
National Community Investment Fund and Subsidiaries

**Consolidated Financial Report
with Supplemental Information
December 31, 2022**

National Community Investment Fund and Subsidiaries

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Independent Auditor's Report

To the Board of Trustees
National Community Investment Fund and Subsidiaries

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, 2022 and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year 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, 2022 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on Prior Year Consolidated Financial Statements

The consolidated financial statements of NCIF as of December 31, 2021 were audited by other auditors, who expressed an unmodified opinion on those statements on April 25, 2022.

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.

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

To the Board of Trustees
National Community Investment Fund and Subsidiaries

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Plante & Moran, PLLC

April 24, 2023

National Community Investment Fund and Subsidiaries

Consolidated Statement of Financial Position

	December 31, 2022 and 2021	
	2022	2021
Assets		
Cash and cash equivalents	\$ 10,894,053	\$ 9,320,561
Restricted cash (Note 3)	8,453,399	2,877,532
Investments (Note 4)	13,163,954	20,547,396
Other receivables	126,974	144,751
Prepaid expenses and other assets	67,963	68,803
Notes receivable - Net (Note 6)	25,141,327	17,074,160
Property and equipment - Net (Note 7)	39,023	43,959
	<u>\$ 57,886,693</u>	<u>\$ 50,077,162</u>
Total assets		
Liabilities and Net Assets		
Liabilities		
Deposits	\$ -	\$ 25,000
Accounts payable and accrued expenses	667,680	977,677
Notes payable - Net (Note 9)	26,683,658	13,017,613
	<u>27,351,338</u>	<u>14,020,290</u>
Total liabilities		
Net Assets		
Without donor restrictions	30,046,580	35,493,633
With donor restrictions (Note 8)	488,775	563,239
	<u>30,535,355</u>	<u>36,056,872</u>
Total net assets		
Total liabilities and net assets	<u>\$ 57,886,693</u>	<u>\$ 50,077,162</u>

National Community Investment Fund and Subsidiaries

Consolidated Statement of Activities and Changes in Net Assets

Years Ended December 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support						
New Markets Tax Credit fees	\$ 1,831,168	\$ -	\$ 1,831,168	\$ 1,626,941	\$ -	\$ 1,626,941
Grants and contributions	2,000	701,530	703,530	8,000	2,620,765	2,628,765
Interest income	1,191,763	-	1,191,763	848,984	-	848,984
Net investment income	1,452,880	-	1,452,880	4,107,444	-	4,107,444
Other	161,422	-	161,422	84,087	-	84,087
Net assets released from restrictions	775,994	(775,994)	-	3,122,188	(3,122,188)	-
Total revenue, gains, and other support	5,415,227	(74,464)	5,340,763	9,797,644	(501,423)	9,296,221
Expenses						
Program expenses	2,673,969	-	2,673,969	2,930,320	-	2,930,320
Support services:						
Management and general	892,546	-	892,546	1,286,871	-	1,286,871
Fundraising	107,419	-	107,419	88,993	-	88,993
Total expenses	3,673,934	-	3,673,934	4,306,184	-	4,306,184
Increase (Decrease) in Net Assets - Before unrealized (losses) gains on investments	1,741,293	(74,464)	1,666,829	5,491,460	(501,423)	4,990,037
Unrealized (Losses) Gains on Investments	(7,188,346)	-	(7,188,346)	7,288,877	-	7,288,877
(Decrease) Increase in Net Assets	(5,447,053)	(74,464)	(5,521,517)	12,780,337	(501,423)	12,278,914
Net Assets - Beginning of year	35,493,633	563,239	36,056,872	22,713,296	1,064,662	23,777,958
Net Assets - End of year	\$ 30,046,580	\$ 488,775	\$ 30,535,355	\$ 35,493,633	\$ 563,239	\$ 36,056,872

National Community Investment Fund and Subsidiaries

Consolidated Statement of Functional Expenses

Year Ended December 31, 2022

	Program Expenses			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
NCIF Cares - 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

National Community Investment Fund and Subsidiaries

Consolidated Statement of Functional Expenses

Year Ended December 31, 2021

	Program Expenses			Support Services		
	Fund Advisory and Investing	Grant Related and Special Projects	Total	Management and General	Fundraising	Total
Adjustment of allowance for loan losses	\$ -	\$ -	\$ -	\$ 101,414	\$ -	\$ 101,414
Depreciation and amortization	7,466	339	7,805	3,166	339	11,310
Insurance	38,662	1,757	40,419	16,402	1,757	58,578
Interest	487,245	-	487,245	-	-	487,245
Membership dues and fees	76,029	3,456	79,485	32,274	3,456	115,215
NCIF Cares - Grants	-	400,000	400,000	-	-	400,000
Occupancy	87,921	3,996	91,917	37,300	3,996	133,213
Office and administrative	53,504	2,432	55,936	22,700	2,432	81,068
Personnel	1,365,953	62,089	1,428,042	579,495	62,089	2,069,626
Professional services	147,968	127,270	275,238	376,804	12,131	664,173
Technology	40,991	1,863	42,854	17,390	1,863	62,107
Travel	20,449	930	21,379	8,676	930	30,985
Trustees' fees	-	-	-	91,250	-	91,250
Total functional expenses	\$ 2,326,188	\$ 604,132	\$ 2,930,320	\$ 1,286,871	\$ 88,993	\$ 4,306,184

National Community Investment Fund and Subsidiaries

Consolidated Statement of Cash Flows

Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
(Decrease) increase in net assets	\$ (5,521,517)	\$ 12,278,914
Adjustments to reconcile (decrease) increase in net assets to net cash and restricted cash from operating activities:		
Depreciation and amortization	11,629	11,310
Net realized and unrealized loss (gain) on investments	6,053,069	(11,055,682)
Changes in operating assets and liabilities that used cash:		
Other receivables	17,777	(45,598)
Prepaid expenses and other assets	840	(13,067)
Accounts payable	(309,997)	39,344
Deposits	(25,000)	(100,000)
Net cash provided by operating activities	226,801	1,115,221
Cash Flows from Investing Activities		
Net increase in notes receivable	(8,067,167)	(5,952,835)
Proceeds from sales of notes receivable	-	2,000,000
Purchases of investments	-	(1,250,700)
Proceeds from sales and maturities of investments	1,330,373	4,306,387
Distributions from investments	-	4,335
Purchases of property and equipment	(6,693)	-
Net cash used in investing activities	(6,743,487)	(892,813)
Cash Flows Provided by Financing Activities - Net increase in notes payable	13,666,045	377,819
Net Increase in Cash and Restricted Cash	7,149,359	600,227
Cash and Restricted Cash - Beginning of year	12,198,093	11,597,866
Cash and Restricted Cash - End of year	\$ 19,347,452	\$ 12,198,093
Statement of Financial Position Classification of Cash		
Cash and cash equivalents	\$ 10,894,053	\$ 9,320,561
Restricted cash	8,453,399	2,877,532
Total cash	\$ 19,347,452	\$ 12,198,093

National Community Investment Fund and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

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.

The NCIF Cares program was created in 2020 when National Community Investment Fund invited 10 partner Community Development Financial Institutions (CDFIs) and minority banks to identify small business customers that are integral to their local communities and needed support to sustain their respective businesses through the COVID-19 pandemic. Since program inception, National Community Investment Fund used over \$500,000 to pilot an unrestricted microgrant program as gap funding to these customers. Recipients include social entrepreneurs, retail businesses, community facilities, affordable housing organizations, arts nonprofits, and other small businesses across the country.

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, 2022 and 2021.

National Community Investment Fund and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 2 - Significant Accounting Policies (Continued)

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.

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, 2022 and 2021.

Cash Equivalents

NCIF considers all investments with an original maturity of three months or less when purchased 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, 2022 and 2021 was approximately \$13,223,000 and \$11,133,000, respectively. Management believes that NCIF is not exposed to any significant credit risk on cash.

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. Impairment losses due to a decline in the value of the investment that is other than temporary are recognized when incurred. 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 and changes in net assets.

December 31, 2022 and 2021

Note 2 - Significant Accounting Policies (Continued)

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.

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 pay-off are stated at the principal amount outstanding, net of unearned discount and loan origination fees, when applicable. 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.

Allowance for Loan Losses

The allowance for loan losses (the "allowance") is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance. NCIF experienced no charge-offs for the years ended December 31, 2022 and 2021.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectibility of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and prevailing economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available.

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. Loans considered to be impaired are reduced to the present value of expected future cash flows by allocating a portion of the allowance to such loans.

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.

December 31, 2022 and 2021

Note 2 - Significant Accounting Policies (Continued)

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.

Contract 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 under the contract, 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.

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, 2022 and 2021.

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 \$376 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.

Note 2 - Significant Accounting Policies (Continued)

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, 2022 and 2021, conditional promises to give total \$0 and \$701,530, respectively.

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, education and conferences, insurance, membership dues and fees, occupancy, office and administrative, technology, and travel expenses are allocated on the basis of estimates of time and effort. NCIF Cares - grants, 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.

Reclassification

Certain 2021 amounts have been reclassified to conform to the 2022 presentation. Specifically, 2021 net investment income of \$7,288,877 has been reclassified to unrealized investment gains on the consolidated statement of activities and changes in net assets.

Adoption of New Accounting Pronouncement

As of January 1, 2022, NCIF adopted FASB ASU No. 2016-02, *Leases*, which supersedes the lease requirements in ASC 840. NCIF adopted the ASU on a modified retrospective basis. The standard did not significantly impact the consolidated financial statements or require a restatement of prior year amounts, however, there could be a material impact in a future period.

National Community Investment Fund and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 2 - Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncement

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The ASU includes increased disclosures and various changes to the accounting and measurement of financial assets, including NCIF's loans. Each financial asset presented on the balance sheet would have a unique allowance for credit losses valuation account that is deducted from the amortized cost basis to present the net carrying value at the amount expected to be collected on the financial asset. The amendments in this ASU also eliminate the probable initial recognition threshold in current GAAP and, instead, reflect an entity's current estimate of all expected credit losses using reasonable and supportable forecasts. The new credit loss guidance will be effective for NCIF's year ending December 31, 2023. Upon adoption, the ASU will be applied using a modified retrospective transition method to the beginning of the first reporting period in which the guidance is effective. Early adoption for all institutions is permitted for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. NCIF is still quantifying the impact of the new standard.

Subsequent Events

The consolidated financial statements and related disclosures include evaluation of events up through and including April 24, 2023, 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:

	2022	2021
Debt service reserve	\$ 528,559	\$ 242,856
Investment and loan purchases	7,924,840	2,634,676
Total restricted cash	<u>\$ 8,453,399</u>	<u>\$ 2,877,532</u>

Note 4 - Investments

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

	2022	2021
Marketable equity securities	\$ 5,607,828	\$ 12,796,174
Nonmarketable equity securities	7,539,708	7,735,101
Investment in limited liability companies	16,418	16,121
Total investments	<u>\$ 13,163,954</u>	<u>\$ 20,547,396</u>

NCIF recognized no impairment losses on nonmarketable equity securities during the years ended December 31, 2022 and 2021.

In April 2021, two MOFIs, one publicly traded and the other privately held, completed a merger. The post-merger surviving MOFI is publicly traded. A total of 258,500 shares of nonmarketable equity securities with a carrying value of \$1,236,286 converted to 3,522,321 shares of marketable equity securities in the merger.

One publicly traded MOFI represents approximately 98 percent of the fair value of marketable equity securities at December 31, 2022 and 2021.

National Community Investment Fund and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 4 - Investments (Continued)

The details of NCIF's investment (loss) income for the years ended December 31 are as follows:

	2022			
	Marketable Equity Securities	Nonmarketable Equity Securities	Investment in Limited Liability Companies	Total
Interest and dividends	\$ 301	\$ 317,085	\$ 217	\$ 317,603
Realized gains	-	1,135,277	-	1,135,277
Unrealized losses	(7,188,346)	-	-	(7,188,346)
Total	\$ (7,188,045)	\$ 1,452,362	\$ 217	\$ (5,735,466)

	2021			
	Marketable Equity Securities	Nonmarketable Equity Securities	Investment in Limited Liability Companies	Total
Interest and dividends	\$ 275	\$ 339,533	\$ 831	\$ 340,639
Realized gains	3,586,991	179,814	-	3,766,805
Unrealized gains	7,288,877	-	-	7,288,877
Total	\$ 10,876,143	\$ 519,347	\$ 831	\$ 11,396,321

Investment in Limited Liability Companies

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. At December 31, 2021, NCIF has a 0.01 percent ownership interest in NCIF New Markets Capital Funds XIX-XXXVIII CDE, LLCs and New Markets Capital Funds 39 - 46 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:

	2022	2021
Assets	\$ 160,308,728	\$ 156,980,714
Liabilities	(256,120)	(342,436)
Members' equity	\$ 160,052,608	\$ 156,638,278

	2022	2021
Revenue	\$ 3,820,161	\$ 3,682,752
Expenses	(1,639,407)	(1,644,139)
Net income	\$ 2,180,754	\$ 2,038,613

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.

National Community Investment Fund and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 5 - Fair Value Measurements (Continued)

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, 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

Assets Measured at Fair Value on a Recurring Basis at
December 31, 2021

	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, 2021
Marketable equity securities	\$ 12,796,174	\$ -	\$ -	\$ 12,796,174

Note 6 - Notes Receivable

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.

National Community Investment Fund and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 6 - Notes Receivable (Continued)

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

	2022	2021
Senior:		
Fixed interest rates ranging from 4.00 percent to 7.75 percent Interest at the prime rate plus 2 percent (9.50 percent and 5.25 percent at December 31, 2022 and 2021, respectively)	\$ 20,404,882	\$ 11,163,899
Fixed interest rate of 6.50 percent, prepayment penalty	2,000,000	2,000,000
Subordinated:		
Fixed interest rate of 9.0 percent	-	1,000,000
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	25,685,842	17,463,899
Less allowance for loan losses	544,515	389,739
Total notes receivable - Net	<u>\$ 25,141,327</u>	<u>\$ 17,074,160</u>

NCIF's activity in the allowance for loan losses for the years ended December 31, 2022 and 2021 is summarized below:

	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	<u>\$ 484,515</u>	<u>\$ 60,000</u>	<u>\$ 544,515</u>
	Year Ended December 31, 2021		
	Senior	Subordinated	Total
Beginning balance	\$ 198,325	\$ 90,000	\$ 288,325
Provision	101,414	-	101,414
Ending balance	<u>\$ 299,739</u>	<u>\$ 90,000</u>	<u>\$ 389,739</u>

At December 31, 2022 and 2021, 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:

	2022	2021	Depreciable Life
Furniture and equipment	\$ 71,333	\$ 64,639	7 years Shorter of life of lease or 15 years
Leasehold improvements	10,894	10,894	
Total cost	82,227	75,533	
Accumulated depreciation	43,204	31,574	
Net property and equipment	<u>\$ 39,023</u>	<u>\$ 43,959</u>	

National Community Investment Fund and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 8 - Net Assets

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

	2022	2021
Subject to expenditures for a specified purpose - Expanding Black Business	\$ 475,000	\$ 500,000
Subject to the passage of time - Unamortized discount on below-market interest rate loan	13,775	63,239
Total	<u>\$ 488,775</u>	<u>\$ 563,239</u>

NCIF received and disbursed \$701,530 and \$2,620,765 of CDFI Fund grant funding in 2022 and 2021, respectively. In 2021, \$1,826,265 of this was from the CDFI Rapid Response Program, disbursed for a development project to bolster economic activity and job creation in minority and underserved communities that exhibit high poverty and violence rates in the DC area.

Note 9 - Notes Payable

Notes payable as of December 31, 2022 and 2021 are as follows:

	2022	2021
Note payable (A)	\$ 562,500	\$ 1,312,500
Senior notes payable (B)	19,644,402	10,099,781
Subordinated notes payable (B)	6,559,884	1,696,902
Less unamortized loan fees	(69,353)	(28,331)
Less unamortized discount	(13,775)	(63,239)
Total notes payable - Net	<u>\$ 26,683,658</u>	<u>\$ 13,017,613</u>

(A) Interest-free note payable to Bank of America Community Development Corporation, due 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, 2022 and 2021, the remaining loan commitment is \$2,584,287 and \$2,273,233, respectively. Loan proceeds are used to purchase notes receivable. Loans must be requested by NCIF during the availability period ending 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:

- 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.

National Community Investment Fund and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 9 - Notes Payable (Continued)

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

	2022	2021
Recognized at a point in time - Sponsor fees	\$ 1,025,000	\$ 807,500
Recognized over time - Asset management fees	806,168	819,441
Total New Markets Tax Credit fees	<u>\$ 1,831,168</u>	<u>\$ 1,626,941</u>

There were no contract assets or contract liabilities as of December 31, 2022; December 31, 2021; or January 1, 2021.

Note 11 - Liquidity and Availability of Resources

NCIF has cash of \$10,894,053 and \$9,320,561 at December 31, 2022 and 2021, respectively. Cash is available for general expenditure except for amounts of \$475,000 and \$500,000 subject to donor restrictions that make them unavailable for general expenditure within one year at December 31, 2022 and 2021, 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.

Notes to Consolidated Financial Statements

December 31, 2022 and 2021

Note 11 - Liquidity and Availability of Resources (Continued)

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.

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 year ended December 31, 2022 and have issued our report thereon dated April 24, 2023, which contained an unmodified opinion on those consolidated financial statements. The consolidated financial statements of NCIF as of December 31, 2021 were audited by other auditors, who expressed an unmodified opinion on those statements on April 25, 2022. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and consolidating statement 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 audit 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 24, 2023

National Community Investment Fund and Subsidiaries

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	18,352,371	-	-	-	-	(18,352,371)	-
Notes receivable - Net	2,605,919	-	-	22,535,408	-	-	25,141,327
Property and equipment - Net	-	39,023	-	-	-	-	39,023
Total assets	\$ 32,574,260	\$ 427,896	\$ 25,948	\$ 44,592,911	\$ 3,005	\$ (19,737,327)	\$ 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	30,047,550	(2,082)	25,948	18,327,530	5	(18,352,371)	30,046,580
With donor restrictions	488,775	-	-	-	-	-	488,775
Total net assets (deficiency in net assets)	30,536,325	(2,082)	25,948	18,327,530	5	(18,352,371)	30,535,355
Total liabilities and net assets (deficiency in net assets)	\$ 32,574,260	\$ 427,896	\$ 25,948	\$ 44,592,911	\$ 3,005	\$ (19,737,327)	\$ 57,886,693

National Community Investment Fund and Subsidiaries

Consolidating Statement of Financial Position

Year Ended December 31, 2021

	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	\$ 8,546,750	\$ 89,749	\$ 33,888	\$ 647,174	\$ 3,000	\$ -	\$ 9,320,561
Restricted cash	-	-	-	2,877,532	-	-	2,877,532
Investments	1,954,622	-	16,121	18,576,653	-	-	20,547,396
Other receivables	70,067	334,677	4	74,680	-	(334,677)	144,751
Prepaid expenses and other assets	28,283	40,520	-	-	-	-	68,803
Investments in subsidiaries	24,135,327	-	-	-	-	(24,135,327)	-
Notes receivable - Net	3,200,017	-	-	13,874,143	-	-	17,074,160
Property and equipment - Net	-	43,959	-	-	-	-	43,959
Total assets	\$ 37,935,066	\$ 508,905	\$ 50,013	\$ 36,050,182	\$ 3,000	\$ (24,470,004)	\$ 50,077,162
Liabilities and Net Assets (Deficiency in Net Assets)							
Liabilities							
Deposits	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Accounts payable and accrued expenses	603,933	510,987	23,089	171,345	3,000	(334,677)	977,677
Notes payable - Net	1,249,261	-	-	11,768,352	-	-	13,017,613
Total liabilities	1,878,194	510,987	23,089	11,939,697	3,000	(334,677)	14,020,290
Net Assets (Deficiency in Net Assets)							
Without donor restrictions	35,493,633	(2,082)	26,924	24,110,485	-	(24,135,327)	35,493,633
With donor restrictions	563,239	-	-	-	-	-	563,239
Total net assets (deficiency in net assets)	36,056,872	(2,082)	26,924	24,110,485	-	(24,135,327)	36,056,872
Total liabilities and net assets (deficiency in net assets)	\$ 37,935,066	\$ 508,905	\$ 50,013	\$ 36,050,182	\$ 3,000	\$ (24,470,004)	\$ 50,077,162

National Community Investment Fund and Subsidiaries

Consolidating Statement of Activities and Changes in Net Assets

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	161,422	-	-	-	-	-	161,422
Net assets released from restrictions	775,994	-	-	-	-	-	775,994
Total revenue, gains (losses), other support, and net assets released from restrictions	(2,804,772)	2,528,694	217	2,435,851	5	3,255,232	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	(5,353,877)	-	(976)	1,312,215	5	5,783,926	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	(5,521,517)	-	(976)	(5,782,955)	5	5,783,926	(5,521,517)
Net Assets (Deficiency in Net Assets) - Beginning of year	36,056,872	(2,082)	26,924	24,110,485	-	(24,135,327)	36,056,872
Net Assets (Deficiency in Net Assets) - End of year	\$ 30,535,355	\$ (2,082)	\$ 25,948	\$ 18,327,530	\$ 5	\$ (18,351,401)	\$ 30,535,355

National Community Investment Fund and Subsidiaries

Consolidating Statement of Activities and Changes in Net Assets

Year Ended December 31, 2021

	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	\$ 1,626,941	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,626,941
Management fees	-	2,818,284	-	-	-	(2,818,284)	-
Grants and contributions	8,000	-	-	-	-	-	8,000
Net investment income	3,549,768	-	831	556,845	-	-	4,107,444
Interest income	36,492	-	-	812,492	-	-	848,984
Income from subsidiaries	8,364,093	-	-	-	-	(8,364,093)	-
Other	69,087	-	-	15,000	-	-	84,087
Net assets released from restrictions	3,122,188	-	-	-	-	-	3,122,188
Total revenue, gains, other support, and net assets released from restrictions	16,776,569	2,818,284	831	1,384,337	-	(11,182,377)	9,797,644
Expenses	3,489,700	2,818,284	1,301	815,183	-	(2,818,284)	4,306,184
Increase (Decrease) in Net Assets without Donor Restrictions - Before unrealized (losses) gains on investments	13,286,869	-	(470)	569,154	-	(8,364,093)	5,491,460
Unrealized (Losses) Gains on Investments	(506,532)	-	-	7,795,409	-	-	7,288,877
Increase (Decrease) in Net Assets without Donor Restrictions	12,780,337	-	(470)	8,364,563	-	(8,364,093)	12,780,337
Changes in Net Assets with Donor Restrictions							
Grants and contributions	2,620,765	-	-	-	-	-	2,620,765
Net assets released from restrictions	(3,122,188)	-	-	-	-	-	(3,122,188)
Increase (Decrease) in Net Assets	12,278,914	-	(470)	8,364,563	-	(8,364,093)	12,278,914
Net Assets (Deficiency in Net Assets) - Beginning of year	23,777,958	(2,082)	27,394	15,745,922	-	(15,771,234)	23,777,958
Net Assets (Deficiency in Net Assets) - End of year	\$ 36,056,872	\$ (2,082)	\$ 26,924	\$ 24,110,485	\$ -	\$ (24,135,327)	\$ 36,056,872