

Capital Impact Partners and Subsidiaries and CDC Small Business Finance Corp.

Consolidated and Combined Statements of Financial Position

December 31, 2023 and 2022

Assets	2023	2022
Cash and cash equivalents – unrestricted	\$61,139,507	\$83,195,840
Cash and cash equivalents – restricted	35,458,813	27,874,808
Accounts and interest receivable	14,510,568	10,421,120
Contributions receivable	-	2,600,000
Investments	41,942,249	42,827,639
Mortgage Backed Securities	33,822,580	29,230,723
Loans receivable	582,347,447	439,517,636
Less: allowance for loan losses	(16,401,481)	(17,296,744)
Loans receivable, net	565,945,966	422,220,892
Loans receivable – subsidiaries	19,868,695	20,227,669
Loans available for sale	2,419,888	2,650,133
Other real estate owned	658,498	-
Other assets	12,919,657	12,104,394
Right of use assets	9,927,925	8,670,535
Total assets	\$798,614,346	\$662,023,753
Liabilities and net assets		
Liabilities:	2023	2022
Accounts payable and accrued expenses	\$18,524,230	\$14,000,177
Refundable advance liability	9,735,754	6,172,250
Loan loss reserve for PCLP program	896,841	968,193
Due to Small Business Administration	159,957	159,957
Deposits	925,429	543,596
Revolving lines of credit	69,500,000	46,000,000
Notes payable	111,998,868	75,084,573
Investor Notes, net	262,805,148	201,306,219
Subordinated debt	14,500,000	2,500,000
Federal Home Loan Bank borrowing	24,000,000	24,000,000
Bond loan payable	5,000,000	5,000,000
Notes payable – subsidiaries	24,193,922	24,193,922
Other borrowings	261,949	456,488
Liability for CECL - loan commitments	3,474,561	-
Lease liabilities	12,549,940	11,419,917
Total liabilities	558,526,599	411,805,292
Net assets	2023	2022
Without donor restrictions	168,649,826	174,774,158
Noncontrolling interest in consolidated subsidiaries	20,572,345	20,572,345
Total without donor restrictions	189,222,171	195,346,503
With donor restrictions	50,865,576	54,871,958
Total net assets	240,087,747	250,218,461
Total liabilities and net assets	\$798,614,346	\$662,023,753

See notes to consolidated financial statements.

Capital Impact Partners and Subsidiaries and CDC Small Business Finance Corp.

Consolidated and Combined Statements of Activities and Changes in Net Assets

Years Ended December 31, 2023 and 2022

Changes in net assets without donor restrictions:	2023	2022
Financial activity:		
Financial income:		
Interest income on loans	\$33,802,728	\$26,726,235
Loan fees	389,267	723,032
Investment income (loss), net	3,701,380	(4,337,840)
Gain (loss) on equity method investments	770,537	(466,532)
Loss on NMTC unwind	-	(21,845)
Total financial income	38,663,912	22,623,050
Financial expense:		
Interest expense	17,834,797	11,355,356
Provision for credit losses	1,397,447	1,028,455
Total financial expense	19,232,244	12,383,811
Net financial income	19,431,668	10,239,239
Revenue and support:		
Loan servicing fees	15,608,104	20,758,091
Fees	3,392,482	1,427,391
Asset management fees from investments	1,568,719	125,097
Contract revenue	1,244,007	719,570
Contributions	430,736	9,687,213
Gain on sale of 7a loans	2,712,844	2,248,329
Software licensing and support	4,275,889	3,222,595
Gain on debt extinguishment	352,238	6,452,689
Other income	5,327,301	2,092,529
Net assets released from donor restrictions	34,509,696	16,672,408
Total revenue and support	69,422,016	63,405,912
Non-financial Expenses:		
Innovative community lending program	37,745,587	36,569,255
Technical assistance	22,160,282	16,380,774
Total non-financial program expenses	59,905,869	52,950,029
Support expenses:		
Management and general	27,375,738	21,649,261
Fundraising	2,289,697	1,816,096
Total non-financial expenses	89,571,304	76,415,386
Changes in net assets without donor restrictions:		
Change in net assets without donor restrictions before noncontrolling interest activities	(717,620)	(2,770,235)
Noncontrolling interest - distributions	(1,012,132)	(982,311)
Changes in net assets without donor restrictions:	(1,729,752)	(3,752,546)
Change in net assets with donor restrictions:		
Investment income, net	304,422	77,325
Contributions and grant revenue	28,200,484	16,978,363
Net assets released from donor restrictions	(34,509,696)	(16,672,408)
Change in net assets with donor restrictions:	(6,004,790)	383,280
Change in net assets	(7,734,542)	(3,369,266)
Net assets, beginning	250,218,461	253,587,727
Cumulative change in accounting policy	(2,396,172)	-
Net assets, ending	\$240,087,747	\$250,218,461

See notes to consolidated financial statements.