Justine Petersen Housing and Reinvestment Corporation

Independent Auditor's Report and Consolidated Financial Statements

December 31, 2024

Justine Petersen Housing and Reinvestment Corporation
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December 31, 2024

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Independent Auditor's Report

Board of Directors
Justine Petersen Housing and
Reinvestment Corporation
St. Louis, Missouri

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Justine Petersen Housing and Reinvestment Corporation (Corporation), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Corporation, as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards)*. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are required to be independent of the Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation'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.

Report on Summarized Comparative Information

We have previously audited the 2023 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 30, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules (collectively "supplementary information") is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2025, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

Forvis Mazars, LLP

St. Louis, Missouri
April 30, 2025

Justine Petersen Housing and Reinvestment Corporation
Consolidated Statement of Financial Position
December 31, 2024
(With Summarized Financial Information as of December 31, 2023)

	2024	2023
ASSETS		
Current Assets		
Cash	$ 4,623,553	$ 5,890,163
Restricted funds	10,872,498	4,100,997
Accounts and grants receivable	1,351,169	964,607
Interest and fees receivable	2,243,358	1,356,306
Loans receivable, net - current position	15,503,364	16,949,758
Prepaid expenses and other	37,524	99,715
Total Current Assets	34,631,466	29,361,546
Other Assets		
Loans receivable, net	43,570,180	37,774,822
Other note receivable	189,228	141,813
Property and equipment, net	1,202,829	1,273,968
Rental real estate	8,326,026	6,883,533
Investment in real estate	7,900,834	6,175,844
Other assets	2,060,789	571,598
Investments in private entities, at cost	452,194	472,194
	63,702,080	53,293,772
Total Assets	$ 98,333,546	$ 82,655,318
LIABILITIES AND NET ASSETS		
Current Liabilities		
Current portion of long-term debt	$ 18,011,829	$ 12,773,723
Accounts payable and accrued expenses	936,118	761,061
Interest payable	891,505	917,534
Income taxes payable	91,243	-
Tenant security deposits	26,120	19,770
Deferred revenue	531,903	1,539,385
Total Current Liabilities	20,488,718	16,011,473
Other Liabilities		
Deferred income taxes	65,400	343,800
Long-term debt	42,868,668	40,382,187
SSBCI Revolving Capital	7,896,443	-
	50,830,511	40,725,987
Total Liabilities	71,319,229	56,737,460
Net Assets		
Without donor restrictions		
Undesignated	22,103,652	20,613,735
Noncontrolling interest	4,580,665	4,650,000
With donor restrictions	330,000	654,123
Total Net Assets	27,014,317	25,917,858
Total Liabilities and Net Assets	$ 98,333,546	$ 82,655,318

Justine Petersen Housing and Reinvestment Corporation
Consolidated Statement of Activities
Year Ended December 31, 2024
(With Summarized Financial Information as of December 31, 2023)

	2024			2023
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**(Comparative Totals Only)**
Revenues, Gains and Other Support				
Contributions and grants	$ 8,370,499	$ 330,000	$ 8,700,499	$ 9,872,714
Contributed nonfinancial assets (in-kind)	1,725	-	1,725	479,600
Program service fees				
Real estate brokerage income	-	-	-	18,482
Loan and administrative fees	3,312,119	-	3,312,119	3,141,786
Credit reporting fees	9,123	-	9,123	10,551
Rental income	735,390	-	735,390	510,943
Miscellaneous	138,631	-	138,631	207,015
Interest	4,387,207	-	4,387,207	3,394,505
Gain (loss) on disposal of assets	17,930	-	17,930	(1,168)
Net assets released from restrictions	654,123	(654,123)	-	-
Total Revenues, Gains and Other Support	17,626,747	(324,123)	17,302,624	17,634,428
Expenses				
Housing	3,005,727	-	3,005,727	2,127,860
Economic development	12,363,014	-	12,363,014	12,390,995
Savings	213,207	-	213,207	382,604
Total program services	15,581,948	-	15,581,948	14,901,459
Management and general	681,442	-	681,442	555,466
Fundraising	269,981	-	269,981	134,907
Total supporting activities	951,423	-	951,423	690,373
Total expense before income taxes	16,533,371	-	16,533,371	15,591,832
Income tax expense (benefit)	(144,014)	-	(144,014)	(156,629)
Total Expenses	16,389,357	-	16,389,357	15,435,203
Change in Net Assets	1,237,390	(324,123)	913,267	2,199,225
Net Assets Obtained (Liabilities Assumed) Through Newly Consolidated Affiliates	183,192	-	183,192	-
Contributed Capital	-	-	-	500,000
Net Assets, Beginning of Year	25,263,735	654,123	25,917,858	24,262,006
Cumulative Effect of Adoption of ASU 2016-13, Net	-	-	-	(1,043,373)
Net Assets, Beginning of Year, as Restated	25,263,735	654,123	25,917,858	23,218,633
Net Assets, End of Year	$ 26,684,317	$ 330,000	$ 27,014,317	$ 25,917,858

Justine Petersen Housing and Reinvestment Corporation
Consolidated Statement of Functional Expenses
Year Ended December 31, 2024
(With Summarized Financial Information as of December 31, 2023)

	2024								
	Program Services				Support Services				
	Housing	Economic Development	Savings	Total Program Services	Management and General	Fundraising	Total Support Services	2024 Total	2023 Total
Salaries and wages	$ 431,132	$ 2,445,376	$ 91,637	$ 2,968,145	$ 255,813	$ 115,337	$ 371,150	$ 3,339,295	$ 3,295,478
Payroll taxes	32,837	180,758	6,979	220,574	19,483	8,784	28,267	248,841	206,505
Employee benefits	57,027	318,043	12,279	387,349	34,217	15,426	49,643	436,992	372,735
Advertising	8,983	46,135	1,781	56,899	5,024	2,266	7,290	64,189	44,680
Client assistance	5,845	120,406	-	126,251	-	-	-	126,251	59,360
Conferences and seminars	5,792	32,300	1,247	39,339	3,475	1,567	5,042	44,381	36,666
Credit report charges	8,590	47,905	1,850	58,345	5,153	2,324	7,477	65,822	72,634
Delivery and postage	3,930	21,861	844	26,635	2,352	1,060	3,412	30,047	32,953
Depreciation and amortization	14,069	78,460	3,029	95,558	8,441	3,806	12,247	107,805	87,066
Depreciation - rental real estate	403,275	-	-	403,275	-	-	-	403,275	352,223
Contributed nonfinancial assets (in-kind)	-	-	-	-	-	-	-	-	4,600
Dues and subscriptions	6,206	34,609	1,336	42,151	3,723	1,679	5,402	47,553	19,027
Equipment rental and maintenance	32,508	-	-	32,508	-	-	-	32,508	29,886
Impairment and programmatic subsidized real estate loss	767,097	-	-	767,097	-	-	-	767,097	206,532
Insurance	82,232	319,504	12,335	414,071	34,376	15,496	49,872	463,943	165,275
Interest	91,424	2,538,243	9,109	2,638,776	25,378	11,442	36,820	2,675,596	2,196,560
Miscellaneous	24,388	2,439	94	26,921	84,822	1,068	85,890	112,811	72,090
Occupancy	4,368	24,362	941	29,671	2,621	1,182	3,803	33,474	21,462
Office supplies	48,195	235,166	9,079	292,440	26,209	11,587	37,796	330,236	341,955
Professional fees	255,669	1,380,878	51,566	1,688,113	144,992	65,334	210,326	1,898,439	2,034,519
Provisions for credit losses	-	4,298,830	-	4,298,830	-	-	-	4,298,830	5,127,957
Recording fees	-	-	-	-	-	-	-	-	194
Rental real estate maintenance	541,622	-	-	541,622	-	-	-	541,622	334,251
Repairs and maintenance	162,797	165,637	6,395	334,829	17,820	8,034	25,854	360,683	373,494
Taxes and licenses	5,588	5,678	219	11,485	611	442	1,053	12,538	16,848
Telephone	6,307	35,176	1,358	42,841	3,785	1,706	5,491	48,332	54,419
Travel and training	5,846	31,248	1,129	38,223	3,147	1,441	4,588	42,811	32,463
Total expenses before income taxes	3,005,727	12,363,014	213,207	15,581,948	681,442	269,981	951,423	16,533,371	15,591,832
Income tax expense (benefit)	-	(144,014)	-	(144,014)	-	-	-	(144,014)	(156,629)
Total	$ 3,005,727	$ 12,219,000	$ 213,207	$ 15,437,934	$ 681,442	$ 269,981	$ 951,423	$ 16,389,357	$ 15,435,203

Justine Petersen Housing and Reinvestment Corporation
Consolidated Statement of Cash Flows
Year Ended December 31, 2024
(With Summarized Financial Information as of December 31, 2023)

	2024	2023
Operating Activities		
Changes in net assets	$ 913,267	$ 2,199,225
Items not requiring (providing) cash		
Depreciation and amortization	511,080	439,289
Amortization of deferred financing fees	1,750	1,750
Deferred income taxes	(278,400)	(219,900)
Non-cash donations of property	-	(475,000)
Impairment and subsidized programmatic real estate loss	767,097	206,532
(Gain) loss on sale of assets	(17,930)	1,168
Provisions for credit losses	4,298,830	5,127,957
Change in assets and liabilities:		
Restricted funds	(6,771,501)	(1,041,916)
Accounts, notes and grants receivable	(432,102)	182,874
Interest and fees receivable	(887,052)	(582,242)
Prepaid expenses and other assets	62,191	7,823
Accounts payable and accrued expenses	174,559	183,460
Interest payable	(26,029)	143,750
Income taxes prepaid, receivable and payable	91,243	(2,241)
Client held funds	-	(122,171)
Tenant security deposits	5,608	(32,736)
Deferred revenue	(1,007,482)	1,241,284
Net Cash Provided by (Used in) Operating Activities	(2,594,871)	7,258,906
Investing Activities		
Net change in loans	(8,647,794)	(19,602,372)
Purchase of life insurance policies	(1,501,593)	(481,947)
Website and portal development	-	(1,699)
Purchases of property and equipment	(18,126)	(70,492)
Purchases of rental real estate	(564,177)	(447,966)
Purchases of investment real estate	(2,362,041)	(744,214)
Cash obtained through newly consolidated affiliates	313,724	-
Proceeds from sale of assets - rental real estate	55,747	-
Proceeds from sale of assets - investment in real estate	(26,754)	36,673
Transfer (Purchase) of other investments	20,000	(20,000)
Net Cash Used in Investing Activities	(12,731,014)	(21,332,017)

Justine Petersen Housing and Reinvestment Corporation
Consolidated Statement of Cash Flows
Year Ended December 31, 2024
(With Summarized Financial Information as of December 31, 2023) (Continued)

	2024	2023
Financing Activities		
Capital contributed - noncontrolling interest	$ -	$ 500,000
Capital contributed - controlling interest	7,896,443	-
Proceeds from long-term debt	11,629,555	15,662,267
Payments on long-term debt	(5,466,723)	(1,850,818)
Net Cash Provided by Financing Activities	14,059,275	14,311,449
Increase (Decrease) in Cash	(1,266,610)	238,338
Cash, Beginning of Year	5,890,163	5,651,825
Cash, End of Year	$ 4,623,553	$ 5,890,163
Supplemental Cash Flows Information		
Interest paid	$ 2,701,625	$ 2,052,810
Income taxes paid	$ 2,300	$ 16,852
Net transfers from investment in real estate to rental real estate	$ 43,299	$ -
The Corporation obtained assets and assumed liabilities in newly consolidated affiliates as follows:		
Assets obtained	$ 1,476,001	
Cash received	313,724	
Liabilities assumed	(1,573,473)	
Net assets assumed	$ 216,252	

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Justine Petersen Housing and Reinvestment Corporation ("Justine PETERSEN") is a Missouri not-for-profit corporation, which was established in 1996 to promote housing, savings and economic development of low- and moderate-income families to build assets and create enduring change. Justine PETERSEN has formed several subsidiaries to achieve its mission and maximize funding opportunities from various federal, state, and local agencies. Justine PETERSEN is a qualified U.S. Department of Treasury certified Community Development Financial Institution ("CDFI") in St. Louis.

Justine PETERSEN is named after the late Justine M. Petersen, who helped hundreds of low- and moderate-income families in the St. Louis area purchase their own homes. Ms. Petersen worked with local banks to develop loan products for good homebuyers who had been shut out of the homeownership process because of income or location preference.

Information on the Justine PETERSEN's subsidiaries includes the following:

Subsidiaries	Acronym	Year	State	Ownership/Relationship
Great Rivers Community Capital, Inc.	GRCC	1999	MO	Wholly-owned subsidiary
Twenty First Homes, LP	TFH	2007	IL	99.9% owned subsidiary
Twenty First Homes Developers, NFP	TFHD	2007	IL	Wholly-owned NFP subsidiary (including 0.01% general partnership interest in TFH)
JP Emerging Markets Fund I, LLC	JPEM	2015	CO	Managing member
JP COVID-19 Response Fund, LLC	JP COVID-19	2020	DE	Managing member
Justine Petersen Properties, LLC	JP PROP	2021	MO	Managing member
Sanctuary in the Ordinary	SITO	2024	MO	NFP affiliate through board control
Infinite Properties, LLC	Infinite PROP	2024	MO	50.0% owned subsidiary of SITO
IgniteMO Loan Participation Program, LLC	IgniteMO	2024	MO	Wholly-owned subsidiary

Great Rivers Community Capital, Inc. ("GRCC") was the first U.S. Department of the Treasury certified CDFI in St. Louis. GRCC originates loans to low- and moderate-income individuals and families who are unable to access safe, affordable capital any place else. GRCC has its own Board of Directors; however, GRCC's operations are monitored by Justine PETERSEN's Board of Directors. GRCC is responsible for certain allocated overhead and administrative expenses, which are eliminated in consolidation.

Twenty First Homes, LP ("TFH") was established to construct, own and manage 20 low-income single-family homes in Granite City, Illinois. TFH completed the construction of the homes in January 2011. Currently, Justine PETERSEN is the 99.99% limited partner, and the 0.01% general partner listed below, is an entity solely owned by Justine PETERSEN.

Twenty First Homes Developers, NFP ("TFHD"), is a general partner to TFH, the limited partnership that owns the 20 low-income single-family residences in Granite City, Illinois previously mentioned.

JP Emerging Markets Fund I, LLC ("JPEM") was established to further the mission of Justine PETERSEN including investment activities related to economic development in low- and moderate-income areas or targeted redevelopment areas and other investments within certain geographic areas as determined by Justine PETERSEN. JPEM's members are Justine PETERSEN, who is the managing member, Local Church Ministries Church Building and Loan Fund, First Bank, the William A. Kerr Foundation, FCB Banks, First Mid Bank and Trust, Associated Bank, and Peoples Savings Bank, who are non-manager members. Non-manager member units do not have voting rights, except as otherwise agreed. Members share net income (loss) and distributions of JPEM in accordance with their percentage of units. The interest of non-manager members in JPEM at December 31, 2024 and 2023, of $3,000,000 for both years, is reflected as the ‘non-controlling interest’ portion of net assets without donor restrictions on the accompanying consolidated statement of financial position. JPEM shall dissolve and wind up its affairs at December 31, 2025, unless the operating agreement is amended to extend the term.

JP COVID-19 Response Fund, LLC (“JP COVID-19”) was established in 2020 to provide assistance to small businesses in Central and Southern Illinois impacted by the COVID-19 pandemic. JP COVID-19’s members are Justine PETERSEN, who is the managing member, First Bank, Carrollton Bank, Dieterich Bank, and FCB Banks, who are non-manager members. Non-manager member units do not have voting rights, except as otherwise agreed. Members share net income (loss) and distributions of JP COVID-19 in accordance with their percentage of units. The interest of non-manager members in JP COVID-19 at December 31, 2024 and 2023, of $1,650,001 for both years, is reflected as the ‘non-controlling interest’ portion of net assets without donor restrictions on the accompanying consolidated statement of financial position.

Justine Petersen Properties, LLC (“JP Properties”) was established in 2021 to own and manage low-income single-family homes for Justine PETERSEN. Justine PETERSEN is the sole member of JP Properties.

Sanctuary in the Ordinary (“SITO”) was established to revitalize and manage rental housing for low-income residents. Effective January 1, 2024, Justine PETERSEN and SITO entered into an “Agreement” which made Justine PETERSEN the sole member of SITO and replaced the SITO Board of Directors with Justine PETERSEN’s Board of Directors. Either party may terminate this agreement at any time for any reason upon 30 days advance written notice.

Infinite Properties, LLC (“Infinite Properties”) was established to own and manage low-income housing in St. Louis. Infinite Properties’ members are SITO and a third party member, who are managing members. Members share net income (loss) and distributions of Infinite Properties in accordance with their percentage of units. The interest of the non-controlling interest member in Infinite Properties at December 31, 2024 of ($69,335) is reflected as the ‘non-controlling interest’ portion of net assets without donor restrictions on the accompanying consolidated statement of financial position. SITO is responsible for certain allocated overhead and administrative expenses of Infinite Properties, which are eliminated in consolidation.

IgniteMO Loan Participation Program, LLC (“IgniteMO”) was established in 2024 to operate the IgniteMO Small Business Loan Participation Program under SSBCI funding. IgniteMO is monitored by Justine PETERSEN’s Board of Directors. Justine PETERSEN is responsible for certain allocated overhead and administrative expenses of IgniteMO, which are eliminated in consolidation.

Basis of Consolidation

The accompanying consolidated financial statements include the accounts of the Justine PETERSEN, GRCC, TFH, TFHD, JPEM, JP COVID-19, JP Properties, SITO, Infinite Properties, and IgniteMO, collectively the “Corporation.” All significant intercompany accounts and transactions have been eliminated in the consolidation.

Summarized Information

The consolidated financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Corporation’s consolidated financial statements for the year ended December 31, 2023, from which the summarized information was derived.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash

At December 31, 2024, the Corporation's cash accounts exceeded federally insured limits by approximately $13,831,000.

Restricted Funds

Restricted funds are restricted by donors and/or granting governmental agencies. Restricted funds also include tenant security and escrow deposits. The Corporation is required to keep separate bank accounts for certain funding agencies.

These deposit accounts restricted internally and/or externally by regulators are not considered to be cash and therefore are excluded from cash totals in the statement of cash flows.

Accounts and Grants Receivable

Accounts receivable and grants receivable are stated at the amount of consideration from customers or grantors, of which the Corporation has an unconditional right to receive plus any accrued and unpaid interest. The Corporation considers an allowance for credit losses, based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Management is of the opinion that no allowance for accounts and grants receivable is necessary at December 31, 2024 and 2023.

Loans Receivable

Loans receivable that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at their outstanding principal balances adjusted for unearned income, charge-offs, and the allowance for credit losses.

For loans receivable at amortized cost, interest income is accrued based on the unpaid principal balance.

The accrual of interest on loans receivable is discontinued at the time the loan receivable is 90 days past due unless the credit is well-secured and in process of collection. Past-due status is based on contractual terms of the loan receivable. In all cases, loans receivable are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

All interest accrued but not collected for nonaccrual loans receivable or loans that are charged off are reversed against interest income. The interest on these loans receivable is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans receivable are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Allowance for Credit Losses (ACL) - Loans

The allowance for credit losses is a valuation allowance that is deducted from the loans receivable's amortized cost basis to present the net amount expected to be collected on the loans receivable. Management's determination of the adequacy of the ACL is based on the assessment of expected credit loss on loans receivables over the expected life of the loan receivable. The ACL is increased by provision expense and decreased by charge-offs, net of recoveries of amounts previously charged off. Loans receivables are charged off when management believes the collection of the principal amount owed in full is unlikely. Expected recoveries do not exceed the aggregate of amounts previously charged off and expected to be charged off. The Corporation made the policy election to exclude accrued interest receivable on loans from the estimate of credit losses. As of December 31, 2024 and 2023 accrued interest on loans of $1,067,357 and $530,916, respectively, were excluded from ACL evaluation. Accrued interest on loans was recorded within interest receivable on the consolidated balance sheet.

Management estimates the allowance balance using relevant available information from both internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. The reasonable and supportable forecast is captured through the Corporation's qualitative factor adjustments, with reversion immediately applied. Historical credit loss experience of the Corporation, paired with economic forecasts provide the basis for the quantitatively modeled estimates of expected credit losses. The Corporation adjusts its quantitative model, as necessary, to reflect conditions not already considered by the quantitative model. These adjustments are commonly known as the qualitative factors.

The allowance for credit losses is measured on a collective (pool) basis when similar risk characteristics exist. The Corporation uses the average historical loss method to measure the quantitative portion of the allowance for credit losses over the forecast and reversion periods. The following portfolio segments have been identified: Mortgage loans receivables; Business loans receivables, which include Small Business Administration loans receivables, Community Development Financial Institutions loans receivables, and Microenterprise loans receivables; and Other loans receivables. Repayment of these is dependent on general economic conditions and adverse situations that may affect the borrower's ability to repay. Business loans are paid primarily from the cash flow of borrower's principal business operation. Credit risk on these loans is driven by credit worthiness of a borrower and the economic conditions that impact the cash flow stability from business operations. Accordingly, the nature of these loans makes them more difficult for management to monitor and evaluate.

Loans receivables that do not share risk characteristics are evaluated on an individual basis. Loans receivables evaluated individually are not also included in the collective evaluation. When management determines that foreclosure is probable, expected credit losses are based on the fair value of the collateral at the reporting date, adjusted for selling costs as appropriate.

Expected credit losses are estimated over the contractual term of the loans receivables, adjusted for expected prepayments when appropriate. The contractual term excludes expected extensions, renewals, and modifications unless either of the following applies: management has a reasonable expectation at the reporting date that a troubled debt restructuring will be executed with an individual borrower or the extension or renewal options are included in the original or modified contract at the reporting date and are not unconditionally cancellable by the Corporation.

Allowance for Credit Losses Unfunded Commitments

The Corporation estimates expected credit losses over the contractual period in which the Corporation is exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Corporation. The allowance for credit losses on unfunded commitments is adjusted as a provision for credit loss expense and would be reported as a component of interest payable in the consolidated balance sheets. The estimate includes consideration of the likelihood that funding will occur and an estimate of expected credit losses on commitments expected to be funded over its estimated life consistent with the related allowance for credit losses methodology. The Corporation had no allowance for credit losses related to unfunded commitments as of December 31, 2024 and 2023.

Adoption of New Accounting Standard

On January 1, 2023, the Corporation adopted ASU 2016-13: *Financial Instruments – Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments* (ASC 326), which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The Corporation adopted ASC 326 using a modified retrospective method for all financial instruments measure at amortized cost and off-balance sheet exposures.

The Corporation's adoption resulted in a reduction to net assets of $1,043,373.

The following table illustrates the impact of ASC 326:

	As Reported Under ASC 326	Pre-ASC 326 Adoption	Impact of ASC 326 Adoption
Assets			
Business loans	$ 6,009,115	$ 5,254,030	$ 755,085
Mortgage loans	29,936	41,025	(11,089)
Other loans	504,376	204,999	299,377
Allowance for credit losses on loans	$ 6,543,427	$ 5,500,054	$ 1,043,373

Investments in Private Entities

The Corporation invests money in certain private entities to provide job and business expansion in the community. The Corporation measures equity investments without a readily determinable fair value at cost, minus impairment, if any.

Corporation-Owned Life Insurance

The Corporation has purchased life insurance policies on certain key executives. Corporate-owned life insurance is recorded at the amount that can be realized under the insurance contract at the balance sheet date, which is the cash surrender value adjusted for other charges or other amounts due that are probable at settlement.

Investment in Real Estate

Land, homes, and other developmental costs are stated at cost, plus labor, various maintenance and real estate taxes incurred during the period of development and rehabilitation up to the amount they expect to receive upon sale either from buyer or granter. If costs exceed expected value, the additional costs will be expensed.

Property and Equipment and Rental Real Estate

Land is carried at cost. Property and equipment and rental real estate acquisitions over $1,500 are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization is charged to expense on the straight-line basis over the estimated useful life of each asset.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings	40 years
Equipment	3 - 7 years
Furniture and fixtures	3 - 7 years
Rental real estate - buildings	10 - 27.5 years

Asset Impairment

The Corporation evaluates the recoverability of the carrying value of assets whenever events or circumstances indicate the carrying amount may not be recoverable. If an asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2024 and 2023, for property and equipment. Impairment losses of $54,678 and $206,532 was recognized in the consolidated statement of activities for rental real estate and investment in real estate at December 31, 2024 and 2023, respectively, based on on-line real estate marketplaces estimates. This loss is included in the housing expense line within the consolidated statement of activities.

Deferred Revenue

The Corporation received funds to administer a mortgage program and to purchase and renovate properties. Regarding the mortgage program, the funds received from other partners are to cover the cost of facilitating the program and the revenue will be recognized as the services are performed. In addition, the Corporation was provided funding to purchase and renovate housing to provide decent, safe, and affordable housing for low and very low-income households. The Corporation pays the expenses for the renovations and is reimbursed through draws from a granting agency. The funds received from the granting agency are recognized as deferred revenue as there are stipulations for the Corporation to rehabilitate and sell the properties and if these stipulations are not met then the granting agency can hold the Corporation liable to return these funds. Once the stipulations are met and the property is sold, the deferred revenue is recognized in the consolidated statement of activities as revenue.

In 2023, the Corporation received one new CDFI Equitable Recovery Program (“ERP”) grant. The total amount not yet earned as of December 31, 2023, was $1,338,925 and was included in deferred revenue on the statement of financial position. The remaining amount was earned as of December 31, 2024.

Debt Issuance Costs

Debt issuance costs represent costs incurred in connection with the issuance of certain long-term debt. The Corporation records these costs as direct deductions from the related debt. Such costs are being amortized over the term of the respective debt using the effective interest method. As of December 31, 2024 and 2023, the net carrying amount of debt issuance costs was $3,500 and $5,250, respectively.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions.

Net assets with donor restrictions are subject to donor or certain grantor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor.

Program Service Fee Revenue

Program service fees are recognized as services are performed and the satisfaction of the contractual performance obligation is met. Loan and administrative fees on the consolidated statement of activities include loan origination fees and fees charged for loans serviced, but not owned by the Corporation.

Rental Income

Rental income is recognized in accordance with the terms set forth in the tenant leases on a monthly basis.

Contributions

Contributions are provided to the Corporation either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
Conditional gifts, with or without restriction	
Gifts that depend on the Corporation overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, *i.e.* the donor-imposed barrier is met
Unconditional gifts, with or without restriction	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts having donor stipulations which are fully satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions. Gifts having donor stipulations where the restrictions are only partially satisfied in the same year are recorded as revenue and net assets with donor restrictions and the released from restrictions as restrictions are satisfied over time.

Conditional contributions having donor stipulations which are fully satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Government Grants

Support funded by grants is recognized as the Corporation meets the conditions prescribed by the grant agreement, performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Income Taxes

Justine PETERSEN is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, these entities are subject to federal income tax on any unrelated business income.

GRCC is a Missouri for-profit corporation and files a corporate income tax return. GRCC accounts for income taxes using the asset and liability approach. The asset and liability approach require the recognition of deferred tax assets and liabilities for expected future tax benefits and consequences of temporary differences between the carrying amounts and the tax basis of the assets and liabilities. Valuation allowances are established, if necessary, to reduce a deferred tax asset to an amount more likely than not to be realized.

TFHD is an Illinois not-for-profit corporation and files a corporate income tax return. TFH is an Illinois limited partnership and files a partnership tax return. JPEM is a Colorado limited liability company and files a partnership tax return. JP-COVID-19 is a Delaware limited liability company and files a partnership tax return. JP Properties is a Missouri limited liability company that is considered a disregarded entity for tax purposes and included with Justine PETERSEN for tax filing purposes. SITO is a Missouri not-for-profit corporation and files a corporate income tax return. Infinite Properties is a Missouri limited liability company and files a partnership tax return. IgniteMO is a Missouri limited liability company that is considered a disregarded entity for tax purposes and included with Justine PETERSEN for tax filing purposes.

Management believes there are no uncertain tax positions as of December 31, 2024 and 2023. The Corporation files all tax returns in the U.S. federal jurisdiction. The Corporation's tax returns are subject to examination by the respective taxing authorities, generally for three years after they were filed.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general and fundraising categories based on time and effort expended.

Description of Program Services and Supporting Activities

The following program services and supporting activities are included in the accompanying consolidated financial statements.

Program – Includes those expenditures that enable the Corporation to operate its programs:

Housing – The Corporation assists low to moderate income families and individuals to address credit and other barriers to purchasing or refinancing a home through credit building products and services, budgeting, financial education, loan counseling, and homebuyer education.

Economic Development – Counselors provide training, technical assistance, and lending to micro-enterprises. As a SBA Micro-Loan Intermediary, the Corporation borrows money directly from the SBA and originates micro-enterprise loans in accordance with its own underwriting guidelines to small business owners that may not be able to secure capital elsewhere. GRCC is a United States Department of Treasury certified Community Development Financial Institution. One of GRCC's loan products is the Emerging Markets Loan Fund. The mission of the Emerging Markets Loan Fund is to provide access to safe, affordable, capital to small businesses overlooked by mainstream financial institutions. This loan pool is funded by local investors and the CDFI Fund. Similarly, IgniteMO's loan product of the IgniteMO Small Business Loan Program provides the same mission as the Emerging Markets Loan Fund.

Savings – Counselors coach individuals on how to take control of their financial future, build a strong credit profile and save on interest rates and financing fees.

Management and General – Includes the functions necessary to maintain an equitable employment program, ensure an adequate working environment, provide coordination and articulation of the Corporation's program strategy, secure proper administrative functioning of the Board, and manage the financial and budgetary responsibility of the Corporation.

Fundraising – Provides the structure necessary to encourage and secure private financial support from corporations, foundations, and individuals.

Note 2. Restricted Funds

Restricted funds consist of the following at December 31:

	2024	2023
Loan loss cash reserves:		
Micro lending reserves	$ 1,440,233	$ 2,194,182
Community Advantage (CA) pilot program	235,253	235,253
Required loan loss reserves	1,351,586	1,380,780
	3,027,072	3,810,215
Escrow deposits	325,720	278,147
Tenant security deposits	12,635	12,635
IgniteMO loan fund	7,507,071	-
	$ 10,872,498	$ 4,100,997

Certain programs, including the SBA and CA pilot program, require the Corporation to maintain a prescribed minimum credit loss reserve fund in a segregated cash account. As of December 31, 2024 and 2023, the Corporation is in compliance with these requirements.

Note 3. Loans Receivable and Allowance for Credit Losses

Classes of loans at December 31, 2024 and 2023 include:

	2024	2023
Business Loans		
Small business administration	$ 8,402,949	$ 8,116,521
CDFI	9,602,765	8,669,629
Micro-enterprise	46,037,806	41,602,328
Total Business Loans	64,043,520	58,388,478
Mortgage loans	239,928	300,497
Other loans	2,393,279	2,388,577
Gross loans	66,676,727	61,077,552
Less allowance for credit losses	7,603,183	6,352,972
Net Loans	$ 59,073,544	$ 54,724,580

The following tables present the balance in the allowance for credit losses and the recorded investment in loans based on portfolio segment and impairment method as of December 31, 2024 and 2023:

	2024			
	Business	**Mortgage**	**Other**	**Total**
Allowance for Credit Losses				
Balance, beginning of year	$ 5,440,006	$ 47,583	$ 865,383	$ 6,352,972
Provision charged to expense	3,996,088	24,263	278,479	4,298,830
Losses charged off	(3,475,831)	-	(351,278)	(3,827,109)
Recoveries	687,098	-	91,392	778,490
Balance, end of year	$ 6,647,361	$ 71,846	$ 883,976	$ 7,603,183

	2023			
	Business	**Mortgage**	**Other**	**Total**
Allowance for Credit Losses				
Balance, beginning of year	$ 5,254,030	$ 41,025	$ 204,999	$ 5,500,054
Impact of ASC 326 adoption	755,085	(11,089)	299,377	1,043,373
Balance post ASC adoption	6,009,115	29,936	504,376	6,543,427
Provision charged to expense	4,288,441	113,488	726,028	5,127,957
Losses charged off	(5,151,888)	(95,841)	(384,943)	(5,632,672)
Recoveries	294,338	-	19,922	314,260
Balance, end of year	$ 5,440,006	$ 47,583	$ 865,383	$ 6,352,972

Losses charged off during the year ended December 31, 2024 and 2023, totaled $3,827,109 and $5,632,672, respectively, of which $1,756,991 for 2023 related to one individual relationship.

Recoveries during the year ended December 31, 2024 and 2023, totaled $778,490 and $314,260, respectively, of which $500,000 for 2024 related to one individual relationship.

In addition to the allowance for credit losses, the Corporation maintains required cash reserves of $3,027,072 and $3,810,215 as of December 31, 2024 and 2023, respectively (Note 2), to cover credit losses.

Internal Risk Categories

Loan grades are: average or lower risk, high risk or impaired, and restructured. Credit risk grades are refreshed each quarter as they become available, at which time management analyzes the resulting scores, as well as other external statistics and factors, to track loan performance. The use and application of these grades by the Corporation will be uniform and shall conform to the Corporation's policy.

Average or lower risk rating consists of a range of loan grades that reflect increasing, though still acceptable risk. Movement of risk through the various grade levels in the "average or lower risk" category is monitored for early identification of credit deterioration.

High risk rating consists of loans where the borrower exhibits material negative financial trends due to borrower specific or systemic conditions that if left uncorrected, threaten the borrower's capacity to meet debt obligations. It is a transitional grade that is closely monitored for improvement or deterioration.

Restructured rating consists of loans modified in the normal course of business and not meeting the definition of a troubled debt restructuring.

Risk characteristics applicable to each segment of the loan portfolio are described as follows:

Business: The business portfolio includes loans to commercial customers for use in financing working capital needs, equipment purchases and expansions. The loans in this category are repaid primarily from the cash flow of a borrower's principal business operation. Credit risk in these loans is driven by creditworthiness of a borrower and the economic conditions that impact the cash flow stability from business operations.

Mortgage: The mortgage loans are generally secured by owner-occupied 1-4 family residences. Repayment of these loans is primarily dependent on the personal income and credit rating of the borrowers. Credit risk in these loans can be impacted by economic conditions within the Corporation's market areas that might impact either property values or a borrower's personal income. Risk is mitigated by the fact that the loans are of smaller individual amounts and spread over a large number of borrowers.

Other: The other loans portfolio consists of various consumer loans used for other personal purposes. Repayment for these types of loans will come from a borrower's income source that is typically independent of the loan purpose. Credit risk is driven by consumer economic factors (such as employment and general economic conditions in the Corporation's market area) and the creditworthiness of a borrower.

The following table presents the credit risk profile of the Corporation's loan portfolio based on internal rating category and payment activity as of December 31:

	2024			
	Business	**Mortgage**	**Other**	**Total**
Rating				
Average or lower risk	$ 50,734,967	$ 239,928	$ 1,799,333	$ 52,774,228
High risk	2,932,130	-	162,910	3,095,040
Restructured	10,376,423	-	431,036	10,807,459
Total	$ 64,043,520	$ 239,928	$ 2,393,279	$ 66,676,727

	2023			
	Business	**Mortgage**	**Other**	**Total**
Rating				
Average or lower risk	$ 45,924,268	$ 177,561	$ 2,100,026	$ 48,201,855
High risk	3,253,210	9,780	39,230	3,302,220
Restructured	9,211,000	113,156	249,321	9,573,477
Total	$ 58,388,478	$ 300,497	$ 2,388,577	$ 61,077,552

The Corporation evaluates the loan risk grading system definitions and allowance for credit loss methodology on an ongoing basis. No significant changes were made during the past year.

The following tables present the Corporation's loan portfolio aging analysis of the recorded investment in loans as of December 31, 2024 and 2023:

2024	30-59 Past Due	60-89 Days Past Due	90 Days and Greater	Total Past Due	Current	Total Loans Receivable	Total Loans > 90 Days & Accruing
Business	$ 835,309	$ 527,285	$ 3,031,323	$ 4,393,917	$ 59,649,603	$ 64,043,520	$ 533,344
Mortgage	-	51,419	-	51,419	188,509	239,928	-
Other	52,234	28,075	164,517	244,826	2,148,453	2,393,279	33,823
Total	$ 887,543	$ 606,779	$ 3,195,840	$ 4,690,162	$ 61,986,565	$ 66,676,727	$ 567,167

2023	30-59 Past Due	60-89 Days Past Due	90 Days and Greater	Total Past Due	Current	Total Loans Receivable	Total Loans > 90 Days & Accruing
Business	$ 1,391,239	$ 919,838	$ 2,622,762	$ 4,933,839	$ 53,454,638	$ 58,388,478	$ 770,266
Mortgage	-	-	9,780	9,780	290,717	300,497	9,780
Other	104,537	61,455	46,765	212,757	2,175,820	2,388,577	38,035
Total	$ 1,495,776	$ 981,293	$ 2,679,307	$ 5,156,376	$ 55,921,175	$ 61,077,552	$ 818,081

At December 31, 2023, the Corporation has a $65,000 deposit at an unrelated financial institution to guarantee an outstanding loan extended to a certain borrower. As the loan requiring the deposit was charged off, the deposit was no longer required at December 31, 2024.

The following tables present the Corporation's nonaccrual loans at December 31, 2024 and 2023.

2024	Non-Accrual with no-ACL	Non-Accrual	>90 days still accruing
Business	$ -	$ 2,932,129	$ 533,344
Mortgage	-	-	-
Other	-	162,910	33,823
Total	$ -	$ 3,095,039	$ 567,167

2023	Non-Accrual with no-ACL	Non-Accrual	>90 days still accruing
Business	$ -	$ 3,253,210	$ 770,266
Mortgage	-	-	9,780
Other	-	8,729	38,035
Total	$ -	$ 3,261,939	$ 818,081

The Corporation had no collateral dependent loans at December 31, 2024 or 2023. A loan is considered to be collateral dependent when the borrower is experiencing financial difficulty and the repayment is expected to be provided substantially through the operations or sale of collateral.

The following tables show the amortized cost basis as of December 31, 2024 and 2023 of the loans modified to borrowers experiencing financial difficulties, disaggregated by class of loans and type of concession granted and describe the financial effect of the modifications made to borrowers experiencing financial difficulty.

	2024		
	Combination - Interest Rate Reduction & Term Extension		
	Amortized Cost Basis	**% of Total Loan Type**	**Financial Effect**
Business	98,707	0.15%	Weighted average rate reduced by 10% and term extended by 105 months.
Other	1,806	0.08%	Weighted average rate reduced by 6% and term extended by 57 months.
Total	100,513	0.23%	

	2023		
	Combination - Interest Rate Reduction & Term Extension		
	Amortized Cost Basis	**% of Total Loan Type**	**Financial Effect**
Business	43,107	0.07%	Weighted average rate reduced to 0% and term extended by 18 months.
Total	43,107	0.07%	

	2024		
	Combination - Payment Delay & Term Extension		
	Amortized Cost Basis	**% of Total Loan Type**	**Financial Effect**
Business	1,400,691	2.19%	Term extended by 19 months
Other	7,049	0.29%	Term extended by 38 months
Total	1,407,740	2.48%	

	2023		
	Combination - Payment Delay & Term Extension		
	Amortized Cost Basis	**% of Total Loan Type**	**Financial Effect**
Business	37,168	0.06%	Term extended by 35 months and payment amount reduced $12 monthly.
Total	37,168	0.06%	

The following table depicts the performance of loans that have been modified during 2024 and 2023:

	2024		
	Payment Status (Amortized Cost Basis)		
	Current	30-89 Days Past Due	>90 Days Past Due
Business	1,362,991	-	136,407
Other	8,855	-	-
Total	1,371,846	-	136,407

	2023		
	Payment Status (Amortized Cost Basis)		
	Current	30-89 Days Past Due	>90 Days Past Due
Business	18,942	-	18,226
Total	18,942	-	18,226

Note 4. Loan Servicing

Loans serviced for others are not included in the accompanying consolidated statement of financial position. The Corporation received monthly servicing fees in carrying out this work. The unpaid principal balances of loans serviced for others were approximately $11.4 million and $8.7 million at December 31, 2024 and 2023, respectively.

Note 5. Conditional Grants

The Corporation receives its grant support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the funding agreement. Since the consolidated financial statements of the Corporation are prepared on the accrual basis, all earned portions of the grants not yet received as of December 31, 2024, have been recorded as receivables. In addition, the Corporation receives certain grant funding in advance of when it is earned. These funds are included in deferred revenue until earned. Following are the grant commitments that extend beyond December 31, 2024:

Grant	Term	Grant Amount	Earned Through 2024	Funding Available
Small Business Association PRIME Grant	9/30/24 - 9/29/25	$ 300,000	$ 75,000	$ 225,000
Small Business Association TA Grant	7/1/24 - 6/30/25	1,492,057	803,036	689,021
Gateway Neighborhood Fund		105,882	44,004	61,878
FHLBC Housing Counseling Resource Program	6/10/22 - 6/9/25	175,501	145,761	29,740
Champaign County Economic Development Corporation	9/1/22 - 8/31/25	200,000	150,000	50,000
City of Urbana	1/1/24 - 6/30/26	250,000	40,359	209,641
City of Champaign	7/2/24 - 6/30/27	250,000	24,602	225,398
Aspen Institute - Shared Success	7/1/22 - 6/30/25	93,500	63,000	30,500
IgniteMO SSBCI Admin	10/1/24 - 9/30/34	415,602	74,374	341,228
		$ 3,282,542	$ 1,420,136	$ 1,862,406

Note 6. Property and Equipment

Property and equipment at December 31 consist of:

	2024	2023
Land	$ 123,212	$ 123,212
Buildings	1,507,660	1,507,660
Equipment	131,145	112,545
Furniture and fixtures	175,489	200,340
	1,937,506	1,943,757
Less accumulated depreciation	734,677	669,789
	$ 1,202,829	$ 1,273,968

Note 7. Rental Real Estate

The Corporation owns and manages rental housing to promote safe, affordable rental housing in low- and moderate-income areas. The houses donated are recorded at the estimated fair market value at the time of the donation based on appraisals or other market information resources. Purchased properties are recorded at cost plus costs to improve, which management believes approximates market after improvements.

Rental real estate at December 31 consists of:

	2024	2023
Land	$ 175,115	$ 66,574
Buildings, net of impairment	11,232,625	9,457,259
	11,407,740	9,523,833
Less:		
Accumulated depreciation	3,081,714	2,640,300
	$ 8,326,026	$ 6,883,533

Note 8. Investment in Real Estate

Investment in real estate includes land and homes that have been donated to the Corporation or purchased properties for renovation and sale to contribute to the quality of owner-occupied housing in low- and moderate-income areas. The Corporation does not intend to hold these properties and has intent to sell. The properties are recorded at cost and/or donated value plus improvements and less any impairment, which management believes approximates market value after improvements. The values of donated assets for the years ended December 31, 2024 and 2023 were $0 and $475,000, respectively. Total investment in real estate at December 31, 2024 and 2023, was $7,900,834 and $6,175,844, respectively.

Foreclosed assets and properties acquired through customer loan default, included in the above investment in real estate, total $2,157,762 and $0 as of December 31, 2024 and 2023, respectively. They are carried at fair value, net of estimated costs to sell, not to exceed the carrying value of the loan receivable upon foreclosure.

Note 9. Long-Term Debt

Justine PETERSEN	**2024**	**2023**
Line of credit of $1,250,000 with a bank, due August 2025, payable in monthly interest only payments which are calculated at prime rate, secured by loans receivable.	$ 1,250,000	$ 1,250,000
Line of credit of $750,000 with USDA, due October 2043, monthly interest of 1% until October 2017 at which time annual principal and interest of $31,838 commenced, secured by real and personal property.	550,181	575,769
Unsecured line of credit of $3,000,000 with a bank, due August 2025 and monthly interest at 8.5%.	2,478,940	2,492,158
Line of credit of $500,000 with USDA, due October 2045, monthly interest of 1% until October 2018 at which time annual principal and interest of $16,700 commenced, secured by real and personal property.	451,624	451,624
Unsecured credit agreement with interest at 4%, due July 2031, quarterly interest only payments through maturity date and three annual principal payments starting July 2030.	400,000	-
Promissory note of $865,800 with a bank, due April 2027, payable in monthly installments of $5,670 including interest at 4.713%, secured by deed of trust and guaranteed by Justine Peterson.	373,956	376,254
SBA notes payable, secured by loans receivable, at the following rates and payments, as adjusted, according to the terms of the loan. Payments on SBA loans adjust according to the terms and conditions of each note:		
Interest at 0%, due July 2025, payable in monthly payments of $11,574.	81,776	221,963
Interest at 0%, due November 2026, payable in monthly payments of $11,574.	266,204	405,093
Interest at .625%, due April 2028, payable in monthly payments of $7,664.	291,877	382,955
Interest at 0%, due September 2029, payable in monthly payments of $19,334.	1,108,334	1,341,667
Interest at 0%, due June 2031, payable in monthly payments of $23,148.	1,805,556	2,083,333
Interest at 0-1.25%, due February 2032, payable in monthly payments of $4,630 with no principal or interest required the first 12 months.	398,148	476,852

Justine PETERSEN	**2024**	**2023**
Interest at 1.88%, due July 2033, payable in monthly payments of $16,353, with no principal or interest required the first 12 months.	$ 1,568,288	$ 1,624,000
Interest at 4.375%, due June 2034, payable in monthly payments of $8,408, with no principal or interest required the first 12 months.	800,000	-
Promissory note of $1,250,000 with a bank, due January 2028, payable in monthly installments of $29,265 including interest at 5.76%, secured by deposit accounts.	988,821	1,250,000
Two unsecured promissory notes of $20,000 each with an individual, principal and interest due September 2027 with interest at 3%.	53,542	49,094
Unsecured note of $35,000 with a trust, due July 2027, interest and principal payable on due date, interest at 3%.	46,352	44,953
Unsecured promissory note of $15,000 with an individual, principal and interest due November 2024, interest at 3%.	19,189	18,609
Unsecured promissory note of $25,000 with an individual, principal and interest due April 2025, interest at 2.50%.	26,779	26,102
Note payable with interest at 7%, due December 2025, payable in monthly payments of $272, secured by real and personal property.	20,083	22,153
Note payable with interest at 7%, due December 2025, payable in monthly payments of $329 beginning January 2023 secured by real and personal property.	21,711	24,171
Note payable with interest at 5.50%, due July 2025, payable in monthly payments of $377 beginning August 2022, secured by real and personal property.	24,907	27,954
Unsecured promissory note with interest at 4.5%, due November 2027, monthly interest only payments beginning December 2022 through November 2025, and quarterly principal and interest payments of $130,943 starting December 2025 through maturity date.	1,000,000	1,000,000
Note payable with interest at 7%, due December 2025, payable in monthly payments of $425 beginning January 2023, secured by real and personal property.	28,089	31,200
Note payable with interest at 7%, due December 2025, payable in monthly payments of $515 beginning January 2023, secured by real and personal property.	34,009	37,850

Justine PETERSEN	**2024**	**2023**
Note payable with interest at 7%, due December 2025, payable in monthly payments of $194 beginning January 2023, secured by real and personal property.	$ 12,772	$ 14,197
Note payable with interest at 7.170%, due December 2025, payable in monthly payments of $1,052 beginning January 2023, secured by real and personal property.	100,879	106,492
Unsecured promissory note with interest at 3%, due January 2026, monthly interest only payments beginning April 2021 and principal payment due at maturity.	500,000	500,000
Unsecured promissory note of $2,000,000 with a bank, due October 2026, with interest at 6.62%, payable in quarterly payments of $185,426 beginning January 2024.	1,377,641	2,000,000
Promissory note of $400,000 with a not-for-profit corporation, payments of principal and interest of $1,782, interest at 5.25%, secured by a mortgage lien on certain properties, with balloon payment of $167,921 due February 2030.	178,282	185,041
Unsecured promissory note of $2,000,000 with a bank, due June 2027, payable in monthly principal and interest payments of $45,213, interest calculated at WSJ Prime rate.	1,217,594	1,728,719
Unsecured promissory note of $1,250,000 with a bank, due June 2027, quarterly interest at 3% until maturity. During 2024, the note was increased to $1,500,000.	1,500,000	1,250,000
Unsecured promissory note of $200,000 with Madison County Community Development, due December 2025, quarterly interest at 3.00%, until maturity.	198,942	199,031
Unsecured line of credit of $1,000,000 with a bank, due July 2025, quarterly interest payments due at 2% and remaining unpaid accrued interest and principal on due date.	1,000,000	1,000,000
Line of credit of $1,750,000 with a bank, due September 2025, monthly interest only payments at prime rate plus 1.25%, secured by loans receivable. During 2024, the line of credit was increased to $2,000,000.	2,000,000	1,748,800
Note payable with interest at 7%, due December 2025, payable in monthly payments of $368 beginning January 2023, secured by real and personal property.	24,284	26,963
Promissory note of $208,000 with a not-for-profit corporation, due October 2034, payable in monthly payments of interest of $2,083 and balloon payment at maturity; interest calculated at 8.5%, secured by real property.	168,000	208,000

Justine PETERSEN	**2024**	**2023**
Unsecured promissory note of $500,000 with a bank, due February 2024, payable in monthly interest payments until February 2019 and then monthly principal and interest payments of $9,320, interest calculated at 4.5%.	$ -	$ 1,797
Unsecured line of credit of $1,200,000 with a bank, due June 2025, monthly interest payments due at prime rate less 1% and remaining unpaid accrued interest and principal due on due date.	1,199,952	-
Unsecured line of credit of $500,000 with a bank, due November 2025, monthly interest payments due at 7.25% through December 2024. Thereafter, monthly interest payments at the WSJ Prime rate less 0.50% and remaining unpaid accrued interest and principal due on due date.	500,000	-
Six unsecured promissory notes totaling $248,000 with varying principal balances, due October 2028, interest payable quarterly at 5%.	153,000	183,000
Unsecured promissory note of $250,000 with a bank, interest payable quarterly at WSJ Prime rate, principal due March 2025.	250,000	250,000
Unsecured line of credit of $2,000,000 with an organization, due May 2028, monthly interest payments due at 8.50% and remaining accrued interest and principal on due date.	2,000,000	1,000,000
Unsecured promissory note of $400,000 with a community development company, due June 2027, quarterly interest payments due at 3% and remaining unpaid accrued interest and principal on due date.	400,000	400,000
Line of credit of $1,000,000 with USDA, due October 2052, annual interest of 1%, secured by real and personal property.	1,000,000	610,978
Unsecured promissory note of $750,000 with a bank, due June 2028, interest at 6%, payable in quarterly interest only payments from September 2023 through August 2024, then in quarterly principal and interest payments of $53,165 through due date.	666,670	750,000
Line of credit of $500,000 with a bank, due May 2024, interest at 4.53%, interest and principal payable at a monthly payment of $3,833, secured by real and personal property.	-	388,572
Line of credit of $1,645,382 with a bank due October 2025, interest and principal payable on due date, interest at 6.75%, secured by life insurance policy.	1,652,171	-

Justine PETERSEN	2024	2023
Unsecured note payable of $1,500,000 with a non profit, due December 2031, interest at 4%, interest and principal payable at a quarterly installments.	$ 1,500,000	$ -
Unsecured note of $250,000 with a community foundation due July 2028, interest and principal payable on due date, interest at 3.35%.	250,000	250,000
Unsecured note of $100,000 with a nonprofit corporation due January 2030, interest of 3% due quarterly while the principal is due on the maturity date.	100,000	100,000
A collection of unsecured promissory notes with interest rates from 1.5-4.8% and maturity dates of either 30 or 60 months. Additions of $78,800 in 2024.	4,191,051	5,334,635
Promissory note with a bank with monthly payments of $314, interest at 4.25%, secured by property, with balloon payment of $41,848 due March 2025.	42,196	43,935
Unsecured promissory note with a bank with monthly payments of $1,870, interest at 8.5%, with balloon payment of $92,754 due August 2028.	137,566	147,062
Unsecured promissory note with interest at 5%, due January 2028, monthly interest only payments beginning April 2023 through January 2026 and quarterly principal and interest payments of $131,614 starting April 2026 through maturity date.	1,000,000	1,000,000
Unsecured promissory note with a bank of $250,000 due July 2025 interest of 1% and principal payable monthly at $4,275.	29,784	72,304
Unsecured line of credit with a bank of $500,000, due March 2027, with a fixed interest rate of 4.50% due March 2027, principal and interest payments of $9,338 monthly until the maturity date.	269,797	354,673
Promissory note with a bank, due April 2026, payable in monthly interest only payments at 8.03%, secured by property.	35,615	37,477
Unsecured line of credit of $500,000 with a bank, due August 2027, with a fixed interest rate of 7%, principal and interest payments of $46,915 quarterly until the maturity date.	465,335	500,000
Unsecured promissory note with a corporation of $1,000,000, interest at 2.5% payable with principal on the maturity date in December 2025.	1,000,000	1,000,000

Justine PETERSEN	**2024**	**2023**
Unsecured note payable of $5,000,000 with a bank, due June 2029, interest and principal payable quarterly, interest at 4%.	$ 5,000,000	$ 5,000,000
Unsecured note payable with interest at 3%, due May 2025, payable in annual payments of $27,223 beginning May 2023.	26,429	52,088
Promissory note of $1,000,000 with a not-for-profit corporation, interest rate at 2% payable annually, principal due at maturity in December 2028, secured by certain Loan Program property or assets. During 2024, the promissory note was increased to $3,000,000.	3,000,000	1,000,000
Unsecured promissory note of $500,000 with a not-for-profit corporation, interest rate at 3% with accrued interest and principal due at maturity in November 2029.	500,000	-
Unsecured promissory note for $2,000,000 with a bank, interest payable monthly at 5.75%, principal due at maturity in September 2026.	2,000,000	2,000,000
Unsecured promissory note for $100,000 with a bank, interest at 3.75% with a maturity date of February 2026.	100,000	100,000
Unsecured promissory note for $2,000,000 with a fixed interest rate of 3%, with a maturity date of May 2030.	2,000,000	2,000,000
Unsecured promissory note for $500,000 with a not-for-profit corporation, interest at 1.5% payable monthly, remaining principal due at maturity in December 2026.	92,543	304,248
Unsecured promissory note for $300,000 with a not-for-profit corporation, interest at 3%, payable quarterly, principal due at maturity in June 2027.	300,000	300,000
Unsecured promissory note for $500,000 with a bank, interest at 3.25% payable monthly, principal due at maturity date in April 2025.	500,000	499,895
Unsecured promissory note for $52,000 with a bank, interest at 8.51%, payable monthly in monthly payments of $456 starting October 2023, with the remainder due in September 2026.	50,897	51,826
Unsecured promissory note for $2,000,000 with a bank, due June 2028, interest at 6.25%, principal and interest payments of $17,148 due monthly.	1,877,281	1,959,539
Unsecured promissory note for $100,000 with a not-for-profit corporation, interest at 3%, payable monthly, principal due at maturity date in February 2026.	100,000	100,000

Justine PETERSEN	**2024**	**2023**
Unsecured line of credit for $1,000,000 with a bank, interest payable monthly at the wsj prime rate through November 2024, then payable in monthly principal, if any is outstanding, based on a 48-month amortization schedule and interest payments at the U.S. 5-year Treasury rate plus 2.94%, with the last payment for any remaining unpaid principal and interest due November 2028.	$ 981,884	$ -
Multiple unsecured promissory notes for $5,000 each with individuals, interest at 0%; principal due at maturity date in March or April 2026. Amount may be forgiven prior to maturity if needed for a loan loss reserve.	40,000	40,000
Total Justine PETERSEN debt	$ 55,778,931	$ 49,013,026

GRCC	**2024**	**2023**
Unsecured line of credit of $2,500,000 with a bank, due August 2026, monthly interest of 4% payable monthly, unpaid interest and principal due on maturity in August 2026.	$ 2,500,000	$ 2,500,000
Unsecured note payable to U.S. Department of the Treasury, due April 2031, semi-annual payments of $66 including interest rate at 1.9%.	6,905	6,905
Unsecured line of credit of $1,000,000 with a bank, due April 2024, interest at 2.38%, principal and interest payable on due date.	-	768,307
	2,506,905	3,275,212
Less deferred financing costs	-	-
Total GRCC debt	$ 2,506,905	$ 3,275,212

TFH	**2024**	**2023**
Promissory note of $400,000 with Madison County Community Development, due March 2030, payable only if the project has positive cash flow, interest at 1%, secured by deed of trust.	$ 400,000	$ 400,000
Promissory note of $670,000 with Illinois Housing Development Authority ("IHDA"), due April 2031, payable in monthly installments of $1,767 including interest at 1%, secured by deed of trust.	459,873	472,922
	859,873	872,922
Less deferred financing costs	3,500	5,250
Total TFH debt	$ 856,373	$ 867,672

SITO		**2024**		**2023**
Promissory note of $288,750 with a bank due March 2027, payable in monthly installments of $1,853 with a balloon payment of $241,377 due March 2027 including interest at 4.60%, secured by deed of trust and guaranteed by Justine Petersen.	$	264,274	$	-
Promissory note of $225,000 with a bank due June 2027, payable in monthly installments of $1,992 with a balloon payment of $212,741 due June 2027 including interest at 8.65%, secured by real property.		223,138		-
Unsecured balloon loan of $80,000 with an entity, due April 2033, interest at 0%, payable in one balloon payment at maturity date.		80,000		-
Nineteen unsecured promissory notes totaling $294,500 with varying principal balances, varying maturity dates, 0% interest.		294,500		-
Promissory note with a revocable trust totaling $387,000, due January 2029, payable in quarterly interest payments of 5% with principal due at maturity, secured by deed of trust.		387,000		-
Total SITO debt	$	1,248,912	$	-

Infinite Properties		**2024**		**2023**
Promissory note of $590,400 with a bank due September 2040, payable in monthly installments of $3,596, including interest at 4%, secured by real property.	$	489,376	$	-
Total SITO debt	$	489,376	$	-

		2024		**2023**
Total Debt	$	60,883,997	$	53,161,160
Less:				
Debt issuance costs		3,500		5,250
Current maturities		18,011,829		12,773,723
	$	42,868,668	$	40,382,187

Aggregate annual maturities of long-term at December 31, 2024, are:

2025	$	18,011,829
2026		11,389,871
2027		8,096,815
2028		8,172,098
2029		6,830,086
Thereafter		8,379,798
	$	60,880,497

Note 10. SSBCI Revolving Capital

During 2024, Justine PETERSEN entered into an agreement under the State Small Business Credit Initiative (SSBCI) with Missouri Technology Corporation (MTC) to operate a loan participation program (IgniteMO) serving socially and economically disadvantaged individuals. The first round of disbursements under the agreement were received in 2024 totaling $8,312,045, of which $7,896,443 is considered a program disbursement to create the loan fund. The intent of the program is to return an amount equal to 100% of the program disbursements to MTC at the end of the 10 year term. To the extent the loan fund is less than the total amount of program disbursements at the end of the term, there is an additional 5 year window for repayment. After the 5 year repayment window, any remaining loan balances are deemed uncollectible and are not subject to repayment.

Under the program, Justine PETERSEN generates qualified loans, of which, 50% is sold to IgniteMO. The IgniteMO loan fund is used to repay Justine PETERSEN for the loans purchased and Justine PETERSEN services the related loans and remits the proportionate share of principal and interest payments to IgniteMO loan fund. The loan fund is held in a restricted account (see Note 2). The agreement allows for total program disbursements up to $15 million, of which $7.1 million of additional program disbursements may be disbursed subject to the terms of the agreement and conditioned upon MTC's receipt of funding.

Note 11. Contributed Nonfinancial Assets

For the years ended December 31, 2024 and 2023, contributed nonfinancial assets recognized within the statement of activities included:

	2024	2023
Building	$ -	$ 475,000
Legal services	-	1,300
Education and counseling services	1,725	3,300
	$ 1,725	$ 479,600

The nonfinancial assets listed above were recognized within revenue. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Building

The contributed building, during 2023, will be held as a real estate investment property. In valuing the contributed building, which is located in St. Louis, Missouri, the Corporation estimated the fair value on the basis of an appraisal performed on the property.

Other Contributions

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated.

Note 12. Net Assets

Net Assets With Donor Restrictions

Net assets with donor restrictions of $330,000 and $654,123 were subject to expenditure for a specified purpose at December 31, 2024 and 2023, respectively.

Net Assets Released from Restrictions

Net assets released from restriction were $645,123 and $804,878 for the years ended December 31, 2024 and 2023, respectively. Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. For the year ended December 31, 2023, the satisfaction of the purpose restriction of $500,000 was related to one program which related to the purpose of expanding the use of the My Credit Compass portal.

Note 13. Income Taxes

GRCC's provision for income taxes includes these components:

	2024	2023
Taxes currently payable (receivable)	$ 134,386	$ 63,271
Deferred income taxes	(278,400)	(219,900)
Income tax expense (benefit)	$ (144,014)	$ (156,629)

The income tax expense (benefit) is presented on the consolidated statement of functional expenses under program expense – economic development.

The difference between income tax expense (benefit) and the amount computed by applying the statutory tax rate to income before income taxes for GRCC is primarily due to the deductibility of certain reserves as well as deferred revenue on certain grant funds for income tax purposes.

The tax effects of temporary differences related to deferred taxes shown on the consolidated statement of financial position were:

	2024	2023
Deferred tax assets		
Allowance for credit losses	$ 524,738	$ 348,000
Impairment loss	128,314	104,800
	653,052	452,800
Deferred tax liabilities		
Basis reduction in loans receivable related to CDFI grant	711,172	794,100
Other	7,280	2,500
	718,452	796,600
Net deferred tax liability	$ (65,400)	$ (343,800)

Note 14. Related Party Transactions

Loans Receivable

At December 31, 2024 and 2023, the Corporation had loans receivable outstanding to executive officers, directors, employees and their affiliates (related parties), in the amount of $395,297 and $367,949, respectively. In management's opinion, such loans and other extensions of credit and deposits were made in the ordinary course of business and were made on substantially the same terms (including interest rates and collateral) as those prevailing at the time for comparable transactions with other persons. Further, in management's opinion, these loans did not involve more than normal risk of collectability or present other unfavorable features.

Guarantee

During 2022, Justine PETERSEN guaranteed certain third-party debt of a previously unconsolidated entity, SITO. The guarantee term is for 5 years. Should Justine PETERSEN be obligated to perform under the guarantee arrangement, Justine PETERSEN may seek reimbursement from the SITO of amounts expended under the guarantee. As of January 1, 2024, as mentioned in Note 1, SITO is an affiliate through board control of Justine PETERSEN and is, therefore, included on the consolidated financial statements.

At December 31, 2024 and 2023, the total outstanding balance on guaranteed loan was approximately $262,340 and $272,800, respectively.

Note 15. Affiliation

As mentioned in Note 1, on January 1, 2024, Justine PETERSEN entered into an “Agreement” with SITO, resulting in the consolidation of the net assets of SITO and its’ 50% owned affiliate, Infinite Properties. SITO is a not-for-profit established to own and manage rental housing for low-income residents. As a result of this agreement, Justine PETERSEN will have an opportunity to expand its services and service area. The agreement was accomplished by Justine PETERSEN appointing the Board of Directors of SITO.

The following table summarizes the amounts of the assets acquired and liabilities assumed recognized at January 1, 2024 for both SITO and Infinite Properties:

	SITO	Infinite Prop
Recognized amounts of identifiable assets acquired and liabilities assumed		
Cash	$ 312,550	$ 1,174
Accounts and grants receivable	400	1,475
Prepaid expenses and other	-	8,531
Rental real estate	810,397	463,319
Investment in real estate	146,591	-
Due from subsidiaries	12,228	-
Investment in Infinite Properties, LLC	33,060	-
Accounts payable and accrued expenses	-	(498)
Tenant security deposits	(17)	(725)
Due to subsidiaries	-	(12,228)
Long-term debt	(1,034,367)	(525,638)
Total identifiable net assets	$ 280,842	$ (64,590)

Note 16. Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Contributions

Approximately 53% and 69% of all contributions and grants were received from two government grantors in 2024 and 2023, respectively.

GRCC

In 2018, GRCC began providing financial and technical assistance, including loan origination and servicing, to outside organizations. GRCC's responsibilities include identifying potential loans that satisfy the eligibility criteria under a New Market Tax Credit ("NMTC") program. If, at any time, any loans are more than 90 days past due and the outstanding principal balance exceeds 8% of the current total outstanding principal balance of loans originated by GRCC, or the loan no longer qualifies under the eligibility criteria for the NMTC, GRCC will purchase the loan receivables at a purchase price equal to 100% of the outstanding principal balance plus accrued interest until the portfolio performance is back in line with compliance requirements. As of December 31, 2024 and 2023, 90-day past due balances do not exceed 8% of the total outstanding principal balance, therefore no contingent liabilities are required to be recorded.

Twenty-First Homes

In January 2011, TFH finalized construction of 20 low-income single-family homes in Granite City, Illinois. Pursuant to several contractual agreements with federal and state agencies, TFH recognized $3,865,965 of grant revenues from the U.S. Treasury under Internal Revenue Code ("IRC") Section 1602 under the Tax Credit Exchange Program ("TCEP"). These funds were used to pay off the bridge loans used to construct the facilities. In addition, TFH was eligible to receive $670,000 in loans from the Illinois Housing Development Authority ("IHDA"). The contractual provisions associated with this project include ongoing compliance for 15 years for the federal funding and 20 years for the state funding.

Note 17. Disclosures About Fair Value of Assets

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets

Level 3 Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets

Nonrecurring Measurements

The following table presents the fair value measurement of assets measured at fair value on a nonrecurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31:

		Fair Value Measurements Using		
	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2024				
Assets				
Long-lived assets held for sale (investments in real estate)	$ 167,744	$ -	$ 167,744	$ -
Long-lived assets held for use (rental real estate)	$ -	$ -	$ -	$ -
December 31, 2023				
Assets				
Long-lived assets held for sale (investments in real estate)	$ 745,012	$ -	$ 745,012	$ -
Long-lived assets held for use (rental real estate)	$ -	$ -	$ -	$ -

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a nonrecurring basis and recognized in the accompanying consolidated statement of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy.

Long-Lived Assets

Long-lived assets are valued at fair value on December 31, 2024, with related impairment recorded. The fair value is estimated using recent market transactions on similar assets that are observable or that can be corroborated by observable market data and, therefore, are classified within Level 2 of the valuation hierarchy. Impairment of $54,678 and $206,532 was recognized in December 31, 2024 and 2023, respectively.

Note 18. Investments in Private Entities

Investment in Good Life Growing, LLC

Justine PETERSEN has a 20% interest in the company, Good Life Growing, LLC, for the purchase price of $85,000 including legal expenses related to the agreement execution. The Good Life Growing investment as of December 31, 2024 and 2023, was $163,194.

Investment in St. Louis Indoor Produce

Justine PETERSEN initially purchased a 2% interest in St. Louis Indoor Produce (“SLIP”), with a commitment to purchase up to 36 units at $8,500 per unit. As of December 31, 2024 and 2023, Justine PETERSEN held 34 units of SLIP. Justine PETERSEN’s investment in SLIP as of December 31, 2024 and 2023, was $289,000.

Note 19. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2024 and 2023, comprise the following:

	2024	2023
Financial assets		
Cash	$ 4,623,553	$ 5,890,163
Accounts and grants receivable	1,351,169	964,607
Interest and fees receivable	2,243,358	1,356,306
Total financial assets	8,218,080	8,211,076
Less donor restricted funds available for general expenditures, but subject to grant guidelines	330,000	654,123
Financial assets available to meet cash needs for general expenditures within one year	$ 7,888,080	$ 7,556,953

The Corporation manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. To help manage unanticipated liquidity needs, the Corporation has committed lines of credit totaling $13,250,000, of which $2,109,000 is available for operations as of December 31, 2024.

Note 20. Revenue from Contracts

The Corporation's revenue streams accounted for under ASC 606, included in program service fees on the consolidated statement of activities, is as follows:

Real Estate Brokerage, Credit Reporting and Developers' Fees – The Corporation earns fees from real estate brokerage services provided to its customers by a third-party service provider. The Corporation receives commissions from the third-party service provider each time that a property is sold. The fees are recognized at the point in time the services are provided.

Loan Administrative Fees – The Corporation earns fees for servicing loans for third-party companies which relate primarily to daily processing or the payments received and disbursement of notes receivable. The fees are earned in accordance with agreed-upon contractual terms at periodic intervals, *e.g.*, monthly. The Corporation recognized revenues for these arrangements over time as the Corporation satisfies the performance obligation.

Training and Client Service Fees – The Corporation performs training classes such as credit building, assistance in accounting/financial reporting, consulting, and other services for borrowers and potential borrowers. The Corporation recognizes revenues included in miscellaneous income for these arrangements evenly over time as the services are provided and satisfaction of the performance obligation is met.

Disaggregation of Revenue

The composition of revenue by revenue source and timing of revenue recognition for the years ended December 31, 2024 and 2023, is as follows:

	2024	2023
Over period of time		
Loan administrative fees	$ 725,128	$ 509,741
Training and client service fees	1,500	28,873
	726,628	538,614
At point in time		
Real estate brokerage, credit reporting and developers' fees	40,255	90,015
Total ASC 606 Revenue	$ 766,883	$ 628,629

Note 21. Profit-Sharing Plan

The Corporation has a 401(k) profit-sharing plan covering substantially all employees. The Corporation's contributions to the plan are determined annually by the board of directors. Contributions from the Corporation to the plan were $68,470 and $55,615 for the years ended December 31, 2024 and 2023, respectively.

Note 22. Subsequent Events

In January 2025, Justine PETERSEN was approved for New Market Tax Credits (NMTC) of up to $15 million with a focus on daycare providers and manufacturing. NMTCs are earned over 7 years and provide low-cost upfront capital to small businesses. Small businesses must be located in a low-income community. Justine PETERSEN has engaged Advantage Capital to manage program compliance including IRS regulations and reporting.

On January 27, 2025, Office of Management and Budget (OMB) issued M 25-13, pausing all activities related to obligation or disbursement of all federal financial assistance with certain exceptions. The memo has since been rescinded, however, it is unclear whether future assistance could be at risk. The potential impacts of the executive orders on the Corporation's future federal financial assistance have not yet been evaluated. See Note 16 for information related to concentrations of credit risk related to revenue from government grants and contracts.

Subsequent to year-end, the Corporation was notified of an approximate $2.735 million federal award by the Treasury Department for the Community Development Financial Institutions Fund Grant.

Subsequent events have been evaluated through April 30, 2025, which is the date the consolidated financial statements were available to be issued.

Supplementary Information

Justine Petersen Housing and Reinvestment Corporation
Consolidating Schedule of Financial Position
December 31, 2024 (with comparative totals for December 31, 2023)

	2024												2023
	JPHRC	GRCC	JPEM	TFH	TFHD	JP COVID-19	JP Prop	SITO	Infinite Prop	IgniteMO	Eliminations	Consolidated	(Comparative Totals Only)
ASSETS													
Current Assets													
Cash	$ 3,548,173	$ 767,440	$ -	$ 152,657	$ -	$ -	$ 87,794	$ 52,340	$ 15,149	$ -	$ -	$ 4,623,553	$ 5,890,163
Restricted cash	2,854,513	169,064	-	338,355	-	-	3,495	-	-	7,507,071	-	10,872,498	4,100,997
Accounts and grants receivable	1,233,587	100,636	-	6,301	-	-	9,906	739	-	-	-	1,351,169	964,607
Interest and fees receivable	1,534,422	708,936	-	-	-	-	-	-	-	-	-	2,243,358	1,356,306
Loans receivable, net - current position	8,574,705	6,928,659	-	-	-	-	-	-	-	-	-	15,503,364	16,949,758
Prepaid expenses and other	4,019	33,505	-	-	-	-	-	-	-	-	-	37,524	99,715
Total Current Assets	17,749,419	8,708,240	-	497,313	-	-	101,195	53,079	15,149	7,507,071	-	34,631,466	29,361,546
Other Assets													
Loans receivable, net	32,341,142	10,521,041	-	-	-	-	-	-	-	707,997	-	43,570,180	37,774,822
Other note receivable	-	-	-	-	-	-	189,228	-	-	-	-	189,228	141,813
Property and equipment, net	1,144,617	-	-	58,212	-	-	-	-	-	-	-	1,202,829	1,273,968
Rental real estate	34,458	340,294	-	2,326,768	-	-	3,806,955	1,227,636	589,915	-	-	8,326,026	6,883,533
Investment in real estate	2,007,105	2,375,288	-	-	-	-	3,317,100	201,341	-	-	-	7,900,834	6,175,844
Other assets	2,044,036	-	-	16,753	-	-	-	-	-	-	-	2,060,789	571,598
Due from subsidiaries	19,156,733	1,033,809	3,891,506	-	-	1,779,289	-	-	-	25,642	(25,886,979)	-	-
Investments in private entities, at cost	452,194	-	-	-	-	-	-	-	-	-	-	452,194	472,194
Investment in subsidiaries	4,008,664	20,000	-	-	311	-	-	178,675	-	-	(4,207,650)	-	-
Total Other Assets	61,188,949	14,290,432	3,891,506	2,401,733	311	1,779,289	7,313,283	1,607,652	589,915	733,639	(30,094,629)	63,702,080	53,293,772
Total Assets	$ 78,938,368	$ 22,998,672	$ 3,891,506	$ 2,899,046	$ 311	$ 1,779,289	$ 7,414,478	$ 1,660,731	$ 605,064	$ 8,240,710	$ (30,094,629)	$ 98,333,546	$ 82,655,318

Justine Petersen Housing and Reinvestment Corporation
Consolidating Schedule of Financial Position
December 31, 2024 (with comparative totals for December 31, 2023) (Continued)

	2024												2023
	JPHRC	GRCC	JPEM	TFH	TFHD	JP COVID-19	JP Prop	SITO	Infinite Prop	IgniteMO	Eliminations	Consolidated	(Comparative Totals Only)
LIABILITIES AND NET ASSETS													
Current Liabilities													
Current portion of long-term debt	$ 17,918,996	$ -	$ -	$ 15,600	$ -	$ -	$ -	$ 34,086	$ 43,147	$ -	$ -	$ 18,011,829	$ 12,773,723
Accounts payable and accrued expenses	552,736	99,242	-	109,980	-	129,289	-	-	-	44,871	-	936,118	761,061
Interest payable	-	-	891,505	-	-	-	-	-	-	-	-	891,505	917,534
Income taxes payable	-	91,243	-	-	-	-	-	-	-	-	-	91,243	-
Tenant security deposits	7,135	-	-	12,635	-	-	-	-	6,350	-	-	26,120	19,770
Deferred revenue	145,803	-	-	-	-	-	-	-	-	386,100	-	531,903	1,539,385
Total Current Liabilities	18,624,670	190,485	891,505	138,215	-	129,289	-	34,086	49,497	430,971	-	20,488,718	16,011,473
Other Liabilities													
Deferred income taxes	-	65,400	-	-	-	-	-	-	-	-	-	65,400	343,800
Long-term debt, non-current portion	37,859,935	2,506,905	-	840,773	-	-	-	1,214,826	446,229	-	-	42,868,668	40,382,187
SSBCI Revolving Capital	-	-	-	-	-	-	-	-	-	7,896,443	-	7,896,443	-
Due to subsidiaries	-	16,977,038	-	423,854	-	-	8,303,974	182,113	-	-	(25,886,979)	-	-
Total Other Liabilities	37,859,935	19,549,343	-	1,264,627	-	-	8,303,974	1,396,939	446,229	7,896,443	(25,886,979)	50,830,511	40,725,987
Total Liabilities	56,484,605	19,739,828	891,505	1,402,842	-	129,289	8,303,974	1,431,025	495,726	8,327,414	(25,886,979)	71,319,229	56,737,460
Net Assets													
Without Donor Restrictions													
Undesignated	22,123,763	-	-	-	311	-	-	229,706	-	-	(250,128)	22,103,652	20,613,735
Noncontrolling interest	-	-	-	-	-	-	-	-	-	-	4,580,665	4,580,665	4,650,000
With Donor Restrictions	330,000	-	-	-	-	-	-	-	-	-	-	330,000	654,123
Members' capital	-	-	3,000,001	-	-	1,650,000	-	-	109,338	-	(4,759,339)	-	-
Common stock	-	10,000	-	-	-	-	-	-	-	-	(10,000)	-	-
Paid-in capital and partner capital	-	671,560	-	-	-	-	-	-	-	-	(671,560)	-	-
Equity	-	2,577,284	-	1,496,204	-	-	(889,496)	-	-	(86,704)	(3,097,288)	-	-
Total Net Assets	22,453,763	3,258,844	3,000,001	1,496,204	311	1,650,000	(889,496)	229,706	109,338	(86,704)	(4,207,650)	27,014,317	25,917,858
Total Liabilities and Net Assets	$ 78,938,368	$ 22,998,672	$ 3,891,506	$ 2,899,046	$ 311	$ 1,779,289	$ 7,414,478	$ 1,660,731	$ 605,064	$ 8,240,710	$ (30,094,629)	$ 98,333,546	$ 82,655,318

Justine Petersen Housing and Reinvestment Corporation
Consolidating Schedule of Activities
December 31, 2024 (with comparative totals for December 31, 2023)

	2024												2023
	JPHRC	GRCC	JPEM	TFH	TFHD	JP COVID-19	JP Prop	SITO	Infinite Prop	IgniteMO	Eliminations	Consolidated	(Comparative Totals Only)
Revenues, Gains and Other Support													
Contributions and grants	$ 8,069,122	$ 383,223	$ -	$ -	$ -	$ -	$ -	$ 173,780	$ -	$ 74,374	$ -	$ 8,700,499	$ 9,872,714
Contributed nonfinancial assets (in-kind)	1,725	-	-	-	-	-	-	-	-	-	-	1,725	479,600
Program service fees													
Real estate brokerage income	-	-	-	-	-	-	-	-	-	-	-	-	18,482
Loan and administrative fees	2,929,754	558,610	-	-	-	-	-	-	-	25,642	(201,887)	3,312,119	3,141,786
Credit reporting fees	9,123	-	-	-	-	-	-	-	-	-	-	9,123	10,551
Rental income	54,111	83,587	-	138,233	-	-	239,895	129,755	109,809	-	(20,000)	735,390	510,943
Miscellaneous	115,767	8,740	-	-	-	-	5,369	21,666	-	-	(12,911)	138,631	207,015
Interest	2,794,825	1,591,154	150,000	9,272	-	42,314	-	-	-	11,774	(212,132)	4,387,207	3,394,505
Gain (loss) on disposal of assets	-	-	-	-	-	-	17,930	-	-	-	-	17,930	(1,168)
Equity earnings (deficit) of subsidiaries	(832,732)	-	-	-	-	-	-	28,314	-	-	804,418	-	-
Total Revenues, Gains and Other Support	13,141,695	2,625,314	150,000	147,505	-	42,314	263,194	353,515	109,809	111,790	357,488	17,302,624	17,634,428
Expenses													
Housing	1,724,281	291,594	-	258,257	-	-	478,574	378,969	53,181	-	(179,129)	3,005,727	2,127,860
Economic development	9,784,023	2,409,488	150,000	-	-	42,298	-	-	-	198,494	(221,289)	12,363,014	12,390,995
Savings	197,202	17,124	-	-	-	-	-	-	-	-	(1,119)	213,207	382,604
Total program services	11,705,506	2,718,206	150,000	258,257	-	42,298	478,574	378,969	53,181	198,494	(401,537)	15,581,948	14,901,459
Management and general	632,041	47,720	-	527	-	-	125	17,342	-	-	(16,313)	681,442	555,466
Fundraising	247,734	21,513	-	-	-	-	-	8,340	-	-	(7,606)	269,981	134,907
Total supporting activities	879,775	69,233	-	527	-	-	125	25,682	-	-	(23,919)	951,423	690,373
Total expense before income taxes	12,585,281	2,787,439	150,000	258,784	-	42,298	478,699	404,651	53,181	198,494	(425,456)	16,533,371	15,591,832
Income tax expense (benefit)	(50)	(143,964)	-	-	-	-	-	-	-	-	-	(144,014)	(156,629)
Total Expenses	12,585,231	2,643,475	150,000	258,784	-	42,298	478,699	404,651	53,181	198,494	(425,456)	16,389,357	15,435,203
Change in Net Assets	556,464	(18,161)	-	(111,279)	-	16	(215,505)	(51,136)	56,628	(86,704)	782,944	913,267	2,199,225
Net Assets Obtained (Liabilities Assumed) Through Newly Consolidated Affiliates	280,842	-	-	-	-	-	-	280,842	(64,590)	-	(313,902)	183,192	-
Contributed Capital		-	-	-	-	-	-	-	117,300	-	(117,300)	-	500,000
Net Assets, Beginning of Year	21,616,457	3,277,005	3,000,001	1,607,483	311	1,649,984	(673,991)	-	-	-	(4,559,392)	25,917,858	24,262,006
Cumulative Effect of Adoption of ASU 2016-13, Net	-	-	-	-	-	-	-	-	-	-	-	-	(1,043,373)
Net Assets, Beginning of Year, as Restated	21,616,457	3,277,005	3,000,001	1,607,483	311	1,649,984	(673,991)	-	-	-	(4,559,392)	25,917,858	23,218,633
Net Assets, End of Year	$ 22,453,763	$ 3,258,844	$ 3,000,001	$ 1,496,204	$ 311	$ 1,650,000	$ (889,496)	$ 229,706	$ 109,338	$ (86,704)	$ (4,207,650)	$ 27,014,317	$ 25,917,858

Justine Petersen Housing and Reinvestment Corporation
Consolidating Schedule of Expenses
December 31, 2024 (with comparative totals for December 31, 2023)

	2024												2023
	JPHRC	GRCC	JPEM	TFH	TFHD	JP COVID-19	JP Prop	SITO	Infinite Prop	IgniteMO	Eliminations	Consolidated	(Comparative Totals Only)
Salaries and wages	$ 3,261,090	$ -	$ -	$ -	$ -	$ -	$ -	$ 120,474	$ -	$ 71,955	$ (114,224)	$ 3,339,295	$ 3,295,478
Payroll taxes	248,362	-	-	-	-	-	-	479	-	-	-	248,841	206,505
Employee benefits	436,992	-	-	-	-	-	-	27,431	-	-	(27,431)	436,992	372,735
Advertising	63,390	-	-	-	-	-	-	799	-	-	-	64,189	44,680
Client assistance	120,313	93	-	-	-	-	-	5,845	-	-	-	126,251	59,360
Conferences and seminars	44,381	-	-	-	-	-	-	-	-	-	-	44,381	36,666
Credit report charges	65,822	-	-	-	-	-	-	-	-	-	-	65,822	72,634
Delivery and postage	30,037	-	-	10	-	-	-	-	-	-	-	30,047	32,953
Depreciation and amortization	107,805	-	-	-	-	-	-	-	-	-	-	107,805	87,066
Depreciation - rental real estate	1,300	17,649	-	174,215	-	-	159,777	50,334	-	-	-	403,275	352,223
Contributed nonfinancial assets (in-kind)	-	-	-	-	-	-	-	-	-	-	-	-	4,600
Dues and subscriptions	47,553	-	-	-	-	-	-	-	-	-	-	47,553	19,027
Equipment rental and maintenance	32,508	-	-	-	-	-	-	-	-	-	-	32,508	29,886
Impairment and subsidized programmatic real estate loss	739,445	22,592	-	-	-	-	5,060	-	-	-	-	767,097	206,532
Insurance	432,046	6,954	-	-	-	-	4,989	12,439	7,515	-	-	463,943	165,275
Interest	2,302,337	343,969	150,000	4,651	-	42,298	-	37,589	6,884	-	(212,132)	2,675,596	2,196,560
Miscellaneous	82,537	3,351	-	-	-	-	-	26,923	-	-	-	112,811	72,090
Occupancy	33,474	-	-	-	-	-	-	-	-	-	-	33,474	21,462
Office supplies	319,731	3,388	-	527	-	-	-	37,334	1,504	-	(32,248)	330,236	341,955
Professional fees	1,645,608	209,489	-	-	-	-	125	16,693	15,118	45,293	(33,887)	1,898,439	2,034,519
Provisions for credit losses	2,253,734	1,965,847	-	-	-	-	-	-	-	79,249	-	4,298,830	5,127,957
Recording fees	-	-	-	-	-	-	-	-	-	-	-	-	194
Rental real estate maintenance	35,190	171,823	-	79,381	-	-	175,651	62,160	22,160	-	(4,743)	541,622	334,251
Repairs and maintenance	185,302	42,284	-	-	-	-	133,097	-	-	-	-	360,683	373,494
Taxes and licenses	7,801	-	-	-	-	-	-	4,737	-	-	-	12,538	16,848
Telephone	48,332	-	-	-	-	-	-	791	-	-	(791)	48,332	54,419
Travel and training	40,191	-	-	-	-	-	-	623	-	1,997	-	42,811	32,463
Total expenses before income taxes	12,585,281	2,787,439	150,000	258,784	-	42,298	478,699	404,651	53,181	198,494	(425,456)	16,533,371	15,591,832
Income tax expense (benefit)	(50)	(143,964)	-	-	-	-	-	-	-	-	-	(144,014)	(156,629)
Total	$ 12,585,231	$ 2,643,475	$ 150,000	$ 258,784	$ -	$ 42,298	$ 478,699	$ 404,651	$ 53,181	$ 198,494	$ (425,456)	$ 16,389,357	$ 15,435,203