarded as an entity separate from National Community Investment Fund for federal tax purposes.

NCIF NFP, Inc. is generally exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code.

Management has determined that NCIF was not required to record a liability related to uncertain tax provisions as of December 31, 2023 and 2022.

Cash Equivalents

NCIF considers all investments with a maturity of three months or less to be cash equivalents.

NCIF primarily maintains its cash in federally insured bank accounts that may exceed federally insured limits. The uninsured cash balance as of December 31, 2023 and 2022 was approximately $12,310,000 and $13,223,000, respectively.

Restricted Cash

Under the terms of the master loan agreement (see Note 9), NCIF maintains a debt service reserve restricted for payment of notes payable principal and interest in the event of losses on notes receivable. The debt service reserve is funded from notes payable proceeds. Cash received from investment sales is restricted for new investment and loan purchases. See Note 3 for the summary of restricted cash.

Investments

Marketable equity securities consist of publicly traded Mission-Oriented Financial Institutions (MOFIs), which are stated at fair value. NCIF has no controlling interests in MOFIs.

Nonmarketable equity securities consist of investments in privately held MOFIs without readily determinable fair values. Nonmarketable equity securities are measured at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. Nonmarketable equity securities are also assessed for impairment. Due to their illiquid nature, the transferability of these shares, especially in material quantities, is restricted. Determination of whether there is impairment is based on a review of available indicators, including book value and comparable arms-length transactions.

Noncontrolling equity investments in limited liability companies that are not readily marketable and have no readily determinable values but over which NCIF exerts significant influence as a managing member are accounted for under the equity method.

Interest and dividend income, realized gains and losses, changes from observable transactions, impairment, and investment expenses are included under the caption net investment income on the consolidated statement of activities.

Donations of marketable equity securities are recognized at fair value on the date of donation.

Investments are exposed to various risks, such as interest rate, market, and credit risks. It is at least reasonably possible that changes in values of investments will occur in the near term and that such changes could materially affect amounts reported.

Note 2 - Significant Accounting Policies (Continued)

Notes Receivable

NCIF seeks to lend money to projects in partnership with MOFIs that are certified Community Development Financial Institutions, Minority Depository Institutions (MDIs), or other financial institutions that meet NCIF definition of impact. The types of loans include project finance and working capital loans for expansion, acquisition of existing assets, or creation of affiliated development companies. Maturities vary with the needs of the recipient and are collateralized, when possible, by the assets of the business being financed.

Notes receivable that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at their outstanding unpaid principal balances adjusted for charge-offs, the allowance for credit losses, and any deferred fees or costs on originated loans, as applicable. Interest income is accrued on the unpaid principal balance. When principal or interest has been in default 90 consecutive days or more, unless the note is in the process of collection as determined by management, the note is placed on nonaccrual status, in which interest income is recognized when payments are received rather than on an accrual basis.

Adoption of New Accounting Pronouncements

As of January 1, 2023, NCIF adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments*, which superseded the current guidance on the allowance for loan losses. The ASU was issued to provide financial statement users with more useful information about the expected credit losses on financial instruments held by a reporting entity at each reporting date to enhance the decision-making process. The current expected credit losses (CECL) model utilizes a lifetime expected credit loss measurement objective for the recognition of credit losses for loans at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. This model replaces the multiple existing impairment models, which generally require that a loss be incurred before it is recognized. The CECL methodology also applies to credit exposures on off-balance-sheet loan commitments; financial guarantees not accounted for as insurance, including standby letters of credit; and other similar instruments not recognized as derivative financial instruments.

As a result of the adoption of the ASU, NCIF recorded a reduction to retained earnings of $99,180 as of January 1, 2023 as a cumulative effect of change in accounting principle. The transition adjustment included an increase to the allowance for credit losses on loans of $20,370 and the recording of the unfunded commitment liability of $78,810.

In March 2022, the FASB issued ASU No. 2022-02, *Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures*. The amendments in this update eliminate the accounting guidance and related disclosures for TDRs by creditors in Subtopic 310-40, *Receivables - Troubled Debt Restructurings by Creditors*, while enhancing disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty and requiring an entity to disclose current period gross write-offs by year of origination for financing receivables and net investments in leases within the scope of Subtopic 326-20, *Financial Instruments - Credit Losses - Measured at Amortized Cost*. The amendments in this update are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years and are applied prospectively, except with respect to the recognition and measurement of TDRs, where an entity has the option to apply a modified retrospective transition method.

As of January 1, 2023, NCIF adopted FASB ASU No. 2022-02, which superseded the current disclosure requirements for TDRs.

Note 2 - Significant Accounting Policies (Continued)

Allowance for Credit Losses

The allowance for credit losses (ACL) is an estimate of the expected credit losses on the notes receivable. Loan losses are charged against the ACL when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the ACL. Changes in the ACL are recorded through the provision for credit losses.

The ACL methodology consists of measuring loans on a collective (pool) basis when similar characteristics exist. NCIF has one loan portfolio segment, which consists of the senior and subordinated notes receivable classes, and measures the ACL using the Weighted Average Remaining Maturity (WARM) method. The loan portfolio is commercial loans in partnership with MOFIs and New Markets Tax Credit entities. The WARM method requires referencing historic loan loss data across comparable data sets and applying such loss rate over the expected remaining term, taking into consideration expected economic conditions over the relevant time frame.

The qualitative factors applied to the loan portfolio consist of the impact of other internal and external qualitative and credit market factors as assessed by management through a detailed loan review, ACL analysis, and credit discussions. These internal and external qualitative and credit market factors include the following:

- Borrowers' financial condition, credit rating, credit score, asset quality, or business prospects
- Remaining life of the loans
- Nature and volume of portfolio
- Volume and severity of past-due loans

NCIF has elected not to include accrued interest receivable in the calculation of expected credit losses. Accrued interest receivable on loans totaled $142,643 and $126,345 at December 31, 2023 and 2022, respectively, and was reported in other receivables on the consolidated statement of financial position.

The impact of the above-listed internal and external qualitative and credit market risk factors is assessed within predetermined ranges to adjust the ACL totals calculated. In addition to the pooled analysis performed for the majority of NCIF's loan balances, NCIF also reviews loans that have unique characteristics. Loans that are determined to have unique risk characteristics are evaluated on an individual basis by management. Individual evaluations are generally performed for nonaccrual loans. If a loan is determined to be collateral dependent or meets the criteria to apply the collateral-dependent practical expedient, expected credit losses are determined based on the fair value of the collateral at the reporting date, less costs to sell as appropriate.

In addition to the ACL on loans, NCIF maintains a reserve for unfunded loan commitments at a level that management believes is adequate to absorb estimated probable credit losses over the contractual terms of NCIF’s noncancelable loan commitments. The reserve for unfunded loan commitments, which is included in accounts payable and accrued expenses on the accompanying consolidated statement of financial position, is established through provisions for credit losses charged against net income.

Unfunded loan commitments are segmented into the same pools used for estimating the ACL on loans. Estimated credit losses on unfunded loan commitments are based on the same methodology, inputs, and assumptions used to estimate credit losses on collectively evaluated loans, adjusted for estimated funding probabilities. The estimated funding probabilities represent management's estimate of the amount of the current unfunded loan commitment that will be funded over the remaining contractual life of the commitment and is based on historical data.

Note 2 - Significant Accounting Policies (Continued)

Prior to the implementation of ASU No. 2016-13 (CECL) on January 1, 2023, the allowance for credit losses was subject to the guidance included in ASC 310 and ASC 450. Under that guidance, NCIF was required to use an incurred loss methodology to estimate credit losses that were estimated to be incurred in the loan portfolio and that could ultimately materialize into confirmed losses in the form of charge-offs. The incurred loss methodology was a backward-looking approach to loss recognition and based on the concept of a triggering event having taken place, causing a loss to be inherent within the portfolio. Additionally, loans that were identified as impaired under the definition of ASC 310 were required to be assessed on an individual basis. The allowance for credit losses and resulting provision expense levels for comparative periods presented were estimated in accordance with these requirements.

Under the incurred loss methodology, the allowance for loan losses consisted of specific, general, and unallocated components. The specific reserve relates to loans that are classified as impaired, and an allowance is established when the discounted cash flows (or collateral value or observable market price) of the impaired loan is lower than the carrying value of that loan. The general component covers all other loans and is based on historical loss experience adjusted for qualitative factors.

A loan is considered impaired when, based on current information and events, it is probable that NCIF will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's observable market price, or the fair value of the collateral, if the loan is collateral dependent.

Property and Equipment

Property and equipment are recorded at cost. The straight-line method is used for computing depreciation and amortization. Assets are depreciated over their estimated useful lives. Costs of maintenance and repairs are charged to expense when incurred.

Notes Payable

Loan fees are capitalized and amortized over the life of the notes payable. Unamortized loan fees are reported on the consolidated statement of financial position as a direct deduction from notes payable. Loan fee amortization expense is included in interest expense.

Loans with below-market interest rates are discounted to present value. The discount is recognized as restricted contributions revenue in the year the loan is issued. The discount is amortized to expense over the term of the loan using the effective interest method.

Revenue

NCIF generally measures revenue based on the amount of consideration that NCIF expects to be entitled for the transfer of goods or services to a customer, then recognizes this revenue when or as NCIF satisfies its performance obligations, which requires significant judgment, except in transactions where GAAP provides other applicable guidance.

NCIF generates revenue from NMTC fees, which consist of sponsor fees, asset management fees, and success fees.

Note 2 - Significant Accounting Policies (Continued)

Sponsor Fees

Revenue from sponsor fees is recognized at a point in time. Sponsor fees are generally paid to NCIF from both the CDE investor member and the CDE for NCIF’s allocation of the NMTC award to the CDE and other start up and organizational services benefiting the CDE investor member and the CDE. The sponsor fees are a fixed percentage of the equity investment made by the CDE investor member. The performance obligation by NCIF is to assist in the transfer of its NMTC allocation to a CDE and to provide startup and organizational services benefiting the CDE investor member and the CDE; therefore, the performance obligation is satisfied and revenue is recognized when the deal closes.

Asset Management Fees

Revenue from asset management fees is recognized over a period of time. Asset management fees are earned by NCIF for management services provided to CDEs. Asset management fees are a fixed annual amount equal to a percentage of the equity investment made from the CDE investor member to the CDE. Asset management fees are accrued monthly and are paid monthly or quarterly. The performance obligations are estimated to be satisfied evenly over the year, which is a significant judgment, and, as such, management fees are recognized over time.

Success Fees

Revenue from success fees is recognized at a point in time. The success fee is an additional payment, made upon the end of the seven-year CDE compliance period, solely to the extent that an NMTC recapture event has not occurred. Success fees are equal to a fixed percentage of the equity investment made from the CDE investor member to the CDE. Success fee revenue is not recorded until the end of the compliance period when the unwind occurs at which point the performance obligation is satisfied. Further, there is variable consideration due to a possibility of a significant reversal. Payment is due when the deal successfully unwinds with no NMTC recapture events. There was no revenue from success fees recognized during the years ended December 31, 2023 and 2022.

Practical Expedients

NCIF does not adjust the contract price for the effects of a significant financing component if NCIF expects, at contract inception, that the period between when NCIF transfers a service to a customer and when the customer pays for that service will be one year or less.

Since 2003, NCIF has been awarded $401 million in NMTC allocations to deploy into projects in partnership with MOFIs. As part of the NMTC program, NCIF provides customary recapture indemnities to its investors. Management considers that the probability of these being invoked is remote.

Grants and Contributions

Contributions of cash and other assets are reported as revenue when received, measured at fair value. Contributions without donor-imposed restrictions and contributions with donor-imposed time or purpose restrictions that are met in the period in which the gift is received are both reported as contributions without donor restrictions. Other restricted gifts are reported as net assets with donor restrictions.

Conditional promises to give are not recognized as revenue until barriers prescribed by the grant agreements are overcome. NCIF records cash received in advance of meeting conditions as a refundable advance on the consolidated statement of financial position. As of December 31, 2023 and 2022, there are no conditional promises to give that have not yet been recognized.

Note 2 - Significant Accounting Policies (Continued)

Expense Allocation

The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Personnel, depreciation and amortization, insurance, membership dues and fees, occupancy, office and administrative, technology, and travel expenses are allocated on the basis of estimates of time and effort. Adjustments to the allowance for credit losses, professional services expenses, and trustees' fees are allocated directly to the program and supporting services they benefit. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The consolidated financial statements and related disclosures include evaluation of events up through and including April 22, 2024, which is the date the consolidated financial statements were available to be issued.

Note 3 - Restricted Cash

Cash is restricted for the following purposes at December 31:

	2023	2022
Debt service reserve	$ 578,559	$ 528,559
Investment and loan purchases	9,654,096	7,924,840
Total restricted cash	$ 10,232,655	$ 8,453,399

Note 4 - Investments

The details of NCIF's investments at December 31 are as follows:

	2023	2022
Marketable equity securities	$ 5,428,330	$ 5,607,828
Nonmarketable equity securities	9,288,763	7,539,708
Investment in limited liability companies	16,567	16,418
Total investments	$ 14,733,660	$ 13,163,954

NCIF recognized no credit losses on nonmarketable equity securities during the year ended December 31, 2023. NCIF recognized no impairment losses on nonmarketable equity securities during the year ended December 31, 2022.

One publicly traded MOFI represents approximately 99.8 percent of the fair value of marketable equity securities at December 31, 2023 and 2022.

Note 4 - Investments (Continued)

Investment in Limited Liability Companies

At December 31, 2023, NCIF has a 0.01 percent ownership interest in NCIF New Markets Capital Fund XXIII - XXXVIII CDE, LLCs and New Markets Capital Funds 39 - 50 and 52 - 53 CDE, LLCs. At December 31, 2022, NCIF has a 0.01 percent ownership interest in NCIF New Markets Capital Fund XIX, and XXIII - XXXVIII CDE, LLCs and New Markets Capital Funds 39 - 49 and 52 CDE, LLCs.

While the limited liability companies are independent legal entities, the following is an aggregate summary of financial information for all companies as of December 31:

	2023	2022
Assets	$ 161,896,614	$ 160,308,728
Liabilities	(235,217)	(256,120)
Members' equity	$ 161,661,397	$ 160,052,608

	2023	2022
Revenue	$ 4,058,077	$ 3,820,161
Expenses	(1,698,683)	(1,639,407)
Net income	$ 2,359,394	$ 2,180,754

Note 5 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that NCIF has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. NCIF's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

	Assets Measured at Fair Value on a Recurring Basis at December 31, 2023			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2023
Marketable equity securities	$ 5,428,330	$ -	$ -	$ 5,428,330

Note 5 - Fair Value Measurements (Continued)

	Assets Measured at Fair Value on a Recurring Basis at December 31, 2022			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2022
Marketable equity securities	$ 5,607,828	$ -	$ -	$ 5,607,828

Note 6 - Notes Receivable and Allowance for Credit Losses

Notes receivable require quarterly payments of interest. Principal repayment requirements vary. In general, principal repayments are not required during initial periods, and required principal payments are based on principal amortization periods that exceed the maturity date and include a balloon payment at maturity.

A summary of the balances of notes receivable, by class, as of December 31 follows:

	2023	2022
Senior:		
Fixed interest rates ranging from 4.00 percent to 10.50 percent	$ 21,362,210	$ 20,404,882
Variable interest rates ranging from 8.75 percent to 10.5 percent and 7.75 percent to 9.5 percent at December 31, 2023 and 2022, respectively	1,916,667	2,000,000
Fixed interest rate of 6.50 percent, prepayment penalty	3,408,450	1,280,960
Subordinated - Fixed interest rate of 5.75 percent, redeemable by the issuer on or after the fifth year	2,000,000	2,000,000
Total notes receivable	28,687,327	25,685,842
Less allowance for credit losses (formerly allowance for loan losses)	643,794	544,515
Total notes receivable - Net	$ 28,043,533	$ 25,141,327

NCIF's activity in the allowance for credit losses (formerly allowance for loan losses) for the years ended December 31, 2023 and 2022 is summarized below:

	Year Ended December 31, 2023		
	Senior	Subordinated	Total
Beginning balance	$ 484,515	$ 60,000	$ 544,515
Adoption of ASC 326	36,370	(16,000)	20,370
Provision	78,109	800	78,909
Ending balance	$ 598,994	$ 44,800	$ 643,794

	Year Ended December 31, 2022		
	Senior	Subordinated	Total
Beginning balance	$ 299,739	$ 90,000	$ 389,739
Provision	184,776	(30,000)	154,776
Ending balance	$ 484,515	$ 60,000	$ 544,515

Note 6 - Notes Receivable and Allowance for Credit Losses (Continued)

Credit Risk Grading

NCIF categorized each loan into credit risk categories based on current financial information, overall debt service coverage, comparison against industry averages, collateral coverage, historical payment experience, and current economic trends. NCIF uses the following definitions for credit risk ratings:

Pass

Credits not covered by the below definitions are pass credits, which are not considered to be adversely rated.

Special Mention

Loans classified as special mention have a potential weakness or weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

Substandard

Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution may sustain some loss if the deficiencies are not corrected.

Doubtful

Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristics that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

NCIF's credit quality indicators, by loan segment and class, at December 31, 2023 and 2022 are summarized below:

	December 31, 2023				
	Pass	Special Mention	Substandard	Doubtful	Ending Balance
Senior	$ 26,687,327	$ -	$ -	$ -	$ 26,687,327
Subordinated	2,000,000	-	-	-	2,000,000
Total	$ 28,687,327	$ -	$ -	$ -	$ 28,687,327

	December 31, 2022				
	Pass	Special Mention	Substandard	Doubtful	Ending Balance
Senior	$ 23,685,842	$ -	$ -	$ -	$ 23,685,842
Subordinated	2,000,000	-	-	-	2,000,000
Total	$ 25,685,842	$ -	$ -	$ -	$ 25,685,842

At December 31, 2023, there were no notes individually evaluated for impairment, on nonaccrual status, past due, or modifications to borrowers experiencing financial difficulty.

At December 31, 2022, there were no notes considered impaired, on nonaccrual status, past due, or modified as troubled debt restructurings.

Note 7 - Property and Equipment

Property and equipment are summarized as follows:

	2023	2022	Depreciable Life
Furniture and equipment	$ 71,333	$ 71,333	7 years
Leasehold improvements	10,894	10,894	Shorter of life of lease or 15 years
Total cost	82,227	82,227	
Accumulated depreciation	55,471	43,204	
Net property and equipment	$ 26,756	$ 39,023	

Note 8 - Net Assets

Net assets with donor restrictions as of December 31 are available for the following purposes:

	2023	2022
Subject to expenditures for a specified purpose - Expanding Black Business	$ 450,000	$ 475,000
Subject to the passage of time - Unamortized discount on below-market interest rate loan	-	13,775
Total	$ 450,000	$ 488,775

NCIF received and disbursed $5,617,678 and $701,530 of CDFI Fund grant funding in 2023 and 2022, respectively.

Note 9 - Notes Payable

Notes payable as of December 31, 2023 and 2022 are as follows:

	2023	2022
Note payable (A)	$ -	$ 562,500
Senior notes payable (B)	18,996,034	19,644,402
Subordinated notes payable (B)	6,994,160	6,559,884
Less unamortized loan fees	(56,995)	(69,353)
Less unamortized discount	-	(13,775)
Total notes payable - Net	$ 25,933,199	$ 26,683,658

(A) Interest-free note payable to Bank of America Community Development Corporation, fully repaid on October 1, 2023, quarterly principal payments of $187,500, discounted at 5 percent.

(B) NCIF received $15,000,000 in loan commitments from lenders under a master loan agreement dated August 23, 2019 (the "Agreement"). During 2022, NCIF received an additional $15,000,000 in loan commitments from lenders under the Agreement. At December 31, 2023 and 2022, the remaining loan commitment is $0 and $2,584,287, respectively. Loan proceeds are used to purchase notes receivable. Loans must be requested by NCIF during the availability period, which ended on August 22, 2023.

Notes payable are unsecured, bear interest at rates ranging from 1.50 percent to 4.25 percent, and mature seven years after the final loans are made. Payments of interest are due quarterly. The loans require quarterly principal payments equal to cash received during the quarter from:

Note 9 - Notes Payable (Continued)

1) Notes receivable principal payments or prepayments received

2) Other payments at maturity or liquidation of notes receivable and investments

3) The sale or other disposition of notes receivable and investments, less expenses, including management fees

4) Proceeds from interest, fees, and other income received from notes receivable and investments, less expenses other than management fees

NCIF has the right to reinvest proceeds from the sale or transfer of investments instead of including as cash received for quarterly principal payments. Each loan may be repaid or prepaid without penalty, except for one particular agreement that does have a prepayment penalty in place.

Each loan is identified as either a senior loan or subordinated loan under the Agreement. Subordinated loans are subordinated in right of payment to all obligations of NCIF in respect of any obligation of the senior loans now existing or hereafter arising.

Quarterly principal payments are due within 45 days of the end of each quarter to senior and subordinated lenders as follows:

First, to the senior lenders:

1) Pro rata to each senior lender in proportion to the respective principal amounts owed until each such senior lender receives total distributions equal to the principal amount of loans made by such senior lender

2) Pro rata to each such senior lender in proportion to the respective principal amounts owed until such senior lender receives total distributions equal to remaining obligations (including interest) with respect to loans made by such senior lender

Second, to the subordinated lenders:

1) Pro rata to each subordinated lender in proportion to the respective amounts owed until each such subordinated lender receives total distributions equal to the principal amount of loans made by such subordinated lender

2) Pro rata to each such subordinated lender in proportion to the respective amounts owed until such subordinated lender receives total distributions equal to remaining obligations (including interest) with respect to loans made by such subordinated lender.

Starting in August 2024, NCIF must repay notes payable quarterly in an amount equal to the greater of principal payments made in the prior quarter or 3 percent of outstanding principal.

NCIF maintains a debt service reserve for payment of senior and subordinated notes payable principal and interest. The debt service reserve is funded from senior and subordinated notes payable proceeds.

Note 10 - Revenue Recognition

New Markets Tax Credit fees are recognized either at a point in time or over a period of time as follows for the year ended December 31:

	2023	2022
Recognized at a point in time - Sponsor fees	$ 600,000	$ 1,025,000
Recognized over time - Asset management fees	821,373	806,168
Total New Markets Tax Credit fees	$ 1,421,373	$ 1,831,168

Note 10 - Revenue Recognition (Continued)

There were no contract assets or contract liabilities as of December 31, 2023; December 31, 2022; or December 31, 2021.

Note 11 - Liquidity and Availability of Resources

NCIF has cash of $8,634,788 and $10,894,053 at December 31, 2023 and 2022, respectively. Cash is available for general expenditure except for amounts of $450,000 and $475,000 subject to donor restrictions that make them unavailable for general expenditure within one year at December 31, 2023 and 2022, respectively.

NCIF strives to maintain sufficient cash to cover 90 days of general expenditures. To facilitate this goal, management updates a rolling, 12-month projected cash flow statement on a monthly basis. Each month, management looks ahead to ensure that cash inflows and outflows are projected in light of any new information regarding NCIF’s operations. In addition, management also refreshes its days cash on hand ratio to ensure upcoming expenditures can be met with liquid assets.

Cash inflows primarily arrive at NCIF in the form of NMTC fees, interest income, investment income, and CDFI grants. When NCIF acts as the CDE in conjunction with NMTC deals, NCIF receives fees at closing, along with management fees for seven years on each deal. The timing of the cash inflows from NMTC deals is agreed upon by all involved parties in advance in the form of executed financial models, and is, thus, predictable in nature, enabling NCIF to accurately project NMTC income on existing deals for years into the future. Cash from investments is received in the form of interest and dividend income, origination fees for new loan investments, and any capital gains realized for investments sold or repaid. NCIF does not project for future capital gains, and, thus, decisions on expenditures are not based on any assumed future investment sales.

In conjunction with projecting income, all of NCIF’s material expenditures are either predictable or discretionary in nature, including personnel, professional fees, occupancy expenses, and principal payments on outstanding debt. This enables management to maintain an accurate projection of its liquidity position and plan its expenditures for long-term equity and/or loan investments by segregating cash that will be needed for upcoming operational expenditures.

Note 12 - Off-balance-sheet Activities

NCIF is a party to credit-related financial instruments with off-balance-sheet risk in the normal course of business. These financial instruments include commitments to extend credit on previously approved unused lines of credit. Such commitments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated financial statements.

NCIF's exposure to credit loss is represented by the contractual amount of these commitments. NCIF follows the same credit policies in making commitments as it does for on-balance-sheet instruments.

NCIF had financial instruments outstanding whose contract amounts represent credit risk. These instruments consisted of $2,574,613 and $3,583,550 of unfunded commitments under lines of credit, as of December 31, 2023 and 2022, respectively.

As described in Note 2, NCIF adopted ASU No. 2016-13 on January 1, 2023, and, as part of the adoption, NCIF now records a reserve for off-balance-sheet loan commitments, which was $57,779 at December 31, 2023.

Supplemental Information

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Independent Auditor's Report on Supplemental Information

To the Board of Trustees
National Community Investment Fund and Subsidiaries

We have audited the consolidated financial statements of National Community Investment Fund and Subsidiaries as of and for the years ended December 31, 2023 and 2022 and have issued our report thereon dated April 22, 2024, which contained an unmodified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and consolidating statements of activities and changes in net assets are presented for the purpose of additional analysis rather than to present the financial position, changes in net assets, functional expenses, and cash flows of the individual entities and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Plante & Moran, PLLC

April 22, 2024

Consolidating Statement of Financial Position

Year Ended December 31, 2023

	National Community Investment Fund	NCIF Management, Inc.	NCIF Capital, LLC	NCIF Credit Strategies Fund LLC	NCIF NFP, Inc.	Eliminating Entries	Total
Assets							
Cash and cash equivalents	$ 6,601,505	$ 15,399	$ 8,635	$ 1,959,514	$ 49,735	$ -	$ 8,634,788
Restricted cash	-	-	-	10,232,655	-	-	10,232,655
Investments	5,062,647	-	16,566	9,654,447	-	-	14,733,660
Other receivables	-	353,026	3	133,746	-	(353,026)	133,749
Prepaid expenses and other assets	29,798	41,240	-	-	-	-	71,038
Investments in subsidiaries	18,863,680	-	-	-	-	(18,863,680)	-
Notes receivable - Net	4,808,166	-	-	23,235,367	-	-	28,043,533
Property and equipment - Net	-	26,756	-	-	-	-	26,756
Total assets	**$ 35,365,796**	**$ 436,421**	**$ 25,204**	**$ 45,215,729**	**$ 49,735**	**$ (19,216,706)**	**$ 61,876,179**
Liabilities and Net Assets (Deficiency in Net Assets)							
Liabilities							
Due to affiliates	$ 39,727	$ -	$ -	$ 243,635	$ 69,666	$ (353,028)	$ -
Accounts payable and accrued expenses	208,810	436,421	-	180,490	-	-	825,721
Notes payable - Net	-	-	-	25,933,199	-	-	25,933,199
Total liabilities	248,537	436,421	-	26,357,324	69,666	(353,028)	26,758,920
Net Assets (Deficiency in Net Assets)							
Without donor restrictions	34,667,259	-	25,204	18,858,405	(19,931)	(18,863,678)	34,667,259
With donor restrictions	450,000	-	-	-	-	-	450,000
Total net assets (deficiency in net assets)	35,117,259	-	25,204	18,858,405	(19,931)	(18,863,678)	35,117,259
Total liabilities and net assets (deficiency in net assets)	**$ 35,365,796**	**$ 436,421**	**$ 25,204**	**$ 45,215,729**	**$ 49,735**	**$ (19,216,706)**	**$ 61,876,179**

Consolidating Statement of Financial Position

Year Ended December 31, 2022

	National Community Investment Fund	NCIF Management, Inc.	NCIF Capital, LLC	NCIF Credit Strategies Fund LLC	NCIF NFP, Inc.	Eliminating Entries	Total
Assets							
Cash and cash equivalents	$ 9,725,686	$ 46,717	$ 9,524	$ 1,109,121	$ 3,005	$ -	$ 10,894,053
Restricted cash	-	-	-	8,453,399	-	-	8,453,399
Investments	1,861,446	-	16,418	11,286,090	-	-	13,163,954
Other receivables	-	303,031	6	1,208,893	-	(1,384,956)	126,974
Prepaid expenses and other assets	28,838	39,125	-	-	-	-	67,963
Investments in subsidiaries	18,351,401	-	-	-	-	(18,351,401)	-
Notes receivable - Net	2,605,919	-	-	22,535,408	-	-	25,141,327
Property and equipment - Net	-	39,023	-	-	-	-	39,023
Total assets	**$ 32,573,290**	**$ 427,896**	**$ 25,948**	**$ 44,592,911**	**$ 3,005**	**$ (19,736,357)**	**$ 57,886,693**
Liabilities and Net Assets (Deficiency in Net Assets)							
Liabilities							
Due to affiliates	$ 1,381,956	$ -	$ -	$ -	$ 3,000	$ (1,384,956)	$ -
Accounts payable and accrued expenses	107,254	429,978	-	130,448	-	-	667,680
Notes payable - Net	548,725	-	-	26,134,933	-	-	26,683,658
Total liabilities	2,037,935	429,978	-	26,265,381	3,000	(1,384,956)	27,351,338
Net Assets (Deficiency in Net Assets)							
Without donor restrictions	30,046,580	(2,082)	25,948	18,327,530	5	(18,351,401)	30,046,580
With donor restrictions	488,775	-	-	-	-	-	488,775
Total net assets (deficiency in net assets)	30,535,355	(2,082)	25,948	18,327,530	5	(18,351,401)	30,535,355
Total liabilities and net assets (deficiency in net assets)	**$ 32,573,290**	**$ 427,896**	**$ 25,948**	**$ 44,592,911**	**$ 3,005**	**$ (19,736,357)**	**$ 57,886,693**

Consolidating Statement of Activities

Year Ended December 31, 2023

	National Community Investment Fund	NCIF Management, Inc.	NCIF Capital, LLC	NCIF Credit Strategies Fund LLC	NCIF NFP, Inc.	Eliminating Entries	Total
Changes in Net Assets without Donor Restrictions							
Revenue, gains, and other support:							
New Markets Tax Credit fees	$ 1,421,373	$ -	$ -	$ -	$ -	$ -	$ 1,421,373
Management fees	-	2,927,584	-	-	-	(2,927,584)	-
Grants and contributions	5,619,678	-	-	-	158,332	-	5,778,010
Interest income	331,036	-	-	1,787,491	32	-	2,118,559
Net investment income	11,750	-	236	1,003,078	-	-	1,015,064
Gain from subsidiaries	562,442	-	-	-	-	(562,442)	-
Other	42,094	-	-	17,486	-	20,680	80,260
Net assets released from restrictions	38,775	-	-	-	-	-	38,775
Total revenue, gains, other support, and net assets released from restrictions	8,027,148	2,927,584	236	2,808,055	158,364	(3,469,346)	10,452,041
Expenses	3,008,491	2,927,584	980	1,364,915	178,300	(2,927,584)	4,552,686
Increase (Decrease) in Net Assets without Donor Restrictions - Before unrealized losses on investments	5,018,657	-	(744)	1,443,140	(19,936)	(541,762)	5,899,355
Unrealized Losses on Investments	(298,798)	-	-	(880,698)	-	-	(1,179,496)
Changes in Net Assets with Donor Restrictions - Net assets released from restrictions	(38,775)	-	-	-	-	-	(38,775)
Increase (Decrease) in Net Assets	**$ 4,681,084**	**$ -**	**$ (744)**	**$ 562,442**	**$ (19,936)**	**$ (541,762)**	**$ 4,681,084**

Consolidating Statement of Activities

Year Ended December 31, 2022

	National Community Investment Fund	NCIF Management, Inc.	NCIF Capital, LLC	NCIF Credit Strategies Fund LLC	NCIF NFP, Inc.	Eliminating Entries	Total
Changes in Net Assets without Donor Restrictions							
Revenue, gains (losses), and other support:							
New Markets Tax Credit fees	$ 1,831,168	$ -	$ -	$ -	$ -	$ -	$ 1,831,168
Management fees	-	2,528,694	-	-	-	(2,528,694)	-
Grants and contributions	2,000	-	-	-	-	-	2,000
Net investment income	3,420	-	217	1,449,243	-	-	1,452,880
Interest income	205,150	-	-	986,608	5	-	1,191,763
Loss from subsidiaries	(5,783,926)	-	-	-	-	5,783,926	-
Other	160,452	-	-	-	-	970	161,422
Net assets released from restrictions	775,994	-	-	-	-	-	775,994
Total revenue, gains (losses), other support, and net assets released from restrictions	(2,805,742)	2,528,694	217	2,435,851	5	3,256,202	5,415,227
Expenses	2,549,105	2,528,694	1,193	1,123,636	-	(2,528,694)	3,673,934
(Decrease) Increase in Net Assets without Donor Restrictions - Before unrealized losses on investments	(5,354,847)	-	(976)	1,312,215	5	5,784,896	1,741,293
Unrealized Losses on Investments	(93,176)	-	-	(7,095,170)	-	-	(7,188,346)
Changes in Net Assets with Donor Restrictions							
Grants and contributions	701,530	-	-	-	-	-	701,530
Net assets released from restrictions	(775,994)	-	-	-	-	-	(775,994)
(Decrease) Increase in Net Assets	**$ (5,522,487)**	**$ -**	**$ (976)**	**$ (5,782,955)**	**$ 5**	**$ 5,784,896**	**$ (5,521,517)**

Consolidating Statement of Changes in Net Assets

Year Ended December 31, 2023
(with comparative totals for 2022)

	National Community Investment Fund	NCIF Management, Inc.	NCIF Capital, LLC	NCIF Credit Strategies Fund LLC	NCIF NFP, Inc.	Eliminating Entries	2023	2022
Without Donor Restrictions								
Balances - Beginning of year:								
Undesignated	$ 30,046,580	$ (2,082)	$ 25,948	$ 18,327,530	$ 5	$ (18,351,401)	$ 30,046,580	$ 35,493,633
Cumulative effect of change in accounting principle - Adoption of ASC No. 326	(99,180)	-	-	(31,567)	-	31,567	(99,180)	-
Changes in without donor restrictions - Undesignated	4,719,859	2,082	(744)	562,442	(19,936)	(543,844)	4,719,859	(5,447,053)
Balances - End of year	34,667,259	-	25,204	18,858,405	(19,931)	(18,863,678)	34,667,259	30,046,580
With donor restrictions								
Net assets with donor restrictions - Beginning of year	488,775	-	-	-	-	-	488,775	563,239
Changes in with donor restrictions	(38,775)	-	-	-	-	-	(38,775)	(74,464)
Balances - End of year	450,000	-	-	-	-	-	450,000	488,775
Net Assets - End of year	**$ 35,117,259**	**$ -**	**$ 25,204**	**$ 18,858,405**	**$ (19,931)**	**$(18,863,678)**	**$ 35,117,259**	**$ 30,535,355**