CAPITAL FOR CHANGE

AND AFFILIATES

COMBINED FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023

CAPITAL FOR CHANGE, INC. AND AFFILIATES

Contents
March 31, 2024 and 2023

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Independent Auditor's Report

To the Board of Directors of
Capital for Change, Inc. and Affiliates:

Opinion

We have audited the combined financial statements of Capital for Change, Inc. (a Connecticut corporation, not-for-profit) and Affiliates (collectively, the Organization), which comprise the combined statements of financial position as of March 31, 2024 and 2023, and the related combined statements of activities without donor restrictions, changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of Capital for Change, Inc. and Affiliates as of March 31, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Adoption of New Accounting Standard

As discussed in Note 2 to the combined financial statements, effective April 1, 2023, the Organization adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.* Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the combined 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 combined 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 combined 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 combined 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 combined 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 the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplementary information shown on pages 40 through 44 is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information shown on pages 40 through 44 is fairly stated in all material respects in relation to the combined financial statements as a whole.

AAFCPAs, Inc.

Boston, Massachusetts
June 24, 2024

CAPITAL FOR CHANGE, INC. AND AFFILIATES

Combined Statements of Financial Position
March 31, 2024 and 2023

Assets	**2024**	**2023**
Current Assets:		
Cash and cash equivalents	$ 3,428,046	$ 2,721,951
Grants and government contracts receivable	341,865	610,000
Accounts receivable	1,713,978	1,120,029
Interest receivable	546,471	454,870
Current portion of loans receivable, net of allowance for credit losses of $665,768 as of March 31, 2024	11,848,977	8,126,831
Other current assets	315,444	86,671
Total current assets	18,194,781	13,120,352
Other Assets:		
Restricted cash	16,180,018	14,273,182
Investments	1,007,541	1,294,294
Loans receivable, net of current portion and allowance for credit losses of $4,666,436 and $4,489,257 as of March 31, 2024 and 2023, respectively	82,377,322	76,652,926
Total other assets	99,564,881	92,220,402
Property and Equipment		
Land	241,686	241,686
Building and improvements	3,227,214	3,227,214
Furniture and equipment	1,762,842	1,666,037
	5,231,742	5,134,937
Less - accumulated depreciation	1,871,286	1,657,866
Net property and equipment	3,360,456	3,477,071
Total assets	$ 121,120,118	$ 108,817,825
Liabilities and Net Assets		
Current Liabilities:		
Current portion of notes payable	$ 8,486,430	$ 3,893,076
Current portion of equity equivalent notes payable	800,000	1,300,000
Accounts payable and accrued expenses	445,934	549,830
Accrued interest payable	136,527	90,305
Total current liabilities	9,868,891	5,833,211
Long-Term Liabilities:		
Conditional advances	5,507,167	5,007,167
Loan escrows liability	2,655,451	2,960,276
Funds held for others	543,421	994,703
Deferred interest and other revenue	1,785,935	1,721,491
Notes payable, net	59,986,822	52,638,353
Credit loss liability - unfunded commitments	541,522	-
Equity equivalent notes payable, net	5,400,000	4,850,000
Total long-term liabilities	76,420,318	68,171,990
Total liabilities	86,289,209	74,005,201
Net Assets:		
Without donor restrictions:		
Operating	12,090,210	11,181,032
Property and equipment	2,004,938	2,068,652
Board designated	1,012,266	1,030,804
Total without donor restrictions	15,107,414	14,280,488
With donor restrictions	19,723,495	20,532,136
Total net assets	34,830,909	34,812,624
Total liabilities and net assets	$ 121,120,118	$ 108,817,825

The accompanying notes are an integral part of these combined statements.

CAPITAL FOR CHANGE, INC. AND AFFILIATES

Combined Statements of Activities Without Donor Restrictions
For the Years Ended March 31, 2024 and 2023

	2024	2023
Revenues:		
Earned revenue:		
Financial revenue:		
Interest on loans	$ 4,713,683	$ 4,013,333
Investment return	188,583	(45,000)
Less - provision for credit losses - unfunded loans	(151,347)	-
Less - (provision for) recovery of credit losses - funded loans	(160,976)	358,306
Less - write-off of loans receivable	(1,249,075)	(1,556,129)
Less - interest expense	(2,639,549)	(2,265,657)
Net financial revenue	701,319	504,853
Loan servicing fees	1,680,538	1,487,484
Loan origination and other fees	1,315,615	1,254,752
Total earned revenue	3,697,472	3,247,089
Public support:		
Government grants and contracts	855,547	925,897
Other grants and contributions	99,317	38,911
Net assets released from purpose restrictions	2,605,509	2,083,435
Total public support	3,560,373	3,048,243
Total revenues	7,257,845	6,295,332
Expenses:		
Program services	5,352,442	5,131,425
General and administrative	533,013	627,262
Fundraising	155,289	223,342
Total expenses	6,040,744	5,982,029
Changes in net assets without donor restrictions	$ 1,217,101	$ 313,303

CAPITAL FOR CHANGE, INC. AND AFFILIATES

Combined Statements of Changes in Net Assets
For the Years Ended March 31, 2024 and 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets, March 31, 2022	$ 13,967,185	$ 19,681,818	$ 33,649,003
Changes in net assets without donor restrictions	313,303	-	313,303
Changes in net assets with donor restrictions:			
Grants and contributions	-	2,933,753	2,933,753
Net assets released from restrictions	-	(2,083,435)	(2,083,435)
Total changes in net assets with donor restrictions	-	850,318	850,318
Changes in net assets	313,303	850,318	1,163,621
Net Assets, March 31, 2023	14,280,488	20,532,136	34,812,624
Cumulative adjustment from adoption of new credit loss standard	(390,175)	(681,971)	(1,072,146)
Changes in net assets without donor restrictions	1,217,101	-	1,217,101
Changes in net assets with donor restrictions:			
Grants and contributions	-	2,478,839	2,478,839
Net assets released from restrictions	-	(2,605,509)	(2,605,509)
Total changes in net assets with donor restrictions	-	(126,670)	(126,670)
Changes in net assets	1,217,101	(126,670)	1,090,431
Net Assets, March 31, 2024	$ 15,107,414	$ 19,723,495	$ 34,830,909

CAPITAL FOR CHANGE, INC. AND AFFILIATES

Combined Statements of Cash Flows
For the Years Ended March 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities:		
Changes in net assets	$ 1,090,431	$ 1,163,621
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	213,420	204,264
Unrealized loss (gain) on investments	(1,141)	67,270
Provision for credit losses - unfunded loans	151,347	-
Provision for (recovery of) credit losses - funded loans	160,976	(358,306)
Write-off of loans receivable	1,249,075	1,556,129
Changes in operating assets and liabilities:		
Grants and government contracts receivable	268,135	(585,000)
Accounts receivable	(593,949)	396,162
Interest receivable	(91,601)	7,722
Other current assets	(228,773)	8,192
Accounts payable and accrued expenses	(103,896)	(213,393)
Accrued interest payable	46,222	(162)
Conditional advances	500,000	(75,753)
Loan escrows liability	(304,825)	(343,696)
Funds held for others	(451,282)	32,137
Deferred interest and other revenue	64,444	(275,862)
Net cash provided by operating activities	1,968,583	1,583,325
Cash Flows from Investing Activities:		
Purchases of property and equipment	(96,805)	(146,758)
Proceeds from sales of investments	300,000	805,960
Purchases of and interest earned on investments	(12,106)	(1,016,249)
Principal payments on loans receivable	14,188,086	17,911,353
Issuance of loans receivable	(25,726,650)	(26,008,052)
Net cash used in investing activities	(11,347,475)	(8,453,746)
Cash Flows from Financing Activities:		
Proceeds from notes payable	17,446,209	14,258,654
Principal payments on notes payable	(5,504,386)	(6,776,484)
Proceeds from equity equivalent notes payable	50,000	50,000
Net cash provided by financing activities	11,991,823	7,532,170
Net Change in Cash and Restricted Cash	2,612,931	661,749
Cash and Restricted Cash:		
Beginning of year	16,995,133	16,333,384
End of year	$ 19,608,064	$ 16,995,133
Reconciliation of Cash and Restricted Cash Reported Within the Combined Statements of Financial Position:		
Cash and cash equivalents	$ 3,428,046	$ 2,721,951
Restricted cash	16,180,018	14,273,182
Total cash and restricted cash shown in the combined statements of cash flows	$ 19,608,064	$ 16,995,133
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	$ 2,651,033	$ 2,325,704

The accompanying notes are an integral part of these combined statements.

CAPITAL FOR CHANGE, INC. AND AFFILIATES

Combined Statement of Functional Expenses
For the Year Ended March 31, 2024
(With Summarized Comparative Totals for the Year Ended March 31, 2023)

	2024								2023
	Program Services								
	Consumer Lending	Loan Servicing	Commercial and Small Business Lending	Residential Services	Total Program Services	General and Admin-istrative	Fund-raising	Total Expenses	Total Expenses
Personnel and Related Costs:									
Salaries	$ 782,117	$ 1,244,712	$ 810,480	$ 230,563	$ 3,067,872	$ 323,667	$ 87,252	$ 3,478,791	$ 3,302,207
Payroll taxes and fringe benefits	218,993	311,178	194,515	62,484	787,170	60,230	24,595	871,995	806,162
Total personnel and related costs	1,001,110	1,555,890	1,004,995	293,047	3,855,042	383,897	111,847	4,350,786	4,108,369
Other:									
Professional fees	119,274	185,371	119,737	34,914	459,296	45,738	13,325	518,359	668,502
Program lending and administrative expenses	55,713	86,587	55,929	16,308	214,537	21,364	6,225	242,126	301,492
Information technology	50,360	78,268	50,555	14,741	193,924	19,312	5,626	218,862	180,429
Depreciation	49,108	76,321	49,298	14,375	189,102	18,831	5,487	213,420	204,264
Insurance	30,794	47,859	30,913	9,014	118,580	11,809	3,440	133,829	103,024
Occupancy	22,570	35,077	22,657	6,607	86,911	8,655	2,521	98,087	106,037
Repairs and maintenance	20,468	31,811	20,547	5,991	78,817	7,849	2,287	88,953	105,953
Interest on property loan	13,278	20,636	13,330	3,887	51,131	5,092	1,483	57,706	59,885
Printing and postage	13,022	20,238	13,072	3,812	50,144	4,993	1,454	56,591	48,113
Office expenses	7,590	11,796	7,619	2,222	29,227	2,911	848	32,986	51,452
Telephone	6,682	10,385	6,708	1,956	25,731	2,562	746	29,039	35,410
Grant expense	-	-	-	-	-	-	-	-	9,099
Total expenses	$ 1,389,969	$ 2,160,239	$ 1,395,360	$ 406,874	$ 5,352,442	$ 533,013	$ 155,289	$ 6,040,744	$ 5,982,029

CAPITAL FOR CHANGE, INC. AND AFFILIATES

Combined Statement of Functional Expenses
For the Year Ended March 31, 2023

	Program Services							
	Consumer Lending	Loan Servicing	Commercial and Small Business Lending	Residential Services	Total Program Services	General and Admin-istrative	Fund-raising	Total Expenses
Personnel and Related Costs:								
Salaries	$ 781,546	$ 1,220,613	$ 708,840	$ 315,054	$ 3,026,053	$ 149,478	$ 126,676	$ 3,302,207
Payroll taxes and fringe benefits	218,839	303,451	167,141	50,392	739,823	30,856	35,483	806,162
Total personnel and related costs	1,000,385	1,524,064	875,981	365,446	3,765,876	180,334	162,159	4,108,369
Other:								
Professional fees	97,698	95,546	256,532	25,925	475,701	161,719	31,082	668,502
Program lending and administrative expenses	66,658	101,871	55,102	11,238	234,869	61,677	4,946	301,492
Information technology	71,923	44,598	19,945	6,494	142,960	35,127	2,342	180,429
Depreciation	40,320	56,744	33,456	10,894	141,414	58,922	3,928	204,264
Insurance	20,336	28,620	16,874	5,495	71,325	29,718	1,981	103,024
Occupancy	20,930	29,457	17,368	5,655	73,410	30,588	2,039	106,037
Repairs and maintenance	20,914	29,433	17,354	5,651	73,352	30,563	2,038	105,953
Interest on property loan	11,821	16,636	9,808	3,194	41,459	17,274	1,152	59,885
Printing and postage	6,021	37,709	1,815	591	46,136	1,733	244	48,113
Office expenses	9,730	13,693	8,073	2,629	34,125	15,379	1,948	51,452
Telephone	4,384	21,593	3,637	1,184	30,798	4,228	384	35,410
Grant expense	-	-	-	-	-	-	9,099	9,099
Total expenses	$ 1,371,120	$ 1,999,964	$ 1,315,945	$ 444,396	$ 5,131,425	$ 627,262	$ 223,342	$ 5,982,029

1. ORGANIZATION AND NONPROFIT STATUS

Capital for Change, Inc. (C4C) is a Connecticut not-for-profit corporation established in 1968, whose primary purpose is community development lending. C4C is a unique finance organization offering multiple services for affordable housing and community development, which include consumer energy efficiency lending, commercial housing, nonprofit and small business loans, third-party contract administration, loan portfolio management and servicing, and technical assistance to other organizations and businesses. C4C provides financing through direct and participation loans, and finances predevelopment, purchase/rehabilitation, construction, bridge, down payment, energy conservation, and permanent loans. C4C is capitalized with lower interest notes and equity equivalents from conventional lenders (see Note 8). Additional capital sources include corporate, foundation, municipal, state and Federal government grants and loans, utility rate payer capital, program-related investments from charitable organizations, and other socially concerned community investors. C4C has also been active in administering the delivery of small business grants and rental assistance during the pandemic on behalf of the State of Connecticut, as well as cities and towns across the state.

C4C is certified by the U.S. Department of Treasury (the Treasury) as a Community Development Financial Institution (CDFI) and conducts community-lending activities throughout the State of Connecticut, is licensed for mortgage lending in Connecticut, and is licensed to conduct loan servicing in Connecticut and the Commonwealth of Massachusetts. C4C is also licensed by the Federal Housing Administration (FHA) for mortgage origination, lending and servicing. C4C received grants from the Treasury totaling $2,478,839 and $560,000 during the years ended March 31, 2024 and 2023, respectively.

Combined Affiliates

Connecticut Energy Efficiency Finance Company (CEEFCo) is a Connecticut not-for-profit corporation established in 2011. The Board of Directors of C4C appoints the majority of CEEFCo's Board of Directors. Since inception, CEEFCo has received donor restricted contributions for the purpose of making qualifying residential energy efficiency loans to consumers and to administer the residential financing program for energy efficiency loans and related loan loss guarantees and interest rate buy downs to support other CEEFCo energy lending products. These funds are unavailable for use by C4C, unless specifically authorized by the donor and are nonrecourse to C4C.

C4C Historic Pearl, LLC (Historic Pearl) is a Connecticut limited liability company established in 2017, which was created to promote the development of a historic real estate tax credit project. C4C is the sole member of Historic Pearl and, as a result, Historic Pearl is classified as a disregarded entity for tax purposes. During 2021, Historic Pearl received $3,859,448 from tax credit proceeds and loaned the funds to a third-party tax credit investor. Historic Pearl has recorded a reserve against the full balance of this loan (see Note 5). Historic Pearl had no activity during the years ended March 31, 2024 and 2023.

CHIF Properties, LLC (CHIF) is a Connecticut limited liability company established in 2014 to hold other real estate owned (OREO) properties acquired through foreclosure. C4C is the sole member of CHIF and, as a result, CHIF is classified as a disregarded entity for tax purposes. CHIF had no activity during the years ended March 31, 2024 and 2023.

The accompanying combined financial statements include the accounts of C4C, CEEFCo, Historic Pearl, and CHIF (collectively, the Organization). All significant intercompany balances and transactions have been eliminated in the accompanying combined financial statements.

1. ORGANIZATION AND NONPROFIT STATUS (Continued)

Non-Profit Status

C4C and CEEFCo are individually exempt from Federal income taxes as organizations (not private foundations) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). C4C and CEEFCo are also exempt from state income taxes. Contributions made to C4C and CEEFCo are deductible by donors within the requirements of the IRC.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Organization prepares their combined financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Recently Adopted Accounting Pronouncement

In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the combined financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that were most impacted and subject to the guidance in Topic 326 were loans receivable. The Organization adopted the standard effective April 1, 2023, using the modified retrospective method.

The impact of adoption of ASC Topic 326 on the Organization's combined statement of financial position as of April 1, 2023, was as follows:

	As Previously Reported	Effect of Adoption	As Adjusted
Allowance for credit losses	$ -	$ 5,171,228	$ 5,171,228
Allowance for loan losses	$ 4,489,257	$ (4,489,257)	$ -
Credit loss liability - unfunded commitments	$ -	$ 390,175	$ 390,175
Net assets without donor restrictions	$ 14,280,488	$ (390,175)	$ 13,890,313
Net assets with donor restrictions	$ 20,532,136	$ (681,971)	$ 19,850,165

Results for reporting periods beginning after April 1, 2023, are presented under ASC Topic 326.

In connection with the adoption of ASU 2016-13 noted above, on April 1, 2023, the Organization also adopted ASU 2022-02, *Financial Instruments – Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures* (ASU 2022-02), removing the recognition and measurement guidance on troubled debt restructurings for creditors and enhancing disclosures provided about certain modifications or receivables to debtors experiencing financial difficulty.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents, Restricted Cash and Concentration of Credit Risk

The Organization considers all checking, money market, and savings accounts with a maturity of three months or less to be cash and cash equivalents. Cash and cash equivalents that are not generally available for current operations, or are otherwise restricted, are classified as restricted cash (see Note 4).

The Organization maintains its cash balances in high credit quality financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures balances at each financial institution up to certain amounts. At certain times during the year, cash balances may exceed the insured amounts. The Organization has not experienced any losses in such accounts. The Organization periodically assesses the financial condition of these financial institutions and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are presented net of the Organization's allowance for credit losses as of March 31, 2024, and allowance for doubtful accounts as of March 31, 2023. Beginning on April 1, 2023, the Organization accounts for credit losses under Topic 326 using an expected credit loss impairment model for financial instruments. The Organization's expected credit allowance methodology for accounts receivable is developed using historical experience, present economic conditions, and other relevant factors management considers relevant to estimate expected credit losses. Management performs ongoing evaluations of the Organization's existing and potential customer's creditworthiness. Prior to the adoption of Topic 326, an allowance for potentially uncollectible accounts was recorded based upon management's analysis of specific accounts and their estimate of accounts may be uncollectable. There was no allowance for credit losses (doubtful accounts) related to the Organization's accounts receivable as of March 31, 2024 and 2023.

Grants and Government Contracts Receivable and Allowance

Unconditional promises to give that are expected to be collected within one year are recorded at the date the promise is received and are included in grants and government contracts receivable. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows net of an allowance for doubtful accounts. An allowance for doubtful grants and government contracts receivable is recorded based on management's analysis of specific accounts and their estimate of amounts that may be uncollectible. There was no allowance deemed necessary as of March 31, 2024 and 2023.

Loans Receivable

Loans receivable are presented net of allowances for credit losses (see Note 6) and third-party loan participations qualifying as loan sales under ASC Topic 860, *Accounting for Transfers and Servicing of Assets and Liabilities*. Loan participations qualify as loan sales if the Organization surrenders control over the participated portion of the loan receivable and the participation agreement meets certain other criteria. All of the Organization's loan participations qualify for treatment as loan sales (see Note 5).

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Below-Market Rate Loans

U.S. GAAP requires nonprofit organizations to record interest expense and contribution revenue in connection with loans payable that are interest free or that have below-market interest rates. Likewise, funds loaned to borrowers at below-market interest rates should also result in imputed revenue and contribution expense. Interest rates on loans payable are disclosed in Note 7. Interest rates on loans receivable are disclosed in Note 5.

The Organization believes that the benefits derived from below-market rate loans received are passed through to the borrowers via below-market rate loans made, and that there is no material difference between community development finance market rates and the stated rates of loans in its portfolios. Consequently, no adjustments have been made to the accompanying combined financial statements to reflect rate differentials.

Allowance for Credit Losses

Allowance for Credit Losses – General

The allowance for credit losses represents management's judgement of an estimated amount of lifetime expected losses that may be incurred on outstanding loans at the combined statement of financial position date. This estimate is based on the risk characteristics of the loan portfolio, historical losses and defaults, an expectation of supportable future economic conditions, and payment performance of the Organization’s borrowers. The allowance is measured and recorded upon the initial recognition of a financial asset. The allowance is then reduced by charge-offs (net of recoveries of previous losses), and is increased and decreased by a provision (recovery) for credit losses, which is recorded as a current period expense (revenue). Such allowance is based on credit losses over the contractual term of the loan adjusted for expected prepayments.

In connection with the adoption of ASU 2016-13, the Organization made an accounting policy election to exclude interest receivable from the measurement of the allowance for credit losses and implemented a non-accrual policy to reverse any accrued, uncollected interest income as loans are moved to non-accrual status. The Organization considers the length of time without payment from the borrower and other triggering events when determining that a loan should be moved to non-accrual status and no longer recognize interest revenue on the loan.

Allowance for Credit Losses – Performing Loans

The methodology for estimating the allowance for loans that are deemed to be performing includes a collective quantified reserve, a collective qualitative reserve, and individual allowances on specific credits. Loans are pooled into segments based on similar characteristics of borrowers, contract terms, collateral types, types of associated industries, and business purposes of the loans. Management of the Organization has concluded that performing loans will be characterized as two pools when calculating allowance for credit losses, one for all loans held by C4C loans and one for all loans held by CEEFCo loans as the loans issued by each entity are deemed to have similar risk characteristics. The Organization utilizes applicable data available to recognize expected losses, based on changes in the behavior of the portfolio in response to interest rates and economic conditions, the composition of the loan portfolio and the financial condition of the respective borrowers, future additions to the allowance may be necessary. Accordingly, the determination of the appropriateness of the allowance is complex and applies significant and highly subjective estimates. The use of significant judgement and the estimates of expected lifetime losses in the loan portfolio may vary significantly from actual amounts incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Credit Losses (Continued)

Allowance for Credit Losses – Performing Loans (Continued)

The Organization applies the weighted-average remaining life to maturity (WARM) method to estimate the collective quantified component of the allowance for both of its performing loan pools. The WARM methodology utilizes the Organization's historical default and loss experience adjusted for future economic forecasts. The Organization has elected to utilize a lookback period for both loan pools beginning in fiscal year 2018 (seven-year lookback period as of March 31, 2024, and six-year lookback period as of the adoption date of April 1, 2023) for the WARM method calculation based on a significant shift in the Organization's underwriting process at that time. Fiscal year 2018, represents the first full fiscal year that the Organization operated independently after various entities were combined as one collective lending organization. The reasonable and supportable forecast period represents a one-to-two-year economic outlook (as of March 31, 2024) for the applicable economic variables. At the end of the reasonable and supportable forecast period, assumption variables revert to the average of historical values over the lifetime of the loans based on the Organization's elected lookback period. Management of the Organization considered significant factors that could affect the expected future collectability of the amortized cost basis of the portfolio and determined that the primary factors are Federal interest rate fluctuation and changes to the Consumer Pricing Index. See Note 6 for disclosure of the Organization's qualitative reserve factor for each loan pool as of the adoption date (April 1, 2023) and March 31, 2024.

Collateral Dependent Financial Assets

Loans that do not share the risk characteristics of performing loans (see above) are evaluated on an individual basis and are considered to be collateral dependent financial assets. When management determines that the borrower is experiencing financial difficulty at the reporting date and repayment is expected to be provided substantially through the operation or sale of the collateral, expected credit losses are based on the fair value of the collateral at the reporting date, adjusted for selling costs as appropriate. There were no loans evaluated on an individual basis that management believed would be collected through the foreclosure process or sale of the collateral as of the adoption date of April 1, 2023. There were two loans (in connection with one borrower relationship) evaluated on an individual basis as of March 31, 2024 (see Note 6).

Off-Balance Sheet Credit Exposure

Unfunded lending commitments are reviewed to determine if they are considered unconditionally cancellable. The Organization establishes reserves for unfunded commitments that do not meet that criteria as a liability in the combined statement of financial position. Changes to the liability are reflected as provision for credit losses - unfunded loans in the accompanying fiscal year 2024 combined statement of activities without donor restrictions. The allowance for credit losses for unfunded lending commitments is estimated using the same methodologies as portfolio loans, taking into consideration management's assumption of the likelihood that funding will occur. See Note 5 for a summary of unfunded loan commitments and the related credit loss liability.

Legacy Disclosure – Allowance for Loan Losses

As of March 31, 2023, the Organization followed the accounting and disclosure standards pertaining to ASC Topic, *Disclosure about the Credit Quality of Financing Receivables and the Allowance for Credit Losses,* standard under U.S. GAAP. This standard required disclosure on the accounting policies and methodology used to estimate the allowance for loan losses (see Note 6).

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Credit Losses (Continued)

Legacy Disclosure – Allowance for Loan Losses (Continued)

The allowance for loan losses was an amount that management believed would be adequate to absorb expected losses on existing loans receivable that may have become uncollectible (see Note 6). Management evaluated loan collectability through consideration of factors such as previous loss experience, performance of individual loans in accordance with contract terms, financial strength and cash flows of the borrower, realizable values of collateral, and current economic conditions that may have affected the borrower's ability to repay.

Loan loss recoveries consist of recovery of the initial loan loss reserve applied to loans receivable recognized when loans are repaid in full by the borrower or upon management's periodic assessment of the loan portfolio. Conversely, additional provision for loan losses may be recognized upon management's assessment that additional reserves are necessary based upon a review of the performance of the loan portfolio (see Note 6).

Investments

Investments (see Note 3) include the Organization's marketable and non-marketable interests in financial securities. Investments in marketable securities are recorded in the combined financial statements at fair value. If an investment is directly held by the Organization and an active market with quoted prices exists, the market price of an identical security is used to report fair value. Reported fair values of shares in exchange traded funds (ETFs) are based on quoted share prices as of the last business day of the fiscal year (Level 1 inputs) (see page 16).

The Organization's interest in the Community Foundation for Greater New Haven (the Foundation) is reported in accordance with ASC Topic 820, *Fair Value Measurements of Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)*, at fair value using the net asset value (NAV) reported by the fund manager, which is used as a practical expedient to estimate fair value, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. The Organization has the ability to access up to 50% of its principal investment, subject to a sixty-day notice period. Requests for distributions of more than 50% of market value of the investment require ninety-day notice. As of March 31, 2024 and 2023, the Organization had no plans to liquidate this investment.

The Organization holds non-marketable interests in other investment vehicles that are recorded using the cost method. Under the cost method, an investment is carried at its original cost and cash distributions of profits are reported as income and distributions of the original capital invested reduce the carrying value of the investment. The carrying value is periodically reviewed for potential impairment.

Interest, dividends, distributions, and other income from these investments are recorded when earned or declared. Gains and losses are recognized as incurred on sale or based on fair value changes during the period for investments carried at fair value.

Property and Equipment and Depreciation

Property and equipment are recorded at cost, if purchased, or at fair value at the time of donation. Improvements and major repairs are capitalized, while ordinary repairs and maintenance are expensed as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment and Depreciation (Continued)

Depreciation is calculated using the straight-line method over the following useful lives:

Building and improvements	10 - 40 years
Furniture and equipment	3 - 5 years

Land is not depreciated.

The Organization accounts for the carrying value of its property and equipment in accordance with standards pertaining to ASC Topic, *Property, Plant and Equipment*, under U.S. GAAP. The carrying value is evaluated annually for impairment and no impairment loss was recognized during the fiscal years ended March 31, 2024 and 2023.

Net Assets

Net assets without donor restrictions include those net resources of the Organization that bear no external restrictions and are generally available for use by the Organization. The Organization has grouped its net assets without donor restrictions into the following categories:

- ***Operating*** net assets represent those net resources that are considered substantially liquid and available for general operations.

- ***Property and equipment*** net assets represent the portion of assets invested in property and equipment, net of related liabilities. Equity in property and equipment net assets consist of the following as of March 31:

	2024	2023
Net property and equipment	$ 3,360,456	$ 3,477,071
Less - note payable to Webster Bank (see Note 7)	(1,355,518)	(1,408,419)
	$ 2,004,938	$ 2,068,652

- ***Board designated*** net assets represent those net resources the Organization's Board of Directors have designated for the following purposes:

  Revolving Loan Capital - is intended to provide a source of capital to fund future loans within the Organization's lending programs. Collections of outstanding balances from loans funded with these funds are deposited back into this fund and subsequently used for a similar purpose, upon approval from the Board of Directors.

  Fixed Asset Reserve - is intended to fund future property and equipment costs for the Organization.

Board designated net assets consist of the following as of March 31:

	2024	2023
Revolving Loan Capital	$ 847,502	$ 847,502
Fixed Asset Reserve	164,764	183,302
	$ 1,012,266	$ 1,030,804

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (Continued)

Net assets with donor restrictions represent amounts received or committed with donor restrictions which have not yet been expended or depleted for their designated purposes (purpose restricted) and amounts for unrestricted use in future periods (time restricted). Net assets with donor restrictions are all purpose restricted as follows as of March 31:

	2024	2023
Revolving Loan Capital:		
Eversource - CEEFCo lending capital	$ 13,153,446	$ 15,566,535
CDFI Fund - Equitable Recovery Program (ERP)	2,107,014	-
City of Bridgeport - Economic Development Administration (EDA)	1,610,314	1,610,314
State of Connecticut - Department of Economic Community Development (DECD)	1,165,617	1,165,617
State Housing Tax Credit Contribution (HTCC)	482,024	982,024
State of Connecticut - Department of Housing (DOH)	360,000	360,000
City of Bridgeport - Community Development Block Grant (CDBG)	277,408	277,408
Department of Housing and Urban Development (HUD) - Economic Development Initiative (EDI)	226,418	226,418
Subtotal revolving loan capital	19,382,241	20,188,316
Other Purpose Restrictions:		
Other program restrictions	341,254	343,820
Total net assets with donor restrictions	$ 19,723,495	$ 20,532,136

Revolving loan capital is the term the Organization uses to describe those capital resources which are intended to provide a permanent or temporary capital base for lending activities, meet debt covenants and provide for potential loan losses. The Organization has two categories of revolving loan capital: net assets with donor restrictions and designated by the Board of Directors (see page 14). No outside donor has imposed an obligation on the Organization to replenish the principal of any grant of permanent or temporary loan capital in the event such funds are needed to offset loan losses. Accordingly, donor-restricted revolving loan capital awards are not considered to be perpetual in nature.

In April 2023, the Organization was awarded $2,478,839 under the CDFI Fund's Equitable Recovery Program (ERP). During the year ended March 31, 2024, the Organization expended a total of $371,825 by utilizing the funds on qualifying administrative costs as prescribed in the agreement. The remaining unspent balance of this CDFI Fund award totaling $2,107,014 is included in net assets with donor restrictions in the accompanying combined statement of financial position as of March 31, 2024, and is expected to be deployed or committed for qualifying projects during the year ended March 31, 2025.

Estimates

The preparation of combined financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the combined financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

The Organization follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements,* for qualifying assets and liabilities. Fair value is defined as the price that the Organization would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

The Organization uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Organization. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available. The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.

Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

Revenue Recognition

Financial Revenue and Loan Origination and Other Fees

Financial revenue is generally recognized as revenue without donor restrictions as earned or when services are provided. Interest on loans is presented net of amounts collected on behalf of loan participants where such participations qualify as loan sales (see Note 5). Where significant, the Organization generally amortizes net loan origination and other fees for loans with terms greater than one year in length over the term of the loans. Unamortized deferred loan fees are included as an adjustment to the carrying value of loans receivable in the accompanying combined statements of financial position. Net loan origination fees of the Organization that are not significant or which are for short-term loans are not amortized. There were no unamortized loan fees as of March 31, 2024 and 2023.

The Organization has an agreement with the Connecticut Green Bank (CGB) that provides for an interest rate buy down (IRB) on qualified energy loans to consumers for loans closed. The Organization underwrites, approves and funds energy loans and CGB reviews and approves the loans for compliance with the program loan terms. CGB then funds an IRB with a lump-sum payment based on the net present value of the difference between the stated loan rate and 1%. Cash paid to the Organization related to the IRB program received in advance of the recognition of related interest income was $1,468,104 and $1,560,567 as of March 31, 2024 and 2023, respectively, and is included in deferred interest and other revenue in the accompanying combined statements of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Loan Servicing Fees

The Organization generally measures revenue for qualifying exchange transactions based on the amount of consideration the Organization expects to be entitled for the transfer of goods or services to a customer, then recognizes this revenue when or as the Organization satisfies its performance obligations under a contract, except in transactions where U.S. GAAP provides other applicable guidance. The Organization evaluates its loan servicing contracts based on the five-step model under Topic 606: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to separate performance obligations; and (5) Recognize revenue when (or as) each performance obligation is satisfied.

Loan servicing revenue is recognized by the Organization for servicing the loans held by various third parties. The Organization recognizes revenue under one performance obligation on a monthly basis based on the number of loans serviced. Loan servicing agreements define fixed, per loan, compensation to which the Organization is entitled. Loan servicing fee revenue is only recognized as revenue when collection is assured. Loan servicing fee revenue received in advance of services being provided was $317,831 and $160,924 as of March 31, 2024 and 2023, respectively, and is included in deferred interest and other revenue in the accompanying combined statements of financial position. There were no loan servicing fees receivable as of March 31, 2024 or 2023.

Public Support

In accordance with ASC Subtopic 958-605, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, the Organization must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance-related barrier or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Organization should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional advance liabilities until such conditions are met. See Note 10 for disclosures of the Organization's conditional grants. Government grants and contracts fall within the scope of Topic 958.

Contributions and grants without donor restrictions are recognized as revenue when unconditionally received or pledged. Donor restricted grants and contributions with time or purpose restrictions are transferred to net assets without donor restrictions as such gifts are used in accordance with donor restrictions.

Expense Allocation

The costs of providing program and other activities have been summarized on a functional basis in the combined statements of functional expenses. The combined statements of functional expenses present the natural classification detail of expenses by function, including supporting services. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include personnel and related costs, professional fees, depreciation, information technology, occupancy, insurance, repairs and maintenance, printing and postage, conferences and meetings, interest on property loan, telephone, office expenses, and dues and publications, which are allocated based on level of employee effort for each function as based on timesheets.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the combined financial statements regarding a tax position taken or expected to be taken in a tax return. The Organization has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the combined financial statements as of March 31, 2024 and 2023. The Organization's information returns are subject to examination by the Federal and state jurisdictions.

Subsequent Events

Subsequent events have been evaluated through June 24, 2024, which is the date the combined financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the combined financial statements.

3. INVESTMENTS

The investment portfolio consists of the following at March 31:

	2024				
Investment Type	**Level 1**	**Level 2**	**Level 3**	**NAV**	**Total**
Cash equivalents	$ 105,903	$ -	$ -	$ -	$ 105,903
ETFs - fixed income bond funds	274,453	-	-	-	274,453
Interest in the Foundation* (see page 13)	-	-	-	212,185	212,185
Investments recorded at fair value	380,356	-	-	212,185	592,541
Cost basis investment in CDFIs **	-	-	400,000	-	400,000
Cost basis investment in partnership	-	-	-	-	15,000
	$ 380,356	$ -	$ 400,000	$ 212,185	$ 1,007,541

	2023				
Investment Type	**Level 1**	**Level 2**	**Level 3**	**NAV**	**Total**
Cash equivalents	$ 102,883	$ -	$ -	$ -	$ 102,883
ETFs - fixed income bond funds	279,968	-	-	-	279,968
Interest in the Foundation* (see page 13)	-	-	-	196,443	196,443
Investments recorded at fair value	382,851	-	-	196,443	579,294
Cost basis investment in CDFIs **	-	-	700,000	-	700,000
Cost basis investment in partnership	-	-	-	-	15,000
	$ 382,851	$ -	$ 700,000	$ 196,443	$ 1,294,294

* In accordance with ASC Topic, *Fair Value Measurements*, certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the combined statements of financial position.

** Cost basis investment in CDFIs includes loans to unaffiliated CDFIs that bear interest at annual rates of 1 - 2%, with repayment terms of one to three years. These investments are unsecured.

3. INVESTMENTS (Continued)

The Organization has elected to include cash equivalents that are part of the portfolio in the balance of investments as the balance is intended to be held for long-term purposes.

Investment return (including interest earned on cash and cash equivalents not classified as investments) consists of the following for the years ended March 31:

	2024	2023
Interest and dividends	$ 187,442	$ 22,270
Unrealized gain (loss)	1,141	(67,270)
Investment return	$ 188,583	$ (45,000)

4. RESTRICTED CASH

Restricted cash consists of the following at March 31:

	2024	2023
Funds restricted for lending - C4C	$ 4,656,121	$ 7,109,110
Funds restricted for lending - CEEFCo	3,654,239	1,488,350
Revolving loan fund cash - net assets with donor restrictions (see Note 2)	3,588,571	1,119,465
Loan escrows liability	2,655,451	2,960,276
Conditional advances - HTCC awards (see Note 10)	1,017,976	517,976
Board designated - fixed asset reserve (see Note 2)	64,764	83,302
Funds held for others (agency liabilities):		
Other	239,803	23,024
Veterans Housing Assistance Fund	237,790	237,790
Energize CT HEAT loan fund	33,906	219,628
Brownfields revolving loan fund	31,397	514,261
Total restricted cash	$ 16,180,018	$ 14,273,182

Funds Restricted for Lending

Pursuant to various note payable agreements (see Note 7), the Organization maintains segregated cash accounts where lender capital is held prior to being deployed in loans receivable. These funds are restricted for the lending activities of the Organization.

Loan Escrows Liability

Pursuant to various loan receivable agreements, the Organization has the right to hold back a portion of principal draw downs in escrow on behalf of borrowers. Loan escrows liability consists of cash held by the Organization that is restricted in connection with these certain financing agreements.

Funds Held for Others

The Organization has various agreements with third parties to act as the fiscal agent for certain programs. Funds advanced to the Organization that have not yet been deployed are classified as funds held for others in the accompanying combined statements of financial position.

4. RESTRICTED CASH (Continued)

Funds Held for Others (Continued)

Funds held for others consists of the following arrangements with third parties:

Brownfields Revolving Loan Fund - the Organization has entered into agreements to administer the City of Bridgeport's Brownfields Cleanup Revolving Loan Fund. Terms of the agreements allow the Organization to utilize a portion of interest payments and fees collected to assist with the Organization's program and administrative costs. Based on the agreements with the City of Bridgeport, the Organization concluded that the participations related to this loan fund qualified as loan sales under ASC Topic 860, *Accounting for Transfers and Servicing of Assets and Liabilities* (see Note 2).

Energize CT HEAT Loan Fund - the Organization administers a legislatively mandated consumer energy efficiency loan program for Eversource and Avantgrid (the Utilities) in the State of Connecticut. The Organization manages contractor engagements, online application intakes, applicant interactions, underwriting processes, and closes approved loans with funding capital provided by the Utilities. The Organization also provides the On Bill Repayment services for these loans, whereby the Utilities bill their respective borrowers (who are their customers) through their distribution invoicing and collect the loan payments directly from their customers, notifying the Organization of the payment activity. The Organization does not receive payments directly but provides payment history accounting administration based on the Utilities' reporting to support the Utilities' On Bill Repayment programs. Based on the agreements with the Utilities, the Organization concluded that the participations related to this loan fund qualified as loan sales under ASC Topic 860, *Accounting for Transfers and Servicing of Assets and Liabilities* (see Note 2).

Veterans Housing Assistance Fund - the Organization holds two pools of funds as the fiduciary for the Veterans Housing Assistance Fund. One pool is available for basic needs of Veterans and disbursements are made to or at the direction of the VA Errera Community Care Center. The other pool may be used for recoverable or forgivable predevelopment loans for projects that will provide housing to Veterans.

5. LOANS RECEIVABLE

The Organization lends primarily in Connecticut and loan products vary by type and presence of collateral, risk level, loan size, and presence of designated subsidized funding sources. As a result, interest rates on loans receivable at March 31, 2024 and 2023, ranged from 0% to 9%. At March 31, 2024 and 2023, the Organization’s loans receivables are primarily made up of the following:

Residential Loans

- **Permanent loans** - include first mortgages and other subordinate mortgages. First mortgages bear interest at an annual rate of 4.0% to 6.5%, with repayment terms from ten to thirty years. Second mortgages bear interest at annual rates of 0% to 9%, with repayment over a range of periods from five to twenty years.

- **Predevelopment/acquisition loans** - bear interest at annual rates of 3% to 6.75%, with a repayment range of periods from one to ten years. Acquisition loans are secured by mortgages on the respective properties.

- **Bridge loans** - bear interest at annual rates of 4.5% to 6.5%, with a repayment range less than one year. These loans are secured by assets of the respective borrowers.

5. LOANS RECEIVABLE (Continued)

Residential Loans (Continued)

- **Construction loans** - bear interest at annual rates of 0% to 7.13%, with a repayment range of periods from one to twelve years. These loans are secured by assets of the respective borrowers.

- **Consumer housing loans** - include unsecured down payment assistance and teacher homeownership loans. Down payment assistance loans range from $4,000 to $5,000, with 0% interest rates. Principal repayments are due upon the earlier of; default of the borrower on any other indebtedness secured by a mortgage on the same property or upon sale or transfer of title of the property, or thirty years from the date of the note. Teacher homeownership loans are advanced on behalf of a program funded by the Foundation (see Note 2) to New Haven public school teachers to encourage them to teach and live in the city of New Haven. The loans are interest-free loans for up to forty years with repayment deferred until the sale, transfer or refinance of the property. In the event the funds paid out to eligible buyers under the program are not repaid by the homebuyer, the Foundation has committed to assume all losses.

Commercial Loans

- **Commercial real estate loans** - include first and other subordinate mortgages that bear interest at an annual rate of 0.5% to 8%, with a repayment range for construction only loans up to twenty-four months and construction to permanent loans with repayment terms of periods from four to thirty years. Real estate related loans are secured by the related properties that are all located in Connecticut.

- **Commercial lines of credit** - include lines of credit that bear interest rates at 0% to 6.25%, with a repayment term of one to twenty-one years. These loans are secured by assets of the respective borrowers.

Energy Efficiency Loans

- **Commercial lending** - includes commercial energy loans that bear interest at annual rates of 5.5% to 7.75%, with a repayment term of six to twenty years. A third-party funding source has committed to fund the first $625,000 of loan losses for this specific loan product. Certain commercial energy efficiency loans may be unsecured.

- **Consumer Lending** - are held by CEEFCo and bear interest at annual rates of 0% to 7.49%, with a repayment term of three to twelve years. These loans are all unsecured.

Special Tax Credit Loan - Historic Pearl

During 2021, Historic Pearl (see Note 1) entered into a series of transactions as part of the historic tax credit program (HTC Program) where it acted as the intermediary for a project that qualified for historic tax credits. Under this arrangement, Historic Pearl received a donation of tax credits from the project’s sponsor and made a loan of $3,859,448 to the respective project entity from the proceeds of its resale of the credits to a third-party tax credit investor. This loan bears interest at 0.05% per annum and has a forty-nine-year term with no principal or interest payments due until maturity.

5. LOANS RECEIVABLE (Continued)

Special Tax Credit Loan - Historic Pearl (Continued)

Based on the structure of the HTC Program loan that is intended to be contingent debt to the borrower, there is no expectation of repayment to Historic Pearl provided that the project adheres to the requirements of the loan agreement. As a result, the balance of the HTC Program loan has been deemed to be uncollectible and there is an allowance for credit losses (loan losses as of March 31, 2023) equal to the amortized cost basis of the loan as of March 31, 2024 and 2023. As a result of the lack of historical loss data available and the expectation of no repayment of the loan, under Topic 326, Historic Pearl has valued this loan at its anticipated net realizable value determined through a qualitative assessment of future forecasted repayments based on the nature of the HTC Program. As a result of this assessment performed as of March 31, 2024, Historic Pearl determined that there was no further adjustment needed to the allowance for credit losses, therefore, no provision for credit losses was recorded during the year ended March 31, 2024.

Loans receivable, net of participations, in each lending area were as follows as of March 31:

	2024		
Loans Receivable	**C4C**	**CEEFCo**	**Total**
Residential Loans:			
Permanent	$ 26,516,200	$ -	$ 26,516,200
Construction	7,520,712	-	7,520,712
Bridge	3,602,081	-	3,602,081
Predevelopment/acquisition	1,506,096	-	1,506,096
Consumer housing	353,622	-	353,622
Total residential loans	39,498,711	-	39,498,711
Commercial Loans:			
Commercial real estate	5,245,792	-	5,245,792
Commercial lines of credit	2,795,188	-	2,795,188
Total commercial loans	8,040,980	-	8,040,980
Energy Efficiency Loans:			
Commercial lending	9,135,832	-	9,135,832
Consumer lending	-	42,882,980	42,882,980
Total energy efficiency loans	9,135,832	42,882,980	52,018,812
Gross loans receivable	56,675,523	42,882,980	99,558,503
Less - allowance for credit losses	(3,368,744)	(1,963,460)	(5,332,204)
Sub-total	53,306,779	40,919,520	94,226,299
Less - current portion (net of allowance)	(5,534,938)	(6,314,039)	(11,848,977)
	$ 47,771,841	$ 34,605,481	$ 82,377,322

5. LOANS RECEIVABLE (Continued)

Loans Receivable	2023 C4C	2023 CEEFCo	2023 Total
Residential Loans:			
Permanent	$ 26,432,876	$ -	$ 26,432,876
Construction	7,409,148	-	7,409,148
Bridge	2,342,796	-	2,342,796
Predevelopment/acquisition	1,079,466	-	1,079,466
Consumer housing	376,303	-	376,303
Total residential loans	37,640,589	-	37,640,589
Commercial Loans:			
Commercial real estate	5,429,228	-	5,429,228
Commercial lines of credit	2,231,045	-	2,231,045
Total commercial loans	7,660,273	-	7,660,273
Energy Efficiency Loans:			
Commercial lending	9,320,941	-	9,320,941
Consumer lending	-	34,647,211	34,647,211
Total energy efficiency loans	9,320,941	34,647,211	43,968,152
Gross loans receivable	54,621,803	34,647,211	89,269,014
Less - allowance for loan losses	(3,811,098)	(678,159)	(4,489,257)
Sub-total	50,810,705	33,969,052	84,779,757
Less - current portion	(1,345,806)	(6,781,025)	(8,126,831)
	$ 49,464,899	$ 27,188,027	$ 76,652,926

Loan Participations

Based on the agreements with the Utilities (see Note 4), the Organization concluded that the participations related to its Energize CT HEAT loan portfolio (see Note 4) qualified as loan sales under ASC Topic 860, *Accounting for Transfers and Servicing of Assets and Liabilities* (see Note 2). Outstanding loans under this program were $84,540,100 and $71,975,742 as of March 31, 2024 and 2023, respectively.

Schedule of Repayments

Scheduled principal repayments of gross loans receivable as of March 31, 2024, are as follows for the fiscal years ending March 31:

2025	$ 12,514,745
2026	20,019,143
2027	8,340,250
2028	9,117,443
2029	8,109,525
Thereafter	41,457,397
Total	$ 99,558,503

5. LOANS RECEIVABLE (Continued)

Commitments to Lend

In addition to funded loans receivable, the Organization had unfunded loan commitments (C4C only) to borrowers totaling $8,798,164 and $5,582,931 at March 31, 2024 and 2023, respectively. In accordance with Topic 326, the Organization has recorded credit loss liabilities related to these unfunded commitments, which are summarized as follows:

Credit loss liability - unfunded commitments, March 31, 2023	$ -
Cumulative adjustment from adoption of new credit loss standard	390,175
Provision for credit losses - unfunded loans	151,347
Credit loss liability - unfunded commitments, March 31, 2024	$ 541,522

6. ALLOWANCE FOR CREDIT LOSSES

The allowance for credit losses is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the loans. Loans are charged off against the allowance when management believes the lack of collectability of a loan balance is confirmed.

Management estimates the allowance balance using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. 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, or term as well as for changes in environmental conditions, such as changes in interest rates or other relevant factors. After the reasonable and supportable forecast period, the Organization's model reverts to historical loss trends. As described below, management has analyzed its loan portfolio into two groups of (1) performing loans (further split into two risk pools) and (2) loans considered collateral dependent financial assets. Each group utilizes a different method of arriving at its allowance for credit losses.

Current Loans under WARM Method

The Organization grouped its performing loans into two risk pools, one for all C4C loans and another for all CEEFCo loans and applied the WARM method to calculate the respective lifetime historical loss rates for each pool of assets. The Organization's historical average annual loss rates for the lookback period beginning on April 1, 2017 (see Note 2), already factors in prepayment history, which management expects to remain unchanged. Based on the historical average annual loss rates of each risk pool, the Organization's lifetime historical loss rates before any qualitative adjustments are summarized below as of both the adoption date (April 1, 2023) and March 31, 2024. To adjust the lifetime loss rates to reflect the effects of changes in current economic conditions and forecasted changes in portfolio performance, management applied a positive 25 basis-point qualitative reserve factor (Q-Factor) to the quantified lifetime loss rate of the C4C loan pool as of both the adoption date (April 1, 2023) and March 31, 2024 (see page 25). Management concluded that no Q-Factor would be applied to the quantified lifetime loss rate of the CEEFCo loan pool as of both the adoption date (April 1, 2023) and March 31, 2024, as a result of no forecasted changes in portfolio performance over the elected supportable forecast period (see Note 2).

6. ALLOWANCE FOR CREDIT LOSSES (Continued)

Current Loans under WARM Method (Continued)

Management believes this methodology most faithfully reflects the expected credit losses for the segment of the loan portfolio which is performing without any signs of weakness or deterioration. Management is using a loss rate method adjusted for prepayments that are probable. This assessment is an estimation technique that is most practical and relevant to the Organization's current circumstances. Based on the various accounting policy elections made by the Organization in connection with the application of the WARM method (see Note 2), the rate used to calculate the allowance for credit losses applied to the amortized cost basis of loans receivable was comprised of the following inputs:

C4C

	Adoption Date (April 1, 2023)	March 31, 2024
Average Annual Loss Rate	0.78%	0.74%
Lifetime Historical Loss Rate (before Q-Factor)	6.74%	5.95%
Q-Factor Adjustment	.25	.25
Allowance for Credit Losses - Rate	6.99%	6.20%

CEEFCo

	Adoption Date (April 1, 2023)	March 31, 2024
Average Annual Loss Rate	1.11%	1.17%
Lifetime Historical Loss Rate (before Q-Factor)	3.93%	4.58%
Q-Factor Adjustment	-	-
Allowance for Credit Losses - Rate	3.93%	4.58%

The Organization applied the allowance for credit loss rates noted above to the balance of loans receivable in each respective performing loan pool (excluding any collateral dependent financial assets) as follows:

C4C

Date	Loan Receivable Balance (Excluding Collateral Dependent Loans)	ACL Rate	Calculated ACL
April 1, 2023	$ 54,621,803	6.99%	$ 3,811,098
March 31, 2024	$ 54,295,628	6.20%	$ 3,368,744

CEEFCo

Date	Loan Receivable Balance	ACL Rate	Calculated ACL
April 1, 2023	$ 34,647,211	3.93%	$ 1,360,130
March 31, 2024	$ 42,882,980	4.58%	$ 1,963,460

6. ALLOWANCE FOR CREDIT LOSSES (Continued)

Collateral Dependent Financial Assets

The Organization monitors credit quality indicators on an on-going basis to determine if any of their loans need to be evaluated separately. Once collection from traditional methods is deemed unlikely, each asset is assessed individually under the practical expedient for collateral dependent financial assets. The credit quality indicators assessed by management include security of the loan, debt service coverage, current and leverage ratios of the borrower, customer concentrations of the borrower, credit history of ownership of the borrower, and collateral coverage.

As of March 31, 2024, there were two loans (in connection with one borrower relationship) with collective balances totaling $2,379,895 that were evaluated on an individual basis and write-offs of these loans totaling $400,013 were recorded during the year ended March 31, 2024, to correctly present these loans at the value that the Organization anticipates that they will recover. The summary table of credit loss activity (see below) does not include any provision for credit losses - funded loans related to these individually evaluated loans as the Organization elected to directly write-off the portion of the amortized cost basis of the loans that was not supported by the fair value of the underlying collateral, adjusted for anticipated selling costs. The Organization will continue to assess the need for additional allowance for credit losses related to these collateral dependent financial assets.

Credit Loss Activity

A summary of the activity within the allowance for credit/loan losses is as follows for the years ended March 31, 2024 and 2023:

	C4C	CEEFCo	Total
Allowance for loan losses, March 31, 2022	$ 4,259,846	$ 587,717	$ 4,847,563
Loan loss provision (recovery)	(448,748)	90,442	(358,306)
Allowance for loan losses, March 31, 2023	3,811,098	678,159	4,489,257
Cumulative adjustment from adoption of new credit loss standard	-	681,971	681,971
Provision for credit losses - funded loans	(442,354)	603,330	160,976
Allowance for credit losses, March 31, 2024	$ 3,368,744	$ 1,963,460	$ 5,332,204

In addition to the allowance for credit loss activity noted in the table above, the Organization wrote-off loan principal totaling $1,249,075 and $1,556,129 during the years ended March 31, 2024 and 2023, respectively.

6. ALLOWANCE FOR CREDIT LOSSES (Continued)

Delinquencies and Non-Accrual Loans

Delinquencies were as follows as of March 31:

	2024		
	C4C	CEEFCo	Total
31 - 60 days	$ 1,845,810	$ 1,464,041	$ 3,309,851
61 - 90 days	-	386,430	386,430
Greater than 90 days	5,901,679	189,324	6,091,003
Total past due	7,747,489	2,039,795	9,787,284
Current	48,928,034	40,843,185	89,771,219
	$ 56,675,523	$ 42,882,980	$ 99,558,503

	2023		
	C4C	CEEFCo	Total
31 - 60 days	$ 1,022,956	$ 1,502,984	$ 2,525,940
61 - 90 days	-	486,871	486,871
Greater than 90 days	4,804,768	137,060	4,941,828
Total past due	5,827,725	2,126,915	7,954,640
Current	48,794,078	32,520,296	81,314,374
	$ 54,621,803	$ 34,647,211	$ 89,269,014

Loans receivable of $6,091,003 and $4,941,828 that had been delinquent beyond 90 days (see above) were all on non-accrual status as of March 31, 2024 and 2023, respectively.

Credit Quality Indicators

Allowance for credit losses is measured on a collective (pool) basis when similar risk characteristics exist. The loan products offered by the Organization that are deemed to be performing are split into two distinct risk pools to determine the allowance for credit losses. The table summarizing credit loss activity on the previous page is presented by loan pool absent the two individually evaluated loans described previously. The Organization monitors credit quality indicators on a quarterly basis to determine if any of their loans need to be evaluated separately from their core loan pool. The credit quality indicators assessed by management include security of the loan, debt service coverage, current and leverage ratios of the borrower, customer concentrations of the borrower, credit history of ownership of the borrower, and collateral coverage.

Legacy Disclosures - Credit Quality Indicators

Prior to the adoption of ASU 2016-13, the Organization estimated loan losses using an internally developed risk rating system applied to performing loans, which considered the lien priority, loan-to-value, history of performance, or other factors that could impact the probability of default and potential loss. Management applied judgment to develop its own view of loss probability within the portfolio with the objective of establishing an allowance for the losses inherent within the portfolio as of the reporting date.

6. ALLOWANCE FOR CREDIT LOSSES (Continued)

Legacy Disclosures - Credit Quality Indicators (Continued)

Reflected in the portions of the allowance previously described was an amount for imprecision or uncertainty that incorporated the range of probable outcomes inherent in estimates used for the allowance, which may change from period to period. This amount was the result of management's judgment of the risks inherent in the portfolio, economic uncertainties, historical loss experience, and other subjective factors, including industry trends, calculated to better reflect the Organization's view of risk in the portfolio. No single statistic or measurement determined the adequacy of the allowance for loan loss. Changes in the allowance for loan loss and the related provision expense could materially affect the changes in net assets.

The Organization used the following credit classifications to risk rate its loans receivable (excluding the special tax credit loan). CEEFCo's loan loss allowance was set at a standard rate of 2% of the outstanding balance plus 100% of direct billing customers with balances greater than 120 days. As a result, the majority of CEEFCo loans had been classified as satisfactory, except for loans that had been specifically identified as bringing additional risk to the Organization. The classifications used are based on available information regarding the repayment performance of individual borrowers in servicing their debt, such as current financial information, historical payment experience, credit documentation, publicly available information, and current trends:

Category	Description of Creditworthiness
Better	Assigned to loans that had demonstrated above-average performance with strong cash flow coverage over an extended period, financial condition was strong and must have had a strong social impact or otherwise significantly further the Organization’s mission.
Satisfactory	Assigned to loans that had demonstrated above-average performance with strong cash flow coverage over an extended period, financial condition had been stable or improving.
Acceptable	Assigned to loans with acceptable asset protection and cash flow provided a reasonable prospect of orderly payout, but more pronounced risk elements than loans classified as satisfactory.
Transitional	Assigned to loans with the characteristics of an acceptable loan but warranted more than the normal level of supervision and formal reporting to management.
Special Mention	Loans that had potential weaknesses deserving of management's close attention.
Substandard	Loans in this classification had a well-defined weakness or weaknesses that jeopardized the repayment of the debt and there was a distinct possibility that the Organization would sustain some loss if the deficiencies were not corrected.
Doubtful	These loans had all of the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable and improbable.
Loss	Considered uncollectible.

6. ALLOWANCE FOR CREDIT LOSSES (Continued)

Legacy Disclosures - Credit Quality Indicators (Continued)

The following table presents the Organization's loans receivable balances and related allowance by risk rating at March 31, 2023:

Category	C4C	CEEFCo	Loan Balance Total	Allowance Total
Better	$ 5,626,164	$ -	$ 5,626,164	$ 58,741
Satisfactory	6,883,438	32,520,296	39,403,734	775,293
Acceptable	19,983,704	-	19,983,704	544,346
Transitional	9,271,859	-	9,271,859	607,845
Special Mention	4,234,362	1,502,984	5,737,346	507,106
Substandard	7,831,163	486,871	8,318,034	1,743,156
Doubtful	791,113	137,060	928,173	252,770
	$ 54,621,803	$ 34,647,211	$ 89,269,014	$ 4,489,257

Legacy Disclosures - Impaired Loans and Troubled Debt Restructurings

Prior to the adoption of ASU 2016-13, the Organization identified a loan as impaired when it was probable that interest and/or principal would not be collected according to the contractual terms of the loan agreement. This was further defined as delinquent payments for ninety plus days and entering foreclosure or bankruptcy. In accordance with ASC Topic, *Receivables - Troubled Debt Restructurings by Creditors*, management employed one of three methods to determine and measure impairment: the Present Value of Future Cash Flow Method; the Fair Value of Collateral Method; and the Observable Market Price of a Loan Method. To perform an impairment analysis, the Organization reviewed its outstanding balance, value of the collateral, and a current report of the action being implemented. Based on the nature of the specific loan and borrower, one of the impairment methods was chosen and any impairment was determined, based on criteria established for impaired loans. Loans totaling $4,941,828 that had been delinquent beyond 90 days (see page 27) were deemed to be impaired as of March 31, 2023.

In accordance with ASC Topic, *Impairment (Recoverability) of a Loan*, a troubled debt restructuring (TDRs) occurred when the creditor granted a concession related to the borrower's financial difficulties that the creditor otherwise would not consider. There have been no loan modifications classified as troubled debt restructurings as of March 31, 2023.

7. NOTES PAYABLE

The Organization's portfolio of loans receivable (see Note 5) is capitalized with several sources of funds including: long-term low-interest notes; equity equivalent notes (see Note 8); low-interest program-related investments from charitable organizations; and grants from government agencies, conventional lenders and corporations (see Note 2). A portion of the loans used to capitalize the Organization's portfolio is secured by an interest in loans receivable and underlying mortgages funded.

Notes payable consists of the following at March 31:

CEEFCo	**2024**	**2023**
Note payable to Amalgamated Bank, which allowed for borrowings up to $22,500,000. Monthly payments of interest only were due through April 2023 (initial maturity) at a rate equal to the *Wall Street Journal*'s prime rate, with a floor of 3.0% (8.0% at March 31, 2023). In April 2023, this note was amended to allow for borrowings up to $15,000,000 (loan was paid down to this balance in connection with the amendment), with monthly payments of interest only due through April 2026 (maturity) at a rate of 6%. All unpaid principal and interest are due at maturity. This note is secured by all CEEFCo loans receivable (see Note 5) and all related assets pledged to the Organization in connection with issuance of the respective loans.	$ 15,000,000	$ 15,244,000
Note payable with CGB, which allowed for borrowings up to $4,500,000. Monthly payments of interest only were due through April 2023 (initial maturity) at a rate equal to the *Wall Street Journal*'s prime rate plus 0.5%, with a floor of 3.50% (8.0% at March 31, 2024 and 2023). In April 2023, this note was amended to allow for borrowings up to $15,000,000, with monthly payments of interest only due through April 2026 (maturity) at a rate of 4%. All unpaid principal and interest are due at maturity. This note is secured by all CEEFCo loans receivable (see Note 5) and all related assets pledged to the Organization in connection with issuance of the respective loans.	15,000,000	3,056,000
Total CEEFCo	30,000,000	18,300,000

7. NOTES PAYABLE (Continued)

C4C	**2024**	**2023**
C4C entered into unsecured note payable agreements with various impact investors (Social Impact Investor Notes) who provided capital for improving conditions for underserved communities and persons in Connecticut by preserving and creating affordable housing, promoting adoption of energy efficiency and alternative energy, and supporting nonprofits and small business development. There were 101 and 100 Social Impact Investor Notes outstanding as of March 31, 2024 and 2023, respectively, ranging from $1,000 to $500,000, funded by individuals, religious organizations, banks, and other organizations, with interest rates ranging from 0% to 3.5%. These notes mature at various dates through January 2033.	6,717,573	6,111,846
C4C entered into a third Multi-Family Permanent Loan Pool Participation Agreement (Participation Pool 3) with several funders providing short-term, low-interest debt financing to support the creation and preservation of affordable housing and stabilizing and revitalizing low or moderate-income neighborhoods. Fourteen banks have committed $25,950,000 of pooled loan capital. Monthly payments of interest only are due through February 2033 (maturity) at a rate equal to the Federal Home Loan Bank of Boston's Community Development Advance Rate plus 1.50% (4.28% and 6.30% at March 31, 2024 and 2023, respectively). All unpaid principal and interest are due at maturity. Loans receivable funded by the Organization with this capital generally have maturities of ten years, with principal repaid on this pooled note according to the respective amortization schedules. This note is secured by loans receivable (see Note 5) funded with Participation Pool 3 capital and all related assets pledged to the Organization in connection with issuance of the respective loans. In addition, the balance of cash equivalents, investments in CDFIs and ETFs (with a minimum of 10% if the note balance) within the Organization's investment portfolio (see Note 3) serve as additional collateral on this note.	5,023,089	5,108,969
Unsecured notes payable to CNote Group, Inc., bearing interest of 3.5% ($2,153,744) and 3.25% ($2,018,661). Monthly interest-only payments are due through the maturity dates of April 2026 and June 2024, respectively, at which time outstanding principal and interest becomes due.	4,172,405	4,158,472

7. NOTES PAYABLE (Continued)

C4C (Continued)	**2024**	**2023**
C4C entered into a second Multi-Family Permanent Loan Pool Participation Agreement (Participation Pool 2) with several funders providing short-term, low-interest debt financing to support the creation and preservation of affordable housing and stabilizing and revitalizing low or moderate-income neighborhoods. Eleven banks have committed $14,150,000 of pooled loan capital. There are no additional borrowings allowed under Participation Pool 2 as of March 31, 2023. Monthly payments of interest only are due through December 2030 (maturity) at a rate equal to the Federal Home Loan Bank of Boston's Community Development Advance Rate plus 1.50% (4.28% and 6.30% at March 31, 2024 and 2023, respectively). All unpaid principal and interest are due at maturity. Loans receivable funded by the Organization with this capital generally have maturities of ten years, with principal repaid on this pooled note according to the respective amortization schedules. This note is secured by loans receivable (see Note 5) funded with Participation Pool 2 capital and all related assets pledged to the Organization in connection with issuance of the respective loans. In addition, the balance of cash equivalents, investments in CDFIs and ETFs (with a minimum of 10% if the note balance) within the Organization's investment portfolio (see Note 3) serve as additional collateral on this note.	3,933,002	4,091,477
Note payable to CGB to fund energy efficiency loans (see Note 5). The repayment and interest terms of this note mirror the terms of the underlying loans made by the Organization to qualified owners. Interest rates range from 3% to 3.5% and the loan principal matures at various dates through October 2037. This note is secured by the underlying notes receivable funded with this CGB capital. As part of this note agreement, CGB has provided funding up to $300,000 to be drawn upon to recover eligible losses under the Organization's energy efficiency loan program.	3,314,850	3,521,726
Note payable to Synchrony Bank, bearing interest at a rate of 3%, which allows for borrowings up to $4,000,000. Quarterly payments of interest only are due through October 2024 (maturity), at which time all outstanding principal and interest become due. This note is secured by the assets of the Organization.	2,722,658	2,722,658

7. NOTES PAYABLE (Continued)

C4C (Continued)	**2024**	**2023**
C4C participates in Connecticut Housing Finance Authority's (CHFA) program to provide CDFIs with financing for small multifamily project loans. CHFA advances up to $500,000 per approved project to eligible participants at an interest rate of 2% for up to twenty years. Under this program, C4C may lend to end borrowers at no more than 5% for up to twenty years. Monthly payments of principal and interest are due through various maturity dates ranging through February 2043. This note is secured by the underlying notes receivable funded with this CHFA capital.	2,672,480	2,418,883
Note payable to Opportunity Finance Network (OFN), bearing interest at a rate of 3%. Quarterly payments of interest only are due through November 2032, at which time all outstanding principal and interest become due. This note is secured by the underlying notes receivable funded with this OFN capital.	2,000,000	2,000,000
C4C has a line of credit agreement with CHFA, bearing interest at a rate of 3%, which allowed for borrowings up to $2,000,000. There are no additional draws allowed under this line of credit as of March 31, 2024. Quarterly payments of interest only are due through various maturity dates ranging through July 2029. Loan proceeds assigned to a particular loan made by the Organization require principal together with all interest due thereon to be paid to CHFA by the maturity date of the underlying loan made by the Organization. These notes are secured by the underlying notes receivable funded with this CHFA capital.	1,865,688	1,865,688
Note payable to Webster Bank, bearing interest at a rate of 4.1%. Principal and interest payments are due monthly through May 2031 (maturity), at which time all unpaid principal and interest become due. This note is secured by a first mortgage on real property located at 10 Alexander Drive, Wallingford, Connecticut.	1,355,518	1,408,419
Line of credit agreement with CHFA, bearing interest at a rate of 3%, which allowed for borrowings up to $2,000,000. There were no additional draws allowed under this line of credit as of March 31, 2023. Monthly payments of interest only are due through various maturity dates ranging through November 2030. Loan proceeds assigned to a particular loan made by the Organization require principal together with all interest due thereon to be paid to CHFA by the maturity date of the underlying loan made by the Organization, but in no event later than the twenty years following the issuance of any permanent loan by the Organization. This note is secured by the underlying notes receivable funded with this CHFA capital.	1,141,000	1,141,000

7. NOTES PAYABLE (Continued)

C4C (Continued)	**2024**	**2023**
Note payable to TD Bank, bearing interest at 3.08%. Monthly payments of principal and interest are due through August 2030 (maturity), at which time all outstanding principal and interest become due. This note is secured by the assets of the Organization.	867,008	904,969
C4C has a line of credit agreement with CHFA, bearing interest at a rate of 3%, which allowed for borrowings up to $2,000,000. There were no additional draws allowed under this line of credit as of December 2018. Quarterly payments of interest only are due through various maturity dates ranging through June 2028. Loan proceeds assigned to a particular loan made by the Organization require principal together with all interest due thereon to be paid to CHFA by the maturity date of the underlying loan made by the Organization. These notes are secured by the underlying notes receivable funded with this CHFA capital.	728,474	728,474
C4C entered into a Multi-Family Permanent Loan Pool Participation Agreement (Participation Pool 1) with several funders providing short-term, low-interest debt financing to support the creation and preservation of affordable housing and stabilizing and revitalizing low or moderate-income neighborhoods. Twelve banks have committed $8,064,311 of pooled loan capital. There are no additional borrowings allowed under Participation Pool 1 as of March 31, 2024 and 2023. Monthly payments of interest only are due through August 2026 (maturity) at a rate equal to the Federal Home Loan Bank of Boston's Community Development Advance Rate plus 1.50% (4.28% and 6.30% at March 31, 2024 and 2023, respectively). All unpaid principal and interest are due at maturity. Loans receivable funded by the Organization with this capital generally have maturities of ten years, with principal repaid on this pooled note according to the respective amortization schedules. This note is secured by loans receivable (see Note 5) funded with Participation Pool 1 capital and all related assets pledged to the Organization in connection with issuance of the respective loans.	588,927	609,578
Unsecured note payable to Housing Development Fund, Inc., bearing interest at a rate of 3.34%. Monthly payments of principal and interest are due through January 2031 (maturity), at which time all outstanding principal and interest become due.	537,333	606,023

7. NOTES PAYABLE (Continued)

C4C (Continued)	**2024**	**2023**
Notes payable to OFN to fund loans under the Organization's energy efficiency loan program (see Note 5), bearing interest at a rate of 3%. Quarterly payments of interest only are due through November 2025, at which time all outstanding principal and interest become due. This note is secured by the underlying notes receivable funded with this OFN capital.	499,792	499,792
Unsecured note payable to the Connecticut Trust for Historic Preservation, bearing interest at 3%. Monthly interest-only payments are due through December 2024 (maturity), at which time outstanding principal and interest become due.	250,000	250,000
Unsecured non-interest bearing note payable to the City of Bridgeport. Outstanding principal is due in December 2030.	83,455	83,455
Total C4C	38,473,252	38,231,429
Total notes payable	68,473,252	56,531,429
Less - current portion	(8,486,430)	(3,893,076)
	$ 59,986,822	$ 52,638,353

Certain notes payable contain financial and non-financial covenants with which the Organization must comply. As of March 31, 2024 and 2023, the Organization was in compliance with these covenants.

Available Credit

The Organization had total available credit of $22,204,253 and $36,682,983 extended from its lenders as of March 31, 2024 and 2023, respectively.

Schedule of Repayments

Scheduled principal repayments of notes payable are as follows for the fiscal years ending March 31:

2025	$ 8,486,430
2026	2,540,463
2027	34,924,246
2028	2,418,447
2029	1,361,345
Thereafter	18,742,321
Total	$ 68,473,252

8. EQUITY EQUIVALENT NOTES PAYABLE

Equity equivalent notes payable (EQ2) are unsecured debt that is subordinate and junior in right of payment to all other organizational financial obligations both currently and subsequently incurred, but pari passu with other similar subordinated debt or equity equivalent investments, whether currently or subsequently incurred. An EQ2 is defined by the following attributes:

- The investor carries it on their books as an investment according to GAAP;
- It is a general obligation that is not secured by any assets;
- It is fully subordinated to the right of repayment of all other creditors;
- It does not give the investor the right to accelerate payment unless the Organization ceases its normal operations (i.e., changes its line of business);
- It carries an interest rate that is not tied to any income received by the Organization; and
- The maturity has a rolling term and therefore an indeterminate maturity.

The Organization uses its EQ2s to fund loans and pays its EQ2 investors interest-only payments semiannually. Annually or upon maturity, the terms of the underlying agreements allow for the investment to renew for the same term if notice not to extend the maturity is not received by either party.

Lender	Renewal Terms	Interest Rate	Maturity Date	Amount
Citizens Bank	3 years	2.50%	3/31/26	$ 1,250,000
M&T Bank	Rolling 10 years	2.00%	6/30/28	1,250,000
Liberty Bank	Rolling 7 years	2.00%	12/31/28	1,000,000
Webster Bank	Annual 1 year	2.00%	7/01/26	750,000
TD Bank	Rolling 10 years	2.00%	12/31/25	750,000
TD Bank	10 years	2.00%	7/01/24	300,000
M&T Bank	3 years	2.00%	9/15/24	250,000
M&T Bank	Rolling 10 years	2.00%	6/30/24	250,000
Laurel Road Bank	Rolling 10 years	2.00%	6/30/27	250,000
DR Bank	Rolling 10 years	2.00%	11/01/32	100,000
Laurel Road Bank	Rolling 10 years	2.00%	12/31/28	50,000
				6,200,000
Less - current portion				(800,000)
				$ 5,400,000

Schedule of Repayments

Scheduled principal repayments of equity equivalent notes payable are as follows for the fiscal years ending March 31:

2025	$ 800,000
2026	2,000,000
2027	750,000
2028	250,000
2029	2,300,000
Thereafter	100,000
Total	$ 6,200,000

9. EMPLOYEE BENEFIT PLAN

The Organization maintains a Defined Contribution Retirement Plan (the Plan) under Section 403(b) of the IRC, covering all employees who have completed ninety days of service. Each year the participants may contribute up to the amount designated by the IRC, based on the participant's age. The Organization, by action of its Board of Directors, shall determine the amount, if any, of the annual discretionary employer contributions. Total employer contributions to the Plan for the years ended March 31, 2024 and 2023, were $116,860 and $109,710, respectively, and are included in payroll taxes and fringe benefits in the accompanying combined statements of functional expenses.

10. CONDITIONAL AWARDS

Conditional Advances

The Organization received grants and contributions that contained donor-imposed conditions that represent barriers that must be overcome as well as a right of return of the assets transferred (see Note 2). The Organization recognizes these grants and contributions only when donor-imposed conditions are substantially met. Accordingly, the ending balance of conditional advances included in the accompanying combined statements of financial position pertains to cash received by the Organization in advance of meeting the necessary conditions.

Conditional advances consist of the following as of March 31:

	2024	2023
Conditional loan capital	$ 4,489,191	$ 4,489,191
HTCC Award - state tax credit purchase	1,017,976	517,976
Conditional advances	$ 5,507,167	$ 5,007,167

Conditional Loan Capital

The Organization was awarded two conditional Urban Action Grants in prior years in the amounts of $3,100,000 and $1,200,000, respectively, to fund loans for specific community development projects in Bridgeport, Connecticut. The grant agreements allow the Organization to retain the interest earned on the underlying loans receivable and, if certain conditions are met, a portion of the paid principal may be retained by the Organization with the balance payable to the State of Connecticut upon collection.

The State of Connecticut also provided the Organization conditional grant funding totaling $189,191 under its Small Business Lending Partner Program. The program requires the Organization to return all payments of principal on the underlying loans receivable to the State of Connecticut. Loan losses related to loans funded with this capital are not due back to the State of Connecticut.

HTCC Award - State Tax Credit Purchase

The Organization receives annual awards from the State Housing Tax Credit Contribution (HTCC) program that are used to make loans to qualified projects. Cash received but not yet deployed into loans is reflected as conditional advances in the accompanying combined statements of financial position. These grants also require that the proceeds be revolved for recurring use during the investment term of the respective agreements. Accordingly, the expended grant proceeds remain in net assets with donor restrictions until depleted by loan losses or until the investment period of three years expires (see Note 2).

10. CONDITIONAL AWARDS (Continued)

Employee Retention Tax Credit

The Employee Retention Tax Credit (ERTC) was first established by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and was extended and expanded by the Consolidated Appropriations Act (CAA) and American Rescue Plan (ARP). ERTC provides a refundable tax credit against certain employment taxes equal to 50% of the first $10,000 in qualified wages paid to each employee between March 12, 2020 and December 31, 2020 (2020 ERTC), and 70% of the first $10,000, per quarter, in qualified wages paid to each employee between January 1, 2021 and September 30, 2021 (2021 ERTC). To be eligible, the Organization must meet certain conditions as described in applicable laws and regulations.

The Organization qualified for the 2021 ERTC and submitted all necessary paperwork to request the funds, and therefore, accounted for it as conditional grants under ASC Subtopic 958-605. These grants were conditional upon certain performance requirements and meeting certain eligibility criteria of the Federal program. In the opinion of management, these conditions were met as of March 31, 2024, and therefore, $740,098 of 2021 ERTC was recognized and is included in government grants and contracts in the accompanying fiscal year 2024 combined statement of activities without donor restrictions. As of March 31, 2024, $341,865 has not been received and, therefore, is included in grants and government contracts receivable in the accompanying fiscal year 2024 combined statement of financial position.

11. RELATED PARTY TRANSACTIONS

The Organization has entered into the following transactions with related parties during the years ended March 31, 2024 and 2023:

- Three members of the Board of Directors have loaned the Organization amounts ranging from $20,000 to $100,000, bearing interest at rates ranging from 2.5% to 3%. Interest is paid annually on the anniversary of the respective loans. All outstanding principal and interest on these loans are due at various dates through May 2026.

- A relative of one of the members of management of the Organization made a loan of $50,000 to the Organization, bearing interest at 2.5%. Interest is paid annually on the anniversary of the loan. All outstanding principal and interest on this loan are due in January 2025.

12. FUNDING CONCENTRATIONS

Contract income from governmental agencies is subject to audit by the respective governmental authorities. In the opinion of management, the results of such audits, if any, will not have a material effect on the combined statements of financial position of the Organization as of March 31, 2024 and 2023, or on the combined statements of activities without donor restrictions for the years then ended.

13. LIQUIDITY

Financial assets available for general operating use, without donor or other restrictions limiting their use (see Note 2), within one year of the combined statements of financial position date, comprise the following at March 31:

	2024	2023
Cash and cash equivalents	$ 3,428,046	$ 2,721,951
Grants and government contracts receivable	341,865	610,000
Accounts receivable	1,713,978	1,120,029
Interest receivable	546,471	454,870
Current portion of loans receivable	11,848,977	8,126,831
	17,879,337	13,033,681
Less - required principal repayment of notes payable	(8,486,430)	(3,893,076)
Less - required interest repayment of notes payable	(136,527)	(90,305)
Total	$ 9,256,380	$ 9,050,300

The Organization's cash management objectives are to ensure that it has sufficient liquidity and resources to carry out the Organization's mission. Effective cash management enhances the Organization's capacity to increase access to capital for the benefit of low and moderate-income people through the partnerships with lending, government, and philanthropic institutions. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Management regularly monitors the availability of resources required to manage liquidity, using a variety of reports and practices to manage asset-liability matching and to identify liquidity concerns. Board designated funds (see Note 2) are generally not available to the Organization for general purposes and, therefore, are excluded from the above table, however, these funds can be used if the Board of Directors approves the use.

To supplement liquidity for mission-related financing, the Organization has additional note payable commitments of $22,204,253 and $36,682,983 as of March 31, 2024 and 2023, respectively (see Note 7).

14. RECLASSIFICATION

Certain amounts in the 2023 combined financial statements have been reclassified to conform with the 2024 combined financial statement presentation.

SUPPLEMENTARY INFORMATION

CAPITAL FOR CHANGE, INC. AND AFFILIATES

Combining Statement of Financial Position
March 31, 2024
(With Summarized Comparative Totals as of March 31, 2023)

	2024				2023
Assets	**C4C**	**CEEFCo**	**Eliminations**	**Total**	**Total**
Current Assets:					
Cash and cash equivalents	$ 3,428,046	$ -	$ -	$ 3,428,046	$ 2,721,951
Grants and government contracts receivable	341,865	-	-	341,865	610,000
Accounts receivable	1,663,306	107,845	(57,173)	1,713,978	1,120,029
Interest receivable	346,208	200,263	-	546,471	454,870
Current portion of loans receivable, net of allowance for credit losses of $665,768 as of March 31, 2024	5,534,938	6,314,039	-	11,848,977	8,126,831
Other current assets	255,601	59,843	-	315,444	86,671
Total current assets	11,569,964	6,681,990	(57,173)	18,194,781	13,120,352
Other Assets:					
Restricted cash	12,525,779	3,654,239	-	16,180,018	14,273,182
Investments	1,007,541	-	-	1,007,541	1,294,294
Loans receivable, net of current portion and allowance for credit losses of $4,666,436 and $4,489,257 as of March 31, 2024 and 2023, respectively	47,771,841	34,605,481	-	82,377,322	76,652,926
Total other assets	61,305,161	38,259,720	-	99,564,881	92,220,402
Property and Equipment:					
Land	241,686	-	-	241,686	241,686
Building and improvements	3,227,214	-	-	3,227,214	3,227,214
Furniture and equipment	1,762,842	-	-	1,762,842	1,666,037
	5,231,742	-	-	5,231,742	5,134,937
Less - accumulated depreciation	1,871,286	-	-	1,871,286	1,657,866
Net property and equipment	3,360,456	-	-	3,360,456	3,477,071
Total assets	$ 76,235,581	$ 44,941,710	$ (57,173)	$ 121,120,118	$ 108,817,825
Liabilities and Net Assets					
Current Liabilities:					
Current portion of notes payable	$ 8,486,430	$ -	$ -	$ 8,486,430	$ 3,893,076
Current portion of equity equivalent notes payable	800,000	-	-	800,000	1,300,000
Accounts payable and accrued expenses	182,947	320,160	(57,173)	445,934	549,830
Accrued interest payable	136,527	-	-	136,527	90,305
Total current liabilities	9,605,904	320,160	(57,173)	9,868,891	5,833,211
Long-Term Liabilities:					
Conditional advances	5,507,167	-	-	5,507,167	5,007,167
Loan escrows liability	2,655,451	-	-	2,655,451	2,960,276
Funds held for others	543,421	-	-	543,421	994,703
Deferred interest and other revenue	317,831	1,468,104	-	1,785,935	1,721,491
Notes payable, net	29,986,822	30,000,000	-	59,986,822	52,638,353
Credit loss liability - unfunded commitments	541,522	-	-	541,522	-
Equity equivalent notes payable, net	5,400,000	-	-	5,400,000	4,850,000
Total long-term liabilities	44,952,214	31,468,104	-	76,420,318	68,171,990
Total liabilities	54,558,118	31,788,264	(57,173)	86,289,209	74,005,201
Net Assets:					
Without donor restrictions:					
Operating	12,090,210	-	-	12,090,210	11,181,032
Property and equipment	2,004,938	-	-	2,004,938	2,068,652
Board designated	1,012,266	-	-	1,012,266	1,030,804
Total without donor restrictions	15,107,414	-	-	15,107,414	14,280,488
With donor restrictions	6,570,049	13,153,446	-	19,723,495	20,532,136
Total net assets	21,677,463	13,153,446	-	34,830,909	34,812,624
Total liabilities and net assets	$ 76,235,581	$ 44,941,710	$ (57,173)	$ 121,120,118	$ 108,817,825

CAPITAL FOR CHANGE, INC. AND AFFILIATES

Combining Statement of Financial Position
March 31, 2023

Assets	**C4C**	**CEEFCo**	**Eliminations**	**Total**
Current Assets:				
Cash and cash equivalents	$ 2,721,951	$ -	$ -	$ 2,721,951
Grants and government contracts receivable	610,000	-	-	610,000
Accounts receivable	1,081,378	78,165	(39,514)	1,120,029
Interest receivable	315,532	139,338	-	454,870
Current portion of loans receivable	1,345,806	6,781,025	-	8,126,831
Other current assets	77,973	8,698	-	86,671
Total current assets	6,152,640	7,007,226	(39,514)	13,120,352
Other Assets:				
Restricted cash	12,784,832	1,488,350	-	14,273,182
Investments	1,294,294	-	-	1,294,294
Loans receivable, net	49,464,899	27,188,027	-	76,652,926
Total other assets	63,544,025	28,676,377	-	92,220,402
Property and Equipment:				
Land	241,686	-	-	241,686
Building and improvements	3,227,214	-	-	3,227,214
Furniture and equipment	1,666,037	-	-	1,666,037
	5,134,937	-	-	5,134,937
Less - accumulated depreciation	1,657,866	-	-	1,657,866
Net property and equipment	3,477,071	-	-	3,477,071
Total assets	$ 73,173,736	$ 35,683,603	$ (39,514)	$ 108,817,825
Liabilities and Net Assets				
Current Liabilities:				
Current portion of notes payable	$ 3,893,076	$ -	$ -	$ 3,893,076
Current portion of equity equivalent notes payable	1,300,000	-	-	1,300,000
Accounts payable and accrued expenses	332,843	256,501	(39,514)	549,830
Accrued interest payable	90,305	-	-	90,305
Total current liabilities	5,616,224	256,501	(39,514)	5,833,211
Long-Term Liabilities:				
Conditional advances	5,007,167	-	-	5,007,167
Loan escrows liability	2,960,276	-	-	2,960,276
Funds held for others	994,703	-	-	994,703
Deferred interest and other revenue	160,924	1,560,567	-	1,721,491
Notes payable, net	34,338,353	18,300,000	-	52,638,353
Equity equivalent notes payable, net	4,850,000	-	-	4,850,000
Total long-term liabilities	48,311,423	19,860,567	-	68,171,990
Total liabilities	53,927,647	20,117,068	(39,514)	74,005,201
Net Assets:				
Without donor restrictions:				
Operating	11,181,032	-	-	11,181,032
Property and equipment	2,068,652	-	-	2,068,652
Board designated	1,030,804	-	-	1,030,804
Total without donor restrictions	14,280,488	-	-	14,280,488
With donor restrictions	4,965,601	15,566,535	-	20,532,136
Total net assets	19,246,089	15,566,535	-	34,812,624
Total liabilities and net assets	$ 73,173,736	$ 35,683,603	$ (39,514)	$ 108,817,825

CAPITAL FOR CHANGE, INC. AND AFFILIATES

Combining Statement of Activities Without Donor Restrictions
For the Year Ended March 31, 2024
(With Summarized Comparative Totals for the Year Ended March 31, 2023)

	2024				2023
	C4C	CEEFCo	Eliminations	Total	Total
Revenues:					
Earned revenue:					
Financial revenue:					
Interest on loans	$ 2,673,984	$ 2,039,699	$ -	$ 4,713,683	$ 4,013,333
Investment return	86,354	102,229	-	188,583	(45,000)
Less - provision for credit losses - unfunded loans	(151,347)	-	-	(151,347)	-
Less - (provision for) recovery of credit losses - funded loans	442,354	(603,330)	-	(160,976)	358,306
Less - write-off of loans receivable	(675,013)	(574,062)	-	(1,249,075)	(1,556,129)
Less - interest expense	(1,318,995)	(1,320,554)	-	(2,639,549)	(2,265,657)
Net financial revenue	1,057,337	(356,018)	-	701,319	504,853
Loan servicing fees	2,280,754	-	(600,216)	1,680,538	1,487,484
Loan origination and other fees	1,989,465	-	(673,850)	1,315,615	1,254,752
Total earned revenue	5,327,556	(356,018)	(1,274,066)	3,697,472	3,247,089
Public support:					
Government grants and contracts	855,547	-	-	855,547	925,897
Other grants and contributions	99,317	-	-	99,317	38,911
Net assets released from purpose restrictions	874,391	1,731,118	-	2,605,509	2,083,435
Total public support	1,829,255	1,731,118	-	3,560,373	3,048,243
Total revenues	7,156,811	1,375,100	(1,274,066)	7,257,845	6,295,332
Expenses:					
Program	5,251,408	1,375,100	(1,274,066)	5,352,442	5,131,425
General and administrative	533,013	-	-	533,013	627,262
Fundraising	155,289	-	-	155,289	223,342
Total expenses	5,939,710	1,375,100	(1,274,066)	6,040,744	5,982,029
Changes in net assets without donor restrictions	$ 1,217,101	$ -	$ -	$ 1,217,101	$ 313,303

CAPITAL FOR CHANGE, INC. AND AFFILIATES

Combining Statement of Activities Without Donor Restrictions
For the Year Ended March 31, 2023

	C4C	CEEFCo	Eliminations	Total
Revenues:				
Earned revenue:				
Financial revenue:				
Interest on loans	$ 2,433,705	$ 1,579,628	$ -	$ 4,013,333
Investment return	(45,000)	-	-	(45,000)
Less - loan loss recovery (provision)	448,748	(90,442)	-	358,306
Less - write-off of loans receivable	(1,138,581)	(417,548)	-	(1,556,129)
Less - interest expense	(1,241,669)	(1,023,988)	-	(2,265,657)
Net financial revenue	457,203	47,650	-	504,853
Loan servicing fees	2,044,440	-	(556,956)	1,487,484
Loan origination and other fees	1,756,352	-	(501,600)	1,254,752
Total earned revenue	4,257,995	47,650	(1,058,556)	3,247,089
Public support:				
Government grants and contracts	925,897	-	-	925,897
Other grants and contributions	38,911	-	-	38,911
Net assets released from purpose restrictions	1,012,294	1,071,141	-	2,083,435
Total public support	1,977,102	1,071,141	-	3,048,243
Total revenues	6,235,097	1,118,791	(1,058,556)	6,295,332
Expenses:				
Program	5,071,190	1,118,791	(1,058,556)	5,131,425
General and administrative	627,262	-	-	627,262
Fundraising	223,342	-	-	223,342
Total expenses	5,921,794	1,118,791	(1,058,556)	5,982,029
Changes in net assets without donor restrictions	$ 313,303	$ -	$ -	$ 313,303

CAPITAL FOR CHANGE, INC. AND AFFILIATES

Combining Statements of Changes in Net Assets
For the Years Ended March 31, 2024 and 2023

	C4C	CEEFCo	Total
Net Assets, March 31, 2022	$ 19,111,327	$ 14,537,676	$ 33,649,003
Changes in net assets without donor restrictions	313,303	-	313,303
Changes in net assets with donor restrictions:			
Grants and contributions	833,753	2,100,000	2,933,753
Net assets released from restrictions	(1,012,294)	(1,071,141)	(2,083,435)
Total changes in net assets with donor restrictions	(178,541)	1,028,859	850,318
Changes in net assets	134,762	1,028,859	1,163,621
Net Assets, March 31, 2023	19,246,089	15,566,535	34,812,624
Cumulative adjustment from adoption of new credit loss standard	(390,175)	(681,971)	(1,072,146)
Changes in net assets without donor restrictions	1,217,101	-	1,217,101
Changes in net assets with donor restrictions:			
Grants and contributions	2,478,839	-	2,478,839
Net assets released from restrictions	(874,391)	(1,731,118)	(2,605,509)
Total changes in net assets with donor restrictions	1,604,448	(1,731,118)	(126,670)
Changes in net assets	2,821,549	(1,731,118)	1,090,431
Net Assets, March 31, 2024	$ 21,677,463	$ 13,153,446	$ 34,830,909