

# **Reinvestment Fund, Inc. and Affiliates**

Consolidated Financial Report  
December 31, 2023

## Reinvestment Fund, Inc. and Affiliates

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## Independent Auditor's Report

To the Board of Directors  
Reinvestment Fund, Inc.

### *Opinion*

We have audited the consolidated financial statements of Reinvestment Fund Inc. and Affiliates, which comprise the consolidated statement of financial position as of December 31, 2023 and the related consolidated statements of activities and changes in net assets 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 Reinvestment Fund Inc. and Affiliates as of December 31, 2023, and the change in their net assets and their 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 Financial Statements section of our report. We are required to be independent of Reinvestment Fund Inc. and Affiliates, and to meet our other 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.

### *Responsibilities of Management for the 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 Reinvestment Fund Inc. and Affiliates' ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

### *Auditor's Responsibilities for the Audit of the 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.

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 Reinvestment Fund Inc. and Affiliates' 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 Reinvestment Fund Inc. and Affiliates' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

#### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating information is presented for purposes of additional analysis and is 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.



Baltimore, Maryland  
April 25, 2024

**Reinvestment Fund, Inc. and Affiliates****Consolidated Statement of Financial Position  
December 31, 2023**

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**Assets**

Cash and cash equivalents	\$ 58,579,973
Grants and contributions receivable	3,905,444
Investments in marketable securities	56,575,073
Loans receivable, less allowance for credit losses of \$14,017,790	489,071,835
Restricted cash and cash equivalents	44,226,204
Equity method and program investments	8,620,685
Equipment, leasehold improvements and software, net	806,045
Operating lease right-of-use assets	1,713,474
Other assets	9,356,035
<b>Total Assets</b>	<b>\$ 672,854,768</b>

**Liabilities and Net Assets**

## Liabilities

Accounts payable and accrued expenses	\$ 3,991,278
Escrow payable and due to third parties	3,169,772
Deferred revenue	3,675,393
Recoverable grants	8,353,491
Operating lease liabilities	2,454,186
Liability for unfunded commitments	1,590,780
Loans and bonds payable, net	371,680,219
Interest payable	1,767,446
<b>Total Liabilities</b>	<b>396,682,565</b>

## Commitments and Contingencies (Note 19)

## Net Assets

Without donor restrictions	139,359,321
Without donor restrictions - Contractually limited as to use	18,688,695
Non-controlling interest in consolidated subsidiary	(335,045)
Total Without Donor Restrictions	157,712,971
With donor restrictions	118,459,232
<b>Total Net Assets</b>	<b>276,172,203</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 672,854,768</b>

See Notes to Consolidated Financial Statements.

Reinvestment Fund, Inc. and Affiliates

**Consolidated Statement of Activities and Changes in Net Assets  
For the Year Ended December 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Financial Activity</b>			
Financial Income			
Interest from loans	\$ 30,851,307	\$ 461,562	\$ 31,312,869
Investment gains, net	4,051,917	1,748,801	5,800,718
Gains in program investments	814,167	-	814,167
Gains in equity method investments	101,088	-	101,088
Loan fees	427,658	-	427,658
Asset management fee	1,149,510	-	1,149,510
Forgiveness of debt	885,057	-	885,057
Total Financial Income	<u>38,280,704</u>	<u>2,210,363</u>	<u>40,491,067</u>
Financial Expense			
Interest expense	11,395,372	-	11,395,372
Provision for credit losses	438,854	-	438,854
Total Financial Expense	<u>11,834,226</u>	<u>-</u>	<u>11,834,226</u>
Net Financial Income	<u>26,446,478</u>	<u>2,210,363</u>	<u>28,656,841</u>
<b>Revenue and Support</b>			
Grants and contributions	19,400,288	18,876,180	38,276,468
Program services and fees	6,932,242	-	6,932,242
Other income	38,415	-	38,415
Net assets released from restrictions	10,888,222	(10,888,222)	-
Total Revenue and Support	<u>37,259,167</u>	<u>7,987,958</u>	<u>45,247,125</u>
<b>Program and General Expenses</b>			
Program - Lending	6,932,483	-	6,932,483
Program - Capacity Building & Capital Access	18,713,021	-	18,713,021
Program - Policy Solutions	2,522,218	-	2,522,218
Program - PolicyMap	5,691,777	-	5,691,777
Management and general	11,476,760	-	11,476,760
Total Program and General Expenses	<u>45,336,259</u>	<u>-</u>	<u>45,336,259</u>
<b>Change in net assets, before issuance of stock and option awards and impact of ASC 326 adoption</b>	18,369,386	10,198,321	28,567,707
<b>Issuance of stock and option awards (Note 14)</b>	629,401	-	629,401
<b>Impact of ASC 326 adoption (Note 1)</b>	<u>3,812,843</u>	<u>-</u>	<u>3,812,843</u>
<b>Change in net assets</b>	22,811,630	10,198,321	33,009,951
<b>Net assets, January 1, 2023</b>	<u>134,901,341</u>	<u>108,260,911</u>	<u>243,162,252</u>
<b>Net assets, December 31, 2023</b>	<u>\$ 157,712,971</u>	<u>\$ 118,459,232</u>	<u>\$ 276,172,203</u>

See Notes to Consolidated Financial Statements.

**Reinvestment Fund, Inc. and Affiliates**

**Consolidated Statement of Cash Flows  
For the Year Ended December 31, 2023**

**Cash Flows from Operating Activities**

Change in net assets, before issuance of stock and option awards and impact of ASC 326 Adoption	\$ 28,567,707
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Provision for credit losses	565,994
Stock dividend	(11,350)
Depreciation and amortization	340,519
Non-cash operating lease expense	464,415
Amortization of debt issuance costs	206,622
Stock compensation expense	59,001
Deferred origination fees, net	(133,485)
Investment gains in marketable securities, net	(1,879,423)
Investment gains in program investments, net	(814,167)
Non-cash grants and contributions	(244,947)
Investment gains in equity method investments, net	(101,088)
Returns on equity method investments	186,823
Forgiveness of debt	(885,057)
Increase in:	
Grants and contributions receivable	(577,386)
Other assets	(5,881,392)
Increase (decrease) in:	
Accounts payable and accrued expenses	609,272
Escrow payable and due to third parties	233,243
Deferred revenue	1,048,300
Operating lease liabilities	(666,832)
Interest payable	70,112
<b>Net cash provided by operating activities</b>	<u>21,156,881</u>

**Cash Flows from Investing Activities**

Purchases of marketable securities	(21,023,707)
Proceeds from sale of marketable securities	38,965,246
Purchases of program investments	(5,000,000)
Distributions from equity method investments	810,948
Cash disbursements on loans receivable	(163,051,286)
Cash receipts on loans receivable	130,926,584
Additions of equipment, leasehold improvements and software	(301,214)
<b>Net cash used in investing activities</b>	<u>(18,673,429)</u>

**Cash Flows from Financing Activities**

Proceeds from issuance of loans and bonds payable	56,843,200
Principal payments on loans and bonds payable	(30,464,835)
Cash paid for debt issuance costs	(62,733)
Proceeds from issuance of preferred stock	570,400
<b>Net cash provided by financing activities</b>	<u>26,886,032</u>

<b>Net increase in cash, cash equivalents, and restricted cash and cash equivalents</b>	<u>29,369,484</u>
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<b>Cash, cash equivalents, and restricted cash and cash equivalents, beginning</b>	<u>73,436,693</u>
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**Reinvestment Fund, Inc. and Affiliates**

**Consolidated Statement of Cash Flows  
For the Year Ended December 31, 2023**

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<b>Cash, cash equivalents, and restricted cash and cash equivalents, ending</b>	<u>\$ 102,806,177</u>
Cash and cash equivalents	\$ 58,579,973
Restricted cash and cash equivalents	<u>44,226,204</u>
Cash, cash equivalents, and restricted cash and cash equivalents	<u>\$ 102,806,177</u>
 <b>Supplemental Disclosures of Cash Flow Information:</b>	
Cash paid for interest	<u>\$ 10,337,045</u>
 Lease Liability	<u>\$ 977,431</u>
 Impact of ASC 326 Adoption (Note 1)	<u>\$ 3,812,843</u>
 <b>Supplemental Schedules of Non-Cash Investing and Financing Activities:</b>	
Conversion of interest and fees receivable into loans receivable	<u>\$ 7,593,794</u>
 Conversion of interest payable into loans payable	<u>\$ 197,919</u>

*See Notes to Consolidated Financial Statements.*



## Reinvestment Fund, Inc. and Affiliates

### Notes to Consolidated Financial Statements December 31, 2023

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#### Note 1. Description of Activities and Significant Accounting Policies

##### Description of Organization and Activities:

Founded in 1985, Reinvestment Fund, Inc. (“Reinvestment Fund”) is a national mission-driven financial institution that creates opportunity for underserved people and places through partnerships. It marshals the capital, analytics, and expertise necessary to build strong, healthy, and more equitable communities. Reinvestment Fund is a Community Development Financial Institution (“CDFI”), as certified by the U.S. Department of the Treasury’s Community Development Financial Institutions Fund (“CDFI Fund”). CDFI certification is the U.S. Department of the Treasury’s recognition of specialized financial institutions serving low-income communities. Reinvestment Fund and Affiliates, listed below, (collectively the “Organization”) are affiliated organizations, related by common Board members and management, operating as a unified organization with focused vision, strategy, and management systems. The Organization’s principal sources of revenue and support are interest income, loan fees and asset management fees earned from its investing and lending activities, grants and contributions, and program services and fees.

A description of each affiliated entity and its operations is summarized below:

Reinvestment Fund, Inc.: Reinvestment Fund is a Pennsylvania not-for-profit entity exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (“IRC”). Reinvestment Fund integrates data, policy and strategic investments to improve the quality of life in low-income neighborhoods. Using analytical and financial tools, it brings high-quality grocery stores, affordable housing, schools and health centers to the communities that need better access-creating anchors that attract investment over the long term and help families lead healthier, more productive lives. Reinvestment Fund serves communities across the country.

PolicyMap: PolicyMap, Inc. (“PolicyMap”), a Pennsylvania Benefit Corporation, provides easy-to-use online mapping with data on demographics, real estate, health, jobs and more in communities across the United States of America (U.S.). Reinvestment Fund owns a 10,000 common stock shares, 2,000 Series A preferred stock shares, and 1,304 Series A2 preferred stock shares of PolicyMap, making Reinvestment Fund the majority owner.

During 2022, the PolicyMap Board approved a \$3,000,350 capital raise of 2,609 Series A2 preferred shares, which concluded in December 2023. Reinvestment Fund has purchased \$1,499,600 and third party investors purchased \$1,500,750 of Series A2 shares as of December 31, 2023.

TRF Enterprise Fund, Inc.: TRF Enterprise Fund, Inc. (“EFI”) is a Pennsylvania for-profit non-stock business corporation exempt from income taxes under Section 501(c)(3) of the IRC and is wholly owned by Reinvestment Fund. EFI is incorporated to enable it to achieve its charitable purpose of being a Small Business Administration (“SBA”) Non-Bank Participating Lender. EFI provides urban-based entrepreneurs access to credit that they currently do not have, to increase services and job opportunities in underserved communities and to provide ownership and wealth creation opportunities, especially to minority and female entrepreneurs. In accordance with federal law, EFI is regulated by the Pennsylvania Department of Banking and Securities and is licensed to do business under the Consumer Discount Company Act.

TRF NMTC Fund, LLC: TRF NMTC Fund, LLC (“NMTC”) is a Delaware limited liability company, wholly owned by Reinvestment Fund. NMTC was formed as a result of Reinvestment Fund receiving an allocation of New Markets Tax Credits from the U.S. Department of the Treasury that obtains equity investments from investors and makes investments in Qualified Active Low-Income Community Businesses as defined in the operating agreement.

RF Clean Energy Fund I, LLC: RF Clean Energy Fund I, LLC (“CEF”) was formed on January 9, 2018, under the laws of the Commonwealth of Pennsylvania. CEF was organized to invest in various projects and assets related to energy efficiency and the generation of low-carbon emission energy. Reinvestment Fund is the sole member of CEF.

TRF Education Funding, LLC: TRF Education Funding, LLC (“Education Funding”) is a Delaware limited liability company, wholly owned by Reinvestment Fund. Education Funding was formed to manage Reinvestment Fund’s investment in the Charter School Financing Partnership, LLC (“CSFP”). CSFP was formed to facilitate, encourage and assist in the financing of charter school facilities.

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

Description of Organization and Activities (Continued):

RF Impact Advisers, Inc.: RF Impact Advisers, Inc. ("RFIA") was incorporated on August 21, 2017, under the Pennsylvania Nonprofit Corporation Law of 1988, as amended, and was organized on a non-stock basis, exclusively for charitable purposes. RFIA was formed to provide certain advisory, management and consulting services to private funds and holds a registration with the Pennsylvania Department of Banking and Securities as an Investment Adviser. Reinvestment Fund is the sole member of RFIA.

Reinvestment I, LLC, Reinvestment III, LLC and Reinvestment IV, LLC: Reinvestment I, LLC ("Reinvest I"), Reinvestment III, LLC ("Reinvest III") and Reinvestment IV, LLC ("Reinvest IV") are Pennsylvania limited liability companies, each wholly owned by Reinvestment Fund. These entities were formed to acquire and manage distressed real estate acquired through foreclosure or deed in lieu of foreclosure and to prepare properties for sale. Reinvest I, Reinvest III and Reinvest IV are inactive.

The Organization has four major programs:

- 1) Lending: Encompasses the Organization's financing of housing, schools, healthy food access, healthcare facilities, childcare facilities, clean energy projects and other community assets that benefit low-wealth people and places and is the core lending function of the Organization.
- 2) Capacity Building & Capital Access: Uses grants and technical assistance to make access to capital more equitable for low-wealth individuals and communities, particularly in the areas of early childhood education, food and social determinants of health.
- 3) Policy Solutions: Conducts policy, data and social impact analyses that advance Reinvestment Fund's mission and effect system change, on behalf of Reinvestment Fund as well as public and philanthropic clients.
- 4) PolicyMap: Provides an on-line data analysis and mapping tool that provides broad access to data, reports and analytics useful for social investment strategies.

Basis of Presentation: The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Principles of Consolidation: Accounting guidance on reporting of related entities requires nonprofit organizations with a controlling and economic interest in other organizations to consolidate those other organizations. Accordingly, the consolidated financial statements include the accounts of PolicyMap, EFI, NMTC, CEF, Education Funding, RFIA, Reinvest I, Reinvest III and Reinvest IV. All significant intra-organization accounts and transactions have been eliminated in consolidation.

Various affiliated companies (Note 9) do not meet the criteria requiring consolidation and are therefore not included in the consolidated financial statements.

Use of Estimates: The preparation of consolidated financial statements 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 support and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents: The Organization considers all highly liquid instruments purchased with an original maturity date of three months or less to be cash equivalents.

Restricted Cash and Cash Equivalents: Restricted cash and cash equivalents include cash and cash equivalents held in escrow as stipulated by the underlying loan and grant agreements. Refer to Note 3 for details.

Investments in Marketable Securities: Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated statement of financial position. Accordingly, investments are recorded at fair value and are classified as Level 1, 2, or 3 (Note 21).

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

Valuation of Investments in Marketable Securities: The Organization determines the fair value of each investment at the consolidated statement of financial position date. The fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the reporting entity transacts and fair value measurements are separately disclosed by level within the fair value hierarchy.

Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the Organization's various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

The fair value guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions. In accordance with this guidance, the Organization groups its assets and liabilities carried at fair value in three levels as follows:

Level 1 Inputs:

- 1) Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 Inputs:

- 1) Quoted prices for similar assets or liabilities in active markets.
- 2) Quoted prices for identical or similar assets or liabilities in markets that are not active.
- 3) Inputs other than quoted prices that are observable, either directly or indirectly, for the term of the asset or liability (e.g., interest rates, yield curves, credit risks, prepayment speeds or volatilities) or "market corroborated inputs".

Level 3 Inputs:

- 1) Prices or valuation techniques that require inputs that are both unobservable (i.e. supported by little or no market activity) and that are significant to the fair value of the assets or liabilities.
- 2) These assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Loans Receivable:

Loans: Loans receivable are stated at the principal amount outstanding, net of deferred loan fees and allowance for credit losses. Interest income on loans is accrued on the principal outstanding at the loans' stated interest rate unless the loan is in default, then the default rate may apply. Loan origination fees, net of direct origination costs are deferred and amortized using the effective interest method over the respective lives of the related loans and are recorded as an adjustment to interest income from loans.

In conjunction with the adoption of ASC 326, the Organization made an accounting policy election not to measure an allowance for credit losses on accrued interest receivables for the loans collectively evaluated. For the loans individually evaluated, the Organization considers accrued interest receivables as a part of the amortized cost and measures an allowance for credit losses.

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

Non-performing Loans: The Organization considers a loan to be non-performing when the borrower is 90 days past due with their contractual payments. This can include loans with forbearance agreements and loans in which the borrower is in foreclosure.

The Organization places a loan on non-accrual status at the discretion of the Criticized Assets committee, based on the Organization's knowledge of deteriorating circumstances of a receivable. Accrued interest receivable is written off in reasonable amount of time once a loan is placed on nonaccrual status. Future payments from the borrower are recorded as recovery of principal until satisfied, then towards interest income recorded on a cash basis. Accrual of interest is discontinued and unpaid interest is adjusted against interest income.

For non-accrual loans under forbearance agreements, interest income is recognized on a cash basis based on the terms of the forbearance agreement. Loans may be returned to accrual status if the borrower makes timely contractual payments during a six (6) month performance period. Uncollected amounts are charged-off against the allowance for credit loss.

Allowance for Credit Losses ("ACL"): The ACL represents the estimated losses for financial assets accounted for on an amortized cost basis. In accordance with Accounting Standards Update ("ASU") 2016-13, *Financial Instruments-Credit Losses (Topic 326)*, expected losses are calculated using relevant information, from internal and external sources, about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. Historical credit loss experience provides the basis for the estimation of expected credit losses. Adjustments to historical loss information are made for differences in current risk characteristics such as differences in underwriting standards, portfolio mix, delinquency level, term as well as for changes in environment conditions, or other relevant factors. Management has utilized data from prior cycles, both the Organization's own internal data and peer institution data. Expected losses are estimated over the contractual term of the loans, adjusted for expected prepayments. The contractual term excludes expected extensions, renewals, and modifications. Loans are charged-off against the allowance when management believes the uncollectability of a loan balance is confirmed and recoveries are credited to the allowance when received. Expected recoveries amounts may not exceed the aggregate of amounts previously charged-off.

The ACL is measured on a collective basis when similar risk characteristics exist. Generally, collectively assessed loans are grouped by call code (segments). Segmenting loans by call code results in a loan categorization that contains similar types of collateral, purposes, and are usually structured with similar terms making each loan's risk profile very similar to the rest in that segment. Each of these segments then flows up into our areas of lending specialization segments; Education, Commercial Development, Housing, Food Access, Clean Energy, Social Programs, Health & Wellness, Early Learning, Arts & Culture, and Other.

The Organization has elected to use a loss rate method. Expected losses are calculated using a gross loss rate and recovery rate assumption. The Organization has elected to forecast the first four quarters of the credit loss estimate and revert on a straight-line basis, due to the uncertainty of the post pandemic recovery.

Loans that do not share risk characteristics are individually evaluated on a loan-by-loan basis with specific reserves, if any, recorded as appropriate. Specific reserves are determined based on two methods: discounted cash flow based upon the loan's contractual effective interest rate or at the fair value of the collateral, less costs to sell if the loan is collateral-dependent.

For collateral-dependent financial assets where the borrower is experiencing financial difficulty and the Organization expects repayment of the financial asset to be provided substantially through the operation or sale of the collateral, the ACL is measured based on the difference between the fair value of the collateral and the amortized cost basis of the asset as of the measurement date. When repayment is expected to be from the operation of the collateral, expected credit losses are calculated as the amount by which the amortized cost basis of the financial asset exceeds the present value of expected cash flows from the operation of the collateral. When repayment is expected to be from the sale of the collateral, expected credit losses are calculated as the amount by which the amortized cost basis of the financial asset exceeds the fair value of the underlying collateral less estimated cost to sell. The ACL may be zero if the fair value of the collateral at the measurement date exceeds the amortized cost basis of the financial asset. The Organization's estimate of the ACL reflects losses expected over the remaining contractual life of the assets.

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

Allowance for Unfunded Loan Commitments: ASU 2016-13 applies to off-balance sheet credit (“OBSC”) exposures such as unfunded loan commitments, letters of credit and other financial guarantees that are not unconditionally cancellable by the Organization. The Organization estimates expected credit losses over the contractual period in which the Organization is exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Organization. The ACL on OBSC exposures is adjusted as a provision for credit loss. The estimate includes consideration of the likelihood that funding will occur and an estimate of expected credit losses on commitments expected to be funded over its estimated life. Expected credit losses related to OBSC exposures are presented as a liability.

Equity Method and Program Investments: Equity method investments are accounted for using the equity method of accounting under which the Organization’s share of net income or loss is recognized in the consolidated statement of activities and changes in net assets and added or subtracted from the investment account, and distributions received are treated as a reduction of the investment account. The Organization records certain program investments at net asset value (“NAV”). Other program investments are recorded within the fair value hierarchy depending on the information available to value the investments. Fair value is determined in good faith by the management of the Organization by taking into consideration the cost of the securities, prices of recent significant placements of securities by the same issuer, subsequent developments concerning the companies to which the securities relate, any financial data and projections of such companies provided to management, and such other factors as management may deem relevant.

The Organization has elected to follow the nature of the distribution approach when classifying distributions received from equity method investments in the Organization’s consolidated statement of cash flows, whereby any distributions received is classified on the basis of the nature of the activity or activities of the investee that generated the distribution as either a return on investment (classified as a cash inflow from operating activities) or a return of investment (classified as a cash inflow from investing activities) when such information is available.

Equipment, Leasehold Improvements and Software: Equipment, leasehold improvements and software consists of furniture and equipment, leasehold improvements and software development costs that are stated at cost and depreciated using the straight-line method over the estimated lives of the related assets, which range from three to seven years. Leasehold improvements are stated at cost and depreciated using the straight-line method over the shorter of the useful life or expected lease term. Software development costs are stated at cost and amortized using the straight-line method over the estimated useful life. Application development costs incurred to develop internal use software are capitalized and amortized over the expected useful life of the software application. Activities that are considered application development include design of software configuration and interfaces, coding, installation of hardware, and testing. All other expenses incurred to develop internal use software are expensed as incurred. The Organization capitalizes fixed assets with a cost greater than \$10,000 and useful life greater than one year.

Cloud Computing Arrangements: Costs incurred to implement cloud computing service arrangements are initially deferred and recognized as other assets. Implementation costs are subsequently amortized over the expected term of the related cloud service. Such costs include costs to develop or obtain software for a cloud computing arrangement, coding and testing activities in the application development stage, external costs of services to configure the solution, and payroll and related compensation costs for employees associated with implementation based on actual rates. The carrying value of cloud computing implementation costs are tested for impairment when an event or circumstance indicates that the asset might be impaired. Changes in cloud computing arrangement implementation costs are classified within operating activities in the consolidated statement of cash flows.

Cloud computing implementation gross costs of \$1,401,036, at December 31, 2023, are included in other assets on the consolidated statement of financial position, all of which were placed into service in 2023. Accumulated amortization costs related to the cloud computing assets totaled \$206,113 during the year ended December 31, 2023. The remaining useful lives of the cloud computing implementation costs range from 4.25 to 6.92 years at December 31, 2023.

Other Assets: Other assets include amounts due from third parties, including accounts receivable and interest receivable; prepaid expenses; cloud computing costs; and investment in the Federal Home Loan Bank of Pittsburgh (the “FHLB”).

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

In 2014, Reinvestment Fund was granted membership to the FHLB. As a member of the FHLB, Reinvestment Fund is required to maintain an investment in capital stock of the FHLB. FHLB stock does not have a readily determinable value as ownership is restricted and there is no ready market for this stock. As a result, this investment is carried at cost and evaluated periodically by management for impairment. At December 31, 2023, the investment was \$215,700. Management reviews for impairment based on the ultimate recoverability of the cost basis of the FHLB stock. No impairment was noted as of December 31, 2023.

Deferred Revenue: Deferred revenue consists of advanced payments and billings in excess of revenue recognized. Amounts will be recognized when such services are provided.

Deferred Debt Issuance Costs: Debt issuance costs related to a recognized debt liability are presented on the consolidated statement of financial position as a direct reduction from the carrying amount of that debt liability and are amortized using the effective yield method over the term of the debt.

Non-Controlling Interest in Consolidated Subsidiary: Non-controlling interest represents the equity interest in PolicyMap, exclusive of any Reinvestment Fund interest.

Transfers of Financial Assets: Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Organization, (2) the transferee obtains the right, free of conditions that constrain it from taking advantage of the right, to pledge or exchange the transferred assets, and (3) the Organization does not maintain effective control over the transferred assets through an agreement that obligates the Organization to repurchase or redeem the assets before maturity or the ability to unilaterally cause the holder to return specific assets.

Net Assets: Net assets that are not subject to donor-imposed restrictions are reported as net assets without donor restrictions. Net assets with donor restrictions are net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenue:

Contributions: The Organization accounts for contributions depending on the existence or nature of any donor restrictions. Donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. Donor-restricted contributions whose restrictions are met as the contribution becomes unconditional are recorded as contributions without donor restrictions. When a restriction expires, net assets with donor restrictions are reported as net assets released from restrictions, and reclassified as increases to net assets without donor restrictions.

Contributions receivable, which represent unconditional promises to give, are recognized as revenue in the period awarded. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected over periods in excess of one year are recorded at the net present value of the estimated cash flows beyond one year using a risk-free rate of return appropriate for the expected term of the promise to give.

Conditional promises to give, which depend on the existence of both performance barriers and right of return language, are recorded as contribution revenue when the conditions on which they depend are substantially met.

Investment Income: Interest and dividend income on investment gains are recognized when earned. Any unrealized gains or losses are reported in the consolidated statement of activities and changes in net assets as a change in net assets without donor restrictions unless explicit donor intent or law restricts their use. Investment return is reported net of investment expenses.

Loan Fees: Loan fees consist of loan servicing fee revenue and ancillary fees, such as late fees and modification fees. Loan fee revenue is recognized as the services are provided.

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

The Organization recognizes certain types of revenue in accordance with Topic 606. The following types of revenue are included in asset management fees and program services and fees in the consolidated statement of activities and changes in net assets.

**Asset management fees:** Administrative services fees are earned for managing the operations of a Subsidiary Community Development Entity ("Sub-CDE") including reasonable efforts to cause the Sub-CDE to comply with all NMTC program requirements. The fee is generally calculated as a percentage of the aggregate capital contribution made by the limited partner of the Sub-CDE that has been designated a qualified equity investment. Revenue is recorded on the output method and is recognized monthly over the service period as the Sub-CDE simultaneously receives and consumes the benefits as the Organization performs the administrative services. Administrative services fees are paid quarterly during a seven-year program compliance period.

The Organization also earns asset management fees for monthly administrative services provided to three other entities. Revenue is recorded on the output method and recognized monthly over the service period as the entities simultaneously receive and consume the benefits provided by the Organization's performance as the Organization performs administrative services. Administrative services fees are paid quarterly for two of the entities and monthly for the third.

Sub-allocation fees are earned for transferring a portion of the Organization's NMTC allocation to a Sub-CDE. The fee is earned and paid on the date the transaction closes.

The success fee is an additional payment, made upon the end of the seven-year program compliance period, solely to the extent the NMTC tax credits have not been recaptured due to the actions or inactions of the Organization. Success fee revenue is not recorded until the end of the compliance period when the hurdle is met since there is variable consideration due to a probability of a significant reversal. Payment is due when the deal successfully unwinds with no recapture events.

**Program services and fees:** Professional services includes Policy Solutions' policy, data and social impact analyses conducted on behalf of public and philanthropic clients and PolicyMap's professional services provided to create branded mapping tools and customer-specific maps. For both types of professional services, revenue is billed on a time and materials basis. The Organization elected to utilize an output method to recognize revenue that is based on the amount to which the Organization has a right to invoice a customer for services performed to date, if that amount corresponds directly with the value provided to the customer for the related performance or its obligation completed to date. As such, the Organization recognized revenue in the amount to which it had the right to invoice customers. Payment is due within 30 days from the invoiced date.

Subscription services are comprised of subscription fees from customers accessing PolicyMap's cloud-based platform. Licenses, including data licenses and site licenses, allow customers to make PolicyMap's products available to everyone within their organization. Subscriptions and licenses include a right-to-access the software over a period of time, and revenue is recognized on a straight-line basis over the contract term. Payment is due within 45 days from the invoiced date.

**Income Taxes:** Reinvestment Fund and its affiliates, except for PolicyMap, are generally exempt from federal income taxes under the provisions of Sections 501(c)(3) and 501(c)(4) of the IRC. Reinvestment Fund qualifies for charitable contribution deductions and has been classified as an organization that is not a private foundation. Income which is not related to exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes. Reinvestment Fund and its affiliates did not have any significant unrelated business income tax for the year ended December 31, 2023.

PolicyMap is subject to federal and state income taxes.

Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of this guidance. Consequently, no accrual for interest and penalties was deemed necessary for the year ended December 31, 2023. The Organization files income tax returns in the U.S. federal and state jurisdictions. Generally, the Organization is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2020.

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

Functional Expense Allocation: The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and amortization, and office and occupancy related expenses, which are allocated on a full-time equivalent percentage per department, as well as certain salaries and benefits, which are allocated on the basis of estimates of time and effort.

Leases: Under Topic 842, the Organization determines if an arrangement is a lease at inception. Reinvestment Fund's leases consist of real property and are classified as operating leases. Reinvestment Fund does not have any finance leases nor material arrangements as a lessor. Right of Use ("ROU") assets and lease liabilities are recognized at the lease commencement date based upon the present value of the remaining lease payments over the lease term. Reinvestment Fund uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. Lease expense for lease payments is recognized on a straight-line basis over the term of the lease. Lease terms may include options to renew or extend when it is reasonably certain that the option will be exercised. Lease agreements that contain both lease and non-lease components are accounted for as a single component. Short-term leases with an initial term of twelve months or less are not recorded on the consolidated statement of financial position.

Recent Accounting Pronouncements Adopted:

On January 1, 2023, the Organization adopted ASU 2016-13 (and all subsequent ASUs on this topic, collectively, Accounting Standards Codification ("ASC") 326) which replaced the existing incurred loss impairment guidance with an expected credit loss methodology (referred to as CECL). CECL requires management's estimate of credit losses over the full remaining expected life of loans and other financial instruments. Upon adoption, the Organization applied the modified retrospective transition approach, and recorded a net increase of \$3,812,843 to the beginning balance of net assets as of January 1, 2023, for the cumulative effect adjustment, reflecting an initial decrease to the allowance for credit losses of \$7,555,288, and an increase to unfunded loan commitments of \$3,742,445. The initial adjustment to the allowance for credit losses is reflective of expected lifetime credit losses associated with the composition of financial assets within the scope of ASC 326 as of January 1, 2023, as well as management's current expectation of future economic conditions.

The following table summarizes the initial adjustment to the allowance for credit losses as of January 1, 2023:

\$ in thousands	Pre-ASC 326 Adoption	Impact of ASC 326 Adoption	As Reported Under ASC 326
<b>Assets</b>			
Allowance for credit losses on loans	\$ 20,939,477	\$ (7,555,288)	\$ 13,384,189
<b>Liabilities</b>			
Unfunded loan commitments	\$ -	\$ 3,742,445	\$ 3,742,445
<b>Net Assets</b>			
Without donor restrictions	\$ 243,162,252	\$ 3,812,843	\$246,975,095

**Note 2. Liquidity and Availability of Resources**

Reinvestment Fund regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to balance risk and returns to prioritize capital preservation. The below reflects Reinvestment Fund's financial assets as of the consolidated statement of financial position date, reduced by amounts that are not available for general use due to donor-imposed restrictions, and liquidity resources available within one year of the consolidated statement of financial position date.



Notes to Consolidated Financial Statements  
December 31, 2023

**Note 2. Liquidity and Availability of Resources (Continued)**

Financial assets at January 1,	\$ 118,129,898
Less those unavailable for general expenditure within one year, due to donor-imposed time or purpose restrictions	<u>(63,912,157)</u>
Total financial assets available within one year	54,217,741
Liquidity resource:	
Undrawn lines of credit without restriction	<u>43,007,930</u>
Total financial assets and liquidity resources available within one year	<u><u>\$ 97,225,671</u></u>

Financial assets include cash and cash equivalents, investments in marketable securities, and accounts receivable totaling \$2,974,852, as of December 31, 2023, and is included in other assets.

At December 31, 2023, total financial assets and liquidity resources available within one year are available to be used to fund general expenditures and lending activities. The above does not include loans receivable or liquidity resources available to fund loan originations as the Organization manages its portfolio of loans receivable to match debt maturities.

**Note 3. Restricted Cash and Cash Equivalents**

Several grant and loan agreements require cash to be held in separate bank accounts. This cash is restricted in use and maintained in separate accounts which were as follows at December 31:

Sustainable Development Fund ("SDF") programs	\$ 14,024,878
EnergyWorks loan fund	6,253,705
CDFI-Bond Guarantee Program ("Bond Program")	5,394,540
Philadelphia Authority of Industrial Development - Gap financing	4,596,605
Fresh Food Financing Initiative ("FFFI")	3,755,515
Escrow payable	2,857,201
Baltimore Energy Efficiency	1,754,097
Greenworks energy loan fund	1,707,909
United States Department of Education ("US ED") funds for charter school lending programs	1,407,349
Pennsylvania Green Energy Loan Fund ("GELF")	847,918
Capital Magnet Fund	752,745
CEF Escrow payable	535,464
Pennsylvania State Energy Program ("SEP")	338,278
	<u><u>\$ 44,226,204</u></u>

Notes to Consolidated Financial Statements  
December 31, 2023

**Note 4. Investments in Marketable Securities**

Investments at December 31 consisted of the following:

Investments in marketable securities:	
U.S. Treasury Notes and Bills	\$ 37,195,933
Corporate debt securities	16,925,818
Debt and Mortgage-backed securities:	
Federal Home Loan Mortgage Company	1,244,507
Federal National Mortgage Association	1,208,815
	<u>\$ 56,575,073</u>

Included in the above are:

Investments in marketable securities restricted as to use:	
U.S. ED funds for charter school lending programs	\$ 22,932,195
GELF	2,324,145
	<u>\$ 25,256,340</u>

**Note 5. Grants and Contributions Receivable**

Grants and contributions receivable at December 31 consisted of the following:

Programs	
Capacity Building & Capital Access	\$ 3,395,444
Lending	250,000
Policy Solutions	260,000
	<u>\$ 3,905,444</u>

At December 31, 2023, grants and contributions receivable totaling \$3,805,444 was due within one year and \$100,000 was due within one to five years.

As of December 31, 2023, total conditional contributions receivable not recorded was approximately \$152,445,000. The conditional unrecorded receivables are dependent on incurring qualifying expenses or satisfactory progress.

**Note 6. Concentration of Credit Risk**

The Organization maintains cash in various financial institutions with insurance provided by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 at each financial institution and in short-term money market funds. At times during the year ended December 31, 2023, the Organization had cash balances in excess of the FDIC limits. The Organization has not experienced any loss in such accounts and believes it is not exposed to any significant credit risk. At December 31, 2023, total cash equivalents and restricted cash equivalents include short-term money market funds of approximately \$54,021,000, which are invested in a government money market fund, which invests in obligations issued or guaranteed by the U.S. Government or its agencies. All other cash equivalents represent short-term government holdings.

At December 31, 2023, at least 55% of the Organization's loans receivable due were used to fund projects within the mid-Atlantic region. Additionally, at December 31, 2023, the Organization's portfolio of education, commercial development, housing and food access loans constituted 27%, 22%, 21%, and 11%, of total loans outstanding.

During 2023, 58% of the Organization's total revenue and support is from three funders.

**Note 7. Loans Receivable**

Loans receivable at December 31 consisted of the following:

	<u>2023</u>
Education	\$ 137,381,081
Commercial Development	111,340,290
Housing	106,987,693
Food Access	54,690,847
Clean Energy	42,872,729
Social Programs	24,797,751
Health & Wellness	16,174,947
Early Learning	4,758,278
Arts & Culture	3,387,656
Other	<u>698,353</u>
	503,089,625
Allowance for credit losses	<u>(14,017,790)</u>
	<u>\$ 489,071,835</u>

The Organization segregates its portfolio in the following segments based on areas of lending specialization:

Education: Loans to organizations to purchase, build, improve, operate or provide operating space for accredited schools, including loans to fund public and private K-12 schools, colleges and universities.

Commercial Development: Loans for non-residential and mixed-use real estate, with an emphasis on borrowers that develop or operate property which meet the community's needs. Loans include all forms of financing used to purchase, build, improve, operate or provide operating space for small businesses, shops, restaurants, and various local services.

Housing: Loans that finance a diverse group of borrowers including nonprofit community-based organizations, nonprofit and for-profit developers, and special needs housing providers through predevelopment, acquisition, construction and term lending. Loans include forms of financing used to purchase, build, improve or operate single-family or multi-unit homes in neighborhoods where quality affordable housing is in short supply.

Food Access: Loans for healthy food retail, supermarkets, food banks or grocery stores in underserved areas. Loans include all forms of financing used to purchase, build, improve, equip, stock, otherwise operate or provide the operating space for a business directly involved in the production, preparation, wholesale distribution or retail sale of grocery foods.

Clean Energy: Loans for financing Power Purchase and Energy Saving Contracts, as well as direct financing of energy efficiency renovation and construction projects.

Social Programs: Loans to mission-driven organizations to provide public services to low income communities. This includes organizations with a stated public service mission such as, religious and civic organizations, social service and training organizations.

Health & Wellness: Loans to support community health centers or programs that serve medically underserved areas or populations. Loans include all forms of financing used to purchase, build or improve medical facilities or otherwise operate a business dedicated to health services staffed by medical professionals and/or paraprofessionals. This includes financing for public and private primary and advanced care facilities, behavioral and mental health care facilities, addiction and recovery services, medical equipment and wellness services including nutrition.

Notes to Consolidated Financial Statements  
December 31, 2023

Early Learning: Loans to organizations to purchase, build, improve, operate or provide operating space for infant care and preschool programming.

**Note 7. Loans Receivable (Continued)**

Arts & Culture: Loans to purchase, build, improve, operate or provide operating space for businesses in the creative economy including arts and cultural organizations, theaters, museums and libraries.

Other: Loans to support community impact not specifically identified above.

The primary risk in each portfolio above is repayment risk related to operational risk and collateral risk.

Outstanding loans have annual interest rates ranging from 0% to 13.20%. Loans receivable have various maturities through 2047.

Net deferred loan fees of \$191,959 have been included in the carrying value of loans receivable as of December 31, 2023.

The following table presents the aging of past due loans as of December 31:

	2023						
	Past Due and Accruing			Non-Accrual Loans (Current and Past Due)	Total Past Due and Non- Accrual Loans	Current Loans	Total Loans
	Loans 31-90 Days Past Due	Loans 91+ Days Past Due					
(in 000's)							
Education	\$ -	\$ -	\$ -	\$ -	\$ 137,381	\$ 137,381	
Commercial Development	2,290	-	4,319	6,609	104,731	111,340	
Housing	5,385	-	842	6,227	100,761	106,988	
Food Access	-	-	-	-	54,691	54,691	
Clean Energy	-	-	-	-	42,873	42,873	
Social Programs	-	-	347	347	24,451	24,798	
Health & Wellness	-	-	-	-	16,175	16,175	
Early Learning	-	-	-	-	4,758	4,758	
Arts & Culture	-	-	-	-	3,388	3,388	
Other	-	-	-	-	698	698	
<b>Total loans</b>	<b>\$ 7,675</b>	<b>\$ -</b>	<b>\$ 5,508</b>	<b>\$ 13,183</b>	<b>\$ 489,907</b>	<b>\$ 503,090</b>	

Loan Origination/Risk Management: The Organization has lending policies and procedures in place to generate loan income within an acceptable level of risk. Management reviews and approves these policies and procedures on a regular basis, and provides ongoing assessment and guidance to lenders regarding acceptable risk tolerances. A reporting system supplements the review process by providing management with periodic reports related to loan origination, asset quality, concentrations of credit, loan delinquencies and non-performing and emerging problem loans. Portfolio diversification is a means of managing risk with fluctuations in economic conditions.

Credit Quality Indicators: For commercial loans, management uses internally assigned risk ratings as the best indicator of credit quality. Each loan's internal risk rating is assigned at origination, reviewed at least annually and may be updated more frequently if the Organization becomes aware of the deteriorating credit quality of a loan. The Organization uses a loan grading system that follows the Organization's accepted definitions as follows:

- Risk ratings of "Risk grade - 1" are used for loans that have committed sources of repayment and are in strong financial condition. These loans also have strong collateral coverage, with loan to value ratios of <70%. They are performing and are expected to continue to meet all the terms and conditions set forth in the original loan documentation.
- Risk ratings of "Risk grade - 2" are used for loans in satisfactory financial condition which may have a few unmet terms from committed repayment sources. These loans also have adequate collateral coverage of <80%. Borrowers in this classification generally exhibit a low level of credit risk, as demonstrated by project operations, guarantor net worth and liquidity or borrower payment history.

Notes to Consolidated Financial Statements  
December 31, 2023

Note 7. Loans Receivable (Continued)

- Risk ratings of “Risk grade - 3” are used for loans in satisfactory but not yet stabilized financial condition and may require a higher degree of regular, careful attention. Early stage loans with this rating may be in higher risk phases of deployment and construction. Later stage borrowers with this rating may be exhibiting weaker balance sheets or inconsistent project cash flow coverage. Loans may have weaker collateral coverage, with loan to value ratios of >80% but <100%. Borrowers in this classification generally exhibit a higher level of credit risk in one or more areas, but do not expose the Organization to sufficient risk to warrant adverse classification.
- Risk ratings of “Risk grade - 4” are loans that do not presently expose the Organization to a significant degree of risk, but have identified weaknesses/deficiencies deserving management’s closer attention. If left uncorrected, these weaknesses may result in deterioration of the repayment prospects for the asset or in the Organization’s credit position at some future date. No loss of principal or interest is envisioned. Borrower is experiencing adverse operating trends, which potentially could impair their ability to service debt. This category may include credits with inadequate loan collateral, tight profitability upon completion of construction, and legal or management conflicts in the operating team.
- Risk ratings of “Risk grade - 5” are assigned to loans where a material deficiency has been identified and the repayment capacity of the obligor or the collateral security is no longer assumed sufficient to satisfy the borrower’s obligation to the Organization. Loans with this rating are characterized by the loss of a significant repayment source, borrower bankruptcy or other significant impairment to the project. Recovery from secondary sources and other workout measures are indicated at this rating.
- Risk ratings of “Risk grade - 6” are assigned to loans which have all the weaknesses inherent in those classified “Risk grade - 5” with the added characteristic that the weakness makes the collection or liquidation in full, on the basis of current existing facts, conditions, and values, improbable. The borrower’s recent performance indicates an inability to repay the debt and recovery from secondary sources is uncertain and may be pending loss is likely, but because of certain important and reasonably specific pending factors, a full write-off is deferred.

The table below details the Organization’s loans, as of December 31 by class according to their credit quality indicators discussed above.

(in 000's)	2023						Total
	Risk Grade 1	Risk Grade 2	Risk Grade 3	Risk Grade 4	Risk Grade 5	Risk Grade 6	
Education	\$ -	\$ 74,716	\$ 59,085	\$ 3,580	\$ -	\$ -	\$ 137,381
Commercial Development	-	7,320	87,177	15,141	1,702	-	111,340
Housing	101	59,351	42,711	4,671	154	-	106,988
Food Access	538	11,268	42,771	114	-	-	54,691
Clean Energy	-	14,966	27,907	-	-	-	42,873
Social Programs	-	500	23,951	-	347	-	24,798
Health & Wellness	-	7,522	8,653	-	-	-	16,175
Early Learning	-	4,096	645	17	-	-	4,758
Arts & Culture	-	-	3,388	-	-	-	3,388
Other	-	-	698	-	-	-	698
<b>Total loans</b>	<b>\$ 639</b>	<b>\$ 179,739</b>	<b>\$ 296,986</b>	<b>\$ 23,523</b>	<b>\$ 2,203</b>	<b>\$ -</b>	<b>\$ 503,090</b>

Loan Modifications: Loans modified to borrowers experiencing financial difficulties are included within the ACL. Modified loans are generally reviewed on a collective basis, unless loans are identified as a collaterally-dependent financial asset or do not aggregate with other similar loan segments.

Notes to Consolidated Financial Statements  
December 31, 2023

**Note 7. Loans Receivable (Continued)**

In some cases, Reinvestment Fund will modify a certain loan by providing multiple types of concessions. For loans included in the “combination” columns below, multiple types of modifications have been made on the same loan within the current reporting period. The combination is at least two of the following: a term extension, interest rate reduction, and/or deferred cash payment. The following table shows the amortized cost basis at the end of the reporting period of the loans modified to borrowers experiencing financial difficulty, disaggregated by segment and type of concession granted as of December 31, 2023:

(in 000's)	Amortized Cost Basis			Percentage to Each Loan Segment
	Other-Than-Insignificant Payment Delay	Combination - Other-Than-Insignificant Payment Delay and Interest Rate Reduction	Total	
Commercial Development	\$ -	\$ 3,739	\$ 3,739	3.4%
Clean Energy	-	8,799	8,799	20.5%
Early Learning	26	-	26	0.6%
<b>Total</b>	<b>\$ 26</b>	<b>\$ 12,538</b>	<b>\$ 12,564</b>	<b>2.5%</b>

The following table describes the financial effect of the modifications made to the borrowers experiencing financial difficulty:

Other-Than-Insignificant Payment Delay	
Loan Type	Financial Effect
Early Learning	Delayed and restructured principal payments by changing the maturity date from October 1, 2023 to October 1, 2024. The original term of the loan was 7 months.
Combination - Other-Than-Insignificant Payment Delay and Interest Rate Reduction	
Loan Type	Financial Effect
Commercial Development	Reduced interest rate from Secured Overnight Financing Rate ("SOFR") + 5.25% to SOFR + 3.25% with an 8% interest rate cap. Deferred interest payments until September 2024. Extended maturity date to September 2024.
Clean Energy	Deferred cash interest for 6 months. Following the deferral, added an interest rate ceiling of 8% cash interest and 5.2% payment-in-kind interest.

Reinvestment Fund, Inc. and Affiliates

Notes to Consolidated Financial Statements  
December 31, 2023

Note 7. Loans Receivable (Continued)

Reinvestment Fund closely monitors the performance of the loans that are modified to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. The following table depicts the performance of loans that have been modified in the last 12 months as of December 31, 2023:

(in 000's)	Payment Status (Amortized Cost Basis)		
	Current	31-90 Days Past Due	91+ Days Past Due
<b>Loan Type</b>			
Commercial Development	\$ 3,739	\$ -	\$ -
Clean Energy	8,799	-	-
Early Learning	26	-	-
<b>Total</b>	<b>\$ 12,564</b>	<b>\$ -</b>	<b>\$ -</b>

Note 8. Allowance for Credit Losses

The following table presents an analysis of the allowance for credit losses for the year ended December 31, 2023:

Loan Allowance											
(in 000's)	Education	Commercial Development	Housing	Food Access	Clean Energy	Social Programs	Health & Wellness	Early Learning	Arts & Culture	Other	Total
Beginning balance	\$ 5,183	\$ 5,077	\$ 2,521	\$ 2,622	\$ 2,372	\$ 1,487	\$ 1,140	\$ 251	\$ 262	\$ 24	\$ 20,939
Impact of ASC 326 Adoption	(1,944)	(2,602)	(758)	(1,471)	283	(425)	(426)	(96)	(157)	41	(7,555)
Provision (credit) for credit losses											
Without donor restrictions	956	(359)	1,185	424	(1,314)	1,116	(220)	885	(31)	(52)	2,590
Charge-offs - Loans	-	-	-	-	-	(1,200)	-	-	-	-	(1,200)
Forgiveness of loans	-	-	-	-	-	-	-	(884)	-	-	(884)
Recoveries	-	-	58	70	-	-	-	-	-	-	128
Provision (credit) and net charge-offs	956	(359)	1,243	494	(1,314)	(84)	(220)	1	(31)	(52)	634
Ending balance	\$ 4,195	\$ 2,116	\$ 3,006	\$ 1,645	\$ 1,341	\$ 978	\$ 494	\$ 156	\$ 74	\$ 13	\$ 14,018
Period-end amount allocated to:											
Loans individually evaluated	\$ -	\$ -	\$ 126	\$ -	\$ -	\$ -	\$ -	\$ 17	\$ -	\$ -	\$ 143
Loans collectively evaluated	4,195	2,116	2,880	1,645	1,341	978	494	139	74	13	13,875
	\$ 4,195	\$ 2,116	\$ 3,006	\$ 1,645	\$ 1,341	\$ 978	\$ 494	\$ 156	\$ 74	\$ 13	\$ 14,018
Loans, ending balance:											
Loans individually evaluated	\$ -	\$ 4,319	\$ 842	\$ -	\$ -	\$ 347	\$ -	\$ 17	\$ -	\$ -	\$ 5,525
Loans collectively evaluated	137,381	107,021	106,146	54,691	42,873	24,451	16,175	4,741	3,388	698	497,565
Total	\$ 137,381	\$ 111,340	\$ 106,988	\$ 54,691	\$ 42,873	\$ 24,798	\$ 16,175	\$ 4,758	\$ 3,388	\$ 698	\$ 503,090

Unfunded Commitments											
(in 000's)	Education	Commercial Development	Housing	Food Access	Clean Energy	Social Programs	Health & Wellness	Early Learning	Arts & Culture	Other	Total
Beginning balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Impact of ASC 326 Adoption	445	106	1,802	-	821	166	391	10	-	1	3,742
Provision (credit) for credit losses											
Without donor restrictions	(388)	175	(1,203)	87	(605)	(53)	(231)	67	-	-	(2,151)
Ending balance	\$ 57	\$ 281	\$ 599	\$ 87	\$ 216	\$ 113	\$ 160	\$ 77	\$ -	\$ 1	\$ 1,591

**Note 8. Allowance for Credit Losses (Continued)**

<b>Provision for Credit Losses</b>	
(in 000's)	Total
Provision for credit losses - loans	\$ 2,590
Credit for credit losses - unfunded commitments	(2,151)
Total provision for credit losses	<u>\$ 439</u>

Forgiveness of loans of \$884,057 is related to programmatic forgiveness of debt.

**Note 9. Equity Method and Program Investments**

Investments in limited partnerships and limited liability companies are accounted for under the equity method and program investments are recorded at estimated fair value and NAV. At December 31, these investments consisted of the following:

Equity Method Investments	
New Markets Tax Credit Program	<u>\$ 18,427</u>
Limited Partnerships and Limited Liability Companies	
RFIA Impact Accelerator Bridge Loan Fund I, LLC (a)	1,217,046
CDFI Coalition Revolving Fund, LLC (b)	812,122
Domestic Small Cap Pay For Success Fund I, LP (c)	267,931
Charter School Financing Partnership (d)	200,432
FSCLF Holding, LLC (e)	-
Octavia Hill Bel-Air Partners, LP (f)	-
Octavia Hill Chelton Partners, LP (g)	-
	<u>2,497,531</u>
Total equity method investments	<u>2,515,958</u>
Program Investments	
Spring Garden Capital Group, LLC (h)	5,000,000
The Community Development Trust, Inc. (i)	<u>1,104,727</u>
Total program investments	<u>6,104,727</u>
	<u>\$ 8,620,685</u>

**New Markets Tax Credit Program:** In prior years, Reinvestment Fund has received a New Markets Tax Credit Program ("Program") allocation. Pursuant to the requirements of the Program administered by the CDFI Fund, Reinvestment Fund formed a for-profit entity, TRF NMTC Fund, LLC. As of December 31, 2023, TRF NMTC Fund, LLC is the general partner of TRF NMTC Fund XL, L.P. through TRF NMTC Fund 64, L.P., (collectively the "NMTC Funds") with a 0.01% ownership interest in each entity. The Organization does not consolidate the NMTC Funds because the rights granted to the limited partners as defined in the partnership agreements overcome the presumption of control of the general partner.

Reinvestment Fund recorded an increase in equity earnings of \$210 for the year ended December 31, 2023, and received a return of capital of \$900 and dividends of \$209.



**Note 9. Equity Method and Program Investments (Continued)**

Equity Method Investments:

- (a) Bridge Loan Fund is a limited liability company formed to generate a range of positive social impacts, including units of affordable housing, annual patient visit capacity at community health centers, and expanded seat capacity at high quality pre-k through twelfth grade educational providers. RFIA is the managing member of Bridge Loan Fund; however due to substantive kick-out rights, RFIA does not control Bridge Loan Fund and therefore does not consolidate Bridge Loan Fund. Reinvestment Fund is one of four members with 25% ownership and contributed its full capital commitment of \$1,000,000 in February 2020. For the year ended December 31, 2023, Reinvestment Fund recorded equity gains of \$87,257. Reinvestment Fund did not receive a return of capital or dividends during the year ended December 31, 2023.
- (b) CDFI Coalition Revolving Fund, LLC (“CCRF”) is a limited liability company formed in 2019 to provide capital for acquisition, construction, and/or rehabilitation of affordable housing and community development projects in the state of Georgia. Reinvestment Fund is one of five equal members with 20% ownership. Under the operating agreement, any income or expense of CCRF is shared equally by the five members. For the year ended December 31, 2023, Reinvestment Fund recorded equity losses of \$817. Reinvestment Fund received return of capital totaling \$761,675 during the year ended December 31, 2023.
- (c) Domestic Small Cap Pay for Success Fund I, LP (“PFS”) is a limited partnership formed in 2017 to make, hold, manage, sell, exchange or otherwise deal in portfolio investments or transactions in social welfare policy areas. In 2017, Reinvestment Fund received 500 Class A Units for a commitment to contribute \$500,000 of capital and 500 Class B Units for a commitment to contribute \$500,000 of capital. Reinvestment Fund and RFIA have ownership interests in PFS of 9.5% and 0.1%. Reinvestment Fund recorded equity gains of \$6,726 for the year ended December 31, 2023. Reinvestment Fund received distributions totaling \$20,046 during the year ended December 31, 2023, which includes a return of capital of \$12,395 and dividends of \$7,651.
- (d) Charter School Financing Partnership (“CSFP”) is a limited liability company organized to facilitate the financing of charter schools by aggregating pools of loans, including those with external credit enhancements, which are then stratified by risk-return and maturity characteristics and sold to investors in the form of bonds. In February 2008, Reinvestment Fund purchased \$60,000 in Class “A” units, which represents a 20% voting interest in CSFP. Equity earnings or losses are allocated to Reinvestment Fund at 10%. Reinvestment Fund recorded an increase in equity earnings of \$7,712 for the year ended December 31, 2023. Reinvestment Fund did not receive a return of capital or dividends during the year ended December 31, 2023.
- (e) FSCLF Holding, LLC (“FSCLF”) is a limited liability company formed for the purpose of holding and selling the property transferred by the lead lender upon foreclosure of the S. Lowan Pitts Day Care Center loan in which Reinvestment Fund had a 50% participation. Accordingly, Reinvestment Fund owns a 50% non-managing member interest in FSCLF. Reinvestment Fund did not record any equity gains or losses for the year ended December 31, 2023. During 2023, FSCLF was liquidated, and Reinvestment Fund received a final distribution notice and payment of \$214,941, which includes a return of capital of \$35,978 and dividends of \$178,963.
- (f) Octavia Hill Bel-Air Partners, LP (“Bel-Air”) is a limited partnership formed for the purpose of purchasing and operating multifamily residential rental buildings. Reinvestment Fund’s non-controlling limited partnership interest in Bel-Air represents 76% of the total contributed capital in the partnership. Per the partnership agreement, the general partner is allocated the first \$125,000 of losses; thereafter, Reinvestment Fund will be allocated 80.25% of net income or 81.91% of losses. Reinvestment Fund recorded no equity earnings for the year ended December 31, 2023.

**Note 9. Equity Method and Program Investments (Continued)**

- (g) Octavia Hill Chelten Partners, LP (“Chelten”) is a limited partnership formed for the purpose of purchasing and operating a housing rental building. Reinvestment Fund’s non-controlling limited partnership interest in Chelten represents 76% of the total contributed capital in the partnership. Per the partnership agreement, the general partner is allocated the first \$75,000 of losses; thereafter, Reinvestment Fund will be allocated 80.25% of net income or 96.28% of losses. Reinvestment Fund recorded no equity earnings for the year ended December 31, 2023.

Program Investments:

- (h) Spring Garden Capital Group, LLC (“SGCG”) is a limited liability company specializing in financing, investment, and advisory services related to acquiring, rehabilitating, constructing, and refinancing investment real estate properties in the markets it serves. In March 2023, Reinvestment Fund purchased 40,000 Class A Units. The price per unit was \$125, for a total equity purchase of \$5,000,000.
- (i) The Community Development Trust, Inc. (“CDT”) is a self-managed real estate investment trust (“REIT”) for the purpose of to invest in affordable multifamily residential mortgage loans, a portion of which are simultaneously syndicated to institutional investors, and to acquire equity interest in affordable multifamily residential real estate assets. At December 31, 2023, Reinvestment Fund owned 29,056 of common “B” shares of The Community Development Trust, Inc. carried at \$1,104,727. Reinvestment Fund carries the common B shares at NAV per share, which is the method used by CDT. Pursuant to the terms of the CDT investment, Reinvestment Fund can only transfer the common B shares to CDT during an offer period extended by CDT.

**Note 10. Equipment, Leasehold Improvements and Software, Net**

Equipment, leasehold improvements and software, net at December 31, 2023 consisted of the following:

Office furniture, equipment and software	\$ 1,605,639
Leasehold improvements	1,559,202
Software development	5,610,318
Accumulated depreciation	<u>(7,969,114)</u>
	<u>\$ 806,045</u>

Depreciation and amortization expense of \$134,406, was recorded for the year ended December 31, 2023.

**Note 11. Loans and Bonds Payable**

Loans and bonds payable at December 31, 2023 consisted of the following:

Loans payable current portion	\$ 26,742,253
Loans payable long-term portion	<u>236,076,439</u>
Gross loans payable	<u>262,818,692</u>
Bonds payable current portion	29,335,000
Bonds payable long-term portion	<u>79,990,000</u>
Gross bonds payable	<u>109,325,000</u>
Gross loans and bonds payable	372,143,692
Deferred debt issuance costs	<u>(463,473)</u>
Net loans and bonds payable	<u>\$ 371,680,219</u>

Notes to Consolidated Financial Statements  
December 31, 2023

Note 11. Loans and Bonds Payable (Continued)

Loans payable

<u>Lender</u>	2023		
	<u>Maturity Date</u>	<u>Interest rate</u>	<u>Balance</u>
Government	2030 - 2045	1.08% - 3.41%	\$ 105,511,325
Financial institutions, partnerships, and corporations	2024 - 2035	1.00% - 7.25%	96,657,913
Foundations, religious, and civic organizations	2024 - 2037	0.00% - 4.50%	48,322,582
Individuals	2024 - 2045	0.00% - 4.50%	12,326,872
Gross loans payable			<u>\$ 262,818,692</u>

Bonds payable

<u>Issuance</u>	2023		
	<u>Maturity Date</u>	<u>Interest rate</u>	<u>Balance</u>
Impact Investment Bonds, Taxable Series 2017	2024 - 2025	3.37% - 3.51%	\$ 39,390,000
Impact Investment Bonds, Taxable Series 2018	2024 - 2028	3.60% - 3.93%	69,935,000
Gross bonds payable			<u>\$ 109,325,000</u>

The Organization had 795 issuances of debt at December 31, 2023. At December 31, 2023, the Organization had \$362,143,692 of fixed rate debt outstanding with the remainder being floating rate. At December 31, 2023, the Organization had \$105,511,325 of secured debt, and \$266,632,367 of unsecured debt.

At December 31, 2023, the Organization has certain debt agreements with note holders that have matured. Note holders are contacted at least 30 days prior to the maturity date, with an option to elect to receive payment or renew its investment at maturity. As of December 31, 2023, all note holders were notified and the Organization is awaiting a response.

Aggregate maturities for loans and bonds payable at December 31, 2023 are as follows:

2024	\$ 56,077,253
2025	52,410,974
2026	50,618,881
2027	64,605,901
2028	23,652,922
Thereafter	124,777,761
	<u>\$372,143,692</u>

**Note 11. Loans and Bonds Payable (Continued)**

Loans and bonds specified below represent certain debt instruments.

*Government debt includes amounts due to government agencies as follows:*

**Secured**

Reinvestment Fund was previously approved to receive \$130,000,000 through the CDFI Bond Guarantee Program ("Bond Program"). The Bond Program gives Reinvestment Fund access to long-term fixed rate capital for terms of up to 29.5 years. As of December 31, 2023, the Organization had committed all bond proceeds. As required by the Bond Program, Reinvestment Fund entered into a loan agreement with CRF QI, LLC which serves as Qualified Issuer. As a condition of the program, Reinvestment Fund must pledge collateral to draw down on the loan. Under the program, the bonds are purchased by The Federal Financing Bank and the U.S. Treasury guarantees repayment of those bonds. As of December 31, 2023, loans payable of approximately \$105,511,000, were secured by pledged loans receivable of approximately \$112,835,000, and restricted cash of approximately \$378,000.

*Corporations include amounts due to banks and other financial institutions as follows:*

Reinvestment Fund is a member of the FHLB and is able to pledge eligible loans receivable as collateral in order to have a revolving line of credit of 60% of the collateral value. As of December 31, 2023, there was no loans payable balance outstanding, secured by pledged loans receivable of approximately \$848,706.

**Bonds payable**

On April 27, 2017, Reinvestment Fund issued \$50,935,000 of Impact Investment Bonds, Taxable Series 2017 ("2017 Bonds") primarily to finance loans to organizations and businesses in pursuit of Reinvestment Fund's mission and refinance certain existing obligations. The 2017 Bonds were issued pursuant to a Trust Indenture dated April 1, 2017, by and between Reinvestment Fund and The Bank of New York Mellon Trust Company, N.A., as trustee. The 2017 Bonds are the general obligation of Reinvestment Fund and payable from all legally available revenues and assets of Reinvestment Fund. They are not secured by a lien on any revenue or assets.

The 2017 Bonds bear interest at a fixed rate which is payable semi-annually. The 2017 Bonds are issued in minimum denominations of \$5,000 and increments of \$1,000.

The 2017 Bonds are subject to optional redemption by Reinvestment Fund prior to maturity on any business day at a make-whole redemption price plus accrued interest to the redemption date.

The trust indenture contains certain covenants related to permitted liens, limits on the aggregate amount of secured indebtedness as a percentage of total assets, minimum asset to debt ratio requirements, and limitations related to the occurrence of additional indebtedness and guarantees.

On September 6, 2018, Reinvestment Fund issued \$75,735,000 of Impact Investment Bonds, Taxable Series 2018 ("2018 Bonds") primarily to finance loans to organizations and businesses in pursuit of Reinvestment Fund's mission and refinance certain existing obligations. The 2018 Bonds were issued pursuant to a Trust Indenture dated September 1, 2018, by and between Reinvestment Fund and The Bank of New York Mellon Trust Company, N.A., as trustee. The 2018 Bonds are the general obligation of Reinvestment Fund and payable from all legally available revenues and assets of Reinvestment Fund. They are not secured by a lien on any revenue or assets.

**Note 11. Loans and Bonds Payable (Continued)**

The 2018 Bonds bear interest at a fixed rate which is payable semi-annually. The 2018 Bonds are issued in minimum denominations of \$5,000 and increments of \$1,000.

The 2018 Bonds are subject to optional redemption by Reinvestment Fund prior to maturity on any business day at a make-whole redemption price plus accrued interest to the redemption date. The 2018 Bonds were issued with a series of maturing notes. The first of these notes was due on February 15, 2021, and the final matures on February 15, 2028.

The trust indenture contains certain covenants related to permitted liens, limits on the aggregate amount of secured indebtedness as a percentage of total assets, minimum asset to debt ratio requirements, and limitations related to the occurrence of additional indebtedness and guarantees.

***Undrawn Debt***

At December 31, 2023, total undrawn debt was approximately \$82,000,000 from various commercial banks and foundations, of which \$35,000,000, if drawn, would be subject to a floating interest rate. The \$82,000,000 undrawn debt consists of approximately \$39,000,000 of restricted debt and \$43,000,000 of general-use debt.

**Note 12. Recoverable Grants**

Recoverable grants consist of conditional grant funds received in advance of the conditions of the grant having been met. Recoverable grants are reclassified and recognized as revenue with donor restrictions once the conditions of the grant are satisfied.

Reinvestment Fund was awarded a grant from the City of Baltimore to create a Community Service Loan Program. Under the terms of the grant, funds are to be used to cover credit losses, re-granting and lending to eligible borrowers. In 2014, Reinvestment Fund was awarded \$5,000,000 for the Community Service Loan Program. Subsequently in 2018, the award was amended to increase the award to \$7,250,000. The balance of the recoverable grant was \$5,240,000 at December 31, 2023. Any funds not expended are due back to the grantor when the agreement expires on December 31, 2025.

Reinvestment Fund received \$3,111,600 for a five-year conditional grant to create and operate a revolving loan fund for early learning providers in Philadelphia. The balance of this recoverable grant was \$2,972,500 at December 31, 2023. At December 31, 2023, the agreement expired, however, Reinvestment Fund is currently in negotiations to extend the agreement.

At December 31, 2023, the balance of other recoverable grants was \$140,991. The consolidated statement of financial position reflects recoverable grants in the amount of \$8,353,491 as of December 31, 2023.

Notes to Consolidated Financial Statements  
December 31, 2023

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**Note 13. Net Assets**

Net assets without donor restrictions are those net assets for use in general operations (credit, financing, and general expenditures) and not subject to donor restrictions. At December 31, 2023, net assets without donor restrictions were \$157,712,971. At December 31, 2023, net assets without donor restrictions included \$18,688,695 of net assets contractually limited as to use by Sustainable Development Fund (“SDF”) (See Note 16). At December 31, 2023, net assets without donor restrictions also included \$(335,045) representing non-controlling interest which is the equity interests in Policy Map, exclusive of any Reinvestment Fund interests. (See Note 14).

Net assets with donor restrictions at December 31, 2023, consisted of the following:

Net Assets with Donor Restrictions	
Financing	
Revolving loan funds	\$ 54,677,743
Credit and financing net assets	46,919,849
	<u>101,597,592</u>
Programmatic net assets	
Capacity Building & Capital Access	14,790,504
Policy Solutions	611,653
Lending	1,459,483
	<u>16,861,640</u>
Total Net Assets with Donor Restrictions	<u>\$ 118,459,232</u>

At December 31, 2023, approximately \$260,000,000, of net assets were available for credit and financing, which represents funds available to disburse loans and to use as credit enhancements. Funds available for credit and financing includes net assets with donor restrictions included in revolving loan funds held in perpetuity, credit and financing net assets, and net assets without donor restrictions, less non-controlling interest.

**Note 14. PolicyMap Equity Compensation Plan**

During 2018, the PolicyMap Board approved the 2018 Equity Compensation Plan (the “Plan”). The Plan permits grants of share options and share awards to its employees for up to 3,000 shares of common stock. The Plan authorizes the use of incentive stock options, nonqualified stock options, and stock awards.

Total stock-compensation expense for 2023 was \$59,001. As of December 31, 2023, there was \$47,798 of unrecognized compensation cost related to unvested stock options. As of December 31, 2023, the remaining options and awards available to be issued under the Plan was 333.

**Note 15. Revenue Recognition**

**Disaggregation of Revenue**

The following table presents revenue disaggregated by performance obligation, required by ASC 606 as disclosed in Note 1. The revenue disaggregated below represents asset management fees and program services and fees.

<b>Asset Management Fee</b>	
Administrative services fees	\$ 1,124,510
Success fees	25,000
Total Asset Management Fee	<u>1,149,510</u>
<b>Program Services and Fees</b>	
Professional services - Policy Solutions	2,537,946
Professional services - PolicyMap	507,112
Subscription and licenses	3,887,184
Total Program Services and Fees	<u>6,932,242</u>
<b>Total</b>	<u><u>\$ 8,081,752</u></u>

<b>Timing of Revenue Recognition</b>	
Revenue recognized over time	\$ 8,056,752
Revenue recognized at a point in time	25,000
<b>Total</b>	<u><u>\$ 8,081,752</u></u>

**Contract Balances**

The timing of revenue recognition, billings and cash collections results in billed accounts receivable and customer advances and deposits (deferred revenue) on the consolidated statement of financial position. Accounts receivable includes amounts due from customers that are unconditional. Accounts receivable is included in other assets on the consolidated statement of financial position. Deferred revenue consists of advance payments and billings in excess of revenue recognized. The following table provides information about receivables and deferred revenue from contracts with customers:

	<u>2023</u>	<u>2022</u>
Accounts receivable, net	\$ 1,699,386	\$ 1,339,238
Deferred revenue	\$ (3,578,012)	\$ (2,627,093)

The difference in the opening and closing balances of accounts receivable, net and deferred revenue primarily results from the timing difference between the Organization's performance and the customer's payments. The Organization fulfills its obligations under a contract with a customer by transferring products and services in exchange for consideration from the customer.

**Transaction Price Allocated to the Remaining Performance Obligations**

95% of deferred revenue as of December 31, 2022, was recognized during the year ended December 31, 2023. The Organization expects to recognize approximately 84% over the next 12 months and the remaining balance thereafter. The Organization applied the practical expedient related to this disclosure and did not disclose performance obligations that have original expected durations of one year or less and performance obligations in which the Organization uses the right to invoice practical expedient.

Notes to Consolidated Financial Statements  
December 31, 2023

**Note 16. Sustainable Development Fund**

SDF is a separate fund of Reinvestment Fund. SDF is guided by the terms of two Pennsylvania Public Utility Commission (“PUC”) orders and subsequent PUC actions. SDF files an annual report with the PUC and participates in an annual meeting of the Pennsylvania Sustainable Energy Board. SDF loans are reviewed and approved by Reinvestment Fund’s loan committee. SDF elected a new nine-member board in late 2017 that provides oversight to SDF’s activities including input to, review and approval of annual program plans and budgets.

In connection with the creation of SDF, Reinvestment Fund agreed to comply with certain contractual restrictions on the use of its available net assets. As such, all net assets of SDF are considered contractually limited as to use. All SDF receipts, including contributions, principal repayments and interest earnings on loans made by SDF, earnings on equity and near equity investments, and interest earnings, are required to be maintained in SDF. SDF is authorized to make disbursements for loans, equity and near equity investments, grants and approved annual operating program expenses. SDF is also subject to certain annual reporting requirements.

During the year ended December 31, 2023, SDF received \$6,709,660 in additional contributions.

SDF expenses are included in Program-Lending and Community Investing on the consolidated statement of activities and changes in net assets. SDF did not incur any fundraising expenses.

**Note 17. Functional Classification of Expenses**

Functional expenses for the year ended December 31, 2023, consisted of the following:

	2023					Total Expenses
	Lending	Capacity Building & Capital Access	Policy Solutions	PolicyMap	Management & General	
Personnel	\$ 5,065,260	\$ 2,181,876	\$ 1,815,192	\$ 4,430,456	\$ 7,471,076	\$ 20,963,860
Occupancy	552,124	254,886	200,459	268,126	1,434,871	2,710,466
Professional Services	1,015,192	1,241,301	419,453	890,054	2,087,803	5,653,803
Grants	99,875	14,949,976	-	-	7,803	15,057,654
Other	200,032	84,982	87,114	103,141	475,207	950,476
Total Program and General Expenses	6,932,483	18,713,021	2,522,218	5,691,777	11,476,760	45,336,259
Interest Expense	11,395,372	-	-	-	-	11,395,372
Provision for credit losses	438,854	-	-	-	-	438,854
Total Expenses	\$ 18,766,709	\$ 18,713,021	\$ 2,522,218	\$ 5,691,777	\$ 11,476,760	\$ 57,170,485

**Note 18. Operating Leases**

Reinvestment Fund leases its offices and certain office equipment under non-cancelable operating leases, which have expiration dates between 2024 and 2031. The lease agreements often include escalating rent payments, renewal provisions and other provisions which require Reinvestment Fund to pay maintenance costs, property taxes and insurance. The lease agreements do not contain any material residual value guarantees or material restrictive covenants. As most of the Organization’s leases do not provide an implicit rate, the Organization used its incremental borrowing rate based on the information available at the lease commencement date to determine the present value of lease payments. As of December 31, 2023, Reinvestment Fund has no leases that have not yet commenced.



**Note 18. Operating Leases (Continued)**

During the year ended December 31, 2023, Reinvestment Fund entered into a lease agreement for office space in Atlanta, Georgia, which commenced in September 2023 (the "Atlanta lease"). The lease has an expiration date in April 2031. Additionally, Reinvestment Fund, through its affiliate PolicyMap entered into a lease agreement for office space in Philadelphia, Pennsylvania, which commenced in April 2023 (the "PolicyMap lease"). The lease has an expiration date in October 2028. The PolicyMap lease supersedes the original PolicyMap lease at 1315 Walnut Street, which was terminated during 2023.

<b>Assets</b>	
Operating lease ROU assets	\$ 1,713,474
Total leased assets	<u>\$ 1,713,474</u>
<b>Liabilities</b>	
Short-term operating lease liabilities	\$ 666,186
Long-term operating lease liabilities	1,788,000
Total lease liabilities	<u>\$ 2,454,186</u>
Weighted-average remaining lease term	4.2 years
Weighted-average discount rate	5.07%
The components of lease expense were as follows:	
Operating lease costs (a)	\$ 610,815
Variable lease costs (b)	115,356
Total lease cost	<u>\$ 726,171</u>

- (a) Operating lease costs are recognized on a straight-line basis over the lease term. Includes costs for short-term leases with an initial term of twelve months or less, which were not material.
- (b) Variable lease costs primarily included common area maintenance, utilities, property taxes and insurance, which were expensed as incurred.

As of December 31, 2023, maturities of lease liabilities under non-cancelable operating leases were as follows:

2024	\$ 777,781
2025	810,240
2026	457,121
2027	189,293
2028	183,842
Thereafter	319,583
Total lease payments	2,737,860
Less: imputed interest	(283,674)
Present value of lease liabilities	<u>\$ 2,454,186</u>

Notes to Consolidated Financial Statements  
December 31, 2023

**Note 19. Commitments and Contingencies**

Commitments:

At December 31, 2023, Reinvestment Fund had re-granting agreements with conditional funding outstanding of approximately \$4.7 million.

At December 31, 2023, the Organization had approximately \$81,190,000 of loans closed but not yet disbursed, with an associated allowance for unfunded loan commitments of \$1,590,780.

**Note 20. Retirement Plan**

The Organization offers all eligible employees the opportunity to participate in a 401(k) tax deferred plan whereby employees may elect to contribute through payroll deductions. These amounts are subject to statutory maximums. The plan provides a 100% match on the first 6% of employees' contributions. The Organization contributed \$978,322 for the year ended December 31, 2023.

**Note 21. Fair Value Measurements**

The Organization recorded certain assets, such as investments in marketable securities and program investments at fair value on an ongoing basis and reported at fair value at every reporting date. These are disclosed below under fair value on a recurring basis.

*Fair Value on a Recurring Basis*

Investment in marketable securities: The fair value of investment in marketable securities is the market value based on quoted market prices, when available (Level 1). If listed prices or quotes are not available, fair value is based upon quoted market prices for similar or identical assets or other observable inputs (Level 2); or fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the investment (Level 3).

Program investments: The fair value of program investments is determined in good faith by the management of the Organization by taking into consideration the exit price of the investment and other factors as management may deem relevant.

The following tables present the assets reported on the consolidated statement of financial position at their fair value as of December 31 by level.

	2023			
	Total	Level 1	Level 2	Level 3
Investments in marketable securities:				
U.S. Treasury Notes and Bills	\$ 37,195,933	\$ 37,195,933	\$ -	\$ -
Corporate debt securities	16,925,818	16,925,818	-	-
Debt and Mortgage-backed securities:				
Federal Home Loan Mortgage Company	1,244,507	-	1,244,507	-
Federal National Mortgage Association	1,208,815	-	1,208,815	-
Program investments:				
Spring Garden Capital Group	5,000,000	-	5,000,000	-
Total assets	<u>\$ 61,575,073</u>	<u>\$ 54,121,751</u>	<u>\$ 7,453,322</u>	<u>\$ -</u>

**Note 22. Subsequent Events**

The Organization's management has evaluated its subsequent events (events occurring after December 31, 2023) through April 25, 2024, which represents the date the consolidated financial statements were issued and concluded no events or transactions that require recognition or disclosure in the consolidated financial statements.

Reinvestment Fund, Inc. and Affiliates

Consolidating Statement of Financial Position  
December 31, 2023

	Reinvestment Fund	PolicyMap	EFI	NMTC	CEF	Education Funding	RFIA	Eliminations & Reclassifications	Total	SDF	Fund/SDF Eliminations	Total (excluding SDF)
<b>Assets</b>												
<b>Current Assets</b>												
Cash and cash equivalents	\$ 54,727,391	\$ 2,462,783	\$ 116,810	\$ 55,974	\$ 903,142	\$ 63,262	\$ 250,611	\$ -	\$ 58,579,973	\$ -	\$ -	\$ 58,579,973
Grants and contributions receivable	3,805,444	-	-	-	-	-	-	-	3,805,444	-	-	3,805,444
Investments in marketable securities	35,771,509	-	-	-	-	-	-	-	35,771,509	-	-	35,771,509
Accounts receivable - related parties	134,923	-	-	-	-	-	28,344	(163,267)	-	-	-	-
Loans receivable	142,674,520	-	-	-	611,527	-	-	-	143,286,047	2,692,919	-	140,593,128
Allowance for credit losses	(3,949,263)	-	-	-	(18,644)	-	-	-	(3,967,907)	(33,522)	-	(3,934,385)
Restricted cash and cash equivalents	43,690,740	-	-	-	535,464	-	-	-	44,226,204	14,024,878	-	30,201,326
Other	6,871,765	869,146	-	3	66,421	-	270,553	(21,406)	8,056,482	6,253	-	8,050,229
	<u>283,727,029</u>	<u>3,331,929</u>	<u>116,810</u>	<u>55,977</u>	<u>2,097,910</u>	<u>63,262</u>	<u>549,508</u>	<u>(184,673)</u>	<u>289,757,752</u>	<u>16,690,528</u>	<u>-</u>	<u>273,067,224</u>
<b>Noncurrent Assets</b>												
Grants and contributions receivable	100,000	-	-	-	-	-	-	-	100,000	-	-	100,000
Investments in marketable securities	20,803,564	-	-	-	-	-	-	-	20,803,564	-	-	20,803,564
Program investments	6,104,727	-	-	-	-	-	-	-	6,104,727	-	-	6,104,727
Loans receivable	356,430,746	-	-	-	4,357,832	-	-	(985,000)	359,803,578	2,023,878	-	357,779,700
Allowance for loan losses	(10,900,827)	-	-	-	(134,056)	-	-	985,000	(10,049,883)	(25,194)	-	(10,024,689)
Equity method and program investments	2,297,099	-	-	18,427	-	200,432	-	-	2,515,958	-	-	2,515,958
Equipment, leasehold improvements and software, net	806,045	-	-	-	-	-	-	-	806,045	-	-	806,045
Operating lease right-of-use assets	1,474,238	239,236	-	-	-	-	-	-	1,713,474	-	-	1,713,474
Investments in consolidated subsidiaries	4,945,868	-	-	-	-	-	-	(4,945,868)	-	-	-	-
Other	1,290,020	9,533	-	-	-	-	-	-	1,299,553	-	-	1,299,553
	<u>383,351,480</u>	<u>248,769</u>	<u>-</u>	<u>18,427</u>	<u>4,223,776</u>	<u>200,432</u>	<u>-</u>	<u>(4,945,868)</u>	<u>383,097,016</u>	<u>1,998,684</u>	<u>-</u>	<u>381,098,332</u>
<b>Total Assets</b>	<b>\$667,078,509</b>	<b>\$ 3,580,698</b>	<b>\$ 116,810</b>	<b>\$ 74,404</b>	<b>\$ 6,321,686</b>	<b>\$ 263,694</b>	<b>\$ 549,508</b>	<b>\$ (5,130,541)</b>	<b>\$672,854,768</b>	<b>\$ 18,689,212</b>	<b>\$ -</b>	<b>\$ 654,165,556</b>
<b>Liabilities and Net Assets</b>												
<b>Current Liabilities</b>												
Accounts payable and accrued expenses	\$ 3,236,945	\$ 735,094	\$ -	\$ -	\$ -	\$ -	\$ 19,239	\$ -	\$ 3,991,278	\$ -	\$ -	\$ 3,991,278
Escrow payable and due to third parties	3,096,373	37,935	-	-	35,464	-	-	-	3,169,772	-	-	3,169,772
Accounts payable - related parties	-	81,764	-	-	28,344	-	53,159	(163,267)	-	-	-	-
Deferred revenue	719,073	2,396,471	-	-	-	-	-	(21,406)	3,094,138	-	-	3,094,138
Recoverable grants	2,980,500	-	-	-	-	-	-	-	2,980,500	-	-	2,980,500
Operating lease liabilities, currrent portion	623,718	42,468	-	-	-	-	-	-	666,186	-	-	666,186
Liability for unfunded commitments	1,590,780	-	-	-	-	-	-	-	1,590,780	517	-	1,590,263
Loans and bonds payable, net, current portion	55,489,893	-	-	-	422,417	-	-	-	55,912,310	-	-	55,912,310
Interest payable	1,764,458	-	-	-	2,988	-	-	-	1,767,446	-	-	1,767,446
	<u>69,501,740</u>	<u>3,293,732</u>	<u>-</u>	<u>-</u>	<u>489,213</u>	<u>-</u>	<u>72,398</u>	<u>(184,673)</u>	<u>73,172,410</u>	<u>517</u>	<u>-</u>	<u>73,171,893</u>
<b>Noncurrent Liabilities</b>												
Deferred revenue, less current portion	-	581,255	-	-	-	-	-	-	581,255	-	-	581,255
Recoverable grants, less current portion	5,372,991	-	-	-	-	-	-	-	5,372,991	-	-	5,372,991
Operating lease liabilities, less current maturities	1,580,809	207,191	-	-	-	-	-	-	1,788,000	-	-	1,788,000
Loans and bonds payable, net, less current maturities	307,944,714	985,000	-	-	2,073,195	-	-	(985,000)	310,017,909	-	-	310,017,909
Loans payable, EQ2, less current maturities	5,750,000	-	-	-	-	-	-	-	5,750,000	-	-	5,750,000
	<u>320,648,514</u>	<u>1,773,446</u>	<u>-</u>	<u>-</u>	<u>2,073,195</u>	<u>-</u>	<u>-</u>	<u>(985,000)</u>	<u>323,510,155</u>	<u>-</u>	<u>-</u>	<u>323,510,155</u>
<b>Total Liabilities</b>	<b>390,150,254</b>	<b>5,067,178</b>	<b>-</b>	<b>-</b>	<b>2,562,408</b>	<b>-</b>	<b>72,398</b>	<b>(1,169,673)</b>	<b>396,682,565</b>	<b>517</b>	<b>-</b>	<b>396,682,048</b>
<b>Commitments and Contingencies</b>												
Paid in capital	-	6,508,347	650,000	(2,917,613)	2,500,000	60,100	-	(6,800,834)	-	-	-	-
Capital stock	-	153	-	-	-	-	-	(153)	-	-	-	-
Earnings/(Deficit)	-	(7,994,980)	(533,190)	2,992,017	1,259,278	203,594	477,110	3,596,171	-	-	-	-
<b>Net Assets</b>												
Without donor restrictions	139,780,328	-	-	-	-	-	-	(421,007)	139,359,321	-	-	139,359,321
Without donor restrictions - Contractually limited as to use	18,688,695	-	-	-	-	-	-	-	18,688,695	18,688,695	-	37,377,390
Non-controlling interest in consolidating subsidiaries	-	-	-	-	-	-	-	(335,045)	(335,045)	-	-	(335,045)
Total Without Donor Restrictions	<u>158,469,023</u>	<u>(1,486,480)</u>	<u>116,810</u>	<u>74,404</u>	<u>3,759,278</u>	<u>263,694</u>	<u>477,110</u>	<u>(3,960,868)</u>	<u>157,712,971</u>	<u>18,688,695</u>	<u>-</u>	<u>139,024,276</u>
With donor restrictions	<u>118,459,232</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,459,232</u>	<u>-</u>	<u>-</u>	<u>118,459,232</u>
<b>Total Net Assets</b>	<b>276,928,255</b>	<b>(1,486,480)</b>	<b>116,810</b>	<b>74,404</b>	<b>3,759,278</b>	<b>263,694</b>	<b>477,110</b>	<b>(3,960,868)</b>	<b>276,172,203</b>	<b>18,688,695</b>	<b>-</b>	<b>257,483,508</b>
<b>Total Liabilities and Net Assets</b>	<b>\$667,078,509</b>	<b>\$ 3,580,698</b>	<b>\$ 116,810</b>	<b>\$ 74,404</b>	<b>\$ 6,321,686</b>	<b>\$ 263,694</b>	<b>\$ 549,508</b>	<b>\$ (5,130,541)</b>	<b>\$672,854,768</b>	<b>\$ 18,689,212</b>	<b>\$ -</b>	<b>\$ 654,165,556</b>

See Independent Auditor's Report.

Reinvestment Fund, Inc. and Affiliates

Consolidating Statement of Activities and Changes in Net Assets  
For the Year Ended December 31, 2023

	Reinvestment Fund	PolicyMap	EFI	NMTC	CEF	Education Funding	RFIA	Eliminations & Reclassifications	Total	SDF	Fund/SDF Eliminations	Total (excluding SDF)
<b>Financial Activity</b>												
<b>Financial Income</b>												
Interest from loans	\$ 30,891,346	\$ -	\$ -	\$ -	\$ 421,523	\$ -	\$ -	\$ -	\$ 31,312,869	\$ 116,477	\$ -	\$ 31,196,392
Investment gains, net	5,704,878	95,840	-	-	-	-	-	-	5,800,718	22,163	-	5,778,555
Gains in program investment	814,167	-	-	-	-	-	-	-	814,167	-	-	814,167
Gains in equity method investments	93,167	-	-	209	-	7,712	-	-	101,088	-	-	101,088
Loan fees	422,217	-	-	-	5,441	-	-	-	427,658	-	-	427,658
Asset management fee	1,004,943	-	-	-	-	-	290,743	(146,176)	1,149,510	-	(58,827)	1,208,337
Forgiveness of debt	885,057	-	(239)	-	-	-	-	239	885,057	-	-	885,057
<b>Total Financial Income</b>	<b>39,815,775</b>	<b>95,840</b>	<b>(239)</b>	<b>209</b>	<b>426,964</b>	<b>7,712</b>	<b>290,743</b>	<b>(145,937)</b>	<b>40,491,067</b>	<b>138,640</b>	<b>(58,827)</b>	<b>40,411,254</b>
<b>Financial Expense</b>												
Interest expense	11,323,234	-	-	-	72,138	-	-	-	11,395,372	-	-	11,395,372
Asset management fee	-	-	-	-	115,673	-	30,503	(146,176)	-	58,827	(58,827)	-
Equity losses in consolidated subsidiaries	925,302	-	-	-	-	-	-	(925,302)	-	-	-	-
Provision for credit losses	633,744	-	(239)	-	(194,890)	-	-	239	438,854	(345,281)	-	784,135
<b>Total Financial Expense</b>	<b>12,882,280</b>	<b>-</b>	<b>(239)</b>	<b>-</b>	<b>(7,079)</b>	<b>-</b>	<b>30,503</b>	<b>(1,071,239)</b>	<b>11,834,226</b>	<b>(286,454)</b>	<b>(58,827)</b>	<b>12,179,507</b>
<b>Net Financial Income</b>	<b>26,933,495</b>	<b>95,840</b>	<b>-</b>	<b>209</b>	<b>434,043</b>	<b>7,712</b>	<b>260,240</b>	<b>925,302</b>	<b>28,656,841</b>	<b>425,094</b>	<b>-</b>	<b>28,231,747</b>
<b>Revenue and Support</b>												
Grants and contributions	38,276,468	-	-	-	-	-	-	-	38,276,468	6,709,660	-	31,566,808
Program services and fees	2,773,916	4,422,424	-	-	-	-	-	(264,098)	6,932,242	-	-	6,932,242
Other income	37,271	1,144	-	-	-	-	-	-	38,415	-	-	38,415
<b>Total Revenue and Support</b>	<b>41,087,655</b>	<b>4,423,568</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(264,098)</b>	<b>45,247,125</b>	<b>6,709,660</b>	<b>-</b>	<b>38,537,465</b>
<b>Program and General Expenses</b>												
Program - Lending	6,734,515	-	2,545	529	-	529	343,594	(149,229)	6,932,483	-	-	6,932,483
Program - Capacity Building & Capital Access	18,731,405	-	-	-	-	-	-	(18,384)	18,713,021	-	-	18,713,021
Program - Policy Solutions	2,528,103	-	-	-	-	-	-	(5,885)	2,522,218	-	-	2,522,218
Program - PolicyMap	-	5,782,377	-	-	-	-	-	(90,600)	5,691,777	-	-	5,691,777
Management and general	11,476,760	-	-	-	-	-	-	-	11,476,760	-	-	11,476,760
<b>Total Program and General Expenses</b>	<b>39,470,783</b>	<b>5,782,377</b>	<b>2,545</b>	<b>529</b>	<b>-</b>	<b>529</b>	<b>343,594</b>	<b>(264,098)</b>	<b>45,336,259</b>	<b>-</b>	<b>-</b>	<b>45,336,259</b>
<b>Net income (loss)</b>	<b>-</b>	<b>(1,262,969)</b>	<b>-</b>	<b>(320)</b>	<b>434,043</b>	<b>7,183</b>	<b>-</b>	<b>822,063</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in net assets, before issuance of common stock and option awards and impact of ASC 326 adoption</b>												
Issuance of stock and option awards	28,550,367	-	(2,545)	-	-	-	(83,354)	103,239	28,567,707	7,134,754	-	21,432,953
Impact of ASC 326 adoption	-	1,548,251	-	-	-	-	-	(918,850)	629,401	-	-	629,401
<b>Change in net assets</b>	<b>3,911,048</b>	<b>-</b>	<b>(2,545)</b>	<b>(320)</b>	<b>(98,205)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,812,843</b>	<b>(246,129)</b>	<b>-</b>	<b>4,058,972</b>
<b>Change in net assets</b>	<b>32,461,415</b>	<b>285,282</b>	<b>(2,545)</b>	<b>(320)</b>	<b>335,838</b>	<b>7,183</b>	<b>(83,354)</b>	<b>6,452</b>	<b>33,009,951</b>	<b>6,888,625</b>	<b>-</b>	<b>26,121,326</b>
<b>Net assets, January 1, 2023</b>	<b>244,466,840</b>	<b>(1,771,762)</b>	<b>119,355</b>	<b>74,724</b>	<b>3,423,440</b>	<b>256,511</b>	<b>560,464</b>	<b>(3,967,320)</b>	<b>243,162,252</b>	<b>11,800,070</b>	<b>-</b>	<b>231,362,182</b>
<b>Net assets, December 31, 2023</b>	<b>\$276,928,255</b>	<b>\$ (1,486,480)</b>	<b>\$ 116,810</b>	<b>\$ 74,404</b>	<b>\$ 3,759,278</b>	<b>\$ 263,694</b>	<b>\$ 477,110</b>	<b>\$ (3,960,868)</b>	<b>\$ 276,172,203</b>	<b>\$ 18,688,695</b>	<b>\$ -</b>	<b>\$ 257,483,508</b>

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