



New Hampshire
COMMUNITY
LOAN FUND

CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2026 AND 2025

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

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June 30, 2026 and 2025

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Independent Auditor's Report

To the Board of Directors of
New Hampshire Community Loan Fund, Inc. and Affiliate:

Opinion

We have audited the consolidated financial statements of New Hampshire Community Loan Fund, Inc. (a New Hampshire corporation, not for profit) and Affiliate (collectively, the Community Loan Fund) which comprise the consolidated statements of financial position as of June 30, 2026 and 2025, and the related consolidated statements of activities and changes in net assets, cash flows and functional expenses for the years 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 Community Loan Fund and Affiliate as of June 30, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Community Loan Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Community Loan Fund's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Community Loan Fund'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Community Loan Fund's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information shown on pages 33 through 36 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information shown on pages 33 through 36 is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

AAFCPA, Inc.

Westborough, Massachusetts
September 25, 2026

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

 Consolidated Statements of Financial Position
 June 30, 2026 and 2025

Assets	2026	2025
Current Assets:		
Cash and cash equivalents	\$ 17,610,613	\$ 11,942,497
Marketable securities	2,283,682	1,985,800
Grants, contracts and other receivables	829,838	881,040
Current portion of pledges receivable	50,000	25,000
Current portion of loans receivable, net of allowance for credit losses of \$156,570 and \$125,826, respectively and deferred loan fees	7,990,530	5,670,131
Accrued interest receivable	894,875	879,786
Prepaid expenses and other	622,357	706,610
Total current assets	30,281,895	22,090,864
Restricted Cash	5,583,993	5,470,490
Pledges Receivable, net of current portion	50,000	-
Loans Receivable, net of current portion, deferred loan fees, and allowance for credit loan losses of \$3,912,172 and \$4,415,067 at June 30, 2026 and 2025, respectively	201,306,341	202,771,724
Program-Related Development Investments, net	4,292,677	3,498,318
Property and Equipment, net	3,543,979	3,522,514
Total assets	<u>\$ 245,058,885</u>	<u>\$ 237,353,910</u>
Liabilities and Net Assets		
Current Liabilities:		
Current portion of loans payable	\$ 24,351,376	\$ 33,013,204
Accounts payable and accrued expenses	1,172,380	1,331,998
Accrued interest payable	1,289,577	1,347,569
Conditional advances	362,791	67,093
Total current liabilities	27,176,124	35,759,864
Long-Term Liabilities:		
Loans payable, net of current portion	129,732,674	116,180,214
Non-recourse participation in loans receivable	33,783	34,804
Subordinated loans payable - equity equivalent investments	11,600,000	11,600,000
Total liabilities	168,542,581	163,574,882
Net Assets:		
Without donor restrictions:		
Program	6,412,065	6,059,802
Financing	58,035,674	55,775,978
Total without donor restrictions	64,447,739	61,835,780
With donor restrictions:		
Program	137,776	66,558
Financing	11,813,108	11,759,009
Pass-through	117,681	117,681
Total with donor restrictions	12,068,565	11,943,248
Total net assets	76,516,304	73,779,028
Total liabilities and net assets	<u>\$ 245,058,885</u>	<u>\$ 237,353,910</u>

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

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Consolidated Statement of Activities and Changes in Net Assets

For the Year Ended June 30, 2026

(With Summarized Comparative Totals for the Year Ended June 30, 2025)

	2026			2025
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating Revenues:				
Earned revenue:				
Financial revenue:				
Interest on loans	\$ 14,097,888	\$ 390,341	\$ 14,488,229	\$ 13,298,248
Investment income	705,736	219,947	925,683	1,109,826
Loan related fees	348,271	-	348,271	374,885
Net credit loss recovery (provision)	-	336,672	336,672	(687,235)
Recovery for credit losses on unfunded commitments	-	-	-	55,507
Less - interest expense	(5,163,340)	(44,545)	(5,207,885)	(4,997,922)
Net financial revenue	9,988,555	902,415	10,890,970	9,153,309
Grant administration fees	1,501,259	-	1,501,259	3,821,756
Training and other fees	30,116	-	30,116	15,117
Total earned revenue	11,519,930	902,415	12,422,345	12,990,182
Public support:				
Grants - pass-through	27,719,847	-	27,719,847	41,789,888
Grants and contributions	763,563	299,617	1,063,180	16,057,005
Net assets released from restrictions	1,076,715	(1,076,715)	-	-
Less - grants passed through to others	(27,719,847)	-	(27,719,847)	(41,795,010)
Net public support	1,840,278	(777,098)	1,063,180	16,051,883
Total operating revenues	13,360,208	125,317	13,485,525	29,042,065
Operating Expenses:				
Program services	9,840,822	-	9,840,822	8,915,484
Management and administrative	1,229,906	-	1,229,906	1,063,866
Fundraising	446,484	-	446,484	476,226
Total operating expenses	11,517,212	-	11,517,212	10,455,576
Changes in net assets from operations	1,842,996	125,317	1,968,313	18,586,489
Non-Operating Revenue (Expense):				
Share of income (loss) from program-related development investment	794,359	-	794,359	(1,469,634)
Net realized and unrealized loss on investments	(25,396)	-	(25,396)	(160,466)
Total non-operating revenue (expense)	768,963	-	768,963	(1,630,100)
Total changes in net assets	2,611,959	125,317	2,737,276	16,956,389
Net Assets:				
Beginning of year	61,835,780	11,943,248	73,779,028	56,822,639
End of year	\$ 64,447,739	\$ 12,068,565	\$ 76,516,304	\$ 73,779,028

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

 Consolidated Statement of Activities and Changes in Net Assets
 For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues:			
Earned revenue:			
Financial revenue:			
Interest on loans	\$ 12,975,151	\$ 323,097	\$ 13,298,248
Investment income	892,943	216,883	1,109,826
Loan related fees	374,885	-	374,885
Net credit loss provision	(662,389)	(24,846)	(687,235)
Recovery for credit losses on unfunded commitments	-	55,507	55,507
Less - interest expense	(4,937,877)	(60,045)	(4,997,922)
Net financial revenue	8,642,713	510,596	9,153,309
Grant administration fees	3,821,756	-	3,821,756
Training and other fees	15,117	-	15,117
Total earned revenue	12,479,586	510,596	12,990,182
Public support:			
Grants - pass-through	41,789,888	-	41,789,888
Grants and contributions	15,966,204	90,801	16,057,005
Net assets released from restrictions	1,111,400	(1,111,400)	-
Net assets released from restrictions - pass-through	5,122	(5,122)	-
Less - grants passed through to others	(41,795,010)	-	(41,795,010)
Net public support	17,077,604	(1,025,721)	16,051,883
Total operating revenues	29,557,190	(515,125)	29,042,065
Operating Expenses:			
Program services	8,915,484	-	8,915,484
Management and administrative	1,063,866	-	1,063,866
Fundraising	476,226	-	476,226
Total operating expenses	10,455,576	-	10,455,576
Changes in net assets from operations	19,101,614	(515,125)	18,586,489
Non-Operating Revenue (Expense):			
Share of loss from program-related development investment	(1,469,634)	-	(1,469,634)
Net realized and unrealized loss on investments	(160,466)	-	(160,466)
Total non-operating revenue (expense)	(1,630,100)	-	(1,630,100)
Total changes in net assets	17,471,514	(515,125)	16,956,389
Net Assets:			
Beginning of year	44,364,266	12,458,373	56,822,639
End of year	\$ 61,835,780	\$ 11,943,248	\$ 73,779,028

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Consolidated Statements of Cash Flows
For the Years Ended June 30, 2026 and 2025

	2026	2025
Cash Flows from Operating Activities:		
Changes in net assets	\$ 2,737,276	\$ 16,956,389
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	272,691	256,038
Loans payable converted to contributions	(76,272)	(97,828)
Net credit loss (recovery) provision	(336,672)	687,235
Recovery for credit losses on unfunded commitments	-	(55,507)
Net realized and unrealized loss on investments	25,396	160,466
Amortization of premiums/discounts on marketable securities	(18,527)	29,541
Share of (income) loss from program-related development investment	(794,359)	1,469,634
Changes in operating assets and liabilities:		
Grants, contracts and other receivables	51,202	226,436
Pledges receivable	(75,000)	120,000
Accrued interest receivable	(13,589)	(57,620)
Prepaid expenses and other	70,940	(301,744)
Deferred loan fees	(75,406)	160,327
Accounts payable and accrued expenses	(146,305)	479,898
Accrued interest payable	(57,992)	8,401
Conditional advances	295,698	(119,865)
Net cash provided by operating activities	<u>1,859,081</u>	<u>19,921,801</u>
Cash Flows from Investing Activities:		
Issuance of loans receivable	(18,878,388)	(34,268,082)
Principal payments of loans receivable	18,434,429	11,581,570
Purchase of property and equipment	(294,156)	(326,015)
Proceeds from property held for sale	-	65,000
Purchases of marketable securities	(2,274,700)	(14,855,908)
Proceeds from sale of marketable securities	1,968,449	14,915,795
Purchases of program-related development investments	-	(1,000)
Dividends received from program-related development investments	-	62,500
Net cash used in investing activities	<u>(1,044,366)</u>	<u>(22,826,140)</u>
Cash Flows from Financing Activities:		
Proceeds from loans payable	19,834,820	9,673,545
Principal payments on loans payable	(14,867,916)	(9,715,252)
Net cash provided by (used in) financing activities	<u>4,966,904</u>	<u>(41,707)</u>
Net Change in Cash, Cash Equivalents and Restricted Cash	5,781,619	(2,946,046)
Cash, Cash Equivalents and Restricted Cash:		
Beginning of year	<u>17,412,987</u>	<u>20,359,033</u>
End of year	<u><u>\$ 23,194,606</u></u>	<u><u>\$ 17,412,987</u></u>
Reconciliation of Cash, Cash Equivalents and Restricted Cash Reported Within the Statements of Financial Position:		
Cash and cash equivalents	\$ 17,610,613	\$ 11,942,497
Restricted cash	5,583,993	5,470,490
Total cash, cash equivalents and restricted cash shown in the statements of cash flows	<u><u>\$ 23,194,606</u></u>	<u><u>\$ 17,412,987</u></u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	<u><u>\$ 5,265,877</u></u>	<u><u>\$ 4,989,521</u></u>

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Consolidated Statement of Functional Expenses

For the Year Ended June 30, 2026

(With Summarized Comparative Totals for the Year Ended June 30, 2025)

	2026								2025
	Program Services					Support Services			
	Community Services	Affordable Housing	Business Finance	Capitalization and Philanthropy	Total Program Services	Management and Administrative	Fundraising	Total	Total
Personnel costs:									
Salaries	\$ 276,393	\$ 3,461,777	\$ 1,356,719	\$ 796,852	\$ 5,891,741	\$ 456,815	\$ 272,011	\$ 6,620,567	\$ 6,156,518
Benefits	50,233	626,206	236,868	139,761	1,053,068	82,610	46,060	1,181,738	1,027,497
Payroll taxes	19,959	249,110	96,560	56,769	422,398	32,292	18,274	472,964	466,461
Total personnel costs	346,585	4,337,093	1,690,147	993,382	7,367,207	571,717	336,345	8,275,269	7,650,476
Professional services	23,621	528,788	188,780	76,766	817,955	205,722	51,660	1,075,337	704,241
Office expense	12,371	205,292	79,403	60,793	357,859	81,565	12,714	452,138	402,566
Training and travel	8,949	161,666	94,871	97,351	362,837	52,294	5,135	420,266	325,145
Occupancy	6,478	118,854	42,037	30,697	198,066	149,554	4,981	352,601	331,636
Administrative services	3,263	193,163	18,610	25,147	240,183	26,055	14,379	280,617	244,545
Depreciation	4,372	92,048	32,423	23,456	152,299	116,740	3,652	272,691	256,038
Public education	960	83,217	123,423	23,406	231,006	6,181	688	237,875	356,562
Equipment expense	2,156	30,720	19,122	6,349	58,347	16,742	1,856	76,945	69,007
Communications	439	25,485	4,202	24,937	55,063	3,336	15,074	73,473	115,360
Total expenses	<u>\$ 409,194</u>	<u>\$ 5,776,326</u>	<u>\$ 2,293,018</u>	<u>\$ 1,362,284</u>	<u>\$ 9,840,822</u>	<u>\$ 1,229,906</u>	<u>\$ 446,484</u>	<u>\$ 11,517,212</u>	<u>\$ 10,455,576</u>

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2025

	Program Services				Support Services			Total
	Community Services	Affordable Housing	Business Finance	Capitalization and Philanthropy	Total Program Services	Management and Administrative	Fundraising	
Personnel costs:								
Salaries	\$ 87,140	\$ 3,036,307	\$ 1,710,837	\$ 639,691	\$ 5,473,975	\$ 407,184	\$ 275,359	\$ 6,156,518
Benefits	13,268	516,176	281,605	107,758	918,807	64,116	44,574	1,027,497
Payroll taxes	6,080	232,927	127,733	48,627	415,367	30,722	20,372	466,461
Total personnel costs	106,488	3,785,410	2,120,175	796,076	6,808,149	502,022	340,305	7,650,476
Professional services	5,541	358,852	146,056	41,458	551,907	130,099	22,235	704,241
Office expense	3,094	168,876	95,433	44,602	312,005	75,603	14,958	402,566
Training and travel	1,514	144,649	78,271	61,915	286,349	34,323	4,473	325,145
Occupancy	2,827	105,229	54,550	30,510	193,116	133,667	4,853	331,636
Administrative services	963	173,118	21,509	13,314	208,904	22,283	13,358	244,545
Depreciation	2,013	76,727	36,671	21,983	137,394	115,446	3,198	256,038
Public education	1,207	133,861	155,073	33,244	323,385	29,305	3,872	356,562
Equipment expense	620	26,354	20,135	4,798	51,907	15,132	1,968	69,007
Communications	242	18,303	7,589	16,234	42,368	5,986	67,006	115,360
Total expenses	<u>\$ 124,509</u>	<u>\$ 4,991,379</u>	<u>\$ 2,735,462</u>	<u>\$ 1,064,134</u>	<u>\$ 8,915,484</u>	<u>\$ 1,063,866</u>	<u>\$ 476,226</u>	<u>\$ 10,455,576</u>

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

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Notes to Consolidated Financial Statements
June 30, 2026 and 2025

1. OPERATIONS, TAX STATUS AND RELATED ENTITIES

The New Hampshire Community Loan Fund, Inc. (Community Loan Fund) was organized in 1983 under the laws of New Hampshire (NH) as a charitable corporation qualifying for Federal income tax exemption under Section 501(c)(3) of the Internal Revenue Code (IRC). The Community Loan Fund is also exempt from state income taxes. Donors may deduct contributions made to the Community Loan Fund within the IRC requirements.

The mission of the Community Loan Fund is to provide people and communities, with the financial, human, and civic resources they need to become economically secure. This is done by:

- Providing loans, capital, and coaching (formerly called technical assistance);
- Complementing and extending the reach of conventional lenders and public institutions; and
- Bringing people and institutions together to solve problems.

The Community Loan Fund addresses the most-pressing needs of people and communities by lending and bringing training and technical assistance to three broad sectors: Affordable Housing, Community Services, and Business Finance. Program areas also include Capitalization and Philanthropy, and Public Policy.

Affordable Housing

ROC-NH - Since 1984, building long-term value for owners of manufactured homes in New Hampshire's resident-owned communities by helping them purchase, manage, and improve their communities.

Welcome Home Loans - Since 2002, providing mortgage loans for manufactured homes in resident-owned communities. Starting in 2012, also providing mortgage loans to owners and buyers of manufactured homes on their own land.

Multi-Family Housing - Since 1984, providing loans and technical assistance to nonprofit housing organizations to acquire, develop and manage affordable rental housing.

Business Finance

Business Lending - Since 1996, providing loans and business education to support the growth and resilience of small businesses and their ability to provide quality jobs. After acquiring North Country Investment Capital in fiscal year 2024, providing commercial lending, grant writing, project management, and technical assistance grants to NH and Vermont (VT) businesses and municipalities with a focus on Northern NH and Northeast VT.

Farm and Food Initiative - Since 1984, delivering flexible financing and customized training to grow and strengthen local food systems.

Community-Driven Economic Empowerment (C-DEE) - Since 2021, providing capacity-building funding for NH entrepreneurs to help their businesses become financially resilient and self-sufficient.

Energy Solutions Initiative - Since 2019, providing loans and assistance to support projects that help people, businesses, and nonprofits reduce their energy costs.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Notes to Consolidated Financial Statements
June 30, 2026 and 2025

1. OPERATIONS, TAX STATUS AND RELATED ENTITIES (Continued)

Business Finance (Continued)

Sustainable Food Systems Program - Since 2023, USDA is partnering with the Community Loan Fund to make available \$186,705,000 in grants through the Local Meat Capacity Grant Program and the Meat and Poultry Processing Expansion Program. The programs aim to promote fairer, more competitive, and more resilient meat and poultry supply chains.

Community Services

Community Services Lending - Since 1984, providing loans to nonprofit organizations to buy, renovate, or build facilities that support essential community services.

Child Care Initiative - Since 1995, providing loans, training and assistance to childcare centers to preserve and create facilities.

Capitalization and Philanthropy and Public Policy

Capitalization and Philanthropy - Since 1984, enabling people and institutions to invest and donate capital for basic human needs.

Public Policy - Since 2009, working to shape public policy in credit- and program-related matters that affect people and families with low incomes, or that affect the Community Loan Fund's ability to serve them.

Community Development Financial Institution

The Community Loan Fund has been granted status as a certified Community Development Financial Institution (CDFI) by the U.S. Department of the Treasury (the Treasury), qualifying it for certain awards and support from the Treasury. During fiscal 2025, the Community Loan Fund received awards of \$1,250,000. During fiscal year 2026, the Community Loan Fund did not receive awards.

Housing Affordability Partnership, LLC (HAP) - During fiscal year 2023, the Community Loan Fund established HAP, a single member LLC, a NH limited liability company, for the purpose of partnering with NH nonprofit affordable housing developers utilizing the Low-Income Housing Tax Credits (LIHTC) as the owner of the Disaffiliated Shareholder Entities in LIHTC transactions. The Community Loan Fund is the sole member of HAP. As of June 30, 2026, HAP participated in one LIHTC project and is consolidated within the financial statements. All activities in 2026 are immaterial to the consolidated financial statements as a whole.

Caledonia Community Loan Fund Holdings, LLC (CCLFH) - During fiscal year 2024, the Community Loan Fund established CCLFH, a single member LLC, a Vermont limited liability company, for the purpose of holding two parcels of industrial land that are expected to be transferred to the Community Loan Fund, as a subsequent asset transfer related to the acquisition of Northern Community Investment Corporation in fiscal year 2024. The Community Loan Fund is the sole member of CCLFH. As of June 30, 2026, CCLFH does not hold any financial assets. Due to the nature of no financial activity, CCLFH is not considered consolidated within the financial statements as of June 30, 2026 or 2025.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Notes to Consolidated Financial Statements
June 30, 2026 and 2025

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Community Loan Fund and Affiliate prepares its consolidated financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Principles of Consolidation

The consolidated financial statements include the accounts of the Community Loan Fund and its wholly owned subsidiary: HAP (see Note 1).

The New Hampshire Community Loan Fund, Inc. and the related organization are collectively referred to as the "Community Loan Fund" in the accompanying consolidated financial statements. All significant balances (if any) between classes of net assets, intercompany balances and transactions have been eliminated from the accompanying consolidated financial statements. There were no intercompany transactions during fiscal year 2026 or 2025.

Estimates

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

Fair Value Measurements

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

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

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Notes to Consolidated Financial Statements
June 30, 2026 and 2025

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

- Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.
- Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 - Inputs that are unobservable, and which require significant judgment or estimation.

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

Revenue Recognition

Grants and contributions may be conditional or unconditional in accordance with ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. A grant or contribution is considered conditional when the donor imposes both a barrier and a right of return. Conditional grants and contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity, and other stipulations related to the grant or contribution. A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event the Community Loan Fund fails to overcome one or more barriers. Assets received before the barrier is overcome are accounted for as refundable or conditional advances.

Grants and contributions are recorded as revenue when unconditionally received or pledged. Grants and contributions with donor restrictions are transferred to net assets without donor restrictions as costs related to purpose restrictions are incurred or time restrictions have lapsed. Loans payable and EQ2s (see Notes 10 and 11) on occasion are converted to contributions by the investors. During fiscal years 2026 and 2025, there were four and three contributed loans payable and related interest totaling \$76,272 and \$97,828, respectively, which are included in grants and contributions in the accompanying consolidated statements of activities and changes in net assets.

Interest revenues from loans, investments and other financial instruments are recognized as revenues without donor restrictions as earned on an accrual basis except where restricted by donors.

When significant, the Community Loan Fund amortizes net loan commitment and origination fees over the terms of the related loans receivable. Unamortized deferred loan fees are included as an adjustment to the carrying value of loans receivable (see Note 5).

Grant administration fees are recognized on the accrual basis as services described within the grant agreements are delivered or according to relevant benchmarks of the grant agreements.

Training and other fees are recognized on the accrual basis as services or goods are delivered or according to relevant benchmarks or criteria of the underlying agreements. All other revenue is recognized as earned.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Notes to Consolidated Financial Statements
June 30, 2026 and 2025

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents and Concentration of Credit Risk

The Community Loan Fund considers all depository accounts and other highly liquid investments originated with a maturity of three months or less to be cash equivalents. For the purpose of the statements of cash flows, cash, cash equivalents and restricted cash are considered cash.

Cash deposits are guaranteed up to certain amounts by the Federal Deposit Insurance Corporation (FDIC) for bank accounts, and by the Securities Investor Protection Corporation for brokerage accounts. At times, cash balances may exceed insured amounts. Other deposits exceeding insurance limits at June 30, 2026 and 2025, are held in insured cash sweep accounts or are separately collateralized by securities held by the financial institutions.

Restricted Cash

The Community Loan Fund considers restricted interest-bearing deposits separate from cash and cash equivalents, and they are classified as long-term assets due to the nature of the agreements and availability of the funds. At June 30, 2026 and 2025, total restricted cash was \$5,583,993 and \$5,470,490, respectively. This includes cash restricted for the United States Department of Agriculture (USDA) Intermediary Relending Program (IRP) (see Note 10), the Small Business Administration (SBA) Microloan Program (see Note 10), and other grant programs.

Marketable Securities

Marketable securities are carried at fair value and consist of U.S. government agency and Treasury securities (see Note 3). Net realized and unrealized gains and losses are reported as a separate component of non-operating revenue (expense) in the accompanying consolidated statements of activities and changes in net assets. Changes in fair value are unrealized but can result in significant volatility in investment income reported each year. It is the Community Loan Fund's general intent to hold securities with fixed maturities until maturity. Securities with fixed maturities that mature within one year are classified as current assets. Marketable securities are classified as current assets because there are no restrictions on their use, and they are readily marketable.

A summary of inputs used in valuing marketable securities as of June 30, 2026 and 2025, is included in Note 3.

Grants, Contracts, Pledges, Other Receivables and Allowance for Doubtful Accounts

The Community Loan Fund receives grants and pledges from donors. Grants, contracts, pledges and other receivables are stated at unpaid balances. The Community Loan Fund establishes allowances for uncollectible receivables. The allowances are based on management's judgment on the collectability of outstanding receivables. There was no allowance deemed necessary as of June 30, 2026 and 2025.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Notes to Consolidated Financial Statements
June 30, 2026 and 2025

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loans and Interest Receivable and Allowance for Credit Losses

General

Loans receivable are stated net of deferred loan fees, loan participations qualifying as loan sales and an allowance for credit losses (see Notes 5 and 6). Interest on loans is calculated by using the simple interest method on monthly balances of the principal amount outstanding.

The allowance for credit losses (ACL) represents an amount which, in management's judgment, reflects the lifetime expected losses that may be incurred on outstanding loans and unfunded commitments, at the statement of financial position date based on the evaluation of the size and current risk characteristics of the loan portfolio, past events, current conditions, and reasonable and supportable forecasts of future economic conditions utilizing both quantitative and qualitative assessments. The allowance is measured and recorded upon the initial recognition of a financial asset. The allowance is reduced by charge-offs (net of recoveries of previous losses) and is increased or decreased by a provision (recovery) for credit losses, which is recorded as a current period expense (revenue). Such allowance is based on credit losses over the loans' initial expected terms. The loans in the Community Loan Fund's portfolio do have set repayment terms.

In accordance with ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASU 2016-13), the Community Loan Fund made an accounting policy election to exclude interest receivable from the measurement of the ACL and follows a non-accrual policy to reverse any accrued, uncollected interest income as loans are moved to non-accrual status. The Community Loan Fund considers the length of time without payment from the borrower and other events when determining that the loans should be moved to non-accrual status and no longer recognize interest revenue on the loan.

Determination of the appropriateness of the ACL is inherently complex and requires the use of significant and highly subjective estimates. The reasonableness of the allowance is reviewed periodically by the management.

Below Market Loans

U.S. GAAP requires not-for-profit organizations to record interest expense and contribution revenue in connection with loans payable that are interest free or that have below-market interest rates. Likewise, funds loaned to borrowers at below-market interest rates should also result in imputed revenue and contribution expense. The Community Loan Fund believes that the benefits derived from below-market rate loans received are passed through to the borrowers via below-market rate loans made, and that there is no material difference between community development finance market rates and the stated rates of loans in their portfolios. No adjustments have been made to the accompanying consolidated financial statements to reflect imputed income or expense associated with below-market interest rates.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Notes to Consolidated Financial Statements
June 30, 2026 and 2025

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loans and Interest Receivable and Allowance for Credit Losses (Continued)

Loans under Loss Rate Method

The Community Loan Fund's ACL process involves procedures to appropriately consider the unique risk characteristics of its financial assets. The Community Loan Fund determined the ACL using the snapshot or cumulative loss rate method by pooling their loan portfolio into nine segments: ROC-NH loans, ROC-NH predevelopment loans, Welcome Home Loans, Other Single Family Housing loans, Multi-Family Housing loans, Community Service loans, Business Lending loans, NCIC loans, and SBA Microloans. These pooled segments were determined based on similar characteristics, contract terms, collateral types, types of associated industries, and/or business purpose of the loans.

Management reviewed the Community Loan Fund's loss history and determined a different lookback period for each pool of loans. These lookback periods align with the most accurate depiction of management's assessment of history of loss and available quality data information in their systems. The lookback periods for the loan pool segments listed below are in the year the Community Loan Fund began originating these types of loans.

- ROC-NH loans - 43 years
- ROC-NH predevelopment loans - 43 years
- Welcome Home loans - 24 years
- Other Single Family Housing loans - 37 years
- Multi-Family Housing loans - 43 years
- Community Service loans - 39 years
- Business Lending loans - 16 years
- NCIC loans - 13 years
- SBA Microloans - 2 years plus a 24-year lookback from the Community Loan Fund's previous microloan program which was active from 1997 to 2020.

In conjunction with the cumulative lookback periods noted above, management also performed a ten-year and five-year lookback period and weighed the collective loss rates to arrive at a final weighted average percentage, referred to as weighted historical loss rate (see Note 6), to be assessed for the ACL by segment.

Management also evaluated qualitative adjustment factors that increase the credit risk exposure of the Community Loan Fund upon originating a loan. Management monitors and assesses the qualitative factors (see Note 6) to determine if they continue to be the most predictive indicator of losses with the Community Loan Fund's loan portfolio and may adjust its assumptions to account for differences between expected and actual losses from period to period. The variability of management's assumptions could alter the ACL on loans and impact the future result of operations and financial condition.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Notes to Consolidated Financial Statements
June 30, 2026 and 2025

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loans and Interest Receivable and Allowance for Credit Losses (Continued)

Individually Assessed Loans

Loans that do not share risk characteristics of a pool are evaluated on an individual basis. Loans evaluated individually are also not included in the collective evaluation of a loan pool. When management determines that loss or foreclosure is probable, or when the borrower is experiencing financial difficulty at the reporting date and repayment is expected to be provided substantially through the operation or sale of the collateral, expected credit losses are based on the fair value of the collateral at the reporting date, adjusted for selling costs as appropriate. There were 47 and 44 loans totaling \$2,571,498 and \$2,279,166 that were evaluated on an individual basis as of June 30, 2026 and 2025, respectively. The ACL on this subset of loans was \$506,489 and \$520,977 as of June 30, 2026 and 2025, respectively.

The Community Loan Fund employs one of three methods, or a combination thereof, to determine and measure impairment: the Present Value of Future Cash Flow Method, the Fair Value of Collateral Method, and the Observable Market Price of a Loan Method. To perform an impairment analysis, the Community Loan Fund reviews a loan's internally assigned risk rating, its outstanding balance, value of the collateral, guarantors, and a current report of the action being implemented. Based on the specific loan, one of the impairment methods is chosen or a combination of any impairment method is determined, based on criteria established for impaired loans.

When calculating a specific ACL for smaller, homogeneous groups of impaired loans, a collective evaluation is performed and documented which is based on the loss history of the impaired loan category using a ten-year lookback period.

Unfunded Commitments

Unfunded loan commitments are reviewed to determine if they are considered unconditionally cancellable. The Community Loan Fund establishes reserves for unfunded commitments that do not meet that criteria as a liability in the statements of financial position. Changes to the liability are included in the provision for credit losses in the statements of activities and changes in net assets. The allowance for credit losses for unfunded lending commitments is estimated using the same methodologies as portfolio loans, taking into consideration management's assumption of the likelihood that funding will occur.

Program-Related Development Investment

The Community Loan Fund maintains an equity investment in an uncombined affiliate where the Community Loan Fund exercises significant influence over the affiliate's operations (see Note 7). The Community Loan Fund accounts for this investment using the equity method. Whether or not the Community Loan Fund exercises significant influence with respect to an affiliate depends on an evaluation of several factors including, among others, representation on the affiliate's Board of Directors, significance of ownership in the voting securities of the affiliate, and participation in management activities significant to the investee. Under the equity method, the investment is initially recorded at cost and then increased or decreased by the share of income or loss of the affiliate. Distributions of cash reduce the carrying value of the investment. The Community Loan Fund also regularly evaluates the carrying value of the investment for potential impairment.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Notes to Consolidated Financial Statements
June 30, 2026 and 2025

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity Investments

Equity investments are generally interests in closely-held businesses and are acquired in connection with certain Business Lending loan agreements. Equity investments are carried at fair value as estimated in good faith under a Board-approved Valuation Policy. Management uses all information available, including third-party valuation reports, to determine an appropriate valuation for each investment. The inputs used, including those used in third-party valuations, include valuation techniques based on multiples of earnings or revenues and hypothetical sale or liquidation scenarios. As in many sale or liquidation scenarios, there are key inputs, such as multiples of revenue, which are often important in early-stage companies that have not established profitability that if the multiple were to increase or decrease, could result in a material change in the value realized upon sale. Warrants to obtain common stock are considered as derivative instruments. As such, warrants are carried at fair value with changes in fair value recorded in the statements of activities and changes in net assets. Warrants, all of which are detachable, have been obtained in conjunction with issuing loans or investments to certain portfolio companies.

The Community Loan Fund's equity investments are reported at fair value using level 3 inputs. All remaining equity investments are immaterial to the consolidated financial statements with no remaining net realizable value as of June 30, 2026.

Property and Equipment and Depreciation

Property and equipment are recorded at cost. The Community Loan Fund capitalizes purchases of \$5,000 or more. Maintenance, repairs and minor renewals are expensed as incurred and renewals and betterments are capitalized. Depreciation of property and equipment is calculated using the straight-line method over the following estimated useful lives:

Buildings and improvements	10 - 40 years
Office furniture and equipment	3 - 5 years

The Community Loan Fund accounts for the carrying value of its long-lived assets in accordance with ASC Topic, *Property, Plant and Equipment*. Land is not being depreciated. As of June 30, 2026 and 2025, the Community Loan Fund has not recognized any reduction in the carrying value of its property and equipment when considering these requirements.

Conditional Advances

The Community Loan Fund records certain contracts and grant funds not currently deployed as conditional advances in the accompanying consolidated statements of financial position. Conditional advances are made up of grant funds for the following as of June 30:

	<u>2026</u>	<u>2025</u>
USDA Local Meat Capacity Grant	\$ 355,422	\$ -
Federal Home Loan Bank AHP Subsidy for Veterans		
First Project	4,200	62,893
USDA RBDG Small Business Cost Share Program	<u>3,169</u>	<u>4,200</u>
	<u>\$ 362,791</u>	<u>\$ 67,093</u>

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Notes to Consolidated Financial Statements
June 30, 2026 and 2025

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Asset Classifications

Net Assets Without Donor Restrictions - Include those net assets that bear no external restrictions and are generally available for use by the Community Loan Fund. These include certain funds set aside by the Board of Directors for credit loss reserves (see below) for funds classified as general for financing. Net assets without donor restrictions also include cash reserves that have been designated by the Board of Directors for performance security related to specific tax credit grant agreements with the New Hampshire Community Development Finance Authority in an amount totaling \$210,000 as of June 30, 2026.

Net Assets With Donor Restrictions - Include net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events, or programs run by the Community Loan Fund. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained for particular use in perpetuity. Net assets with donor-imposed restrictions are released when the restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Electively, the Community Loan Fund reports each class of net assets within the following sub-categories:

Program - Include net assets that are restricted to cover program delivery expenses and general operating functions of the Community Loan Fund, which could include salary, program costs, overhead, and other expenses. These net assets may be restricted for the program delivery expenses of a particular program or may be general operating support which carries a time restriction.

Financing - Net assets that are restricted or internally designated for mission-related lending and investing. Where restricted by donors, these include net assets which will be re-deployed as lending capital (and remain as with donor restrictions) unless the grant is released due to a restriction being met. Because donors generally allow contributions to this category of net assets to be used to offset lending losses, the Community Loan Fund releases from restriction an amount equivalent to annual net credit loss provision (see Note 6). To the extent the Community Loan Fund has net recoveries above and beyond any credit loss provision, the amount is restored to this category. The Community Loan Fund released \$598,998 related to net credit/loss provision for the year ended June 30, 2025. There were no releases related to net credit/loss provision for the year ended June 30, 2026.

Pass-Through - Net assets that are restricted amounts to be passed through (re-granted) to other organizations or individuals for mission-related purposes. These net assets are not available to be used for financing activities or program activities.

The Community Loan Fund also classifies these subcategories of net assets with donor restrictions into three groups:

- *Purpose restricted* net assets include amounts restricted for program activities or mission-related financing activities of the Community Loan Fund.
- *Time restricted for future periods* represent restricted grant funds with donor-imposed time restrictions.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Notes to Consolidated Financial Statements
June 30, 2026 and 2025

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Net Asset Classifications (Continued)***Net Assets With Donor Restrictions*

Net assets with donor restrictions are restricted as follows as of June 30:

<u>Program Initiative</u>	<u>2026</u>		
	<u>Purpose Restricted</u>	<u>Time Restricted for Future Periods</u>	<u>Total</u>
Program Activities:			
Program Delivery - ROC-NH	\$ 37,776	\$ 100,000	\$ 137,776
Financing Activities:			
Restricted in General for Financing	6,727,728	-	6,727,728
Restricted for Financing - NCIC	5,085,380	-	5,085,380
Total Financing Activities	11,813,108	-	11,813,108
Pass-Through Activities:			
ROC Infrastructure	117,681	-	117,681
Total net assets with donor restrictions	\$ 11,968,565	\$ 100,000	\$ 12,068,565
<u>Program Initiative</u>	<u>2025</u>		
	<u>Purpose Restricted</u>	<u>Time Restricted for Future Periods</u>	<u>Total</u>
Program Activities:			
Program Delivery - ROC-NH	\$ 66,558	\$ -	\$ 66,558
Financing Activities:			
Restricted in General for Financing	6,191,440	-	6,191,440
Restricted for Financing - NCIC	4,519,636	-	4,519,636
Restricted for Financing - CDFI Fund ERP	1,047,933	-	1,047,933
Total Financing Activities	11,759,009	-	11,759,009
Pass-Through Activities:			
ROC Infrastructure	117,681	-	117,681
Total net assets with donor restrictions	\$ 11,943,248	\$ -	\$ 11,943,248

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Notes to Consolidated Financial Statements
June 30, 2026 and 2025

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30:

	<u>2026</u>	<u>2025</u>
Satisfaction of purpose restrictions:		
CDFI Fund - ERP	\$ 1,047,933	\$ 387,402
Program Delivery - ROC-NH	28,782	-
Business Lending - C-DEE	-	25,000
Farm Food Initiative	-	100,000
Pass-through ROC-NH	-	5,122
	<u>1,076,715</u>	<u>517,524</u>
Total releases from purpose restrictions	1,076,715	517,524
Net credit loss provision	-	598,998
	<u>1,076,715</u>	<u>598,998</u>
Total releases	<u>\$ 1,076,715</u>	<u>\$ 1,116,522</u>

Statements of Activities and Changes in Net Assets

Transactions deemed by management to be ongoing, major, or central to the provision of program services are reported as operating revenues and operating expenses in the accompanying consolidated statements of activities and changes in net assets. Non-operating revenue (expense) consists of income (loss) from program-related development investments, and net realized and unrealized loss on equity investments and marketable securities.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities and changes in net assets. The statements of functional expenses present the natural classification detail of expenses by function, including supporting services. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that cannot be directly attributed to a specific program area are charged to individual program areas based on the most appropriate allocation base. The expenses that are allocated include occupancy, which is allocated on a square footage basis; personnel costs, which are allocated based on estimated employee time dedicated to each program (for non-administrative) and wages as a percentage of total wages (for administrative); and direct administrative expenses.

Income Taxes

The Community Loan Fund accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the consolidated financial statements regarding a tax position taken or expected to be taken in a tax return. The Community Loan Fund has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the accompanying consolidated financial statements at June 30, 2026 and 2025. The Community Loan Fund's information returns are subject to examination by the Federal and state jurisdictions.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Notes to Consolidated Financial Statements
June 30, 2026 and 2025

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Subsequent events have been evaluated through September 25, 2026, which is the date the consolidated financial statements were available to be issued. See Notes 9 and 15 for events that met the criteria for disclosure in the consolidated financial statements.

3. MARKETABLE SECURITIES

Marketable securities carried at fair value on a recurring basis consist of the following at June 30:

Marketable Securities	2026			
	Level 1	Level 2	Level 3	Total
U.S. Government agency and U.S. Treasury securities	\$ -	\$ 2,283,682	\$ -	\$ 2,283,682

Marketable Securities	2025			
	Level 1	Level 2	Level 3	Total
U.S. Government agency and U.S. Treasury securities	\$ -	\$ 1,985,800	\$ -	\$ 1,985,800

The Community Loan Fund's U.S. Government agency and U.S. Treasury securities are valued using Level 2 inputs, which are determined using relevant information generated by transactions that have occurred in the marketplace that involve similar assets.

Marketable securities are not insured and are subject to market volatility.

4. PLEDGES RECEIVABLE

Unconditional pledges from donors are included in the accompanying consolidated financial statements as pledges receivable and revenue in the net assets with donor restrictions category. Unconditional pledges are expected to be realized in the following periods at June 30, 2026:

Amounts due:

Within one year	\$ 50,000
Within two years	<u>50,000</u>
Total	<u>\$ 100,000</u>

A discount of pledges receivable has not been recognized as it would not have been material to the consolidated financial statements as a whole.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Notes to Consolidated Financial Statements
June 30, 2026 and 2025

5. LOANS RECEIVABLE AND OTHER FINANCING ACTIVITIES

Loans Receivable

At June 30, 2026 and 2025, there were 1,414 and 1,377, respectively, of outstanding loans receivable from the Community Loan Fund's borrowers. As of June 30, 2026, the balances due on these loans varied in amounts from \$775 to \$9,750,438, and in terms from six months to forty years. The Community Loan Fund lends primarily in NH and VT, and loan products vary by type and presence of collateral, risk level, loan size, degree of mission match, and presence of designated subsidized funding sources. As a result, interest rates on loans receivable at June 30, 2026 and 2025, ranged from 0% to 13% (one business loan). The overall weighted-average interest rate on the portfolio of loans receivable was 6.81% and 6.72% as of June 30, 2026 and 2025, respectively. Loans are primarily secured by first or second mortgage liens on real estate for affordable housing and community services loans, and business assets for business loans. These notes are issued in connection with the programs described in Note 1.

Loans receivable in each lending area are as follows as of June 30:

	2026			2025		
Affordable Housing:						
ROC-NH	134	\$ 121,875,157	57.0%	128	\$ 122,191,132	57.3%
Welcome Home Loans	837	64,151,746	30.0	814	58,564,685	27.5
Multi-Family Housing	10	5,265,514	2.5	8	5,365,000	2.5
Other Single-Family Housing	<u>279</u>	<u>2,492,399</u>	<u>1.2</u>	<u>244</u>	<u>2,003,588</u>	<u>0.9</u>
Sub-total	<u>1,260</u>	<u>193,784,816</u>	<u>90.7</u>	<u>1,194</u>	<u>188,124,405</u>	<u>88.2</u>
Community Services	<u>19</u>	<u>4,087,340</u>	<u>1.9</u>	<u>20</u>	<u>4,319,805</u>	<u>2.0</u>
Business Finance:						
Business Lending	70	11,252,014	5.3	66	14,875,791	7.0
NCIC – Pre-Acquisition	<u>65</u>	<u>4,585,526</u>	<u>2.1</u>	<u>97</u>	<u>6,082,236</u>	<u>2.8</u>
Sub-total	<u>135</u>	<u>15,837,540</u>	<u>7.4</u>	<u>163</u>	<u>20,958,027</u>	<u>9.8</u>
Total	<u>1,414</u>	<u>\$ 213,709,696</u>	<u>100.0%</u>	<u>1,377</u>	<u>\$ 213,402,237</u>	<u>100.0%</u>

Loans receivable are presented net of qualifying third-party loan participations of \$6,594,904 and \$6,760,562 as of June 30, 2026 and 2025, respectively, in accordance with ASC Topic, *Transfers and Servicing*. Loan participations that do not qualify for loan sale treatment are shown as non-recourse participations in loans receivable (see Note 10).

The ability of borrowers to repay the loans could be adversely affected by extensive job losses, dramatic increases in rental vacancies within the borrowers' geographic areas, or other adverse economic conditions.

The Community Loan Fund's lending policy has the following maximum lending exposure limits for any one borrower: ROC-NH loans of \$30,000,000, commercial loans- non-ROC of \$3,000,000, and consumer loans of \$350,000. Any requests over these limits must be approved by the Board of Directors. As of June 30, 2026, there were no loans that exceeded maximum lending exposure limits. As of June 30, 2025, there was one \$4,000,000 commercial non-ROC loan that exceeded the maximum threshold and was approved by the Board of Directors. This loan was repaid in full during fiscal year 2026 and is no longer active.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Notes to Consolidated Financial Statements
June 30, 2026 and 2025

5. LOANS RECEIVABLE AND OTHER FINANCING ACTIVITIES (Continued)

Principal payments of the loans scheduled for receipt are as follows as of June 30:

	<u>2026</u>	<u>2025</u>
Amounts due in:		
Within one year	\$ 8,222,506	\$ 5,871,363
One to five years	54,618,400	44,901,927
More than five years	<u>150,868,790</u>	<u>162,628,947</u>
Loan portfolio	213,709,696	213,402,237
Less - deferred loan fees	(344,083)	(419,489)
Less - allowance for credit losses (see Note 6)	<u>(4,068,742)</u>	<u>(4,540,893)</u>
Net loans receivable	209,296,871	208,441,855
Less - current portion, net of allowance	<u>(7,990,530)</u>	<u>(5,670,131)</u>
Long-term portion	<u>\$ 201,306,341</u>	<u>\$ 202,771,724</u>

Past Due and Non-Accrual Loans

Past due loans are as follows as of June 30:

	<u>2026</u>	<u>2025</u>
31 - 60 days	\$ 1,019,249	\$ 1,483,718
61 - 90 days	610,856	233,817
Greater than 90 days	<u>1,566,348</u>	<u>904,067</u>
Total past due	3,196,453	2,621,602
Current	<u>210,513,243</u>	<u>210,780,635</u>
	<u>\$ 213,709,696</u>	<u>\$ 213,402,237</u>

As of June 30, 2026 and 2025, the Community Loan Fund had 44 and 36 loans in non-accrual status with outstanding principal of \$2,420,697 and \$1,918,276 representing 1.13% and 0.90% of the total portfolio, respectively.

Commitments to Lend

In addition to funded loans receivable, the Community Loan Fund had 36 and 33 loan commitments to borrowers totaling \$5,941,622 and \$3,895,579 at June 30, 2026 and 2025, respectively. Loan commitments represent arrangements to lend funds at specified terms and interest rates and contain fixed expiration dates or other termination clauses.

Loan Modifications to Borrowers Experiencing Financial Difficulty

The Community Loan Fund may agree to restructure the contractual terms of a loan to a borrower experiencing financial difficulty. Loan restructures may include principal forbearance or forgiveness, interest rate reduction, other-than-insignificant payment delays, term extension, or a combination of these modifications. Generally, loan restructures modify loan terms to achieve payment terms that are more affordable to the borrower, and as a result, increase the likelihood of full repayment of principal and interest.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Notes to Consolidated Financial Statements
June 30, 2026 and 2025

5. LOANS RECEIVABLE AND OTHER FINANCING ACTIVITIES (Continued)**Loan Modifications to Borrowers Experiencing Financial Difficulty (Continued)**

During the year ended June 30, 2026, loan restructures were granted to five borrowers experiencing financial difficulty with a total outstanding balance of \$162,656. No loans restructured during the year ended June 30, 2026 subsequently defaulted on payments.

During the year ended June 30, 2025, loan restructures were granted to two borrowers experiencing financial difficulty with a total outstanding balance of \$53,129. One loan restructured during the year ended June 30, 2025 with an outstanding balance of \$37,701 subsequently defaulted on payments.

The financial difficulty of these borrowers was considered in the Community Loan Fund's risk ratings and other qualitative factors used to establish allowance for credit losses during fiscal years 2026 and 2025. The Community Loan Fund monitors the performance of the loans that are restructured to borrowers experiencing financial difficulty to understand the effectiveness of the restructuring efforts.

6. ALLOWANCE FOR CREDIT LOSSES

The Community Loan Fund's weighted historical loss rates for each pool and their respective lookback periods (see Note 2) applied to the balance of loans receivable are as follows as of June 30, 2026 and June 30, 2025. Weighted historical rates were adjusted for management's determination of qualitative adjustment factors (see Note 2).

2026			
Loans Receivable Pools	Relevant Historical Loss Rate	Qualitative Factor Adjustment	Total Loss Rate under Topic 326
ROC-NH	0.00%	0.45%	0.45%
ROC-NH predevelopment	7.00%	3.30%	10.30%
Welcome Home Loans	1.58%	0.70%	2.28%
Other Single Family Housing Loans	2.97%	0.90%	3.87%
Multi-family Housing	1.19%	0.60%	1.79%
Community Services	1.84%	0.95%	2.79%
Business Lending	6.05%	1.00%	7.05%
NCIC – Pre-Acquisition	6.01%	5.10%	11.11%
SBA-Microloans	0.00%	15.00%	15.00%
2025			
Loans Receivable Pools	Relevant Historical Loss Rate	Qualitative Factor Adjustment	Total Loss Rate under Topic 326
ROC-NH	0.00%	0.45%	0.45%
ROC-NH predevelopment	4.72%	0.30%	5.02%
Welcome Home Loans	1.62%	0.70%	2.32%
Other Single Family Housing Loans	3.42%	0.90%	4.32%
Multi-family Housing	1.35%	0.60%	1.95%
Community Services	1.84%	0.95%	2.79%
Business Lending	7.04%	1.00%	8.04%
NCIC – Pre-Acquisition	5.30%	5.10%	10.40%

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Notes to Consolidated Financial Statements
June 30, 2026 and 2025

6. ALLOWANCE FOR CREDIT LOSSES (Continued)

A summary of the activity within the allowance for credit losses is as follows for the year ended June 30, 2026:

	<u>Allowance at June 30, 2025</u>	<u>Provision (Recovery) for Credit Losses</u>	<u>Allowance at June 30, 2026</u>
ROC-NH	\$ 549,860	\$ (2,184)	\$ 547,676
ROC-NH Predevelopment	-	17,516	17,516
Welcome Home Loans	1,488,709	135,407	1,624,116
Other Single Family Housing Loans	89,605	11,693	101,298
Multi-family Housing	104,536	(10,185)	94,351
Community Services	119,512	(6,456)	113,056
Business Lending	1,066,890	(298,495)	768,395
NCIC – Pre-Acquisition	1,106,311	(338,177)	768,134
SBA Microloans	<u>15,470</u>	<u>18,730</u>	<u>34,200</u>
Total	<u>\$ 4,540,893</u>	<u>\$ (472,151)</u>	<u>\$ 4,068,742</u>

A summary of the activity within the allowance for credit losses is as follows for the year ended June 30, 2025:

	<u>Allowance at June 30, 2024</u>	<u>Provision (Recovery) for Credit Losses</u>	<u>Allowance at June 30, 2025</u>
ROC-NH	\$ 270,008	\$ 279,852	\$ 549,860
ROC-NH Predevelopment	581	(581)	-
Welcome Home Loans	1,233,892	254,817	1,488,709
Other Single Family Housing Loans	76,818	12,787	89,605
Multi-family Housing	86,612	17,924	104,536
Community Services	257,176	(137,664)	119,512
Business Lending	1,062,508	4,382	1,066,890
NCIC – Pre-Acquisition	1,033,545	72,766	1,106,311
SBA Microloans	<u>-</u>	<u>15,470</u>	<u>15,470</u>
Total	<u>\$ 4,021,140</u>	<u>\$ 519,753</u>	<u>\$ 4,540,893</u>

The Community Loan Fund monitors credit quality indicators on a quarterly basis to determine if any of their loans need to be evaluated separately from their core loan pool.

During fiscal years 2026 and 2025, the Community Loan Fund had \$135,479 and \$167,482, respectively, of direct net charge-offs, which is included in net credit loss recovery (provision) in the accompanying consolidated statement of activities and changes in net assets.

The Community Loan Fund monitors credit quality indicators on a quarterly basis to determine if any of their loans need to be evaluated individually. The credit quality indicators assessed by management include strength of financial and operational plans, strength of business plan assumptions, projected profitability, security of the loan and collateral coverage.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Notes to Consolidated Financial Statements
June 30, 2026 and 2025

7. PROGRAM-RELATED DEVELOPMENT INVESTMENT

The Community Loan Fund holds a program-related development investment in ROC USA, LLC (ROC USA). ROC USA was formed in December 2007 as a nonprofit limited liability corporation. Its mission is to make quality ownership of manufactured home communities viable nationwide. ROC USA provides technical assistance and loans to people living in manufactured home communities, in order to assist them with the purchase of their communities, so that they will be resident owned.

The Community Loan Fund is one of three nonprofit organizations to originally invest in ROC USA. In the original Operating Agreement of ROC USA dated September 2008, all three nonprofit organizations committed to an original investment of \$500,000, and each had equal capital interests and voting interests in ROC USA of 33 1/3%.

In January 2013, the three original members unanimously approved an amendment to the Operating Agreement to add a new voting member, ROC Association. The ROC Association represents all resident-owned manufactured home communities assisted by ROC USA across the nation. As a result of the amendment, the membership interests were specifically changed as follows:

- ROC Association was not required to make a contribution to ROC USA. It has no capital interest, but its voting interest is equal to 28.57%.
- The capital interests of the Community Loan Fund and the other two original members remain unchanged at 33 1/3% of ROC USA, but the voting interests changed to 23.81% each.

In 2019, the Community Loan Fund and the other two original nonprofit members each invested an additional \$750,000 in ROC USA as part of a new round of equity funding, bringing the total member capital contributions up from \$500,000 each to \$1,250,000 each.

The balance of the Community Loan Fund's investment in ROC USA was \$4,291,677 and \$3,497,318 as of June 30, 2026 and 2025, respectively. The balance is based on the application of the equity method (see Note 2) modified for a hypothetical liquidation analysis. For the years ended June 30, 2026 and 2025, the Community Loan Fund's share of income (loss) was \$794,359 and (\$1,469,634), respectively, including the effects of the hypothetical liquidation analysis. During fiscal year 2025, the Community Loan Fund received quarterly dividends from ROC USA totaling \$62,500. This amount is included in share of income from program-related development investments in the accompanying consolidated statements of activities and changes in net assets.

The balance of the Community Loan Fund's investment in ROC USA is calculated as follows as of June 30:

	<u>2026</u>	<u>2025</u>
Total net assets without restrictions of ROC USA	\$ 19,257,887	\$ 16,834,007
Member capital percentage	<u>33.33%</u>	<u>33.33%</u>
Equity valuation	6,418,654	5,610,775
Less - hypothetical liquidation allowance	<u>(2,126,977)</u>	<u>(2,113,457)</u>
Net carrying value	<u>\$ 4,291,677</u>	<u>\$ 3,498,318</u>

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Notes to Consolidated Financial Statements
June 30, 2026 and 2025

7. PROGRAM-RELATED DEVELOPMENT INVESTMENT (Continued)

In accordance with the disclosure standards pertaining to ASC Topic, *Investment - Equity Method and Joint Ventures*, the following summarized financial information related to ROC USA is provided:

<u>Fiscal Year Ending</u>	<u>Total Assets</u>	<u>Total Liabilities</u>	<u>Total Net Assets</u>	<u>Total Revenue</u>	<u>Total Expenses</u>
12/31/2025	\$ 288,525,448	\$ 250,496,699	\$ 38,028,749	\$ 18,264,811	\$ 9,557,732
12/31/2024	\$ 223,757,454	\$ 194,342,032	\$ 29,415,422	\$ 10,952,805	\$ 8,254,058

8. PROPERTY AND EQUIPMENT

Property and equipment, which consist primarily of the Community Loan Fund's headquarters (see Note 2), consist of the following at June 30:

	<u>2026</u>	<u>2025</u>
Land	\$ 321,461	\$ 321,461
Buildings and improvements	5,308,483	5,216,726
Office furniture and equipment	<u>1,423,695</u>	<u>1,221,296</u>
	7,053,639	6,759,483
Less - accumulated depreciation	<u>3,509,660</u>	<u>3,236,969</u>
	<u>\$ 3,543,979</u>	<u>\$ 3,522,514</u>

9. AVAILABLE CREDIT

The Community Loan Fund procures secured and unsecured lines of credit to meet liquidity needs in the course of fulfilling its mission.

Secured Lines of Credit

The Community Loan Fund has available one secured line of credit:

There is a \$2,156,000 hard-maturity line of credit from a financial institution, which is secured by first mortgages on three office buildings owned and operated by the Community Loan Fund (see Note 8). The line of credit has a maturity date of July 31, 2026. Subsequently in July 2026 the line of credit was renewed, and the maturity date was extended to July 31, 2046. Advances bear interest at the *Wall Street Journal's* prime rate (6.75% and 7.50% at June 30, 2026 and 2025, respectively) minus .50%. As of June 30, 2026 and 2025, there was no outstanding balance.

Unsecured Lines of Credit

The Community Loan Fund also has available two unsecured lines of credit:

The first is a \$2,000,000 unsecured revolving line of credit from a financial institution. The line of credit was originally established in February 2014 and has a maturity date of April 30, 2027. Advances bear interest at the *Wall Street Journal's* prime rate (see above). As of June 30, 2026 and 2025, there was no outstanding balance.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Notes to Consolidated Financial Statements
June 30, 2026 and 2025

9. AVAILABLE CREDIT (Continued)

Unsecured Lines of Credit (Continued)

The second is an unsecured revolving line of credit from a financial institution for \$4,000,000. The line of credit was established in June 2026 with a maturity date of June 29, 2028. Advances bear interest at the Wall Street Journal's prime rate (see page 26) minus .50%. As of June 30, 2026, there was no outstanding balance.

There was an unsecured revolving line of credit from a financial institution during fiscal year 2026 for \$4,000,000. The line of credit was originally established in June 2014, and it was cancelled by the financial institution in June 2026. Advances bear interest at the *Wall Street Journal's* prime rate (see page 26). As of June 30, 2026 and 2025, there was no outstanding balance.

10. LOANS PAYABLE

Notes Payable to Investors

At June 30, 2026 and 2025, there were 977 and 1,042 notes payable for financing activities ranging in outstanding balances of \$1,000 up to \$7,500,000 and totaling \$149,854,762 and \$144,581,352, respectively. Loans payable consist of loans from individuals, religious institutions, nonprofit organizations, banks, foundations, hospitals, universities, government agencies, and other organizations who have chosen to invest in the Community Loan Fund as a way to benefit the community - that is, they are interested in the social impact, as well as the financial return. Many also view this as a way to increase their financial commitment to the Community Loan Fund's mission, above and beyond what they can make as an outright contribution.

The Community Loan Fund actively pursues these investments, not only for the capital they bring to the Community Loan Fund, but because the investments in and of themselves serve the Community Loan Fund's mission by connecting those with financial resources to those without. Loans, which are generally non-amortizing, currently vary in length from one year to ten years, with interest rates from 0% to 5%, and are unsecured. Historically, roughly 75% of the number of loans that mature have been renewed. The Community Loan Fund anticipates approximately \$16,400,000 to be renewed during fiscal year 2027. Accrued interest payable on loans payable was \$1,131,303 and \$1,192,649 as of June 30, 2026 and 2025, respectively.

The proceeds of the loans are restricted for the purposes of mission-related financing activities.

USDA Intermediary Relending Program (IRP)

The USDA IRP provides 1% interest loans to local intermediaries that relend to businesses and for community development projects in rural communities. These loans were initially between USDA and NCIC and were acquired by the Community Loan Fund during the NCIC asset transfer (see Note 20). At June 30, 2026 and 2025, there were thirteen loans from USDA IRP with total outstanding principal balances of \$4,229,288 and \$4,612,066, respectively, maturing at various dates between July 2028 and March 2046. Accrued interest payable on USDA IRP loans payable was \$28,774 and \$29,796 as of June 30, 2026 and 2025, respectively.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Notes to Consolidated Financial Statements
June 30, 2026 and 2025

10. LOANS PAYABLE (Continued)

USDA Intermediary Relending Program (IRP) (Continued)

Principal payments on notes payable are scheduled to mature as follows:

<u>Fiscal Year</u>	
2027	\$ 24,351,376
2028	35,703,387
2029	23,565,715
2030	19,581,345
2031	17,479,149
Thereafter	<u>33,403,078</u>
	<u>\$ 154,084,050</u>

Non-Recourse Participation in Loans Receivable

The Community Loan Fund has entered into an agreement pursuant to which a third party purchased interests in a certain loan receivable (see Note 5). Terms of borrowings under the agreement coincides with those specified within the individual note receivable agreement made with the Community Loan Fund's borrower with the exception of the interest rate paid to the participant, as the interest rate is less than the rate charged to the borrower. The borrowing matures in conjunction with the underlying note receivable (see Note 5) and matures in fiscal year 2033. The participation note payable is secured only by the participant's interest in the related note receivable and is non-recourse to the Community Loan Fund.

11. SUBORDINATED LOANS PAYABLE - EQUITY EQUIVALENT INVESTMENTS

Subordinated loans payable consists of "Equity Equivalents" (EQ2) notes payable to financial institutions. EQ2 notes payable are unsecured and are fully subordinate to loans payable and all other Community Loan Fund liabilities. The financial institutions making these EQ2 investments see this as an effective and efficient way both to strengthen the local economy and to meet community reinvestment obligations. As of June 30, 2026 and 2025, there were 21 EQ2 notes payable, totaling \$11,600,000, with interest rates ranging from 1.75% to 3.00%. Accrued interest at June 30, 2026 and 2025, was \$129,500 and \$125,124, respectively.

EQ2 notes payable generally have rolling terms and indeterminate maturities and may only be called by the investor with significant advance notice. Termination notices are in effect on two EQ2 investments that terminate in August 2029 (\$800,000) and December 2027 (\$1,000,000), respectively (see below).

One \$500,000 EQ2 note payable has a five-year term with a maturity date in June 2027. The Community Loan Fund has the option to request one-year extensions for years six, seven, and eight, which it plans to exercise.

EQ2s are summarized as follows as of June 30, 2026 and 2025:

	<u>Number of EQ2 Notes</u>	<u>Amount of EQ2 Notes</u>
Rolling terms with indefinite maturities	18	\$ 9,300,000
Termination notices issued	2	1,800,000
Maturity date issued at origination	<u>1</u>	<u>500,000</u>
Total	<u>21</u>	<u>\$ 11,600,000</u>

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Notes to Consolidated Financial Statements
June 30, 2026 and 2025

12. CONTINGENCIES AND CONCENTRATION

CDFI Awards Under the Capital Magnet Program

The Community Loan Fund received three rounds of Capital Magnet Fund (CMF) awards from the Treasury (see Note 1) as follows:

Fiscal Year	Total Award	Full Disbursement Date	Affordability Period End Date	Use of Proceeds		
				Qualified Loans	Pass-Through Grants to Homeowners	Direct Administrative Expenses (5%)
2011	\$ 3,700,000	2016	Concluded 4/13/2026	\$ 3,058,176	\$ 456,824	\$ 185,000
2017	\$ 1,502,163	2021	Anticipated 12/22/2031	\$ 1,427,055	\$ -	\$ 75,108
2019	\$ 1,500,000	2019	Anticipated 7/19/2033	\$ 1,425,000	\$ -	\$ 75,000

Under the terms of the CMF agreements, the funded projects must comply with various affordability requirements for a period of at least ten years after the project funds have been fully disbursed. The affordability period of the 2011 award concluded on April 13, 2026. The affordability periods for the 2017 and 2019 CMF grants are currently scheduled to end in 2031, and 2033, respectively. The Community Loan Fund expects the underlying transactions executed to comply with the grant's requirements and affordability restrictions for the duration of the compliance period. If a transaction involving funds previously released were to fall out of compliance, the Community Loan Fund would be required to replace the transaction and possibly the previously released funds with another qualifying expense or loan.

13. RETIREMENT PLAN

The Community Loan Fund maintains a Section 401(k) retirement plan allowing employees to elect to defer compensation up to the maximum allowed under IRC regulations. Employees with a minimum of three months of employment receive a safe harbor contribution within the calendar year. That benefit was calculated at 6% of eligible compensation for the fiscal year. For the years ended June 30, 2026 and 2025, the Community Loan Fund had \$396,980 and \$363,839, respectively, of retirement benefits expense, which is included in benefits in the accompanying consolidated statements of functional expenses.

14. RELATED PARTY TRANSACTIONS

The Community Loan Fund's by-laws require the Board of Directors to include representatives of borrower organizations and investors among its membership. All transaction decisions follow standard policies and procedures including those covering conflict of interest.

Four members of the Board of Directors and two employees also serve as Board members for not-for-profit organizations that have outstanding loans from the Community Loan Fund totaling \$5,455,746 and \$1,756,150 as of June 30, 2026 and 2025, respectively.

One employee has a family member that works for a nonprofit quasi-state government agency that had an outstanding loan from the Community Loan Fund totaling \$4,000,000 as of June 30, 2025. The loan was paid in full during fiscal year 2026. The loan is no longer active, and there was no balance outstanding as of June 30, 2026.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Notes to Consolidated Financial Statements
June 30, 2026 and 2025

14. RELATED PARTY TRANSACTIONS (Continued)

One member of the Board of Directors is a shareholder of a legal firm the Community Loan Fund does business with. The Community Loan Fund rents office space in Littleton, NH from a business that has outstanding loans from the Community Loan Fund totaling \$778,350 and \$785,669 as of June 30, 2026 and 2025, respectively.

Nine employees and three Board members have provided investments or have family members who have provided investments totaling \$188,263 and \$94,064 to the Community Loan Fund as of June 30, 2026 and 2025, respectively.

During fiscal years 2026 and 2025, the Community Loan Fund engaged in business transactions with a company owned by a current Board member. The aggregate financial transactions totaled \$2,541 and \$8,212 for fiscal years ending June 30, 2026 and 2025, respectively. They were approved by the Board of Directors in accordance with the Community Loan Fund's conflict of interest policy and New Hampshire law at RSA 7:19-a.

Board members and staff are typically donors to the Community Loan Fund. Donations and investments are accepted from employees, from individual Board members, or from organizations with which current and former employees and Board members are employed or associated. The transactions are part of the Community Loan Fund's normal course of business and are open to the public at large.

15. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

Financial assets available for general operating use, that is, without donor or other restrictions limiting their use (see Note 2), within one year of the statements of financial position date, comprise the following for fiscal years ended June 30:

	<u>2026</u>	<u>2025</u>
Cash and cash equivalents	\$ 17,610,613	\$ 11,942,497
Marketable securities	2,283,682	1,985,800
Grants, contracts and other receivables	829,838	881,040
Current portion of pledges receivable	50,000	25,000
Current portion of loans receivable	7,990,530	5,670,131
Accrued interest receivable	<u>894,875</u>	<u>879,786</u>
	29,659,538	21,384,254
Less - cash with purpose restrictions in net assets with donor restrictions	(155,457)	(159,239)
Less - pledge receivable with purpose restrictions in net assets with donor restrictions	<u>(50,000)</u>	<u>(25,000)</u>
	<u>\$ 29,454,081</u>	<u>\$ 21,200,015</u>

The Community Loan Fund's investment and cash management objectives are to carry out the Community Loan Fund's mission. Effective investment and cash management enhances the Community Loan Fund's capacity to increase access to capital for the benefit of low- and moderate-income people. Also, the Community Loan Fund seeks to manage capital judiciously. The Community Loan Fund is committed to repaying in full all investors and to preserving its capital for use in fulfilling its mission.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Notes to Consolidated Financial Statements
June 30, 2026 and 2025

15. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES (Continued)

As part of its internal cash management policies, the Community Loan Fund aims to maintain operating liquidity balances of at least three months of operating expenses. Cash exceeding short-term requirements is invested in various marketable securities, mainly Treasury and government agency instruments (see Note 3) following the parameters of a Board-approved Investment Policy. In managing its investment portfolio, the Community Loan Fund aims to minimize risk to principal and ensure compliance with all investor covenants.

The Community Loan Fund's Asset-Liability Committee (ALCO) is comprised of Senior Management. The ALCO regularly monitors the availability of resources required to manage liquidity, using a variety of reports and practices to manage assets and liabilities and to identify liquidity concerns, including a rolling six-month cash-forecasting model; a portfolio management report showing fund availability after required reserves and commitments; an eighteen-month investor maturity forecast reporting status of each followed by active engagement of investors; and other financial reports and scorecards showing indicators and ratios.

To ensure sufficient funding is available to support investor repayments, as part of a Board-approved Investor Policy, the Community Loan Fund maintains an internal liquidity reserve of at least 10% of its total outstanding unsecured senior-debt investments. This reserve may be reduced by the amount of the Community Loan Fund's available lines of credit (unsecured or real-estate backed) (see Note 9) that can be readily accessed for capital liquidity purposes.

In its Board-approved Investor Policy, the Community Loan Fund has established a maximum investment amount that can become due at any time from one investor. This amount, currently at \$6,000,000, has been set by the ALCO and may be changed from time to time by the ALCO. The policy does not prevent an investor from investing more than this amount. The investment would need to be divided between more than one maturity date, each at least one year apart, with no one maturity exceeding the maximum amount.

To supplement liquidity for mission-related financing, the Community Loan Fund currently has three committed lines of credit from different entities which it could draw upon, in the aggregate amount of \$8,156,000 as of June 30, 2026 and 2025 (see Note 9).

Another key source of liquidity includes loan sales and participation and co-lending strategies:

- **Loan Sales:** The Community Loan Fund aims to leverage its assets and recycle capital by selling loans or pools of seasoned loans from the portfolio as part of its ordinary course of business. The single-family mortgage portfolio of Welcome Home loans was designed in collaboration with local financial institutions that had interest in buying packaged, seasoned loans as part of the original Welcome Home loan recapitalization plan. To date, the Community Loan Fund has sold three separate \$500,000 pools of seasoned Welcome Home loans to local banks. Subsequently, in August 2026, the Community Loan Fund sold a fourth pool of fifty-seven seasoned Welcome Home loans totaling \$4,891,439 to a local bank at a premium.
- **Participation Strategies:** When considering large loans, especially those that are more than single loan size policies, the Community Loan Fund actively engages other organizations and individual investors in a variety of co-lending arrangements.
- **Co-Investor Strategies:** At origination, or for follow on financing, in both the Business Lending and ROC-NH product lines, the Community Loan Fund has engaged co-investors to invest directly in businesses and ROCs. These investors are available to take over some of the financing share either directly or as participants, if liquidity is needed.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Notes to Consolidated Financial Statements
June 30, 2026 and 2025

16. EMPLOYEE RETENTION TAX CREDIT

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

During fiscal year 2023, the Community Loan Fund determined that it qualified for the 2021 ERTC and 2020 ERTC in the amounts of \$643,446 and \$248,595, respectively, and, therefore, is accounting for them as conditional grants under ASC Subtopic 958-605. These grants are conditional upon certain performance requirements and the incurrence of eligible expenses. In the opinion of management, these conditions were met as of June 30, 2023. During fiscal year 2023, the Community Loan Fund received payments of \$643,446 related to the 2021 ERTC. During fiscal year 2026, the Community Loan Fund received the final \$248,595 payment related to the 2020 ERTC, which had been included in grants, contracts and other receivables as of June 30, 2025. No ERTC receivable remained outstanding as of June 30, 2026.

17. MORTGAGE SERVICES AGREEMENT

The Community Loan Fund has a loan servicing agreement with a company to service and maintain a portion of its loan portfolio through January 10, 2029. The term automatically renews annually unless the Community Loan Fund or the company elects to terminate the agreement. Under the terms of the agreement, the company receives a monthly service fee for each loan, a fee for setting up new loans, and fees related to monthly reports related to the portfolio. The total compensation to the company under this agreement was \$135,731 and \$127,163 for the years ended June 30, 2026 and 2025, respectively, and is included in administrative services in the accompanying consolidated statements of functional expenses. Servicing for each loan includes, but is not limited to, monthly billing, borrower consumer portal access, annual escrow analysis, delinquency management, foreclosure services, and OREO property management.

18. USDA GRANT ADMINISTRATION

In May 2023, the Community Loan Fund signed cooperative agreements with USDA's Agricultural Marketing Services (AMS) and Rural Development (RD) agencies to help administer \$186,705,000 in pass through grants over six years (2024 through 2029) for two nationwide grant programs: AMS's Local Meat Capacity Grant Program and RD's Meat and Poultry Processing Expansion Program. These regranting activities are managed under the Community Loan Fund's Sustainable Food Systems Program (SFSP). For the fiscal year ended June 30, 2026 and 2025, the Community Loan Fund disbursed \$27,601,452 and \$41,706,985 in pass through grants and received \$1,471,668 and \$3,737,636 in grant administration fees, respectively, which is included in grant administration fees in the accompanying consolidated statement of activities and changes in net assets.

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Supplemental Consolidated Statement of Financial Position
June 30, 2026
(With Summarized Comparative Totals as of June 30, 2025)

Assets	2026				2025
	Program Activities	Financing Activities	Eliminations	Total	Total
Current Assets:					
Cash and cash equivalents	\$ 1,731,294	\$ 15,879,319	\$ -	\$ 17,610,613	\$ 11,942,497
Marketable securities	300,053	1,983,629	-	2,283,682	1,985,800
Grants, contracts and other receivables	47,094	782,744	-	829,838	881,040
Current portion of pledges receivable	50,000	-	-	50,000	25,000
Interfund accounts receivable	2,122,283	-	(2,122,283)	-	-
Current portion of loans receivable, net of allowance for credit losses of \$156,570 and deferred loan fees	-	7,990,530	-	7,990,530	5,670,131
Accrued interest receivable	1,091	893,784	-	894,875	879,786
Prepaid expenses and other	210,838	411,519	-	622,357	706,610
Total current assets	4,462,653	27,941,525	(2,122,283)	30,281,895	22,090,864
Restricted Cash	-	5,583,993	-	5,583,993	5,470,490
Pledges Receivable, net of current portion	50,000	-	-	50,000	-
Loans Receivable, net of current portion, deferred loan fees, and allowance for credit loan losses of \$3,912,172	-	201,306,341	-	201,306,341	202,771,724
Program-Related Development Investment, net	-	4,292,677	-	4,292,677	3,498,318
Property and Equipment, net	3,543,979	-	-	3,543,979	3,522,514
Total assets	\$ 8,056,632	\$ 239,124,536	\$ (2,122,283)	\$ 245,058,885	\$ 237,353,910
Liabilities and Net Assets					
Current Liabilities:					
Current portion of loans payable	\$ -	\$ 24,351,376	\$ -	\$ 24,351,376	\$ 33,013,204
Accounts payable and accrued expenses	1,030,519	141,861	-	1,172,380	1,331,998
Accrued interest payable	-	1,289,577	-	1,289,577	1,347,569
Conditional advances	358,591	4,200	-	362,791	67,093
Interfund accounts payable	-	2,122,283	(2,122,283)	-	-
Total current liabilities	1,389,110	27,909,297	(2,122,283)	27,176,124	35,759,864
Long-Term Liabilities:					
Loans payable, net of current portion	-	129,732,674	-	129,732,674	116,180,214
Non-recourse participation in loans receivable	-	33,783	-	33,783	34,804
Subordinated loans payable - equity equivalent investments	-	11,600,000	-	11,600,000	11,600,000
Total liabilities	1,389,110	169,275,754	(2,122,283)	168,542,581	163,574,882
Net Assets:					
Without donor restrictions:					
Program	6,412,065	-	-	6,412,065	6,059,802
Financing	-	58,035,674	-	58,035,674	55,775,978
Total without donor restrictions	6,412,065	58,035,674	-	64,447,739	61,835,780
With donor restrictions:					
Program	137,776	-	-	137,776	66,558
Financing	-	11,813,108	-	11,813,108	11,759,009
Pass-through	117,681	-	-	117,681	117,681
Total with donor restrictions	255,457	11,813,108	-	12,068,565	11,943,248
Total net assets	6,667,522	69,848,782	-	76,516,304	73,779,028
Total liabilities and net assets	\$ 8,056,632	\$ 239,124,536	\$ (2,122,283)	\$ 245,058,885	\$ 237,353,910

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Supplemental Consolidated Statement of Financial Position
June 30, 2025

Assets	Program Activities	Financing Activities	Eliminations	Total
Current Assets:				
Cash and cash equivalents	\$ 1,516,448	\$ 10,426,049	\$ -	\$ 11,942,497
Marketable securities	-	1,985,800	-	1,985,800
Grants, contracts and other receivables	474,387	406,653	-	881,040
Pledges receivable	25,000	-	-	25,000
Interfund accounts receivable	1,624,035	-	(1,624,035)	-
Current portion of loans receivable, net of allowance for credit losses of \$125,826 and deferred loan fees	-	5,670,131	-	5,670,131
Current portion of interfund loans receivable	-	-	-	-
Accrued interest receivable	-	879,786	-	879,786
Prepaid expenses and other	219,942	486,668	-	706,610
Total current assets	3,859,812	19,855,087	(1,624,035)	22,090,864
Restricted Cash	-	5,470,490	-	5,470,490
Loans Receivable, net of current portion, deferred loan fees, and allowance for credit loan losses of \$4,415,067	-	202,771,724	-	202,771,724
Interfund Loans Receivable, net of current portion	-	-	-	-
Program-Related Development Investments, net	-	3,498,318	-	3,498,318
Property and Equipment, net	3,522,514	-	-	3,522,514
Total assets	\$ 7,382,326	\$ 231,595,619	\$ (1,624,035)	\$ 237,353,910
Liabilities and Net Assets				
Current Liabilities:				
Current portion of loans payable	\$ -	\$ 33,013,204	\$ -	\$ 33,013,204
Accounts payable and accrued expenses	1,075,392	256,606	-	1,331,998
Accrued interest payable	-	1,347,569	-	1,347,569
Conditional advances	62,893	4,200	-	67,093
Interfund accounts payable	-	1,624,035	(1,624,035)	-
Current portion of interfund loans payable	-	-	-	-
Total current liabilities	1,138,285	36,245,614	(1,624,035)	35,759,864
Long-Term Liabilities:				
Loans payable, net of current portion	-	116,180,214	-	116,180,214
Non-recourse participation in loans receivable	-	34,804	-	34,804
Interfund loans payable, net of current portion	-	-	-	-
Subordinated loans payable - equity equivalent investments	-	11,600,000	-	11,600,000
Total liabilities	1,138,285	164,060,632	(1,624,035)	163,574,882
Net Assets:				
Without donor restrictions:				
Program	6,059,802	-	-	6,059,802
Financing	-	55,775,978	-	55,775,978
Total without donor restrictions	6,059,802	55,775,978	-	61,835,780
With donor restrictions:				
Program	66,558	-	-	66,558
Financing	-	11,759,009	-	11,759,009
Pass-through	117,681	-	-	117,681
Total with donor restrictions	184,239	11,759,009	-	11,943,248
Total net assets	6,244,041	67,534,987	-	73,779,028
Total liabilities and net assets	\$ 7,382,326	\$ 231,595,619	\$ (1,624,035)	\$ 237,353,910

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Supplemental Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2026
(With Summarized Comparative Totals for the Year Ended June 30, 2025)

	2026								2025
	Without Donor Restrictions				With Donor Restrictions				Total
	Program Activities	Financing Activities	Eliminations	Total Without Donor Restrictions	Program Activities	Financing Activities	Total With Donor Restrictions	Total	
Operating Revenues:									
Earned revenue:									
Financial revenue:									
Interest on loans	\$ -	\$ 14,097,888	\$ -	\$ 14,097,888	\$ -	\$ 390,341	\$ 390,341	\$ 14,488,229	\$ 13,298,248
Investment income	98,448	607,288	-	705,736	-	219,947	219,947	925,683	1,109,826
Loan related fees	332,764	15,507	-	348,271	-	-	-	348,271	374,885
Net credit loss recovery (provision)	-	-	-	-	-	336,672	336,672	336,672	(687,235)
Recovery of (provision for) credit losses on unfunded commitments	-	-	-	-	-	-	-	-	55,507
Less - interest expense	-	(5,163,340)	-	(5,163,340)	-	(44,545)	(44,545)	(5,207,885)	(4,997,922)
Net financial revenue	431,212	9,557,343	-	9,988,555	-	902,415	902,415	10,890,970	9,153,309
Grant administration fees	1,501,259	-	-	1,501,259	-	-	-	1,501,259	3,821,756
Training and other fees	30,116	-	-	30,116	-	-	-	30,116	15,117
Program service fees	9,549,442	-	(9,549,442)	-	-	-	-	-	-
Total earned revenue	11,512,029	9,557,343	(9,549,442)	11,519,930	-	902,415	902,415	12,422,345	12,990,182
Public support:									
Grants - pass-through	27,719,847	-	-	27,719,847	-	-	-	27,719,847	41,789,888
Grants and contributions	758,263	5,300	-	763,563	125,500	174,117	299,617	1,063,180	16,057,005
Net assets released from restrictions	54,282	1,022,433	-	1,076,715	(54,282)	(1,022,433)	(1,076,715)	-	-
Less - grants passed through to others	(27,719,847)	-	-	(27,719,847)	-	-	-	(27,719,847)	(41,795,010)
Net public support	812,545	1,027,733	-	1,840,278	71,218	(848,316)	(777,098)	1,063,180	16,051,883
Total operating revenues	12,324,574	10,585,076	(9,549,442)	13,360,208	71,218	54,099	125,317	13,485,525	29,042,065
Operating Expenses:									
Program services	9,840,822	9,549,442	(9,549,442)	9,840,822	-	-	-	9,840,822	8,915,484
Management and administrative	1,229,906	-	-	1,229,906	-	-	-	1,229,906	1,063,866
Fundraising	446,484	-	-	446,484	-	-	-	446,484	476,226
Total operating expenses	11,517,212	9,549,442	(9,549,442)	11,517,212	-	-	-	11,517,212	10,455,576
Changes in net assets from operations	807,362	1,035,634	-	1,842,996	71,218	54,099	125,317	1,968,313	18,586,489
Non-Operating Revenue (Expense):									
Share of income (loss) from program-related development investment	-	794,359	-	794,359	-	-	-	794,359	(1,469,634)
Net realized and unrealized loss on investments	(5,099)	(20,297)	-	(25,396)	-	-	-	(25,396)	(160,466)
Total non-operating revenue (expense)	(5,099)	774,062	-	768,963	-	-	-	768,963	(1,630,100)
Total changes in net assets	802,263	1,809,696	-	2,611,959	71,218	54,099	125,317	2,737,276	16,956,389
Net Assets:									
Beginning of year	6,059,802	55,775,978	-	61,835,780	184,239	11,759,009	11,943,248	73,779,028	56,822,639
Net asset transfer	(450,000)	450,000	-	-	-	-	-	-	-
End of year	\$ 6,412,065	\$ 58,035,674	\$ -	\$ 64,447,739	\$ 255,457	\$ 11,813,108	\$ 12,068,565	\$ 76,516,304	\$ 73,779,028

NEW HAMPSHIRE COMMUNITY LOAN FUND, INC. AND AFFILIATE

Supplemental Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2025

	Without Donor Restrictions				With Donor Restrictions			
	Program Activities	Financing Activities	Eliminations	Total Without Donor Restrictions	Program Activities	Financing Activities	Total With Donor Restrictions	Total
Operating Revenues:								
Earned revenue:								
Financial revenue:								
Interest on loans	\$ -	\$ 13,051,396	\$ (76,245)	\$ 12,975,151	\$ -	\$ 323,097	\$ 323,097	\$ 13,298,248
Investment income	48,972	843,971	-	892,943	-	216,883	216,883	1,109,826
Loan related fees	366,818	8,067	-	374,885	-	-	-	374,885
Net credit loss (provision) recovery	-	(662,389)	-	(662,389)	-	(24,846)	(24,846)	(687,235)
Provision for credit losses on unfunded commitments	-	-	-	-	-	55,507	55,507	55,507
Less - interest expense	(76,244)	(4,937,878)	76,245	(4,937,877)	-	(60,045)	(60,045)	(4,997,922)
Net financial revenue	339,546	8,303,167	-	8,642,713	-	510,596	510,596	9,153,309
Grant administration fees	3,821,756	-	-	3,821,756	-	-	-	3,821,756
Training and other fees	15,117	-	-	15,117	-	-	-	15,117
Program service fees	8,958,426	-	(8,958,426)	-	-	-	-	-
Total earned revenue	13,134,845	8,303,167	(8,958,426)	12,479,586	-	510,596	510,596	12,990,182
Public support:								
Grants - pass-through	41,789,888	-	-	41,789,888	-	-	-	41,789,888
Grants and contributions	685,056	15,281,148	-	15,966,204	50,900	39,901	90,801	16,057,005
Net assets released from restrictions	150,900	960,500	-	1,111,400	(150,900)	(960,500)	(1,111,400)	-
Net assets released from restrictions - pass-through	5,122	-	-	5,122	(5,122)	-	(5,122)	-
Less - grants passed through to others	(41,795,010)	-	-	(41,795,010)	-	-	-	(41,795,010)
Net public support	835,956	16,241,648	-	17,077,604	(105,122)	(920,599)	(1,025,721)	16,051,883
Total operating revenues	13,970,801	24,544,815	(8,958,426)	29,557,190	(105,122)	(410,003)	(515,125)	29,042,065
Operating Expenses:								
Program services	8,915,484	8,958,426	(8,958,426)	8,915,484	-	-	-	8,915,484
Management and administrative	1,063,866	-	-	1,063,866	-	-	-	1,063,866
Fundraising	476,226	-	-	476,226	-	-	-	476,226
Total operating expenses	10,455,576	8,958,426	(8,958,426)	10,455,576	-	-	-	10,455,576
Changes in net assets from operations	3,515,225	15,586,389	-	19,101,614	(105,122)	(410,003)	(515,125)	18,586,489
Non-Operating Revenue (Expense):								
Share of income from program-related development investments	-	(1,469,634)	-	(1,469,634)	-	-	-	(1,469,634)
Net realized and unrealized loss on investments	-	(160,466)	-	(160,466)	-	-	-	(160,466)
Total non-operating revenue (expense)	-	(1,630,100)	-	(1,630,100)	-	-	-	(1,630,100)
Total changes in net assets	3,515,225	13,956,289	-	17,471,514	(105,122)	(410,003)	(515,125)	16,956,389
Net Assets:								
Beginning of year	5,844,577	38,519,689	-	44,364,266	289,361	12,169,012	12,458,373	56,822,639
Net asset transfer	(3,300,000)	3,300,000	-	-	-	-	-	-
End of year	\$ 6,059,802	\$ 55,775,978	\$ -	\$ 61,835,780	\$ 184,239	\$ 11,759,009	\$ 11,943,248	\$ 73,779,028