

LiftFund Inc.

Notes to Consolidated Financial Statements
Years Ended December 31, 2022 and 2021

Note N: Commitments and Contingencies

LiftFund's grant and contract programs are subject to inspection and audit by the appropriate governmental funding agencies. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated and, accordingly, LiftFund has no provision for the possible disallowance of program costs included in its financial statements.

Note O: Subsequent Events

Subsequent events have been evaluated through May 1st 2023, which is the date the consolidated financial statements were available to be issued.

Supplementary Information

LiftFund Inc.

Consolidating Statement of Financial Position December 31, 2022

	<u>LiftFund Inc.</u>	<u>Funding LLC Companies</u>	<u>Intercompany Eliminations</u>	<u>Totals</u>
Assets				
Current Assets				
Cash and cash equivalents	\$ 5,615,597	\$ 25,600	\$ -	\$ 5,641,197
Investments	9,953,200	-	-	9,953,200
Receivables:				
Current portion of loans receivable, net of allowance for credit losses of \$989,886 in 2022	10,746,753	-	-	10,746,753
Current portion of grants and contributions receivable, net of allowance for doubtful accounts of \$200,000 in 2022	3,224,078	-	-	3,224,078
Current portion of program accounts receivable	24,207	-	-	24,207
Accrued interest receivable	281,713	-	-	281,713
Prepaid expenses and other assets	523,158	-	(142,700)	380,458
Total Current Assets	30,368,706	25,600	(142,700)	30,251,606
Cash and cash equivalents, reserved	3,964,247	-	-	3,964,247
Receivables:				
Loans receivable, net of allowance for credit losses of \$3,825,628 in 2022, less current portion	41,533,160	5,500,000	(5,500,000)	41,533,160
Grants and contributions receivable, less current portion	41,700	-	-	41,700
Program accounts receivable, less current portion	1,093,653	177,247	(177,247)	1,093,653
Property and equipment, net of accumulated depreciation of \$6,072,947 in 2022	7,838,957	-	-	7,838,957
Total Assets	\$ 84,840,423	\$ 5,702,847	\$ (5,819,947)	\$ 84,723,323
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	\$ 1,415,488	\$ -	\$ -	\$ 1,415,488
Accrued liabilities	1,216,943	165,988	-	1,382,931
Deferred revenue	658,645	-	(319,947)	338,698
Passthrough grants payable	1,693,776	-	-	1,693,776
Current portion of notes payable	4,775,880	-	-	4,775,880
Total Current Liabilities	9,760,732	165,988	(319,947)	9,606,773
Accrued liabilities	291,027	-	-	291,027
Deferred revenue	1,612,906	-	-	1,612,906
Notes payable, less current portion	26,416,616	-	(5,500,000)	20,916,616
Equity equivalents	9,402,500	-	-	9,402,500
Total Liabilities	47,483,781	165,988	(5,819,947)	41,829,822
Net Assets:				
Without donor restrictions				
Unrestricted	36,931,654	-	-	36,931,654
Noncontrolling interest in LLC company	-	5,536,859	-	5,536,859
With donor restrictions	424,988	-	-	424,988
Total Net Assets	37,356,642	5,536,859	-	42,893,501
Total Liabilities and Net Assets	\$ 84,840,423	\$ 5,702,847	\$ (5,819,947)	\$ 84,723,323

See independent auditor's report.

LiftFund Inc.

**Consolidating Statement of Activities
For the Year Ended December 31, 2022**

	LiftFund Inc.			Funding LLC Companies			Eliminations	Consolidated		
	Without Donor Restrictions	With Donor Restrictions	Totals	Without Donor Restrictions	With Donor Restrictions	Totals		Without Donor Restriction	With Donor Restriction	Total
Revenue and support										
Public support										
Governmental support	\$ 7,396,887	\$ -	\$ 7,396,887	\$ -	\$ -	\$ -	\$ -	\$ 7,396,887	\$ -	\$ 7,396,887
Governmental passthrough grants	29,439,000	-	29,439,000	-	-	-	-	29,439,000	-	29,439,000
Grants and contributions	4,399,419	-	4,399,419	-	-	-	-	4,399,419	-	4,399,419
Notes payable forgiven	-	-	-	-	-	-	-	-	-	-
In-kind contributions	692,596	-	692,596	-	-	-	-	692,596	-	692,596
Revenue										
Loan interest and fees	7,488,571	-	7,488,571	183,687	-	183,687	(183,687)	7,488,571	-	7,488,571
SBA 504 revenue	1,990,639	-	1,990,639	-	-	-	-	1,990,639	-	1,990,639
Gain on sale of loans	8,016	-	8,016	-	-	-	-	8,016	-	8,016
Portfolio management services	98,194	-	98,194	-	-	-	-	98,194	-	98,194
Office space rental revenue	42,096	-	42,096	-	-	-	-	42,096	-	42,096
Interest and Investment Income	256,895	-	256,895	108	-	108	-	257,003	-	257,003
Miscellaneous revenue	6,272	-	6,272	-	-	-	-	6,272	-	6,272
Net assets released from restrictions	562,300	(562,300)	-	-	-	-	-	562,300	(562,300)	-
Total Support and Revenues	52,380,885	(562,300)	51,818,585	183,795	-	183,795	(183,687)	52,380,993	(562,300)	51,818,693
Expenses										
Program services										
Lending	18,235,794	-	18,235,794	165,733	-	165,733	(183,687)	18,217,840	-	18,217,840
Passthrough grants	29,439,000	-	29,439,000	-	-	-	-	29,439,000	-	29,439,000
Leasing activity	-	-	-	-	-	-	-	-	-	-
Management and general	2,462,617	-	2,462,617	-	-	-	-	2,462,617	-	2,462,617
Fundraising	1,082,619	-	1,082,619	-	-	-	-	1,082,619	-	1,082,619
Total Expenses	51,220,030	-	51,220,030	165,733	-	165,733	(183,687)	51,202,076	-	51,202,076
Change in net assets before noncontrolling interest in LLC companies	1,160,855	(562,300)	598,555	18,062	-	18,062	-	1,178,917	(562,300)	616,617
Change in net assets from noncontrolling interest in LLC companies	-	-	-	(1,250,000)	-	(1,250,000)	-	(1,250,000)	-	(1,250,000)
Change in Net Assets	1,160,855	(562,300)	598,555	(1,231,938)	-	(1,231,938)	-	(71,083)	(562,300)	(633,383)
Net Assets at Beginning of Year	35,770,799	987,288	36,758,087	6,768,797	-	6,768,797	-	42,539,596	987,288	43,526,884
Net Assets at End of Year	\$ 36,931,654	\$ 424,988	\$ 37,356,642	\$ 5,536,859	\$ -	\$ 5,536,859	\$ -	\$ 42,468,513	\$ 424,988	\$ 42,893,501

See independent auditor's report.

LiftFund Inc.

Consolidating Statement of Functional Expenses
For the Year Ended December 31, 2022

	LiftFund Inc.				Funding LLC Companies	Eliminations	Consolidated Totals
	Program Services	Management and General	Fundraising	Totals			
Personnel costs:							
Salaries and wages	\$ 7,372,310	\$ 1,217,846	\$ 663,578	\$ 9,253,734	\$ -	\$ -	\$ 9,253,734
Payroll taxes	562,578	105,638	47,085	715,301	-	-	715,301
Employee benefits	823,265	284,806	74,859	1,182,930	-	-	1,182,930
Total personnel costs	<u>8,758,153</u>	<u>1,608,290</u>	<u>785,522</u>	<u>11,151,965</u>	-	-	<u>11,151,965</u>
Governmental passthrough grants	29,439,000	-	-	29,439,000	-	-	29,439,000
Consultants	1,078,812	93,522	38,000	1,210,334	-	-	1,210,334
Interest	886,445	-	-	886,445	165,639	(183,687)	868,397
Telecommunications	906,801	110,586	88,468	1,105,855	-	-	1,105,855
Program expenses (grant funded)	378,564	-	-	378,564	-	-	378,564
Portfolio expenses	1,296,226	-	-	1,296,226	-	-	1,296,226
Professional fees	603,549	330,837	-	934,386	-	-	934,386
In-kind interest	692,596	-	-	692,596	-	-	692,596
Loan credit loss	1,301,447	-	-	1,301,447	-	-	1,301,447
Occupancy buildings	339,588	41,413	33,131	414,132	-	-	414,132
Dues and subscriptions	240,588	29,340	23,472	293,400	-	-	293,400
Insurance	285,175	34,777	27,822	347,774	-	-	347,774
Equipment rental and maintenance	165,519	20,185	16,148	201,852	-	-	201,852
Advertising	350,179	10,949	798	361,926	-	-	361,926
Service charges and fees	166,326	-	2,259	168,585	94	-	168,679
Property taxes	137,007	16,708	13,366	167,081	-	-	167,081
Office expenses	74,040	18,242	5,330	97,612	-	-	97,612
Conferences and meetings	101,032	35,271	3,939	140,242	-	-	140,242
Travel	48,246	60,607	2,852	111,705	-	-	111,705
Total Expenses before Depreciation	<u>47,249,293</u>	<u>2,410,727</u>	<u>1,041,107</u>	<u>50,701,127</u>	<u>165,733</u>	<u>(183,687)</u>	<u>50,683,173</u>
Depreciation	<u>425,501</u>	<u>51,890</u>	<u>41,512</u>	<u>518,903</u>	<u>-</u>	<u>-</u>	<u>518,903</u>
Total Expenses	<u>\$ 47,674,794</u>	<u>\$ 2,462,617</u>	<u>\$ 1,082,619</u>	<u>\$ 51,220,030</u>	<u>\$ 165,733</u>	<u>\$ (183,687)</u>	<u>\$ 51,202,076</u>

See independent auditor's report.